

Please note that the audio of this public meeting will be recorded and published on Council's website where it will be available for one (1) month, in accordance with Council's decision.



AGENDA

FOR COUNCIL MEETING TO BE HELD ON

23 OCTOBER 2023 AT 6.30 PM

IN THE COUNCIL CHAMBER, 34 CHURCH STREET, SALISBURY

MEMBERS

Mayor G Aldridge
Cr B Brug
Cr L Brug
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

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
Team Leader Council Governance, Ms J O'Keefe-Craig

Council Meeting: 23 October 2023

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There are no Deputations or Presentations

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No Petitions have been received.

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KAURNA ACKNOWLEDGEMENT

The City of Salisbury acknowledges that we are meeting 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.

PRAYER

Father in heaven

We thank you for the wondrous resources of our City, for its people, its environment and its sense of community.

We thank you for the opportunity to now deliberate over how best to help our community.

Please bless that we will respect one another and that we will all do our best to make decisions that will help our community to grow and prosper.

Bless our efforts this day in God's name.

Amen.

APOLOGIES

LEAVE OF ABSENCE

LOA1 Leave of Absence Request - Cr Kylie Grenfell

A request for Leave of Absence for the period 20 October to 26 November 2023 inclusive has been received from Councillor Kylie Grenfell due to surgery.

Recommendation

That Council:

1. Approves the Leave of Absence request from Cr Grenfell for the period 20 October to 26 November 2023 inclusive.

PUBLIC QUESTION TIME

DEPUTATIONS

No Deputations have been received.

PRESENTATION OF MINUTES

Presentation of the Minutes of the Council Meeting held on 25 September 2023.

PETITIONS

No Petitions have been received.

COMMITTEE REPORTS

1 Policy and Planning Committee Meeting

Chairman - Cr C Buchanan

Consideration of the minutes of the Policy and Planning Committee Meeting - 16 October 2023 and adoption of recommendations in relation to item numbers:

Administration

1.0.1 Future Reports for the Policy and Planning Committee

It is recommended to Council:

That Council:

1. Notes the report.

1.0.2 Recommendations of the Intercultural Strategy and Partnerships Sub Committee meeting held on Monday 9 October 2023

It is recommended to Council:

That Council:

1. Receives and notes the information contained in the Intercultural Strategy and Partnerships Sub Committee Minutes of the meeting held on 9 October 2023 and that the following recommendation contained therein be adopted by Council:

ISPS1 Intercultural Bridge Signage

It is recommended to Council:

That Council:

1. Approves amended text for bridge signage to display on the Main North Road Footbridge to read 'An Intercultural and Inclusive City' rather than the previously approved text 'The City of Salisbury is an intercultural city that welcomes and celebrates cultural diversity'.
2. Approves Option D as the preferred option as outlined in the report (Item ISPS1, Intercultural Strategy and Partnerships Sub Committee, 9 October 2023).
3. Approves similar messaging to be displayed on all the digital signage screens, including the large digital screen at the Salisbury Community Hub.
4. Notes progress on the intercultural bridge signage project for the Main North Road Footbridge to promote City of Salisbury as an Intercultural and Welcoming City, as included in this report (Item ISPS1, Intercultural Strategy and Partnerships Sub Committee, 9 October 2023).

For Decision

1.1.1 Greater Adelaide Regional Plan Discussion Paper

It is recommended to Council:

That Council:

1. Approves Administration's draft submission to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper contained in Attachment 3 (Item No. 1.1.1, Policy and Planning Committee, 16 October 2023).
2. Approves Administration's joint letter with the City of Playford to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper contained in Attachment 4 (Item No. 1.1.1, Policy and Planning Committee, 16 October 2023).
3. Delegates to the Mayor, Deputy Mayor and CEO to make further amendments as deemed required.

See Further Information Item

1.1.1FI Greater Adelaide Regional Plan Discussion Paper (see p7)

It is recommended to Council:

That Council:

1. Approves Administration's amended draft submission to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper contained in Attachment 1, Policy and Planning Committee, 16 October 2023, Item No 1.1.1FI).
2. Approves Administration's joint letter with the City of Playford to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper contained in Attachment 4, Policy and Planning Committee, 16 October 2023, Item No 1.1.1).

Confidential Items

Refer to CONFIDENTIAL ITEMS section of Council Agenda

1.4.1 Code Amendment Update

Further Information Item:

1.1.1FI Greater Adelaide Regional Plan Discussion Paper

PREV REFS Policy and Planning 1.1.1 16/10/2023
Committee

AUTHOR Sally Jenkin, Team Leader Strategic Urban Planning, City
Development

CITY PLAN LINKS 3.4 Our urban growth is well planned and our centres are active
1.1 Our City is attractive and well maintained
3.2 Salisbury is a place of choice for businesses to start, invest and
grow

SUMMARY A new Greater Adelaide Regional Plan (GARP) is being prepared
for a mid-2024 public release. The GARP Discussion Paper has
been released to elicit public comments on its preparation and
direction. Feedback is due 6 November 2023. This report seeks to
provide Council with an amended draft submission following
feedback from the Policy and Planning Committee meeting on the
16 October 2023.

RECOMMENDATION

That Council:

1. Approves Administration's amended draft submission to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper contained in Attachment 1, Policy and Planning Committee, 16 October 2023, Item No 1.1.1FI).
2. Approves Administration's joint letter with the City of Playford to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper contained in Attachment 4, Policy and Planning Committee, 16 October 2023, Item No 1.1.1).

ATTACHMENTS

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

1. Attachment 1 - City of Salisbury draft submission to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper

1. REPORT

1.1 At the Policy and Planning Committee on 16 October 2023, the Committee requested amendments to the Council draft submission to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper. Specific issues raised included:

- 1.1.1 The impact of residential infill on the existing suburban character and amenity (for example at Ingle Farm).
- 1.1.2 Increased infill development, combined with a lack public transport, increased occupancy rates (due to young adults staying at home longer) and low car parking standards (eg 0.75 spaces per dwelling at Mawson Lakes) is causing car parking congestion and unsafe conditions on local streets.

-
- 1.1.3 Acknowledgement that smaller housing is more affordable.
 - 1.1.4 Support for the concept of local living, noting that the scale of a place of worship as a suitable land use in this context is important. Council has a diverse multi-cultural community. Migrant communities comprise a significant proportion of the council population, and there is demand for new places of worship that cater for a diversity of faith. Large places of worship can impact on residential amenity through traffic and noise and are thereby more suitably located in Employment Zones. The Planning and Design Code should be amended to ensure that Places of Worship do not impact on the amenity of residential areas and conversely employment zones should provide suitable policy to support places of worship.
 - 1.1.5 The protection of the established unique character at Globe Derby Park and St Kilda is important.
 - 1.1.6 A greater focus on road infrastructure and specifically works required to Kings Road and Elder Smith Drive to accommodate growth.
- 1.2 The requested amendments have been incorporated into the draft letter (*Attachment 1 - City of Salisbury draft submission to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper*) and are shown in track changes.

2. CONCLUSION

- 2.1 The Greater Adelaide Regional Plan Discussion Paper has been released for comments. It affects all of the councils across the Region, each of which is likely to have a differing position and issues.
- 2.2 An amended draft submission from the City of Salisbury is attached for Council's consideration and approval (*Attachment 1 - City of Salisbury draft submission to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper*).
- 2.3 It is proposed that the draft submission, along with the joint letter with the City of Playford (contained in Attachment 4, Policy and Planning Committee, 16 October 2023, Item No 1.1.1) be submitted to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper.



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[DATE] October 2023

State Planning Commission
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Dear Commission Members

Re: Greater Adelaide Regional Plan – City of Salisbury submission

The City of Salisbury thanks the State Planning Commission for the opportunity to make comments on the Greater Adelaide Regional Plan Discussion Paper.

Council has considered this matter at its October 2023 round of meetings. The following comments are submitted for consideration in response to the Discussion Paper.

As background, Council is also preparing its City Plan and Growth Strategy, and has undertaken a Strategic Growth Framework for an area west of Port Wakefield Road that is essentially north of the Little Para River. These documents have also informed Council's response, in addition to the GARP Discussion Paper.

The Council believes it is well advanced in its strategic planning for growth:

- The Strategic Growth Framework provides clear direction for the rezoning of land west of Port Wakefield Road and is guiding Code Amendment proposals
- Salisbury City Centre revitalisation agenda
- Planning and delivery of strategic residential infill providing housing choice and affordability. E.g. Lake Windemere and Walkleys Road Corridor
- Participation in Dry Creek Salt Pans cross government CEO's working group
- Participation in Parafield Airport Masterplan identifying employment opportunities.
- Participation in cross Government North-Western growth and infrastructure Executive Steering Group

In addition to the above, Council recognises a number of trends and influences attributing to growth in the Council area and northern region. This includes:

- Residential areas experiencing significant infill development
- Decline of housing affordability and availability
- Desirability for high-tech and defence industries close to the RAAF base and Technology Park
- Proximity to the Northern Connector is driving growth in warehousing, transport and logistics hubs
- New and emerging industries e.g. onshoring of supply chains, green and circular economy, advanced manufacturing.
- Industries seeking larger sites to relocate or expand.
- Doubling of employees at the RAAF in the next 10 years
- Increase in commercial and retail development at Parafield airport.

It is imperative that the planning system is an enabler to the growth opportunities and attracts new innovative economic and residential development that responds to emerging trends (e.g. climate adaptation, de-carbonisation, smaller households, working from home, impacts of AI and technology) on built form, transport and communities. Well planned and co-ordinated infrastructure delivery is essential to make this occur. This is not just for the benefit of the region, but for the State.

To this end, Council has been collaborating with the City of Playford in delivery of co-ordinated growth for the two Councils. The Councils have also advocated for a cross-government Steering Group for the North West Adelaide Economic Corridor. The City of Salisbury has collaborated with the City of Playford in the preparation of a joint submission on the GARP Discussion Paper.

Discussion Paper missed opportunities

It is noted that the Discussion Paper seeks to elicit comments for consideration in the final version of the GARP, and that it therefore is not a draft GARP. The Discussion Paper identifies four outcomes for Greater Adelaide and refers to the challenges for the Region such as climate change, sustainability, and social cohesion. However, the Discussion Paper is then focussed on the housing sector and the questions of where and how it will be occurring that are prompted essentially along the lines of the existing paradigm. The questions of how these areas are being serviced and connected in a manner that enhances the local area and the region need to be answered. This includes aspects such as hard and social infrastructure, public transport, active living, and employment lands and the need to move away from the focus on Adelaide towards a polycentric approach.

The Salisbury experience to date has been the difficulty in bringing State Government agencies on board to supply services in alignment with the current 30 Year Plan and zoning changes, and reinforcing public transport along the current patterns to Adelaide. East / west road movements need immediate action especially Kings Road and Elder Smith Drive, as do public transport initiatives that provide services across the region.

Greater emphasis on housing potential along corridors and centres, and how the urban form and social/community expectations and necessities might transform within the 30-year outlook is warranted without consolidating the existing urban spread across the region.

How to achieve more equitable and socially cohesive places

There are challenges linking population growth and needs of the community with the Government forward planning on social infrastructure that is not limited to education, schooling and public transport provision. This also applies to the sequencing of roads, water and sewerage. Funding is not currently aligning or responsive to growth. State Government infrastructure provision is the biggest constraint to getting investment in our area.

In addition, there needs to be increased collaboration between Governments on areas for focussed infill to enable quality outcomes for the community so that those that choose to live in higher density living have quality public realm offerings for safe and accessible active transport, including walkability and recreational options incorporating biodiversity enhancement. This also applies to the mechanisms and tools used for funding local government investment.

The City of Salisbury has a strong community despite it being of low socio-economic status. There is significant inequity, in terms of provision and access to public transport, health and education facilities.

There needs to be consideration of global, national and local trends (e.g. climate adaptation, decarbonisation, smaller households, working from home) and demographic changes and their implications for traditional zoning, built form, transport and the community.

The housing supply debate needs to be elevated to incorporate housing affordability, social housing and support services and high needs principles. It is expected that the GARP will incorporate strategies recognising the Federal Housing Australia Future Fund opportunities to access supply of social and affordable rental housing, the additional funding of the National Housing Infrastructure Facility for new homes, and the housing reform agenda proposals of the Federal Government.

Planning and Design Code policy needs to provide greater opportunities for secondary dwellings. Consideration needs to be given to the cultural needs of our migrants who may prefer to live with

their broader family networks requiring different housing forms. Incentives need to be given to those that amalgamate allotments to create better housing forms.

Employment Lands

Additional consideration needs to be given to future industries to ensure that South Australia, and the region, is an attractive place to invest for new and developing industry sectors. This is critical to ensure we can leverage off the current growth, investment and advances in defence, green energy and the supporting resources, the circular economy and a more complex economy. The synergies required for strategic infrastructure and proximity to the labour force, higher education facilities and other industries should be a priority and these land requirements should be considered prior to identification of residential expansion. The newly created Housing Infrastructure Planning and Development Unit is focussed on helping drive residential developments and coordinate its infrastructure investment, and requires immediate expansion to recognise the need for the delivery of employment lands. It is critical to assist this sector to support residential growth.

The large employment land holdings in the City of Salisbury has a hinterland far beyond its boundary, and must be supported in a multi strategy approach to connect the population with the jobs.

A comprehensive employment lands strategy should be prepared as the statistics in the Discussion Paper regarding 10 years supply of industrial land in the region do not reflect the current immediate pressures for development that our council is currently experiencing.

It is recommended that further work is undertaken regarding employment lands classification, land requirements and demand and supply so it meets the needs of the Region's future. Consideration needs to be given of the importance and role of eco-industrial parks. How the Planning and Design Code zones facilitates the types of employment land uses for the future also needs to be considered.

It is also important that strategic employment lands are also future proofed, not just by managing buffers to sensitive land uses, but by ensuring sufficient infrastructure provision of appropriate capacity on time for them to grow and adapt in the future. Transport systems must be linked to growth areas for employment lands. To understand the future supply of employment lands, consideration needs to be given to the climate change risk assessment currently being undertaken by the State Government as sea level rises and increased rainfall events may impact on supply.

The State must take the lead in providing clear costing and sharing arrangements for infrastructure to facilitate the achievement of the GARP strategies.

Greater Adelaide Urban Structure- Salisbury City Centre

The Discussion Paper promotes a monocentric approach to centres and needs to state what the role of the Adelaide City Centre will be in the future. It is considered imperative that a polycentric approach be adopted as the Region develops. Public transport investment and corridor development is still focussed on access to the City Centre. Many of the City of Salisbury's residents do not travel to the city each day and there needs to be better public transport connections between where people work and where they live, including east-west connections into other Council areas.

As proposed in the Discussion Paper, the Salisbury City Centre should be a focus for regeneration and a destination for people in the northern Adelaide region. Council has focussed its attention on rejuvenation of the centre for a number of years. It has the attributes for a vibrant mixed-use centre with fixed public transport connections, combined with a mixture of retail, entertainment, restaurants, local, state and federal services, recreation and open space for the needs of the regional community. Council has and will continue to develop and invest in the City Centre through its significant land holdings over the next few years to make it an even a more attractive place to invest in and visit.

Whilst the Council continues to work on the regeneration of the City Centre, this area also has our lowest socio-economic status. Affordable housing and homelessness are a significant issue in our Council area and providing housing for these vulnerable people is critical.

Green space should not be provided through public reserve creation only. Policy must support streetscape designs that cater for large trees, biodiversity enhancement, and drainage, as well as carparking, energy and infrastructure supply and waste requirements. A granular level of design will allow greater flora and fauna movement across suburbs and areas. Consideration of built form and public realm design must also consider design for wellbeing.

Infill development must recognise impacts on existing infrastructure and the need for upgrades to trunk infrastructure in existing areas along with the new developments. Public transport must support infill development and be established in time to cater for population growth in these areas.

Reconsideration of the Planning and Design Code standards for allotment level stormwater or retention should be undertaken in conjunction with the climate change impacts.

Greenfields

Dry Creek will provide the next tranche of significant population growth for our council providing for approximately 10,000 dwellings. Detailed master planning for Dry Creek has yet to substantially commence and it is likely that the infrastructure and building costs will be substantial. The development of this land is likely to have a 20-year lifespan. This is a significantly large piece of land close to the centre of Adelaide and it should be developed with consideration of the technological advances and changing societal expectations that are likely to be experienced over the next 20-years. For example, the use of driver-less-vehicles, public transport modes, decoupled carparking, higher residential densities, as well as different ways of providing open space and recreation areas and biodiversity linkages.

Strategic Infill

Council has an ongoing program for developing its underutilised land for projects that provide a community benefit such as affordable housing, with upgrades to public realm. The development at Lake Windemere has just started with 35 dwellings being constructed and a proposal for approximately 220 dwelling at Walkleys Road Corridor is currently processing through legal requirements.

There are also 26 large undeveloped horticultural land holdings within the residential areas west of Salisbury Highway that have the potential for strategic infill. However, these are currently not well serviced by public transport and other services.

General Infill

The City of Salisbury is currently experiencing an increase in 2 for 1 development with some 3 for 1 developments. This is expected to continue for the foreseeable future as our housing stock gets older and land prices increase. Unlike inner and other middle ring suburbs of Adelaide, Salisbury has no character or heritage areas recognised in the Code. However, Council seeks to protect the unique character of St Kilda and Globe Derby Park.

There are challenges with new and existing infrastructure capacity and costs to Council as infill continues in the Council area. The Planning and Design Code enables development without consideration of the local street infrastructure issues that can put dwellings at risk from matters such as stormwater intrusion.

The majority of the housing in Salisbury is in the General Neighbourhood Zone, and is limited in its mixed use due to historic single use emphasis in the planning controls. The need to service the newer infill areas will be a difficult balancing process. The Discussion Paper refers to the differing housing options and should be encouraged where appropriate. Policy changes to the Planning and Design Code will be expected to cope with co-use of street areas and common spaces, combined with improved architectural standards and streetscapes.

Further exploration needs to occur on policy approaches that facilitate increasing affordable and diverse housing without detrimentally impacting the suburban character and amenity of existing low-density areas (e.g. Ingle Farm). Given the low service of public transport in this region, our residents are reliant on vehicles to get around. The combination of significant infill, insufficient car parking requirements per dwelling (e.g. Mawson Lakes standard is 0.75 carparks per dwelling) along with societal trends such as young adults living longer in the family home, many areas are experiencing parking congestion and unsafe traffic conditions in local streets.

Activity Centres and Corridors

There are some activity centres within the Salisbury Council that have the attributes for focussed attention on mixed uses and higher density living and to create the benefits of local living.

Ingle Farm is a large shopping centre, with surrounding services such as medical, childcare, social services, primary schools and adult learning, council recreational centre and library, and multiple ovals and sports facilities. Coupled with reasonable public transport the centre provides significant potential for rezoning and working with land owners to provide a more vibrant mixed used activity centre.

There is also the opportunity for increased densities along the passenger rail line between Mawson Lakes and the Salisbury City Centre to take advantage of the services at these centres and along the corridor. It is suggested that the GARP consider the extension of existing higher density corridors into the City of Salisbury and the potential for corridors at other major centres such as Mawson Lakes and Salisbury Centre.

Given the significant proportion of migrants in Salisbury, there is also increasing demand for new Places of Worship to service the variety of faiths they bring. While we strongly support the concept of local living, Places of Worship within residential zones should be limited in scale so residential amenity is not impacted by noise and traffic. Employment Zones often provide sufficient allotment sizes and buffers to sensitive land uses for larger scale Places of Worship and as such this land use is supported in these zones.

Urban Greening

There needs to be a focus on streets providing biodiversity corridors, as while vegetation in the public realm comes at cost it will become increasingly important. A focus on greater residential density within existing areas may result in less private open space and a move to the provision of community open space in streets and elsewhere. Smaller allotments and housing sites restrict the opportunity to plant trees and shrubs, and have grass land.

Urban greening targets need to distinguish between zone type, and must recognise employment lands as a source for greening improvements.

In vibrant mixed-use communities, there is a need for quality public realm, open space, roads, footpaths and general urban design elements that seek to improve the community's wellbeing. There should be a better method for the community to contribute to these upgrades by making better uses of offset schemes and including public realm and open space into the scope for infrastructure schemes.

The Planning System needs improved policies to protect existing vegetation rather than contribute low monetary values to funds that do not necessarily repair the affected area. This is the same for the open space contribution scheme.

Furthermore, the future recreational needs of our population must be considered. Recreation and sport is important for a community's health and wellbeing. There is already significant demand for Adelaide's sporting grounds. A strategy needs to be considered about how we can cater for both an increased population and the impacts of climate change (increased heat and severe rain events) on sporting grounds.

Other recreation and open space issues that should be reconsidered include:

- access to underutilised open space and recreational areas in schools that are only used during school hours.
- That some Councils maintain a significant amount of regional open space that is provided for the regional community.
- The 12.5% open space allocation in the planning development application process needs to be reviewed in response to the matters raised elsewhere in this submission.
- The needs to define that some open space is not for recreation uses, but for biodiversity and stormwater purposes.
- The provision of water bodies for water recreational sports particularly as a cooler environment.

Urban Green Cover targets must reflect the uses within Council areas, for example the fact that the City of Salisbury has two large airport areas skews the green cover targets. These areas also impact on the extent of protected areas beyond the airport boundaries to meet Commonwealth requirements for airport protections.

Water security and supply options and costs of irrigation standards needs to be considered in the GARP. Council supports the Resilient Water Strategy.

Housing Diversity

It is promising to note the Discussion Paper references the newer types of housing modes that will be needed to cater for the next 30 years of demographic change. It is suggested that Strategic Infill sites should also have a 'Housing Diversity' target additional to affordable housing targets.

The increase in two storey dwelling types and other multi-level buildings increases the need for building design to reflect ageing in place, multi-use and adaptable housing design, at the time of housing construction.

Financial incentives, or removal of disincentives should be available to those that want to downsize, so as to free up housing.

Transport

The transport policy must recognise that the northern Adelaide region of GARP will become the focus of business and employment lands within the time span of this GARP and with the modelled population increase. This will demand extra infrastructure and resources in all modes of transport and must be planned and delivered prior to the business growth. This must be based on the polycentric approach to the region, and immediate improvement to the east-west linkages must be identified in policy and delivered.

The Salisbury Focus Areas for Transit Focused Development are:

- Salisbury City Centre and surrounds
- Remaining opportunities at Mawson Lakes
- Mawson Lakes to Salisbury City Centre railway corridor

Rapid public transport is focussed on connection to and from the City which is a disconnect with the majority of the community working within Council or in adjoining suburbs. Public transport is not serving community needs sufficiently. Mass transit should include Ingle Farm and Pooraka given the increase in infill and the low socio-economic status. There is support for passenger rail to Two Wells, however there needs to be a plan for mass public transit to Dry Creek and Riverlea (and expanded areas). This is an opportunity to plan for increased densities at Dry Creek that would result from the provision of public transport at the time of development.

Future transport modes such as driverless vehicles and buses must be understood and accommodated in policy planning and strategy. There may be impacts on road networks and designs, and carparking demand, and connections to other transit points and types.

Activating Centres

The GARP policy must increase its promotion of housing that is located above retail and commercial developments. This will increase the activation of centres along with increasing housing diversity. The Planning and Design Code policy should be reviewed to provide other incentives for retail development to consider more mixed-use approaches and retail centre owners to appreciate the benefits of this housing potential for its centres and their viability.

Protection of natural assets and food production area

The Environment, Food and Production Areas, Hills Face zones and watershed should continue to be protected due to their value in Adelaide's access to food, clean water and protection of biodiversity areas.

The Regional Plan should also reflect the importance of the mangroves, Dolphin Sanctuary and the International Bird Sanctuary in terms of their importance for carbon sequestration, biodiversity and eco-tourism opportunities. Consideration must be given to protecting these areas from land use change and sea level rise, and enhancing their economic value through the development of tourism and education interpretive facilities at St Kilda.

Should you have any queries in relation to the above matters please contact Ms Sally Jenkin, Team Leader Strategic Urban Planning on 08 8260 8163 or at SJenkin@salisbury.sa.gov.au.

Yours faithfully

John Harry
Chief Executive Officer

2 Finance and Corporate Services Committee Meeting

Chairman - Cr B Brug

Consideration of the minutes of the Finance and Corporate Services Committee Meeting - 16 October 2023 and adoption of recommendations in relation to item numbers:

Administration

2.0.1 Future Reports for the Finance and Corporate Services Committee

It is recommended to Council:

That Council:

1. Notes the report.

For Decision

2.1.1 Budget Timetable 2024/25

It is recommended to Council:

That Council:

1. Approves the draft timetable for the preparation and presentation of the 2024/25 Budget, as included in this report (Item No. 2.1.1, Finance and Corporate Services Committee, 16 October 2023)

2.1.2 Request to Defer Review of Sporting and Community Club Lease Fees during Holding Over Period

It is recommended to Council:

That Council:

1. Notes the formation of a Working Group consisting of Administration and Elected Member representatives (Crs S Ouk, D Hood, A Graham and C Buchanan) to review the current sporting and community club leases following Council's resolution dated 22 May 2023.
2. Notes that existing lease and licence agreements which expired on 30 September 2023 have now been put into a Holding Over period.
3. Approves the waiver of the Local Government Price Index (LGPI) increase to lease and license fees which was scheduled to take effect on 1 October 2023, with lease and license fees as calculated on 1 October 2022 to remain payable during the Holding Over period.
4. Approves a non-discretionary 2023/24 first quarter budget variation of approximately \$13,000 for lease and licence fee waivers.
5. Approves for recoverable costs for fire and emergency services charges to remain at the previous year's figures during the review process, allowing for a non-discretionary 2023/24 first quarter budget variation of approximately \$12,000 in lost recoverable costs.

-
6. Requests that administration advise leaseholders as part of the review, that until the conclusion of the review and the approval of further leases or licences, that leaseholders are not allowed sub lease arrangements beyond 30 March 2024.

3 Governance and Compliance Committee Meeting

Chairman - Cr P Jensen

Consideration of the minutes of the Governance and Compliance Committee Meeting - 16 October 2023 and adoption of recommendations in relation to item numbers:

Administration

3.0.1 Future Reports for the Governance and Compliance Committee

It is recommended to Council:

That Council:

1. Notes the report.

For Decision

3.1.1 Voting Advice to Council Delegate for the Local Government Association Annual General Meeting - 26 October 2023

It is recommended to Council:

That Council:

1. Authorises its Local Government Association (LGA) Annual General Meeting (AGM) voting delegate (Deputy Mayor Cr Chad Buchanan or Cr Peter Jensen as proxy) to use discretion when voting on the items presented at the upcoming LGA AGM on 26 October 2023, except for those items for which Council would specifically resolve otherwise.

3.1.2 Policy Review - Safe Environment for Children and Vulnerable People Policy

It is recommended to Council:

That Council:

1. Adopts the Safe Environments for Children and Vulnerable People Policy as set out in Attachment 2 to this report (Item No. 3.1.2 Governance and Compliance Committee 16 October 2023).

3.1.3 Council Assessment Panel - Increasing Female Candidates

It is recommended to Council:

That Council:

1. Approves to commence a new Expression of Interest for the independent members on the Council Assessment Panel (the Panel) in May 2024, and consider candidates at the Council Meeting July 2024, with the following Initiatives (*Options to be selected by Council*):

-
- a. Targeted Outreach and Marketing campaign that will include:
 - i. Direct contact to all accredited and eligible candidates on the Accreditation Scheme when the Expression of Interest is released.
 - ii. Explicit / stronger messaging in the public notice that Council wishes to increase female participation on the Panel and promote equal opportunities.
 - iii. Promote flexible participation options, subject to consideration by the Council Assessment Panel.
 - b. Write to the Accreditation Authority to highlight the relatively small pool of eligible women in the scheme and support the Authority's initiatives to increase participation of women in the Accreditation Scheme from a range of professions.

3.1.4 Consideration of Adoption of Employee Behavioural Standards

It is recommended to Council:

That Council:

1. Notes the information relating to section 120A of the *Local Government Act 1999*, provided in this report (Item 3.1.4, Governance and Compliance Committee 16 October 2023).
2. Does not adopt additional behavioural standards at this time, having considered the requirements of section 120A of the *Local Government Act 1999*, noting that existing City of Salisbury Employee Conduct Policy is already in place that specify standards of behaviour for Council employees.

4 Urban Services Committee Meeting

Chairman - Cr S Ouk

Consideration of the minutes of the Urban Services Committee Meeting - 16 October 2023 and adoption of recommendations in relation to item numbers:

Administration

4.0.1 Recommendations of the Environmental Sustainability and Trees Sub Committee meeting held on Monday 9 October 2023

It is recommended to Council:

That Council:

Receives and notes the information contained in the Environmental Sustainability and Trees Sub Committee of the meeting held on 9 October 2023 and that the following recommendations contained therein be adopted by Council:

ESATS1 Tree Removal Requests - Monthly Update for August 2023

It is recommended to Council:

That Council:

1. Notes the report.
2. Defers the tree removal requests as recommended by the Sub Committee for further consideration at the next Environmental Sustainability and Trees Sub Committee meeting
3. Requests that a further report be provided to the Environmental Sustainability and Trees Sub Committee regarding Tree Removal Requests listed on lines 20, 31, 34, 35, 37, 43 and 63 of Attachment 1 (ESATS1, Environmental Sustainability and Trees Sub Committee, 9 October 2023) for consideration.
4. Requests that the administration undertake an internal review of the tree management removal framework, to be reported to Environmental Sustainability and Trees Sub Committee by January 2024.

ESATS2 Appeals Report - Tree Removal Requests - Various Locations for August 2023

It is recommended to Council:

That Council:

1. Approves the lodgement of development applications seeking removal of the two regulated trees at the front of 9 Orlyk Street Para Hills West and removal of the third un-regulated tree at this location.
2. Notes that should this application be approved, two replacement trees are required to be planted.

That the Environmental Sustainability and Trees Sub Committee, in accordance with its delegated powers set out in the adopted Terms of Reference:

3. Approves removal of the one Sophora Japonica tree at the front of 5 Brion Drive, Paralowie.
4. Notes that the verge at 5 Brion Drive, Paralowie is highly maintained and a replacement tree be planted at another suitable location in the vicinity of Brion Drive, Paralowie.
5. Approves removal of the one Euc sideroxylon tree at the front of 40 Witonga Avenue, Salisbury North.

4.0.2 Future Reports for the Urban Services Committee

It is recommended to Council:

That Council:

1. Notes the report.

For Decision

4.1.1 Burton Community Hub - Automatic Access and Locking Options

It is recommended to Council:

That Council:

1. Notes the completed installation of the Automated Doors to Building A.
2. Notes the installation of on Automated Doors to Building B, prior to December 2023.

4.1.2 Parking options surrounding Salisbury Heights Primary School

It is recommended to Council:

That Council:

1. Notes the options and associated costs provided to improve pedestrian safety experience and vehicle movement around the school in the vicinity of Ward Street and Target Hill Road, Salisbury Heights, with Option 3 – Kiss and Drop Zone as outlined in paragraph 3.9 of the report (Item 4.1.2 – Parking Options Surrounding Salisbury Heights Primary School – Urban Services Committee, 21 August 2023) identified as the preferred option.
2. Requests the administration to write to the school and DECS advising of the options and that a meeting be arranged between the school governing council, the school principal, Ward Councillors and Council Administration representatives to further progress consideration of the options and funding opportunities from the school.

4.1.3 Installation of Solar Benches

It is recommended to Council:

That Council:

1. Notes that several solar benches have been installed at three reserves throughout the city, these benches have performed poorly and generally not met expectation.
2. Notes that solar benches are not being considered for future installations at the present time. Consideration may be given to mains connected charging points within nominated high profile urban areas and aligned with smart initiatives.

4.1.4 Capital Works - September 2023

It is recommended to Council:

That Council:

1. Requests administration to provide a further information report to Council re CCTV costs and contractual requirements at Little Para Golf Course.
2. Approves the completion of urgent remediation works in Dry Creek, Pooraka, following the collapse of gabion walls into the waterway, as part of PR17205 Watercourse Mitigation Works, noting provisional cost estimate of \$315k and that funding will be sought at a later date once the final costs of the works are determined and the overall impact to the Watercourse Mitigation Works Program is known.

See Further Information Item

4.1.4FI Capital Works - September 2023 (see p24)

It is recommended to Council:

That Council:

1. Approves the inclusion of the Little Para Golf Course CCTV replacement within the PR27130 CCTV Network Program.

Confidential

Refer to CONFIDENTIAL ITEMS section of Council Agenda

4.4.1 Recommendations of the Confidential Environmental Sustainability and Trees Sub Committee meeting held on Monday 9 October 2023

Item ESAT3: Selection of Independent Arborist Panel

4.4.2 NAWMA Fibre Polishing Plant Project and Report

Further Information Item

4.1.4FI Capital Works - September 2023

AUTHOR	Mark Purdie, Manager Field Services, City Infrastructure
CITY PLAN LINKS	1.2 The health and wellbeing of our community is a priority 1.3 People are valued and they feel safe, included and connected 3.3 Our infrastructure supports investment and business activity
SUMMARY	The CCTV located at the Little Para Golf Course is being replaced to meet Council specifications.

RECOMMENDATION

That Council:

1. Approves the inclusion of the Little Para Golf Course CCTV replacement within the PR27130 CCTV Network Program.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 GreenSpace Management Pty Ltd (Greenspace) were selected as the preferred manager of the Little Para Golf Course through a competitive procurement process.
- 1.2 The 15-year contract with Greenspace will:
 - 1.2.1 Result in improvements to the driving range, including new virtual technology which will provide real time feedback to users (expected by end of 2023).
 - 1.2.2 Establish a new Shanx ‘mini golf’ course (valued at approximately \$700,000 and expected in mid-2024).
 - 1.2.3 Generate forecast operating profits of \$1.5 million over the next 15 years (compared with the previous management model which was forecast to generate operating losses of \$4.3 million).
 - 1.2.4 Realise a forecast 15% increase in participation across the golf course and an anticipated additional 27,500 new customers engaging with their Shanx product.

2. CONSULTATION / COMMUNICATION

- 2.1 External
 - 2.1.1 Nil

3. REPORT

- 3.1 A procurement process, utilising a public tender, was undertaken to identify a future manager of the Little Para Golf Course.
- 3.2 Detailed negotiations were undertaken with GreenSpace as the preferred manager.

-
- 3.3 As part of the commercial arrangements, Council committed to retaining responsibility as the ‘asset owner’ and, notwithstanding any renewal arising from end of life responsibilities and maintenance obligations, offered the assets encompassed within the Little Para Golf Course on an ‘as is basis’.
- 3.4 The ‘as is basis’ includes all improvements to the assets, which includes CCTV and is defined within the contract as:
- 1.2.23 Golf Facility means the Little Para Golf Facility, located at 62 Martins Road, Paralowie SA 5108, as at the Commencement Date, includes a 9 hole 3 par golf course, driving range, kiosk, pro shop and associated improvements, building and facilities, and it includes all improvements to the Golf Facility during the Term and where the context permits it includes any part or parts of the Facility.*
- 3.5 Greenspace, in partnership with Council, undertook multiple inspections of the golf course to understand its various features through the due diligence process.
- 3.6 The CCTV installed at the Little Para Golf Course was originally sourced by Belgravia Leisure however, under the terms of the contract with Belgravia, ownership of the cameras became the property of the City of Salisbury at the conclusion of the contract.
- 3.7 The existing cameras are not compliant with Council’s standards for CCTV and hence must be renewed.
- 3.8 In partnership with Greenspace, consideration has also been given to the design of the CCTV renewal to ensure the new solution meets the needs of the site i.e. ensure the position of the replacement cameras is strategically located and not impeded by planned capital works etc.
- 3.9 The cost of the CCTV renewal is estimated at \$40,000.

4. CONCLUSION / PROPOSAL

- 4.1 The existing CCTV located at the Little Para Golf Course belongs to the City of Salisbury and is not compliant with Council’s CCTV standards.
- 4.2 The provision of CCTV at the Little Para Golf Course is included as part of the asset’s features offered to Greenspace.
- 4.3 Council has worked with Greenspace whilst designing a renewal solution.
- 4.4 Council’s contract with Greenspace provides the Council with capital investment e.g. the new Shanx mini golf course which is forecast to deliver an operating profit of \$1.5 million over the next 15 years (compared with the previous management model which was forecast to generate operating losses of \$4.3 million).

5 Community Wellbeing and Sport Committee Meeting
Chairman - Cr D Hood

Consideration of the minutes of the Community Wellbeing and Sport Committee Meeting - 17 October 2023 and adoption of recommendations in relation to item numbers:

Administration

5.0.1 Future Reports for the Community Wellbeing and Sport Committee

It is recommended to Council:

That Council:

1. Notes the report.

For Decision

5.1.6 Youth Sponsorship Applications - September 2023

It is recommended to Council:

That Council:

1. Notes the 6 Youth Sponsorship Applications assessed in September 2023, as included in this report (Item No 5.1.6, Community Wellbeing and Sport Committee, 17 October 2023).
2. Notes that the three applications, outlined in section 3.2 of this report, that were approved at the September 2023 Community Wellbeing and Sport Committee meeting are not eligible, due to required information not being provided (Item 5.1.6, Community Wellbeing and Sport Committee, 17 October 2023).

5.1.7 Community Grant Program Progress Update

It is recommended to Council:

That Council:

1. Approves the draft guidelines for the Active and Connected Community Grant Stream as per Attachment 1 (Item 5.1.7 Community Wellbeing & Sport Committee, 17 October 2023)
2. Notes that the draft guidelines for the Economic Growth and Sustainability Community Grant Streams will be provided to the Community Wellbeing and Sport Committee for feedback in November 2023.

5.1.8 Homelessness - Update on Services

It is recommended to Council:

That Council:

1. Notes the commencement of an assertive outreach service and a youth tenancy advisory service in the City of Salisbury.
2. Notes that a trial of a Code Blue/Red metropolitan shelter in northern Adelaide has concluded and is not supported for continuation by the South Australian Housing Authority.
3. Notes that research has commenced regarding opportunities for a homeless shelter in northern Adelaide and will be the subject of a report in 2024.

5.1.9 Policy Review: Transfer of Cemetery Licences Policy

It is recommended to Council:

That Council:

1. Adopts the revised and retitled Transfer of Interment Rights Policy as set out in Attachment 1 – Transfer of Interment Rights Policy (Item 5.1.9, Policy and Planning Committee, 16 October 2023).

For Noting Only: Decisions Made Under Committee Delegation

5.1.1 Community Events Sponsorship Grant - Deepavali

It is recommended to Council:

That the Community Wellbeing and Sport Committee: in accordance with its delegated powers sets out in the adopted Terms of Reference:

1. Approves the following application through round sixteen of the Community Events Sponsorship Programs as follows:
 - a. Grant No 1/2023: Adelaide Tamil Association Inc. Application for \$5,000 for Deepavali.

5.1.2 Grant No. 13/2023-24: Waypoint Uniting Church Community Grant Application

It is recommended to Council:

That the Community Wellbeing and Sport Committee, in accordance with its delegated powers set out in the adopted Terms of Reference:

1. Approves the request for funding for the October 2023 round of Community Grants as follows:
 - a. Grant No. 13/2023-24 Waypoint Uniting Church Community Grant Application: to the value of \$2,400: to assist with making its facility more inclusive by purchasing wall-attached change tables and signage for its accessible bathroom.

5.1.3 Grant No. 14/2023-24: Ingle Farm Sporting Club Inc. Community Grant Application

It is recommended to Council:

That the Community Wellbeing and Sport Committee, in accordance with its delegated powers set out in the adopted Terms of Reference:

1. Approves the request for funding for the October 2023 round of Community Grants as follows:
 - a. Grant No. 14/2023-24 Ingle Farm Sporting Club Inc. Community Grant Application: to the value of \$5,000: to assist with hosting its annual Christmas Celebration.

5.1.4 Grant No. 15/2023-24: Anyira Pajok Community South Australia Community Grant Application

It is recommended to Council:

That the Community Wellbeing and Sport Committee, in accordance with its delegated powers set out in the adopted Terms of Reference:

1. Approves the request for funding for the October 2023 round of Community Grants as follows:
 - a. Grant No. 14/2023-24 Anyira Pajok Community South Australia Community Grant Application: to the value of \$5,000: to assist with hosting its Christmas Celebration.
2. Notes that this application includes items which are ineligible in accordance with the Community Grant Eligibility Criteria and Guidelines and approves the Administration to work with Anyira Pajok Community South Australia to find alternative funding opportunities within the Community Grant Eligibility Criteria and Guidelines.

5.1.5 Grant No. 16/2023-24: Penfield Bowls Club Community Grant Application

It is recommended to Council:

That the Community Wellbeing and Sport Committee, in accordance with its delegated powers set out in the adopted Terms of Reference:

1. Approves the request for funding for the October 2023 round of Community Grants as follows:
 - a. Grant No. 16/2023-24 Penfield Bowling Club Community Grant Application: to the value of \$5,000: to assist with purchasing timbers, a microwave and a slicer.

Confidential

Refer to CONFIDENTIAL ITEMS section of Council Agenda

5.4.1 Chapel of the Holy Family - End of Lease Arrangements

6 Innovation and Business Development Committee Meeting

Chairman - Cr S Reardon

Consideration of the minutes of the Innovation and Business Development Committee Meeting - 17 October 2023 and adoption of recommendations in relation to item numbers:

Administration

6.0.1 Future Reports for the Innovation and Business Development Committee

It is recommended to Council:

That Council:

1. Notes the report.

6.0.2 Recommendations of the Salisbury Living Sub Committee meeting held on Monday 9 October 2023

It is recommended to Council:

That Council:

Receives and notes the information contained in the Salisbury Living Sub Committee of the meeting held on 9 October 2023 be received and noted with respect to the following recommendations contained therein be adopted by Council:

SLSCC1 Future Reports for the Salisbury Living Sub Committee

It is recommended to Council:

That Council:

1. Notes the report.

Confidential

Refer to CONFIDENTIAL ITEMS section of Council Agenda

6.4.1 Recommendations of the Confidential Salisbury Living Sub Committee meeting held on Monday 9 October 2023:

Item SLSCC2 Strategic Development Projects – Status Report

Item SLSCC3 Salisbury City Centre Request for Detailed Proposal and Direct Negotiation Outcome and SLSCC3

6.4.2 Landfill Alternate Project

7 Audit and Risk Committee Meeting
Chairman - Chair K Grenfell

Consideration of the minutes of the Audit and Risk Committee Meeting - 10 October 2023 and adoption of recommendations in relation to item numbers:

For Decision

7.1.1 BDO's Final Audit Completion Report 30 June 2023

It is recommended to Council:

That Council:

1. Receives the Annual Completion Report for the year ended 30 June 2023, appearing as Attachment 1 to this report (Audit and Risk Committee, 10 October 2023, Item 7.1.1), including the Independent Auditor's Report on the Audit of the Financial Report, Independent Assurance Report on the Internal Controls of the City of Salisbury, and the Certification of Auditor Independence.
2. Notes the Management Representation Letter requested by BDO to be signed by the CEO and the General Manager Business Excellence, appearing as Attachment 2 to this report (Audit and Risk Committee, 10 October 2023, Item 7.1.1).

7.1.2 End of Financial Year Statement and Analysis

It is recommended to Council:

That Council:

1. Receives the information.
2. Notes that the Audit and Risk Committee, in accordance with Section 126(4)(a) of the *Local Government Act 1999*, reviewed the annual financial statements of the Council for the year ended 30 June 2023 and is satisfied they present fairly the state of affairs of Council.
3. Approves, in accordance with Regulation 22 of the *Local Government (Financial Management) Regulations 2011* clauses (3) (a) and (4), that the Chief Executive Officer and the Chair of the City of Salisbury Audit and Risk Committee sign the statement to certify the independence of the Council Auditor, BDO Australia.
4. Approves that the draft analysis of the Annual Financial Statements, as presented in Attachment 1 to this report (Audit and Risk Committee, 10 October 2023, Item 7.1.2), be included in the End of Year Financial Statements Report to Council.

7.1.3 Treasury Policy Review

It is recommended to Council:

That Council:

1. Adopts the amended Treasury Policy, as set out in Attachment 1 to this report (Audit and Risk Committee, 10 October 2023, Item 7.1.3) reflecting the change in format and minor editing changes, as considered appropriate by the Audit and Risk Committee.

8 Council Assessment Panel Meeting

Council to note the minutes of the Council Assessment Panel meeting held on 26 September 2023.

9 CEO Review Committee

No CEO Review Committee meeting was held in October 2023.

GENERAL BUSINESS ITEMS

GB1	End of Year Financial Statement and Analysis 2023
AUTHORS	Melissa Hamilton, Team Leader Accounting Services, Business Excellence Sadaf Hashim, Assistant Accountant, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	<p>The City of Salisbury end of year processes for the financial year ended 30 June 2023 have been finalised and audited by Council's external auditor BDO Australia. This report provides detail of actual results compared to prior year actuals and to the budget position.</p> <p>The annual financial statements have also been reviewed by the Audit Committee at the meeting on 10 October 2023. Further Council's external auditors are satisfied that they present fairly the state of affairs of the Council</p>

RECOMMENDATION

That Council:

1. Receives the information
2. The Annual Financial Statements for the year ended 30 June 2023 be adopted.

ATTACHMENTS

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

1. Annual Financial Statements for year ended 30 June 2023

1. BACKGROUND

1.1 Regulation 10 of the Local Government (Financial Management) Regulations 2011 requires the Council to

- (1) *...prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the Council, ... for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.*
- (2) *...council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

2. CONSULTATION / COMMUNICATION

2.1 Internal

2.1.1 This report provides the mechanism for consultation and communication with Council regarding the City of Salisbury's Annual Financial Statements (AFS) for the year ending 30 June 2023. This report has been reviewed by the City of Salisbury's Audit and Risk Committee at the meeting held 10 October 2023 and feedback from the Committee has been included into the 2023 AFS.

2.2 External

2.2.1 The AFS for 2023 have been audited by Council's Auditors, BDO Australia, and they have provided an unqualified audit opinion.

3. REPORT

3.1 The City of Salisbury's Financial Statements for the 2023 financial year have been prepared in accordance with the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011*, the Australian Accounting Standards and the South Australian 2023 Model Financial Statements.

3.2 In accordance with Section 126(4)(a) of the *Local Government Act 1999* the Audit Committee advised that it has reviewed the annual financial statements of the Council for the year ended 30 June 2023 and is satisfied they present fairly the state of affairs of Council.

3.3 The external auditors BDO Australia have conducted their audit and have provided an unqualified audit opinion on the Annual Financial Statements.

3.4 The following comments are provided with respect to the 2023 AFS, with commentary highlighting significant movements' year on year.

3.5 Please note the date convention that has been used in this report, where 2023 refers to the 2022/23 financial year and 2022 refers to the 2021/22 financial year.

4. FINANCIAL STATEMENT ANALYSIS

4.1 Statement of Comprehensive Income

Year on Year Comparative

4.1.1 The Statement of Comprehensive Income shows an Operating Surplus before capital amounts and other comprehensive income of \$11,954k compared to \$13,369k in the prior year.

4.1.2 Whilst the Operating Surplus has decreased by \$1,415k from the prior year, there are a number of contributing and offsetting variances. Income has overall increased by \$7,390k from the 2022 financial year, with the main contributing factor being Rates Revenue increasing by \$5,659k compared to the previous financial year. Also contributing is Grants, Subsidies and Contributions that has increased by \$1,608k. This is as a result of the early receipt of 100% of the 2023/24 Financial Assistance and Untied Local Roads Grants (FA&ULG) compared to 75% early payment in 2022 with a net impact of \$3,796k noting that the quantum of the grant has also increased by approximately \$1M, offset by lower than budgeted State Government Grant and Roads to Recovery Grant funding. Other income items have remained relatively consistent and detailed in later paragraphs.

-
- 4.1.3 Overall expenditure has increased by \$8,805k from the previous financial year, with increases in Employee Costs \$2,101k due to EB increases and other various movements relating to staff levels and leave payments, Materials, Contracts and Other expenses \$4,119k due to increases in various materials and supplies and contractual services and increases in Depreciation totaling \$2,360k. Further details on these movements are outlined in the paragraphs below.
- 4.1.4 Rate Revenue has increased by 5.31% from \$106,594k in 2022 to \$112,253k in 2023, being an increase of \$5,659k. Council endorsed a 3.5% average rate increase for residential properties and an average 3.9% rate increase for commercial properties in the 2023 year compared to a 2.8% increase in 2022. Also contributing to this increase is growth in the number of rateable properties and development activities increasing overall valuations.
- 4.1.5 Statutory Charges have increased by 7.60%, being an increase of \$278k from \$3,656k in 2022 to \$3,934k in 2023. The most significant impacts are increases in Building and Planning Fees of \$320k primarily as a result of some large-scale commercial developments commencing that attracted sizeable fees, plus higher volumes of external building application work undertaken. Further, Parking fines, Expiations and Penalties have also increased by \$21k. Offsetting are the decreases in Animal Registrations and Fines fees of \$45k and other Sundry Statutory Charges of \$21k.
- 4.1.6 User Charges have increased by 3.69%, being an increase of \$192k from \$5,193k in 2022 to \$5,385k in 2023, with increases in Cemetery charges of \$122k associated with higher number of burials and increase in cemetery charges. Building lease income has increased by \$101k primarily relating to Commercial leasing income. Other user charges relating to Bridgestone Kiosk Sales \$105k and Aged Care Program \$89k have also increased due to a higher level of community engagement within these areas and a return to normal activity after the period of COVID. This is partially offset by the reduced water supply charges of \$291k with lower non-residential sales compared to 2022 as a result of more rainfalls during the year.
- 4.1.7 Grants, Subsidies and Contributions have increased by 8.62% from \$18,650k in 2022 to \$20,258k in 2023, being an increase of \$1,608k. The Financial Assistance Grant total for 2023 was \$14,284k compared with the 2022 total of \$11,534k. This is as a result of an advance payment of four quarters of 23/24 being received in late 2023, compared to the three quarter advance payment of 22/23 received in 2022 (as shown in the figure below [A] & [B]).

Financial Assistance Grant	2022	2023	
Details of Payment	\$'000s	\$'000s	Notes
Standard Payment	4,828	3,782	[C]
Advance Payment	6,706	10,502	[A] & [B]
	11,534	14,284	

[A] 2022 Advance Payment represents estimated three quarters of the next years allocation.
[B] 2023 Advance Payment represents estimated four quarters of the next years allocation.
[C] Standard Payment represents 2022 and 2023 remaining allocations paid during the year.

Offsetting this increase, is the decrease in the Roads to Recovery grant of \$384k and \$827k decrease in other numerous State Government Grants received during the year compared to the 2022.

- 4.1.8 Investment Income has increased by \$181k from \$110k in 2022 to \$291k in 2023 primarily as a result of an increase in the interest rates during the year; with an average interest rate on the short-term investments for 2022 being 0.35% and for 2023 being 3.35%.
- 4.1.9 Reimbursements have increased by 27.48% or a \$115k increase from \$421k in 2022 to \$536k in 2023 which primarily relates to \$102k Emergency Services Levy reimbursements received upon reassessment of Council owned properties for a period dating back to 2017/18.
- 4.1.10 Other Income has increased by 23.39% from \$1,034k in 2022 to \$1,276k in 2023 being an increase of \$242k, which is primarily a result of \$199k profit share received related to the performance of the Recreation Centres.
- 4.1.11 Equity accounting has been applied to the NAWMA regional subsidiary, with a Net Gain – Equity Accounted Council Businesses of \$340k which is associated with NAWMA’s equity position, a net Loss of \$321k which is City of Salisbury’s share of NAWMA operating deficit, and \$222k share of other comprehensive income associated with NAWMA Asset revaluations. This is a total net gain of \$241k compared to the prior year of \$1,225k gain, which was largely resulting from NAWMAs operating surplus of \$2.4M.
- 4.1.12 Employee Costs have increased by 5.49%, increasing from \$38,303k in 2022 to \$40,404k in 2023. The EB adjustment of 2.5% for both MOA staff and LGE staff, plus other various movements relating to staff increments and reclasses, and oncosts have contributed to this increase.

4.1.13 Materials, Contracts and Other Expenses has increased by 7.49%, being an increase of \$4,119k from \$54,974k in 2022 to \$59,093k in 2023. Key areas contributing to the increase are Elections \$684k, Business Transformation Project \$454k, Operating expenditure relating to Capital Programs \$391k, Cyber Security \$260k and Telecommunications \$154k.

There are also increases in the operational areas such as Parks and Landscape maintenance \$654k, mainly related to verge mowing expense \$472k, Park Maintenance \$320k and Tree Pruning/Removal \$163k. Further contributing to the overall increase is NAWMA Waste Management cost increase of \$565k primarily within Kerbside Greenwaste \$205k, and Water Management \$738k primarily related to Site Management \$324k and Water Treatment \$113k.

Offsetting these increases is \$469k low expenditure associated with the Street Lighting program and \$410k less expenditure in the Kerb and Gutter Replacement Program in the 2023 financial year.

Various other increases/decreases have occurred throughout the 2023 year as a result of variations in contracts, materials and other factors.

4.1.14 Depreciation costs have increased by \$2,360k from \$29,746k in 2022 compared to \$32,106k in 2023. This is primarily related to the valuation of Road and Bridge Assets resulting in an overall increase of \$2,153k in this asset category. Also contributing is an increase year on year relating to new and donated assets being brought on stream \$856k and an increase in buildings \$613k primarily related to the upgrade of Burton Community Centre and the acquisition of Salisbury Bowling Club. This is partially offset by a decrease of \$1,482k in Drainage assets resulting from a change in useful life of drainage pipes from 100 years to 150 years. Various other increases/decreases associated with incremental adjustments to unit rates and indexation flowing from the prior year revaluation have also contributed to this overall variance.

4.1.15 Finance Costs have decreased by 19.78% being a decrease of \$97k from \$491k in 2022 to \$394k in 2023, which primarily results from a decrease in Council's long-term borrowings and only short-term cash advances required in 2023.

4.1.16 Net Loss – Equity Accounted Council Businesses of \$321k which is associated with NAWMA's operating deficit, with the comparison year on year described in paragraph 4.1.11.

4.1.17 Asset disposal and fair value adjustments, amounts received specifically for new or upgraded assets and physical resources received free of charge, which are all items below the operating surplus, are discussed in detail in the budget and variance analysis below (section 5.5).

4.1.18 Share of Other Comprehensive represents City of Salisbury's share of NAWMA's asset revaluation being \$222k with the comparison year on year described in paragraph 4.1.11.

4.2 Statement of Financial Position 30 June 2023

- 4.2.1 The Statement of Financial Position as at 30 June 2023 shows Net Assets (Total Assets less Total Liabilities) or 'Equity' has increased by 18.28% or \$319M from \$1,745M in 2022 to \$2,064M in 2023.
- 4.2.2 Infrastructure, Property, Plant and Equipment has significantly increased from \$1,725M in 2022 to \$2,046M in 2023 and is partially due to additions to our asset portfolio of \$58.9M. Also contributing to this is the net asset revaluation increments totaling \$297.4M, primarily being revaluation increments for Land \$172.5M, Land Improvements \$19.5M, Buildings \$7.9M and Infrastructure \$97.6M. Offsetting these increases is depreciation totaling \$28.3M and disposals of assets renewed or replaced \$4.7M. Further to the significant increase in Infrastructure Assets is an increase in Capital Works in Progress from \$29.8M in 2022 to \$32.6M in 2023, which is primarily associated with the accelerated infrastructure program.
- 4.2.3 Cash held by Council has increased by \$1,485k, from \$9,485k in 2022 to \$10,970k in 2023 mainly due to the 100% early receipt of 23/24 Financial Assistance & ULR Grant in 2023, compared to the 75% early receipt of 22/23 FA&ULR Grant in 2022.
- 4.2.4 As contained in AFS Note 15 'Financial Indicators', Net Financial Liabilities have increased \$4,442k from \$19,505k to \$23,947k, with the position as a proportion of total operating income, increased from 14.2% to 16.6%. Net Financial Liabilities are defined as total liabilities less financial assets expressed as a percentage of total operating revenue. Both the cash holdings and total financial liabilities have remained relatively the same as the last financial year contributing to this ratio of 16.6%, which is well inside the target range of less than 70% endorsed by Council for this indicator.
- 4.2.5 The Asset Renewal Funding Ratio has trended upwards to 103% after the low results of 88.6% in 2022 and 76% in 2021 (noting 2020 was 103.5%). Due to the impact of COVID-19, the 2021 and 2022 ratios were low with the delays in the delivery of infrastructure program and significant carry forwards and retiming of capital renewal program. While there are still market pressures in completing works, the ratio has returned to the normal level and is within the target range of 90% to 110% as per the 2023 LTFP and the Strategic Asset Management Plan.

4.3 Statement of Cash Flows 30 June 2023

- 4.3.1 The Statement of Cash Flows shows a net increase in cash and investments of \$1,485k, compared to a net decrease of \$316k for the prior financial year, resulting in a cash balance of \$9,485k as at 30 June 2023.
- 4.3.2 Net cash provided by Operating Activities at 30 June 2023 was \$49,367k as compared with \$47,604k in 2022, being an increase of \$1,763k. This increase is primarily related to \$6,954k higher rate revenue received in 2023 from \$105,223k in 2022 to \$112,177k in 2023 primarily as a result of an average rate increase of 3.5% for the 2023 year. Another contributing factor is Grants, Subsidies and Contributions that have increased by \$1,628k from \$18,915k in 2022 to \$20,543k in 2023. This is essentially due to an early receipt of 100% of the approximated 2023/24 Financial Assistance and Untied Local Roads Grants (FA&ULG) compared to the 75% in the prior year. Offsetting this revenue is the increased cash outflows for Materials, Contracts and Other Expenses being \$4,170k higher compared to the previous financial year and payments to employees, increasing from \$38,233k in 2022 to \$40,099k in 2023 which reflects the EB increases, increments and reclasses and associated on-costs.
- 4.3.3 Net cash used in Investing Activities has increased from \$45,694k in 2022 to \$46,728k in 2023. This mainly relates to higher cash outflows for Renewal/Replacement of Assets which has increased by \$2,746k from \$21,043k in 2022 compared to \$18,297k in 2022; plus higher cash outflows of \$8,323k for the New/Upgraded Assets from \$39,574k in 2022 compared to \$31,251k in 2023.
- 4.3.4 Net cash used in Financing Activities relates solely to Council's investment and borrowing activities. Overall net cash used in financing activities has decreased by \$1,072k from \$2,226k in 2022 to \$1,154k in 2023, which is mainly related to reduction in repayments, such as long-term loan borrowings from \$1,735k to \$1,321k and lease liabilities from \$806k to \$29k.

5. BUDGET ACTUAL ANALYSIS

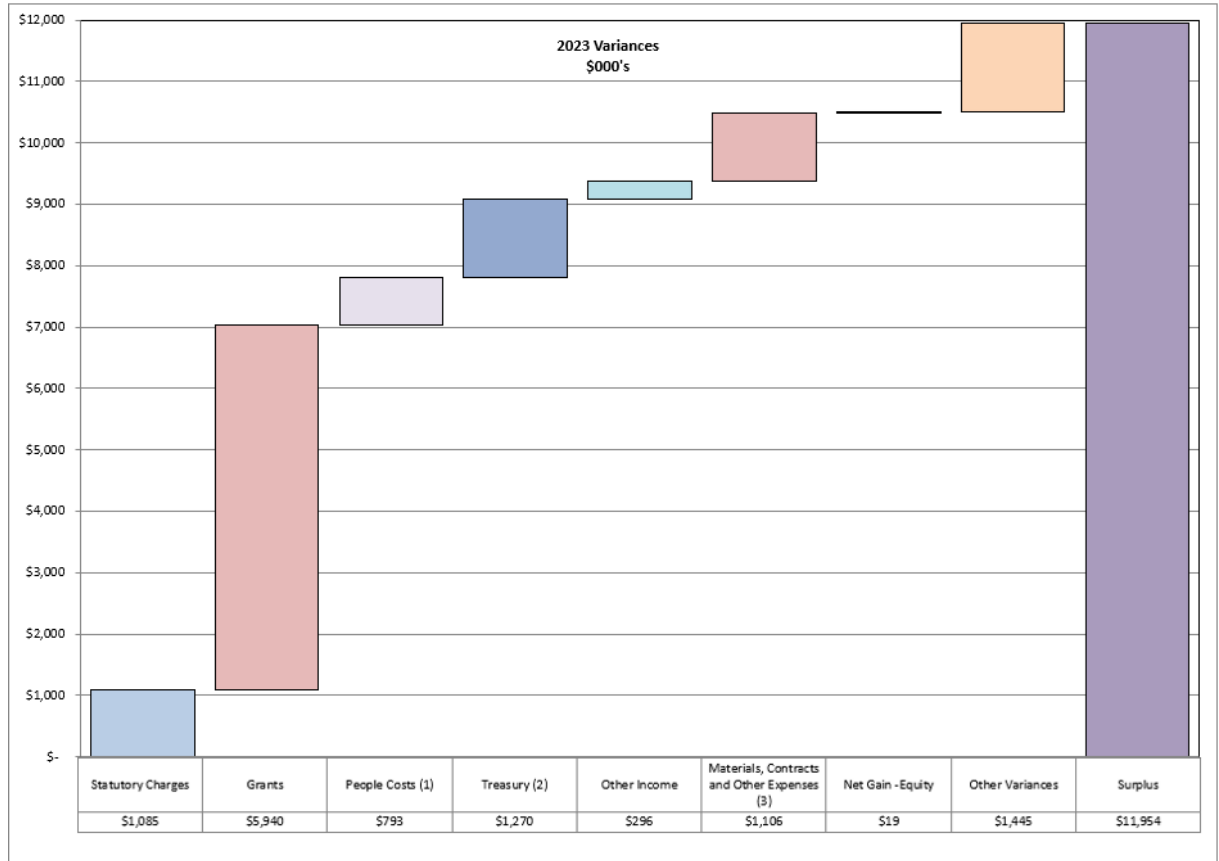
5.1 The analysis below is based on the comparison between the actual end of year results for the year ended 30 June 2023, and the 2023 original budget. Comment is made only to variances greater than \$100k unless there are significant issues that need to be brought to members' attention.

City Of Salisbury			
Statement of Comprehensive Income			
As at 30 June 2023			
	Actual	End of Financial Year	
	\$'000	Original Budget	Variance
		\$'000	\$'000
Income			
Rates Revenues	112,253	112,011	243
Statutory Charges	3,933	2,848	1,085
User Charges	5,385	5,410	(25)
Grants, Subsidies & Contributions	20,258	14,317	5,940
Investment Income	291	71	220
Reimbursement	536	289	248
Other Income	1,276	980	296
Net Gain - Equity Accounted Council Businesses	340	-	340
Total Income	144,272	135,926	8,346
Expenses			
Employee Costs	40,404	42,534	2,130
Materials, Contracts and Other Expenses	59,093	58,862	(231)
Depreciation, amortisation & impairment	32,106	31,856	(250)
Finance Costs	394	1,444	1,050
Net Loss - Equity Accounted Council Businesses	321	-	(321)
Total Expenses	132,318	134,697	2,379
Operating Surplus/(Deficit)	11,954	1,229	10,724
Asset Disposal and Fair Value Adjustments	310	2,440	(2,130)
Amounts Received Specifically for New or Upgraded Assets	6,799	1,770	5,029
Physical Resources Received Free of Charge	1,955	1,000	955
Net Surplus/(Deficit) ⁽¹⁾	21,018	6,439	14,579
Other Comprehensive Income			
Changes in Revaluation Surplus - I,PP&E	297,472	47,617	249,855
Share of other comprehensive income - equity accounted council businesses	222	-	222
Total Other Comprehensive Income	297,694	47,617	250,077
Total Comprehensive Income	318,712	54,056	264,656

(1) Transferred to Equity Statement

5.2 Waterfall Analysis

5.2.1 The graph below shows the major components contributing to the increased surplus achieved in 2023 compared to budget. Following the graph is a table which provides a high-level commentary on the variances, with more detail contained in section 5.3 of this report.



- (1) People Costs is expenditure category “Employee Costs” less agency costs for backfilling vacancies, short term positions funded through the salary and wages provision and agency costs to deliver grant funded services which are disclosed within “Materials, Contracts and Other Expenses”
- (2) Treasury Costs is income category “Investment Income” together with savings on expenditure category “Finance Costs”
- (3) Materials, Contracts and Other Expenses have been adjusted for the variance in Agency costs for backfilling vacancies, which has been adjusted against People Costs.

2023 Variances	
Statutory Charges	The variance primarily relates to higher than budgeted Development Planning and Building Fees received \$1,084k higher, with other statutory charges in alignment with the original budget.
Grants	The significant variance results from higher than budgeted Financial Assistance Grant and Untied Local Roads Funding \$5,706k with equivalent of 100% advance payment received in 2023 compared to the budget of only 75% and the budget being conservative compared to actual. Also contributing is additional Developer Open Space Contributions \$334k compared to original budget.
People Costs	Various Wages and Salaries savings of \$2.1M across the organisation, partially offset by lower capitalisation of staff time

	\$1.0M being a net saving of \$1.1M, unbudgeted COVID-19 special leave \$315k, and overtime payment \$244k.
Treasury	Higher levels of cash held throughout the year than anticipated has resulted in higher interest income of \$220k and lower interest costs incurred than anticipated as CAD's were needed to be drawn down for a short period of time only at the last quarter of the 2022/23 financial year resulting in interest expenditure savings of \$1.0M.
Other Income	The variance primarily relates to higher than budgeted Recreation Centre operating profit of \$198k and Workers Compensation Bonus of \$43k.
Materials, Contracts & Other	Overall the Materials, Contracts and Other expenses are in alignment with the budget with a minor variance of \$231k, however, taking out the effect of higher agency costs of \$1,274k as mentioned under People costs, there is a favourable variance of \$1.1M. This mainly relates to lower than anticipated Kerb and Gutter Replacement Program of \$836k, Street Light Maintenance cost of \$708k, NAWMA Waste Management cost of \$491k and Operating expenditure relating to Capital Programs of \$662k. This is partially offset by higher than budgeted Election costs \$532k (noting that this is offset by carried forward funds), Salisbury Water Business Unit higher than budgeted electricity costs due to increase water treatment \$183k, Verge Maintenance \$249k and Tree and Stump Removal \$173k.
Net gain/loss – Equity Accounted Business	The favourable variance of \$19k reflects Council's share of results in the Regional Subsidiary NAWMA. Council's net loss of \$321k is in accordance with the NAWMA operating deficit for the 2023 financial year, however, offsetting this loss is the Council's share adjustment based on the 'Cumulative Share' as per their Charter, recognised separately as a net gain of \$340k. Further, with NAWMA's asset revaluation, Council's share has also increased by \$222k recognised under Other Comprehensive Income. Profit/Loss on share of joint ventures are not budgeted due to the uncertainty of what will be distributed at the end of year.

5.3 Income Analysis

5.3.1 Rates Revenues – Favourable Variance \$243k

The favourable variance is primarily the result of final valuation increases from development activity on adoption compared with budget.

5.3.2 Statutory Charges – Favourable Variance \$1,085k

The favourable variance is primarily due to higher than budgeted Building and Development Lodgment fees and Planning fees of \$1,084k primarily associated to a higher number of applications processed during the financial year, and also some larger scale applications.

5.3.3 User Charges – Unfavourable Variance \$25k

The user charges overall are in alignment with original budget predictions. However, Cemetery charges are higher than budgeted \$281k primarily related to Cemetery license income \$173k as a result of an increase in pre-need licenses purchased during the year, \$33k higher than

budgeted Cemetery Burial Fees and \$22k higher income related to Mausoleum Perpetual Care Fund income. Further, with increased community events, Property lease income is \$66k higher than original budget primarily in Commercial leases and increased event activity particularly at Bridgestone Athletics Centre has resulted in \$110k higher than budgeted income for the 2023 year.

Offsetting these favourable variances is lower than budgeted Salisbury Water User charges \$545k primarily as a result of a decrease in non-residential sales due to higher than average rainfalls during the year.

5.3.4 Grants, Subsidies and Contributions – Favourable Variance \$5,940k

The favourable variance primarily relates to higher than budgeted Financial Assistance Grant and Untied Local Road funding of \$5,706k with equivalent of 100% advance payment received in 2023 compared to the budget of only 75% and the budget being conservative compared to actual. Also, unbudgeted developer contributions totaling \$334k which were also received, however these are restricted contributions and will be expended in upcoming years within the required terms for expenditure.

There are also a number of minor variances associated with various grant funded programs received during the 2023 year.

5.3.5 Reimbursements – Favourable Variance \$248k

The favourable variance is primarily the result of various reimbursements received relating to works or services undertaken by Council with associated costs incurred within Materials, Contracts and Other Expenses, with the key areas being Recreational Services Contract Management \$109k offset by expenditure and an unbudgeted \$102k Revenue SA reimbursement received in relation to a reassessment and subsequent correction of Emergency Services Levy charges for Council owned properties for a period dating back to 2017/18. Normally, amounts received as reimbursements relate to costs incurred within the materials, contracts and other expenses classification. Also impacting are numerous small amounts primarily from private works that are offset by the expenditure incurred.

5.3.6 Other Income – Favourable Variance \$296k

The favourable variance is related to higher than budgeted Recreation Centres operating profit of \$198k and Workers Compensation Bonus of \$43k.

5.3.7 Net Gain – Equity Accounted Council Businesses – Favourable Variance \$340k

The favourable variance of \$340k reflects Council's share of equity position in the Regional Subsidiary NAWMA. This is offset by a net Loss of \$321k which represents Council's share of NAWMA's operating deficit, resulting in an overall gain of \$19k. Council also has a share in the other comprehensive income of \$222k with an overall net increment of \$241k in Council's equity share of this regional subsidiary. Profit/Loss on share of joint ventures are not budgeted due to the uncertainty of what will be distributed at the end of year. Profit/Loss on

share of joint ventures such as NAWMA are budgeted to be a nil impact to ensure that Council is forming budgets that are sustainable without these equity impacts, and noting that NAWMA is not intended to generate surpluses.

Expenditure Analysis

5.3.8 Employee Costs - Favourable Variance \$2,130k

The favourable variance is related to Wages and Salaries savings inclusive of oncosts of \$1,950k across the organisation. However, from a resourcing perspective, there is agency costs of \$1,274k above budget associated with the backfilling for these vacancies, which is reported in Materials, Contracts and Other Expenses below.

Further, Workers Compensation costs is also \$180k lower than budgeted as a result of a decrease in the estimated percentage rate from the previous year (4.10% in 2023 as compared to 4.20% in 2022).

5.3.9 Materials, Contracts and Other Expenses - Unfavourable Variance \$231k

Overall the Materials, Contracts and Other expenses are in alignment with the original budget with a minor variance of \$231k, however, taking out the effect of higher agency costs of \$1,274k as mentioned under the Employee costs above, there is a favourable variance of \$1.1M. This primarily relates to Street Light Electricity savings \$708k and lower than anticipated Kerb and Gutter Replacement Program \$836k related to the Road Reseal Program, with these funds carried forward to the 2024 financial year. Further, NAWMA Waste Management expenditure is also favourable \$491k, primarily related to a Domestic General Waste (red bin services) cost reduction due to the transfer of green waste from domestic refuse. This was as a result of Council's green waste bin rollout program. Also contributing to the favourable variances against original budget predictions is operating expenditure relating to Capital Programs \$367k as a result of the timing of the delivery of operating projects throughout the 2023 year.

Further, PC lease expense have ended the year \$451k favourable, as a result of the impacts of the accounting standard AASB 16 Leases, however this impact is offset by the associated costs in depreciation in line with the standard. Cyber Security also ended in \$133k favourable variance with funds carried forward to 2023 financial year.

These favourable variances, however, are offset by higher than anticipated Election costs \$532k (noting revised budget included carried forward funds of \$464k), Salisbury Water Business Unit higher than budgeted electricity costs due to increased water treatment \$183k, Verge Maintenance \$249k and Tree and Stump Removal \$173k, plus other various minor variances contributing to the overall variance at year end.

5.3.10 Depreciation Costs – Unfavourable Variance \$250k

The overall depreciation expense has remained relatively aligned to original budget expectations with the unfavourable variance primarily related to unbudgeted IT leased assets of \$420k, partially offset by \$228k lower than anticipated depreciation costs on Infrastructure assets.

The favourable variance in Infrastructure assets is primarily the result of an increase in useful life for drainage pipes from 100 years to 150 years. This is partially offset by an increase in depreciation as a result of the audit and subsequent revaluation of Road and Bridge Assets, which was unknown at the time of formulating the budget. Some of the other contributing factors include significant increase of Tonkin unit rate between 51.3% and 75.3% for road seals and the acquisition of the Salisbury Bowling Club during the 2023 financial year.

5.3.11 Finance Costs – Favourable Variance \$1,050k

The favourable variance relates to the timing of cash receipts and disbursements, with the budget allowing for the drawdown on cash advance debentures to fund the infrastructure program. This, however, was required only for a short period of time during the last quarter of the 2023 financial year accumulating interest of \$33k. This is due to the significant level of carry forwards at the 2023 end of financial year for \$28.1M (\$22.3M capital and \$5.8M operating) and returned funds of \$4.5M. As a result finance costs are \$1.1M favourable against original budget expectations.

5.4 Non-Operating Items Analysis

- 5.4.1 Net Gain/(Loss) on disposal of assets is \$2,130k unfavourable to budget, resulting primarily from the early renewal of assets which necessitates the writing off of the remaining value, and totals \$4,741k for 2023. This includes Building Assets of \$1,910k, Land Improvement Assets \$355k and Infrastructure Assets \$1,876k. All of these assets have been renewed or replaced earlier than expected given the lives of these assets, resulting in a residual value needing to be written off.

The original budget also anticipated a gain of \$2.4M for net proceeds from property sales based on the pipeline of projects at the time of setting the budget. However, net proceeds from property sales was \$1.2M related to the Hoyle Green Development and \$4.4M related to the sale of the land at Ryans Road. These proceeds were offset by the assets disposals mentioned above resulting in a net position of \$310k for the 2023 financial year.

- 5.4.2 Amounts specifically for new or upgraded assets were favourable \$5,029k primarily as a result of timing of grant funding received, with the receipt of LRCI grant funds \$4.3M, the Salisbury Aquatic Centre \$2.6M and the Grassroots Facilities Program \$1.2M being major funding received. Also contributing to the favourable result is \$3.6M grant income received in 2022 but deferred to 2023 financial year to align with the construction of these assets. Similarly, offsetting these favourable variances is the \$6.8M grant funding deferred to 2024 financial year in accordance with the assets' construction stage.

-
- 5.4.3 Physical resources received free of charge represents the assets donated to Council which are associated with external property development, with typical assets being road, kerbing, footpaths, drainage, and verges. It should be noted that the budget is an estimated figure due to the complexities involved in determining the expected levels of donated assets. There has been a total of \$1.9M worth of assets donated to Council during the 2023 year, all comprising of Infrastructure Assets.

5.5 Other Comprehensive Income Analysis

- 5.5.1 Changes in Revaluation Surplus – IPP&E resulted in a favourable variance to budget of \$250M. Budgeting for infrastructure revaluations is inherently complex, however the variance is the result of revaluation increments for Land \$172.5M, Land Improvements \$19.5M, Buildings \$7.9M and Infrastructure \$97.6M.

5.6 Statement of Financial Position Analysis

5.6.1 The Statement of Financial Position for 2023 is set out below and details the actual end of financial year position against the original endorsed budget. Commentary has been made on significant variances between the estimates as presented at the adoption of the budget and the 2023 end of year position.

City Of Salisbury
Statement of Financial Position
As at 30 June 2023

	Actual \$000	End of Financial Year Original Budget \$000	Variance \$000
Current Assets			
Cash and Cash Equivalents	10,970	-	10,970
Trade and Other Receivables	8,074	6,230	1,845
Inventories	270	1,787	(1,518)
Total Current Assets	19,314	8,017	11,297
Non Current Assets			
Financial Assets	662	330	332
Equity Accounted Investments in Council Businesses	6,290	4,824	1,466
Infrastructure, Property, Plant and Equipment	2,046,434	1,729,775	316,659
Other Non-Current Assets	34,636	22,222	12,414
Total Non Current Assets	2,088,023	1,757,151	330,872
Total Assets	2,107,337	1,765,168	342,169
Current Liabilities			
Cash Advance Debentures	-	(52,992)	52,992
Trade and Other Payables	(35,476)	(17,752)	(17,724)
Borrowings	(1,410)	(1,409)	(1)
Provisions	(5,385)	(10,170)	4,785
Current Liab-Other	1,645	-	1,645
Total Current Liabilities	(40,625)	(82,323)	41,698
Non Current Liabilities			
Borrowings	(2,359)	(4,698)	2,339
Provisions	(668)	(2,204)	1,536
Total Non Current Liabilities	(3,027)	(6,902)	3,875
Total Liabilities	(43,653)	(89,225)	45,572
Net Assets	2,063,684	1,675,942	387,740
Equity			
Accumulated Surplus	(404,074)	(403,420)	(654)
Asset Revaluation Reserves	(1,610,577)	(1,235,378)	(375,199)
Other Reserves	(49,033)	(37,144)	(11,889)
Total Equity	(2,063,684)	(1,675,942)	(387,742)

5.6.1 The Statement of Financial Position as at 30 June 2023 shows a favourable variance when compared to budget for Net Assets (Total

Assets less Total Liabilities) or 'Equity' of \$387.7M. This variance is primarily made up of the following items:

- Infrastructure, Property, Plant and Equipment is \$316.7M higher than originally budgeted, with higher levels of additions than originally planned and higher revaluation adjustments, partly offset by capital carry forwards of \$22.3M to the 2024 financial year.
- Other Non-current assets are \$12.4M higher than budget estimates, which is primarily the result of higher than anticipated infrastructure projects in progress at the end of 2023. The budget was set with the last known actual result (30 June 2022), as it is expected to remain relatively static, although the mix of projects will of course change over time.
- Liabilities are overall lower than budget by \$45.6M predominantly due to the Original Budget including an expectation that Council would need to drawdown on Cash Advance Debentures \$52.9M which was required only during the fourth quarter to the extent of \$7M and fully repaid at the end of 2023. This was a result of the level of carry forwards of \$28M and the level of returned funds \$4.5M, noting that carried forward funds will potentially increase our cash requirements in 2024.

5.7 Financial Indicator Analysis

- 5.7.1 The Financial Indicators as presented in the original budget are set out below and have been compared to actual results for the 2023 financial year. Also included are adjusted Financial Indicators which normalise the ratios for the timing of the Financial Assistance Grant.

Financial Indicators	Endorsed Operating Range	2022-23 Original Budget	2022-23 Actuals	Variance to Original Budget	2022-23 Adjusted Actuals	Variance to Original Budget
Operating Surplus Ratio	0.5% - 5%	0.90%	8.3%	7.4%	5.8%	4.9%
Net Financial Liabilities Ratio	<70%	60.82%	16.6%	44.2%	17.0%	43.8%
Asset Renewal Funding Ratio	90-110%	100.0%	103.0%	3.0%	N/A	N/A

- 5.7.2 The operating surplus ratio of 8.3% is a favourable variance of 7.4% when compared to budget. However, when adjusted for the year on year timing impact of the early receipt of the 2024 Financial Assistance Grant, plus the advance payment in the prior year of the 2023 Financial Assistance Grant the ratio decreases to 5.8%, which continues to be a favourable variance of 4.9% to budget. Excluding the Grant receipts, the main factors contributing to this variance are Statutory charges \$1,085k (Paragraph 5.3.2), plus lower expenses such as Employee costs \$2,130k (Paragraph 5.4.1) and Finance Costs \$1,050k (Paragraph 5.4.4), with variances detailed in referenced paragraphs. The current endorsed operating range for this indicator is 0.5%-5%.
- 5.7.3 Net Financial Liabilities was 16.6% for 2023 which is favourable by 44.2% when compared to the original budget, primarily as a result of our budget expectations that we would be in a drawn down position on Cash Advance Debentures of \$52.9M in 2023, and primarily as a result of the budgeted infrastructure program. CAD drawdowns were ultimately required only to the extent of \$7M in the final quarter of the financial year and were fully repaid by the end of the 2023 financial year. This was primarily as a result of the timing of the delivery of the infrastructure program, and the level of carry forwards of \$28M will likely result in higher drawdowns in 2024. The actual result of 16.6% falls within the current endorsed operating range for this indicator, being less than 70%.
- 5.7.4 The Asset Renewal Funding Ratio of 103% is a favourable variance of 3% when compared to budget and is higher than the previous two financial years' ratios of 88.6% in 2022 and 76% in 2021. Due to the impact of COVID-19, the 2021 and 2022 ratios were low with the delays in the delivery of infrastructure program and significant carry forwards and retiming of capital renewal program. While there are still market pressures in completing works, the ratio has returned to the normal level and is within the target range of 90% to 110% as per the 2023 LTFP and the Strategic Asset Management Plan.

6. CONCLUSION / PROPOSAL

- 6.1.1 The Annual Financial Statements for 2023 have been prepared in accordance with the applicable Australian Accounting Standards and legislative requirements, and are recommended for adoption.

City of Salisbury

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023

A progressive, sustainable and connected community



City of Salisbury

General Purpose Financial Statements
for the year ended 30 June 2023

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City of Salisbury

General Purpose Financial Statements
for the year ended 30 June 2023

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2023 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



John Harry
Chief Executive Officer

11 October 2023



Gillian Aldridge
Mayor

11 October 2023

City of Salisbury

General Purpose Financial Statements

for the year ended 30 June 2023

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as 'presenting a true and fair view' of the Council's financial results for the year and ensuring both responsibility for and ownership of the Financial Statements across Council.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2023.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements. The Financial Statements incorporate four 'primary' financial statements:

1. **Statement of Comprehensive Income**
A summary of Council's financial performance for the year, listing all income and expenses.
2. **Statement of Financial Position**
A 30 June snapshot of Council's financial position including its assets and liabilities.
3. **Statement of Changes in Equity**
The overall change for the year (in dollars) of Council's 'net wealth'.
4. **Statement of Cash Flows**
Indicates where Council's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the four Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialise in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

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Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Income			
Rates	2a	112,253	106,593
Statutory charges	2b	3,933	3,656
User charges	2c	5,385	5,193
Grants, subsidies and contributions - operating	2g	20,258	18,650
Investment income	2d	291	111
Reimbursements	2e	536	421
Other income	2f	1,276	1,034
Net gain - equity accounted council businesses	19(a)	340	1,225
Total income		144,272	136,883
Expenses			
Employee costs	3a	40,404	38,303
Materials, contracts and other expenses	3b	59,093	54,974
Depreciation, amortisation and impairment	3c	32,106	29,746
Finance costs	3d	394	491
Net loss - equity accounted council businesses	19(a)	321	-
Total expenses		132,318	123,514
Operating surplus / (deficit)		11,954	13,369
Physical resources received free of charge	2i	1,955	2,865
Asset Disposal and Fair Value Adjustments	4	310	(5,388)
Amounts received specifically for new or upgraded assets	2g	6,799	2,895
Net surplus / (deficit)		21,018	13,741
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9e	297,472	166,371
Share of other comprehensive income - equity accounted council businesses	19	222	-
Total amounts which will not be reclassified subsequently to operating result		297,694	166,371
Total other comprehensive income		297,694	166,371
Total comprehensive income		318,712	180,112

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

City of Salisbury

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and Cash Equivalent Assets	5a	10,970	9,485
Trade and Other Receivables	5b	8,074	6,955
Inventories	5c	910	1,597
Total current assets		<u>19,954</u>	<u>18,037</u>
Non-current assets			
Trade and other receivables	6a	662	1,008
Equity accounted investments in council businesses	6b	6,290	6,049
Other non-current assets	6c	33,997	31,423
Infrastructure, Property, Plant and Equipment	7	2,046,434	1,725,408
Total non-current assets		<u>2,087,383</u>	<u>1,763,888</u>
TOTAL ASSETS		<u>2,107,337</u>	<u>1,781,925</u>
LIABILITIES			
Current liabilities			
Trade and Other Payables	8a	28,354	20,066
Borrowings	8b	1,840	1,727
Provisions	8c	8,065	7,904
Total current liabilities		<u>38,259</u>	<u>29,697</u>
Non-current liabilities			
Borrowings	8b	3,485	5,349
Provisions	8c	1,909	1,907
Total non-current liabilities		<u>5,394</u>	<u>7,256</u>
TOTAL LIABILITIES		<u>43,653</u>	<u>36,953</u>
Net assets		<u>2,063,684</u>	<u>1,744,972</u>
EQUITY			
Accumulated surplus		403,343	385,015
Asset revaluation reserves	9a	1,610,577	1,313,105
Other reserves	9b	49,764	46,852
Total council equity		<u>2,063,684</u>	<u>1,744,972</u>
Total equity		<u>2,063,684</u>	<u>1,744,972</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

City of Salisbury

Statement of Changes in Equity

for the year ended 30 June 2023

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2023					
Balance at the end of previous reporting period		385,015	1,313,105	46,852	1,744,972
Net surplus / (deficit) for year		21,018	-	-	21,018
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	297,472	-	297,472
Share of OCI - equity accounted council businesses		222	-	-	222
Other comprehensive income		222	297,472	-	297,694
Total comprehensive income		21,240	297,472	-	318,712
Transfers between reserves		(2,912)	-	2,912	-
Balance at the end of period		403,343	1,610,577	49,764	2,063,684
2022					
Balance at the end of previous reporting period		380,558	1,146,734	37,568	1,564,860
Net surplus / (deficit) for year		13,741	-	-	13,741
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	166,371	-	166,371
Other comprehensive income		-	166,371	-	166,371
Total comprehensive income		13,741	166,371	-	180,112
Transfers between reserves		(9,284)	-	9,284	-
Balance at the end of period		385,015	1,313,105	46,852	1,744,972

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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City of Salisbury

Statement of Cash Flows

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Cash flows from operating activities			
<u>Receipts</u>			
Rates		112,177	105,223
Statutory charges		4,076	3,783
User charges		5,213	5,710
Grants, Subsidies and Contributions (operating purpose)		20,543	18,915
Investment receipts		272	111
Reimbursements		536	421
Other receipts		14,827	15,609
<u>Payments</u>			
Payments to employees		(40,269)	(38,233)
Payments for Materials, Contracts and Other Expenses		(67,614)	(63,444)
Finance payments		(394)	(491)
Net cash provided by (or used in) operating activities	11b	<u>49,367</u>	<u>47,604</u>
Cash flows from investing activities			
<u>Receipts</u>			
Net disposal of investment securities		-	-
Sale of real estate developments		296	79
Amounts received specifically for new or upgraded assets		6,799	2,895
Sale of replaced assets		434	547
Sale of surplus assets		5,110	243
Repayments of loans by community groups		367	32
Distributions Received from Equity Accounted Council Businesses		340	(73)
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(21,043)	(18,297)
Expenditure on new/upgraded assets		(39,574)	(31,251)
Development of real estate for sale		883	58
Capital contributed to equity accounted Council businesses		(340)	73
Net cash provided (or used in) investing activities		<u>(46,728)</u>	<u>(45,694)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from bonds and deposits		196	315
<u>Payments</u>			
Repayments of Borrowings		(1,321)	(1,735)
Repayment of lease liabilities		(29)	(806)
Net cash provided by (or used in) financing activities		<u>(1,154)</u>	<u>(2,226)</u>
Net increase (decrease) in cash held		1,485	(316)
plus: Cash and Cash Equivalents at beginning of period		9,485	9,801
Cash and cash equivalents held at end of period	11a	<u>10,970</u>	<u>9,485</u>
Additional information:			
plus: investments on hand – end of year	6b	615	615
Total Cash, Cash Equivalents and Investments		<u>11,585</u>	<u>10,100</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Contents of the Notes accompanying the General Purpose Financial Statements

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 11 October 2023.

1.2 Historical cost convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.2 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

(2) The local government reporting entity

City of Salisbury is incorporated under the *South Australian Local Government Act 1999* and has its principal place of business at 34 Church Street, Salisbury. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions.

Other entities in which Council has an interest but does not *control* are reported in Note 19.

(3) Income recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* or *AASB 15 Revenue from Contracts with Customers* when appropriate.

In cases where there is an enforceable contract with a customer with sufficiently specific performance obligations, the transaction is accounted for under *AASB 15* where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, *AASB 1058* applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any related amounts is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

In recent years the payment of untied grants (financial assistance grants/local roads/supplementary grants) has varied from the annual allocation as shown in the table below:

Financial Year	Payment Received In Advance \$'000	Comments
2020/21	4,737	Relates to 2021/22
2021/22	6,706	Relates to 2022/23
2022/23	10,502	Relates to 2023/24

Because these grants as applicable for the current reporting period are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

(4) Cash, cash equivalents and other financial instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

(5) Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Real estate assets developments

Real Estate Assets developments have been classified as Inventory in accordance with *AASB 102 Inventories* and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other real estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

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City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(6) Infrastructure, Property, Plant and Equipment

6.1 Initial recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held 'ready for use'. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant and equipment when completed ready for use.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are disclosed in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of non-current assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually; these reviews are conducted either internally or externally through the completion of asset audits and valuations.

Major depreciation periods for each class of asset are detailed in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.5 Intangible Assets

Intangible Assets have been accounted for in accordance with the requirements of *AASB 138 Intangible Assets*. An item is recognised as an intangible if it meets the definition of an intangible asset, it is probable that future economic benefits will flow to Council and the cost of the asset can be reliably measured.

Intangible Assets are tested for impairment yearly or when there is objective evidence or an indication that these assets may be impaired. Further determinations on useful lives are reviewed annually.

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

6.6 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amounts as stands to the credit of that class of assets in the Asset Revaluation Reserve, any excess being recognised as an expense.

(7) Payables

7.1 Goods and Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance and Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be. In accordance with *AASB 1058 Income for Not-For-Profit Entities*, grant revenue received to construct assets has been recognised as payments received in advance in 2023 financial year.

(8) Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of 'Payables'.

(9) Employee benefits

9.1 Salaries, Wages and Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within twelve months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with *AASB 119 Employee Benefits*.

Liabilities for employee benefits not expected to be paid or settled within twelve months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the HostPlus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(10) Leases

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease arrangements have been accounted for in accordance with AASB 16 Leases which was applied by Council for the first time from 1 July 2019.

10.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

i) Right of Use Assets

The Council recognises right of use assets at the commencement date of the lease. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Land is amortised over a period of 30 years, details for both as follows:

Plant and equipment	3 to 5 years
Water Harvesting Site	30 years

The right of use assets are also subject to impairment. Refer to the accounting policies above.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short term leases and leases of low-value assets

The Council applies the short term lease recognition exemption to its short term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(11) Equity accounted Council businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements are accounted for in accordance with AASB 128 Investments in Associates and Joint Ventures and set out in detail in Note 19.

(12) GST implications

In accordance with Interpretation Abstract 1031 'Accounting for the Goods and Services Tax'

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

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City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(13) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current* (amended by *AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current - Deferral of Effective Date*, *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*)
- *AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*. (This Standard makes amendments to *AASB 1053 Application of Tiers of Australian Accounting Standards*, June 2010 and *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities*, March 2020)
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* (This standard amends a number of Standards as follows: *AASB 7 Financial Instruments: Disclosures* – to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements, *AASB 101 Presentation of Financial Statements* - to require entities to disclose their material accounting policy information rather than their significant accounting policies, *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* - to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates, *AASB 134 Interim Financial Reporting* - to identify material accounting policy information as a component of a complete set of financial statements, *AASB Practice Statement 2: Making Materiality Judgements* - to provide guidance on how to apply the concept of materiality to accounting policy disclosures)

Effective for NFP annual reporting periods beginning on or after 1 January 2024

- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*. (This Standard makes amendments to *AASB 16 Leases*, February 2016. These amendments arise from the issuance of International Financial Reporting Standard Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) by the International Accounting Standards Board (IASB) in September 2022)
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (This Standard makes amendments to *AASB 13 Fair Value Measurement*, August 2015 for application by not-for profit public sector)

(14) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(15) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 2. Income

\$ '000	2023	2022
(a) Rates		
General rates		
General rates	111,231	106,199
Less: mandatory rebates	(1,306)	(1,267)
Less: Discretionary Rebates, Remissions and Write Offs	(401)	(869)
Total general rates	109,524	104,063
Other rates (including service charges)		
Green Adelaide Board Regional Landscape Levy	2,251	2,110
Salisbury Business Association Separate Rate	183	127
Globe Derby Community Club Separate Rate	9	7
Total other rates (including service charges)	2,423	2,244
Other charges		
Penalties for late payment	306	286
Total other charges	306	286
Total rates	112,253	106,593
(b) Statutory charges		
Development Act fees	1,391	1,232
Town planning fees	1,052	892
Animal Registration Fees and Fines	834	879
Parking fines / expiation fees	240	224
Other Licences, Fees and Fines	416	429
Total statutory charges	3,933	3,656
(c) User charges		
Water Supply	1,966	2,257
Property Lease	1,028	926
Cemetery Fees	769	648
Aged and Disability Services	783	619
Waste Disposal Fees	63	78
Sundry	776	665
Total user charges	5,385	5,193
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	200	25
- Banks and Other	91	70
- Loans to community groups	-	16
Total investment income	291	111

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 2. Income (continued)

\$ '000	2023	2022
(e) Reimbursements		
Other	427	293
Contract Maintenance	109	128
Total reimbursements	536	421
(f) Other income		
Rebates received	762	726
Sundry	514	308
Total other income	1,276	1,034
(g) Grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	6,799	2,895
Total	6,799	2,895
Other grants, subsidies and contributions		
Other grants, subsidies and contributions	5,974	7,116
Untied Financial Assistance Grant	3,782	4,828
Individually Significant Item - Additional Financial Assistance Grant (refer below)	10,502	6,706
Total other grants, subsidies and contributions	20,258	18,650
Total grants, subsidies and contributions	27,057	21,545
The functions to which these grants, subsidies and contributions relate are disclosed in Note 12, with the exception of Amounts Received Specifically for New or Upgraded Assets.		
(i) Sources of grants		
Commonwealth Government	5,609	2,946
State Government	21,011	16,677
Other	437	1,922
Total	27,057	21,545
(ii) Individually significant items		
Advanced Financial Assistance Grant Recognised as Income	10,502	6,706

On 29 June 2023, Council received advance payment of 100% of the 2024/2025 Financial Assistance Grant, totalling \$10,502k (comprising \$8,442k in general purpose funding and \$2,060k in untied local road funding) compared to the 75% received in advance in the prior year. This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt, as detailed in Note 1. Potential material effects will be experienced when the timing of these grant payments are once again restored to a normal schedule.

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 2. Income (continued)

\$ '000	2023	2022
(h) Conditions over Grants and Contributions		
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	<u>4,661</u>	<u>4,602</u>
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Verge Development	-	(341)
Newlyn Terrace Parafield Gardens - Tree Screen Renew	-	(284)
Animal Pound Pooraka	(489)	-
Burton Community Hub - Shed and Community Garden	-	(250)
Whites Rd Emu Crossing - School Zone and Pedestrian Crossing	-	(250)
Strowan Park Picnic and Open Space	-	(174)
Tea Tree Gully Business Advisory Services	-	(164)
Morella Community Centre Outdoor Kitchen	-	(144)
Twelve25 Entry Upgrade and Landscaping	-	(143)
Twelve 25 Special Projects	-	(80)
OH&S - Special Distribution Fund	-	(30)
Risk and Governance - Special Distribution Fund	-	(6)
Mindset for Life Program	-	(3)
Mawson Lakes School - Kiss and Drop	(54)	(100)
Redhill Road Ingle Farm - Traffic Improvement	(64)	-
Waterwatch	(152)	(71)
Salisbury Oval Indoor Community Cricket and Recreation Facility	(200)	(111)
Other	(233)	(205)
Little Para River Capital Works	(255)	-
Fairbanks Drive Reserve Toilets and Sports Facility	(305)	-
Yalumba Drive Reserve	(400)	-
Technology Drive Mawson Lakes - Dual Traffic	(450)	(479)
Subtotal	<u>(2,602)</u>	<u>(2,835)</u>

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 2. Income (continued)

\$ '000	2023	2022
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Salisbury Aquatic Centre	639	-
Salisbury Recreation Precinct Entry Carpark	280	-
Domestic Hard waste	230	273
Other	193	190
Waterwatch General	139	152
Little Para River Capital Works	62	317
CCTV Henderson Square	53	-
Animal Pound - Pooraka	-	489
Technology Drive Mawson Lakes - Dual Traffic	-	450
Yalumba Drive Reserve	-	400
Fairbanks Drive Toilets and Sports Facility	-	305
Salisbury Oval Indoor Community Cricket Facility	-	200
Redhill Road Ingle Farm - Traffic Improvements	-	64
Mawson Lakes School - Kiss and Drop	-	54
Subtotal	1,596	2,894
Unexpended at the close of this reporting period	3,655	4,661
Net increase (decrease) in assets subject to conditions in the current reporting period	(1,006)	59
(i) Physical resources received free of charge		
Land and Improvements	11	-
Roads, Bridges and Footpaths	859	725
Stormwater drainage	1,085	2,140
Total physical resources received free of charge	1,955	2,865

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 3. Expenses

\$ '000	Notes	2023	2022
(a) Employee costs			
Salaries and wages		33,261	32,198
Employee leave expense		5,582	5,233
Superannuation - defined contribution plan contributions	18	524	587
Superannuation - defined benefit plan contributions	18	3,453	3,075
Workers' compensation insurance		1,699	1,667
Less: capitalised and distributed costs		(4,115)	(4,457)
Total operating employee costs		40,404	38,303
Total number of employees (full time equivalent at end of reporting period)		432	418
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		35	33
- Other auditors		9	-
Bad and doubtful debts		11	2
Elected members' expenses		503	489
Election expenses		728	44
Lease expense - low value assets / short term leases		134	123
Subtotal - prescribed expenses		1,420	691
(ii) Other materials, contracts and expenses			
Contractors		39,722	37,271
Energy		4,081	4,375
Legal expenses		538	211
Levies Paid to Government - Regional Landscape Levy		2,140	2,112
Levies - other		306	275
Parts, Accessories and Consumables		3,164	3,223
Insurance		1,321	1,161
Water Rates		703	849
Sundry		5,698	4,806
Subtotal - Other Material, Contracts and Expenses		57,673	54,283
Total materials, contracts and other expenses		59,093	54,974

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 3. Expenses (continued)

\$ '000	2023	2022
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Infrastructure	16,348	15,677
Land improvements	6,958	6,093
Buildings and Other Structures	4,950	4,337
Plant and Equipment	3,241	3,070
Right-of-use assets	420	420
Library books	189	149
Subtotal	32,106	29,746
Total depreciation, amortisation and impairment	32,106	29,746
(d) Finance costs		
Interest on loans	339	413
Interest on leases	55	78
Total finance costs	394	491

Note 4. Asset Disposal and Fair Value Adjustments

\$ '000	2023	2022
Infrastructure, Property, Plant and Equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	434	547
Less: carrying amount of assets sold	(4,415)	(5,684)
Gain (loss) on disposal	(3,981)	(5,137)
(ii) Assets surplus to requirements		
Proceeds from disposal	5,110	243
Less: carrying amount of assets sold	(1,115)	(573)
Gain (loss) on disposal	3,995	(330)
Real estate development assets		
Proceeds from disposal	1,230	179
Less: carrying amount of assets sold	(934)	(100)
Gain (loss) on disposal	296	79
Net gain (loss) on disposal or revaluation of assets	310	(5,388)

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 5. Current assets

\$ '000	Notes	2023	2022
(a) Cash and Cash Equivalent Assets			
Cash on hand and at bank		10,970	1,312
Short Term Deposits		–	8,173
Total Cash and Cash Equivalent Assets		10,970	9,485
(b) Trade and Other Receivables			
Rates - General and Other		3,550	3,462
Accrued revenues		19	1
Debtors - general		2,169	1,741
GST recoupment		1,462	1,317
Prepayments		874	401
Loans to community organisations		–	33
Subtotal		8,074	6,955
Total Trade and Other Receivables		8,074	6,955
(c) Inventories			
Stores and Materials		235	244
Real estate developments	6	640	1,309
Cemetery Plinths, Vaults and Inurnments		35	44
Total inventories		910	1,597

Note 6. Non-current assets

\$ '000	2023	2022
(a) Trade and other receivables		
Receivables		
Council rates postponement scheme	47	59
Loans to community organisations	–	334
Subtotal	47	393
Total receivables	47	393
Other financial assets (investments)		
Mortgages over Property - Affordable Housing Scheme	615	615
Total other financial assets (investments)	615	615
Total financial assets	662	1,008

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 6. Non-current assets (continued)

\$ '000	Notes	2023	2022
(b) Equity accounted investments in council businesses			
Northern Adelaide Waste Management Authority	19	6,290	6,049
Total equity accounted investments in Council businesses		6,290	6,049
(c) Other non-current assets			
Inventories			
Real estate developments		1,153	1,367
Total inventories		1,153	1,367
Other			
Capital work in progress		32,634	29,846
Intangible Assets - Water Licenses		210	210
Total other		32,844	30,056
Total other non-current assets		33,997	31,423
Other disclosures			
Real Estate Developments - Current and Non-Current (Valued at the lower of cost and net realisable value)			
Residential		1,793	2,676
Total real estate for resale		1,793	2,676
Represented by:			
Acquisition costs		1,266	1,367
Development costs		527	1,309
Subtotal		1,793	2,676
Apportionment of real estate developments			
Current assets		640	1,309
Non-current assets		1,153	1,367

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 7. Infrastructure, Property, Plant and Equipment

Infrastructure, Property, Plant and Equipment

£ '000	Fair Value Level	as at 30/06/22				Asset movements during the reporting period					as at 30/06/23			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Increments to Equity (ARR) (Note R)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - other	2	554,666	-	-	554,666	11	-	(600)	-	172,497	726,574	-	-	726,574
Land improvements	3	223,418	-	(87,506)	135,912	11,749	3,698	(355)	(6,958)	19,529	270,940	-	(107,365)	163,575
Buildings and Other Structures	3	156,547	-	(51,626)	104,921	12,344	7,637	(2,342)	(4,950)	7,881	185,151	-	(59,660)	125,491
Infrastructure	3	1,414,755	-	(500,240)	914,515	12,718	9,913	(1,876)	(16,348)	97,565	1,577,736	-	(561,251)	1,016,485
Right-of-use assets		-	3,201	(1,313)	1,888	-	-	-	(420)	-	-	3,201	(1,733)	1,468
Plant and Equipment		-	34,598	(22,194)	12,404	1,645	1,240	(274)	(3,241)	-	-	36,350	(24,576)	11,774
Library books		-	2,154	(1,052)	1,102	153	-	-	(189)	-	-	2,096	(1,029)	1,067
Total infrastructure, property, plant and equipment		2,349,386	39,953	(663,931)	1,725,408	38,620	22,488	(5,447)	(32,106)	297,472	2,760,401	41,647	(755,614)	2,046,434
Comparatives		2,127,336	38,034	(614,694)	1,550,676	24,981	15,673	(5,030)	(29,746)	166,371	2,349,386	39,953	(663,931)	1,725,408

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Valuation of infrastructure, property, plant and equipment and investment property

Valuation of assets

Council measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land
- Land Improvements
- Infrastructure
- Buildings and Other Structures

Council does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be characterised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly.	Measurements based on unobservable inputs for the asset.

The fair value of assets that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

b) Valuation Techniques

Council selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends upon the specific characteristics of the asset being measured. The valuation techniques selected by Council are consistent with one or more of the following valuation approaches:

- *Market Approach* uses prices and other relevant information generated by market transactions involving identical or similar assets.
- *Income Approach* converts estimated future cash flows or income and expenses into a single current (ie. discounted) value.
- *Cost Approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset, including assumptions about risks. When selecting a valuation technique, Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

During 2017/18 Council initially undertook a review of the internal overhead costs, such as project management, supervision and design, that are directly related to the renewal of Council’s Transport and Stormwater assets. The purpose of the review was to ensure that the appropriate level of direct internal overhead costs (expressed as a percentage) were being reflected in the unit rates that are utilised to revalue these asset classes. These overhead percentages were independently reviewed by Tonkin Consulting and continue to be incorporated into their review of Council’s Asset Valuations.

c) Capitalisation Thresholds

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

	\$
Office Furniture and Equipment	5,000
Plant and Light Vehicles	5,000
Buildings - new construction/extensions	10,000
Park and Playground Furniture and Equipment	5,000
Road construction and reconstruction	10,000
Paving and Footpaths, Kerb and Gutter	5,000
Drains and Culverts	10,000
Reticulation Extensions	5,000
Sidelines and household connections	5,000
Artworks	5,000

d) Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture and Equipment

Office Equipment	3 to 10 years
Office Furniture	3 to 10 years
Vehicles and Road-making Equipment	2 to 20 years
Other Plant and Equipment	3 to 20 years

Building and Other Structures

Building Components	10 to 120 years
Playground Equipment	10 to 25 years
Benches, Seats, etc	10 to 15 years

Infrastructure

Roads - Seal	20 to 35 years
Roads - Base	60 to 105 years
Roads - Sub-Base	180 to 315 years
Unsealed Roads	5 to 10 years
Bridge Components	20 to 100 years
Footpaths	8 to 80 years
Kerb, Gutter and Medians	50 to 315 years
Drainage Pipes	80 to 150 years
Culverts, Headwalls and Junction Boxes	80 to 100 years
Dams and Reservoirs	200 to 400 years
Bores	75 years
Reticulation Pipes - PVC	50 to 80 years
Pumps and Telemetry	10 to 50 years

Other Assets

Library Books	3 to 7 years
Artworks/Local History	Indefinite
Street Trees	50 years
Right of Use Assets	3 to 5 years

e) Table of Fair Values 2022/23

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, Property, Plant and Equipment (continued)

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Land	-	726,574	-	726,574
Land Improvements	-	-	163,575	163,575
Buildings and Other Structures	-	4,315	121,176	125,491
Infrastructure	-	-	1,016,485	1,016,485
Total	-	730,889	1,301,236	2,032,125

f) Disclosed Fair Value Measurements

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Land	2	Market Value	726,574

Valuations of assets in this category are undertaken using the State Valuer Generals Site Values.

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Land Improvements	3	Cost Approach	163,575

Valuations of assets in this category are undertaken via one of the following methods:

- Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates or industry construction guides to derive a unit rate used to calculate a current replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing and Carpark Pavement/Seals all situated on Council Reserves. In 2022/23 a 3 year average of these unit rates have been utilised.
- Revalued using a 3 year average of the Local Government Pricing Index (LGPI) in both 2021/22 and 2022/23. Assets include Fencing, Irrigation Equipment, Playgrounds, Sports Courts/Facilities, Reserve Furniture, Landscaping and Other Structures all situated on Council Reserves.
- Independent valuations provided by Tonkin Consulting in 2019/20 using a methodology that utilises observable Council cost information as well as their knowledge of the water industry and references to various construction guides (such as Rawlinsons Australian Construction Handbook) to derive an index for each asset component associated with Councils Recycled Stormwater Business Unit, which includes assets such as Pipework, Pumps, Bores, Valves, Electrical and Computer Equipment. In 2020/21, an independent valuation of the current replacement cost for these assets was undertaken using an ASR Asset Price Index provided by Tonkin Consulting, derived from references to various construction guides (such as Rawlinsons Australian Construction Handbook). In 2022/23, an independent valuation of the current replacement cost for these assets was undertaken using a 3 year average of an ASR Asset Price Index provided by Tonkin Consulting, derived from references to various construction guides (such as Rawlinsons Australian Construction Handbook).
- Independent valuations initially provided by JLL in 2017/18 using a methodology that utilises observable rates and cost information from their research across the Playground and Fitness Equipment industries. Assets valued via this method included Playgrounds and Fitness Equipment. These assets have been revalued from 2018/19 to 2020/21 utilising the Local Government Pricing Index (LGPI) and in both 2021/22 and 2022/23 utilising a 3 year average of the Local Government Pricing Index (LGPI).

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Building and Other Structures	2	Market Value	4,315
Building and Other Structures	3	Cost Approach	121,176
Total			125,491

Valuation of assets in this category are undertaken via the following method:

- Independent market valuations were provided by Public Private Property for the 2020/21, 2021/22 and 2022/23 Financial Year using a methodology that utilises observable, comparable market sales data in the City of Salisbury area.
- Independent valuations of the current replacement cost for buildings at a component level was undertaken by Sproutt - Professional Engineering Services and Public Private Property as at 1 July 2020 using a methodology that utilises observable rates and cost information from their extensive knowledge across Building Infrastructure. For the 2021/22 and 2022/23 financial years, an independent valuation of the current replacement cost for these assets was undertaken using a 3 year average of Building Component Indexes provided by Tonkin Consulting, derived from references to the Rawlinsons Australian Construction Handbook.

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Infrastructure	3	Cost Approach	1,016,485

Valuation of assets in this category are undertaken via one of the following methods:

- Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates or industry construction guides to derive a unit rate used to calculate a current replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing, Carpark Pavements/Seals and Drainage Pipes/Pits all situated on or under Council Roads. In 2021/22 and 2022/23 a 3 year average of these unit rates have been utilised.
- Independent valuations initially provided by SMEC in 2016/17 using a methodology that utilises observable rates and cost information from their extensive knowledge of water retention related infrastructure. Assets valued via this method include Major Drainage Dams. In the financial years from 2017/18 to 2020/21 these assets were revalued using the Local Government Pricing Index (LGPI) and subsequently in 2021/22 and 2022/23, a 3 year average of the LGPI has been utilised.
- Independent valuations provided by Infrastructure Management Group and Counterpart Solutions as at 30 June 2022 utilising a methodology that utilises their extensive knowledge across Road Infrastructure as well as a 3 year average of unit rates derived from references to the Rawlinsons Australian Construction Handbook. Assets valued under this method include Road Seals/Pavements. In 2022/23 a 3 year average of these unit rates have been utilised.
- Revalued using a 3 year average in 2021/22 and 2022/23 of the Local Government Pricing Index (LGPI). Assets valued via this method include Bridges, Irrigation Equipment on Roads, Road Furniture, Landscaping on Roads, Open Drainage Systems and Minor Drainage Dams.

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013. There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements from previous years.

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use, unless market or other factors suggest a different use by market participants would maximise the value of the asset.

Land Under Roads

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition; land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Land

Much of the land under Councils care and control is Crown land or has been declared as community land under the provision of the *Local Government Act 1999*. Other types of restrictions on the land may also apply. Valuations of this land are based on the State Valuer-Generals Site Values, which are based on observable sales in an active market of similar properties with a similar land use on both vacant land and land with improvements. Adjustments to these values are then made by the State Valuer-General taking into consideration the highest and best use of the property e.g. if there is a single house on the land but zoning would allow it to be divided for home units.

Infrastructure, Buildings and Land Improvements

As there is no known active market for the majority of infrastructure, building and land improvement assets owned by Council, these assets have been valued at current replacement cost using the *Cost Approach*. Upon revaluation, the current replacement cost and accumulated depreciation are restated such that the difference (the current replacement cost) represents the fair value of the asset determined in accordance with *AASB 13 Fair Value Measurement*.

This method involves the determination of the current cost to construct the asset (or its modern engineering equivalent) and then calculating the value of its remaining service capacity (current replacement cost). Council utilise a number of observable and unobservable inputs in the calculation of these values which may include:

Observable Inputs:

- Council specific contract rates
- Recent construction costs for similar assets
- Independent valuations

Unobservable Inputs/Estimates:

- Quantities of materials used
- Economic (Useful) Lives of assets
- Residual Value of assets
- Preserved Value of assets
- Pattern of consumption of an assets economic benefits
- Condition
- Obsolescence
- Impairment
- Industry construction pricing indexes e.g. Rawlinson's Construction Handbook and Cost Guide
- Other construction pricing indexes e.g. Local Government Pricing Index which is an index developed by the Australian Bureau of Statistics and is prepared quarterly by the South Australia Centre for Economic Studies and is based on price movements in the goods and services purchased by Local Governments.

Intangible Assets

Intangible Assets have been accounted for in accordance with the requirements of *AASB 138 Intangible Assets*. Council has purchased from the market in arm's length transactions, Water Licences that enable the harvesting and sale of stormwater, and is of the opinion that these Water Licences meet the definition and recognition requirements of Intangible Assets, specifically Intangible Assets with an indefinite useful life. Initial recognition of these Water Licences is at cost, and after initial recognition they are carried at cost less any accumulated impairment losses.

Testing for impairment, in accordance with *AASB 136 Impairment of Assets*, is undertaken annually, or whenever there may be an indication that the intangible assets may be impaired. The determination that these Water Licences have an indefinite useful life is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Street Trees

Council is of the opinion that street trees and tree screens are tangible assets that Council uses to support the provision of environmental and recreational services to the community, and have an initial cost that can be reliably measured, that is the cost of planting and establishment. It is therefore considered that costs relating to tree plantings for Street Tree and Tree Screen renewal programs only meet the recognition criteria of property, plant and equipment and are recognised as an asset.

Plant, Furniture and Fittings

Assets are carried at cost, less any accumulated depreciation and impairment losses.

Library Books

Library books are accounted for under the replacement method. Library stock at 30 June 2023 is valued using nominal values recommended by the Public Library Service (PLS). All new purchases are treated as replacement items and the expense is classified as depreciation. This expense is then adjusted by the movement in the calculated value of the library stock.

Right of Use Assets

Valued as the initial measurement of the lease liability being the present value of future lease payments and any initial direct costs, pre-paid lease payments and any estimated costs to dismantle.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 8. Liabilities

\$ '000	Notes	2023		2022	
		Current	Non Current	Current	Non Current
(a) Trade and other payables					
Goods and Services		17,845	–	13,397	–
Payments received in advance		9,284	–	5,822	–
Accrued expenses - employee entitlements		658	–	506	–
Accrued expenses - other		56	–	26	–
Deposits, Retentions and Bonds		511	–	315	–
Total trade and other payables		28,354	–	20,066	–

(b) Borrowings

Loans		1,410	2,359	1,321	3,769
Lease liabilities	17b	430	1,126	406	1,580
Total Borrowings		1,840	3,485	1,727	5,349

All interest bearing liabilities are secured over the future revenues of the Council

(c) Provisions

Salisbury Memorial Park Maintenance Provision		–	120	–	110
Mortgage Loss Provision		–	16	–	16
Employee entitlements (including oncosts)		8,065	1,773	7,904	1,781
Total provisions		8,065	1,909	7,904	1,907

Movements in provisions

2023 (current and non-current) \$ '000	Salisbury Memorial Park Maintenance Provision		Mortgage Loss Provision	
	2023		2023	
Opening balance			110	16
Add: additional amounts recognised			10	–
Closing balance			120	16

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 9. Reserves

\$ '000	as at 30/06/22		as at 30/06/23
	Opening Balance	Increments (Decrements)	Closing Balance
(a) Asset revaluation reserve			
Land - other	453,756	172,497	626,253
Land improvements	33,351	19,529	52,880
Buildings and Other Structures	20,328	7,881	28,209
Infrastructure	803,332	97,565	900,897
Library books	2,338	-	2,338
Total asset revaluation reserve	1,313,105	297,472	1,610,577
Comparatives	1,146,734	166,371	1,313,105

\$ '000	as at 30/06/22			as at 30/06/23
	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Closing Balance
(b) Other reserves				
Development and Public Infrastructure Reserve	2,015	843	(400)	2,458
Open Space Reserve	1,519	388	-	1,907
Car Parking Reserve	955	31	-	986
Property Disposal Reserve	2,635	5,304	-	7,939
Mausoleum Perpetual Care Reserve	931	52	-	983
Salisbury Memorial Park Reserve	918	30	-	948
Carried Forward Funds Reserve	32,075	28,183	(32,075)	28,183
Salisbury Water Business Unit Reserve	3,534	-	(1,183)	2,351
Northern Futures Fund Reserve	265	8	-	273
Business Transformation Future Fund Reserve	2,005	3,925	(2,194)	3,736
Total other reserves	46,852	38,764	(35,852)	49,764
Comparatives	37,568	35,797	(26,513)	46,852

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 9. Reserves (continued)

Purposes of reserves

Asset revaluation reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Development and Public Infrastructure Reserve

The Development and Public Infrastructure Reserve contains developer contributions towards future footpaths, street signs and street trees specific to the development site. It also contains developer contributions towards future works associated with drainage systems, water pipes and pumps, Council road network, trails and bridges necessary to facilitate the development and external to the development site.

Open Space Reserve

For developer contributions received that are to be utilised towards the future acquisition of open space areas.

Carpark Reserve

For the provision of future renewal and maintenance of car parking areas within the Salisbury Town Centre, Ingie Farm Town Centre and Mawson Lakes Town Centre.

Property Disposal Reserve

To retain the proceeds of any property sales, including surplus land and redevelopments, under the provision of Section 194 of the *Local Government Act 1999* and subject to compliance with all legal requirements thereof, and the cash proceeds received from Council's real estate developments. These proceeds are to be utilised to repay current debt or reduce future borrowing requirements.

Mausoleum Perpetual Care Fund Reserve

To provide maintenance for the Mausoleum situated at Salisbury Memorial Park.

Salisbury Memorial Park Reserve

To fund future development work and maintenance at the Salisbury Memorial Park.

Carried Forward Funds Reserve

Used for unspent budget funds at the end of financial year that are to be carried forward for use in the following year.

Salisbury Water Business Unit Reserve

Generated by the allocation of surpluses, and offset by deficits resulting from the operations of the Salisbury Water Business Unit. Allocations from the Reserve can only be made following a resolution of Council and can only be utilised to fund either business development, asset renewal, offset losses or to distribute dividends to Council.

Northern Futures Fund Reserve

Funds held to be utilised to support local communities, particularly those in priority groups, to engage in lifelong learning leading to employment and provide accessible, quality services and resources relating to schools to work transition, workforce development, employment programs, career transitioning and capacity building. A reference group including three industry representatives, two education representatives and a representative from both the SA Government and City of Salisbury have oversight of the fund and how monies will be disbursed.

Business Transformation Reserve

Generated by the allocation of identified expenditure savings and income gains as stated within the Business Transformation Future Fund Policy and to be utilised to fund future costs associated with projects that align with the City of Salisbury's three success factors being Exceptional Community Experience, Quality Outcomes and Great Place to Work, without unnecessarily burdening the community with the costs of these initiatives in the year of expenditure.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 10. Assets subject to restrictions

<u>\$ '000</u>	<u>2023</u>	<u>2022</u>
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p>		
Cash and Financial Assets		
Open space contributions	1,907	1,519
Developer contributions	3,444	2,970
Unexpended Grants and Subsidy Funds	3,655	4,661
Total Cash and Financial Assets	9,006	9,150
Total assets subject to externally imposed restrictions	9,006	9,150

Open Space Contributions are received primarily to fund reserves/playspaces and other recreational areas within new subdivisions. Developer Contributions are received primarily to fund infrastructure works in new subdivisions. These funds are held in Reserves (as disclosed in Note 9) until required and as such are regarded as restricted. Grant and Subsidy Funds received but not yet expended are regarded as restricted, and are disclosed in Note 2h.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2023	2022
(a) Reconciliation of cash			
Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total Cash and Equivalent Assets	5	10,970	9,485
Balances per Statement of Cash Flows		<u>10,970</u>	<u>9,485</u>
(b) Reconciliation of change in net assets to cash from operating activities			
Net surplus/(deficit)		21,018	13,741
Non-cash items in income statements			
Depreciation, Amortisation and Impairment		32,106	29,746
Equity movements in equity accounted investments (increase)/decrease		(19)	(1,225)
Non-cash asset acquisitions		(1,955)	(2,865)
Grants for capital acquisitions treated as investing activity		(6,799)	(2,895)
Net (gain)/loss on disposals		(310)	5,388
		<u>44,041</u>	<u>41,890</u>
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		(1,541)	1,688
Net (increase)/decrease in inventories		18	(19)
Net increase/(decrease) in trade and other payables		6,686	3,940
Net increase/(decrease) in unpaid employee benefits		153	95
Net increase/(decrease) in other provisions		10	10
Net cash provided by (or used in) operations		<u>49,367</u>	<u>47,604</u>
(c) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank overdrafts		500	500
Corporate credit cards		500	500
LGFA cash advance debenture facility		47,467	50,317

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 12(b).

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions/Activities										
Health	191	159	315	271	(124)	(112)	52	37	395	6,018
Social Security and Welfare	4,059	3,544	9,428	9,017	(5,369)	(5,473)	3,120	2,813	5,820	16,331
Housing and Community Services	3,273	3,845	38,324	35,870	(35,051)	(32,025)	253	668	614,014	522,921
Recreation and Culture	1,366	1,188	44,040	41,842	(42,674)	(40,654)	603	729	715,518	550,602
Transport and Communication	4,747	5,162	18,374	17,249	(13,627)	(12,087)	4,739	5,157	664,777	594,300
Economic Affairs	74	106	9,171	8,566	(9,097)	(8,460)	-	10	128	99
Other, Not Attributed and Admin	126,081	117,798	7,921	6,567	118,160	111,231	11,481	9,223	104,048	91,170
Public Order and Safety	4,141	3,856	4,424	4,110	(283)	(254)	10	13	2,637	484
Total Functions/Activities	143,932	135,658	131,997	123,492	11,935	12,166	20,258	18,650	2,107,337	1,781,925

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures and associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 12(b). Components of functions

The activities relating to Council functions are as follows:

Public Order and Safety

Supervision of various laws, fire prevention, crime prevention and repair, road safety and dog control.

Health

Health Act administration, immunisation services and pest and pest plant control.

Social Security and Welfare

Operation of a senior leisure centre, aged care services, youth services and community information.

Housing and Community Services

Town planning, community development planning, road sweeping, roadside rubbish collection, domestic refuse collection, operating of waste transfer station, stormwater drainage, operation of the St Kilda Mangrove trail, street signs, landscape design, tree management and operation of cemetery.

Recreation and Culture

Maintenance and operation of libraries, recreation centres, swimming pool, community centres, parks, gardens and reserves, clubrooms, playgrounds, sports grounds and halls.

Transport and Communication

Construction and maintenance of roads, footpaths, bridges, parking facilities and bus shelters.

Economic Affairs

Building Act administration, economic initiatives, tourism.

Other, Not Attributed and Administration

Rates, public debt transactions, administration costs, capital works in progress and costs which relate to multiple functions but cannot accurately be split between these functions.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 13. Financial instruments

Recognised financial instruments

Bank, deposits at call, short term deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned.

Terms and Conditions:

Deposits are returning fixed interest rates between 4.10% and 4.30% (2022: 1.05% and 2.05%). Short term deposits have an average maturity of 30 days and an average interest rate of 4.30% (2022: 30 days and 1.92%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates and Associated Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms and Conditions:

Secured over the subject land, arrears attract interest of 2.0% (2022: 2.0%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees and Other Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms and Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting Policy:

Carried at nominal value.

Terms and Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

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City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 13. Financial instruments (continued)

Liabilities - creditors and accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms and Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - interest bearing borrowings

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms and Conditions:

Secured over future revenues, borrowings are repayable biannually; interest is charged at fixed rates between 4.00% and 6.80% (2022: 4.00% and 6.80%).

Carrying Amount:

Approximates fair value.

Liabilities - leases

Accounting Policy:

Accounted for in accordance with AASB 16 Leases as stated in Note 17.

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 13. Financial instruments (continued)

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2023					
Financial assets					
Cash and Cash Equivalents	10,970	–	–	10,970	10,970
Receivables	5,738	47	–	5,785	5,785
Other financial assets	–	–	615	615	615
Total financial assets	16,708	47	615	17,370	17,370
Financial liabilities					
Payables	19,070	–	–	19,070	19,070
Current borrowings	1,410	–	–	1,410	1,410
Non-current borrowings	–	2,254	105	2,359	2,359
Lease liabilities	430	1,126	–	1,556	1,556
Total financial liabilities	20,910	3,380	105	24,395	24,395
Total financial assets and liabilities	37,618	3,427	720	41,765	41,765
2022					
Financial assets					
Cash and Cash Equivalents	9,485	–	–	9,485	9,485
Receivables	5,237	393	–	5,630	5,630
Other financial assets	–	–	615	615	615
Total financial assets	14,722	393	615	15,730	15,730
Financial liabilities					
Payables	14,211	–	–	14,211	14,244
Current borrowings	1,321	–	–	1,321	1,321
Non-current borrowings	–	3,624	145	3,769	3,769
Lease liabilities	406	1,580	–	1,986	1,986
Total financial liabilities	15,938	5,204	145	21,287	21,320
Total financial assets and liabilities	30,660	5,597	760	37,017	37,050

The following interest rates were applicable to Council's borrowings at balance date:

\$ '000	2023		2022	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	10.47%	–	8.22%	–
Fixed interest rates	5.10%	3,715	6.08%	5,090
		<u>3,715</u>		<u>5,090</u>

Net fair value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 13. Financial instruments (continued)

Risk exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 and 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Set out below is the movement in the allowance for expected credit losses:

Note 14. Capital expenditure and investment property commitments

\$ '000	2023	2022
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	2,493	9,769
Infrastructure	24,374	18,728
Plant and Equipment	1,763	1,343
	<u>28,630</u>	<u>29,840</u>
These expenditures are payable:		
Not later than one year	<u>28,630</u>	<u>29,840</u>
	<u>28,630</u>	<u>29,840</u>

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 15. Financial indicators

\$ '000	Amounts 2023	Indicator 2023	Indicators 2022 2021	
Financial Indicators overview				
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>				
1. Operating Surplus Ratio				
Operating surplus	11,954	8.3%	9.8%	7.8%
Total operating income	144,272			
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>				
2. Net Financial Liabilities Ratio				
Net financial liabilities	23,947	16.6%	14.2%	11.3%
Total operating income	144,272			
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>				
Adjusted Operating Surplus Ratio				
Operating surplus	8,158	5.8%	8.4%	7.5%
Total operating income	140,476			
Adjustments to Ratios				
<i>In recent years the Federal Government has made advance payments prior to 30 June from future year allocations of financial assistance and supplementary local roads grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.</i>				
3. Asset Renewal Funding Ratio				
Asset renewals	20,609			
Infrastructure and Asset Management Plan required expenditure	20,012	103.0%	88.6%	76.0%
<i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i>				

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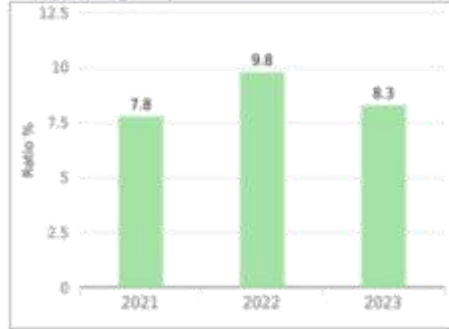
City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 15. Financial indicators (continued)

Financial indicators - graphs

1. Operating Surplus Ratio



Purpose of operating surplus ratio

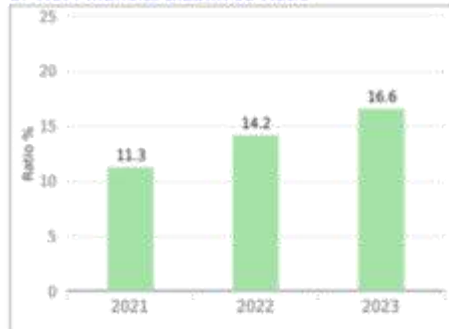
This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2022/23 result

2022/23 ratio 8.3%

The target for the operating surplus ratio as per the 2022/23 Long Term Financial Plan and Annual Business Plan (LTFP & ABP) was 0.5% to 5.0% with the actual results sitting above the upper limit. This is primarily the result of delays in the capital program resulting in lower interest costs with borrowing levels remaining lower than expected and the 100% advanced payment of the Financial Assistance and United Local Roads Grant.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

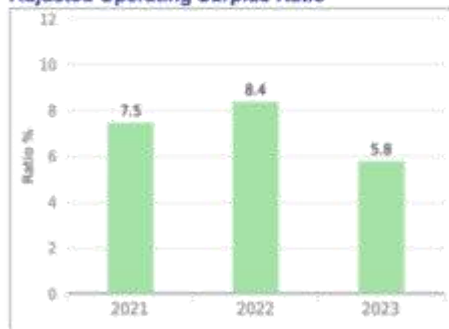
This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2022/23 result

2022/23 ratio 16.6%

The target for the net financial liabilities ratio as per the 2022/23 LTFP & ABP was <70%, with the actual result remaining lower than target. This is the result of low levels of debt and the impacts of the advanced payment of the Financial Assistance Grant and United Local Roads Grant being received in late June 2023. Further contributing is the timing of the delivery of the capital program with significant carry forward into the 2023/24 financial year.

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2022/23 result

2022/23 ratio 5.8%

The target for the operating surplus ratio as per the 2022/23 LTFP & ABP was 0.5% to 5.0% with the actual results adjusted for the timing differences of the Financial Assistance Grant) sitting above the upper limit. This is primarily the result of delays in the capital program resulting in lower interest costs with borrowing levels remaining lower than expected.

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 15. Financial indicators (continued)

3. Asset Renewal Funding Ratio



City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 16. Uniform presentation of finances

\$ '000	2023	2022
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income		
Rates	112,253	106,593
Statutory charges	3,933	3,656
User charges	5,385	5,193
Grants, subsidies and contributions - operating	20,258	18,650
Investment income	291	111
Reimbursements	536	421
Other income	1,276	1,034
Net gain - equity accounted council businesses	340	1,225
Total Income	144,272	136,883
Expenses		
Employee costs	40,404	38,303
Materials, contracts and other expenses	59,093	54,974
Depreciation, amortisation and impairment	32,106	29,746
Finance costs	394	491
Net loss - equity accounted council businesses	321	-
Total Expenses	132,318	123,514
Operating surplus / (deficit)	11,954	13,369
Adjusted Operating surplus / (deficit)	11,954	13,369
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(21,043)	(18,297)
Add back depreciation, amortisation and impairment	32,106	29,746
Add back proceeds from sale of replaced assets	434	547
	11,497	11,996
Net outlays on new and upgraded assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property and Real Estate Developments)	(39,921)	(31,372)
Add back amounts received specifically for new and upgraded assets	6,799	2,895
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	5,406	322
	(27,716)	(28,155)
Annual net impact to financing activities (surplus/(deficit))	(4,265)	(2,790)

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

Council leases information technology equipment and a parcel of land utilised as part of its recycled water operations. The repayments for the information technology assets are fixed and the land is subject to yearly increases in-line with contractual requirements. Information technology leases are either 3 or 5 year terms, and the land has a contractual agreement in place until 2048, with another right of renewal.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

(a) Right of use assets

\$ '000	Information Technology Assets	Land	Total
2023			
Opening balance	810	1,078	1,888
Additions to right-of-use assets	-	-	-
Adjustments to right-of-use assets due to re-measurement of lease liability	-	-	-
Depreciation charge	(378)	(42)	(420)
Balance at 30 June	432	1,036	1,468
2022			
Opening balance	1,136	1,119	2,255
Additions to right-of-use assets	53	-	53
Adjustments to right-of-use assets due to re-measurement of lease liability	-	-	-
Depreciation charge	(379)	(41)	(420)
Balance at 30 June	810	1,078	1,888

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 17. Leases (continued)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2023	2022
Balance at 1 July	1,985	2,338
Additions	–	53
Accretion of interest	56	78
Payments	(485)	(484)
Other	–	–
Balance at 30 June	1,558	1,985
Classified as:		
Current	429	405
Non-current	1,127	1,580

The maturity analysis of lease liabilities is included in Note 13.

The Group had total cash outflows for leases of \$543k.
The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	420	420
Interest expense on lease liabilities	55	78
Expense relating to short term leases	134	123
Total amount recognised in profit or loss	609	621

(ii) Council as a lessor

Leases Providing Revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

Investment property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

\$ '000	2023	2022
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	1,011	1,011
Later than one year and not later than 5 years	2,063	2,219
Later than 5 years	1,611	2,133
	4,685	5,363

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City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 18. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.50% in 2022/23; 10.00% in 2021/22). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to other superannuation schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 19. Interests in other entities

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2023	2022	2023	2022
Joint Ventures - in profit	340	1,225	6,290	6,049
Joint Ventures - in loss	(321)	-	-	-
Council's share of net income				
Joint ventures	19	1,225	6,290	6,049
Total Council's share of net income	19	1,225	6,290	6,049

((a)i) Joint ventures, associates and joint operations

(a) Carrying amounts

\$ '000	Principal Activity	2023	2022
Northern Adelaide Waste Management Authority	Waste Management	6,290	6,049
Total Carrying Amounts - Joint Ventures and Associates		6,290	6,049

Northern Adelaide Waste Management Authority

Manages the waste collection, recycling and waste disposal for the Cities of Salisbury and Playford and the Town of Gawler.

Whilst the City of Salisbury has a 57.11% share of equity in NAWMA for the 2023 financial year, Council is of the opinion that it does not have control over NAWMA's operations. The rationale being that all three Constituent Councils hold equal voting power at 33.33% and NAWMA's Chairperson and CEO are independent from the constituent Councils. Therefore the ability for Council to control NAWMA's operations is limited to Council's voting power at 33.33%, not its share of equity at 57.11%. Accordingly Council has utilised the equity accounting method to recognise its share of equity in NAWMA for the 2023 financial year.

(b) Relevant interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2023	2022	2023	2022	2023	2022
Northern Adelaide Waste Management Authority	57.11%	54.07%	57.11%	54.07%	33.33%	33.33%

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 19. Interests in other entities (continued)

(c) Movement in investment in joint venture or associate

\$ '000	Northern Adelaide Waste Management Authority	
	2023	2022
Opening Balance	6,049	4,824
Share in Operating Result	(321)	1,225
Share in Other Comprehensive Income	222	-
Adjustments to Equity	340	-
Council's equity share in the joint venture or associate	6,290	6,049

(d) Summarised financial information of the equity accounted business

Statement of Financial Position

Cash and Cash Equivalents	9,842	9,802
Other Current Assets	4,593	5,193
Non-Current Assets	19,337	20,679
Total assets	33,772	35,674
Current Trade and Other Payables	5,876	7,117
Current Financial Liabilities	2,503	2,243
Current Provisions	516	327
Non-Current Financial Liabilities	6,479	8,310
Non-Current Provisions	7,383	6,489
Total liabilities	22,757	24,486
Net Assets	11,015	11,188

Statement of Comprehensive Income

Other Income	45,277	48,155
Management Fees	-	-
Interest Income	556	262
Total income	45,833	48,417
Employee Costs	4,767	4,147
Materials, Contracts and Other Expenses	37,482	38,174
Depreciation, Amortisation and Impairment	3,566	3,315
Finance Costs	576	467
Total expenses	46,391	46,103
Operating Result	(558)	2,314

continued on next page

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City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 19. Interests in other entities (continued)

(e) Share of joint operations expenditure commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

\$ '000	2023	2022
(i) Capital expenditures payable		
Not later than one year	16,730	17,128
Later than one year and not later than 5 years	6,522	19,032
	<u>23,252</u>	<u>36,160</u>

The Northern Adelaide Waste Management Authority manages multiple external contracts with external suppliers for the collection, processing and disposal of waste on behalf of its Constituent Councils and customers. The commitments disclosed above reflect a consolidation of multiple contracts entered into with external suppliers. In future years, all contracts will be required to be renewed with external suppliers in accordance with adopted procurement policies and procedures of the Authority.

(ii) Lease Payments Commitments Payable

Not later than one year	1,313	1,100
Later than one year and not later than 5 years	2,384	3,005
	<u>3,677</u>	<u>4,105</u>

Council did not have any individually immaterial businesses

((a)iii) Unconsolidated structured entities

Council has no unconsolidated structured entities

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 20. Contingencies and Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. Legal matters

Council is the planning consent authority for its area under the *Development Act 1993* (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of nil appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

4. Cemetery

Council operates a Cemetery Facility - Salisbury Memorial Park. A Contingent Liability exists for the ongoing maintenance of this Cemetery. This liability remains for a period of 100 years after the expiry of the lease on the last burial of the site. In addition, Council is party to a leasing arrangement for the management and operations of the Mausoleum situated at Salisbury Memorial Park. As part of this lease the lessee is required to contribute to the Perpetual Care Fund which was established to fund the long term maintenance of the Mausoleum upon expiry of the lease.

Note 21. Events after the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2023, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is unaware of any material or significant 'non adjusting events' that should be disclosed.

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 22. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel (KMP) of the Council include the Mayor, Councillors, CEO, General Managers and certain prescribed officers under section 112 of the *Local Government Act 1999*, as well as other personnel that satisfy the criteria of KMP as contained within *AASB 124 Related Party Transactions*. In some circumstances members of the KMP have left Council during the financial year, however their compensation has still been included. In all, 53 persons were paid the following total compensation:

\$ '000	2023	2022
The compensation paid to key management personnel comprises:		
Short-term employee benefits	5,567	5,537
Post-employment benefits	485	485
Long-term benefits	953	750
Total	7,005	6,772

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from key management personnel comprise:

There have been no other material amounts received from KMP during the financial year, other than amounts paid in their capacity as ratepayers or residents (e.g. rates, swimming pool entry fees, etc).

Transactions with Regional Subsidiaries:

In regards to Council's Regional Subsidiary being NAWMA, further information relating to their specific activities and carrying amounts are disclosed in Note 19. Council is an equity owner, along with other member Councils, of NAWMA. Member Councils have equal representation on the Board of NAWMA and accordingly have influence over both the financial and operational decisions of the Subsidiary. However, no one Member Council individually has control over these decisions. The following material transactions occurred with Council's Regional Subsidiary, during the financial year:

	Payments	Outstanding
Northern Adelaide Waste Management Authority (NAWMA)	16,333	1,293
Total	16,333	1,293

Budgeted future year expenditure at the reporting date but not recognised in the financial statements as liabilities:

Northern Adelaide Waste Management Authority	14,694
Total	14,694

The budgeted expenditures are payable no later than one year from the reporting date



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

Report on the Audit of the Financial Report

Opinion

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

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

Basis for opinion

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

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

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

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

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

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

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

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

Council's Responsibility for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 12 October 2023



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

Opinion

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

In our opinion, in all material respects:

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

Basis for opinion

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

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

The Council's responsibilities for the internal controls

The Council is responsible for:

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

Our independence and quality control

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

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Assurance practitioner's responsibilities

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

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

Limitations of controls

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

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

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', written over a faint BDO logo.

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', written over a faint BDO logo.

Andrew Tickle
Director

Adelaide, 12 October 2023



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CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Salisbury for the year ended 30 June 2023, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 12 October 2023

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GB2 **Proposed Operating Hours - Christmas and New Years Period 2023-2024**

AUTHOR Amy Pokoney Cramey, General Manager Community Development, Community Development

CITY PLAN LINKS 4.1 Members of our community receive an exceptional experience when interacting with Council
4.2 We deliver quality outcomes that meet the needs of our community
4.4 We plan effectively to address community needs and identify new opportunities

SUMMARY This report outlines the proposed operating hours for Council library and customer services during the Christmas and New Year period for 2023-2024.

RECOMMENDATION

That Council:

1. Receives the information as outlined in the report and in Attachment 1 (Item GB2, Proposed Operating Hours – Christmas and New Year Period 2023-2024, Council Meeting, 23 October 2023).

ATTACHMENTS

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

1. Proposed Operating Hours for Christmas New Years Period 2023-2024

1. BACKGROUND

- 1.1 During the period between Christmas and New Year, Council experiences a steep decrease of demand for services, particularly in relation to the community centres and libraries.
- 1.2 There are multiple public holidays which occur during the Christmas and New Year period.
- 1.3 In previous years, a similar reduction in operation hours was implemented and Council did not receive any negative feedback regarding this.

2. DISCUSSION

- 2.1 For the Salisbury Community Hub and Salisbury Library Service the following hours are recommended for the 2023-2024 Christmas and New Year period is outlined in Attachment 1.
- 2.2 Customer Service delivered at Salisbury Community Hub and other centres would also adopt the proposed operating hours for the Christmas and New Year period for 2023-2024.
- 2.3 Community Centres are closed over the Christmas and New Year period; decisions regarding dates varies according to the conclusion of programs for the

year and volunteer availability. These dates will be communicated widely closer to the date.

- 2.4 Operations Centre and other Council services operating hours during this period are determined by demand, and local area agreements. On call services are provided as required.
- 2.5 In 2022-2023, a similar reduction in operation hours was implemented and Council did not receive any negative feedback regarding this.
- 2.6 In order to put Christmas and New Year operating hours in place, it is recommended that this information is published by Friday, 24 November 2023, being a period of four weeks to inform the community of service level changes.

3. CONCLUSION

- 3.1 The proposed operating hours outlined in Attachment 1 are to be implemented, noting that a similar reduction in hours in previous years has been implemented with no negative feedback from the community.
- 3.2 That the community are notified of the altered opening hours as soon as practicable through social media and information at the various centres, hubs and libraries.

DAY	OPERATING HOURS	OPERATING HOURS
	Friday, 22 December 2023	<ul style="list-style-type: none"> Salisbury Community Hub open until 3pm All Council managed Community Centres, Hubs, Senior Centres and Libraries (excluding Salisbury Community Hub) are closed unless otherwise stated.
	Saturday, 23 December 2023	Salisbury Community Hub open 9:30am – 3:30pm
Christmas Eve	Sunday, 24 December 2023	Salisbury Community Hub open 11am – 2pm
Christmas Day Public Holiday Observed	Monday, 25 December 2023	All Council managed Community Centres, Hubs, Senior Centres and Libraries are Closed
Boxing Day / Proclamation Day Public Holiday Observed	Tuesday, 26 December 2023	All Council managed Community Centres, Hubs, Senior Centres and Libraries are Closed
	Wednesday, 27 December 2023	Salisbury Community Hub open 8.30am to 5.30pm
	Thursday, 28 December 2023	Salisbury Community Hub open 8.30am to 5.30pm
	Friday, 29 December 2023	Salisbury Community Hub open 8.30am to 5.30pm
	Saturday, 30 December 2023	All Council managed Community Centres, Hubs, Senior Centres and Libraries are Closed
New Year's Eve	Sunday, 31 December 2023	All Council managed Community Centres, Hubs, Senior Centres and Libraries are Closed
New Year's Day Public Holiday Observed	Monday, 1 January 2024	All Council managed Community Centres, Hubs, Senior Centres and Libraries are Closed
	Tuesday, 2 January 2024	Business as Usual

RECOMMENDATION

That Council:

- Notes this information.

Date	Time	Function
21/09/2023	10:30 AM	Ingle Farm Women's Group 47th Birthday Anniversary celebration
21/09/2023	01:00 PM	LGA Board of Directors Meeting
22/09/2023	04:00 PM	Retirement for Parafield Airport Manager Sue Trussell
22/09/2023	05:30 PM	Official Opening of our 2023/2024 Little Athletics Summer Season.
23/09/2023	11:00 AM	Salisbury Community Funday @ Fairbanks
24/09/2023	12:30 PM	Mawson Lakes Dogs Day Out
25/09/2023	01:30 PM	Office Time - Schedule upcoming week/ Signing/Speeches and Resident Enquiries
25/09/2023	02:00 PM	Media Issues - Regular Catch-up
25/09/2023	02:30 PM	Council Meeting Filming
25/09/2023	04:00 PM	Talk to General Manager regarding development on port Wakefield Road
25/09/2023	04:30 PM	Pre Council Meeting Briefing
25/09/2023	06:30 PM	Council Meeting
25/09/2023	12 Noon	Mayor/CEO/EA - Regular Meeting
27/09/2023	11:00 AM	Formal Opening Ceremony - Warehouse & Maintenance Facility for CHEP
27/09/2023	12:30 PM	Meet with Hon Mark Butler @ The Australian Refugee Association
27/09/2023	02:00 PM	Document / Letter Signing
30/09/2023	06:00 PM	Chief Guest to Ganesh Festival
2/10/2023	03:30 PM	Regular catch-up re: Community Safety
2/10/2023	04:00 PM	Office Time - Schedule upcoming week/ Signing/Speeches and Resident Enquiries
3/10/2023	06:30 PM	CEO Briefing/Workshop Session
3/10/2023	12 Noon	Media Issues - Regular Catch-up
4/10/2023	05:00 PM	Podcast Interview
5/10/2023	10:00 AM	Sign Certificates
5/10/2023	10:30 AM	Introduce Keith Conlon - Be Active Find Your Why Wellness Expo
6/10/2023	09:30 AM	3rd Birthday - Northern Adelaide Mental Health Alliance
6/10/2023	11:00 AM	Hon Zoe Bettison - Welcome to Babies Expo
6/10/2023	11:45 AM	Phone chat with Mayor Robert Bria re Aquatic Centre

7/10/2023	08:45 AM	Community Bus Consultation (Bus Leaves Parabanks at 9am)
7/10/2023	06:00 PM	Talking about the Referendum with Community Group
9/10/2023	01:00 PM	Office Time - Schedule upcoming week/ Signing/Speeches and Resident Enquiries
9/10/2023	01:30 PM	Meeting with Member for Playford - Mr John Fulbrook
9/10/2023	02:30 PM	Regular Catchup to Discuss Current/Upcoming Planning/Building Issues
9/10/2023	03:00 PM	Meet with Member of Public regarding volunteer opportunity with CoS
9/10/2023	03:30 PM	Briefing on All Staff Session - Homelessness
9/10/2023	04:00 PM	Adelaide Tamil Association
9/10/2023	06:30 PM	Sub Committee Meetings: Salisbury Living, Environmental Sustainability and Trees and Intercultural Strategy and Partnerships
9/10/2023	12 Noon	Mayor/CEO/EA - Regular Meeting
10/10/2023	10:00 AM	Radio Show
10/10/2023	01:00 PM	Briefing - Women in Business Conference 24 November 23
10/10/2023	12 Noon	Media Issues - Regular Catch-up
11/10/2023	02:00 PM	Author Event - Tricia Stringer
11/10/2023	04:00 PM	Sign Off of Certification of Financial Statements
12/10/2023	01:00 PM	Office Time - Invitations, Media etc
12/10/2023	01:30 PM	Meeting to Discuss Lease Agreement - Cockburn Green, Brahma Lodge
13/10/2023	10:00 AM	Briefing Prior to Zoe Bettison Meeting
13/10/2023	10:30 AM	Office Time - Invitations etc
13/10/2023	11:00 AM	Meeting with Zoe Bettison re: Events, Tourism & Partnership Opportunities
13/10/2023	06:30 PM	Salisbury CFS - Celebrate 80 Years of Salisbury
13/10/2023	07:00 PM	Pontian Eagles presentation night celebrations
14/10/2023	10:30 AM	Khmer (Bon Pchum Ben) celebration
15/10/2023	07:00 PM	Salisbury United Football Club - 60th Year
16/10/2023	11:30 AM	Mayor & GM Catch Up - Urban Services Committee Discussion
16/10/2023	01:00 PM	Discussion re: Reconciliation Report
16/10/2023	03:00 PM	Briefing - Fashion for EveryBODY event 2023 and Intercultural Employment and Business Expo
16/10/2023	03:30 PM	Catch up Pre-Council meeting
16/10/2023	04:00 PM	Office Time - Schedule upcoming week/ Signing/Speeches and Resident Enquiries
16/10/2023	05:30 PM	CEO Briefing/Workshop: CRM Demonstration + Training
16/10/2023	06:30 PM	Monday Committees: Policy & Planning, Finance & Corporate Services, Urban Services and Governance & Compliance
17/10/2023	03:00 PM	Mayor/CEO/EA - Regular Meeting
17/10/2023	04:00 PM	Media Issues - Regular Catch-up
17/10/2023	06:30 PM	Tuesday Committees: Innovation & Business Development and Community Wellbeing & Sport
18/10/2023	06:30 PM	Pooraka Farm Annual General Meeting and Birthday Celebrations

Events attended by Elected Members on behalf of the Mayor

Date	Member	Function
21/09/2023	Cr S McKell	Rotary Peace Pole Dedication- UN International Day of Peace
23/09/2023	Cr Peter Jensen	Winter Award Presentation Day
01/10/2023	Deputy Mayor Chad Buchanan	Nigerian Association in South Australia - Cultural Day Celebration.
06/10/2023	Cr Beau Brug	Mawson Lakes Photography Club - 11th Annual Photography Exhibition Opening Night and awards presentation
14/10/2023	Deputy Mayor Chad Buchanan	GUEST SPEAKER - Zomi New Year Festival

REPORTS FROM COUNCIL REPRESENTATIVES

QUESTIONS ON NOTICE

QON1 Question on Notice: Cr B Brug: CRM Requests

A Question on Notice was received from Cr B Brug: CRM Requests:

Please list the outstanding requests for service (CRM) raised by Cr Beau Brug on behalf of his constituents.

Administration Response:

The following outstanding CRM's have been raised by Cr Beau Brug:

Request Type	Status	Date Raised
Reserve Maintenance - Hard Waste	Work Issued	17/10/2023
Road Maintenance - Verge Mowing	Inspection Required	13/10/2023
Community Development - Anti Social Behaviour	Assigned	11/10/2023
Security - Security Assistance	Work Issued	11/10/2023
Road Maintenance - Footpaths	Inspection Required	25/09/2023
Reserve Maintenance - Bins	Assigned	25/09/2023
Road Maintenance - Sweeper	Work Issued	25/09/2023
Tree Maintenance - Tree Inspection	Inspection Completed	21/09/2023
Tree Maintenance - Tree Inspection	Inspection Completed	21/09/2023
Reserve Maintenance – Lighting	Work Issued	09/08/2023
Reserve Maintenance – Lighting	Work Issued	03/08/2023
Tree Maintenance – Tree Removal	Defer works	11/07/2023

QON2 Question on Notice: Cr B Brug: Salisbury City Centre Boundary

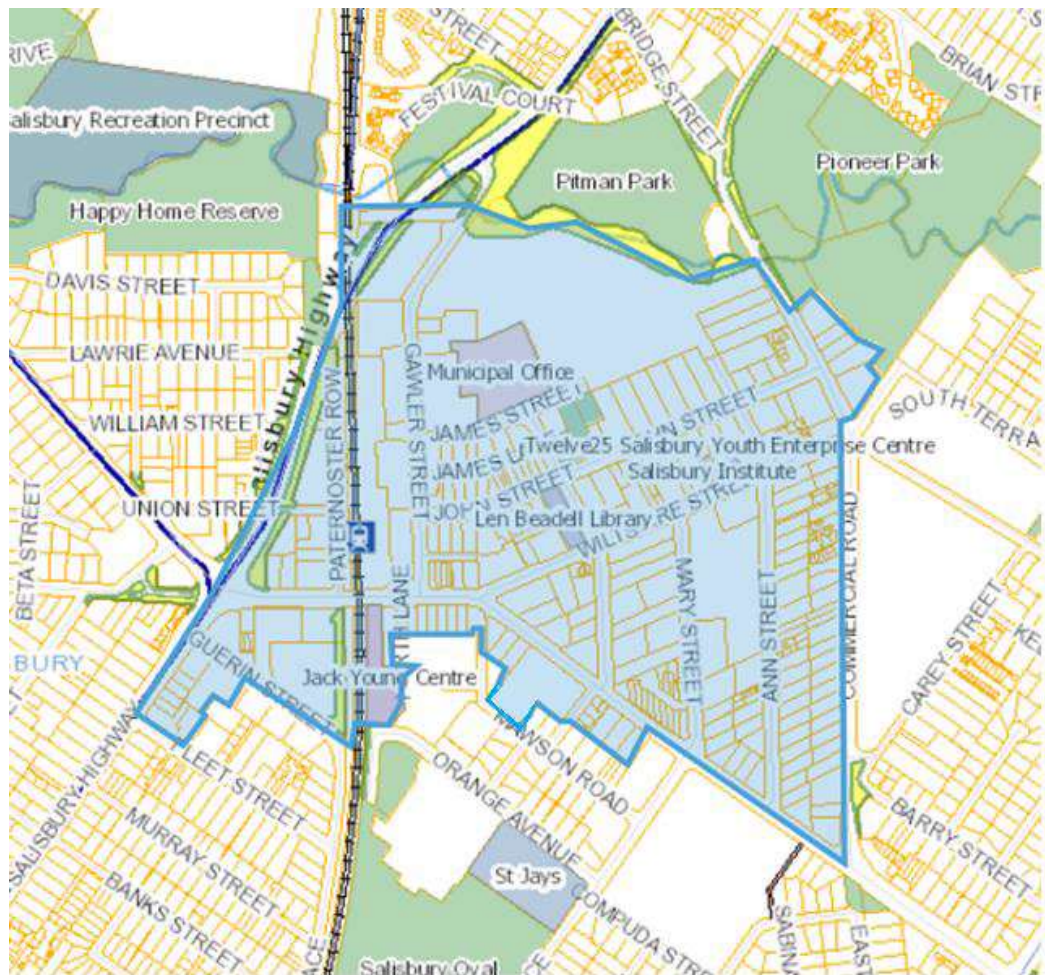
A Question on Notice was received from Cr Beau Brug:

Could the Administration advise:

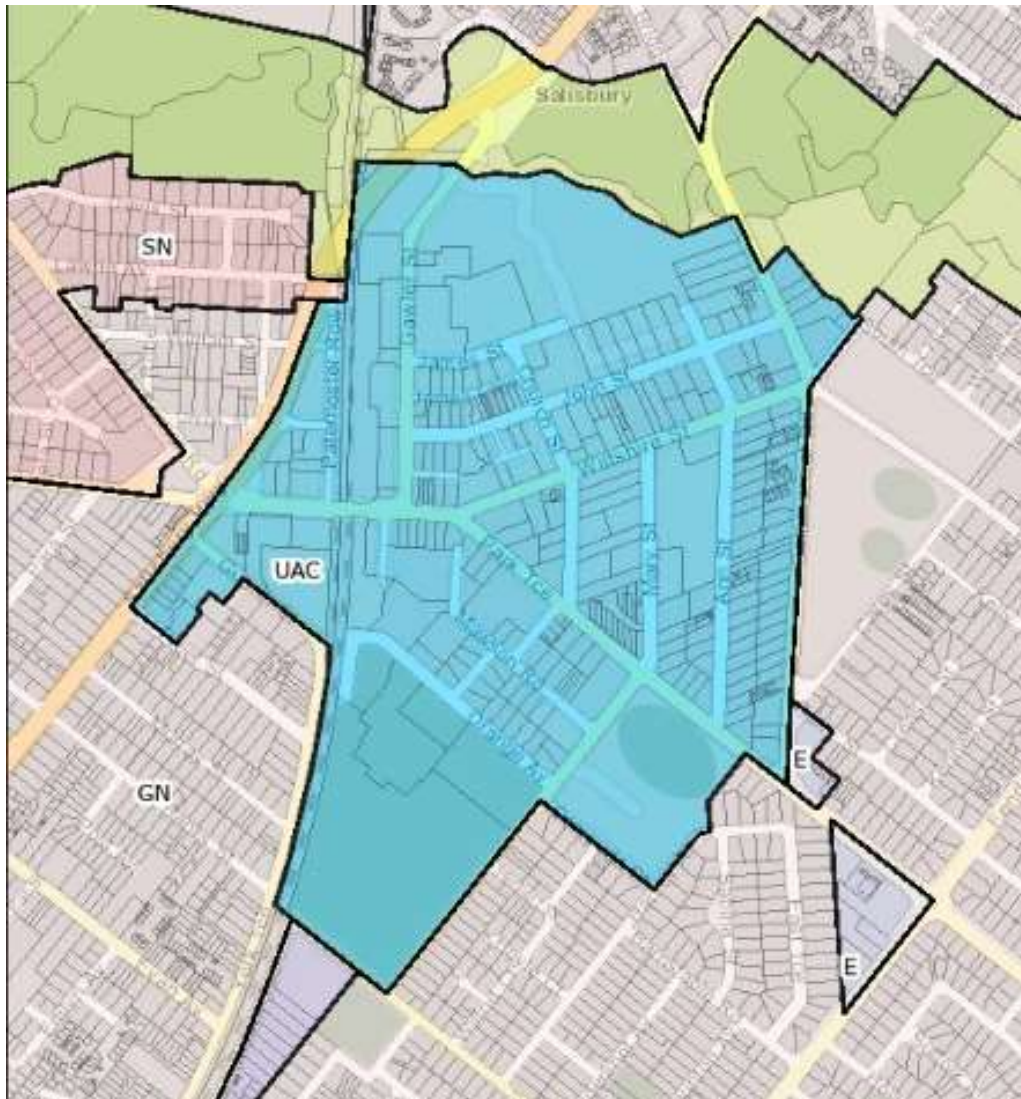
- 1) what the defined geographical boundaries are of the Salisbury City Centre planning zone; and
- 2) the boundary application of the Salisbury Business Association separate rate levy

Administration response:

The boundary used in the calculation of the Salisbury Business Association separate rate is defined below:



The boundary defined by the geographical boundaries of the city centre planning zone is:



QUESTIONS WITHOUT NOTICE

MOTIONS ON NOTICE

MON1 Motion on Notice Cr C Buchanan: Traffic Issues Settlers Farm Primary

Deputy Mayor Cr C Buchanan has submitted the following Motion on Notice:

That Council:

1. Notes resolution number 0443/2023 from the Council meeting held on 28 August 2023 approving the Local Roads and Community Infrastructure, Phase 4 Grant Funding project submission relating to the School Transport Framework to the value of \$683,846.
2. Notes that the Funding Application has been submitted and is currently being reviewed by the funding body.
3. Approves for an Application Variation to be submitted to the funding body requesting that \$106,282, previously allocated to Gulfview Heights Primary School refuge crossing, be redirected to Settlers Farm Primary School traffic management upgrades.
4. Requests that staff provide a report to the November 2023 Asset Management Sub Committee meeting with options and associated costings for a kiss and drop zone or additional carparking at Settlers Farm Primary School.

MON2 Motion on Notice Cr B Brug: Salisbury Business Centre

Cr Beau Brug has submitted the following Motion on Notice:

That Council:

Requests the Administration to present a report, including consultation with the Salisbury Business Association:

1. On the current geographical boundaries of the Salisbury City Centre planning zone and the boundary application of the Salisbury Business Association separate rate levy; and
2. On the merits and process of modifying the boundaries of the Salisbury Business Association separate rate levy to align with the Salisbury City Centre planning zone, noting at least the north eastern side of Commercial Road businesses are not currently considered to be within the Salisbury City Centre separate rate levy zone.

MON3 Motion on Notice: Cr B Brug: Business Awards

Cr B Brug has submitted the following Motion on Notice:

That Council:

1. Notes the success of the Salisbury Business Awards run by the Salisbury Business Association in recognising businesses within the Salisbury City Centre.
2. Notes that the Salisbury Business Awards event does not recognise businesses outside the Salisbury City Centre.
3. Requests the Administration to present a report to the relevant Committee to investigate the feasibility of running a proposed Citywide business awards event in late 2024 / 2025, similar to the City of Onkaparinga and some other Councils.
4. That the report includes consideration of:
 - a) various models & formats of nominations, voting and running the awards, including models which permit external sponsorship to reduce costs to Council.
 - b) budget breakdown (including staff resources) and funding opportunities.
 - c) input from relevant stakeholders including the Salisbury business Association and information from any councils that run business awards regarding their processes and possible models.
 - d) a proposed timeline for the implementation.
 - e) a proposed timeline for the awards event.
 - f) whether it can be run within existing budget lines.

MOTIONS WITHOUT NOTICE

OTHER BUSINESS

ORDERS TO EXCLUDE THE PUBLIC

1.4.1 Code Amendment Update

Recommendation

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

1. Pursuant to Section 90(2) and (3)(d)(i) and (j)(i) and (m) 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 commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- information the disclosure of which would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the Council, or a person engaged by the Council); and
- information relating to a proposed amendment to a Development Plan under the *Development Act 1993* before a Plan Amendment Report relating to the amendment is released for public consultation under that Act.

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
- The attachment contains rezoning proposals that have yet to be endorsed and therefore should not be made public.

On that basis the public's interest is best served by not disclosing the **Code Amendment Update** 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.

4.4.1 Recommendations of the Confidential Environmental Sustainability and Trees Sub Committee meeting held on Monday 9 October 2023

Recommendation

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

1. *Pursuant to Section 90(2) and (3)(k) 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 tenders for the supply of goods, the provision of services or the carrying out of works.*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *non-disclosure of the matter and discussion of this item in confidence would allow open debate without implicating those businesses who have submitted tenders.*

*On that basis the public's interest is best served by not disclosing the **Recommendations of the Confidential Environmental Sustainability and Trees Sub Committee meeting held on Monday 9 October 2023 – item ESATSC – Selection of an Independent Arborist Panel** - items 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.*

4.4.2 NAWMA Fibre Polishing Plant Project and Report

Recommendation

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

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (d)(i) and (d)(ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *information the disclosure of which would, on balance, be contrary to the public interest; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which would, on balance, be contrary to the public interest.*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *non-disclosure of the matter and discussion of this item in confidence would protect confidential information relating to proposed commercial negotiations and Council's commercial position*

*On that basis the public's interest is best served by not disclosing the **NAWMA Fibre Polishing Plant Project and Report** 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.*

5.4.1 Chapel of the Holy Family - End of Lease Arrangements

Recommendation

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

1. *Pursuant to Section 90(2) and (3)(f) and (i) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial; and*
 - *information relating to actual litigation, or litigation that the Council or Council committee believes on reasonable grounds will take place, involving the council or an employee of the Council.*
2. *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 **Chapel of the Holy Family - End of Lease Arrangements** 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.*

6.4.1 Recommendations of the Confidential Salisbury Living Sub Committee meeting held on Monday 9 October 2023

Recommendation

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

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *information the disclosure of which would, on balance, be contrary to the public interest.*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *Non-disclosure of this report at this time will protect Council's commercial position as public disclosure may provide third parties with a commercial advantage.*

*On that basis the public's interest is best served by not disclosing the **Recommendations of the Confidential Salisbury Living Sub Committee meeting held on Monday 9 October 2023 – items SLSCC2 Strategic Development Projects – Status Report, and SLSCC3 Salisbury City Centre Request for Detailed Proposal and Direct Negotiation Outcome and SLSCC3 Further Information Report** - items 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.*

6.4.2 Landfill Alternate Project

Recommendation

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

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (d)(i) and (d)(ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *information the disclosure of which would, on balance, be contrary to the public interest; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which would, on balance, be contrary to the public interest.*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *Non-disclosure of the matter and discussion of this item in confidence would protect confidential information relating to proposed commercial negotiations and Council's commercial position.*

*On that basis the public's interest is best served by not disclosing the **Landfill Alternate Project** 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.*

C1 Contract Extension for Independent Member of the Audit and Risk Committee

Recommendation

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

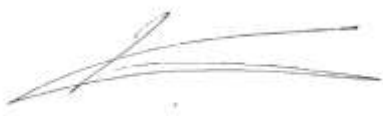
- disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations

- Personal details

*On that basis the public's interest is best served by not disclosing the **Contract Extension for Independent Member of the Audit and Risk Committee** item and discussion at this point in time.*

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

CLOSE



John Harry
CHIEF EXECUTIVE OFFICER