



AGENDA

**FOR FINANCE AND CORPORATE SERVICES COMMITTEE MEETING TO BE
HELD ON**

**17 APRIL 2023 AT CONCLUSION OF THE POLICY AND PLANNING
COMMITTEE**

**IN LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,
34 CHURCH STREET, SALISBURY**

MEMBERS

Cr B Brug (Chairman)
Mayor G Aldridge
Cr G Bawden
Cr L Brug (Deputy Chairman)
Deputy Mayor, Cr C Buchanan
Cr S Burner
Cr J Chewparsad
Cr A Graham
Cr K Grenfell
Cr D Hood
Cr P Jensen
Cr M Mazzeo
Cr S McKell
Cr S Ouk
Cr S Reardon

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
General Manager City Infrastructure, Mr J Devine
General Manager Community Development, Mrs A Pokoney Cramey
General Manager City Development, Ms M English
Manager Governance, Mr R Deco
Governance Support Officer, Ms K Boyd

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Finance and Corporate Services Committee Meeting held on 20 March 2023.

REPORTS

Administration

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For Decision

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For Information

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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)

ORDERS TO EXCLUDE THE PUBLIC

2.4.1 Update on Action on Rates Assessment Outstanding under Section 184 of the Local Government Act 1999

Recommendation

Pursuant to section 83(5) of the *Local Government Act 1999* the Committee orders this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on grounds that:

1. *Pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*

*On that basis the public's interest is best served by not disclosing the **Update on Action on Rates Assessment Outstanding under Section 184 of the Local Government Act 1999** item and discussion at this point in time.*
3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

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

20 MARCH 2023

MEMBERS PRESENT

Cr B Brug (Chairman)
Cr L Brug (Deputy Chairman)
Deputy Mayor, Cr C Buchanan
Cr J Chewparsad
Cr A Graham
Cr K Grenfell
Cr D Hood
Cr P Jensen
Cr M Mazzeo
Cr S McKell
Cr S Ouk
Cr S Reardon (*via Teams VC*)

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
General Manager City Infrastructure, Mr J Devine
A/General Manager Community Development, Ms V Haracic
General Manager City Development, Ms M English
Manager Governance, Mr R Deco
Team Leader Council Governance, Ms J O'Keefe-Craig
Governance Support Officer, Ms K Boyd

The meeting commenced at 7.11 pm.

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

APOLOGIES

Apologies were received from Mayor G Aldridge.

ABSENT

Cr S Burner and Cr G Bawden

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr L Brug
Seconded Cr P Jensen

The Minutes of the Finance and Corporate Services Committee Meeting held on 20 February 2023, be taken as read and confirmed.

CARRIED
UNANIMOUSLY

REPORTS

Administration

2.0.1 Future Reports for the Finance and Corporate Services Committee

Moved Cr D Hood
Seconded Cr K Grenfell

That Council:

1. Notes the report.

CARRIED
UNANIMOUSLY

For Decision

2.1.1 Salisbury Memorial Park Budget 2023/24 Report

Moved Cr C Buchanan
Seconded Cr S McKell

That Council:

1. Approves the Salisbury Memorial Park 2023/24 Budget and fees and charges as included in Attachment 1 (Finance and Corporate Services Committee, 20 March 2023, Item No. 2.1.1) for consideration in the 2023/24 Council Budget.
2. Authorises the General Manager Community Development to vary fees up to a maximum of \$300 (+/-) on the approved Salisbury Memorial Park fee schedule for special circumstances at discretion.

CARRIED
UNANIMOUSLY

2.1.2 Building Rules Certification Unit Budget 2023/24 Report

Moved Cr C Buchanan
Seconded Cr P Jensen

That Council:

1. Approves the Building Rules Certification Unit 2023/24 Budget for consideration in the 2023/24 Council Budget.

CARRIED
UNANIMOUSLY

2.1.3 Salisbury Water Budget 2023/24 Report

Moved Cr K Grenfell
Seconded Cr S McKell

That Council:

1. Approves the Salisbury Water 2023/24 budget, including budget bids, fees and charges and the water pricing policy as included in Attachment 1 (Finance and Corporate Services Committee, 20 March 2023, Item No. 2.1.3) for consideration in the 2023/24 Council Budget.

CARRIED
UNANIMOUSLY

2.1.4 Budget Workshops Actions Update

Moved Cr S McKell
Seconded Cr D Hood

That Council:

1. Notes the actions and responses provided at paragraphs 3.3 and 3.4.
2. Approves that a future report detailing the program of works for 2023/24 and 2024/25 funded through budget bids TRR001053 SAMP Bituminous Footpath Service Continuity Program and TRR001055 SAMP Road Reseal Service Continuity Program be added to the Urban Services Committee with a planned reporting date of July 2023.

CARRIED
UNANIMOUSLY

2.1.5 Financial Reserve Policies Review

Moved Cr C Buchanan

Seconded Cr S McKell

That Council:

1. Adopts the Open Space Reserve Fund Policy as set out in attachment 1 to this report (Item No. 2.1.5, Finance and Corporate Services Committee 20/03/2023).
2. Adopts the Business Unit Reserve Policy as set out in attachment 2 to this report (Item No. 2.1.5, Finance and Corporate Services Committee 20/03/2023).
3. Adopts the Business Transformation Future Fund Policy as set out in attachment 3 to this report (Item No. 2.1.5, Finance and Corporate Services Committee 20/03/2023)
4. Adopts the Northern Futures Fund Policy as set out in Attachment 4 to this report (Item No. 2.1.5, Finance and Corporate Services Committee 20/03/2023)

CARRIED
UNANIMOUSLY

2.1.6 Budget Bids 2023/24

Moved Cr C Buchanan

Seconded Cr K Grenfell

That Council:

1. Approves the timing of the budgeted capital expenditure for PSN001017 Time Bound Program: Dog Parks for Small Dogs (Attachment 2):
Option 1: Bring forward capital expenditure budget for Unity Park Pooraka to year 2023/24;
2. Approves the timing of the budgeted capital expenditure for PSR001024 SAMP: Dog Park Continuity Program (Attachment 3):
Option 2: Bring forward capital expenditure budget from 2024/25 to 2023/24 and provide annual renewal expenditure;
3. Approves the retention of Elected Member Bid DWN001132: New Drainage Networks (Attachment 4) in its current form pending Report to Urban Services Committee planned for March or April 2023.
4. Considers the following bids that are above current service levels and/or currently not funded through existing programs, which were discussed by Council at the CEO Briefing and Budget Workshop 2:
 - a. PSN000960 Elected Member Bid: Seniors Outdoor Exercise Equipment (Attachment 5)
Option 1: Remove the bid from further budget considerations;

- b. PSN001133 Elected Member Bid: Model Yacht Club Terrace Area (Attachment 6)
Option 1: Remove the bid from further budget considerations;
 - c. PSN001136 Elected Member Bid: Lighting at Jacaranda Grove (Attachment 7)
Option 3: Additional budget funding be provided.
 - d. Defer PSN001137 Elected Member Bid: Playground Shade – Heron Reserve, Parafield Gardens to the Asset Management Sub-Committee for further consideration
 - e. Defer PSN00138 Elected Member Bid: New BBQ, Playground Shade and Toilet – Baltimore Reserve to the Asset Management Sub-Committee for further consideration
5. Approves the removal of budget bid OPN001106: Local Heritage Review (Attachment 10) in accordance with item WS2-4 of the Elected Member Second Budget Workshop, and a report listing the potential heritage sites be provided to Council for review and input.
6. Approves the four-year program subject to further information being provided as noted in Item 2.1.4, Budget Workshop Actions Update.
 - Infrastructure Bids: net capital \$36,300,000 and operating \$1,301,000
 - Plant Furniture and Equipment Bids: net capital \$2,143,000
 - Operating Bids: operating \$919,000
 - IT Bids: net capital \$784,000 and operating \$135,000

which will be updated following Council decision in relation to parts 1 to 5 of this recommendation and noting that three (3) bids subject to a confidential report of Council are not included in these expenditure estimates.

CARRIED
UNANIMOUSLY

2.2.1 Rate Rebate Policy and Endorsement of Discretionary Rebates for 2023/24 and 2024/25

Moved Cr C Buchanan
Seconded Cr K Grenfell

That Council:

1. Approves Discretionary rebates be provided for 2023/24 and 2024/25 as follows:
 - a. Meals on Wheels 25% discretionary rate rebate (noting that total rebate is 100%, given 75% mandatory rate rebate is required)
 - b. John Street Salisbury Pty Ltd (Northern Volunteering SA Inc) 100% discretionary rate rebate
 - c. SA Water (St Kilda Tram Museum Depot) 100% discretionary rate rebate
 - d. Military Vehicle Preservation Society of SA Inc (National Military Vehicle Museum) 100% discretionary rebate
 - e. Australian Migrant Resource Centre 75% discretionary rate rebate and 75% Salisbury City Centre Business Association Separate rate
 - f. Marra Murrangga Kumangka Inc 75% discretionary rate rebate
2. Adopts the Rate Rebate Policy as set out in Attachment 1 to this report (Finance and Corporate Services Committee 20/02/2023, Item No. 2.2.1).
3. Requests that staff bring back further information to the March 2023 Council meeting regarding the Wat Khmer Santipheap Association (Burton Temple) in regards to what rebates they receive or are eligible for.

CARRIED
UNANIMOUSLY

2.2.2 Draft Sustainability Strategy - Budget considerations

Moved Cr L Brug
Seconded Cr P Jensen

That Council:

1. Notes the information in this report and that any subsequent changes to the budget will be undertaken as part of the 2023/24 budget considerations.

CARRIED
UNANIMOUSLY

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)

There were no Other Business items.

ORDER TO EXCLUDE THE PUBLIC

2.4.1 Budget Bids 2023/24 - Confidential Items

Moved Cr A Graham
 Seconded Cr K Grenfell

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if the Committee so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on grounds that:

1. *Pursuant to Section 90(2) and (3)(b)(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 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.

2. *In weighing up the factors related to disclosure,*

- disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations

*On that basis the public's interest is best served by not disclosing the **Budget Bids 2023/24 - Confidential Items** item and discussion at this point in time.*

3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Committee orders that all members of the public, except staff of the City of Salisbury on duty in attendance, Chief Executive Officer, General Manager Business Excellence, General Manager City Infrastructure, General Manager Community Development, General Manager City Development, Manager Governance, Team Leader Council Governance, Governance Support Officer be excluded from attendance at the meeting for this Agenda Item.*

CARRIED

The meeting moved into confidence at 7.55 pm.

The meeting moved out of confidence and closed at 7.56 pm.

CHAIRMAN.....

DATE.....

ITEM	2.0.1
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	17 April 2023
HEADING	Future Reports for the Finance and Corporate Services Committee
AUTHOR	PA to General Manager Business Excellence, Business Excellence
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 Finance and Corporate Services 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.

RECOMMENDATIONThat 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 Finance and Corporate Services Committee as a result of a Council resolution.

Meeting Item	- Heading and Resolution	Officer
27/06/2022 4.1.10	New Grant funding for Infrastructure Projects 5. Authorises the Chief Executive Officer to distribute the \$1.1M across the grant related projects stated in paragraphs 4.2.2 and 4.2.4 of the report (Item 4.1.10 – New Grant Funding for Infrastructure Projects – Urban Services Committee, 20 June 2022) with these allocations to be summarised within the following Quarterly Budget.	Christy Martin
Due:	February 2024	

4. CONCLUSION / PROPOSAL

- 4.1 Future reports for the Finance and Corporate Services Committee have been reviewed and are presented for noting.

ITEM	2.1.1
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	17 April 2023
HEADING	Public Awareness - Rates Notice Information
AUTHOR	Team Leader Revenue, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This report is to consider public awareness information to be displayed on the back of rates notices and associated envelopes.

RECOMMENDATION

That Council:

1. Notes that Administration coordinates and displays timely and relevant public awareness messages on rates notices and envelopes that are informative to our ratepayers, with the focus for 2023/24 being:

Quarter 1 – Notification of State Government changes to Regional Landscape Levy.

NAWMA insert – Calendar for Bin collection (will be a separate insert).

Quarter 2, 3 and 4 – to be used to further promote Council's vision of being a progressive, sustainable and connected community. Potential topics could include (but not limited to) are Major Projects (e.g. the opening of the Salisbury Aquatic Centre), Community Wellbeing programs and services and the introduction of the new Customer Request Management system.

ATTACHMENTS

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

1. Example Rates Notice Banner 2022/23
2. Example Rates Notice Banner 2021/22

1. BACKGROUND

- 1.1 Historically, senior rates staff have annually reviewed the rates notice to ensure that it continues to meet legislative requirements, is informative for ratepayers and is easy to interpret and read.
- 1.2 In the past the rates staff have utilised the space at the bottom on the back of the rates notice to advertise and promote payment options, Council Elections, Council's objection to the collection of the Regional Landscape Levy, COVID measures, major projects and rate capping. Where appropriate promotion has also been included on the back of envelopes in shorter format, and website banners, email banners, and other communication streams.

2. CONSULTATION / COMMUNICATION

Internal

2.1 Acting Manager Community Experience and Relationships

3. REPORT

- 3.1 Historically rates staff have utilised the banner space on the rates notice and the back of the envelopes to communicate about various topical issues.
- 3.2 Quarter 1 notices will be distributed early July and is relevant timing to inform ratepayers of the increases to the Regional Landscape Levy required by the State Government.
- 3.3 The following 3 quarterly rates notices will be utilised to promote major projects, and Community Wellbeing programs and services. Potential promotions include the opening of the Salisbury Aquatic Centre and the introduction of the new Customer Request Management system, and other key services and programs that align with Council's vision of being a progressive, sustainable and connected community.
- 3.4 The rates team will develop these public awareness messages in liaison with relevant Council administration, and it is important to note that should an urgent issue arise that the planned promotion may be changed at late notice.

4. CONCLUSION / PROPOSAL

- 4.1 Rates notice banner will be utilized to promote major projects, and Community Wellbeing programs and services. Potential promotions include the opening of the Salisbury Aquatic Centre and the introduction of the new Customer Request Management system, and other key services and programs that align with Council's vision of being a progressive, sustainable and connected community. Quarter 1 notice will be used to highlight the increase to the State Government Regional Landscape Levy and also include NAWMA insert – Calendar for Bin Collection.



Church and John Streets Revitalisation Project is an investment in *improving community wellbeing and safety*

- A fresh, new environment for the community
- Enhanced safety standards for both pedestrians and driver with improved lighting
- No loss of available car parking
- New installation of public art and laneway activation

Visual street view concept of John Street

City of Salisbury

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Exciting new projects that are currently underway or commencing soon

- Happy Home Reserve, Salisbury North, new Salisbury Aquatic Centre, Coming in 2023
- John Street and Church Street, Salisbury, City Centre Revitalisation, upgrade to roadways, parking, landscaping and installation of Smart City initiatives, \$9m
- Paddocks, Para Hills West, new playspace, fitness loop and dog park for small dogs, \$1.2M
- Reg Groth Reserve, Parafield Gardens, Community Soccer Clubrooms renewal, \$1.1M
- Davey Oval, Salisbury East, reserve irrigation and sports field lighting upgrade, \$320k
- Redhill Road, Ingle Farm, traffic improvement initiatives, \$250k



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ITEM	2.1.2
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	17 April 2023
HEADING	Higher Value Property Review
AUTHOR	Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report provides details of the Higher Property Rate Remission that has been in place for a number of years, and reviews the parameters for the remission for the 2023/24 Budget year for inclusion in the 2023/24 Draft Long Term Financial Plan and Annual Business Plan for public consultation.

RECOMMENDATION

That Council:

- Approves for the Higher Property Value Rate Remission for 2023/24 for public consultation purposes and included in the Draft Long Term Financial Plan and Annual Business Plan be set on the following basis and applying to residential properties only:

Either:

OPTION 1 – Market Movement

Tier	Value Range	Rate Adjustment
1	0- \$716,000	0%
2	\$716,001 - \$792,000	10% reduction in the general rates payable on the value above \$716,000 up to and including \$792,000
3	\$792,001 - \$956,000	15% reduction in the general rates payable on the value above \$792,000 up to and including \$956,000
4	>\$956,000	35% reduction in the general rates payable on the value above \$956,000

OR

OPTION 2 – Improved Comparability

Tier	Value Range	Rate Adjustment
1	0- \$700,000	0%
2	\$700,001 - \$780,000	10% reduction in the general rates payable on the value above \$700,000 up to and including \$780,000
3	\$780,001 - \$900,000	20% reduction in the general rates payable on the value above \$780,000 up to and including \$900,000
4	>\$900,000	35% reduction in the general rates payable on the value above \$900,000

With the following exclusions for either option:

- Multiple Dwellings (noting that House and Granny Flat will continue to receive the remission)
- Dwelling(s) + Commercial Undertaking
- Properties entitled to a mandatory rebate.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 For many years Council has recognised that higher value residential properties are subject to unreasonably high rates compared to similar properties in other councils. This has been due to the relatively low average values of property in Salisbury compared to some other local government areas.
- 1.2 In order to address this problem and to ensure that there is a proper mix of development within the City, Council has provided a rate remission for residential properties above a certain value.

2. CONSULTATION / COMMUNICATION

2.1 External

The Higher Property Value Rate Remission (HPVRR) forms part of the rating strategy included in the Draft Long Term Financial Plan and Annual Business which will be available for Public Consultation during May 2023.

3. REPORT

- 3.1 The rate policy incorporates a system of tiered alterations to rates on high valued residential properties. In 2022/23 the tier adjustments were set at the level as per Table 1 below:

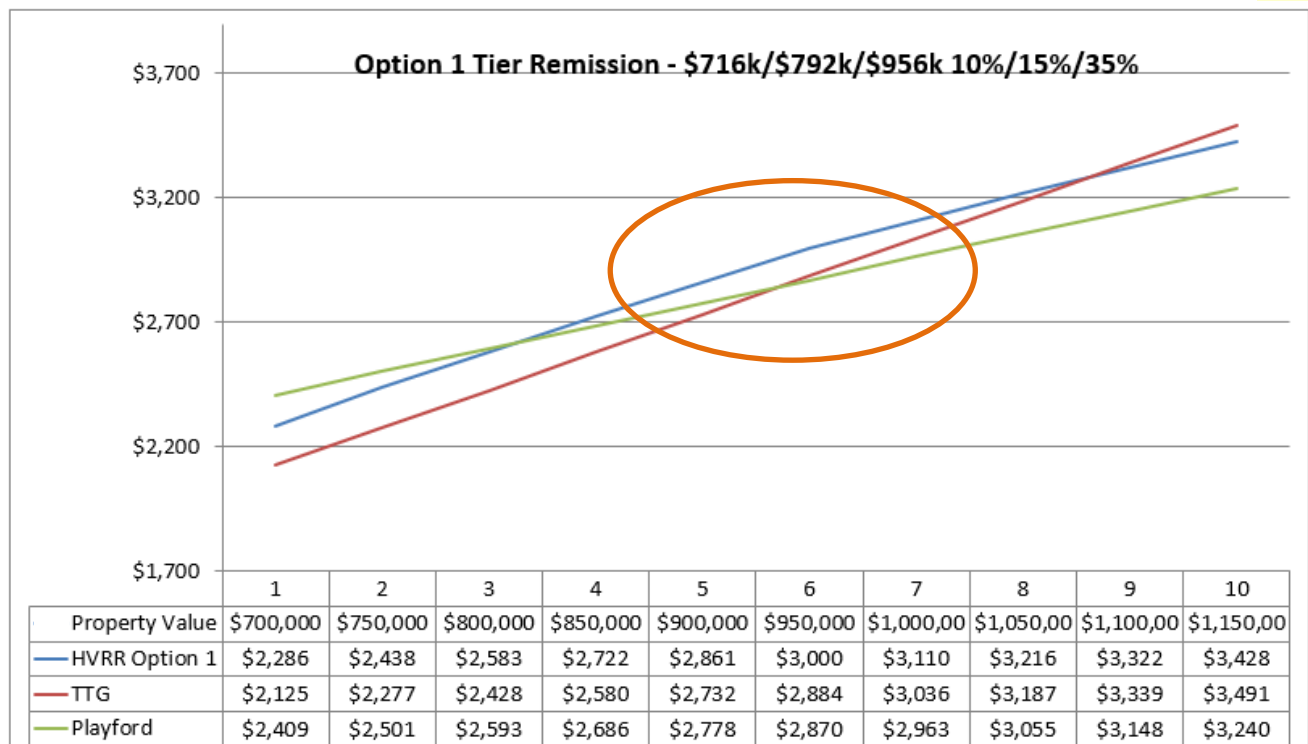
Table 1 - HPVRR 2022/23		
Tier	Value Range	Rate Adjustment
1	0- \$610,000	0%
2	\$610,001 - \$675,000	10% reduction in the general rates payable on the value above \$610,000 up to and including \$675,000
3	\$675,001 - \$814,000	15% reduction in the general rates payable on the value above \$675,000 up to and including \$814,000
4	>\$814,000	35% reduction in the general rates payable on the value above \$814,000

- 3.2 As property values typically increase each year due to market movements, over time more and more properties will receive the HPVRR. To remove this bracket creep, it is appropriate to increase the value ranges each year. In addition, this will assist in containing the cost of the remission.

- 3.3 Adjusting the value ranges for the tiered remissions by the average market movement of 17.4% results in the proposed tiers detailed in Table 2 below:

Table 2 – Option 1 HPVRR 2023/24 – Market Movement		
Tier	Value Range	Rate Adjustment
1	0- \$716,000	0%
2	\$716,001 - \$792,000	10% reduction in the general rates payable on the value above \$716,000 up to and including \$792,000
3	\$792,001 - \$956,000	15% reduction in the general rates payable on the value above \$792,000 up to and including \$956,000
4	>\$956,000	35% reduction in the general rates payable on the value above \$956,000

- 3.4 The cost of this scenario is comparable to 2022/23, however, the results of this scenario potentially increase the difference between City of Salisbury and neighbouring council rates for higher value properties, which is illustrated by the graph below, and the region circled in orange:

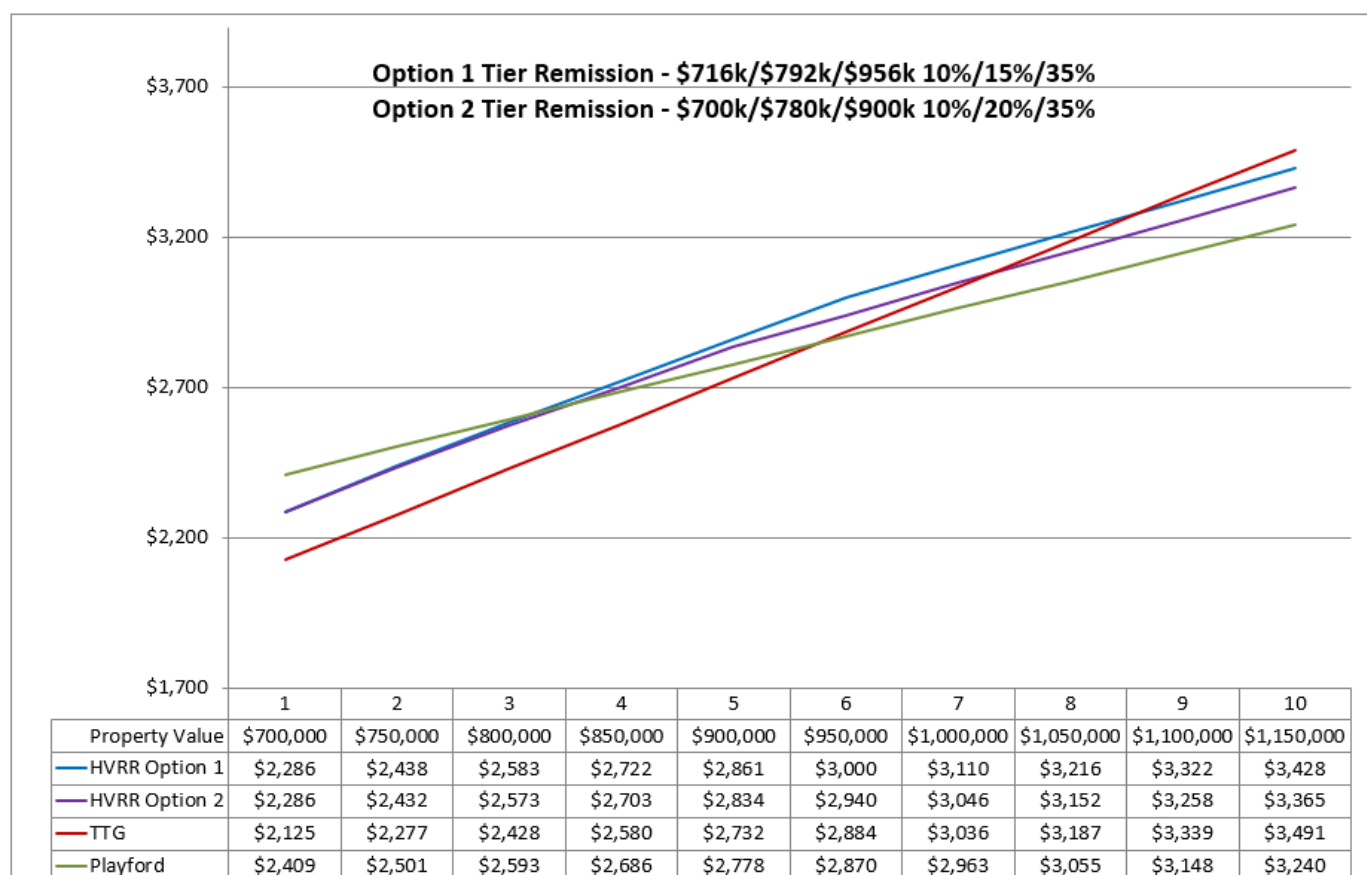


- 3.5 The City of Salisbury rates have historically sat above both Tea Tree Gully and Playford in the circled orange region, but in prior years the difference was smaller. To address this an alternative scenario is provided for consideration:

Table 3 – Option 2 HPVRR 2023/24 – Improved Comparability		
Tier	Value Range	Rate Adjustment
1	0- \$700,000	0%
2	\$700,001 - \$780,000	10% reduction in the general rates payable on the value above \$700,000 up to and including \$780,000
3	\$780,001 - \$900,000	20% reduction in the general rates payable on the value above \$780,000 up to and including \$900,000
4	>\$900,000	35% reduction in the general rates payable on the value above \$900,000

- 3.6 In addition to the adjustment to tiers, the reduction of tier 3 has been increased from 15% to 20%. The cost of this option is approximately \$100k more than Option 1, but improves the comparability of rates on properties with neighbouring councils, which is the intent of the remission, and is detailed below in the table and graph.

2023/24 OPTION 1 -\$716k/ \$792k/\$956k & 10%/15%/35%					
2023/24 OPTION 1 -\$700k/ \$780k/\$900k & 10%/20%/35%					
Higher Value Property Rebate - Impact on Sample Property Values					
Property Value	2023/24 Salisbury	2023/24 Salisbury	2023/24 Salisbury	TTG	Playford
	No Remission	HVRR Option 1	HVRR Option 2		
Rate in \$*	0.003265	2022/23 Rate in the Dollar: 2022/23 Fixed Charge: Assumed Rate Increase:		0.002837 \$0 7.0%	0.001726 \$1,043 7.0%
\$700,000	\$2,286	\$2,286	\$2,286	\$2,125	\$2,409
\$750,000	\$2,449	\$2,438	\$2,432	\$2,277	\$2,501
\$800,000	\$2,612	\$2,583	\$2,573	\$2,428	\$2,593
\$850,000	\$2,775	\$2,722	\$2,703	\$2,580	\$2,686
\$900,000	\$2,939	\$2,861	\$2,834	\$2,732	\$2,778
\$950,000	\$3,102	\$3,000	\$2,940	\$2,884	\$2,870
\$1,000,000	\$3,265	\$3,110	\$3,046	\$3,036	\$2,963
\$1,050,000	\$3,428	\$3,216	\$3,152	\$3,187	\$3,055
\$1,100,000	\$3,592	\$3,322	\$3,258	\$3,339	\$3,148
\$1,150,000	\$3,755	\$3,428	\$3,365	\$3,491	\$3,240
* NB TTG & Playford rate in the dollar for 2022/23 discounted by the same market movement as CoS, increased by 3.9% to provide approx 2023/24 rates.					



3.7 The impact on a range of property values provided above is compared with those in Tea Tree Gully and Playford (assuming a 2023/24 rate increase of 7.0% in those Councils and same level of market movement).

3.8 The table below illustrates the cost and number of properties that will benefit in 2023/24 under both options compared to the 2022/23 year

	2022/23 \$610k/\$675k/\$814k	2023/24 Option 1 \$716k/\$792k/\$956k 10%/15%/35%	Increase	2023/24 Option 2 \$700k/\$780k/\$900k 10%/20%/35%	Increase / (Decrease)
Cost	\$341k	\$353k	\$12k	\$454k	\$113k
No of properties	4,412	4,004	(408)	4,238	(174)

It should be noted that as the Valuer General values properties in \$5k bands, it is very difficult to ensure exactly the same number of properties will benefit

3.9 As background, during the 2018/19 budget deliberations Council resolved that the then 2 tier remission be expanded to include a third tier, which was at a lower property value, to provide relief to these home owners as well. This meant that we moved from tiers of \$490k 15% and \$595k 35% with a cost of \$277k in 2017/18, to \$450k 10%, \$500k 15%, and \$605k 35% with a cost of \$343k in 2018/19.

3.10 The current draft budget papers provide \$400k for the HVR scheme, and depending on the decision of council there will be a relatively minor adjustment required.

4. CONCLUSION / PROPOSAL

- 4.1 The HVRR proposed strikes a balance between providing relief to those owning higher value property, whilst ensuring that the remission remains affordable.
- 4.2 There has been extensive review of property valuation data to determine the proposed level of the HVRR tiers to maintain relativity to prior year, and consider the market movement for the respective tiers.

ITEM	2.1.3 FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	17 April 2023
HEADING	Budget Status Update
AUTHORS	Senior Management Accountant, Business Excellence Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This report seeks Council's consideration and approval of the Budget Bids, Budget and Long Term Financial Plan for inclusion in the Draft 2023/24 Long Term Financial Plan and Annual Business Plan for community consultation.

RECOMMENDATIONThat Council:

1. Notes the Budget Status Update, and the inclusion of:
 - a. A contingency amount of \$500k provided in the 2023/24 budget to cater for increases in contract renewal increases and authorises the CEO to allocate these funds as required with subsequent reporting in the respective quarterly budget review.
 - b. Expenditure of \$500k in the Consolidated Summary for a CONFIDENTIAL ITEM which is the subject of an April 2023 Council report for consideration and which will form a future budget bid should the item be approved by Council, noting that financial impacts of this item will be amended as detailed in para 3.5 of this report (Finance and Corporate Services Committee, 17 April 2023 Item 2.1.2).
 - c. Various amendments made to the operating budget as detailed in Attachment 2 of this report, (Finance and Corporate Services Committee, 17 April 2023, Item 2.1.2).
2. Approves for inclusion in the Draft 2023/24 Long Term Financial Plan and Annual Business Plan for public consultation the four-year Budget Bid Program as per Attachment 3 to this report (Finance and Corporate Services Committee, 17 April 2023 Item 2.1.2), which is inclusive of parts 3 to 6 of this recommendation, with 2023/24 net expenditure totalling:

	Capital Expenditure	Operating Expenditure
Infrastructure	\$35,967,300	\$1,265,000
Information Technology	\$784,200	\$134,600
Plant, Furniture and Equipment	\$2,143,000	\$0
Operating	\$0	\$882,100
Total	\$38,894,500	\$2,281,700

3. Notes the following changes to Operating Budget Bids:
 - OPN001106 Local Heritage Review \$20k be deferred as per Council Resolution 0175/2023, March 2023 noting that a report titled *Thematic Heritage Study – Stage 2 Item Identification* was provided to Council in March 2023.
 - OPN001141 CONFIDENTIAL ITEM expenditure increased \$37k and income increased \$54k following review and update of this item (Attachment 4 and paragraph 3.8.1).
4. Notes the following changes to Infrastructure Budget Bids:
 - PSN001017 Time Bound Program: Dog Parks for Small Dogs Unity Park Pooraka \$84k - brought forward from 2024/25 to 2023/24 as per Council Resolution 0175/2023, March 2023 (Attachment 5 and Paragraph 3.13.1).
 - PSR001024 SAMP Dog Park Continuity Program \$138k brought forward from 2024/25 to 2023/24 and annual budgets for years 2 \$120k and 3 \$123 added as per Council Resolution 0175/2023, March 2023 (Attachment 6 and Paragraph 3.13.2).
 - STN001125 CONFIDENTIAL ITEM capital expenditure reduced \$110k and operating component income reduced \$85k following finalisation of review and analysis of this item (Attachment 7 and Paragraph 3.11.1).
 - STN001142 CONFIDENTIAL ITEM operating component expenditure reduced \$121k following finalisation of review and analysis of this item (Attachment 8 and Paragraph 3.11.2).
5. Notes the following Infrastructure Bids have been removed from the 2023/24 budget:
 - PSN0000960 ELECTED MEMBER BID: Seniors Outdoor Exercise Equipment capital \$80k - removed as per Council Resolution 0175/2023, March 2023 (Paragraph 3.12.1).
 - PSN001133 - ELECTED MEMBER BID: Model Yacht Club Terrace Area capital \$40k - removed as per Council Resolution 0175/2023, March 2023 (Paragraph 3.12.2).
 - PSN001137 - ELECTED MEMBER BID: Playground Shade Heron Reserve, Parafield Gardens capital \$80k - removed as per Council Resolution 0175/2023 (Paragraph 3.12.3).
 - PSN001138 - ELECTED MEMBER BID: New BBQ, Playground Shade & Toilet - Baltimore Reserve capital \$245k - removed as per Council Resolution 0175/2023, March 2023 (Paragraph 3.12.4).

6. Approves the amendment of Information Technology bid ITN0001069 IT Asset Renewal 2023/24 as detailed in paragraph 3.15.1 of this report to be incorporated into the 2023/24 Long Term Financial Plan and Annual Business Plan for Public Consultation.
7. Approves the following reports be added to the appropriate Committee Future Reports:
 - City Infrastructure to prepare a report for the Urban Services Committee detailing the program of works provided in budget bids TRR001053 SAMP Bituminous Footpath Service Continuity Program and TRR001055 SAMP Road Reseal Service Continuity Program for the 2023/24 and 2024/25 financial years.
 - City Infrastructure to prepare a report for the Finance and Corporate Services Committee addressing fleet vehicles, including manager vehicles, and the potential to transition to Hybrid and Electric alternatives.

ATTACHMENTS

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

1. 2023/24 Consolidated Summary
2. 2023/24 Consolidated Summary Adjustments
3. 2023/24 Budget Bid Schedule
4. Budget Bid OPN001141 CONFIDENTIAL
5. Budget Bid PSN001017 Time Bound Program: Dog Parks for Small Dogs
6. Budget Bid PSR001024 SAMP: Dog Park Service Continuity Program
7. Budget Bid STN001125 CONFIDENTIAL
8. Budget Bid STN001142 CONFIDENTIAL

1. BACKGROUND

- 1.1 The Consolidated Summary is updated throughout the budget process to transparently report changes in the financial status of the budget. The Consolidated Summary was first distributed to Elected Members at the third budget workshop held on 29 March 2023. A further updated Consolidated Summary is included as Attachment 1 to this report.
- 1.2 Attachment 2, 2023/24 Consolidated Summary Adjustments, details the changes that have been made to the budget since the third budget workshop.
- 1.3 Council have been briefed on Budget Bids during the Budget workshops held 1 and 8 March 2023 and at the CEO Briefing held 6 March 2023. Bids were formally considered at the Finance and Corporate Services Committee meeting 20 March 2023, with resolutions to have Budget Bids further considered for inclusion in the Draft 2023/24 Long Term Financial Plan and Annual Business Plan (LTFP&ABP).
- 1.4 This report provides a summary of the current status of Budget Bids and seeks Council's consideration and approval to include the four year Budget Bid Program (per Attachment 3) in the Draft 2023/24 Long Term Financial Plan and Annual Business Plan for community consultation.
 - 1.4.1 There has been extensive review of Budget Bids internally, through stakeholder groups, Executive, and through Budget Workshops with Elected Members and Finance and Corporate Services Committee.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 There have been a number of workshops and meetings with Council to provide members with budget information for consideration prior to public consultation. The Audit and Risk Committee reviewed the Draft 2023/24 LTFP&ABP as required by s126(4)(ab) of the *Local Government Act 1999* at its meeting on Tuesday, 12 April 2023.

2.2 External

- 2.2.1 The Consolidated Summary provides a snapshot of the budget, with the Draft 2023/24 LTFP&ABP, including detailed information about Budget Bids, being available for Public Consultation in May.

3. REPORT

Audit and Risk Committee Review

- 3.1 The Audit and Risk Committee considered the Draft 2023/24 LTFP&ABP on 12 April 2023 and have provided advice for Council's consideration prior to approval of the Draft 2023/24 LTFP&ABP for public consultation during May 2023, as per the following:

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 considering the costs at risk of higher than current budget increases eventuating that will be discussed with Council, a rate increase within the range of 7.0% and 8.0% 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 will need to be given to reduction in service levels.*

Consolidated Summary

- 3.2 Members will find the updated Consolidated Summary reflecting the current status of the budget in Attachment 1, with changes detailed in the paragraphs below.

Operating Surplus

- 3.3 The Consolidated Summary circulated to Council at the third budget workshop held on Wednesday 29 March 2023 posed three operating surplus alternatives as at 30 June 2023:

- 3.3.1 Option 1 was \$1.197M based on a rate increase of 6%;
- 3.3.2 Option 2 was \$1.785M based on a rate increase of 6.5%; and
- 3.3.3 Option 3 was \$2.372M based on a rate increase of 7%.

- 3.4 The Consolidated Summary (Attachment 1) was revised following Elected Member feedback at the 29 March workshop and further operating surplus alternatives were presented at the Audit Committee meeting Wednesday, 12 April 2023, noting that rate increase of 6% did not result in a Long Term Financial Plan within financial sustainability targets. The revised alternatives were:

- 3.4.1 Option 1 was \$1.046M based on a rate increase of 6.5%;
- 3.4.2 Option 2 was \$1.633M based on a rate increase of 7%; and
- 3.4.3 Option 3 was \$2.689M based on a rate increase of 7.9%.

- 3.5 Changes to the operating budget made between the second budget workshop and the Audit and Risk Committee, highlighted in the 2023/24 Consolidated Summary Adjustments (Attachment 2), are as follows:

Expenditure

- Insurance Premiums are increased \$28k to reflect the actual premiums paid in 2022/23, with indexation added, to ensure consistency across the organisation in setting the initial base on Insurance Premium costs for 2023/24 financial year.
- The Consulting budget for the Salisbury Water Business Unit \$25k was initially omitted and has now been corrected.
- An adjustment of \$84k has been made to recognise known cost increases in contracts for Sportsfield Cutting and Turf Renovations.
- A minor adjustment of \$8.8k has been made to the Business Systems & Solutions Materials expenses budget to align budget bids expenditure in financial year 2023/24 relating to bids emanating in earlier years.
- A contingency amount of \$500k is provided to cater for increases in contract renewal anticipated in financial year 2023/24, noting that there are likely other cost increases associated with contractual services that may eventuate during the year as services are tendered. Recommendation 2 is included to provide the CEO with delegation to allocate this budget as required during the 2023/24 financial year.
- The 2023/24 Northern Adelaide Waste Management Authority (NAWMA) budget projects a deficit of \$1.44m. Council's equity share of this deficit, 53.76% equating to \$739k, is reflected in the City of Salisbury 2023/24 budget.

- A further Operating Bid increase of \$500k for a CONFIDENTIAL ITEM is subject to a Council report before progressing. In this report this potential commitment is included in the Budget and Consolidated Summary expenditure adjustments, rather than the operating bids section, noting a formal bid will be provided in a future report should the confidential item be approved by Council, and appropriate adjustments made in a future Consolidated Summary. It should be noted that the confidential report to be considered by Council in April has a lower operating impact of \$300k, however also requires a capital amount of \$480k and following Council's consideration, the budget and LTFP&ABP will be updated to reflect these impacts.

Income

- The Untied Local Roads Grant funding budget is increased \$152k to align the 2023/24 budget amount with grant funds received in 2022/23.
- Following ongoing review of Fees & Charges a minor revenue decrease totalling \$12k has been made.
- A Nil Effect transfer of \$23.5k has been made to recognise the removal of internal cost recovery / recoupment relating to the previous Animal Pound due to the change in cost structure as a result of the partnership with the City of Tea Tree Gully which has been fully incorporated into the 2023/24 budget.

Operating Bids

- 3.6 Operating Budget Bids are consistent with that provided to Council at the Finance and Corporate Services Committee meeting held on 20 March 2023.
- 3.7 The following Operating Bid has been removed from the report provided to Council at the Finance and Corporate Services Committee meeting held on 20 March 2023. The financial impacts have now been included in the Budget and Consolidated Summary and the Bid attached for consideration:
- 3.7.1 OPN001106 Local Heritage Review \$20k be deferred as per Council Resolution 0175/2023, March 2023 noting that a report titled Thematic Heritage Study – Stage 2 Item Identification was provided to Council in March 2023.
- 3.8 The following Operating Bid has been modified from the report provided to Council at the Finance and Corporate Services Committee meeting held on 20 March 2023. The financial impacts have now been included in the Budget and Consolidated Summary and the Bid is attached for consideration:
- 3.8.1 OPN001141 CONFIDENTIAL ITEM operating expenditure increased \$37k and operating income increased \$54k following finalisation of review and analysis of the item (Attachment 4).
- 3.9 Operating bids net operating expenditure is \$882k. When combined with the operating elements of capital bids for Infrastructure, IT and Plant Furniture and Equipment categories, operating bid expenditure totals \$2,282k.

Infrastructure Bids

- 3.10 Infrastructure Budget Bids are consistent with that provided to Council at the Finance and Corporate Services Committee meeting held on 20 March 2023.
- 3.11 The operating components of the following Infrastructure Bids have been modified from the report provided to Council at the Finance and Corporate Services Committee meeting held on 20 March 2023. The financial impacts have now been included in the Budget and Consolidated Summary and Bids are attached for consideration:
- 3.11.1 STN001125 CONFIDENTIAL ITEM operating income reduced \$85k following further review and analysis of this item (Attachment 7).
 - 3.11.2 STN001142 CONFIDENTIAL ITEM operating expenditure reduced \$121k following further review and analysis of this item (Attachment 8).
- 3.12 The following Infrastructure Bids have been removed from the report provided to Council at the Finance and Corporate Services Committee meeting held on 20 March 2023. The financial impacts have now been included in the Budget and Consolidated Summary and the Bid attached for consideration:
- 3.12.1 PSN0000960 ELECTED MEMBER BID: Seniors Outdoor Exercise Equipment capital \$80k - removed as per Council Resolution 0175/2023, March 2023.
 - 3.12.2 PSN001133 - ELECTED MEMBER BID: Model Yacht Club Terrace Area capital \$40k - removed as per Council Resolution 0175/2023, March 2023.
 - 3.12.3 PSN001137 - ELECTED MEMBER BID: Playground Shade Heron Reserve, Parafield Gardens capital \$80k - removed as per Council Resolution 0175/2023, March 2023 and referred to the Asset Management Sub-Committee for further consideration.
 - 3.12.4 PSN001138 - ELECTED MEMBER BID: New BBQ, Playground Shade & Toilet - Baltimore Reserve capital \$245k - removed as per Council Resolution 0175/2023, March 2023 and referred to the Asset Management Sub-Committee for further consideration.
- 3.13 The following Infrastructure Bids have been updated following the report provided to Council at the Finance and Corporate Services Committee meeting held on 20 March 2023. The financial impacts have now been included in the Budget and Consolidated Summary and the Bids are attached for consideration:
- 3.13.1 PSN001017 Time Bound Program: Dog Parks for Small Dogs Unity Park Pooraka capital \$84k - brought forward from 2024/25 to 2023/24 as per Council Resolution 0175/2023, March 2023 (Attachment 5).
 - 3.13.2 PSR001024 SAMP Dog Park Continuity Program capital \$138k brought forward from 2024/25 to 2023/24 and annual budgets for years 2 \$120k and 3 \$123 added as per Council Resolution 0175/2023, March 2023 (Attachment 6).
 - 3.13.3 STN001125 CONFIDENTIAL ITEM capital expenditure reduced \$110k following further review and analysis of the item (Attachment 7).

3.14 Infrastructure bids net capital expenditure totals \$36M, with operating components of net \$1,265k. Future full year depreciation (year 1, 2024/25) associated with these Bids totals \$333k.

3.15 IT Budget Bids are consistent with that provided to Council at the Finance and Corporate Services Committee meeting held on 20 March 2023 with the following proposed amendment.

3.15.1 Information Technology bid ITN0001069 IT Asset Renewal 2023/24 has been reviewed following feedback from Elected Members at Budget Workshop 2 – 8 March 2023 (Item WS2-1), to achieve a more even flow of expenditure across the 4 year program and noting \$300k of the original budget bid is moved out beyond year 4. Comparative budgets are summarised in the table below:

Financial Year	2023/24	2024/25	2025/26	2026/27	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Initial Costs	\$600	\$1,999	\$519	\$375	\$3,493
Revised Costs	\$600	\$1,268	\$768	\$554	\$3,190
Change	\$0	-\$731	\$249	179	-\$303

3.16 Information Technology budget bids net capital expenditure totals \$784k with operating components of net \$135k, noting the amendments reported in paragraph 3.15.1 will be incorporated into the Public Consultation version of the 2023/24 LTFP & ABP as per Recommendation 6 of this report.

Plant Furniture and Equipment Budget Bids

3.17 Plant Furniture and Equipment Budget Bids are consistent with that provided to Council at the Finance and Corporate Services Committee meeting held on 20 March 2023.

3.18 Plant, Furniture and Equipment budget bids net capital expenditure is \$2,143k.

NAWMA Budget

3.19 The NAWMA 2023/2024 Business Plan was presented at the Informal Budget Workshop 3 held 29 March 2023.

Council Fees & Charges

3.20 All Fees and Charges will be presented to Council at the Finance and Corporate Services Committee meeting to be held on 15 May 2023. Changes to legislated fees are expected to be released in late May or June 2022.

3.21 The preliminary review of Fees & Charges, which remains subject to further review and adjustment, provides an overall increase in Fees & Charges between 2022/23 and 2023/24 of \$425k or 5.1%. Statutory fees and charges increase marginally \$12k or 0.4% and User fees and charges increase \$412k or 7.6%. The significant movements within the categories of fees and charges income are as follows:

3.21.1 Statutory Charges – Development Act Fees; increase by \$20k or 2.7%, noting a forecast slowing in economic activity in this area.

- 3.21.2 Statutory Charges – Sundry: decreases by \$23k or 8.3% stemming from a reduction in Food Premises Inspection Fees of \$25k or 30.8% due to reduced volumes in small business inspections, and the removal of Overdue Book Fines, resulting in a \$9k reduction in income. Pound Fees also reduce \$4k or 17.7%. The reductions are offset through increases in Search Fees of \$9k or 5.6%, reflecting current trends, and minor volume increases to Local Government By-Laws Litter, Nuisance Fines Enforcement Agency fees contributing to a \$9k or 150% increase over FY 2022/23.
- 3.21.3 User Charges – Cemetery Fees: increases by \$104k or 21.3% with increases across Burial Fees, Licences and Other Fees through price indexation to match the cost of materials, and reflecting volume increases in line with 2022/23 financial year trends.
- 3.21.4 User Charges – Water Supply: increases by \$106k or 4.2% consisting of a \$43k or 1.8% increase in Water Sales – Non-Residential Usage, reflecting moderate volume increases and fee increases of 3% across all services excluding the Supply Charge (no increase), and a \$65k or 35.6% increase in Water Sales – Residential Usage, noting a proposed volume increase of 32% over the previous year to match current trends.
- 3.21.5 User Charges – Property Rentals: increases by \$65k or 6.8% with Property & Buildings Commercial Rent increasing \$28k or 3.9% with 3% CPI increase applied to most properties, offset by a reduction in other commercial rent of \$19k; Rent related to Sport, Recreation & Community Groups increasing \$16k or 8% due to CPI indexation of 4.1% and new rentals commencing in FY 2023/24 (North Pines Football Club - Hausler Reserve & Salisbury Bowling Club); and the addition in 2023/24 of Rent – Residential Tenants of \$18k, which relates to the Carisbrooke House.
- 3.21.6 User Charges – Other: overall increase of \$122k or 8.7% with the major contributing items being Hall Hire Fees \$50k or 88.9%, comprised of \$25k Facility/Gallery Hire not budgeted in previous years and an increase in budget for the Para Hills Community Hub of \$25k, reflecting increased current activity trends; Special Events Income \$14k or 81.6% of which \$13k relates to increased Bridgestone Athletics Centre special events income; Polaris Centre Mentoring Income \$35k or 63.7%, aligned to 2022/23 financial year trends; and National Disability Insurance Scheme income \$36k or 13.3% echoing current participation increases across The Shed Project, Fun on Fridays and Salisbury Social Group activities.

Budget Workshop actions

- 3.22 The tables below detail questions raised and taken on notice and requests for further information from workshops with Elected Members and the CEO Briefing that are yet to be addressed.

Budget Workshop 1 – 1 March 2023

- 3.23 The Long Term Financial Plan and Budget Process was presented at the first budget workshop. There were no actions outstanding at the end of this workshop.

CEO Briefing – 6 March 2023

3.24 Infrastructure bids were presented at the CEO Briefing with the following actions recorded for follow-up:

Item	CEO Briefing – 6 March 2023	Who	When	Method
CB1-1	SAMP Review Require a comprehensive review of the SAMP and service levels, and consideration of other projects on the horizon / not yet funded, to inform next SAMP (2024/25) and associated LTFP. Response: <i>Noted will be scheduled for Aug / Sept 2023</i>	GMCI /Mgr Gov	Aug 2023 / Sept 2023	CEO Briefing / Workshop
CB1-2	DWN00132 Elected Member Bid: New Drainage Network Clarity on the work that is being planned for 2022/23 (current year), 2023/24 and 2024/25, and what the scope of work is. Response: <i>Report covering the scope of work and location details to be provided to Council in March / April 2023, with the bid recast to reflect the outcome of the report.</i>	GMCI	April 2023	Report Urban Services Committee
CB1-3	TRR001053 SAMP Bituminous Footpath Service Continuity Program and TRR001055 SAMP Road Reseal Service Continuity Program Can the detail of the program of works be provided for 2023/24 and 2024/25 Response: <i>Program is under development and will be presented not later than July 2023. Recommendation 6 has been included to add this report to the Future Reports for this committee.</i>	GMCI	July 2023	Future Report Urban Service Committee

Budget Workshop 2 – 8 March 2023

3.25 Base Operating Budget, Operating bids, IT Bids and Plant Furniture and Equipment bids were presented at the second budget workshop with the following actions recorded for follow up:

Item	Budget Workshop 2 – 8 March 2023	Who	When	Method
WS2-1	ITN001069 IT Asset Renewal 2023/24 Can further information be provided regarding the renewal program Response: <i>Refer to paragraph 3.15.1 in this report adjusting the IT Renewal spend to balance out renewal of IT equipment over a longer period.</i>	GMBE	April 2023	Response Provided on this agenda item
WS2-2	PFN001066 SAMP: Plant & Fleet Replacement Program Can a report be provided that addresses fleet vehicles, including manager vehicles, and the potential to transition to Hybrid and Electric Response: <i>A report will be provided</i>	GMCI	May 2023	Future Report Finance and Corporate Services
WS2-3	City Development – Dog Registration Fees Can the report on Dog Fees include a comparison to 8 or 9 other metro Councils? Response: <i>This detail will be provided</i>	GMCD	April 2023	Governance and Compliance Committee
WS2-5	OPN001108 Supporting Business Networking	GMCD	April 2023	email

	Can we be provided with information about what the allocation for 21/22 was spend on, and spend for 22/23.			
	Response: Email will be sent to all Councillors by the end of April 2023			

Budget Workshop 3 – 29 March 2023

- 3.26 The LTFP and Consol Summary were presented at Budget Workshop 3 with the following actions recorded for follow-up:

Item	Budget Workshop 3 – 29 March 2023	Who	When	Method
WS3-1	What is the LGPI? Can information regarding the LGPI be provided Response: The forecast Annual LGPI for June 2023 is 6.8% (all components). Recurrent is forecast at a range of 4.0% to 5.0% noting that this is based on Wage Price Index of only 2.75% which given EB agreements in place and in negotiation would seem optimistic, not just for the City of Salisbury, but for the sector.	MFS	April 2023	Response Provided
WS3-2	Additional LTFP Scenario Can CPI+0.6% across all 10 years also be included for Council consideration. Response: This has been included in the Long Term Financial Plan Scenarios and Rate Strategy Report on tonight's agenda	MFS	Apr 2023	Finance and Corporate Services Committee Report

- 3.27 It is proposed that the above actions are redirected to the relevant Council committee for reporting purposes.

Consolidated Summary Scenarios

- 3.28 The Consolidated Summary Options reflect rate increases of 6.5%, 7% and 7.9% (Deloitte Access Economics forecast annual CPI to June 2023), noting the Adelaide Annualised December 2022 Actual CPI rate of 8.6%. Council have aimed to set rates at CPI+0.6% with this approach forming the basis of Long Term Financial Plans over several years. Forecast CPI + 0.6% for the 2023/24 average rate increase equates to 8.5%, based on forecast CPI of 7.9% based on Deloitte Access Economics annual CPI to June 2023 in their December Business Outlook Report, and noting that 2 months Adelaide CPI at Dec 2022 quarter was 8.6%. The Deloitte Access Economic forecast underpins some of the scenarios presented on the 29 March 2023.
- 3.29 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, this impact can be estimated as \$1M which is equivalent to a 0.9% rate increase.

- 3.30 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 utilised 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.
- 3.31 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.
- 3.32 All options provide a level of funding that will allow Council to maintain a moderate operating surplus and Council in making this decision needs to balance the risks posed by current unknowns to the budget, and the cost pressures felt by the community.
- 3.33 At the lower end, should Council determine a rate increase below 6.5% then consideration will need to be given to the review of service levels to ensure the continued financial sustainability.
- 3.34 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 0.8% having flowed through rates data to date. What further movement is to come from the Valuer General is unknown at this stage.
- 3.35 Factoring in the adjustments to the budget as detailed on page 2 of the Consolidated Summary (Attachment 2) inclusive of the changes to the Budget Bids as detailed above and within the attachment results in an operating surplus of:
- \$1,046k based on a rate increase of 6.5%,
 - \$1,633k based on a rate increase of 7%, and
 - \$2,689k based on a rate increase of 7.9%,
- as circled in red below.

Consolidated Budget Summary 2024 as at 17/04/2023							
	2023	2024		2024		2024	
	Budget	Budget Option 1		Budget Option 2		Budget Option 3	
Rate increase scenarios		6.5%		7.0%		7.9%	
	\$	\$	%	\$	%	\$	%
OPERATING BUDGET SUMMARY							
Base Operating Budget (excluding rates)							
Expenditure as at 08/03/2023		141,797,735	5.3%	141,797,735	5.3%	141,797,735	5.3%
Further Expenditure Adjustments - rates scenarios borrowings/interest impact		26,750		-		(48,723)	
Operating Budget Bids		2,496,700		2,496,700		2,496,700	
Expenditure	134,696,868	144,321,185	7.1%	144,294,435	7.1%	144,245,712	7.1%
Income as at 08/03/2023		24,647,817	-0.2%	24,647,817	-0.2%	24,647,817	-0.2%
Further Income Adjustments - rates other		930,944		934,842		941,858	
Operating Budget Bids		215,000		215,000		215,000	
Income	24,695,341	25,793,761	4.4%	25,797,659	4.5%	25,804,675	4.5%
Operating Net Bid (excluding Rate Revenue)	110,001,527	118,527,424	7.8%	118,496,776	7.7%	118,441,037	7.7%
Rate Revenue							
Proposed Rate Increase	3.90%	6.50%		7.00%		7.90%	
Rates Growth - Increase in Number of Rate Assessments	0.50%	0.50%		0.50%		0.50%	
Rates Increase from Development Activity	0.50%	0.50%		0.50%		0.50%	
Total Increase	4.90%	7.50%		8.00%		8.90%	
Rate Revenue	111,230,899	111,230,899		111,230,899		111,230,899	
Rate Revenue adjustments as per Rates Strategy Report							
General Rate Increase		7,230,008		7,786,163		8,787,241	
Rates Growth - Valuation Growth and Other Development Activity		1,112,309		1,112,309		1,112,309	
Operating Surplus/(Deficit) including Business Units	1,229,372	1,045,792		1,632,595		2,689,412	
Operating Surplus Ratio	0.90%	0.72%		1.63%		1.83%	

3.36 Council determined that the operating surplus should be set in line with the following principle:

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

3.36.2 As the 2023/24 budget includes an operating deficit for Salisbury Water Business Unit this principle is not applicable for the 2023/24 budget.

3.37 It is appropriate that Council operations result in a moderate surplus, given that there are always some areas of uncertainty in formulating the budget. Risks include the financial impact of changes to Rates Growth and Other Development Activity data, inflation rate risk resulting in cost containment challenges, late additions to the budget, Enterprise Agreement negotiation, and impacts of the State Budget and potential legislative changes.

3.38 In considering the level of rate increase, Council should not only consider the one-year impact but also the longer-term outcomes. A stable and manageable level of rating has allowed Council to sustainably meet the community's needs while also funding major community assets, and has also supported Council in responding to unforeseen issues. The table below summarises the Financial Sustainability Indicators status resulting from the 3 scenarios presented in the Consolidated Summary with all scenarios meeting financial sustainability targets. Further information is contained within the Long Term Financial Plan Scenarios and Rate Strategy Report on tonight's agenda.

	Scenario Rate Increase			Financial Sustainability Results		
	Year 1	Year 2	Year 3	OSR	NFLR	ARFR
Average Rate Increase in year 1 of 6.5%, and then at CPI+0.6% over years 2-10	6.5%	4.4%	3.2%	✓	✓	✓
Average Rate Increase in year 1 of 7.0%, and then at CPI+0.6% over years 2-10	7.0%	4.4%	3.2%	✓	✓	✓
Average Rate Increase in year 1 of 7.9%, and then at CPI+0.6% over years 2-10	7.9%	4.4%	3.2%	✓	✓	✓

OSR ~ Operating Surplus Ratio

NFLR ~ Net Financial Liabilities Ratio

ASR ~ Asset Renewal Funding Ratio

Borrowings

3.39 Indicative 2023/24 borrowings under each of the Options are: Option 1, \$3.8m with rates set at 6.5%; Option 2, \$3.2m with rates set at 7%; and Option 3, \$2.2m with rates set at 7.9% (circled in red below). The operating surplus generated also impacts on the loan borrowings, as larger surpluses reduce our need to borrow funds externally. In May a report will be put to Council seeking to establish a cash advance debenture facility to provide the budgeted borrowing requirements.

3.40 Within the options below, our indicative borrowings (circled in red below) range from \$3.8M to \$2.2M, reflecting that borrowings will be required to fund the infrastructure program under each option. It should be noted that these borrowings include the impacts of the current infrastructure program as detailed within this report. Further expansion in the infrastructure program and/or increased operating expenditure will necessitate further borrowings.

Consolidated Budget Summary 2024 as at 17/04/2023							
	2023	2024		2024		2024	
	Budget	Budget Option 1		Budget Option 2		Budget Option 3	
Rate increase scenarios		6.5%		7.0%		7.9%	
	\$	\$	%	\$	%	\$	%
CAPITAL FUNDING SUMMARY							
Other - Non Operating Items							
Add Back Depreciation - non cash item	31,856,255	33,641,425		33,641,425		33,641,425	
Transfer from Reserves	(400,000)	(200,000)		(200,000)		(200,000)	
Add back NAWMA Equity Adjustment - non cash item	-	739,000		739,000		739,000	
Net gain (loss) on disposal of assets (Non-Bid Related)	1,670,000	1,271,000		1,271,000		1,271,000	
Loan Principal Repayments	(1,320,922)	(1,409,568)		(1,409,568)		(1,409,568)	
Total Other	31,805,333	34,041,857		34,041,857		34,041,857	
Funding Available for Capital	33,034,705	35,087,649		35,674,452		36,731,269	
Indicative Borrowing Requirements							
General Purpose Borrowings / (Investments)	34,715,597	1,908,851		1,322,048		265,231	
Business Unit Borrowings	5,663,600	1,898,000		1,898,000		1,898,000	
Total Indicative Borrowings	38,379,197	3,806,851		3,220,048		2,163,231	
Net Borrowings/(Investment)	38,379,197	3,806,851		3,220,048		2,163,231	
Net Financial Liabilities Ratio	60.52%	65.61%		64.95%		63.79%	
Total Available for Capital	71,413,902	38,894,500		38,894,500		38,894,500	
Infrastructure Budget Bids (Net)							
Business Units Infrastructure Investment	3,663,600	1,898,000		1,898,000		1,898,000	
Plant Furniture & Equipment	3,057,000	2,143,000		2,143,000		2,143,000	
Information Technology	370,800	784,200		784,200		784,200	
Infrastructure, including project resourcing overhead	64,322,502	34,069,300		34,069,300		34,069,300	
Total	71,413,902	38,894,500		38,894,500		38,894,500	
Funding Surplus/(Deficit)	-	-		-		-	

4. CONCLUSION / PROPOSAL

- 4.1 Following the extensive review and discussion of Budget Bids it is appropriate for Council to undertake a final review and formally approve Bids for inclusion in the Draft 2023/24 Long Term Financial Plan and Annual Business Plan for public consultation purposes.
- 4.2 Each of the Scenario Rate Increase Options presented will ensure Council continues to equitably and sustainably manage its financial position, in addition to providing a modest surplus in the 2023/24 budget within the financial targets and also an appropriate level of operating surplus and financial liabilities over the LTFP forward estimates. Noting that the impact of unknowns is more significant this year in the face of rising costs, with the potential of a rate increase of 6.5% not providing a sufficient planned surplus to offset these potential rising costs..
- 4.3 Council's preferred option will be amended to reflect any further decisions made by Council in considering the various items on this agenda.
- 4.4 This approach will allow Council to continue to provide a high level of service to its community and respond to emerging needs without any major impact on its financial sustainability, while delivering major infrastructure projects and enhanced service delivery.

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Consolidated Budget Summary 2024 as at 17/04/2023							
	2023	2024		2024		2024	
	Budget	Budget Option 1		Budget Option 2		Budget Option 3	
Rate increase scenarios		6.5%		7.0%		7.9%	
	\$	\$	%	\$	%	\$	%
OPERATING BUDGET SUMMARY							
Base Operating Budget (excluding rates)							
Expenditure as at 08/03/2023		141,797,735	5.3%	141,797,735	5.3%	141,797,735	5.3%
Further Expenditure Adjustments - rates scenarios borrowings/interest impact		26,750		-		(48,723)	
Operating Budget Bids		2,496,700		2,496,700		2,496,700	
Expenditure	134,696,868	144,321,185	7.1%	144,294,435	7.1%	144,245,712	7.1%
Income as at 08/03/2023		24,647,817	-0.2%	24,647,817	-0.2%	24,647,817	-0.2%
Further Income Adjustments - rates other		930,944		934,842		941,858	
Operating Budget Bids		215,000		215,000		215,000	
Income	24,695,341	25,793,761	4.4%	25,797,659	4.5%	25,804,675	4.5%
Operating Net Bid (excluding Rate Revenue)	110,001,527	118,527,424	7.8%	118,496,776	7.7%	118,441,037	7.7%
Rate Revenue							
Proposed Rate Increase	3.90%	6.50%		7.00%		7.90%	
Rates Growth - Increase in Number of Rate Assessments	0.50%	0.50%		0.50%		0.50%	
Rates Increase from Development Activity	0.50%	0.50%		0.50%		0.50%	
Total Increase	4.90%	7.50%		8.00%		8.90%	
Rate Revenue	111,230,899	111,230,899		111,230,899		111,230,899	
Rate Revenue adjustments as per Rates Strategy Report							
General Rate Increase		7,230,008		7,786,163		8,787,241	
Rates Growth - Valuation Growth and Other Development Activity		1,112,309		1,112,309		1,112,309	
Operating Surplus/(Deficit) including Business Units	1,229,372	1,045,792		1,632,595		2,689,412	
Operating Surplus Ratio	0.90%	0.72%		1.63%		1.83%	
Operating Surplus/(Deficit) including Business Units LTFP YEAR 5	1,450,923	1,705,714		2,578,911		4,150,665	
Operating Surplus Ratio LTFP YEAR 5	0.89%	0.98%		1.48%		2.36%	
Operating Surplus/(Deficit) including Business Units LTFP YEAR 10	1,971,592	1,281,097		2,591,681		4,834,154	
Operating Surplus Ratio LTFP YEAR 10	1.01%	0.61%		1.23%		2.29%	
CAPITAL FUNDING SUMMARY							
Other - Non Operating Items							
Add Back Depreciation - non cash item	31,856,255	33,641,425		33,641,425		33,641,425	
Transfer from Reserves	(400,000)	(200,000)		(200,000)		(200,000)	
Add back NAWMA Equity Adjustment - non cash item	-	739,000		739,000		739,000	
Net gain (loss) on disposal of assets (Non-Bid Related)	1,670,000	1,271,000		1,271,000		1,271,000	
Loan Principal Repayments	(1,320,922)	(1,409,568)		(1,409,568)		(1,409,568)	
Total Other	31,805,333	34,041,857		34,041,857		34,041,857	
Funding Available for Capital	33,034,705	35,087,649		35,674,452		36,731,269	
Indicative Borrowing Requirements							
General Purpose Borrowings / (Investments)	34,715,597	1,908,851		1,322,048		265,231	
Business Unit Borrowings	3,663,600	1,898,000		1,898,000		1,898,000	
Total Indicative Borrowings	38,379,197	3,806,851		3,220,048		2,163,231	
Net Borrowings/(Investment)	38,379,197	3,806,851		3,220,048		2,163,231	
Net Financial Liabilities Ratio	60.52%	65.61%		64.95%		63.79%	
Net Financial Liabilities Ratio LTFP YEAR 5		60.88%		58.56%		54.44%	
Net Financial Liabilities Ratio LTFP YEAR 10		51.15%		46.54%		38.40%	
Total Available for Capital	71,413,902	38,894,500		38,894,500		38,894,500	
Infrastructure Budget Bids (Net)							
Business Units Infrastructure Investment	3,663,600	1,898,000		1,898,000		1,898,000	
Plant Furniture & Equipment	3,057,000	2,143,000		2,143,000		2,143,000	
Information Technology	370,800	784,200		784,200		784,200	
Infrastructure, including project resourcing overhead	64,322,502	34,069,300		34,069,300		34,069,300	
Total	71,413,902	38,894,500		38,894,500		38,894,500	
Funding Surplus/(Deficit)	-	-		-		-	

3. Consolidated Summary 2024 - Version 4 FACS 17/04/2023

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Proposed Budget Adjustments to Consolidated Summary as at 17/04/2023	
Changes from Base Operating Budget as at 08/03/2023	
Expenditure	\$
Expenditure as at 08/03/2023	139,913,119
Adjustments:-	
• Increase - Insurance Premiums	27,816
• Increase - Salisbury Water Consulting previously omitted	25,000
• Increase - Sportsfield Cutting - new contract	42,000
• Increase - Turf Renovation - new contract	42,000
• Increase - Business Systems & Solutions bids funding corrections	8,800
• Increase - Contingency for contractual increases (CEO delegation)	500,000
• Increase - 2023/24 budgeted NAWMA loss equity 53.76%	739,000
• Increase - CONFIDENTIAL ITEM - budget bid subject to April Council report	500,000
Total Adjustments	1,884,616
Expenditure as at 17/04/2023	141,797,735
Income	
Income as at 08/03/2023	24,507,878
Adjustments:-	
• Increase - ULR Grant Funding - matched to 2022/23 actual	151,639
• Decrease - Fees and Charges - Salisbury Water	(4,800)
• Decrease - Fees and Charges - Property & Buildings (incorrectly indexed)	(6,900)
Total Adjustments	139,939
Income as at 17/04/2023	24,647,817
Changes from Operating Budget Bids as at 20/03/2023	
Operating Budget Bids	\$
Operating Budget Bids (Expenditure) as at 20/03/2023	2,600,300
Adjustments:-	
• Decrease - OPN001106 Local Heritage Review - removed as per Council Resolution 0175/2023, March 2023	(20,000)
• Increase - OPN001141 CONFIDENTIAL ITEM - budget update	37,400
• Decrease - STN001142 CONFIDENTIAL ITEM - budget update	(121,000)
Total Adjustments	(103,600)
Operating Budget Bids (Expenditure) as at 17/04/2023	2,496,700
Operating Budget Bids (Income) as at 20/03/2023	246,000
Adjustments:-	
• Increase - OPN001141 CONFIDENTIAL ITEM - budget update	54,000
• Decrease - STN001125 CONFIDENTIAL ITEM - budget update	(85,000)
Total Adjustments	(31,000)
Operating Budget Bids (Income) as at 17/04/2023	215,000

3. Consolidated Summary 2024 - Version 4 FACS 17.04.2023

Proposed Budget Adjustments to Consolidated Summary as at 17/04/2023	
Changes from Infrastructure Budget Bids as at 20/03/2023	
Net Infrastructure Budget Bids	\$
Net Infrastructure Bids as at 20/03/2023	36,299,800
Adjustments:-	
Decrease - PSN000960 - ELECTED MEMBER BID: Seniors Outdoor Exercise Equipment - removed as per Council Resolution 0175/2023, March 2023	(80,000)
Increase - PSN001017 Time Bound Program: Dog Parks for Small Dogs - brought forward as per Council Resolution 0175/2023, March 2023	84,100
Decrease - PSN001133 - ELECTED MEMBER BID: Model Yacht Club Terrace Area - removed as per Council Resolution 0175/2023, March 2023	(40,000)
Decrease - PSN001137 - ELECTED MEMBER BID: Playground Shade Heron Reserve, Parafield Gardens - removed as per Council Resolution 0175/2023, March 2023	(80,000)
Decrease - PSN001138 - ELECTED MEMBER BID: New BBQ, Playground Shade & Toilet - Baltimore Reserve - removed as per Council Resolution 0175/2023, March 2023	(245,000)
Increase - PSR001024 SAMP: Dog Park Service Continuity Program - brought forward as per Council Resolution 0175/2023, March 2023	138,400
Decrease - STN001125 CONFIDENTIAL ITEM - budget update	(110,000)
Total Adjustments	(110,000)
Net Infrastructure Bids as at 17/04/2023	36,189,800
Changes from PF&E Budget Bids as at 20/03/2023	
PF&E Budget Bids	\$
PF&E Budget Bids as at 20/03/2023	2,143,000
PF&E Budget Bids as at 17/04/2023	2,143,000
Changes from IT Budget Bids as at 20/03/2023	
IT Budget Bids	\$
IT Budget Bids as at 20/03/2023	784,200
IT Budget Bids as at 17/04/2023	784,200
Other Nil Effect Adjustments as at 17/04/2023	
Nil Effect Adjustments	\$
Adjustments:-	
Animal Pound - Internal Cost Recovery Asset Services	23,500
Animal Pound - Internal Cost Recovery Cost Recouped	(23,500)

Budget Bids

023/24 Financial Yr

Infrastructure & Operating Summary

023/24 Financial Yr

Program Works Bid Synopsis		000'S					to 22/23		000'S			to 22/23		000'S			to 22/23		000'S			to 22/23		000'S			to 22/23		000'S			to 22/23		000'S						
		New/Up	Renew	Exp	Funding	Net	Yr 2	Exp	Funding	Net	Yr 2	New/Up	Renew	Exp	Funding	Net	Yr 3	Exp	Funding	Net	Yr 3	New/Up	Renew	Exp	Funding	Net	Yr 4	Exp	Funding	Net	Yr 4	New/Up	Renew	Exp	Funding	Net	Yr 5	Exp	Funding	Net
id Project Asset Category: Drainage & Waterways																																								
ew																																								
WN	000999	Local Flooding Service Continuity Program																																						
WN	001000	100	10	110	0	110	60	115	0	115	(6)	103	10	113	0	113	62	118	0	118	(1)	105	11	116	0	116	64	121	0	121	(2)	108	11	119	0	119	124	0	124	
WN	001002	200	70	270	0	270	(86)	0	0	0	(6)	338	72	410	0	410	47	0	0	0	(5)	347	74	420	0	420	54	0	0	0	(5)	355	75	431	0	431	0	0	0	
WN	001002	230	0	230	0	230	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
WN	001132	145	0	145	0	145	145	0	0	0	0	400	0	400	0	400	400	0	0	0	0	0	480	0	480	0	480	480	0	0	0	0	400	0	400	0	400	0	0	0
Subtotal - New																																								
ew																																								
WR	001003	150	650	800	0	800	410	0	0	0	0	154	666	820	0	820	108	0	0	0	0	158	683	840	0	840	93	0	0	0	0	162	700	862	0	862	0	0	0	
WR	001004	0	160	160	0	160	(70)	0	0	0	0	0	164	164	0	164	(11)	0	0	0	0	0	168	168	0	168	(12)	0	0	0	0	0	172	172	0	172	0	0	0	
WR	001005	0	75	75	0	75	(78)	0	0	0	0	0	77	77	0	77	(78)	0	0	0	0	0	79	79	0	79	(90)	0	0	0	0	0	81	81	0	81	0	0	0	
WR	001006	0	100	100	0	100	100	71	0	71	(152)	0	103	103	0	103	103	73	0	73	(63)	0	105	105	0	105	105	75	0	75	(87)	0	108	108	0	108	77	0	77	
WR	001007	0	50	50	0	50	0	0	0	0	0	0	205	205	0	205	(13)	0	0	0	0	0	210	210	0	210	(15)	0	0	0	0	0	215	215	0	215	0	0	0	
WR	001117	0	30	30	0	30	30	0	0	0	0	0	31	31	0	31	31	0	0	0	0	0	347	347	0	347	347	0	0	0	0	0	248	248	0	248	0	0	0	
Subtotal - Renewal																																								
DTAL - Drainage & Waterways																																								
id Project Asset Category: Property & Buildings																																								
ew																																								
BN	001008	360	100	460	0	460	121	40	0	40	(6)	369	103	472	0	472	126	41	0	41	(7)	378	105	483	0	483	133	42	0	42	(6)	388	108	495	0	495	43	0	43	
BN	001009	55	0	55	0	55	(3)	0	0	0	0	56	0	56	0	56	(4)	0	0	0	0	58	0	58	0	58	(3)	0	0	0	0	59	0	59	0	59	0	0	0	
BN	001112	200	0	200	100	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
BN	001121	30	0	30	0	30	30	20	0	20	20	31	0	31	0	31	31	21	0	21	21	32	0	32	32	21	0	21	21	0	21	21	0	21	0	21	0	0		
BN	001135	0	0	0	0	0	0	0	0	0	0	850	0	850	100	750	750	0	0	0	0	0	0	0	0	0	0	30	0	30	30	0	0	0	31	0	31			
Subtotal - New																																								
ew																																								
BR	001011	0	75	75	0	75	(4)	0	0	0	0	0	77	77	0	77	(4)	0	0	0	0	0	79	79	0	79	(3)	0	0	0	0	0	81	81	0	81	0	0	0	
BR	001012	0	3,700	3,700	0	3,700	2,374	135	0	135	0	0	3,793	3,793	0	3,793	2,422	138	0	138	2	0	3,887	3,887	0	3,887	2,491	142	0	142	3	0	3,985	3,985	0	3,985	145	0	145	
BR	001013	0	300	300	0	300	(18)	0	0	0	0	0	103	103	0	103	(9)	0	0	0	0	0	105	105	0	105	(8)	0	0	0	0	0	108	108	0	108	0	0	0	
Subtotal - Renewal																																								
DTAL - Property & Buildings																																								
id Project Asset Category: Parks & Streetscapes																																								
ew																																								
SN	001017	84	0	84	0	84	84	0	0	0	(16)	0	0	0	0	0	(82)	5	0	5	(24)	0	0	0	0	0	5	0	5	(27)	0	0	0	0	5	0	5			
SN	001018	600	0	600	0	600	(800)	0	0	0	(77)	1,015	0	1,015	0	1,015	(410)	0	0	0	(59)	1,051	0	1,051	0	1,051	(381)	0	0	0	(61)	1,077	0	1,077	0	1,077	0	0		
SN	001020	0	0	0	0	0	(95)	0	0	0	0	41	0	41	0	41	(56)	0	0	0	(11)	179	0	179	21	158	60	0	0	(12)	43	0	43	0	43	5	0	5		
SN	001021	10	0	10	0	10	(51)	0	0	0	(7)	154	0	154	0	154	91	0	0	0	(8)	11	0	11	11	(54)	5	0	5	(4)	162	0	162	5	0	5				
SN	001044	200	0	200	200	0	0	0	0	0	(7)	205	0	205	205	0	0	0	0	0	(7)	210	0	210	210	0	0	0	0	(3)	215	0	215	0	215	0	0	0		
SN	001113	250	0	250	125	125	125	50	30	20	20	0	0	0	0	0	50	30	20	20	0	0	0	0	0	0	50	30	20	20	0	0	0	50	30	20				
SN	001136	80	0	80	0	80	80	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	1	0	1	1	0	0	0	0	1	0	1			
Subtotal - New																																								
ew																																								
SR	001024	0	138	138	0	138	138	0	0	0	(5)	0	0	0	0	0	(152)	5	0	5	(3)	0	0	0	0	0	5	0	5	(6)	0	129	129	0	129	5	0	5		
SR	001025	0	400	400	0	400	262	0	0	0	0	0	410	410	0	410	229	0	0	0	0	0	420	420	0	420	66	0	0	0	0	0	431	431	0	431	0	0		
SR	001026	0	0	0	0	0	(15)	0	0	0	0	0	123	123	0	123	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	129	129	0	129	0	0	0		
SR	001027	0	0	0	0	0	(88)	0	0	0	0	0	513	513	0	513	(11)	0	0	0	0	0	137	137	0	137	6	0	0	0	0	0	140	140	0	140	0	0	0	
SR	001028	0	1,000	1,000	0	1,000	769	0	0	0	0	0	1,128	1,128	0	1,128	(42)	0	0	0	0	0	1,471	1,471	0	1,471	(269)	0	0	0	0	0	1,615	1,615	0	1,615	0	0	0	
SR	001029	0	385	385	0	385	245	0	0	0	0	0	395	395	0	395	253	0	0	0	0	0	405	405	0	405	(40)	0	0	0	0	0	431	431	0	431	0	0	0	
SR	001030	0	200	200	0	200	137	0	0	0	0	0	205	205	0	205	139	0	0	0	0	0	210	210	0	210	107	0	0	0	0	0	108	108	0	108	0	0	0	
SR	001033	0	0																																					

Widget Bids - Schedule - LTFP & Console Summary Update 24.03.23 - FY23-24 5/04/2023 4:01 PM 2 of 2

2023/24 Financial Year**OPN001141****CONFIDENTIAL ITEM**

Id Number: 32052
Program: Operating Bids
Department: Community Development
Key Direction: Innovation and Business Development
Est Completion Date:

Financial Year: 2024

Executive Summary:	Confidential Item
Scope:	Confidential Item
Justification:	Confidential Item

Project Stakeholders

Manager: Andrew Hamilton
General Manager: Amy Pokoney Cramey
Asset Owner: Karen Pepe
Elected Member:

Budget Bid Financial Summary

	2024	2025	2026	2027	Total
Capital Expenditure	0	0	0	0	0
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	74,800	0	0	0	74,800
Operating Expenditure - Depreciation	0	0	0	0	0
Operating Income	108,000	0	0	0	108,000
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	-33,200	0	0	0	-33,200

Budget Bid Projects

	2024	2025	2026	2027	Total
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 Date Produced: 30-Mar-2023

Item 2.1.3 - Attachment 4 - Budget Bid OPN001141 CONFIDENTIAL

Confidential Item	16,300	0	0	0	16,300
Income	0	0	0	0	0
Expenses	16,300	0	0	0	16,300
Confidential Item	47,700	0	0	0	47,700
Income	0	0	0	0	0
Expenses	47,700	0	0	0	47,700
Confidential Item	-108,000	0	0	0	-108,000
Income	108,000	0	0	0	108,000
Expenses	0	0	0	0	0
Confidential Item	10,800	0	0	0	10,800
Income	0	0	0	0	0
Expenses	10,800	0	0	0	10,800
Total					-33,200

Item 2.1.3 - Attachment 4 - Budget Bid OPN001141 CONFIDENTIAL

2023/24 Financial Year**PSN001017**

Time Bound Program: Dog Parks for Small Dogs

Id Number: 30492
Program: New Infrastructure Bids
Department: City Infrastructure
Key Direction: A welcoming and liveable City
Est Completion Date:

Financial Year: 2024

Executive Summary:	The establishment of dog parks for small dogs co-located with existing dog parks.
Scope:	<p>The establishment of a park for small dogs at locations that currently do not have a separated enclosed area. Works to be in alignment with the 'UNLEASHED - A guide to successful Dog Parks' as outlined and endorsed by Council in July 2020 Resolution 0623/2020.</p> <p>There is not a 'one size fits all' approach to the establishment of the small dog parks as a section of an existing dog park may be fenced off for small dogs or alternatively an extension to the existing dog park may be required. This will be determined on a site by site basis.</p> <p>Unity Park Pooraka is the final location within this program. A separate renewal program has been established to deliver improvements to all dog parks to deliver consistent customer experience.</p>
Justification:	<p>This program and level of service has been developed in accordance with the endorsed 'AMSC3 - Interim Strategic Asset Management Plan (SAMP)' Resolution 1412/2022, July 2022.</p> <p>This program is based on endorsed service level increase for the creation of new small dog parks.</p> <p>This scope of works has arisen from a community request for fenced areas where owners of small dogs can go without the threat of larger dogs harassing or attacking small dogs. The schedule of works was approved by Council, April 2021, Resolution 0916/2021.</p> <p>As the residential area becomes denser across the City of Salisbury, seeing a reduction in private open space, there is an increased need for Council managed public open space to cater for existing and new residents.</p>

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Date Produced: 30-Mar-2023

With this increase of service level an operating provision has been included within this bid to enable ongoing maintenance of the parks.

Project Stakeholders

Manager: Dameon Roy
General Manager: John Devine
Asset Owner: Jamie Hosking
Elected Member:

Budget Bid Financial Summary

	2024	2025	2026	2027	Total
Capital Expenditure	84,100	0	0	0	84,100
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	0	5,000	5,000	5,000	15,000
Operating Expenditure - Depreciation	0	4,200	0	0	4,200
Operating Income	0	0	0	0	0
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	84,100	9,200	5,000	5,000	103,300

Budget Bid Projects

	2024	2025	2026	2027	Total
Ongoing Maintenance	0	5,000	5,000	5,000	15,000
Income	0	0	0	0	0
Expenses	0	5,000	5,000	5,000	15,000
Depreciation	0	4,200	0	0	4,200
Income	0	0	0	0	0
Expenses	0	4,200	0	0	4,200
Unity Park - Pooraka	84,100	0	0	0	84,100
Income	0	0	0	0	0
Expenses	84,100	0	0	0	84,100
Total					103,300

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Date Produced: 30-Mar-2023

2023/24 Financial Year	PSR001024
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SAMP: Dog Park Service Continuity Program

Id Number:	30556
Program:	New Infrastructure Bids
Department:	City Infrastructure
Key Direction:	A welcoming and liveable City
Est Completion Date:	

Financial Year:	2024
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Executive Summary:	Renewal and upgrade of existing dog parks based on age, condition, function and service level.
Scope:	<p>As reported in July 2020 and November 2020 Resolution 0749/2020 the creation of a new Dog Park Improvement Program was approved. This program was developed based upon an audit and user satisfaction survey results.</p> <p>Future years will include the renewal of dog parks at the following sites now staged as a bi-annual program;</p> <ul style="list-style-type: none"> • Kingswood Crescent Reserve Paralowie • The Paddocks Para Hills West <p>As part of these site renewals, irrigation will be extended to provide increased areas of green spaces, therefore a nominal \$5k operational budget has been included to cover the increased watering and maintenance associated expenses.</p>
Justification:	<p>This program and level of service has been developed in accordance with the endorsed 'AMSC3 - Interim Strategic Asset Management Plan (SAMP)' Resolution 1412/2022, July 2022.</p> <p>The Strategic Asset Management Plan finalisation process will include reviews of levels of service and funding which may impact on this bid for future years.</p> <p>Fenced dog parks play such an important role in the community for both dogs and their owners as they provide an environment where dogs can play off lead.</p> <p>Dogs that are well socialised and exercised are likely to be healthier happier and less aggressive. They also develop a sense of community amongst like-</p>

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	<p>minded dog owners.</p> <p>This program allows for the ongoing Improvement to dog parks and renewal of high use areas and infrastructure every 5 years.</p>
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Project Stakeholders

Manager:	Dameon Roy
General Manager:	John Devine
Asset Owner:	Jamie Hosking
Elected Member:	

Budget Bid Financial Summary

	2024	2025	2026	2027	Total
Capital Expenditure	138,400	120,000	123,000	129,200	510,600
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	0	5,000	5,000	5,000	15,000
Operating Expenditure - Depreciation	0	0	0	0	0
Operating Income	0	0	0	0	0
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	138,400	125,000	128,000	134,200	525,600

Budget Bid Projects

	2024	2025	2026	2027	Total
Kingswood Crescent Reserve Paralowie	138,400	5,000	5,000	5,000	153,400
Income	0	0	0	0	0
Expenses	138,400	5,000	5,000	5,000	153,400
The Paddocks Para Hills West	0	0	0	129,200	129,200
Income	0	0	0	0	0
Expenses	0	0	0	129,200	129,200
Annual Renewal Expenditure	0	120,000	123,000	0	243,000
Income	0	0	0	0	0
Expenses	0	120,000	123,000	0	243,000

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Date Produced: 30-Mar-2023

2023/24 Financial Year**STN001125****CONFIDENTIAL ITEM**

Id Number: 31929
Program: Confidential
Department: City Infrastructure
Key Direction: A welcoming and liveable City
Est Completion Date:

Financial Year: 2024

Executive Summary:	Confidential Item
Scope:	Confidential Item
Justification:	Confidential Item

Project Stakeholders

Manager: Andrew Hamilton
General Manager: Amy Pokoney Cramey
Asset Owner: Jamie Hosking
Elected Member:

Budget Bid Financial Summary

	2024	2025	2026	2027	Total
Capital Expenditure	410,000	0	0	0	410,000
Capital Income	110,000	0	0	0	110,000
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	0	0	0	0	0
Operating Expenditure - Depreciation	0	20,400	0	0	20,400
Operating Income	25,000	51,300	52,600	53,900	182,800
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	275,000	-30,900	-52,600	-53,900	137,600

Budget Bid Projects

STN001125 - Page | 1
 Date Produced: 24-Mar-2023

Item 2.1.3 - Attachment 7 - Budget Bid STN001125 CONFIDENTIAL

	2024	2025	2026	2027	Total
Confidential Item	410,000	20,400	0	0	430,400
Income	0	0	0	0	0
Expenses	410,000	20,400	0	0	430,400
Confidential Item	-110,000	0	0	0	-110,000
Income	110,000	0	0	0	110,000
Expenses	0	0	0	0	0
Confidential Item	-25,000	-51,300	-52,600	-53,900	-182,800
Income	25,000	51,300	52,600	53,900	182,800
Expenses	0	0	0	0	0
				Total	137,600

2023/24 Financial Year**STN001142****CONFIDENTIAL ITEM**

Id Number: 32061
Program: Confidential
Department: Community Development
Key Direction: A welcoming and liveable City
Est Completion Date:

Financial Year: 2024

Executive Summary:	Confidential Item
Scope:	Confidential Item
Justification:	Confidential Item

Project Stakeholders

Manager: Andrew Hamilton
General Manager: Amy Pokoney Cramey
Asset Owner: Andrew Hamilton
Elected Member:

Budget Bid Financial Summary

	2024	2025	2026	2027	Total
Capital Expenditure	447,000	0	0	0	447,000
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	-121,000	-232,000	-228,000	-226,000	-807,000
Operating Expenditure - Depreciation	0	0	0	0	0
Operating Income	0	57,000	72,000	80,000	209,000
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	326,000	-289,000	-300,000	-306,000	-569,000

Budget Bid Projects

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 Date Produced: 23-Mar-2023

Item 2.1.3 - Attachment 8 - Budget Bid STN001142 CONFIDENTIAL

	2024	2025	2026	2027	Total
Confidential Item	447,000	0	0	0	447,000
Income	0	0	0	0	0
Expenses	447,000	0	0	0	447,000
Confidential Item	0	-57,000	-72,000	-80,000	-209,000
Income	0	57,000	72,000	80,000	209,000
Expenses	0	0	0	0	0
Confidential Item	0	14,000	18,000	20,000	52,000
Income	0	0	0	0	0
Expenses	0	14,000	18,000	20,000	52,000
Confidential Item	-121,000	-246,000	-246,000	-246,000	-859,000
Income	0	0	0	0	0
Expenses	-121,000	-246,000	-246,000	-246,000	-859,000
Total					-569,000

ITEM	2.1.4
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	17 April 2023
HEADING	Long Term Financial Plan Scenarios and Rate Strategy 2023/24
AUTHOR	Manager Financial Services, Business Excellence
SUMMARY	In accordance with s122(4)(a) of the <i>Local Government Act 1999</i> , Council is required to review and adopt the Long Term Financial Plan annually, and as part of this process it is appropriate to review the target ranges for the Financial Sustainability Indicators. Additionally, as year 1 of the Long Term Financial Plan is set to draft budget figures, it is also important to consider the average rate increase appropriate for the 2023/24 financial year.

RECOMMENDATION

That Council:

1. Considering the risk of costs increasing above current budget estimates eventuating as detailed in paragraph 3.8 of this report (Item 2.1.4, Long Term Financial Plan Scenarios and Rate Strategy 2023/24) approves for consultation basis a rate increase based on a **to be determined**% average increase, including the minimum, as the basis for setting rates in 2023/24 and year 1 of the Long Term Financial Plan, considering the LTFP and inflation scenarios presented and the advice provided by the Audit and Risk Committee, and approves for this to be included in the Draft 2023/24 Long Term Financial Plan and Annual Business Plan for public consultation.
2. Approves for the Long Term Financial Plan be set with a rate increase of forecast CPI+0.6% for years two to ten, as detailed in scenario 1 (Item 2.1.4 Finance and Corporate Services Committee 17 April 2023 “Long Term Financial Plan Scenarios and Rate Strategy 2023/24”)
3. Notes that the current general rate capping policy as set out in section 3.7 of this report (Finance and Corporate Services Committee 17/04/2023, Item No. 2.1.4) remains unchanged for 2023/24.
4. Approves for the Operating Ranges for Financial Sustainability Indicators to remain as follows:
 - a. Operating Surplus Ratio: between 0.5% and 5%
 - b. Net Financial Liabilities Ratio: less than 70%
 - c. Asset Renewal Funding Ratio: between 90% and 110%

ATTACHMENTS

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

1. LTFP Graphs
2. Rate Calculation Based on 7.0% Average Rate Increase
3. Rate Random Sample

1. BACKGROUND

- 1.1 As part of preparing the budget and annual plan Council considers the Long Term Financial Plan (LTFP) and the associated financial sustainability indicators. An update to the LTFP was presented to Members at the Third Budget Workshop 29 March 2023.
- 1.2 The requirement to review the LTFP is contained within S122 of the *Local Government Act 1999*
 - (4) *A council may review its strategic management plans under this section at any time but must—*
 - (a) *undertake a review of—*
 - (i) *its long-term financial plan; and*
 - (ii) *any other elements of its strategic management plans prescribed by the regulations for the purposes of this paragraph,*
 - on an annual basis; and*
- 1.3 There are three Financial Sustainability Indicators specified in the *Local Government (Financial Management) Regulations 2011*, and the LGA Information Paper 9 ‘Financial Indicators’ that ‘promotes an approach whereby each Council would determine locally appropriate targets or target ranges for each indicator’.
- 1.4 Council last reviewed the LTFP as part of the 2022/23 budget process, including review of the operating ranges for the financial sustainability indicators and endorsed for consultation in April 2022 Council (Resolution 1310/2022), with adoption in June 2022 (Resolution 1371/2022).
- 1.5 The Audit and Risk Committee reviewed the Long Term Financial Plan and Annual Business Plan at their meeting on the 12 April 2023.
- 1.6 Scenarios presented at the Third Budget Workshop (29 March 2023) were incorporated into the Draft 2023/24 Long Term Financial Plan and Annual Business Plan item reported to the Audit and Risk Committee 12 April 2023, with an additional scenario of CPI+0.6% across all 10 years being included. The Audit and Risk Committee provided the following recommendation for Council consideration:

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*

- ## 2. CONSULTATION / COMMUNICATION

2.2.1 The Draft LTFP and the Rate Strategy form part of the Draft 2023/24 Long Term Financial Plan and Annual Business Plan which will move to public consultation in May.

Long Term Financial Plan Scenarios

- City of Salisbury

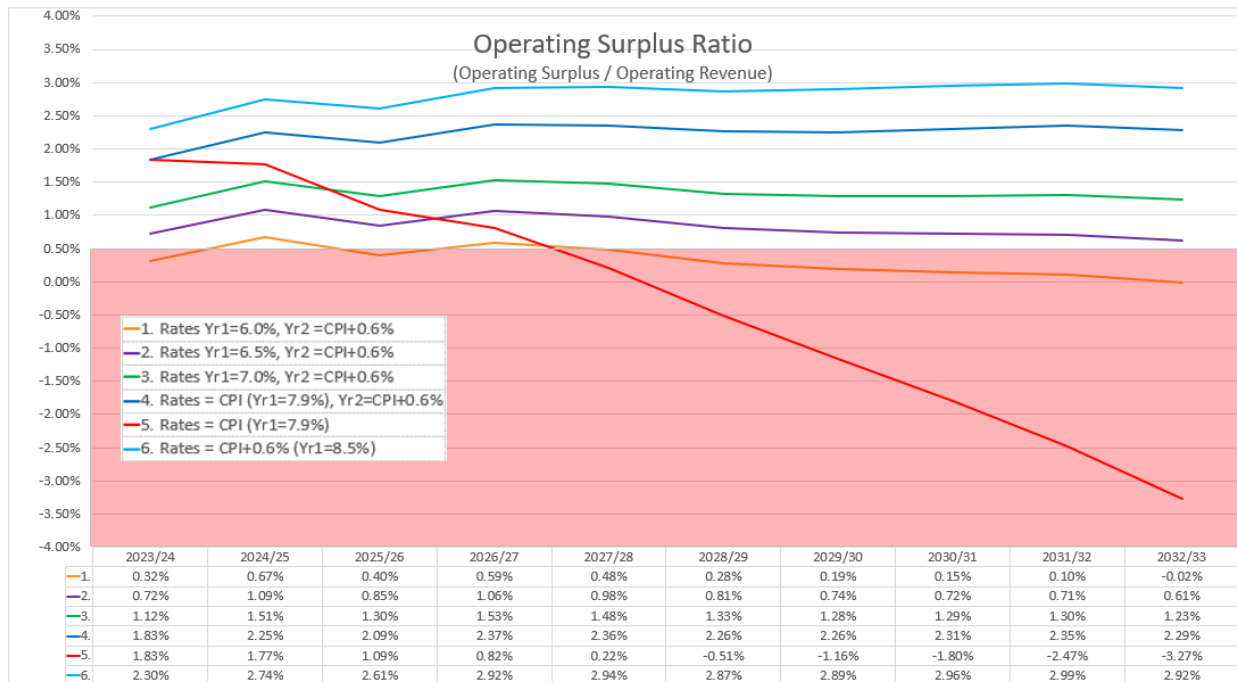
- 3.4 Since this workshop an adjustment has been made to reflect the Budgeted Deficit of NAWMA, which resulted in an Equity Accounted Loss of \$739k, which also reduces the Operating Surplus in the same amount. The tables and graphs in this report reflect this updated position.
- 3.5 In summary the scenarios 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%

- 3.6 Graphs of these scenario are provided in Attachment 1 for reference and in a larger scale than is presented in the report information in following paragraphs.

Operating Surplus Ratio (OSR):

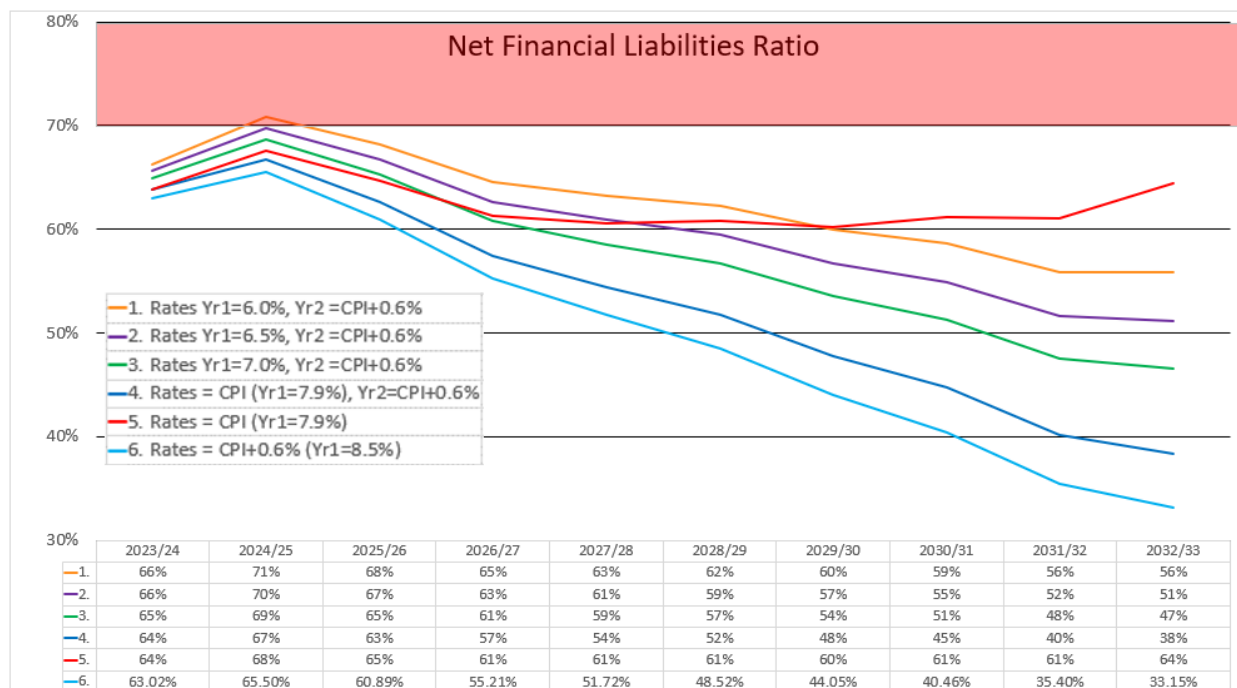
- 3.7 Calculated as Operating Surplus divided by Operating Revenue. The OSR is regarded as the most important indicator of financial sustainability. A positive ratio means that Council is operating with a surplus, and that it has some capacity to respond to emerging issues and changes in community needs. A surplus ratio also reflects the percentage of Council's operating income that contributes to funding capital expenditure and thereby reduces borrowings.
- 3.8 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, for example additional contract increases as works are tendered during the year. These potential impacts may reduce the operating surplus in 2023/24 and in future years. For example an additional 1% increase on \$10M of contractual services equates to an increase of costs of approximately \$1.0M in costs, which is the equivalent of an additional approximately 1.0% rate increase. Consequently, if the average rate increase is set too low the Council may operate below the floor of the Operating Surplus Ratio and may move into a deficit position.
- 3.9 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. Higher average rate increases provide greater capacity to Council to manage unforeseen issues, however, this also adds to the cost pressures for households.



3.10 It is proposed that Council maintain an operating range for this indicator of between 0.5%-5.0% (as depicted by the red region in the graph above). Members may wish to note that the LGA Information Paper suggests a long-term range of between 0%-10% for this ratio, however, having a small operating surplus (i.e. 0.5% minimum target) provides some financial capacity to respond to any emerging issues during the budget year.

Net Financial Liabilities Ratio (NFLR)

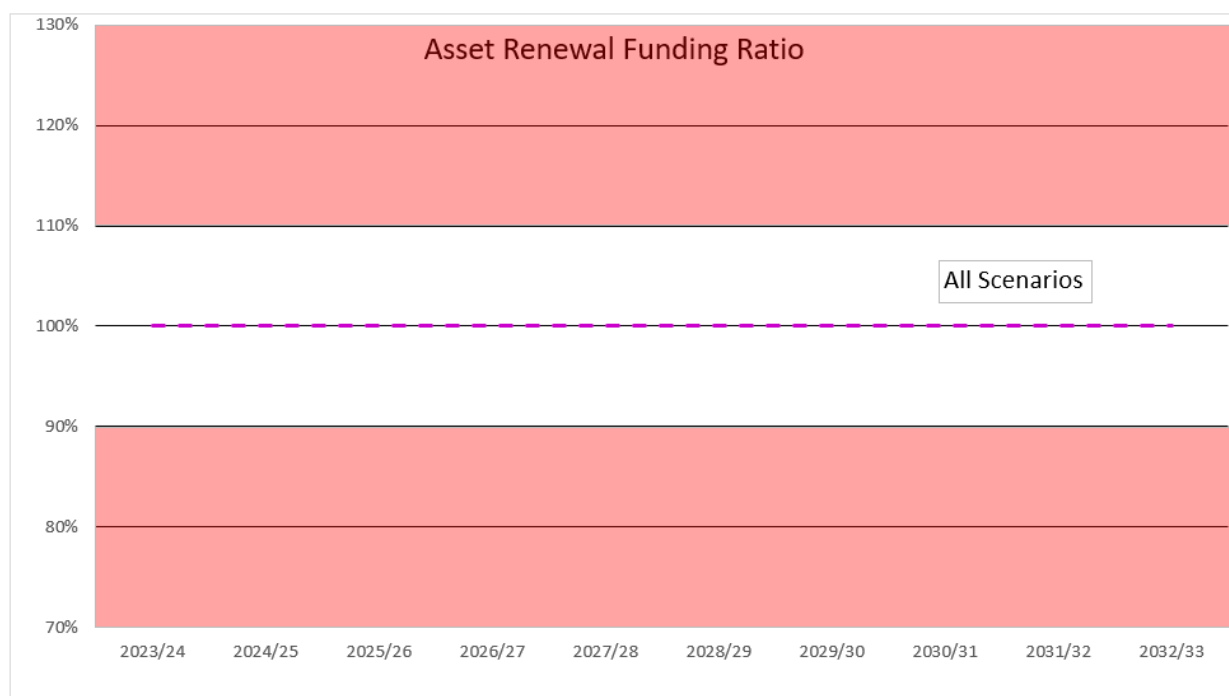
3.11 Calculated as Net Financial Liabilities divided by Operating Revenue. As the ratio falls overtime it indicates that Council has increasing capacity to meet its financial obligations from operating revenue.



- 3.12 As detailed in the graph above all LTFP scenarios provide for a financially sustainable result over the 10 year period, except year 2 of scenario 1 which sits just above at 71%, which is not cause for concern.
- 3.13 It is proposed that Council maintains an operating range for the NFL indicator of <70% (as depicted by the red region in the graph above), noting that the LGA discussion paper suggests a long-term range of between 0%-100%.

Asset Renewal Funding Ratio (ARFR)

- 3.14 The ARFR is calculated as Asset Renewal Expenditure divided by Renewal Expenditure per Asset Management Plans. A ratio of 100% indicates that council is renewing assets and is maintaining service standards by optimising its timing of capital outlays.
- 3.15 The graph below shows the ARFR based on the renewal expenditure included in the Draft 2023/24 SAMP that will be considered by Council in April for consultation in May 2023.



- 3.16 It is proposed that Council maintains an operating range for the Asset Renewal Funding Ratio of between 90%-110% (depicted by the red regions in the graph above) as this provides some flexibility to Council and Administration in retiming renewal works to enable delivery of upgraded assets by combining with new capital expenditure funds.
- 3.17 As this range is also used to assess the appropriateness of our actual results, some bandwidth around 100% is appropriate as there will be renewal projects that straddle financial years, although budgeted for delivery in a single year.
- 3.18 The LGA discussion paper also suggests a long-term range of between 90%-110%.

Summary of Results

3.19 The tables below provide a summary of the results, with scenarios that do not meet financial sustainability requirements greyed out. The differentiating factor for the remaining scenarios is the Year 1 rate increase (circled in blue below):

		Scenario Rate Increase			Financial Sustainability Results		
		Year 1	Year 2	Year 3	OSR	NFLR	ARFR
	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%	✓	✓	✓

OSR ~ Operating Surplus Ratio

NFLR ~ Net Financial Liabilities Ratio

ASR ~ Asset Renewal Funding Ratio

3.20 The need to remain financially sustainable, the high forecast inflation, decisions and budget impact that are unknown at this time, and the impact of rates on household budgets are worthy of careful consideration. The impact of the various scenarios on the proposed average residential rate (blue columns) and also on minimum rates (green columns) is detailed below for remaining scenarios:

		Scenario Rate Increase			Average Residential Rate Increase (Yr 1)		Min Rate Increase (Yr 1)	
		Year 1	Year 2	Year 3	p.a.	p.wk	p.a.	p.wk
	2 Rates Yr1=6.5%, Yr2 onwards =CPI+0.6%	6.5%	4.4%	3.2%	\$ 97.20	\$ 1.87	\$ 70.81	\$ 1.36
	3 Rates Yr1=7.0%, Yr2 onwards CPI+0.6%	7.0%	4.4%	3.2%	\$ 103.88	\$ 2.00	\$ 75.67	\$ 1.46
	4 Rates @ CPI, Yr2 onward CPI+0.6%	7.9%	4.4%	3.2%	\$ 117.24	\$ 2.25	\$ 85.40	\$ 1.64
	6 Rates @ CPI+0.6% across all years	8.5%	4.4%	3.2%	\$ 126.14	\$ 2.43	\$ 91.89	\$ 1.77

Audit and Risk Committee Consideration

3.21 The scenarios contained in this report were also incorporated into the Draft 2023/24 Long Term Financial Plan and Annual Business Plan item presented to the Audit and Risk Committee 12 April 2023, and the Audit and Risk Committee provided the following guidance for Council:

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 considering the costs at risk of higher than current budget increases eventuating that will be discussed with Council, a rate increase within the range of 7.0% and 8.0% 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 will need to be given to reduction in service levels

3.22 The Audit and Risk Committee recommendation has been reflected into recommendation 1 of this item for Council’s consideration.

Rating Strategy

- 3.23 The Rating Strategy adopted in setting the budget has a critical impact on our financial sustainability and has a significant impact on our ratepayers. The strategy adopted requires a balance between affordability for our ratepayers, whilst enabling the organisation to meet existing and new service needs of our community. Given the LTFP scenarios detailed above with year 1 rate increases from 6.5% to 8.5% all result in financial sustainable scenarios, an average rate increase of 7.0% in 2023/2024 financial year has been used in the sections that follow, noting that a decision on the average rate increase for public consultation is the subject of recommendation 1.

Valuation Changes

- 3.24 The general market movement as detailed below is a result from the mass appraisal process undertaken each year, and is based on data up to 31 December 2022.

General Market Revaluation

	Annual % Change	
Main Categories	Dec 2021	Dec 2022
Average increase across All properties	19.2%	17.6%
Average increase across Residential properties	21.8%	17.4%
Average increase across Commercial/Industrial properties	9.3%	14.6%
Average increase across Vacant Land properties	14.6%	40.7%

- 3.25 The market revaluation shows Salisbury property values across all categories are increasing. These figures are of course average and individual properties will vary according to the age/type of property and sales evidence. The above figures do not include any influence from the increase in the number of assessments or other development activity.

- 3.26 The average residential property value in Salisbury is now \$487k (December 2022), increasing from \$414k (December 2021).

Valuation Growth and Increases from Other Development Activities

- 3.27 The value of the City increases each year from new development for both residential and industrial development. The budget rate revenue estimate has been based on growth, being the increase in the number of assessments estimated at 0.5%, and other development activity contributing a further 0.5%. The data received from the Office of the Valuer General supports a growth figure of 0.3%, and other development activity 0.5% based on the current data received. The average over the past 5 years has been 1% combined with some growth and development activity still to flow through valuation data.

- 3.28 We will continue to monitor these impacts and provide updates in future reports.

Proposed Rate Increase

- 3.29 It should be noted that Council had planned rate increases of CPI+0.6% over a number of years and iterations of the LTFP. This equates to an average rate increase of 8.5% for 2023/24 based on forecast CPI of 7.9% noting that this is per Deloitte Access Economics Business Outlook December 2022. An Average rate increase of 6.5% in 2023/24, is adequate over the 10 year horizon of the LTFP, however, Council should consider that a higher average rate increase is appropriate to provide sufficient contingencies given the risk profile of the 2023/24 budget. The proposed average rate increase for public consultation forms part of the recommendations of this report.
- 3.30 A further 1% increase in rate revenue is anticipated through the increase in the number of assessments and development / improvement activities on specific properties. These two elements together set our target rate revenue at \$119.7M, to produce an operating budget with a surplus aligned to LTFP Scenario 3.
- 3.31 Based on available valuation information and targeting a 7.0% average increase in residential rates the revenue projections have been modelled (see Attachment 2) and the results summarised below.
- 3.32 The rate revenue modelled on the Valuer-General's information to date is \$119.942M (as detailed in the below table), and is \$188k below our required target of \$120.129M as included in the Consolidated Summary contained within Item 2.1.2 Budget Status Update on this Committee's Agenda.

Assumption	2022/23	2023/24
Average Rate Increase (all categories, except minimum rates, and Commercial and Industrial)	3.5%	7.0%
Commercial and Industrial Rate	3.9%	7.0%
Minimum Rates	3.5%	7.0%

Outcomes	2022/23	2023/24	Increase
Rate Revenue	\$111,230,899	\$119,941,643	\$8,710,744
Average Residential Rate	\$1,484	\$1,589	\$105
Residential Rate in \$	0.3583	0.3265	
Minimum Rate (0.0% increase)	\$1,081	\$1,157	\$76
Commercial/Industrial Rate in \$	0.6034	0.5634	

Commercial/Industrial rate differential	68.4%	72.6%	
Vacant Land Rate in \$	0.4658	0.4245	
Vacant Land Rate differential	30%	30%	

- 3.33 In order to achieve an average 7.0% increase, last year's residential rate in the dollar is discounted by the average residential value increase (17.4%). Similarly for the commercial/industrial category last year's rate is reduced by the average comm/ind value increase (14.6%). The 7.0% rate increase is then applied to these discounted rates in the dollar to set the rate in the dollar for the next year.

Impact on Individual Properties

- 3.34 A random selection of individual properties is provided in Attachment 4 with residential properties broken down by suburb. As will always be the case there is some variation between suburbs as a result of market changes in the property values within those suburbs, and also individual properties having some development resulting in valuation changes above market movement. The average residential rate increase across the random sample is 7.02% which is higher than the 7.0% average market movement, which is due to the sample not being a perfect representation of the whole property database, and also results from some properties having increased in value through development activity.

General Rate Capping

- 3.35 Council has a policy to cap rate increases in certain circumstances based on application. It is recommended that the policy outlined below remains unchanged:

'To provide relief against what would otherwise amount to a substantial change in rates payable, by a residential ratepayer due to rapid changes in market valuation, a rebate of general rates may be granted for the current financial year. Application to the Council can be made where the amount of any increase in general rates in monetary terms between the rates generated (excluding the application of the COVID 19 capping rebate but after the application of any other rebates) for the previous financial year and the amount imposed for the current financial year is great than 12.5%,

The amount of the rebate will be negotiated, but will be no greater than the difference between the amount of the general rates, in monetary terms imposed for the current financial year and the amount of general rates in monetary terms payable for the previous financial year (excluding the application of the COVID 19 capping rebate, but after the application of any other rebates), plus 12.5% of that amount.

The rebate will not apply where:

- *The land use category (LG Code) is not residential.*
- *Any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to the property, or the land has been subject to rezoning.*
- *The property is owned by a company or incorporated body.*
- *Any such increase is due, in full or in part, to the use of the land being different for rating purposes on the date the Council declared its general rates for the current financial year, than on the date the Council declared its general rates for the previous financial year.*
- *The ownership of the rateable property has changed since 1 July of the previous financial year.*

- *Any rebate will be negotiated.'*

3.36 The Rating Strategy will be contained within the Draft 2023/24 Long Term Financial Plan and Annual Business Plan for consultation and feedback from the community.

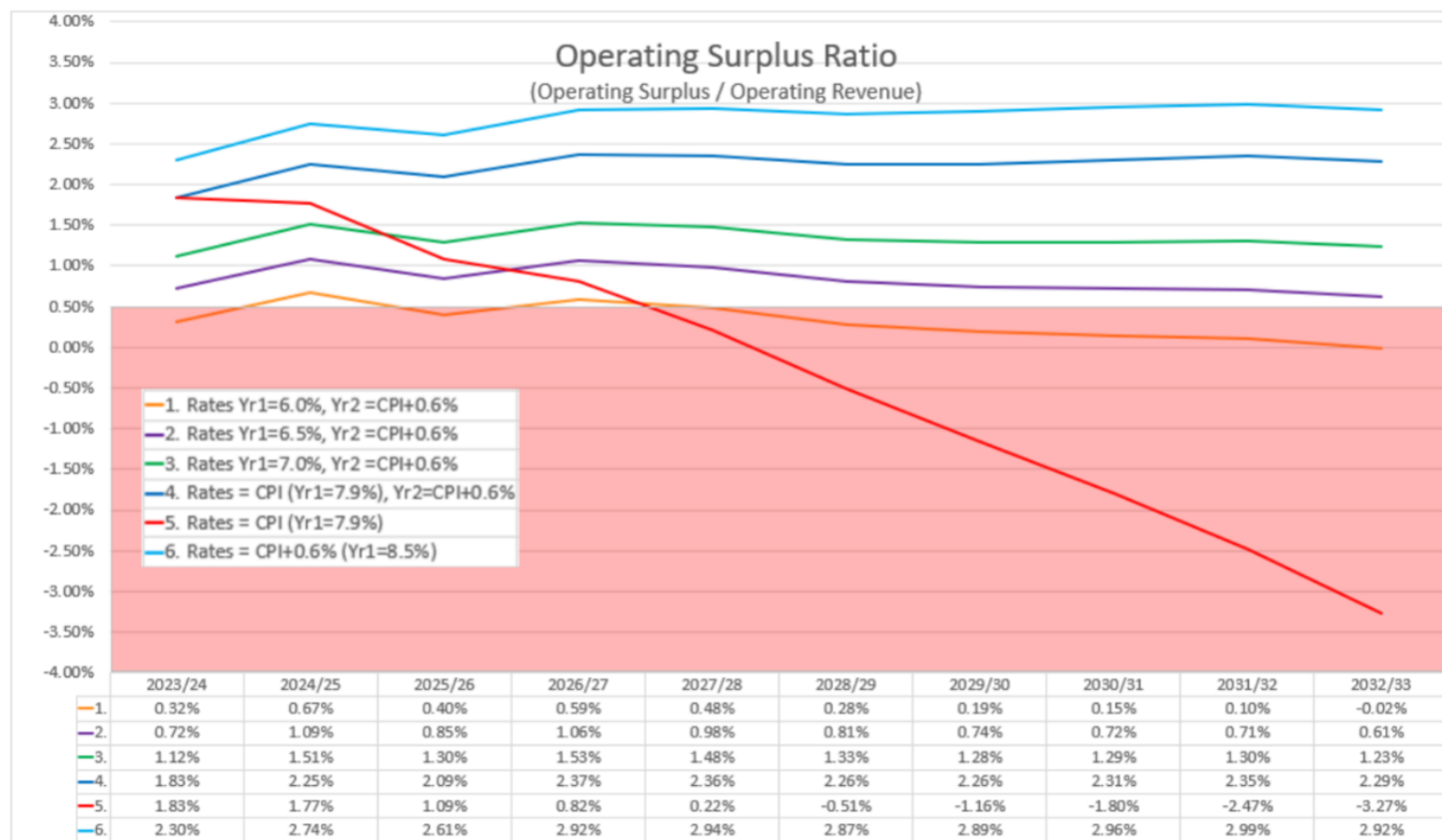
Final Considerations

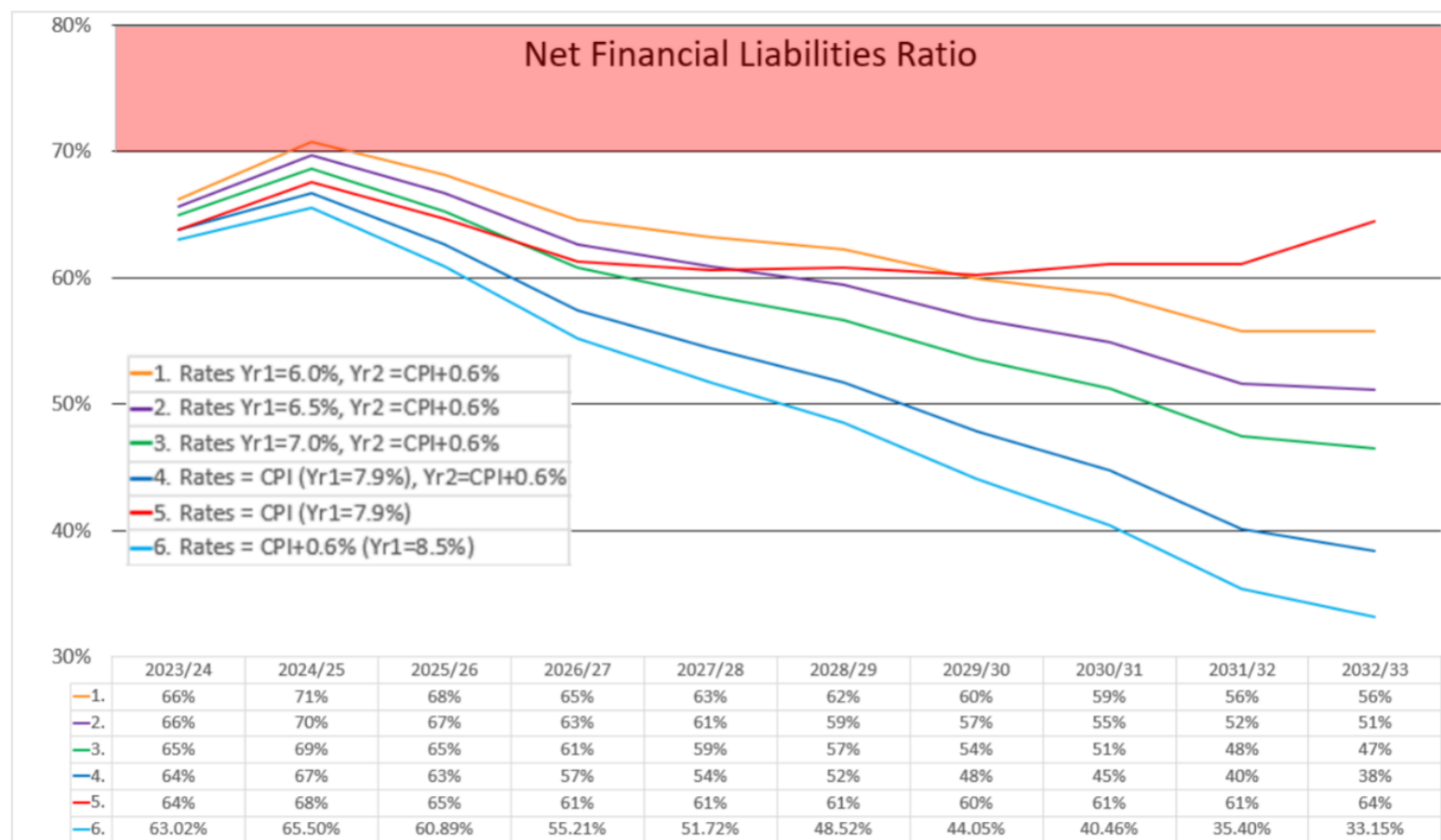
3.37 The Draft 2023/24 Long Term Financial Plan for public consultation will require updating for any decisions taken that vary the budget prior to consultation.

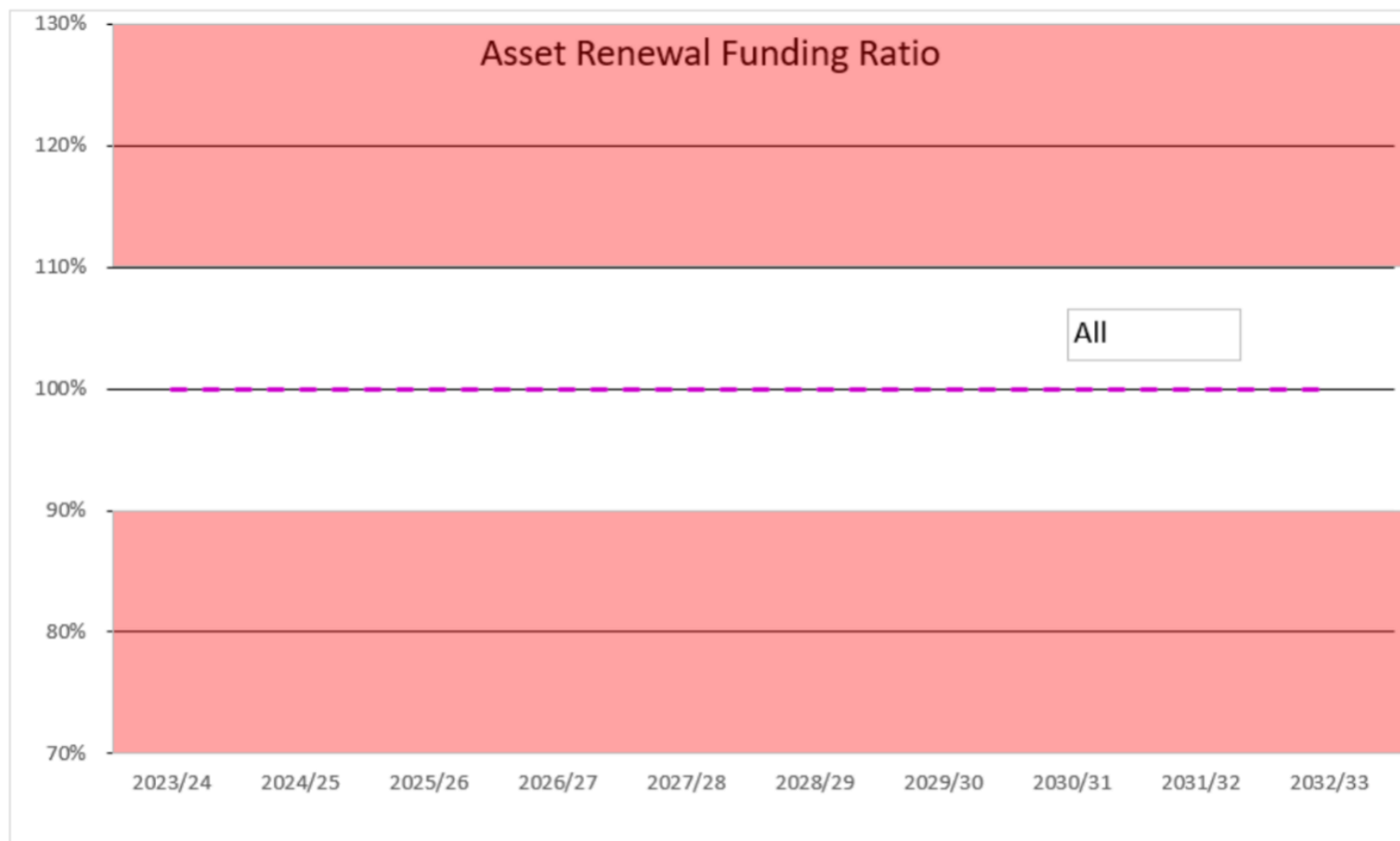
4. CONCLUSION / PROPOSAL

- 4.1 The various LTFP scenarios are provided to support Council's deliberation of the proposed 2023/24 average rate increase, with the impact of CPI unknown and uncertain at this time. It is appropriate for Council to consider options that maintain financial sustainability and also seek to minimise the impact on ratepayers.
- 4.2 With this frame of reference, the rate strategy has been prepared based on an average rate increase of 7.0%.
- 4.3 Feedback from the Audit & Risk Committee supported an average rate increase in the range from 7.0% to 8.0% given the cost risks within the 2023/24 budget with details of the recommendation contained in the background and paragraph 3.21.
- 4.4 The Rate increase, rate strategy, and Long Term Financial Plan selected by Council will be consulted with the community as part of the consultation of the Draft 2023/24 Long Term Financial Plan and Annual Business Plan, as detailed in item 2.1.4 on this Committee's agenda.

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2023/2024 RATE REVENUE CALCULATION

(MINIMUM UP 7.0% TO \$1,157 [<35% OF PROPS] , AVG RES RATE INC OF 7.0%, DIFF ON VAC LND 30% AND COMM/IND Rate Inc 7.0%, DIFF 72.6%)

Option 1

LAND USE CODE LAND USE	TOTAL ALL	1 RESIDENT	2 COM SHOP	3 COM OFF	4 COM OTH	5 IND LIGHT	6 IND OTH	7 PRIM PROD	8 VACANT	9 OTHER
RATEABLE PROPERTIES -										
TOTAL	61,614	57,187	744	204	1,576	325	275	205	941	157
MINIMUM RATED	10,911	10,008	148	20	195	72	20	20	404	24
H/V REMISSION	4,368									
	24.8%									
CAPITAL VALUE -										
TOTAL (\$K)	32,460,059	27,025,867	834,364	224,757	2,287,805	204,667	875,248	179,910	536,877	290,564
MINIMUM RATED (\$K)	2,734,236	2,578,558	20,689	2,458	25,356	10,802	2,881	2,830	85,235	5,427
Minimum Rated Value										
RATE (c/\$)		0.3265	0.5634	0.5634	0.5634	0.5634	0.5634	0.3265	0.4245	0.3265
MINIMUM RATE (\$)		1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157
RATE REVENUE (\$)	119,941,643	90,880,047	4,755,481	1,275,573	12,972,253	1,175,539	4,938,056	601,306	2,384,648	958,740
	7.7%	7.4%	3.1%	5.7%	9.7%	12.5%	8.1%	28.5%	19.8%	-6.5%
AVERAGE RATES (\$)	1,947	1,589	6,392	6,253	8,231	3,617	17,957	2,933	2,534	6,107

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RATES TEST DATA - RANDOM SAMPLE 2023/24							
	VALUATION				RATES		
	(Note: calculations exclude the higher value property remission)						
ASSESS No	CV	Category	CV	Value Change	RATES	RATES	Rate Change
	2022/23		2023/24	%	2022/23	2023/24	%
Average rate increase				Residential	3.50%		
				Commercial/Industry	3.90%		
RESIDENTIAL BY SUBURB							
Rate in \$					0.003583	0.003265	
Minimum Rate					1,081	1,157	
BRAHMA LODGE							
1651	315,000	01	375,000	19.05	1,128.65	1,224.38	8.48
3135	330,000	01	390,000	18.18	1,182.39	1,273.35	7.69
4647	320,000	01	385,000	20.31	1,146.56	1,257.03	9.63
4897	350,000	01	420,000	20.00	1,254.05	1,371.30	9.35
6624	405,000	01	480,000	18.52	1,451.12	1,567.20	8.00
6938	405,000	01	480,000	18.52	1,451.12	1,567.20	8.00
BURTON							
23914	330,000	01	380,000	15.15	1,182.39	1,240.70	4.93
23294	470,000	01	530,000	12.77	1,684.01	1,730.45	2.76
25371	315,000	01	360,000	14.29	1,128.65	1,175.40	4.14
26754	315,000	01	360,000	14.29	1,128.65	1,175.40	4.14
27729	315,000	01	360,000	14.29	1,128.65	1,175.40	4.14
GULFVIEW HEIGHTS							
19796	1,100,000	01	1,300,000	18.18	3,941.30	4,244.50	7.69
20699	850,000	01	1,000,000	17.65	3,045.55	3,265.00	7.21
21755	720,000	01	850,000	18.06	2,579.76	2,775.25	7.58
22809	780,000	01	910,000	16.67	2,794.74	2,971.15	6.31
22539	1,200,000	01	1,425,000	18.75	4,299.60	4,652.63	8.21
INGLE FARM							
12535	305,000	01	365,000	19.67	1,092.82	1,191.73	9.05
12377	415,000	01	495,000	19.28	1,486.95	1,616.18	8.69
13767	275,000	01	350,000	27.27	1,081.00	1,157.00	7.03
13286	380,000	01	380,000	0.00	1,361.54	1,240.70	-8.88
14144	390,000	01	490,000	25.64	1,397.37	1,599.85	14.49
15622	415,000	01	500,000	20.48	1,486.95	1,632.50	9.79
15081	415,000	01	495,000	19.28	1,486.95	1,616.18	8.69
15502	415,000	01	495,000	19.28	1,486.95	1,616.18	8.69
15462	355,000	01	425,000	19.72	1,271.97	1,387.63	9.09
16548	345,000	01	440,000	27.54	1,236.14	1,436.60	16.22
16916	400,000	01	480,000	20.00	1,433.20	1,567.20	9.35
16500	400,000	01	480,000	20.00	1,433.20	1,567.20	9.35
17451	415,000	01	495,000	19.28	1,486.95	1,616.18	8.69
17411	380,000	01	455,000	19.74	1,361.54	1,485.58	9.11
18931	365,000	01	470,000	28.77	1,307.80	1,534.55	17.34
18245	360,000	01	475,000	31.94	1,289.88	1,550.88	20.23
64385	460,000	01	550,000	19.57	1,648.18	1,795.75	8.95
64386	470,000	01	560,000	19.15	1,684.01	1,828.40	8.57
MAWSON LAKES							
34828	780,000	01	870,000	11.54	2,794.74	2,840.55	1.64
35737	650,000	01	730,000	12.31	2,328.95	2,383.45	2.34
35587	620,000	01	690,000	11.29	2,221.46	2,252.85	1.41
34994	1,025,000	01	1,150,000	12.20	3,672.58	3,754.75	2.24
46955	690,000	01	770,000	11.59	2,472.27	2,514.05	1.69
55797	475,000	01	530,000	11.58	1,701.93	1,730.45	1.68

RATES TEST DATA - RANDOM SAMPLE 2023/24							
ASSESS No	VALUATION				RATES		
	CV	Category	CV	Value Change	(Note: calculations exclude the higher value property remission)		
					RATES	RATES	Rate Change
	2022/23		2023/24	%	2022/23	2023/24	%
PARA HILLS							
20759	560,000	01	660,000	17.86	2,006.48	2,154.90	7.40
20310	340,000	01	400,000	17.65	1,218.22	1,306.00	7.21
20446	370,000	01	430,000	16.22	1,325.71	1,403.95	5.90
21663	355,000	01	415,000	16.90	1,271.97	1,354.98	6.53
22011	355,000	01	415,000	16.90	1,271.97	1,354.98	6.53
21870	355,000	01	415,000	16.90	1,271.97	1,354.98	6.53
21253	375,000	01	440,000	17.33	1,343.63	1,436.60	6.92
21222	420,000	01	490,000	16.67	1,504.86	1,599.85	6.31
21143	400,000	01	465,000	16.25	1,433.20	1,518.23	5.93
21163	420,000	01	490,000	16.67	1,504.86	1,599.85	6.31
21126	415,000	01	485,000	16.87	1,486.95	1,583.53	6.50
21265	400,000	01	465,000	16.25	1,433.20	1,518.23	5.93
22165	415,000	01	485,000	16.87	1,486.95	1,583.53	6.50
22607	355,000	01	415,000	16.90	1,271.97	1,354.98	6.53
20755	510,000	01	600,000	17.65	1,827.33	1,959.00	7.21
PARA HILLS WEST							
18396	425,000	01	495,000	16.47	1,522.78	1,616.18	6.13
19735	320,000	01	375,000	17.19	1,146.56	1,224.38	6.79
20016	375,000	01	440,000	17.33	1,343.63	1,436.60	6.92
22987	335,000	01	390,000	16.42	1,200.31	1,273.35	6.09
23602	265,000	01	310,000	16.98	1,081.00	1,157.00	7.03
PARA VISTA							
12495	465,000	01	520,000	11.83	1,666.10	1,697.80	1.90
14011	410,000	01	465,000	13.41	1,469.03	1,518.23	3.35
15053	550,000	01	620,000	12.73	1,970.65	2,024.30	2.72
15344	405,000	01	455,000	12.35	1,451.12	1,485.58	2.37
17015	365,000	01	415,000	13.70	1,307.80	1,354.98	3.61
17004	380,000	01	430,000	13.16	1,361.54	1,403.95	3.11
12496	495,000	01	600,000	21.21	1,773.59	1,959.00	10.45
PARAFIELD GARDENS							
38658	415,000	01	485,000	16.87	1,486.95	1,583.53	6.50
36257	500,000	01	590,000	18.00	1,791.50	1,926.35	7.53
37939	235,000	01	275,000	17.02	1,081.00	1,157.00	7.03
38412	310,000	01	365,000	17.74	1,110.73	1,191.73	7.29
39584	335,000	01	390,000	16.42	1,200.31	1,273.35	6.09
39091	425,000	01	495,000	16.47	1,522.78	1,616.18	6.13
39433	370,000	01	475,000	28.38	1,325.71	1,550.88	16.98
39998	325,000	01	415,000	27.69	1,164.48	1,354.98	16.36
41335	365,000	01	425,000	16.44	1,307.80	1,387.63	6.10
41398	335,000	01	390,000	16.42	1,200.31	1,273.35	6.09
42644	370,000	01	435,000	17.57	1,325.71	1,420.28	7.13
42682	425,000	01	495,000	16.47	1,522.78	1,616.18	6.13
42307	365,000	01	425,000	16.44	1,307.80	1,387.63	6.10
43783	410,000	01	475,000	15.85	1,469.03	1,550.88	5.57
43312	410,000	01	475,000	15.85	1,469.03	1,550.88	5.57
44394	355,000	01	415,000	16.90	1,271.97	1,354.98	6.53
44140	320,000	01	410,000	28.13	1,146.56	1,338.65	16.75
45018	410,000	01	475,000	15.85	1,469.03	1,550.88	5.57
45058	425,000	01	495,000	16.47	1,522.78	1,616.18	6.13
44838	495,000	01	580,000	17.17	1,773.59	1,893.70	6.77
44667	410,000	01	475,000	15.85	1,469.03	1,550.88	5.57

RATES TEST DATA - RANDOM SAMPLE 2023/24							
ASSESS No	VALUATION				RATES		
	CV 2022/23	Category	CV 2023/24	Value Change %	(Note: calculations exclude the higher value property remission)		
					RATES 2022/23	RATES 2023/24	Rate Change %
PARALOWIE							
23535	375,000	01	450,000	20.00	1,343.63	1,469.25	9.35
24793	445,000	01	530,000	19.10	1,594.44	1,730.45	8.53
24212	315,000	01	375,000	19.05	1,128.65	1,224.38	8.48
25975	370,000	01	440,000	18.92	1,325.71	1,436.60	8.36
25999	455,000	01	540,000	18.68	1,630.27	1,763.10	8.15
25819	340,000	01	410,000	20.59	1,218.22	1,338.65	9.89
25040	355,000	01	425,000	19.72	1,271.97	1,387.63	9.09
26443	375,000	01	450,000	20.00	1,343.63	1,469.25	9.35
27809	320,000	01	385,000	20.31	1,146.56	1,257.03	9.63
27175	330,000	01	395,000	19.70	1,182.39	1,289.68	9.07
27082	370,000	01	440,000	18.92	1,325.71	1,436.60	8.36
27452	330,000	01	395,000	19.70	1,182.39	1,289.68	9.07
28855	355,000	01	425,000	19.72	1,271.97	1,387.63	9.09
28770	415,000	01	500,000	20.48	1,486.95	1,632.50	9.79
28017	330,000	01	395,000	19.70	1,182.39	1,289.68	9.07
28999	390,000	01	465,000	19.23	1,397.37	1,518.23	8.65
29050	320,000	01	385,000	20.31	1,146.56	1,257.03	9.63
24795	470,000	01	570,000	21.28	1,684.01	1,861.05	10.51
POORAKA							
34944	425,000	01	500,000	17.65	1,522.78	1,632.50	7.21
34197	425,000	01	500,000	17.65	1,522.78	1,632.50	7.21
35746	425,000	01	500,000	17.65	1,522.78	1,632.50	7.21
35883	360,000	01	425,000	18.06	1,289.88	1,387.63	7.58
35465	365,000	01	435,000	19.18	1,307.80	1,420.28	8.60
35287	425,000	01	500,000	17.65	1,522.78	1,632.50	7.21
36739	375,000	01	445,000	18.67	1,343.63	1,452.93	8.13
37882	475,000	01	570,000	20.00	1,701.93	1,861.05	9.35
37729	485,000	01	570,000	17.53	1,737.76	1,861.05	7.10
SALISBURY							
717	365,000	01	435,000	19.18	1,307.80	1,420.28	8.60
539	355,000	01	430,000	21.13	1,271.97	1,403.95	10.38
969	355,000	01	430,000	21.13	1,271.97	1,403.95	10.38
177	335,000	01	400,000	19.40	1,200.31	1,306.00	8.81
54	310,000	01	370,000	19.35	1,110.73	1,208.05	8.76
426	158,000	01	189,000	19.62	1,081.00	1,157.00	7.03
3019	300,000	01	360,000	20.00	1,081.00	1,175.40	8.73
2975	194,000	01	235,000	21.13	1,081.00	1,157.00	7.03
2418	365,000	01	435,000	19.18	1,307.80	1,420.28	8.60
2321	330,000	01	395,000	19.70	1,182.39	1,289.68	9.07
3920	365,000	01	435,000	19.18	1,307.80	1,420.28	8.60
5868	365,000	01	435,000	19.18	1,307.80	1,420.28	8.60
5481	500,000	01	600,000	20.00	1,791.50	1,959.00	9.35
9	177,500	01	212,500	19.72	1,081.00	1,157.00	7.03
6912	390,000	01	465,000	19.23	1,397.37	1,518.23	8.65
6486	485,000	01	580,000	19.59	1,737.76	1,893.70	8.97

RATES TEST DATA - RANDOM SAMPLE 2023/24							
ASSESS No	VALUATION				RATES		
	CV	Category	CV	Value Change	(Note: calculations exclude the higher value property remission)		
					RATES	RATES	Rate Change
	2022/23		2023/24	%	2022/23	2023/24	%
SALISBURY DOWNS							
37397	225,000	01	270,000	20.00	1,081.00	1,157.00	7.03
37243	255,000	01	305,000	19.61	1,081.00	1,157.00	7.03
37281	315,000	01	380,000	20.63	1,128.65	1,240.70	9.93
38289	315,000	01	380,000	20.63	1,128.65	1,240.70	9.93
39480	345,000	01	410,000	18.84	1,236.14	1,338.65	8.29
39134	410,000	01	495,000	20.73	1,469.03	1,616.18	10.02
39985	410,000	01	495,000	20.73	1,469.03	1,616.18	10.02
41602	330,000	01	395,000	19.70	1,182.39	1,289.68	9.07
44630	455,000	01	540,000	18.68	1,630.27	1,763.10	8.15
SALISBURY EAST							
6508	335,000	01	400,000	19.40	1,200.31	1,306.00	8.81
6330	470,000	01	560,000	19.15	1,684.01	1,828.40	8.57
7378	335,000	01	400,000	19.40	1,200.31	1,306.00	8.81
7683	350,000	01	415,000	18.57	1,254.05	1,354.98	8.05
7894	490,000	01	580,000	18.37	1,755.67	1,893.70	7.86
7256	520,000	01	620,000	19.23	1,863.16	2,024.30	8.65
8430	405,000	01	485,000	19.75	1,451.12	1,583.53	9.12
8480	410,000	01	485,000	18.29	1,469.03	1,583.53	7.79
8352	450,000	01	530,000	17.78	1,612.35	1,730.45	7.32
9304	330,000	01	390,000	18.18	1,182.39	1,273.35	7.69
9746	390,000	01	465,000	19.23	1,397.37	1,518.23	8.65
9881	435,000	01	520,000	19.54	1,558.61	1,697.80	8.93
9205	350,000	01	415,000	18.57	1,254.05	1,354.98	8.05
9416	430,000	01	510,000	18.60	1,540.69	1,665.15	8.08
11006	335,000	01	400,000	19.40	1,200.31	1,306.00	8.81
10836	365,000	01	435,000	19.18	1,307.80	1,420.28	8.60
10241	250,000	01	300,000	20.00	1,081.00	1,157.00	7.03
11432	390,000	01	465,000	19.23	1,397.37	1,518.23	8.65
12214	435,000	01	520,000	19.54	1,558.61	1,697.80	8.93
12262	430,000	01	510,000	18.60	1,540.69	1,665.15	8.08
SALISBURY HEIGHTS							
7528	600,000	01	700,000	16.67	2,149.80	2,285.50	6.31
7891	890,000	01	1,050,000	17.98	3,188.87	3,428.25	7.51
10538	365,000	01	430,000	17.81	1,307.80	1,403.95	7.35
11498	445,000	01	530,000	19.10	1,594.44	1,730.45	8.53
12924	550,000	01	650,000	18.18	1,970.65	2,122.25	7.69
12900	455,000	01	530,000	16.48	1,630.27	1,730.45	6.15
SALISBURY NORTH							
30710	310,000	01	365,000	17.74	1,110.73	1,191.73	7.29
29923	215,000	01	255,000	18.60	1,081.00	1,157.00	7.03
30017	310,000	01	365,000	17.74	1,110.73	1,191.73	7.29
30336	385,000	01	455,000	18.18	1,379.46	1,485.58	7.69
31671	310,000	01	365,000	17.74	1,110.73	1,191.73	7.29
31463	196,000	01	230,000	17.35	1,081.00	1,157.00	7.03
31552	285,000	01	335,000	17.54	1,081.00	1,157.00	7.03
31882	200,000	01	235,000	17.50	1,081.00	1,157.00	7.03
31791	196,000	01	230,000	17.35	1,081.00	1,157.00	7.03
31027	330,000	01	390,000	18.18	1,182.39	1,273.35	7.69
31340	200,000	01	240,000	20.00	1,081.00	1,157.00	7.03
32497	285,000	01	335,000	17.54	1,081.00	1,157.00	7.03
47153	375,000	01	440,000	17.33	1,343.63	1,436.60	6.92
32055	310,000	01	365,000	17.74	1,110.73	1,191.73	7.29
33644	315,000	01	375,000	19.05	1,128.65	1,224.38	8.48
33530	330,000	01	390,000	18.18	1,182.39	1,273.35	7.69
33522	330,000	01	390,000	18.18	1,182.39	1,273.35	7.69
33517	325,000	01	380,000	16.92	1,164.48	1,240.70	6.55
33843	275,000	01	325,000	18.18	1,081.00	1,157.00	7.03

RATES TEST DATA - RANDOM SAMPLE 2023/24							
ASSESS No	VALUATION				RATES		
	CV	Category	CV	Value Change	(Note: calculations exclude the higher value property remission)		
					RATES	RATES	Rate Change
	2022/23		2023/24	%	2022/23	2023/24	%
SALISBURY PARK							
840	425,000	01	510,000	20.00	1,522.78	1,665.15	9.35
3308	420,000	01	500,000	19.05	1,504.86	1,632.50	8.48
5972	345,000	01	410,000	18.84	1,236.14	1,338.65	8.29
6727	455,000	01	540,000	18.68	1,630.27	1,763.10	8.15
6974	330,000	01	390,000	18.18	1,182.39	1,273.35	7.69
SALISBURY PLAIN							
847	380,000	01	455,000	19.74	1,361.54	1,485.58	9.11
476	390,000	01	465,000	19.23	1,397.37	1,518.23	8.65
1984	390,000	01	465,000	19.23	1,397.37	1,518.23	8.65
2754	405,000	01	480,000	18.52	1,451.12	1,567.20	8.00
4090	380,000	01	455,000	19.74	1,361.54	1,485.58	9.11
VALLEY VIEW							
13521	590,000	01	670,000	13.56	2,113.97	2,187.55	3.48
14691	440,000	01	500,000	13.64	1,576.52	1,632.50	3.55
16805	405,000	01	455,000	12.35	1,451.12	1,485.58	2.37
16435	162,000	01	183,000	12.96	1,081.00	1,157.00	7.03
18734	405,000	01	455,000	12.35	1,451.12	1,485.58	2.37
13522	520,000	01	580,000	11.54	1,863.16	1,893.70	1.64
WALKEY HEIGHTS							
46864	580,000	01	690,000	18.97	2,078.14	2,252.85	8.41
46866	570,000	01	680,000	19.30	2,042.31	2,220.20	8.71
46867	550,000	01	660,000	20.00	1,970.65	2,154.90	9.35
46868	520,000	01	620,000	19.23	1,863.16	2,024.30	8.65
46870	590,000	01	700,000	18.64	2,113.97	2,285.50	8.11
46871	600,000	01	720,000	20.00	2,149.80	2,350.80	9.35
AVERAGE	405,500		478,403	17.98	1,482.61	1,586.66	7.02

RATES TEST DATA - RANDOM SAMPLE 2023/24							
	VALUATION				RATES		
	(Note: calculations exclude the higher value property remission)						
ASSESS No	CV	Category	CV	Value Change	RATES	RATES	Rate Change
	2022/23		2023/24	%	2022/23	2023/24	%
LAND USE CODE 2 - COMMERCIAL - SHOPS							
Rate in \$					0.006034	0.005634	
Minimum Rate					1,081	1,157	
346	1,850,000	02	2,200,000	18.92	11,162.90	12,394.80	11.04
1744	1,950,000	02	2,200,000	12.82	11,766.30	12,394.80	5.34
18808	324,281	02	372,186	14.77	1,956.71	2,096.90	7.16
47669	82,500,000	02	85,350,000	3.45	497,805.00	480,861.90	-3.40
68363	660,251	02	806,198	22.10	3,983.95	4,542.12	14.01
69628	370,000	02	290,000	-21.62	2,232.58	1,633.86	-26.82
67132	359,340	02	400,679	11.50	2,168.26	2,257.43	4.11
62836	300,000	02	335,000	11.67	1,810.20	1,887.39	4.26
3826	301,000	02	350,000	16.28	1,816.23	1,971.90	8.57
AVERAGE	9,846,097		10,256,007	4.16	59,411.35	57,782.34	-2.74
LAND USE CODE 3 - COMMERCIAL - OFFICE							
3855	658,751	02	759,501	15.29	3,974.90	4,279.03	7.65
50529	2,000,000	03	2,225,000	11.25	12,068.00	12,535.65	3.88
19727	395,000	03	445,000	12.66	2,383.43	2,507.13	5.19
AVERAGE	1,017,917		1,143,167	12.30	6,142.11	6,440.60	4.86
LAND USE CODE 4 - COMMERCIAL - OTHER							
5681	450,000	04	530,000	17.78	2,715.30	2,986.02	9.97
35552	470,000	04	620,000	31.91	2,835.98	3,493.08	23.17
71584	1,200,000	04	1,600,000	33.33	7,240.80	9,014.40	24.49
AVERAGE	706,667		916,667	29.72	4,264.03	5,164.50	21.12
LAND USE CODE 5 - INDUSTRY - LIGHT							
190	1,325,000	05	1,525,000	15.09	7,995.05	8,591.85	7.46
5283	480,000	05	560,000	16.67	2,896.32	3,155.04	8.93
72821	3,500,000	05	4,675,000	33.57	21,119.00	26,338.95	24.72
34404	640,000	05	860,000	34.38	3,861.76	4,845.24	25.47
659	395,000	05	480,000	21.52	2,383.43	2,704.32	13.46
AVERAGE	1,268,000		1,620,000	27.76	7,651.11	9,127.08	19.29
LAND USE CODE 6 - INDUSTRY - OTHER							
1007	1,200,000	06	1,450,000	20.83	7,240.80	8,169.30	12.82
35248	350,000	06	395,000	12.86	2,111.90	2,225.43	5.38
36718	7,725,000	06	8,650,000	11.97	46,612.65	48,734.10	4.55
39801	1,650,000	06	2,250,000	36.36	9,956.10	12,676.50	27.32
AVERAGE	2,731,250		3,186,250	16.66	16,480.36	17,951.33	8.93

RATES TEST DATA - RANDOM SAMPLE 2023/24							
		VALUATION			RATES		
	(Note: calculations exclude the higher value property remission)						
ASSESS No	CV	Category	CV	Value Change	RATES	RATES	Rate Change
	2022/23		2023/24	%	2022/23	2023/24	%
LAND USE CODE 7 - PRIMARY PRODUCTION							
					0.003583	0.003265	
					1,081	1,135	
27617	400,000	07	600,000	50.00	1,433.20	1,959.00	36.69
29290	530,000	07	830,000	56.60	1,898.99	2,709.95	42.70
27394	620,000	07	800,000	29.03	2,221.46	2,612.00	17.58
56351	1,400,000	07	2,000,000	42.86	5,016.20	6,530.00	30.18
AVERAGE	737,500		1,057,500	43.39	2,652.79	3,452.74	30.16
LAND USE CODE 8 - VACANT LAND							
					0.004658	0.004245	
					1,081	1,135	
24553	235,000	08	275,000	17.02	1,094.63	1,167.38	6.65
71833	225,000	08	260,000	15.56	1,081.00	1,135.00	5.00
9100	500,000	08	580,000	16.00	2,329.00	2,462.10	5.71
5287	182,000	08	245,000	34.62	1,081.00	1,135.00	5.00
63854	215,000	08	245,000	13.95	1,081.00	1,135.00	5.00
56534	235,000	08	305,000	29.79	1,094.63	1,294.73	18.28
65222	4,000,000	08	5,400,000	35.00	18,632.00	22,923.00	23.03
71221	950,000	08	1,225,000	28.95	4,425.10	5,200.13	17.51
AVERAGE	819,000		1,066,875	30.27	3,872.96	4,556.54	17.65

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ITEM	2.1.5
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	17 April 2023
HEADING	Draft 2023/24 Long Term Financial Plan and Annual Business Plan
AUTHORS	Manager Financial Services, Business Excellence Senior Management Accountant, Business Excellence
CITY PLAN LINKS	4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report is for the adoption of the Draft 2023/4 Long Term Financial Plan and Annual Business Plan (LTFP&ABP) for public consultation as required by Section 123 of the Local Government Act 1999

RECOMMENDATION

That Council:

1. Adopts the Draft 2023/24 Long Term Financial Plan and Annual Business Plan for the purposes of Public Consultation, subject to further editing and formatting improvements without changing the substantive nature of the document, and changes required to reflect relevant decisions of Council made at Finance and Corporate Services Committee Meeting 17 April 2023 and Council 24 April 2023.
2. Notes that 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)

ATTACHMENTS

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

1. Draft 2023/24 Long Term Financial Plan and Annual Business Plan

1. BACKGROUND

- 1.1 This report is for the adoption of the Draft 2023/24 LTFP&ABP for public consultation as required by Section 123 of the *Local Government Act 1999*.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 The Audit and Risk Committee reviewed the Draft 2023/24 LTFP&ABP in accordance with S126(4)(ab) of the *Local Government Act 1999* at the Audit and Risk Committee Meeting 12 April 2023.

2.2 External

- 2.2.1 The Draft 2023/24 LTFP&ABP will be available for public consultation in May 2023.

3. REPORT

- 3.1 The Draft 2023/24 LTFP&ABP, distributed to members, contains financial information reflecting just one scenario out of a number of scenarios under Councils consideration. The Finance and Corporate Services Committee will be recommending to Council a number of budget parameters and elements through reports as part of tonight's agenda, and these decisions will be reflected in the updated Draft 2023/24 LTFP&ABP for public consultation.
- 3.2 The Audit and Risk Committee reviewed the Draft 2023/24 LTFP&ABP at the April Audit Committee Meeting, held 12 April 2023 and considered various scenarios consistent with Budget Workshop 3 and additional scenarios as included in item "Long Term Financial Plan Scenarios and Rating Strategy 2023/24" on tonight's agenda.
- 3.3 The Audit and Risk Committee's advice and feedback has been reflected in its recommendation to Council to provide Council the opportunity to consider the Audit Committee's perspectives prior to approving the LTFP&ABP for Public Consultation.
- 3.4 Any decision made at the Finance and Corporate Services Committee Meeting on the 17 April and the Council Meeting on 24 April, which impact on the 2023/24 LTFP&ABP, will be incorporated into the final draft for public consultation as reflected in the recommendation.

Essential Services Commission of SA Local Government Advice

- 3.5 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.
- 3.6 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)

- 3.7 ESCOSA then made four further contacts with the City of Salisbury to gain further information.
- 3.8 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.
- 3.9 The Advice 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.
- 3.10 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 is the proposed Action Plan in relation to the Advice. This has been considered by the Audit and Risk Committee with no changes recommended.
- 3.11 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.

LTFP&ABP Consultation

- 3.12 The Draft 2023/24 LTFP&ABP will be made available to the public through the City of Salisbury Website and social media platforms. The Draft 2023/24 LTFP&ABP includes an Executive Summary which provides high-level information about the LTFP&ABP. This Summary will be provided separately on the website, as well as being embedded in the Draft 2023/24 LTFP&ABP.
- 3.13 The public consultation period is planned to commence on Wednesday 3 May and conclude on Wednesday 24 May, with advertising to appear in the Advertiser on Wednesday 3 May and on our website during the public consultation period. Links will also be available via our social media pages Twitter and Facebook. During this time the public are welcome to make comment by letter, email or phone.
- 3.14 The opportunity for verbal representations will be provided at the commencement of the May Council meeting.

4. CONCLUSION / PROPOSAL

- 4.1 The Draft 2023/24 LTFP&ABP, subject to refinements and adjustments to reflect relevant decisions of Council at the Finance and Corporate Services Committee Meeting and Council Meeting 24 April be adopted for the purposes of public consultation.



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 120 to 123.

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 43 to 47.

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 24 to 41. 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

Gillian Aldridge

Mayor, Gillian Aldridge OAM

MAYOR


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 galdridge@salisbury.sa.gov.au

CENTRAL WARD


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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.



Long Term Financial Plan 23/24 to 32/33

CEO Sustainability Report

In accordance with S122(4b) the information contained within page 16-21 of this document and Appendix A are to be taken as the CEO's sustainability report. The content of these pages sets out the practices of the City of Salisbury to seek to operate in a financially sustainable way with all indicators within the target ranges endorsed by Council, and with the intent of continuing to manage rate increases to CPI+0.6%, which is discussed further under "Assumptions".

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 implies equity between generations. That is, each generation of ratepayers should pay for the services they consume. Future generations should not have to pay more as a result of decisions made by earlier generations to delay maintaining and renewing assets. Also, future generations should not benefit at the expense of the current generation of ratepayers.

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

The Planning Process

Year one of the LTFP is set to 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.

There have been a number of unpredictable events in recent years including the Covid pandemic and more recently the increase in inflation with potential impacts into future years. Unexpected events and other unplanned movements in Council's financials will occur in the future and consequently reality will be different 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. 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.



Long Term Financial Plan 23/24 To 32/33

Assumptions

Year Ending 30 June	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Consumer Price Index (CPI)	7.9%	3.8%	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary & Wages	3.5%	3.5%	3.7%	3.0%	3.1%	3.2%	3.2%	3.2%	3.3%	3.3%
Superannuation Guarantee Charge	11.0%	11.5%	12.0%							
Interest Rate	7.3%	7.0%	6.8%	6.5%	6.4%	6.3%	6.0%	5.9%	5.9%	5.9%
Average Rate Increase	7.0%	4.4%	3.2%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Number of Assessments	61,725	62,034	62,344	62,344	62,656	62,656	62,656	62,656	62,969	62,969
Rates Growth from Increase in Number of Rate Assessments	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Rate Revenue Increase from Other Development Activity	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

The LTFP is underpinned by a number of key assumptions. The primary data source for the 2023/24 LTFP is Deloitte Access Economics data Business Outlook December 2022, being the most up to date information available at the time of developing this plan. Assumptions are also informed by Reserve Bank forecasts, the Australian Bureau of Statistics, and general sector knowledge. These assumptions are at a point in time and the future will vary, however they represent the best information at the time of preparing the plan.

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.

Inflation

Forecast Consumer Price Index (CPI), has been based on Deloitte Access Economics Business Outlook December 2022, and in later years the midpoint of the RBA target CPI, being a range of 2%-3%.

Salary and Wages

The current enterprise agreement covering most staff will expire 30 June 2023, meaning that the percentage for 2024 is relatively uncertain. In future years Salary and Wages increases have been set based on Deloitte Access Economics Business Outlook December 2022. 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 three year period.

Interest Rates

Interest rates have been based on Deloitte Access Economics Business Outlook December 2022.

Average Rate Increase

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 Annual Business Plan. The 0.6% above CPI reflects that there are a number of costs that move out of sync with CPI. It also reflects the funding required to provide expanded services and the ongoing costs of new infrastructure being higher depreciation, interest and maintenance costs.

As the 2023/24 inflation is based on CPI of 7.9% the average rate increase under the approach of plus 0.6% would be 8.5%, however Council is proposing a 7.0% average rate increase.

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.

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	\$30.5M	\$30.7M	\$27.3M	\$27.1M	\$32.0M	\$30.2M	\$30.3M	\$31.6M	\$30.3M	\$32.3M
New & Upgrade Capital Expenditure	\$9.8M	\$13.2M	\$6.3M	\$7.0M	\$4.7M	\$5.8M	\$4.7M	\$5.8M	\$4.6M	\$5.8M
Uncommitted New Capital Funds		\$6.0M	\$6.0M	\$6.0M	\$6.0M	\$6.0M	\$6.0M	\$6.0M	\$6.0M	\$6.0M
Operating Bids / Expansion in Services		\$1M	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M

* Nominal Dollars - not adjusted for inflation

Renewal Capital Expenditure

The City of Salisbury has approximately \$1.8 Billion in infrastructure assets provided to the community and has an obligation to maintain and renew these assets. This is a key consideration in our plans, with the LTFP being aligned to the renewal requirements of the Strategic Asset Management Plan (SAMP), which is also being consulted with the community in May 2023 and can be located on the Council website.

New & Upgrade Capital Expenditure

Expenditure on new assets and upgrade of existing assets is contained within the SAMP, with current year detailed in pages 30 to 37. The new and upgraded infrastructure assets expenditure for 2023/24 has been set at \$9.8M. This is reflective of a return to a more typical level of infrastructure expenditure following the expansion in the program in the past few years following higher expenditure to support recovery during Covid. Another significant change has been the approach taken to asset management, and a shift to service based asset expenditure rather than conditioned based. This has resulted in significant increases in asset renewal expenditure and has required a reduction in new asset expenditure.



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.

Uncommitted New Capital Funds

In addition to new and upgrade expenditure defined in the SAMP, unallocated funds have been provided from 2024 onwards as there will be further projects to be delivered to better serve the community, with these projects yet to be adequately defined and costed to be able to be included in the SAMP, however the inclusion of these uncommitted funds is necessary to support the delivery of the City Plan.

Operating Bids / Expansion in Services

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

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

Estimated Statement of Comprehensive Income

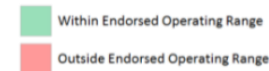
YEAR ENDING 30 JUNE	2024 Budget Year 1 \$000's	2025 Plan Year 2 \$000's	2026 Plan Year 3 \$000's	2028 Plan Year 5 \$000's	2033 Plan Year 10 \$000's
INCOME					
Rates Revenues	121,064	127,602	132,961	144,087	176,149
Statutory Charges	2,861	2,969	3,046	3,201	3,621
User Charges	5,992	8,926	9,489	10,300	11,653
Grants, Subsidies & Contributions	14,652	14,951	15,178	15,631	16,749
Investment Income	77	80	82	86	95
Reimbursements	289	300	308	324	366
Other Income	992	1,029	1,056	1,110	1,256
Total Income	145,927	155,857	162,120	174,739	209,889
EXPENSES					
Employee Costs	44,891	47,763	49,750	53,168	62,857
Materials, Contracts & Other Expenses	61,267	66,799	69,885	76,157	94,661
Depreciation, Amortisation & Impairment	33,641	35,011	36,431	39,704	48,130
Finance Costs	3,756	3,965	4,015	3,148	1,444
Total Expenses	144,294	153,538	160,081	172,177	207,092
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	1,633	2,319	2,039	2,562	2,797
Asset Disposal & Fair Value Adjustments	2,199	748	2,652	1,999	4,612
Amounts Received Specifically for New or Upgraded Assets	957	1,434	1,748	1,477	1,477
Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000
NET SURPLUS/(DEFICIT)	5,789	5,501	7,439	7,038	9,886
OTHER COMPREHENSIVE INCOME					
Changes in Revaluation Surplus - IPP&E	50,254	47,313	47,808	48,951	23,226
Total Other Comprehensive Income	50,254	47,313	47,808	48,951	23,226
TOTAL COMPREHENSIVE INCOME	56,043	52,814	55,247	55,989	33,112

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

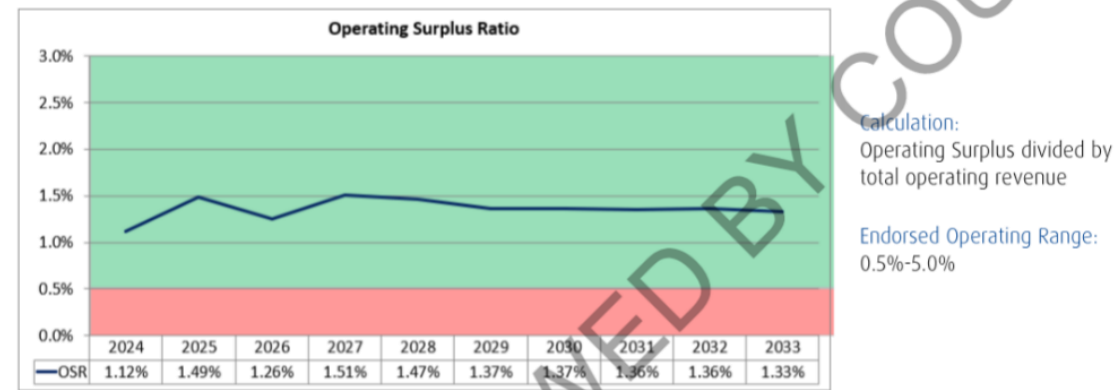
Long Term Financial Plan 23/24 To 32/33

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

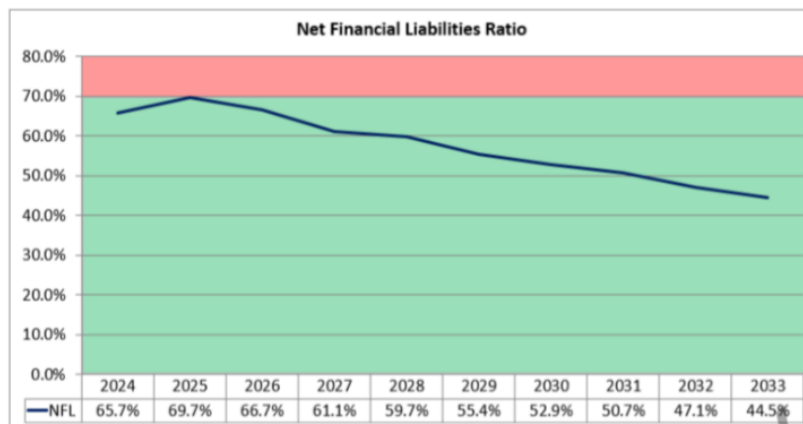


Councils with a positive Operating Surplus Ratio have current rate payers meeting the costs of the services that they are consuming. The larger the ratio the more revenue that is available to fund unforeseen expenditure requirements and the operating surplus can be directed to infrastructure expenditure, 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.

Long Term Financial Plan 23/24 To 32/33

Net Financial Liabilities Ratio



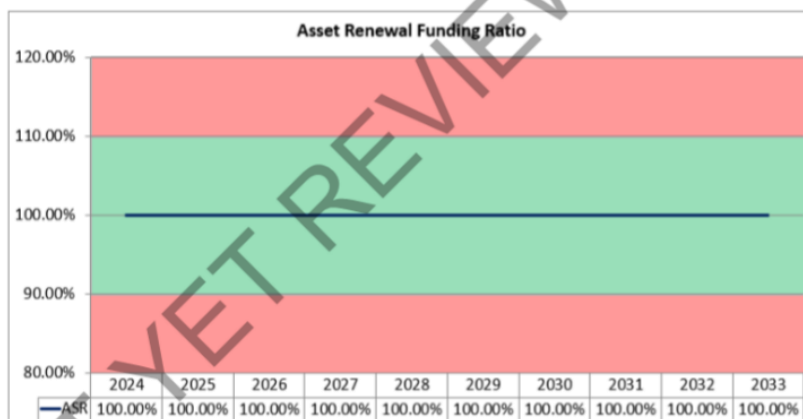
Calculation:
Net Financial Liabilities
divided by Operating
Revenue

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.

City of Salisbury has a relatively low debt position. The Council endorsed a large infrastructure program in 2021 and 2022 financial years to support the community through the impacts of Covid. Consequently, debt drops over the life of the plan as infrastructure spending returns to normal levels, and this is reflected in the Net 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.

ESCOSA Advice – Salisbury Action Plan

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 – Salisbury Action Plan

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 LTFP As this practice is already in place, no further action is proposed.	N/A	No further action required
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

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 2023/24 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 24.

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

In 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 30.

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 2.1.5 - 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						
Belchambers 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

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

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
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	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	142
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	0
Confidential Item						
Confidential	75	108	(33)	0	0	0
Operating Components of Capital Bids						
TOTAL - Innovation and Business Development	321	113	208	135	138	142
Total Operating Budget Bids	2,362	215	2,147	1,669	1,689	1,296

NOT YET REVIEWED BY COUNCIL

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Infrastructure Budget Bids



Item 2.1.5 - 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.	385	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

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	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	116	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	420	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	58	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	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	1,051	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	0
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	250
Sustainable Schools Program						
Construct new Salisbury Water distribution mains to provide connections to schools.	340	0	340	200	0	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	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	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	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	400
Total New	2,405	100	2,305	2,564	2,544	2,336
TOTAL - A sustainable City	6,789	100	6,689	7,757	6,844	6,381

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

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



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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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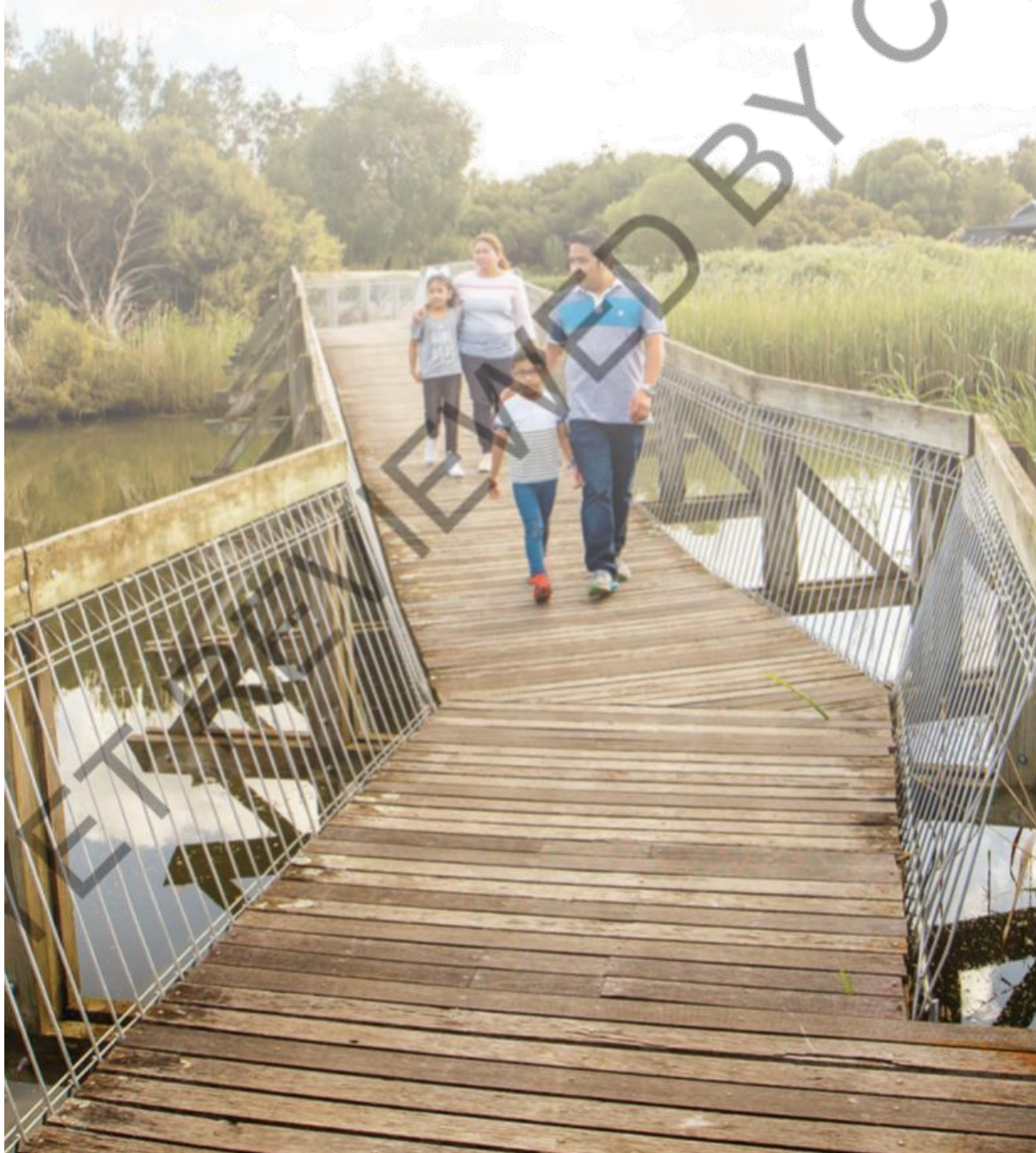
Plant, Furniture and Equipment Budget Bid

	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 2.1.5 - 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 2022/23.

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 5.53%. 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	610	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



Item 2.1.5 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

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, 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 community.
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 is reported to Council and a recent update of achievements reported to the new Intercultural Partnerships Sub-committee.

CRITICAL ACTIONS	
<p>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>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>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>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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Community Development



Key Partners:

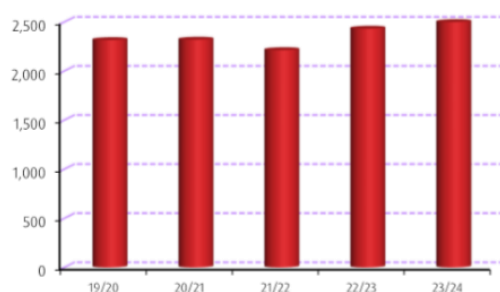
- Community Centres SA
- Community Centre Associations
- Department of Health
- Department for Education and Child Development
- Northern Adelaide State Secondary Schools Alliance
- Department of Communities and Social Inclusion Human Services (SA)
- Reconciliation Australia
- Public Library Service 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

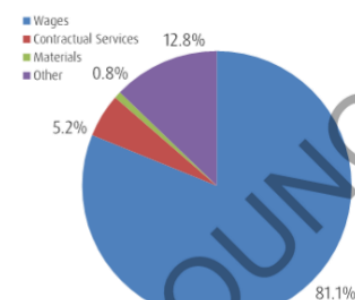
SERVICE AREAS	ACTIVITIES SERVICE LEVELS
Community Development Administration Provides for Executive Management and associated support for the overall management and leadership of the Community Development Department.	<ul style="list-style-type: none"> • Leadership of the Community Development department and accountability for outcomes assigned to the department
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.	<ul style="list-style-type: none"> • Applications received: approximate average 32pa
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.	<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
<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.	<ul style="list-style-type: none"> • 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
<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.	<ul style="list-style-type: none"> • 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:

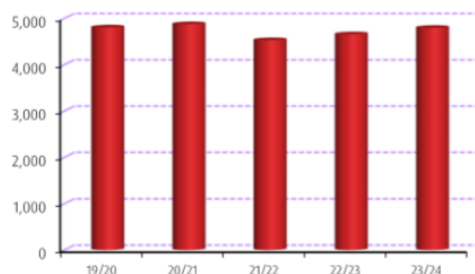
- Public Library Services (PLS)
- Libraries Board of South Australia
- State Library of South Australia (SLSA)
- Public Libraries SA (PLSA)
- Australian Library and Information Association (ALIA)
- Department for Innovation and Skills

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

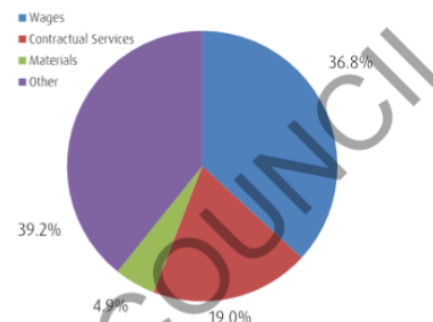
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance Libraries The maintenance of library buildings.	
Library Administration and Policy Provides for the management and associated support staff for the function of the library services.	<ul style="list-style-type: none"> • Manage library branch 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

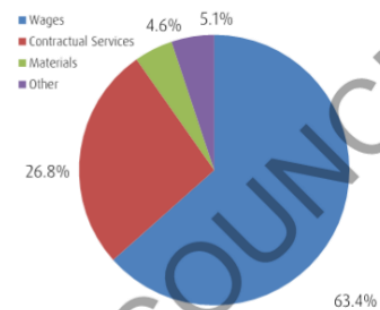
SERVICE AREAS	ACTIVITIES SERVICE LEVELS
Building Maintenance Community Centres The maintenance of Community Centre buildings.	
Community Centres Deliver learning and engagement activities for all ages across Community Centres in Salisbury North (Bagster Road), Parafield Gardens (Morella), Pooraka (Pooraka Farm) and Salisbury East; Hub sites at the Mawson Centre, Para Hills and Burton Community Hubs; and at the Twelve25 Youth Centre, Salisbury. 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. 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.	<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:

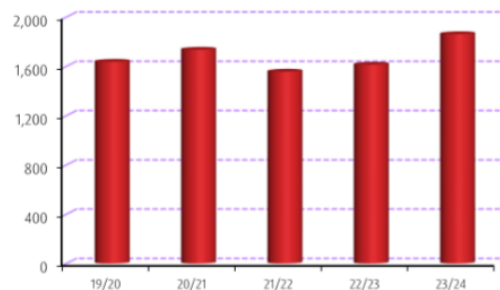
- Service Delivery – Belgravia Leisure
- Netball SA
- Squash SA
- Tennis SA
- Council of the Aging (COTA)
- Recreation SA
- AustSwim
- Swimming Australia
- Dept. Education and Children's Services
- Office for Recreation, Sport and Racing
- University of SA
- Basketball Australia
- Adelaide Community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

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

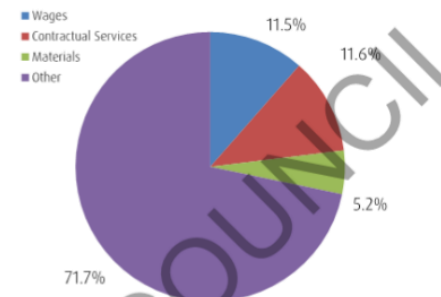
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance The maintenance cost of recreation buildings.	
Recreation Services Contract City of Salisbury provides recreation services through an outsourced business model. Services are provided as follows: <i>Ingle Farm Recreation Centre</i> The Centre 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. <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. <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) <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. 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	<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. • Customer visits: 121,000pa • Teams registered: 180pa • Current customer visits and teams registered is being impacted as a result of the COVID-19 requirements. • Previous Customer visits: approx. 68,500pa • Rounds: approx. 17,700pa • Driving range buckets: approx. 6,000 • Attendances: approxi. 15,000pa

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:

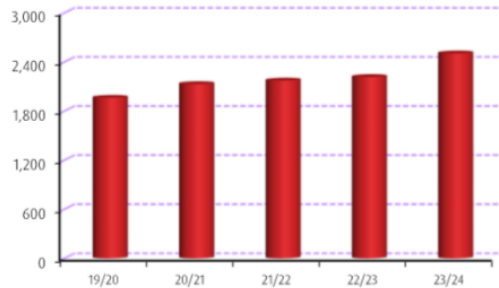
- Sporting and Community Clubs

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

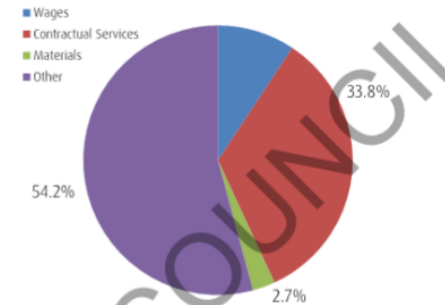
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance Sport and Community Facilities Council's building maintenance program ensures that our sporting and community facilities are pro-actively maintained as well as providing timely repair works as required.	Maintenance of the clubroom and change room structures including general repairs and programmed maintenance <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)
Sportsfield Cutting Council's sportsfield cutting program ensures that the required turf service levels are maintained across the City	Maintained to standards to ensure the grounds are 'fit for use' for the sport being played <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

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

Community Health and Wellbeing



Key Partners:

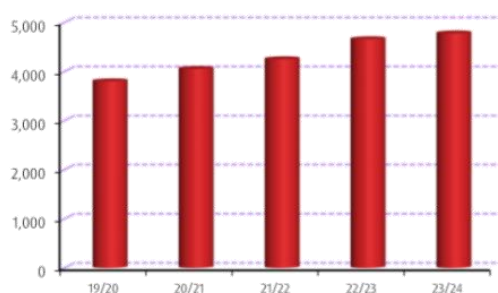
- Commonwealth Department of Health; State Department of Human Services; Department for Premier and Cabinet; Department of Home Affairs
- COTA SA – Council on the Ageing SA ; Volunteering SA & NT; Northern Volunteering; Local Government Volunteer Managers Network; Local Government Ageing Well Network; 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

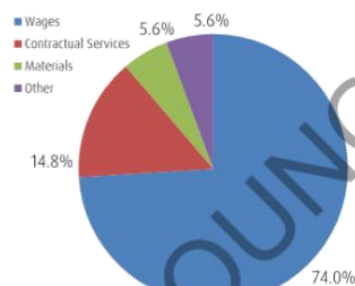
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Aged Care Policy, Planning and Coordination Service development, management of human and financial resources, co-ordination of consultation and collaborative processes and promotion of positive images of ageing. Promotion of an Age Friendly Salisbury where 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:

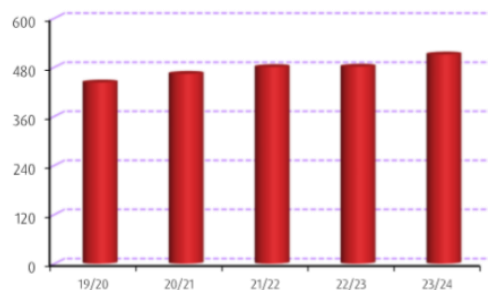
- Chapel of the Holy Family Mausoleum
- Garner Memorials
- Arrow Bronze
- Mattiske Funerals
- Simplicity Funerals
- Australasian Cemeteries and Crematoria Association
- Cemeteries and Cremation Association of South Australia
- Italian Monumental Art

Cemetery contains the following Service Areas, Activities and Service Levels

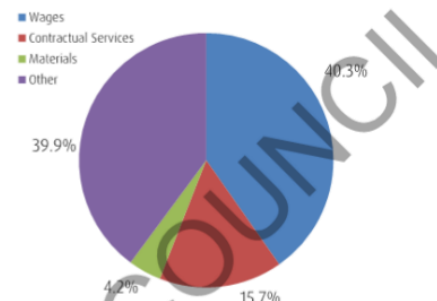
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Salisbury Memorial Park Cemetery Administer the Salisbury Memorial Park in accordance with the Burial and Cremation Act 2013</p> <p><i>Lawn Burials</i> In ground burial services.</p> <p><i>Vault Burials</i> Below ground burial with concrete walls surrounding 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

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

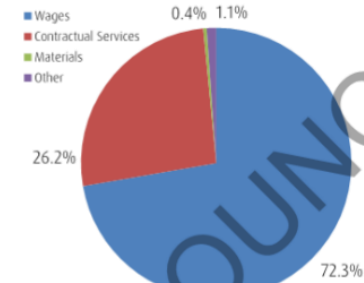
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Food and Health Act Administration Council provides a range of services that aim to protect and promote a high standard of public and environmental health, through the administration and enforcement of provisions under the following legislation: <ul style="list-style-type: 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
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.	<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

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:

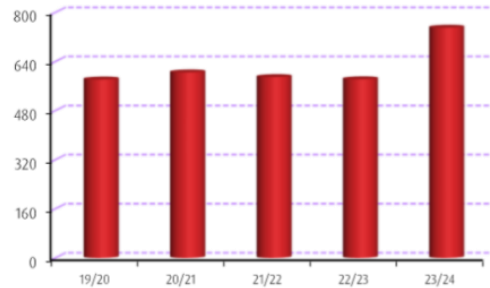
- Local Government Association
- Authorised Persons Association
- Bushfire Management Committee
- Country Fire Service

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

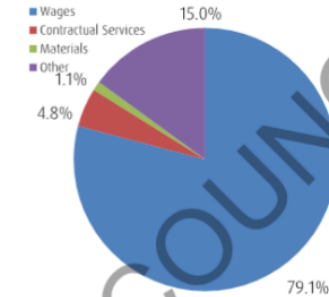
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Community Compliance Services</p> <p>Regular patrols of streets and public car parks to ensure that community members are complying with applicable parking and road rules legislation so as to:</p> <ul style="list-style-type: none"> • enhance and protect 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

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:

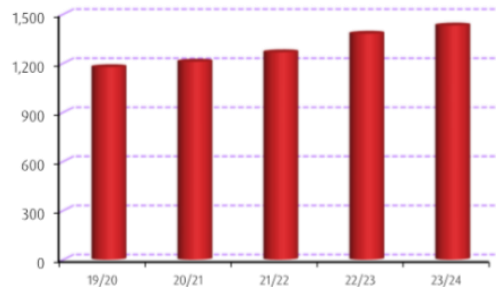
- Dog and Cat Management Board
- Animal Welfare League
- Local Government Association
- Authorised Persons Association

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

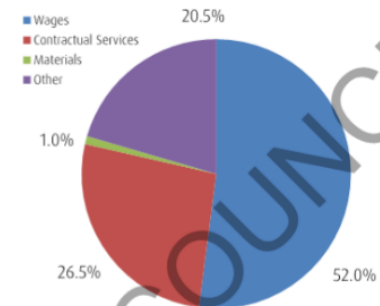
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Animal Control Administering the Dog and Cat Management Act to ensure that community members are complying with legislative requirements and implementing strategies and actions that encourage responsible dog and cat ownership, increase public safety and enhance 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.	<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

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:

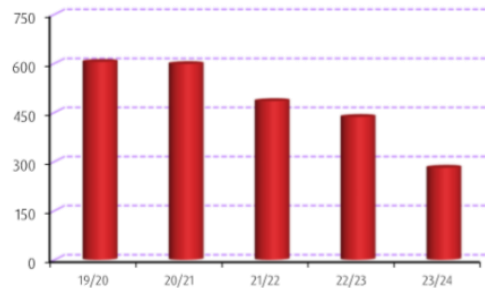
- Residents
- Police
- Volunteers

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

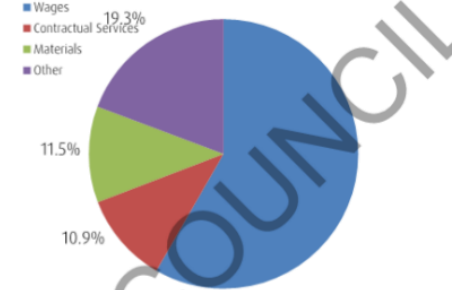
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Building Maintenance Graffiti</p> <p>Council's building maintenance program provides for the removal of graffiti from all Council owned buildings and infrastructure. This initiative uses both Council staff and volunteers.</p> <p>Graffiti is also removed 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

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

Street Lighting



Key Partners:

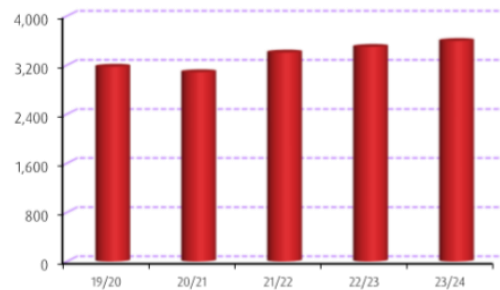
- SA Power Networks
- Local Government Association
- Department of Transport, Energy & Infrastructure

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

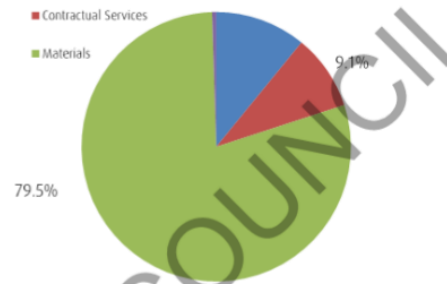
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Lighting</p> <p>There are over 16,000 street lights within the City that are maintained by SA Power Networks.</p> <p>There are 4,400 Council owned street lights in suburbs that include Mawson Lakes, Walkley Heights, Gulfview Heights, Springbank Waters and 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 PR5 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

Street Lighting

Budgeted Street Lighting Operating Expenditure
(\$'000)

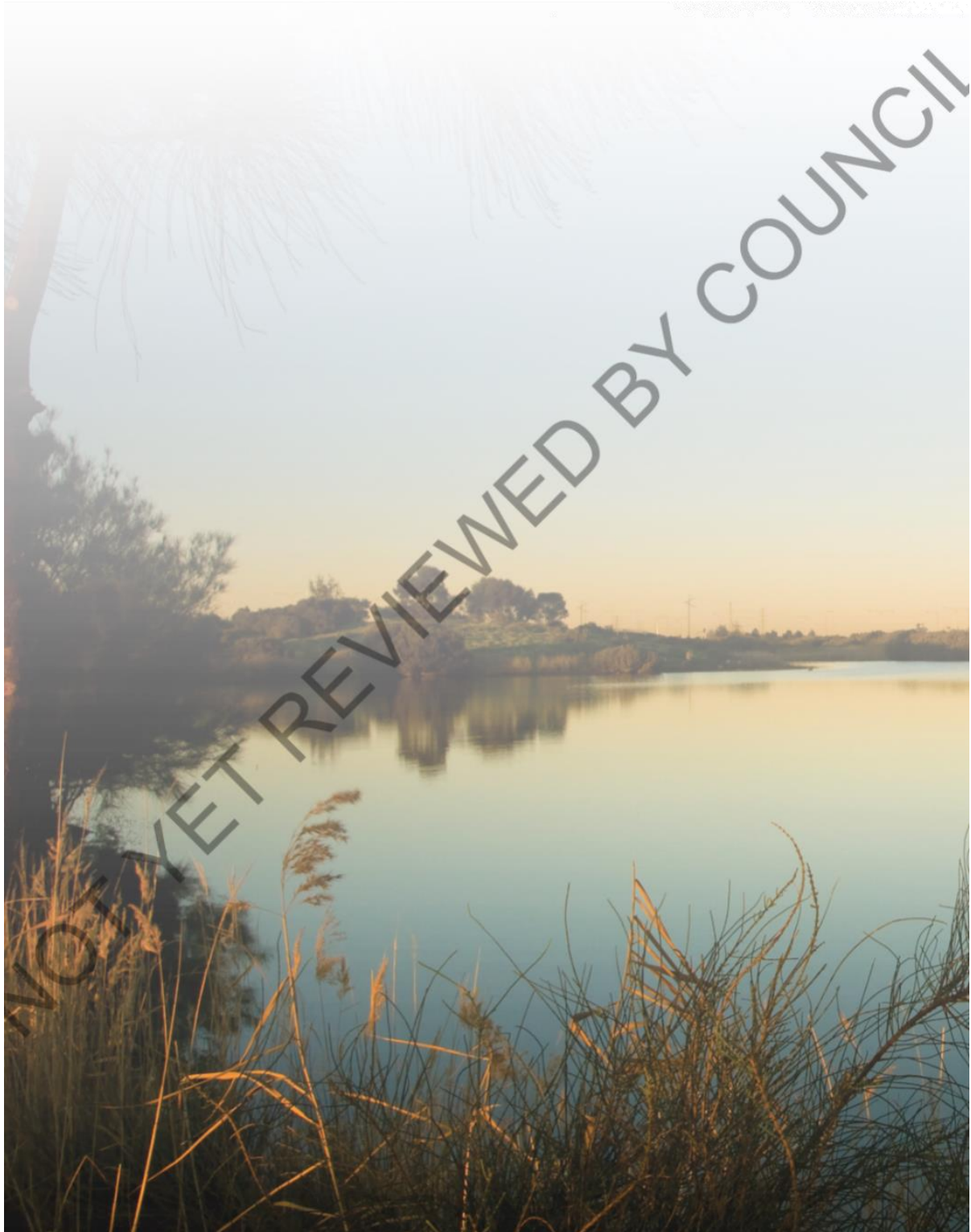


Street Lighting (Expenditure)



	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

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 Council's streetlights with energy efficient LEDs 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.

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 NAWMA 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

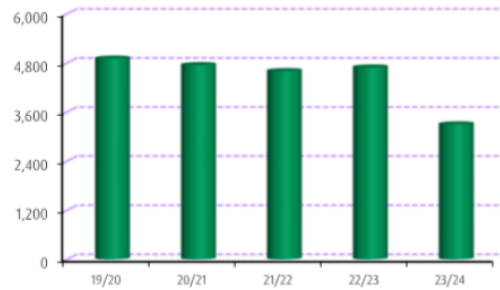


City Infrastructure contains the following Service Areas, Activities and Service Levels

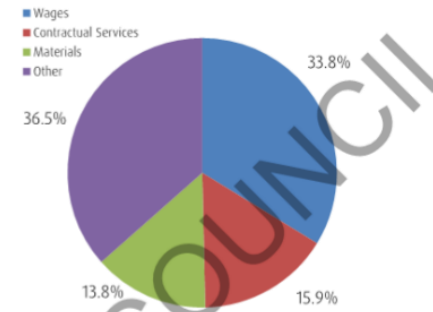
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Infrastructure Delivery Provides for building, civil and landscape infrastructure design and construction.	<ul style="list-style-type: none"> • Complete building, civil and landscape projects within approved timelines and budgets • Deliver Council's annual 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 \$1.7 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:

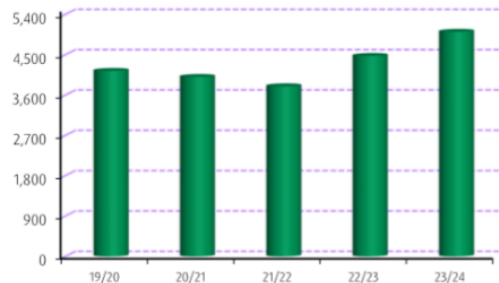
- State Government
- Australian Government Department of Agriculture, Water and the Environment
- Department for Environment and Water (DEW)
- Renewal SA
- SA Water
- Tea Tree Gully Council
- Playford Council
- Department of Defence
- CSIRO
- UniSA
- Flinders University

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

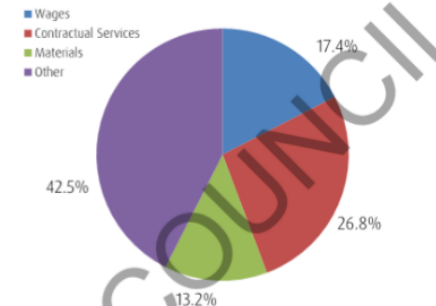
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Drainage Systems The Drainage Asset Management Plan includes maintenance and cleaning rubbish collection devices, on a continual basis. The maintenance of drains includes the clearing of underground pipes from obstructions such as siltation and root penetration 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.	<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
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.	<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
Water Systems Preparation and implementation of Stormwater Management Plan and implementation of Watercourse Management Plans.	<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
Wetlands and Biodiversity Planning and Asset Management of wetlands, watercourses and habitat reserves.	<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

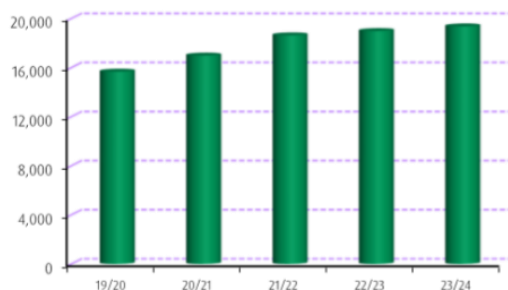


Waste Management contains the following Service Areas, Activities and Service Levels

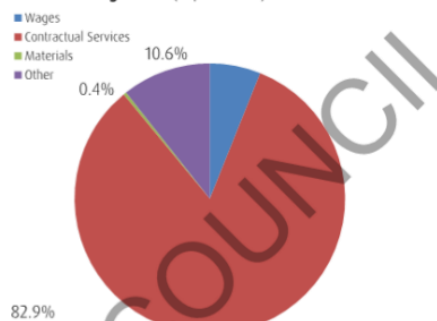
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Coleman Road Landfill Following closure in 1997 Council is continuing to rehabilitate the site, with ongoing monitoring and capping.	<ul style="list-style-type: none"> Monitoring of gas extracted from the landfill site Annual monitoring of groundwater within the site Increasing the Cap over the landfill
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.	<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
Domestic Refuse Collection Council provides a weekly domestic refuse collection service operated by NAWMA for residents using a 140 litre bin.	<ul style="list-style-type: none"> Weekly to residential properties (140L bin) Domestic Refuse: 29,000 tonnes pa
Green Waste Kerbside Service Council provides a collection service run by NAWMA for all residents who wish to participate and purchase a 240 litre bin for the purpose. 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.	<ul style="list-style-type: none"> Fortnightly to residential properties (240L bin) Green waste conversion: 18,000 tonnes pa
Kerbside Recycling Council provides a 240 litre bin recycling collection service and all recyclables are processed at the NAWMA Materials Recovery Facility (MRF).	<ul style="list-style-type: none"> Fortnightly to residential properties (240L bin) Kerbside recycling: 10,000 tonnes pa
Loose Litter Provides for the collection and disposal of rubbish dumped on Council reserves and roads. Also the collection of waste from public rubbish bins. The Department of Correctional Services provide litter collection to arterial and collector roads.	<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
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.	<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:

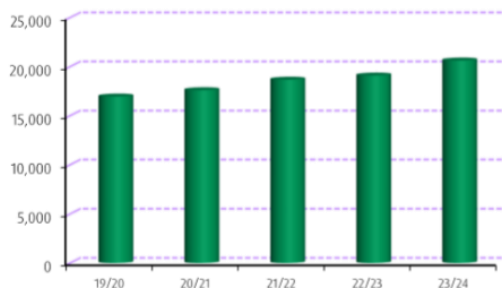
- Department of Environment and Water
- Green Adelaide

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

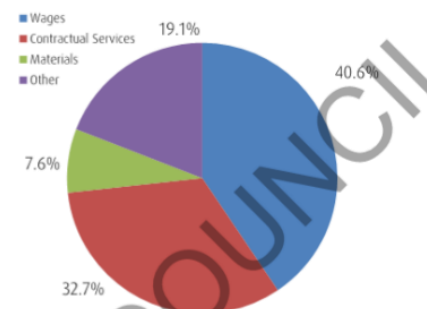
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Field Services Administration The Parks and Streetscapes Asset Management Plan provides direction to focus services and service levels across the division. <i>Field Services</i> Provides pre-emptive and reactive maintenance services to all public reserves across the City.	<ul style="list-style-type: none"> • Maintenance program ensures delivery of fit for purpose parks that are safe, functional and provide community amenity value
Landscapes Consists of feature gardens and lawns which surround Council buildings, entry statements and roundabouts, with a focus on sustainable landscapes throughout the City.	<ul style="list-style-type: none"> • 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
Mangrove Trail Provision and maintenance of St Kilda Mangrove Trail.	<ul style="list-style-type: none"> • Council is working with State Government to improve the Service Level and access to the Mangrove Trail
Pest and Weed Control Control of nuisance pests and weeds on Council reserves, verges and around buildings.	<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
Public Toilets Maintenance and cleaning of public toilets throughout the City.	<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
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.	<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
Tree Management Tree planting and establishment, tree pruning, tree removal and tree inspections on verges and Council reserves. <i>Bio Diversity Corridors</i> Council continues to link, buffer and enhance key biodiversity sites throughout the City.	<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>
Verges (Road Reserves) Council provides for grass mowing of un-maintained residential verges and collector road verges.	<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 2.1.5 - 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

Enhance the Salisbury City Centre by upgrading Church and John Streets and attracting investment by the private sector into surplus Council sites

Attract firms to Salisbury, providing job opportunities for residents

Link Technology Park with other innovation precincts in Adelaide

Deliver a residential development program by using surplus Council land

Budget Context

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.

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.

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.

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 is continuing on local traffic investigations and investigation into a playground on Baloo Street.

Operational Focus

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

Streamline processes to improve how Council works with businesses

Budget Context

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.

Council is reviewing its maintenance programs to ensure that services meet community expectations and support economic growth across the City.

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.

Council adopts a case management approach through the City Shaping Team for 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	
<p>Future Planning</p> <p>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> <p>Review the existing economic growth strategy</p> <p>Review Council's 'Growth Action Plan'</p> <p>Develop guidelines and policies to improve the quality of infill development, starting with Ingle Farm</p> <p>Develop plans to progress economic activity in Technology Park and Edinburgh Parks</p>	<p>Budget Context</p> <p>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 future rezoning. The framework will be updated as new information is gathered and more details on infrastructure requirements are obtained.</p> <p>A new City Shaping Strategy that encompasses economic development will be developed.</p> <p>The Growth Action Plan is being reviewed and the outcomes will be reflected in the new City Shaping Strategy.</p> <p>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.</p> <p>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.</p>
<p>Advocacy Priorities</p> <p>Redevelopment of the Salisbury and Mawson Lakes interchanges</p> <p>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</p> <p>Appropriate and well planned development of the Dry Creek Salt Fields</p> <p>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</p>	<p>Budget Context</p> <p>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.</p> <p>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.</p> <p>Council is working with the State Government on this major residential project as part of a working group brought together by Renewal SA.</p> <p>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.</p>

Economic Development

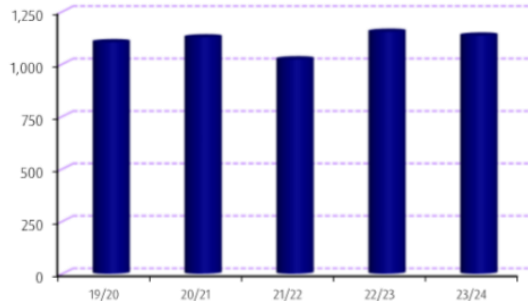


Economic Development contains the following Service Areas, Activities and Service Levels

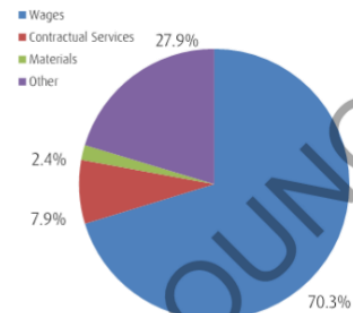
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Business Advisory Services (The Polaris Centre) Council supports people considering starting a business or who are already in business by providing information, advice, workshops and mentoring.</p>	<ul style="list-style-type: none"> • Provide support and 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

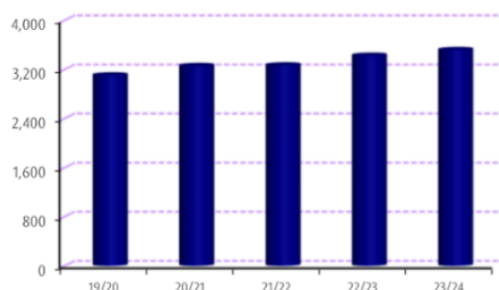


Development Services contains the following Service Areas, Activities and Service Levels

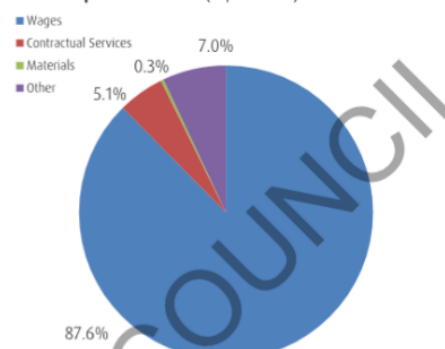
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Assessment of applications, provide general advice to community regarding building matters, respond to complaints, and inspect approved developments.	<ul style="list-style-type: none"> • General Advice: 2,100pa • Applications: 2,800pa • Building Compliance: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

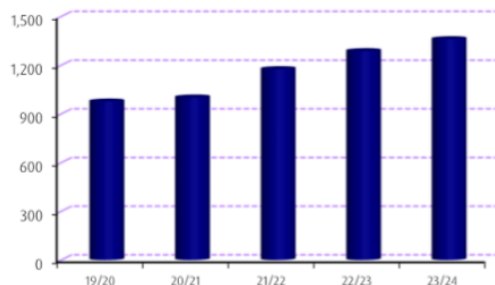


Urban Planning and Development contains the following Service Areas, Activities and Service Levels

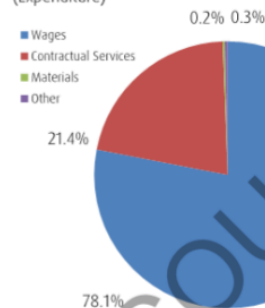
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Strategic Development Projects Oversees Council's strategic development projects from inception through to completion including: <ul style="list-style-type: none"> • Identification and development of surplus Council land. • Preparation of project feasibilities 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
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.	<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

Roads



Key Partners:

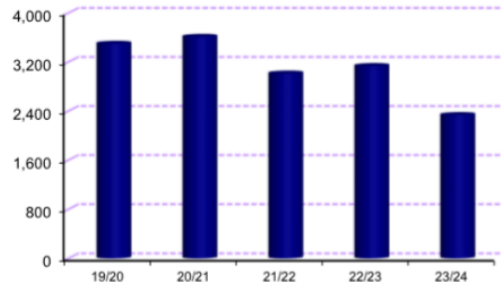
- State Government
- Department of Infrastructure & Transport (DIT)
- Department of Education
- Adelaide Metro
- Federal Government
- Developers
- South Australian Police
- Australian Rail Transport Corporation

Roads contains the following Service Areas, Activities and Service Levels

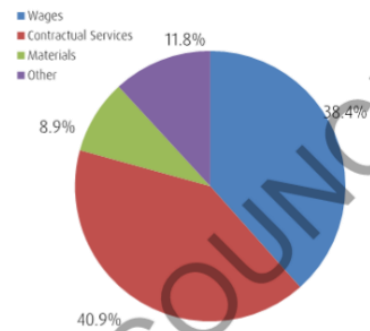
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Road and Car Park Maintenance Maintenance of kerb and gutter, road maintenance and repair damage due to storms and traffic loads. There is 1,800km of kerbing and 810km of road in the city. Service levels are determined by Asset Management Plans and audit processes.	<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
Road Safety Maintenance Traffic signal/pedestrian and school crossing maintenance is reviewed on an annual cycle, with faults repaired on a weekly basis.	<ul style="list-style-type: none"> • Council Maintains 13 pedestrian/school crossings, 13 Emu Crossings, 16 Koala Crossings and 5 Wombat Crossings
Road Sweeping 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.	<ul style="list-style-type: none"> • 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
Bridge and Boardwalk Maintenance There are 214 footbridges/boardwalks and 29 major road bridges within the Council area.	<ul style="list-style-type: none"> • 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
Road Safety Engineering Project management of design and receipt of customer complaints regarding traffic design issues.	<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
Signs and Street Furniture Street Signs and Linemarking: Maintenance and replacement of 4,000 street signs and 37,000 other road signage including suburb, warning, regulatory and information signs.	<ul style="list-style-type: none"> • All signage is repaired on an as needs basis • All linemarking is renewed every 2 years
Street Furniture: 1200 seats/benches and shelters are maintained.	<ul style="list-style-type: none"> • 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
Bus Shelter & Surround Maintenance: Council has over 300 bus shelters. Bus shelters and bus stops are made universally accessible through the renewal program.	<ul style="list-style-type: none"> • 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:

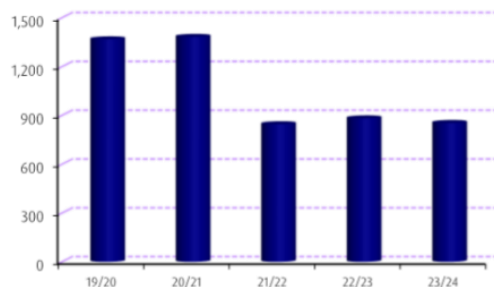
Department of Infrastructure and Transport who assist with in kind funding for the Green Trails Project

Footpaths contains the following Service Areas, Activities and Service Levels

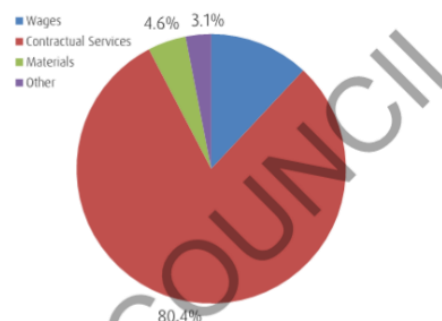
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Footpath Maintenance</p> <p>A program of footpath auditing is conducted every three years to gather data which is used to quantify the overall condition of the network. This data is also used to identify priority areas for maintenance works based on proximity 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></p> <p>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

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

Innovation and Business Development



Item 2.1.5 - 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

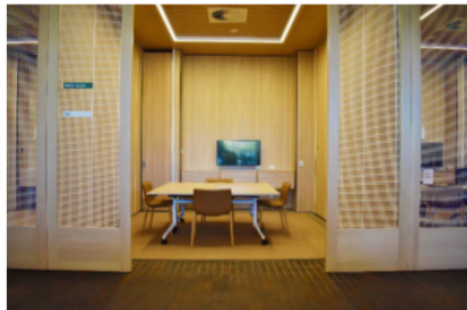
Council will:

- ✓ 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 an 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 continues 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 Business 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 bi-annual 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 practices.
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.

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, playspaces 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.

Innovation and Business Development



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

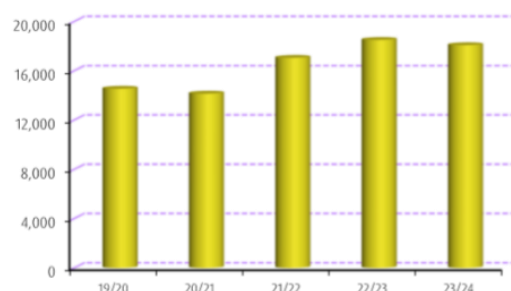
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Accounting Services Provides for business support, management accounting, financial accounting, tax compliance, external and statutory reporting. Further, the team provides reporting services to all departments/divisions of the organisation, the Executive Management and Council, including the preparation of the Council Budget and Annual Plan. 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.	<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
Business Excellence Administration Provides for the Executive Management and associated support for the overall management and leadership of the Business Excellence Department.	<ul style="list-style-type: none"> • Leadership of the Business Excellence department and accountability for outcomes assigned to the department
Business Intelligence and Data Oversee the flow of corporate information in to and out of the organisation, ensuring information management legislation is complied with.	<ul style="list-style-type: none"> • Compliance with organisational information management framework and South Australian Government information retention requirements
Business Systems and Solutions Information Technology Services are responsible for the delivery, management and enhancement of information technology solutions within the organisation. Service Desk Responsible for the delivery and support of productivity, mobility and audio-visual solutions.	<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
Business Transformation Advocate and promote the use of improvement and transformation techniques and methodologies. Planning and Business Engagement Services 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.	<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

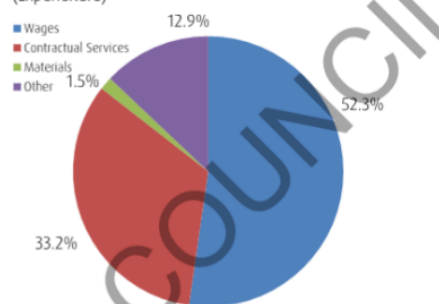
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Community Experience and Relationships Drives strategic outcomes by strengthening Council's relationship with the community and other key audiences, through proactive communications, via various media platforms and events.	<ul style="list-style-type: none"> • 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
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.	<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
Insurance This area provides for the management of corporate insurance policies and associated claims.	<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)
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.	<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
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 revenues.	<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
Strategic Procurement Management of contract and purchasing policies, procedures and delegations. Provision of support and advisory services as well as monitoring compliance.	<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	684
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

Council

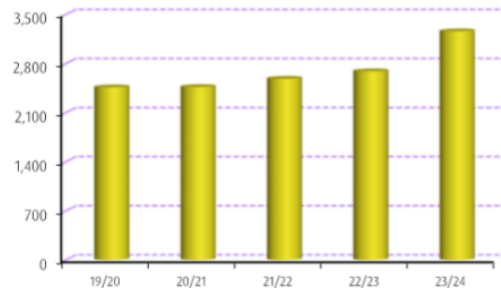


Council contains the following Service Areas, Activities and Service Levels

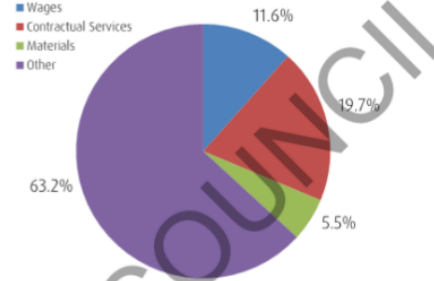
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Civic and Ceremonial Funds civic and ceremonial responsibilities of Council, including citizenship ceremonies.	<ul style="list-style-type: none"> • Organisation of civic events and citizenship ceremonies
Corporate Memberships Funds corporate memberships for 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

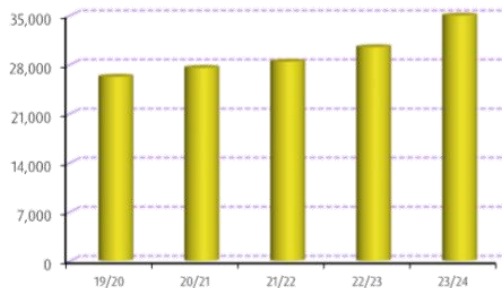


Sundry contains the following Service Areas, Activities and Service Levels

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

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 82.3% 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 123.

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

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

Strategic Focus

In setting its rates for the 2023/24 financial year the Council considered its City Plan 2035, and other strategic planning documents including the Strategic Asset Management Plan 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 4th lowest of the metropolitan Councils.

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

Residential	17.4%
Commercial / Industrial	14.6%

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

Rating Strategy and Policy

After critically reviewing expenditure priorities and income from other sources Council propose to increase residential rates by an average of 7.0% for properties not on the minimum rate. The minimum rate is also proposed to increase by 7.0% from \$1,081 to \$1,157 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, and forecast inflation at June 2023 is 7.9% per Deloitte Access Economics Business Outlook December 2022.

Also, for 2022/23 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 of 3.5%, with this increase also applying to minimum rates across all land use categories.

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

Categories of Rates

General Rates

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

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

No more than 35% of properties can be subject to the minimum rate. The minimum rate is proposed to increase to \$1,157 from \$1,081 for the 2023/24 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
 - Extra capacity requirements for drainage
- Partially recognise the benefit of tax deductibility available to business
- Maintain the revenue contribution from this sector given inconsistent changes in property values as compared with residential properties

b. The purpose of the differential on vacant land is to:

- Provide a disincentive to withholding land from development
- Recognise the cost of surrounding infrastructure

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

Rating Strategy and Policy

Separate Rates

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

Salisbury 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 Inc.

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

Landscape Administration Fund

The Council acts as agent for the collection of rates for the Regional Landscape Levy (formerly the Natural Resource Management Levy). The level of increase is not determined by Council and these funds are passed to State Government.

Residential Impact Statement

Council propose a 7.0% 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 17.4%.

In order to achieve the proposed average rate increase of 7.0% the rate (cents in the \$) will decrease from 0.3583 to 0.3265.

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

Percentage Rate Increase	Number of Properties
< or = 0%	123
0.1 - 1.0%	155
1.1 - 2.0%	1,746
2.1 - 3.0%	3,232
3.1 - 4.0%	2,527
4.1 - 4.0%	1,196
5.1 - 6.0%	1,778
6.1 - 7.0%	6,239
7.1 - 8.0%	15,462
8.1 - 9.0%	11,296
9.1 - 10.0%	8,459
10.1 - 12.5%	2,136
>12.5%	1,439
Total Number of Properties	55,788

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 transaction processing costs associated with this service.

Seniors Postponement of Rates

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

Adjustments and Rebates

High Value Property Adjustment

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

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 circumstance:

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

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 overcome this problem Council has endorsed an

TO BE UPDATED

payable on the value above \$814,000, with the 2021/22 tier being \$650,001.

Appendix A: Long Term Financial Plan

YEAR ENDING 30 JUNE	2024 Budget Year 1 \$000's	2025 Plan Year 2 \$000's	2026 Plan Year 3 \$000's	2027 Plan Year 4 \$000's	2028 Plan Year 5 \$000's	2029 Plan Year 6 \$000's	2030 Plan Year 7 \$000's	2031 Plan Year 8 \$000's	2032 Plan Year 9 \$000's	2033 Plan Year 10 \$000's
INCOME										
Rates Revenues	121,064	127,602	132,961	138,412	144,087	149,995	156,145	162,547	169,211	176,149
Statutory Charges	2,861	2,969	3,046	3,123	3,201	3,281	3,363	3,447	3,533	3,621
User Charges	5,992	8,926	9,489	10,064	10,300	10,557	10,821	11,092	11,369	11,653
Grants, Subsidies & Contributions	14,652	14,951	15,178	15,402	15,631	15,856	16,085	16,318	16,556	16,749
Investment Income	77	80	82	84	86	88	90	91	93	95
Reimbursements	289	300	308	318	324	332	340	348	357	366
Other Income	992	1,029	1,056	1,083	1,110	1,137	1,166	1,195	1,225	1,256
Total Income	145,927	155,857	162,120	168,484	174,739	181,246	188,010	195,038	202,344	209,889
EXPENSES										
Employee Costs	44,891	47,763	49,750	51,473	53,168	54,984	56,860	58,798	60,731	62,857
Materials, Contracts & Other Expenses	61,267	66,799	69,885	73,045	76,157	79,590	83,131	86,799	90,724	94,661
Depreciation, Amortisation & Impairment	33,641	35,011	36,431	37,918	39,704	41,383	43,058	44,681	46,350	48,130
Finance Costs	3,756	3,965	4,015	3,496	3,148	2,814	2,385	2,115	1,784	1,444
Total Expenses	144,294	153,538	160,081	165,932	172,177	178,771	185,434	192,393	199,589	207,092
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	1,633	2,319	2,039	2,552	2,562	2,475	2,576	2,645	2,755	2,797
Asset Disposal & Fair Value Adjustments	2,199	748	2,652	6,351	1,999	6,166	1,451	3,530	2,916	4,612
Amounts Received Specifically for New or Upgraded Assets	957	1,434	1,748	1,477	1,477	1,477	1,477	1,477	1,477	1,477
Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
NET SURPLUS/(DEFICIT)	5,789	5,501	7,439	11,380	7,038	11,118	6,504	8,652	8,148	9,886
OTHER COMPREHENSIVE INCOME										
Changes in Revaluation Surplus - I,PP&E	50,254	47,313	47,808	48,314	48,951	49,499	50,064	50,600	51,153	23,226
Total Other Comprehensive Income	50,254	47,313	47,808	48,314	48,951	49,499	50,064	50,600	51,153	23,226
TOTAL COMPREHENSIVE INCOME	56,043	52,814	55,247	59,694	55,989	60,617	56,568	59,252	59,301	33,112

Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF FINANCIAL POSITION

YEAR ENDING 30 JUNE	2024 Budget Year 1 \$000's	2025 Plan Year 2 \$000's	2026 Plan Year 3 \$000's	2027 Plan Year 4 \$000's	2028 Plan Year 5 \$000's	2029 Plan Year 6 \$000's	2030 Plan Year 7 \$000's	2031 Plan Year 8 \$000's	2032 Plan Year 9 \$000's	2033 Plan Year 10 \$000's
ASSETS										
Current Assets										
Trade & Other Receivables	6,581	7,127	7,427	7,692	7,961	8,242	8,534	8,836	9,152	9,474
Inventories	1,763	1,794	1,811	1,828	1,845	1,864	1,884	1,904	1,926	1,947
Total Current Assets	8,344	8,921	9,238	9,520	9,806	10,106	10,418	10,740	11,078	11,421
Non-Current Assets										
Financial Assets	47	49	52	54	56	58	61	63	66	68
Equity Accounted Investments in Council Businesses	5,310	5,310	5,310	5,310	5,310	5,310	5,310	5,310	5,310	5,310
Infrastructure, Property, Plant & Equipment	1,902,483	1,968,069	2,022,712	2,077,273	2,134,650	2,191,360	2,246,896	2,305,459	2,361,176	2,392,334
Intangible Assets	210	210	210	210	210	210	210	210	210	210
Other Non-Current Assets	31,097	31,097	31,097	31,097	31,097	31,097	31,097	31,097	31,097	31,097
Total Non-Current Assets	1,939,147	2,004,735	2,059,381	2,113,944	2,171,323	2,228,035	2,283,574	2,342,139	2,397,859	2,429,019
TOTAL ASSETS	1,947,491	2,013,656	2,068,619	2,123,464	2,181,129	2,238,141	2,293,992	2,352,879	2,408,937	2,440,440
LIABILITIES										
Current Liabilities										
Cash Advance Debentures	65,747	77,517	75,403	68,061	67,203	60,924	57,446	54,229	47,979	43,273
Trade & Other Payables	19,838	21,470	22,432	23,413	24,386	25,452	26,550	27,690	28,905	30,130
Borrowings	1,504	835	36	38	39	41	42	22	-	1
Provisions	10,264	11,461	12,702	13,980	15,298	16,658	18,061	19,510	21,006	22,551
Total Current Liabilities	97,353	111,083	110,573	105,492	106,926	103,075	102,099	101,451	97,890	95,955
Non-Current Liabilities										
Borrowings	2,841	2,204	2,168	2,130	2,091	2,050	2,008	1,986	1,986	1,986
Provisions	2,302	2,555	2,818	3,089	3,368	3,657	3,954	4,261	4,578	4,906
Total Non-Current Liabilities	5,143	4,759	4,986	5,219	5,459	5,707	5,962	6,247	6,564	6,892
TOTAL LIABILITIES	102,496	115,842	115,559	110,711	112,385	108,782	108,061	107,698	104,454	102,847
NET ASSETS	1,844,995	1,897,814	1,953,060	2,012,753	2,068,744	2,129,359	2,185,931	2,245,181	2,304,483	2,337,593
EQUITY										
Accumulated Surplus	387,167	392,669	400,109	411,490	418,527	429,646	436,149	444,802	452,950	462,836
Asset Revaluation Reserves	1,410,976	1,458,290	1,506,097	1,554,412	1,603,363	1,652,862	1,702,927	1,753,526	1,804,679	1,827,905
Other Reserves	46,852	46,853	46,851	46,851	46,852	46,851	46,852	46,852	46,852	46,852
TOTAL EQUITY	1,844,995	1,897,812	1,953,057	2,012,753	2,068,742	2,129,359	2,185,928	2,245,180	2,304,481	2,337,593

Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF CASH FLOWS

YEAR ENDING 30 JUNE	2024 Budget Year 1 \$000's	2025 Plan Year 2 \$000's	2026 Plan Year 3 \$000's	2027 Plan Year 4 \$000's	2028 Plan Year 5 \$000's	2029 Plan Year 6 \$000's	2030 Plan Year 7 \$000's	2031 Plan Year 8 \$000's	2032 Plan Year 9 \$000's	2033 Plan Year 10 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Operating Receipts	145,398	155,466	161,914	168,313	174,568	181,070	187,830	194,854	202,157	209,700
Investment Receipts	78	80	82	84	86	88	90	91	93	95
Payments										
Operating Payments to Suppliers and Employees	(105,255)	(111,744)	(117,366)	(122,187)	(126,958)	(132,077)	(137,415)	(142,935)	(148,673)	(154,672)
Finance Payments	(3,756)	(3,965)	(4,015)	(3,496)	(3,148)	(2,814)	(2,385)	(2,115)	(1,784)	(1,444)
Net Cash provided by (or used in) Operating Activities	36,465	39,837	40,615	42,714	44,548	46,267	48,120	49,895	51,793	53,679
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Amounts Received Specifically for New/Upgraded Assets	957	1,434	1,748	1,477	1,477	1,477	1,477	1,477	1,477	1,477
Sale of Replaced Assets	928	748	886	792	792	792	792	792	792	792
Sale of Real Estate Developments	1,271	-	1,766	5,559	1,207	5,374	659	2,738	2,124	3,820
Payments										
Expenditure on Renewal/Replacement of Assets	(30,651)	(31,474)	(28,849)	(29,244)	(35,371)	(34,205)	(35,176)	(37,579)	(36,946)	(40,303)
Expenditure on New/Upgraded Assets	(10,291)	(20,810)	(18,417)	(13,921)	(11,759)	(13,388)	(12,354)	(14,066)	(12,967)	(14,759)
Net Cash Provided by (or used in) Investing Activities	(37,786)	(50,102)	(37,866)	(35,337)	(43,654)	(39,950)	(44,602)	(46,638)	(45,520)	(48,973)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from CAD	2,732	11,771	-	-	-	-	-	-	-	-
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	(1,411)	(1,504)	(636)	(36)	(38)	(39)	(41)	(42)	(22)	-
Net Cash provided by (or used in) Financing Activities	1,321	6,102	(4,959)	(8,946)	(2,063)	(11,313)	(10,471)	(10,599)	(11,110)	(11,988)
Net Increase/(Decrease) in Cash Held	-	(4,163)	(2,210)	(1,569)	(1,169)	(4,996)	(6,953)	(7,342)	(4,837)	(7,282)
Cash & Cash Equivalents at Beginning of Period	-	-	-	-	-	-	-	-	-	-
Cash & Cash Equivalents/Movements in Borrowings at End of Period	-	(4,163)	(2,210)	(1,569)	(1,169)	(4,996)	(6,953)	2,847	13,935	25,922

Appendix A: Long Term Financial Plan

SUMMARY STATEMENT OF CHANGES IN EQUITY

YEAR ENDING 30 JUNE	2024 Budget Year 1 \$000's	2025 Plan Year 2 \$000's	2026 Plan Year 3 \$000's	2027 Plan Year 4 \$000's	2028 Plan Year 5 \$000's	2029 Plan Year 6 \$000's	2030 Plan Year 7 \$000's	2031 Plan Year 8 \$000's	2032 Plan Year 9 \$000's	2033 Plan Year 10 \$000's
Opening Balance	1,788,952	1,844,995	1,897,811	1,953,059	2,012,753	2,068,742	2,129,360	2,185,928	2,245,180	2,304,481
Net Surplus / (Deficit) for Year	5,789	5,503	7,440	11,380	7,037	11,118	6,504	8,653	8,148	9,886
Other Comprehensive Income										
- Gain (Loss) on Revaluation of I,PP&E	50,254	47,313	47,808	48,314	48,951	49,499	50,064	50,600	51,153	23,226
Other Comprehensive Income	50,254	47,313	47,808	48,314	48,951	49,499	50,064	50,600	51,153	23,226
Total Comprehensive Income	56,043	52,816	55,248	59,694	55,988	60,617	56,568	59,253	59,301	33,112
Balance at end of period	1,844,995	1,897,811	1,953,059	2,012,753	2,068,741	2,129,359	2,185,928	2,245,181	2,304,481	2,337,593

Appendix A: Long Term Financial Plan

UNIFORM PRESENTATION OF FINANCES

YEAR ENDING 30 JUNE	2024 Budget Year 1 \$000's	2025 Plan Year 2 \$000's	2026 Plan Year 3 \$000's	2027 Plan Year 4 \$000's	2028 Plan Year 5 \$000's	2029 Plan Year 6 \$000's	2030 Plan Year 7 \$000's	2031 Plan Year 8 \$000's	2032 Plan Year 9 \$000's	2033 Plan Year 10 \$000's
Income	145,927	155,858	162,120	168,484	174,740	181,246	188,009	195,039	202,344	209,890
less Expenses	(144,294)	(153,538)	(160,081)	(165,932)	(172,178)	(178,772)	(185,434)	(192,393)	(199,589)	(207,094)
Operating Surplus / (Deficit)	1,633	2,320	2,039	2,552	2,562	2,474	2,575	2,646	2,755	2,796
Less: Net Outlays on Existing Assets										
Capital Expenditure on Renewal/Replacement of Existing Assets	(30,651)	(31,474)	(28,849)	(29,244)	(35,371)	(34,205)	(35,176)	(37,579)	(36,946)	(40,303)
less Depreciation, Amortisation & Impairment	33,641	35,011	36,431	37,918	39,704	41,383	43,058	44,681	46,350	48,130
less Proceeds from Sale of Replaced Assets	928	748	886	792	792	792	792	792	792	792
	3,918	4,285	8,468	9,466	5,125	7,970	8,674	7,894	10,196	8,619
Less: Net Outlays on New and Upgraded Assets										
Capital Expenditure on New/Upgraded Assets	(10,291)	(20,810)	(13,417)	(13,921)	(11,759)	(13,388)	(12,354)	(14,066)	(12,967)	(14,759)
less Amounts Specifically for New/Upgraded Assets	957	1,434	1,748	1,477	1,477	1,477	1,477	1,477	1,477	1,477
less Proceeds from Sale of Surplus Assets	1,271	-	1,766	5,559	1,207	5,374	659	2,738	2,124	3,820
	(8,063)	(19,376)	(9,903)	(6,885)	(9,075)	(6,537)	(10,218)	(9,851)	(9,366)	(9,462)
Net Lending / (Borrowing) for Financial Year	(2,512)	(12,771)	604	5,133	(1,388)	3,907	1,031	689	3,585	1,953

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Uniform Presentation of Annual Business Plan and Budget (ABP&B) Public Consultation

Adopted Rates Revenue					
	2022/23 (as adopted)	2023/24 (Public Consultation)	Change	Comments	
General Rates Revenue					
General Rates (existing properties)		\$119,573,217 (a)		For 2023/24, total General Rates revenue has increased 8.0%, reflecting a proposed average rate increases of 7%, growth (refer n) of 0.5% from new properties that have been created over the last year, and a further 0.5% of revenue made up of new construction that will be rated for the first time in 2023/24.	
General Rates (new properties)		\$556,155 (b)			
General Rates (GROSS)	\$111,231,667	\$120,129,371 (c)			
Less: Mandatory Rebates	(\$1,290,000)	(\$1,371,300) (d)			
General Rates (NET)	\$109,941,667	\$118,758,071 (e)	8.0%		
	(e)=(c)+(d)				
Other Rates (inc. service charges)					
Regional Landscape Levy	\$2,139,763	\$2,289,374 (f)		The Regional Landscape Levy is not retained by Council.	
Separate and Special Rates	\$171,400	\$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	
	\$2,311,163	\$2,460,774			
Less: Discretionary Rebates	(\$40,000)	(\$42,000) (h)			
Total Rates Revenue	\$109,901,667	\$118,716,071 (i)	8.0%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.	
	(i)=(e)+(h)				
Growth in number of rateable properties					
Number of rateable properties	61,405	61,725 (j)	0.5%	Growth of 0.5% has accounted for 0.5% the increase in General Rates to be collected (refer b) .	
	Actual	Estimate			
'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to Council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.					
Average General Rates per rateable property					
Average per rateable property	\$1,811	\$1,946 (j)	7.4%	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 proposed average rate increase is 7.0%, with the balance resulting from new assessments and construction that will be rated for the first time in 2023/24.	
	(j)=(c)/(n)				
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.					
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 <i>Local Government (Financial Management) Regulations 2011</i> .					
Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from <u>individual</u> rateable properties (ie. individual rates will not necessarily change by this figure).					
(f) Councils are required under the <i>Landscape South Australia Act 2019</i> 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).					
(j) 'Growth' as defined in Regulation 6(2) of the <i>Local Government (Financial Management) Regulations 2011</i> .					
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.					

Uniform Presentation of Annual Business Plan and Budget (ABP&B) Public Consultation

Differential Rates

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$	
	2022/23	2023/24	Change	2022/23	2023/24	2022/23	2023/24	Change	2023/24	
Land Use (General Rates - GROSS)										
Residential	\$84,609,121	\$91,036,323	8%	57,006	57,293	\$1,484	\$1,589	(p)	\$105	0.326500
Commercial - Shop	\$4,612,043	\$4,755,481	3%	744	744	\$6,199	\$6,392	(p)	\$193	0.563400
Commercial - Office	\$1,205,796	\$1,275,573	6%	204	204	\$5,911	\$6,253	(p)	\$342	0.563400
Commercial - Other	\$11,730,647	\$12,995,270	11%	1,538	1,579	\$7,627	\$8,230	(p)	\$603	0.563400
Industry - Light	\$1,041,392	\$1,175,540	13%	323	325	\$3,224	\$3,617	(p)	\$393	0.563400
Industry - Other	\$4,568,293	\$4,938,055	8%	272	275	\$16,795	\$17,957	(p)	\$1,161	0.563400
Primary Production	\$465,646	\$601,306	29%	201	205	\$2,317	\$2,933	(p)	\$617	0.326500
Vacant Land	\$1,979,250	\$2,386,714	21%	955	942	\$2,073	\$2,534	(p)	\$461	0.424450
Other	\$1,019,480	\$965,109	-5%	162	158	\$6,293	\$6,108	(p)	-\$185	0.326500
GRAND TOTAL (GROSS)	\$111,231,667	\$120,129,371	8.0%	61,405	61,725	\$1,811	\$1,946	(p)	\$135	

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

	No. of properties to which rate will apply		Rate		
	2023/24	% of total rateable properties	2022/23	2023/24	Change
Minimum Rate	10,911	17.7%	\$1,081	\$1,157	(r) \$76

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 \$1,157 which shall be applied to all rateable properties. This will affect 17.7% of rateable properties.

Adopted valuation method

Capital Value

Council has the option of adopting one of three valuation methodologies to assess the properties 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.

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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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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

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.

ESCOSA Advice – City of Salisbury Comments



NOT YET REVIEWED BY COUNCIL

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.

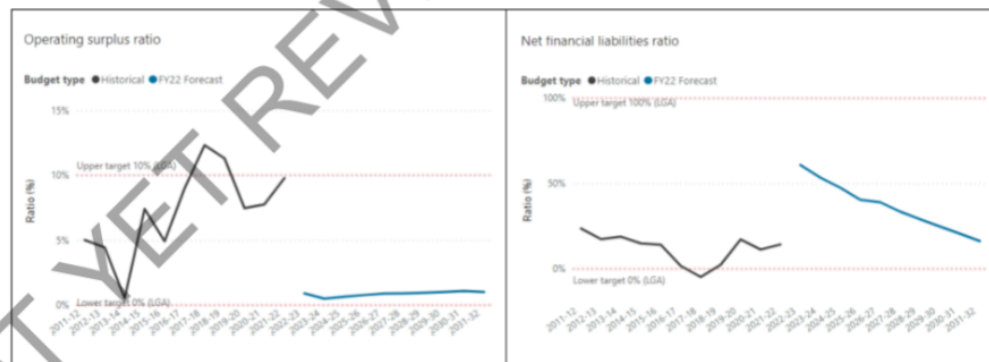
There are current risks to its financial sustainability arising from the extent of funding it has allocated for undefined capital projects in its forward projections, noting that the Salisbury Aquatic Centre project costs and associated service offerings have increased considerably from those originally 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.

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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

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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.

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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 the capital program to \$70.1m in the 2022/23 LTFP. The majority of the difference was not additional capital expenditure, but rather capital expenditure planned for 2021/22 that was retimed into 2022/23, totalling \$37.3M.

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 on the Council's website.

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.

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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

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 Debentures which operate like an overdraft. When surplus funds are available the debt is repaid, and this is achieved primarily as a result of unanticipated favourable budget impacts whether they be timing or permanent, which in turn reduces interest costs and further increases funds available to reduce the debt position. 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-%20Iga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&2.03.2018&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 pages 120 to 123.

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 2.1.6**FINANCE AND CORPORATE SERVICES COMMITTEE****DATE** 17 April 2023**HEADING** NAWMA (Northern Adelaide Waste Management Authority)
Second Quarter Budget Review 2022/23**AUTHORS** Manager Financial Services, Business Excellence
Senior Management Accountant, Business Excellence**SUMMARY**

Northern Adelaide Waste Management Authority have provided their Second Quarter Budget Review 2022/23, and this report provides Council the opportunity to consider these budget revisions.

RECOMMENDATIONThat Council:

1. Approves the Second Quarter Budget Review of the Northern Adelaide Waste Management Authority as contained in Attachment 1 to this report (Finance and Corporate Services 17/04/2023, Item No. 2.1.6).

ATTACHMENTS

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

1. NAWMA FY23 Budget Review 2
2. NAWMA FY23 Budget Review 2 Budgeted Financial Statements

1. BACKGROUND

- 1.1 NAWMA have prepared their Second Quarter Budget Review which was considered by the NAWMA Board at their 2 March 2023 meeting.
- 1.2 The Local Government (Financial Management) Regulations 2011 Part 9 – Review of budgets, requires regional subsidiaries to prepare quarterly budget reviews. Also, the Local Government Act 1999 Schedule 2, Provisions applicable to subsidiaries, Part 2 – Regional subsidiaries established by two or more councils, Section 25 Budget states

(3) A subsidiary may, with the approval of the council, amend its adopted budget for a financial year at any time before the year ends

- 1.3 Consequently, it is a requirement of the Act and Regulations that Council must review and determine whether the Budget Review will be endorsed.

2. CONSULTATION / COMMUNICATION

N/A

3. REPORT

- 3.1 NAWMA's 2022/23 Second Quarter Budget Review, Attachments 1 and 2, forecasts an increase in operating deficit of \$0.21m from the First Quarter Budget Review to a revised deficit of \$1.44m. The original 2022/23 budget was a deficit of \$61k. Various adjustments are detailed in Attachment 1 with the significant variances being:
- 3.1.1 Part of the Landfill Alternative Project budget \$0.35m has been brought forward into the FY23 Budget to cover expenditure incurred in FY23.
 - 3.1.2 MRF wages for agency staff are forecast to reduce \$0.165m aligned with current waste tonnages received.
- 3.2 Capital expenditure has been revised downwards by \$0.2m due in the main to the removal of the \$0.24m upgrade to the chain conveyor at the MRF, which is now being repaired at a cost of \$0.1m and treated as operating expense.
- 3.3 Cash and cash equivalents are forecast to increase a further \$0.23m from the First Quarter Budget Review, bringing the overall forecast improvement from the original budget position to \$0.162m, reflecting reductions in budgeted capital expenditure, increases in external grants and deferral of projects.
- 3.4 Budget Reviews are an opportunity for councils and regional subsidiaries to consider changes required to the original budget to make the budget more relevant given changes in the operating environment, and to support adjusting plans and associated resources to meet objectives.
- 3.5 NAWMA's 2022/23 revised budget position is \$1.44m, with City of Salisbury's share being \$775k which will be reflected in the end of financial year (EOFY) results. As this is a non-cash item, it does not require funding, and is unlikely to result in a deficit for Council, given the numerous budget movements that will be booked as part of the EOFY process.

4. CONCLUSION / PROPOSAL

- 4.1 Given the importance of having a revised budget position to set achievable goals and meet objectives, Council are encouraged to consider and endorse NAWMA's Second Quarter Budget Review 2022/23.



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Agenda Item 8.1

Report Subject:	FY23 Budget Review 2	Report Author:	Chief Financial Officer
Meeting Date:	2 March 2023	Report Type:	Decision report (finance, operational, risk)
Attachments:	8.1.1 – FY23 Budget Review 2 Budgeted Financial Statements		

RECOMMENDATION

That the NAWMA Board adopt the FY23 Budget Review 2 as presented in the attached Uniform Presentation of Finances, Statement of Comprehensive Income and receive the updated Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

Purpose of the Report

To provide the Board with the opportunity to consider and adopt NAWMA'S FY23 Budget Review 2 (as at 31 December 2022) and associated financial statements, ratios and adjustments.

Background

NAWMA must reconsider its Budget between 30 September and 31 May (inclusive) in each financial year as required by the Local Government (Financial Management) Regulations 2011 and reinforced in the Authority Charter.

This Report contains Budget Review 2 (BR2) for FY23. The third and final review for FY23 scheduled for March 2023 (BR 3) will be reported to the Committee at the April 2023 meeting.

At its meeting on Wednesday, 22 February 2023 NAWMA's Audit Committee considered and endorsed the FY23 BR2. As part of the consideration of this report the Committee asked several questions relating to the contents of this report, in particular increase in waste disposal and transport costs, energy costs, current loans and interest rates. All questions were answered at the meeting.

Report

The original Budget was drafted by NAWMA Administration in February 2022 and adopted by the NAWMA Board in June 2022. At its meeting on 23 November 2022 the Committee considered and endorsed several material changes to the FY23 adopted Budget. Since then, there have been further material changes which are now presented for the Committee's consideration and endorsement as part of BR2. Updated financial statements attached to this report show the impact of all proposed changes.

Budgeted Operating Result

NAWMA's forecast Operating Deficit has increased by \$0.21m compared to Budget Review (BR1) from \$1.23m in BR1 to \$1.44m proposed in BR2.



The increase can be primarily attributed to \$0.35m for the Landfill Alternative Project brought into the FY23 Budget. This amount is a portion of the unspent budget from the \$2.2m budget approved by the NAWMA Board in FY21. A total of \$1.13m of the approved Budget remains unspent. The remaining unspent Budget of \$0.78m has been included in the draft FY24 Budget for consideration. Without the \$0.35m one-off Landfill Alternative Project allocation, the BR2 result is an improvement of \$0.14m to NAWMA's forecast FY23 Operating Deficit. Table 1 below lists the material changes that have contributed to the increase in the forecast FY23 Operating Deficit.

Table 1: Key Adjustments – BR2

	Amount (\$)	Note
Forecast Operating Position – BR1 FY23	(1.23m)	
Landfill Alternative Project	(0.35m)	Part of the total unspent budget being brought into the FY23 Budget to cover expenditure incurred in FY23. Remaining total unspent budget included in the draft FY24 Budget.
MRF wages	0.165m	Forecast reduction in wages (agency staff) resulting from a continuous review of operations in line with current tonnages being received.
MRF commodity sales	0.11m	Forecast net increase in revenue from commodity sales specifically relating to glass, mixed paper, cardboard, steel and ND PET. Reflection of current market as well as continued rebound for remainder of FY23.
Green organics	0.13m	Forecast increase in revenue based on FY23 year to date tonnages being higher than originally forecast.
MRF electricity	(80k)	Forecast increase based on significant increase to electricity prices. NAWMA insulated slightly against full price increase via new 6-month LGA Procurement LG specific electricity contract. LGAP expected to go to market again.
MRF plant & machinery	(0.1m)	Original FY23 Budget included capital budget of \$0.24m for upgrade of the chain conveyor at the MRF, however, the existing conveyor in being repaired without need for upgrade. \$0.1m for repair included in operating budget and \$0.24m removed from capital budget. Favourable cash impact of \$0.14m, however unfavourable impact of \$0.1m to operating bottom line.
Landfill provision	(92k)	Forecast landfill provision unwinding (accounting treatment) updated to reflect movement in CPI and other changes in latest consultant report.
Forecast Operating Position – BR 2 FY23	(1.44m)	



Budgeted Capital Expenditure

NAWMA'S budgeted capital expenditure in FY23 is forecast to be \$3.78m. This is a decrease of \$0.2m compared to the BR1 FY23 Budget. The adjustments can be explained as follows:

- \$0.24m for upgrade to the chain conveyor at the MRF removed from the capital budget where it was originally budgeted. As stated previously in this report the current conveyor is being repaired at a cost of \$0.1m, now included as operating expenditure.
- \$50k for replacement of a critical spare (rotor) for the Eddy current at the MRF was previously included in the operating budget at \$25k. Actual cost will be \$25k more than budgeted and expenditure is capital rather than operating.
- \$43k Leachate Well and Pump System at the landfill required to maintain EPA/LEMP compliance. Not originally budgeted.

Budgeted Cash Flows

Cash and cash equivalents are forecast to be \$8.72m at FY23 year end, which is an improvement of \$0.23m to the BR 1 FY23 Budget. Even though the forecast Operating Deficit has increased, forecast cash and cash equivalents have increased due to the following:

- \$0.2m decrease in budgeted total capital expenditure.
- \$0.18m increase in capital grant income of which \$0.175m is an external grant for the Pooraka RRC upgrade project.
- \$40k for the implementation of the electronic records management system removed from FY23 and included in the draft FY24 Budget. Project has been delayed and will now be implemented in FY24.

Financial Indicators

As a result of adjustments made to NAWMA's Budget in BR2, its financial indicators have changed as follows:

Ratio	FY23 BR2	FY23 BR1	FY23 Adopted Budget	FY22 Actual
Operating Surplus	(3.3%)	(2.8%)	(0.1%)	4.8%
Net Financial Liabilities	22%	23%	27%	20%

The forecast Operating Surplus ratio has weakened due to the increase in the forecast Operating Deficit as stated earlier in this report. NAWMA's current minimum target for this ratio is 2% in accordance with its revised LTFP.

The forecast Net Financial Liabilities ratio is 22% which remains below the 40% ceiling set by NAWMA's Treasury Management Policy and indicates a capacity to borrow in future for strategic projects. This ratio is likely to increase in future as funds are drawn down for the Fibre Polishing Plant project.



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Northern Adelaide Waste Management Authority

Uniform Presentation of Finances

2021/22 \$'000 Actual		2022/23 \$'000 BR2	Movement: BR2 v. BR1	2022/23 \$'000 BR1	2022/23 \$'000 Adopted Budget
\$'000		\$'000	\$'000	\$'000	\$'000
48,417	Operating Revenues	44,166	358	43,808	47,669
(46,103)	Operating Expenses	(45,608)	(574)	(45,034)	(47,730)
2,314	Operating Surplus / (Deficit)	(1,442)	(216)	(1,226)	(61)
Net Outlays on Existing Assets					
-	Capital Expenditure on renewal and replacement of Existing Assets	(15)	-	(15)	(15)
3,315	Depreciation, Amortisation and Impairment	3,558	-	3,558	3,558
-	Proceeds from Sale of Replaced Assets	-	-	-	-
3,315		3,543	-	3,543	3,543
less Net Outlays on New and Upgraded Assets					
(67)	Capital Expenditure on New and Upgraded Assets	(3,768)	197	(3,965)	(9,980)
-	Amounts received specifically for New and Upgraded Assets	928	178	750	5,520
15	Proceeds from Sales of Replaced Assets	-	-	-	-
(52)		(2,840)	375	(3,215)	(4,460)
5,577	Net Lending / (Borrowing) for Financial Year	(739)	159	(898)	(978)

Northern Adelaide Waste Management Authority

Statement of Comprehensive Income

2021/22 \$'000 Actual		2022/23 \$'000 BR2	Movement: BR2 v. BR1	2022/23 \$'000 BR1	2022/23 \$'000 Adopted Budget
\$'000		\$'000	\$'000	\$'000	\$'000
Income					
48,140	User Charges	43,341	358	42,983	46,944
262	Investment Income	252	-	252	252
15	Other	573	-	573	473
48,417	Total Income	44,166	358	43,808	47,669
Expenses					
4,147	Employee Costs	4,380	-	4,380	4,380
38,174	Materials, Contracts and Other Expenses	37,047	482	36,565	39,261
3,315	Depreciation, Amortisation and Impairment	3,558	-	3,558	3,558
467	Finance Costs	623	92	531	531
46,103	Total Expenses	45,608	574	45,034	47,730
2,314	Operating Surplus / (Deficit)	(1,442)	(216)	(1,226)	(61)
(1)	Net Gain / (Loss) on Disposal of Assets	-	-	-	-
60	Amounts received specifically for new/upgraded assets	1,488	178	1,310	5,520
2,373	Net Surplus / (Deficit)	46	(38)	84	5,459
Other Comprehensive Income					
-	Other Comprehensive Income	-	-	-	-
2,373	Total Comprehensive Income	46	(38)	84	5,459

Northern Adelaide Waste Management Authority

Statement of Financial Position

2021/22 \$'000 Actual		2022/23 \$'000 BR2	Movement: BR2 v. BR1	2022/23 \$'000 BR1	2022/23 \$'000 Adopted Budget
\$'000		\$'000	\$'000	\$'000	\$'000
Current Assets					
9,802	Cash & Cash Equivalents	8,717	226	8,491	8,555
5,143	Trade & Other Receivables	5,143	-	5,143	4,167
50	Stock on Hand	100	25	75	52
14,995	Total Current Assets	13,960	251	13,709	12,774
Non-Current Assets					
20,679	Infrastructure, Property, Plant and Equipment	20,904	(197)	21,101	27,919
20,679	Total Non-Current Assets	20,904	(197)	21,101	27,919
35,674	Total Assets	34,864	54	34,810	40,693
Current Liabilities					
7,117	Trade & Other Payables	6,557	-	6,557	5,737
2,243	Borrowings	2,252	-	2,252	1,442
327	Provisions	327	-	327	366
9,687	Total Current Liabilities	9,136	-	9,136	7,545
Non-Current Liabilities					
6,489	Provisions	6,687	92	6,595	5,287
8,310	Borrowings	7,807	-	7,807	12,611
14,799	Total Non-Current Liabilities	14,494	92	14,402	17,898
24,486	Total Liabilities	23,630	92	23,538	25,443
11,188	Net Assets	11,234	(38)	11,272	15,250
Equity					
10,528	Accumulated Surplus	10,574	(38)	10,612	14,590
660	Asset Revaluation Reserve	660	-	660	660
11,188	Total Equity	11,234	(38)	11,272	15,250

Northern Adelaide Waste Management Authority

Statement of Changes in Equity

2021/22 \$'000 Actual		2022/23 \$'000 BR2	Movement: BR2 v. BR1	2022/23 \$'000 BR1	2022/23 \$'000 Adopted Budget
\$'000		\$'000	\$'000	\$'000	\$'000
Accumulated Surplus					
8,155	Balance at beginning of period	10,528	-	10,528	9,131
2,373	Net Surplus / (Deficit)	46	(38)	84	5,459
-	Transfers from reserves	-	-	-	-
-	Transfers to reserves	-	-	-	-
-	Distribution to Councils	-	-	-	-
10,528	Balance at end of period	10,574	(38)	10,612	14,590
Asset Revaluation Reserve					
660	Balance at beginning of period	660	-	660	660
-	Gain on Revaluation of Property, Plant and Equipment	-	-	-	-
-	Transfers from reserve	-	-	-	-
660	Balance at end of period	660	-	660	660
11,188	Total Equity	11,234	(38)	11,272	15,250

Northern Adelaide Waste Management Authority

Statement of Cash Flows

2021/22 \$'000 Actual	2022/23 \$'000 BR2	Movement: BR2 v. BR1	2022/23 \$'000 BR1	2022/23 \$'000 Adopted Budget
\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities				
47,185	43,914	358	43,556	47,417
262	252	-	252	252
(41,871)	(41,477)	(507)	(40,970)	(43,967)
(408)	(425)	-	(425)	(425)
5,168	2,264	(149)	2,413	3,277
Net cash provided by (used in) operating activities				
Cash Flows from Investing Activities				
-	928	178	750	5,520
15	-	-	-	-
-	(15)	-	(15)	(15)
(67)	(3,768)	197	(3,965)	(9,980)
(52)	(2,855)	375	(3,230)	(4,475)
Net cash provided by (used in) investing activities				
Cash Flows from Financing Activities				
-	2,148	-	2,148	5,550
(1,099)	(1,401)	-	(1,401)	(1,401)
(1,382)	(1,241)	-	(1,241)	(1,241)
(2,481)	(494)	-	(494)	2,908
Net cash provided by (used in) financing activities				
2,635	(1,085)	226	(1,311)	1,710
7,167	9,802	-	9,802	6,845
9,802	8,717	226	8,491	8,555
Cash & Cash Equivalents at end of period				

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ITEM	2.2.1
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	17 April 2023
PREV REFS	Budget and Finance Committee 6.6.1 20/04/2020
HEADING	Financial Hardship Policy Review
AUTHORS	Team Leader Revenue, Business Excellence Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	In April 2020, Council adopted a Financial Hardship Policy for our Rating and Sundry Debtor Customers (Resolution Number 0492/2000). This policy has been reviewed as required by the <i>Local Government Act 1999</i> , that is within 12 months of Council election. The proposed changes to the policy are minor in nature and are set out in Attachment 1.

RECOMMENDATION

That Council:

1. Adopts the Financial Hardship Policy as contained in Attachment 1 to this report (Finance and Corporate Services Committee, 17 April 2023 Item 2.2.1), with a review date of March 2027.

ATTACHMENTS

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

1. Financial Hardship Policy - Updated March 2023

1. BACKGROUND

- 1.1 Council depends on income from rates to fund services and facilities for the community, with rates income funding approximately 80% of Council operating activities. The fundamental focus for the collection process is to provide a thorough and consistent approach to recover rates and/or sundry debtor arrears and is designed to minimise the amount of monies owed to Council, while ensuring that the administration process is compliant with legislative requirements under the *Local Government Act 1999* (The Act).
- 1.2 We have adapted our processes over the years to provide further communication points and leniency to balance the need for equity with having a process that is reasonable.
- 1.3 The Financial Hardship Policy demonstrates that Council is committed to working in partnership to support rating and sundry debtor customers who are experiencing temporary and/or ongoing financial hardship to manage their payments in regards to rates and/or sundry debtor charges.

- 1.4 At the Special Council Meeting 20 April 2020, Council resolved (0492/2020) to extend the Financial Hardship Policy to not just residential ratepayers who are owner occupiers, but to all ratepayers as a response to the changes in economic climate during and after COVID-19.
- 1.5 The Financial Hardship Policy is now due again for review, given the general election that occurred in November 2022.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 As part of Council's partnership with the Northern Adelaide Financial Inclusion Action Plan, advice was also sought from the Senior Social Planner – Wellbeing.

3. REPORT

- 3.1 The Financial Hardship Policy has been reviewed with minor editorial amendments made to the Policy to ensure continuing relevance and the inclusion of Council's participation in the Northern Adelaide Financial Inclusion Action Plan as a related Policy and Procedure to be read in conjunction with this Policy

Policy Background

- 3.2 The Act, Chapter 10 *Rates and Charges* provide for rate charges against the land to be raised and collected. The rates declared and payable in respect of a particular financial year will fall due in four equal instalments payable in the months of September, December, March and June of the financial year for which the rates are declared pursuant to s181 of the Act.
- 3.3 Sundry Debtors are customers owing money to Council for goods or services rendered. These charges are raised via an invoice and do not include rates or expiations. These customers have 30 days from the date of the invoice to make payment.
- 3.4 Council staff work to recover monies owed to Council via rates and/or sundry debtors through a number of means such as offering short and long-term payment arrangements, final and/or intent notices and at times legal action through the Courts to recover outstanding monies.
- 3.5 Despite best efforts, there will be accounts that continue to be in arrears and rather than continue to have further legal and debt collection costs incurred, these accounts are pulled back from the collection agency for Council to manage internally.
- 3.6 The Financial Hardship Policy (Attachment 1) provides a mechanism for Council to assist customers who are experiencing temporary and/or ongoing financial hardship in regards to rates and/or sundry debtor charges which are currently outstanding or will be due and payable at a future date.
- 3.7 Extreme cases of financial hardship will be assessed on a case by case basis as is our current practice and where an assessment is made that additional support is required these matters will be reported to Council.

- 3.8 It should be noted that any ratepayer or sundry debtor who enters into a formal payment arrangement with Council and honors that arrangement will not have legal action taken to recover amounts owing, whether or not they have applied for Financial Hardship.

4. CONCLUSION / PROPOSAL

- 4.1 The Financial Hardship Policy aims to assist those customers within our community who are currently experiencing temporary and/or ongoing financial hardship. Council recognises and understands that the cost of living pressures can place a strain on household budgets and at times of ill-health or unexpected events that can impact on a person's capacity to earn, will reduce their ability to pay their accounts on time.
- 4.2 The Financial Hardship Policy as contained within Attachment 1 is recommended to Council for adoption.

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City of Salisbury Values: Respectful, Accountable, Collaborative, Helpful

TITLE: Financial Hardship Policy

Adopted by:	Council
Responsible Division:	Financial Services
First Issued/Adopted:	23 July 2018
Last Reviewed:	27 March 2023
Next Review Date:	December 2026-October 2027

1. Purpose

This policy is to assist customers of the City of Salisbury who are experiencing temporary or ongoing financial hardship in regards to payments of rates and/or sundry debtor charges which are currently outstanding or will be due and payable at a future date.

2. Scope

This policy ~~sets out Council's approach to supporting all~~ applies to all ratepayers and sundry debtors who are experiencing temporary and/or ongoing financial hardship, ~~through the implementation of suitable repayment plans, to assist in managing rates for owner/occupied properties and/or sundry debtor charges, noting that the COVID-19 Rates Financial Hardship Policy has been developed specifically to support ratepayers experiencing temporary financial hardship that is demonstrated to have resulted from the impacts of COVID-19.~~

This policy does not apply to debts associated with the provision of recycled water, which are considered in the Hardship Policy for Residential Salisbury Water

Customers, which has been established with the Essential Services Commission of South Australia (ESCOSA).

This policy also does not address customers who may feel that the property valuation is incorrect, which are addressed via the objection process with the State Valuation Office.

3. Legislative Requirements and Corporate Policy Context

The City of Salisbury is committed to assisting rating customers together with sundry debtor customers who are experiencing temporary and/or ongoing financial hardship, to manage their payments ~~and assist those customers to better manage their bills~~ on an ongoing basis.

This policy should be read in conjunction with the Financial Hardship Procedure and Section 184 of the Local Government Act 1999.

4. Definitions

Term	Definition
Accredited Financial Counsellor	A person who holds a Diploma of Community Services (Financial Counselling) and who has worked at least 12 months as a financial counsellor under the supervision of the South Australian Financial Counsellors Association.
Arrangement	An agreement between Council and a customer to repay an amount of money within a time frame according to an agreed schedule. Dependent on the individual situation of our customer's arrangement customer, either could be considered under a short term and/or long-term arrangement could be considered .
Council	The City of Salisbury
Customer	A person or legal entity that is liable to pay rates on an owner-occupied a property and/or a sundry debtor who has had a Sundry Debtor tax invoice raised as per goods or services they have received from Council.
Debt	Rates – are levied as a tax on property in accordance with the provisions of the Local Government Act. Rates are not a service or user charge. Sundry Debtor – is a legal entity owing money for goods and/or services rendered by Council for all non-rating and non-expiation debts. These can also include grants payable to Council.
Financial Hardship	Circumstances of experiencing a lack of financial means that may be either ongoing or temporary, but does not include circumstances where a person <i>chooses</i> not to meet a liability for an unpaid debt. Hardship may result from a change in circumstance

	such as serious illness, disability death in the family, loss or change in income, separation, divorce, or other family crisis and/or loss resulting from an accident. Hardship is considered temporary if the impacts of the hardship are expected to be resolved in less than one year, whereas ongoing spans longer periods. Refer paragraph 5.3 for further information.
Local Government Act	The <i>Local Government Act 1999</i> "the Act" sets out legislative requirements for Councils to follow.
Policy	Financial Hardship Policy
Procedure	Financial Hardship Procedure

5. Policy Statements

- 5.1 Council recognises and understands that cost of living pressures can place a lot of strain on household budgets and that economic conditions can have detrimental impacts on business, and have developed a range of payment options to ease this pressure.
- 5.2 Council is committed to treating all customers in financial stress with respect and compassion and is pleased to provide support and practical solutions to those who may be experiencing temporary and/or ongoing financial hardship.

What is financial hardship?

- 5.3 Financial hardship is when a customer is willing but unable to meet their debt obligations because of unexpected events or unforeseen changes that impacts cash flow, for example:
- (a) Changes in income or expenditure;
 - (b) Change in employment status (such as losing a job or having hours reduced);
 - (c) Significant life events such as a relationship breakdown or death in the family;
 - (d) Injury or illness; and
 - (e) Emergency events or natural disasters
 - (f) Economic downturn
- 5.4 ~~An important consideration to acknowledge is that a customer in financial hardship can reasonably be expected to recover their financial position if appropriate assistance or arrangements are provided. Financial hardship assistance is intended to bridge the time~~ Respecting the dignity of our customers, our intent is to provide assistance and arrangements to enable impacted customers to recover their financial position and regain their financial wellbeing. As such, Council's financial hardship assistance is designed to be a temporary measure, in place between when a customer's circumstances change and the time when they can start paying their debt in full - either because the original financial situation is restored (e.g. a person is re-employed after a period of unemployment, economic conditions improve) or because a

new repayment arrangement is agreed which the person can meet with terms that can be accepted by both parties.

5.5 Financial hardship does not include circumstance where a person chooses not to meet an unpaid financial obligation for which they are liable for.

5.6 ~~There are~~ This Policy recognises two types of financial hardship: ongoing and temporary. Depending on the type of hardship being experienced, there will be different needs requiring different solutions.

5.7 Temporary Financial Hardship

Customers ~~who may have been~~ identified as experiencing temporary hardship are those who have experienced a short-term change in circumstances. These customers generally require flexibility and temporary assistance, such as extension of time to pay, or an alternative payment arrangement.

5.8 Ongoing Financial Hardship

Customers ~~who may have been~~ identified as experiencing ongoing hardship are those who have experienced a change in circumstances ~~and one in~~ which they do not expect to recover from within a reasonable timeframe (e.g. twelve month period). ~~These customers may require assistance from Council's support~~ in these instances ~~and this~~ is intended to bridge the time between when a customer's circumstances change and when they can start paying their debt in full – either because their original financial situation is restored or because a new repayment arrangement is agreed which the customer can meet.

5.9 Where it is assessed a customer may be eligible for hardship assistance, consideration will be given but not limited to the following:

- The customer is on Centrelink income and holds a pensioner concession card or holds a Centrelink low income health care card
- The customer is eligible for a South Australian Government concession
- The customer has been referred by an accredited financial counsellor or welfare agency
- The customer advises they have previously applied for emergency relief (irrespective of whether or not their application was successful)
- The customers payment history indicates that they have had difficulty meeting their rate notices/sundry debtors' invoices in the past
- The customer, through self-assessment, has identified their position regarding their ability to pay
- Other personal circumstances that the applicant(s) may choose to disclose in order to support their application.

5.10 Council will require customers to submit an application, including details of the applicant(s) and a Statement of Financial Position (Income and Expenditure) which will assist in determining an application for hardship.

Debt Recovery

- 5.11 Council will place on hold and/or suspend debt recovery process while negotiating a suitable payment arrangement with a customer who has applied and been accepted under the Financial Hardship policy.
- 5.12 Council will not commence legal action for the recovery of the debt relating to rates and/or a sundry debtors invoice for a customer if the customer has agreed to a payment arrangement and continues to adhere to the terms of the payment arrangement, irrespective of whether the customer has been assessed for financial hardship.
- 5.13 For rating purposes, the Act provides for council to sell a property where the rates have been in arrears for three years or more. The Council must notify the owner(s) of the land of its intention to sell the land if payment of the outstanding amount is not received within one month, and once this notice is served this policy will not apply, however, Council will not commence this recovery action where a customer has agreed and is maintaining a payment arrangement under this Financial Hardship Policy.

6. Related Policies and Procedures

- 6.1 Hardship Policy for Residential Salisbury Water Customers
- 6.2 Customer Service Framework and Charter
- 6.3 Internal Review of Councils Decisions Procedure

7. Approval and History

Version	Approval Date	Approval By	Change
1	23 July 2018	Council	Initial Policy
2	23 September 2019	Council	Removed reference to State Government Charter of Affordability
3	20 April 2020	Council	Extended to apply to all rate customers and sundry debtors

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

This Policy will be reviewed within 12 months of a Council election and thereafter as necessary; or If deemed necessary by Council.

Further Information

For further information on this Policy please contact:

Responsible Officer: Team Leader Revenue
Address: 34 Church Street, Salisbury SA 5108
Telephone: 8406 8222
Email: city@salisbury.sa.gov.au