



## **AGENDA**

**FOR AUDIT AND RISK COMMITTEE MEETING TO BE HELD ON**

**9 APRIL 2024 AT 6.30 PM**

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

### **MEMBERS**

Cr K Grenfell (Chair)  
Cr B Brug (Deputy Chair)  
Ms P Davies  
Mr N Ediriweera  
Mr D Powell

### **REQUIRED STAFF**

Chief Executive Officer, Mr J Harry  
Deputy Chief Executive Officer, Mr C Mansueto  
Manager Governance, Mr R Deco

### **APOLOGIES**

### **LEAVE OF ABSENCE**

### **PRESENTATION OF MINUTES**

Presentation of the Minutes of the Audit and Risk Committee Meeting held on 13 February 2024.

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## REPORTS

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## QUESTIONS ON NOTICE

There are no Questions on Notice.

## MOTIONS ON NOTICE

There are no Motions on Notice.

## OTHER BUSINESS

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

## CLOSE





**MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD IN WITTBER &  
DR RUBY DAVY ROOMS, SALISBURY COMMUNITY HUB, 34 CHURCH STREET,  
SALISBURY ON**

**13 FEBRUARY 2024**

**MEMBERS PRESENT**

Cr K Grenfell (Chair)  
Ms P Davies  
Mr N Ediriweera  
Mr D Powell

**OBSERVERS**

Ms J Burnham, Partner, Galpins, joined at 7.00pm.

**STAFF**

Chief Executive Officer, Mr J Harry  
Deputy Chief Executive Officer, Mr C Mansueto  
Manager Governance, Mr R Deco  
Internal Auditor and Risk Coordinator, Mr H Rafeeu  
Manager Technology and Digital Solutions, Ms M Collins

The meeting commenced at 6.35pm.

The Chairman welcomed the Committee Members, members of the public and staff.

A special welcome to Mr D Powell who just started his term as an independent Audit and Risk Committee Member.

**APOLOGIES**

An apology was received from Cr B Brug.

**LEAVE OF ABSENCE**

Nil.

*The Chairman sought and obtained leave of the meeting to bring forward on the agenda confidential Items 7.4.1 and 7.4.2.*

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## ORDERS TO EXCLUDE THE PUBLIC

### 7.4.1 Quarterly Cybersecurity Report - 31 December 2023

Moved Ms P Davies

Seconded Mr D Powell

1. The Audit and Risk Committee orders, in consideration of Section 90(2) and 90(3)(e) of the *Local Government Act 1999*, that it is necessary and appropriate to exclude the public for the consideration of Agenda Item 7.4.1 - *Quarterly Cybersecurity Report - 31 December 2023* with the exception of the following persons:

- Chief Executive Officer, Mr J Harry
- Deputy Chief Executive Officer, Mr C Mansueto
- Manager Governance, Mr R Deco
- Internal Auditor & Risk Coordinator, Mr H Rafeeu
- Manager Technology and Digital Solutions, Ms M Collins

on the basis that public discussion and disclosure of the Agenda Item could reasonably be expected to affect the security of the Council.

**CARRIED**

#### 7.4.2 Report on Lessons Learnt on Cyber Security

Moved Ms P Davies

Seconded Mr D Powell

1. The Audit and Risk Committee orders, in consideration of Section 90(2) and 90(3)(e) of the *Local Government Act 1999*, that it is necessary and appropriate to exclude the public for the consideration of Agenda Item 7.4.2 – *Report on Lessons Learnt on Cyber Security* with the exception of the following persons:

- Chief Executive Officer, Mr J Harry
- Deputy Chief Executive Officer, Mr C Mansueto
- Manager Governance, Mr R Deco
- Internal Auditor & Risk Coordinator, Mr H Rafeeu
- Manager Technology and Digital Solutions, Ms M Collins

on the basis that public discussion and disclosure of the Agenda Item could reasonably be expected to affect the security of the Council.

**CARRIED**

*The meeting moved into confidence at 6.36pm.*

*The meeting moved out of confidence at 6:52pm.*

*The Manager Technology and Digital Solutions left the meeting at 6:52pm.*

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## PRESENTATION OF MINUTES

Moved Mr N Ediriweera  
Seconded Ms P Davies

The Minutes of the Audit and Risk Committee Meeting held on  
14 November 2023, be taken as read and confirmed.

**CARRIED**

## REPORTS

### *Administration*

#### **7.0.1 Actions List**

Moved Mr D Powell  
Seconded Mr N Ediriweera

That Council:

1. Notes the report.

**CARRIED**

### *For Decision*

#### **7.1.1 Audit & Risk Committee Annual Work Plan - 2023/2024 and 2024/2025**

*Ms J Burnham, Partner, Galpins, entered the meeting.*

Moved Mr D Powell  
Seconded Mr N Ediriweera

That Council:

1. Approves the updated Audit & Risk Committee Annual Work Plan for the two years 2023/2024 and 2024/2025 as set out in Attachment 1 to this report (Item No. 7.1.1, Audit and Risk Committee, 13 February 2024), with the amendment to bring forward the commencement of Fraud and Corruption Prevention Control Audit to next Financial Year.

**CARRIED**

**7.1.2 3-Year Internal Audit Plan 2023/24-2025/26**

Moved Mr N Ediriweera  
Seconded Mr D Powell

That Council:

1. Notes the updates made to the 3-year Internal Audit Plan 2023/2024 to 2025/2026 as set out in Attachment 1 to this report (Item No. 7.1.2, Audit and Risk Committee, 13 February 2024), with the amendment to bring forward the commencement of Fraud and Corruption Prevention Control Audit to next Financial Year.

**CARRIED****7.1.3 Internal Audit Report on Strategic Reporting Process**

Moved Ms P Davies  
Seconded Mr D Powell

That Council:

1. Notes the final audit report with management comments for the strategic reporting process audit as set out in attachment 1 to this report (Item No. 7.1.3, Audit and Risk Committee, 13 February 2024).

**CARRIED**  
UNANIMOUSLY

*Ms J Burnham, Partner, Galpins, left the meeting at 7.35pm.*

**7.1.4 Risk Management and Internal Control Activities**

Moved Ms P Davies  
Seconded Mr D Powell

That Council:

1. Notes the update on Risk Management and Internal Control Activities Annual Plan for 2023/2024, as set out in Attachment 1 to this report (Item No. 7.1.4, Audit and Risk Committee, 13 February 2024).
2. Notes the new Strategic Risk Register as included in Attachment 2 to this report (Item No. 7.1.4, Audit and Risk Committee, 13 February 2024), taking into consideration that, given the ongoing nature of the review of the risk register, a further updated register will be presented to the next Audit and Risk Committee.

**CARRIED**  
UNANIMOUSLY

**7.1.5 Audit & Risk Committee Performance Self-Assessment**

Moved Chair K Grenfell  
Seconded Ms P Davies

That Council:

1. Approves the self-assessment survey questions, as set out in Attachment 1 to this report (Item No. 7.1.5, Audit and Risk Committee, 13 February 2024) for issuance to members of the Audit and Risk Committee in the position as at 31 December 2023, for completion following the February 2024 Council meeting, with results to be collated and presented at the next Audit and Risk Committee meeting.

**CARRIED***For Information***7.2.1 Outstanding Actions Arising from Internal Audits**

Moved Mr N Ediriweera  
Seconded Ms P Davies

That Council:

1. Notes the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Item No. 7.2.1, Audit and Risk Committee, 13 February 2024).
2. Notes the update on the Detailed Action List for Audit Log Action # 35 in Attachment 2 to this report (Item No. 7.2.1, Audit and Risk Committee, 13 February 2024).
3. Notes the update on the Capital Works Project Audit Pressure Points Action List in Attachment 3 to this report (Item No. 7.2.1, Audit and Risk Committee, 13 February 2024).

**CARRIED**  
UNANIMOUSLY**QUESTIONS ON NOTICE**

*There were no Questions on Notice.*

**MOTIONS ON NOTICE**

*There were no Motions on Notice.*

## OTHER BUSINESS

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

### A&R-MWN1- Acknowledgement of Service

Moved Chair K Grenfell  
Seconded Ms P Davies

That Council:

1. Congratulates Hussain (Rafy) Rafeeu on securing a promotion as head of internal audit in the health sector; and
2. Thanks him for his contribution to the City of Salisbury and wishes him the very best for his future career.

**CARRIED**  
UNANIMOUSLY

## ORDERS TO EXCLUDE THE PUBLIC

### 7.4.3 Litigation Update – TTEG Claim

Moved Mr D Powell  
Seconded Mr N Ediriweera

1. The Audit and Risk Committee orders, in consideration of Section 90(2) and 90(3)(h) and (i) of the *Local Government Act 1999*, that it is necessary and appropriate to exclude the public for the consideration of Agenda Item 7.4.3 – *Litigation Update – TTEG Claim* with the exception of the following persons:

- Chief Executive Officer, Mr J Harry
- Deputy Chief Executive Officer, Mr C Mansueto
- Manager Governance, Mr R Deco
- Internal Auditor & Risk Coordinator, Mr H Rafeeu

on the basis that:

- public discussion and disclosure of the Agenda Item relates to legal advice; and
- information relating to actual litigation, or litigation that the Council or Council committee believes on reasonable grounds will take place, involving the council.

**CARRIED**

*The meeting moved into confidence at 8.04pm.*

*The meeting moved out of confidence at 8.15pm.*

## A&R-OB1 CEO Update on Strategic Reporting Audit Recommendation 1 related to Resourcing

Moved Chair K Grenfell

Seconded Mr N Ediriweera

1. The Audit and Risk Committee orders, in consideration of Section 90(2) and 90(3)(a) and (b)(i) and (ii) of the *Local Government Act 1999*, that it is necessary and appropriate to exclude the public for the consideration of Agenda Item A&R-OB1 - *CEO Update on Strategic Reporting Audit Recommendation 1 related to Resourcing* with the exception of the following persons:
  - Chief Executive Officer, Mr J Harry
  - Deputy Chief Executive Officer, Mr C Mansueto
  - Manager Governance, Mr R Deco
  - Internal Auditor & Risk Coordinator, Mr H Rafeeu

on the basis that:

  - it relates to personal affairs; and
    - it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
    - information the disclosure of which would, on balance, be contrary to the public interest; and
2. 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 *Agenda Item A&R-OB1 - CEO Update on Strategic Reporting Audit Recommendation 1 related to Resourcing* item and discussion at this point in time.

**CARRIED**

*The meeting moved into confidence at 8.16pm.*

*The meeting moved out of confidence and closed at 8.35pm.*

CHAIRMAN.....

DATE.....



<b>ITEM</b>	7.0.1
	<b>AUDIT AND RISK COMMITTEE</b>
<b>DATE</b>	09 April 2024
<b>HEADING</b>	LGA Financial and Sustainability Information Paper
<b>AUTHOR</b>	Rudi Deco, Manager Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	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
<b>SUMMARY</b>	This report presents the latest Local Government Association Financial Sustainability Information Paper for information, with a specific focus on the Chairperson provisions and the Register of Interest provisions.



## RECOMMENDATION

### That Council:

1. Notes the latest Local Government Association Financial Sustainability Information Paper (Attachment 1, Item 7.0.1, Audit and Risk Committee, 9 April 2024).

## ATTACHMENTS

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

1. LGA Financial Sustainability Information Paper [↓](#) 
2. LGA Guidelines for Primary and Ordinary Returns [↓](#) 

## 1. BACKGROUND

- 1.1 The Local Government Association (LGA) Financial Sustainability Information Paper (FSIP) has been prepared in consultation with the SA Local Government Financial Management Group for the guidance of and use by member councils.
- 1.2 The series of Information Papers was originally published in 2006 to 2011 as part of the Financial Sustainability Program.
- 1.3 The FSIP has undergone various revisions to take account of legislative changes and other developments. The FSIP is addressed to, and written primarily for, the benefit of Council Members and the Administration. This paper was last updated in February 2024, primarily in context of the updated sections of the *Local Government Act 1999* (the Act) relevant to Audit and Risk Committees.
- 1.4 Section 126 of the Act has, for some time, required that a council must have an Audit Committee. As part of the reforms, the scope of activity of the committee required under section 126 has been expanded to include risk management and functions relating to internal controls and internal audit. The description of the committee has been changed to 'Audit and Risk Committee' to reflect its broader role, which the City of Salisbury is already aligned with.

- 1.5 This report presents the FSIP for information, and highlights a few key topics for further consideration.

## 2. EXTERNAL CONSULTATION / COMMUNICATION

- 2.1 Local Government Association

## 3. DISCUSSION

### Audit and Risk Committee Chairperson

- 3.1 The FSIP recommends that having more than one independent member, including an independent Chairperson, is best practice. The separation of the roles of the principal member of Council (i.e. the Mayor) and the Audit and Risk Committee Presiding Member is an important transparency consideration, on the basis that the principal member, in conjunction with the Chief Executive Officer, certifies a council's financial statements.
- 3.2 The Auditing and Assurance Standards Board, the Australian Institute of Company Directors and the Institute of Internal Auditors propose that the chair of private sector Audit and Risk Committees should be an independent director and not the Chair of the Board. The LGA Guideline therefore states that the presiding member of the Council Audit and Risk Committee should be consistent with private sector practice.
- 3.3 In local government context, the chairperson of the Board would be the Mayor. The FSIP suggests consideration of an independent chairperson, however the supporting references define this independence to mean the separation from the Principal Member (Mayor) role. It is not to be interpreted that the chairperson cannot be an Elected Member. Indeed, the appointment of the presiding member of a Committee is the prerogative of Council pursuant to section 41(4) of the Act.

### Register of Interest for Independent Members

- 3.4 The FSIP states on page 4 that *"The audit and risk committee membership provisions now require a majority of independent members (being persons who are not a member of the council)."*

*As noted previously, members of the audit and risk committee **are also required** to comply with register of interest and conflict of interest provisions set out within the Local Government Act, which supports members not acting in relation to matters where conflicts may exist."*

- 3.5 However, this statement requiring an independent Audit and Risk Committee member to provide a register of interest as suggested in the FSIP is not a statutory requirement. Section 72 of the Act extends the application of the Register of Interest to Committees if the Council so resolves. For Audit and Risk Committee independent members, in the absence of such a resolution, the register of interest is not required. The Administration asked for the LGA to clarify whether this is intended to be a guideline/recommendation only, rather than a statutory requirement. LGA subsequently confirmed it was indeed discretionary only, although the wording reads as "being required", which may cause confusion.

- 3.6 The content of the Register of Interest is prescribed in Schedule 3 of the Act. The LGA Guideline on Primary and Ordinary Returns (Attachment 2), provides further detail on these provisions and the information to be provided. The Audit and Risk Committee is asked to consider and recommend to Council its position on extending the Register of Interest returns to Independent Audit and Risk Committee Members.

#### **4. CONCLUSION**

- 4.1 This report presents the latest Local Government Association Financial Sustainability Information Paper for information, with a specific focus on the Audit and Risk Committee Chairperson and the Register of Interest provisions.



## Audit and risk committees

**Financial Sustainability  
Information Paper (FSIP)  
No. 03**

The suite of Financial Sustainability Information Papers have been prepared by the Local Government Association of SA (LGA) in consultation with the SA Local Government Financial Management Group (SALGFMG) for the guidance of and use by member councils. The LGA is the statutory peak body for Local Government in South Australia, representing all 68 Councils in the State.

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## About the Local Government Association

The Local Government Association of South Australia (LGA) is the peak body for local government in South Australia. The LGA provides leadership and services to councils and represents the sector to state and federal governments and other key stakeholders. Membership of the LGA is voluntary, but all 68 of South Australia's councils are members.

The LGA provides competitive procurement and indemnity (insurance) services to councils as well as access to education and training, online services and a research and development scheme.

The LGA is a constituent member of the Australian Local Government Association.

The mission of the LGA is to provide leadership, support, representation and advocacy on behalf of South Australian councils.

### Acknowledgements

Development of this paper (historic and current versions) has benefited from contributions from the South Australian Local Government Financial Management Group (SALGFMG) and funding from the Local Government Research and Development Scheme (LGR&DS).

## 1. Introduction

This Information Paper is one of a series of Information Papers about Financial Sustainability and Financial Governance in Local Government.

The series of Information Papers was originally published in 2006 to 2011 as part of the Financial Sustainability Program. A complete list of the Financial Sustainability Information Papers (FSIP), including a glossary of terms and abbreviations, is provided at: [Financial Sustainability Resources | LGA South Australia](#)

The FSIP have undergone various revisions to take account of legislative changes and other developments. The FSIP are addressed to, and written primarily for, the benefit of council members and staff.

This paper was last updated in February 2024. A separate, word format document, containing the Appendices to this FSIP is also available.

## 2. Overview

Audit and risk committees are used widely throughout the commercial, government and local government sectors as an independent body that assists boards and councils to fulfil their oversight responsibilities in financial reporting, internal control systems, risk management systems and internal and external audit functions.

An audit and risk committee plays a critical role in the financial reporting framework of a council, by overseeing and monitoring the participation of management and external auditors in the financial reporting process.

A council audit and risk committee also considers the approach being adopted by councils and management to address business risk, corporate and financial governance responsibilities and legal compliance, as well as reviewing and evaluating the effectiveness of policies and procedures for the

identification, assessment, monitoring, management and review of strategic, financial and operational risks.

Sections of the Local Government Act 1999 (the Local Government Act) relevant to audit and risk committees have been extensively updated as part of the suite of financial and governance accountability changes arising from the passage of the Statutes Amendment (Local Government Review) Act 2021.<sup>1</sup>

Section 126 of the Local Government Act has, for some time, required that a council must have an audit committee. As part of the reforms, the scope of activity of the committee required under section 126 has been expanded to include risk management and functions relating to internal controls and internal audit. The description of the committee has been changed to 'audit and risk committee' to reflect its broader role.

Section 126A of the Local Government Act, which commenced on 30 November 2023, has introduced the ability for two or more councils to establish a regional audit and risk committee.

The purpose of an audit and risk committee in the local government sector is *"to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters."*<sup>2</sup>

### 2.1. Similarity with other council committees

While section 126 of the Local Government Act mandates that each council have an audit and risk committee<sup>3</sup>, the audit and risk committee is established under section 41 of the Local Government Act, just like any other committee of council.

Audit and risk committees can only act in accordance with the functions provided in section 126(4) of the Local Government Act and the committee terms of reference (unless delegated other powers or functions by council).

In most respects, audit and risk committees are like other council committees and are subject to the requirements of section 41 of the Local Government Act (for example, reporting and accountability, appointment of the presiding member) and relevant obligations in Chapter 5, Part 4—Member integrity and behaviour.

Further, consideration needs to be given to the application (or not) of Part 2 of the Local Government (Procedures at Meetings) Regulations 2013 and whether it is appropriate to determine discretionary meeting procedures given the nature and functions of audit and risk committees, noting that if the committee is making or enforcing standards or other controls, then the provision of Part 2 must apply to committee meeting procedures.

## 3. Committee membership

The Local Government Act and the Local Government (Financial Management) Regulations 2011 specify details for the membership of council audit and risk committees and together require that an audit and risk committee:

- must have between 3 and 5 members (inclusive)<sup>4</sup>
- must not include, as a member, the council's auditor

<sup>1</sup> These changes commenced on 30 November 2023.

<sup>2</sup> Section 126(1a), Local Government Act 1999

<sup>3</sup> Section 126 applies to a council that has not established a regional audit and risk committee under section 126A.

<sup>4</sup> Regulation 17(1)(a), Local Government (Financial Management) Regulations 2011

- must have a majority of committee members who are not members of any council<sup>5</sup>
- when considered as a whole, must have members with skills, knowledge and experience relevant to the functions of the committee, including in financial management, risk management, governance and any other prescribed matter<sup>6</sup> (of which there are currently none).
- May:
  - not include an employee of the council in it is membership (although staff members typically would be present at meetings and provide services to an audit and risk committee)
  - include members of another council audit and risk committee or regional audit and risk committee.<sup>7</sup>

Section 41(6) of the Local Government Act allows the council to appoint the principal member (Mayor) of the council as an *ex officio* member of a committee. In these circumstances, the principal member is not taken to be included in the membership of the committee unless actually present at a meeting of the committee.

In determining membership of the audit and risk committee, it is open to the council to make an *ex officio* appointment of the principal member subject to complying with the membership requirements outlined above, i.e., there must be a majority of independent members and when considered as a whole, the committee must have the skills, knowledge and experience relevant to the functions of the committee.

Given that an *ex officio* member is only included in the membership of the committee when present at the meeting, this would effectively limit the number of ordinary members (including the independent members) to a maximum of four (at least 3 of which must be independent members) to ensure that the total audit and risk committee membership does not exceed the five member cap when the *ex officio* member is present at a meeting.

### 3.1. Transitional arrangements relating to membership

Regulation 14(a) of the Local Government (Transitional Provisions) Regulations 2021 provides that a member of a council audit and risk committee holding office immediately before the commencement of the changes to section 126(2)<sup>8</sup> may continue to hold office for the remainder of their term of appointment to the committee.

Regulation 14(b) provides that the requirement to have a majority of independent members and the overall skill/knowledge/experience requirements for the committee set out in section 126(2)(b) of the Local Government Act do not apply during a period of time that a member appointed to the committee prior to 30 November 2023 is continuing as a member of the audit and risk committee for the remainder of their term of appointment to the committee.

### 3.2. Committee member independence

Historically the local government sector has acknowledged that having more than one independent member, including an independent chair is best practice. Many councils have

<sup>5</sup> Section 126(2)(a), *Local Government Act 1999*

<sup>6</sup> Section 126(2)(b), *Local Government Act 1999*

<sup>7</sup> Section 126(2)(c), *Local Government Act 1999*

<sup>8</sup> Section 126(2)(a) requires the majority of the members of the committee must be persons who are not members of any council.

taken steps to improve the independence and standard of audit committee membership since the introduction of the requirement to establish an audit committee.

The audit and risk committee membership provisions now require a majority of independent members (being persons who are not a member of the council).

As noted previously, members of the audit and risk committee are also required to comply with register of interest<sup>9</sup> and conflict of interest<sup>10</sup> provisions set out within the Local Government Act, which supports members not acting in relation to matters where conflicts may exist.

The sector has also previously highlighted the separation of the roles of the principal member of council and the audit and risk committee chairperson as an important transparency consideration, on the basis that the principal member, in conjunction with the chief executive officer, certifies a council's financial statements.

While the appointment of the presiding member remains a matter for the elected council, consideration should be given to the separation of these roles.

Appointment of suitably qualified and experienced independent audit and risk committee members can present a challenge for some councils, particularly in regional areas. The legislation allows for councils to appoint persons who are members of another council audit and risk committee. This, coupled with the ability to convene audit and risk committee meetings via electronic means, may assist councils with achieving the membership requirements.

An employee of a council may not be appointed as a member of the audit and risk committee for their employing council. This does not preclude council employees from being appointed as an independent member of an audit and risk committee for a council where they are not an employee.

The obligation to have a majority of independent members must also be considered in conjunction with the requirement for the necessary skills, knowledge and experience of the committee when considered as a whole.

### 3.3. Skills, knowledge and experience

When considered as a whole, the audit and risk committee members are required to have skills, knowledge and experience relevant to the functions of the committee, including (at a minimum):

- Financial management
- Risk management
- Governance

Whilst the legislation specifies minimum skill, knowledge and experience requirements for the audit and risk committee as a whole, councils may determine additional requirements based on the operations and activities of the council. For example, asset management and cyber security have been identified as content areas growing in relevance for consideration by audit and risk committees.

When appointing new committee members, consideration should be given to the skills available amongst current members and any gaps determined. A skills matrix can assist in assessing the available skills and any gaps that need to be filled.

<sup>9</sup> Register of interest provisions are set out in Chapter 5, Part 4, Division 1, Subdivision 2 of the *Local Government Act 1999*

<sup>10</sup> Conflict of interest provisions are set out in Chapter 5, Part 4, Division 1, Subdivision 4 of the *Local Government Act 1999*

It is useful, but not essential, for audit and risk committee members to have direct experience in the South Australian local government sector. However, if a prospective committee member has relevant skills, knowledge and experience required by the committee without the local government knowledge, this can be addressed through an induction process that provides an understanding of local government in South Australia and the legislative framework that councils operate within.

A sample Skills Matrix, to assist with achieving requirements relating to skills, knowledge and experience of the committee as a whole is included in Appendix 1.

### 3.4. Presiding member

The responsibility to appoint a person as the presiding member, or make provision for the appointment, rests with council<sup>11</sup>. Before determining an appointment, the council should have regard to a range of matters, including:

- the appointment process
- the term of appointment
- eligibility criteria (e.g., holding certain qualifications).

Given the nature and importance of the role of the presiding member, other factors to consider (in addition to the skills, knowledge and experience requirements discussed previously) as part of the selection and appointment process could include:

- ability to preside efficiently, firmly and fairly and to facilitate the meeting effectively
- expertise in chairing committee meetings in local government and understanding of prescribed meeting procedures
- understanding of relevant legislation, strategic and operational plans and the business of council
- strong communication skills, including the ability to promote effective working relationships among audit and risk committee members and with others, such as management and internal/external auditors.

The presiding member plays a pivotal role in the overall effectiveness of the audit and risk committee. As noted previously, separation of the role from the Principal Member (Mayor) warrants consideration as does the appointment of an independent presiding member.

The 'Audit committees—A guide to good practice' published jointly by the Auditing and Assurance Standards Board, the Australian Institute of Company Directors and the Institute of Internal Auditors-Australia, proposes that the chair of private sector audit committees should be an independent director and not the chair of the board<sup>12</sup>. As such, the appointment of an independent presiding member to the council audit and risk committee would be consistent with private sector practice.

The template Audit and Risk Committee Terms of Reference set out in Appendix 2 propose that an independent presiding member be appointed.

<sup>11</sup> Section 41(4), *Local Government Act 1999*

<sup>12</sup> Auditing and Assurance Standards Board, Australian Institute of Company Directors and Institute of Internal Auditors-Australia 2017, '*Audit Committees-A Guide to Good Practice 3rd Edition*', page 32

### 3.5. Committee member induction and training

Audit and risk committee members should receive an induction to ensure that all members clearly understand the audit and risk committee terms of reference and the relationship with other relevant committees of council.

Noting the functions of the audit and risk committee, the induction process should include a briefing on the council's suite of strategic management plans, annual business plan and operating environment.

Details of information and training available to support audit and risk committee members should also be provided.

The LGA provides access to a range of financial sustainability publications and resources to members via the LGA website. This information is able to be accessed by independent audit and risk committee members, subject to them having a council provided email address for the purposes of logging in to LGA website.

## 4. Functions of the audit and risk committee

On 30 November 2023, changes to section 126 of the Local Government Act commenced, expanding the functions of audit and risk committees.

The Local Government Act<sup>13</sup> sets out the functions of the audit and risk committee as:

- (a) *reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and*
- (b) *proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and*
- (c) *monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's auditor; and*
- (d) *proposing, and reviewing, the exercise of powers under section 130A; and*
- (e) *liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and*
- (f) *reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and*
- (g) —
  - (i) *if the council has an internal audit function—*
    - (A) *providing oversight of planning and scoping of the internal audit work plan; and*
    - (B) *reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or*
  - (ii) *if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and*
- (h) *reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and*

<sup>13</sup> Section 126(4), Local Government Act 1999

- (i) reviewing any report obtained by the council under section 48(1); and
- (j) performing any other function determined by the council or prescribed by the regulations.

Relevant to subsection (4)(j) above, regulation 17B of the *Local Government (Financial Management) Regulations 2011* introduces a requirement for the council audit and risk committee to liaise with the council's auditor by meeting with the auditor on at least one occasion each year on a confidential basis. The regulations specify that a majority of members of the audit and risk committee must be present for the meeting and that no members or employees of the council should be present (other than council members who are members of the audit and risk committee).

#### 4.1. Resourcing

The audit and risk committee operation and work program is resourced by the council and an appropriate budget/resource allocation should be considered as part of the annual business plan and budget process. The CEO is operationally responsible for ensuring that sufficient resources are made available to the Committee to discharge its legislated responsibilities, its terms of reference and the approved work program of the Committee. The consultation between the Committee, council and the CEO should balance the needs identified in the work program against the level of resources required.

#### 4.2. Sitting Fees

Any sitting fees payable to independent members of audit and risk committees is a matter for council to determine. Sitting fees currently paid vary widely across the sector, ranging from \$380 to \$1000 per meeting.

The legislation does not specify any requirements in relation to sitting fees. Councils should have regard to the skill, knowledge and experience requirements for members of audit and risk committees in determining any sitting fees payable. It would also be appropriate to consider any review mechanisms, including whether an annual adjustment process should be adopted, for audit and risk committee sitting fees.

### 5. Internal audit

The introduction of section 125A—Internal audit function establishes the role of the audit and risk committee in relation to a council internal audit function.

The internal audit function is generally a formalised process of undertaking internal audits and reporting on these to council's audit and risk committee. It is separate from the internal controls processes (section 125 of the Local Government Act) which are mandatory for all councils to have in place.

The internal audit function is also not the mandatory application of the *Better Practice Model—Internal Financial Controls for South Australian councils* which is the standard by which auditors must assess the internal financial controls of councils.

Section 125A does not make it mandatory for councils to have an internal audit function, rather it sets mandatory requirements in circumstances where an internal audit function is established.



## 5.1. Role of the audit and risk committee in relation to internal audit

If a council has an internal audit function, the audit and risk committee is responsible for providing oversight of planning and scoping of the internal audit work plan and reviewing internal audit reports on at least a quarterly basis.<sup>14</sup>

If a council does not have an internal audit function, the audit and risk committee is responsible for reviewing and commenting on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures.<sup>15</sup>

## 5.2. Primary responsibility for the internal audit function

Before appointing a person to be primarily responsible for a council internal audit function (or assigning responsibility to an employee), the CEO must consult with the audit and risk committee.

Section 125A(2) establishes a direct reporting relationship between the person primarily responsible for the internal audit function and the audit and risk committee. This relationship should be considered when determining at which level 'primary responsibility' is to be assigned.

The obligation to consult the audit and risk committee arises in relation to any new appointment/assignment of 'primary responsibility for the internal audit function'.

Consultation should occur through placing a report on the agenda of the audit and risk committee. Noting the report will consider "suitability for a particular position", the CEO may indicate that the report be considered in confidence in accordance with section 90(3)(a) of the Local Government Act.

The report, along with a resolution of the audit and risk committee noting the proposed appointment, would provide evidence of the necessary consultation having taken place.

Importantly, consultation must occur with respect to the person to be appointed/assigned responsibility **before** the appointment/assignment is made. As such, this must be factored into the timeframe for any recruitment process. The audit and risk committee cannot veto any proposed appointment.

Consultation in relation to the appointment/assignment is required only for the person to be primarily responsible for the internal audit function. It is not necessary to consult with the audit and risk committee in relation to other officers acting in a support capacity to the person with primary responsibility for the internal audit function.

<sup>14</sup> Section 126(4)(g)(i), *Local Government Act 1999*

<sup>15</sup> Section 126(4)(g)(ii), *Local Government Act 1999*



### 5.3. Internal audit direct reporting to the audit and risk committee

Section 125A(2) of the Local Government Act provides that, despite any other law or instrument to the contrary, the person primarily responsible for the internal audit function:

- Must ensure that any reports they prepare relating to the internal audit function are provided directly to the audit and risk committee.
- May report any matters relating to the internal audit function directly to the audit and risk committee.

The intent of the requirements is to provide a direct pathway for information from the person primarily responsible for the internal audit function to the audit and risk committee. This means that reports for the Committee prepared by the person primarily responsible for the internal audit function must be presented **directly** to the committee, without going through a review or vetting process.

## 6. Meetings

Whilst section 126 of the Local Government Act specifies a range of requirements for the audit and risk committee a number of other legislative requirements need to be considered or determined in relation to the operation of the audit and risk committee.

These include:

- notification of meetings to the members of the committee and to the public
- the calling of special meetings
- the keeping and distribution of minutes
- the use of the confidentiality provisions at Sections 90 and 91 of the Local Government Act
- the application of regulated meeting procedures.

Importantly, an audit and risk committee is not exempt from the obligation to conduct its meetings in public.

### 6.1. Frequency and schedule

Section 126(5) of the Local Government Act prescribes that the audit and risk committee must meet at least quarterly. This does not preclude audit and risk committees meeting more frequently, it simply establishes the minimum number of meetings that must be held.

The meeting schedule of the audit and risk committee will likely be informed by the audit and risk committee work plan. The work plan will also likely support reporting by the audit and risk committee to council.

The example terms of reference, which must be approved by council, allow for the audit and risk committee to determine its meeting schedule.<sup>16</sup>

It is important to note section 87(3) of the Local Government Act provides that a resolution determining meeting times for a committee does not continue in operation after the

<sup>16</sup> Section 87(1), *Local Government Act 1999*

subsequent general election. This means that a decision will be required from the new council to set, at a minimum, the first meeting time and place for the audit and risk committee after a general election. Subject to the Terms of Reference of the committee the schedule for other meetings of the committee may then be determined by the committee.

## 6.2. Procedures

As a committee of council, meetings of the audit and risk committee continue to be bound by requirements within the Local Government Act, such as those within Chapter 6 (Meetings), Part 2 (Committee meetings) and Part 3 (Public access to council committee meetings), along with relevant provisions of the *Local Government (Procedures at Meetings) Regulations 2013*.

It is important to note that Regulation 5 of the *Local Government (Procedures at Meetings) Regulations 2013* states that the provisions of Part 2—Meetings of councils and key committees apply to “*the meetings of any other council committee if the council has, by resolution, determined that this Part should apply to that committee.*” This requires an active decision of the council to apply Part 2 of the regulations. The template terms of reference in Appendix 2 include optional text relating to the application of the regulations to the audit and risk committee.

Section 126(6) states the following in relation to procedures to be observed at a meeting of the audit and risk committee:

- (6) *Subject to this Act, the procedure to be observed at a meeting of a council audit and risk committee will be—*
  - (a) *as prescribed by regulation; or*
  - (b) *insofar as the procedure is not prescribed by regulation—as determined by the committee.*
- (7) *Without limiting subsection (6)(a), regulations under that subsection may provide for circumstances in which the public may be excluded from attendance at a meeting of a council audit and risk committee.*

Audit and risk committee meetings may be held using electronic means, subject to the requirements of section 90(7a) of the Local Government Act. The template terms of reference provided in Appendix 2 include procedures to be observed for attendance at committee meetings using electronic means.

## 6.3. Public access and confidentiality

The starting premise is that audit and risk committee meetings are required to be conducted in a place open to the public and attendance by the public is facilitated through notification of meeting details.

Section 88 of the Local Government Act sets out the requirements for giving of public notice of committee meetings, which includes the publication of the meeting notice and agenda on the council website.<sup>17</sup>

<sup>17</sup> Section 132 of the *Local Government Act 1999* specifies the requirements for provision of access to documents which includes the obligation for councils to publish a document referred to in Schedule 5 of the Local Government Act on a website determined by the CEO.

In certain circumstances, the Committee may form the view that it is necessary to exclude the public in relation to its consideration of a particular matter. This may occur where the Committee considers that the need for confidentiality outweighs the principle of open decision making and a basis for doing so is provided for in section 90(3) of the Local Government Act.

As such, should the Committee wish to hold a confidential session, the Committee must have regard to the confidentiality provisions set out in section 90(3) of the Local Government Act and will make an order excluding the public in the appropriate circumstances.

If such an order is made, the minutes must detail:

- The grounds on which the order was made.
- The basis on which the information or matter to which the order relates falls within the ambit of each ground on which the order was made.
- If relevant, the reasons that receipt, consideration or discussion of the information or matter at a meeting open to the public would be contrary to the public interest.

#### 6.4. Confidential meeting with external auditor

Regulation 17B<sup>18</sup> of the *Local Government (Financial Management) Regulations 2011* requires the Committee to liaise with the council's auditor by meeting with the auditor on at least one occasion each year on a confidential basis.

Whilst this meeting is required to exclude members of the public and members or employees of council (other than council members who are members of the Committee), it is still necessary to comply with the meeting notice and other procedural requirements.

From a practical perspective, this discussion could be scheduled to occur in conjunction with a regular Committee meeting. If this approach is adopted, the item should be included in the confidential section on the Agenda for the Committee, noting it is the discussion required by regulation 17B.

Despite the regulation providing for the discussion to occur in confidence, it is appropriate for the Committee to make an order to exclude the public from attendance at the meeting during the discussion with the auditor. The relevant provision within section 90(3) is:

- (g) *matters that must be considered in confidence to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.*

It may also be that, depending on the circumstances and the matters to be discussed, other grounds within section 90(3) are relevant to the Committee's determination.

Incorporating the discussion as an item on the Committee meeting agenda provides legal certainty regarding the process for excluding persons other than Committee members, and also ensures appropriate records regarding who is in attendance can be maintained (noting the requirement in regulation 17B that a majority of the Committee members must be in attendance).

<sup>18</sup> This regulation commenced operation on 30 November 2023.

The LGA Confidentiality Guidelines provide information on the use of confidentiality provisions. The following is an example of orders that could be used to facilitate the Committee discussion with the external auditor in confidence.

#### **Confidentiality Order under Section 90(3)(g)**

1. Pursuant to section 90(2) and 90(3)(g) of the *Local Government Act 1999* the Audit and Risk Committee orders that the public be excluded from attendance at that part of this meeting relating to Agenda Item **[insert item number and title]**, except the following persons:
  - **[insert names/description of external auditor representatives who may remain]**

to enable the Audit and Risk Committee to consider Item **[insert item number]** in confidence on the basis the Committee considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the matter relating to Item **[insert item number]** in order to ensure that the Committee does not breach a legal obligation or duty being, the requirement under Regulation 17B of the *Local Government (Financial Management) Regulations 2011* to liaise with the council's auditor by meeting with the auditor on at least one occasion each year on a confidential basis in circumstances where a majority of the members of the Committee are present and no member or employees of the council are present (other than members who are members of the committee).
2. Accordingly, on this basis, the principle that meetings of the Committee should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

#### **Section 91(7) Order**

1. Pursuant to Section 91(7) of the *Local Government Act 1999*, the Audit and Risk Committee orders that the discussion relating to Agenda Item **[insert item number and description]** shall be kept confidential, on the grounds that the discussion relates to information, which if disclosed, may result in a breach of a legal obligation or duty being, the requirement under Regulation 17B of the *Local Government (Financial Management) Regulations 2011* to liaise with the council's auditor by meeting with the auditor on at least one occasion each year on a confidential basis in circumstances where a majority of the members of the Committee are present and no member or employees of the council are present (other than members who are members of the committee).
2. This order shall operate:
  - **[for a period of (insert period of time e.g. 6 months, 18 months); OR**
  - **Until (trigger can be an event e.g. until further order has been made, until execution of a contract etc)]**

and be reviewed every 12 months **[if the confidentiality period is longer than 12 months in duration]**.
3. Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Council delegates to the Chief Executive Officer **[or insert other officer title]** the power to revoke this order in whole or part.

Given the requirement that no council employee remain present during the meeting with the external auditor, the Presiding Member must ensure minutes are kept.

## 7. Terms of reference

Terms of reference should be prepared for audit and risk committees. This document should encapsulate minimum requirements set out in the legislation and may also be tailored to the specific needs and circumstances of individual councils.

A Terms of Reference details the audit and risk committee's role and responsibilities, composition, membership requirements, level/delegation of authority and processes and should be determined and endorsed by the council.

Appendix 2 provides a template terms of reference for an audit and risk committee. These are provided to assist councils in formulating their own terms of reference for their own Committees. The template document is intended to not only meet the requirements of the Local Government Act but to also embody examples of good practice for the operation of audit and risk committees. The template must be adapted to suit individual council requirements.

## 8. Work plan

A work plan should be developed, in consultation with the council and CEO, to support the audit and risk committee with the delivery of its functions.

The work plan should address issues that fall within the functions assigned to the audit and risk committee within the Local Government Act and the activity areas determined by council as set out within the audit and risk committee terms of reference.

To support the development of the work plan, audit and risk committee members should have access to information about:

- Strategic management plans, including the annual business plan and budget.
- Financial performance and position of the council.
- Endorsed financial targets and key financial indicators.<sup>19</sup>
- Long term financial plan and asset and infrastructure management plan(s).<sup>20</sup>

The work plan should be updated throughout the year to reflect progress against planned activities. This may include adding further tasks that are identified throughout the year, subject to resourcing/capacity. The work plan can form the basis of the reports the audit and risk committee must provide to the council.

A sample work plan is provided in Appendix 3.

The sample work plan is intended to provide guidance only. The sample work plan should be modified to take account of local circumstances, including resource availability and priorities aligned with council strategic management plans and annual business plan to ensure the work of the audit and risk committee adds value relative to costs.

<sup>19</sup> See *Financial Sustainability Information Paper No. 5: Local Government Financial Indicators* (available at [lga.sa.gov.au/members/financial-sustainability/financial-sustainability-information-papers](http://lga.sa.gov.au/members/financial-sustainability/financial-sustainability-information-papers))

<sup>20</sup> See *Financial Sustainability Information Paper No. 8: Long Term Financial Plans* (available at [lga.sa.gov.au/members/financial-sustainability/financial-sustainability-information-papers](http://lga.sa.gov.au/members/financial-sustainability/financial-sustainability-information-papers))

## 9. Reporting

### 9.1. BY the audit and risk committee

#### —After each meeting

Section 126(8)(a) of the Local Government Act requires the audit and risk committee to provide a report to the council after each meeting, summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting.

Ordinarily, the minutes of the audit and risk committee are presented to council following each meeting of the Committee. This process allows the council to consider recommendations from the Committee and make decisions regarding the preferred course of action.

In circumstances where the Committee has been delegated authority for decision making in certain matters, the council might note the exercise of delegated powers/functions by the Committee.

The reporting obligation is in addition to the presentation of the audit and risk committee meeting minutes and would ideally be informed by the audit and risk committee work plan.

There are no prescribed requirements for the format, structure or content of the report. It is a matter for the council to determine whether it requires the presiding member of the audit and risk committee to attend council meetings to present this report following each meeting of the Committee.

One option to action this regular reporting requirement is for a draft report summarising the work of the audit and risk committee to be included on the agenda for each meeting of the Committee. This would provide the opportunity for all members of the audit and risk committee to consider and finalise the content of the report. The report would then need to be presented to council and could accompany the presentation of the minutes of the Committee meeting.

#### —Annually

Section 126(8)(b) of the Local Government Act requires the audit and risk committee to provide an annual report to the council on the work of the Committee during the reporting period.

The council is also obligated to ensure that the annual report of the audit and risk committee is included in the annual report of the council.<sup>21</sup>

Noting this requirement, it would be appropriate to schedule the timing of preparation of the audit and risk committee annual report to occur at the same time as the overall council annual report (i.e., on a financial year basis).<sup>22</sup>

There are no prescribed requirements for the format, structure or content of the annual report. When preparing the content for the report, consideration should be given to the fact that it will be a public document so any confidential matters actioned by the Committee should be reported in accordance with any confidentiality orders in place.

<sup>21</sup> Section 126(9), *Local Government Act 1999*

<sup>22</sup> Section 131 and Schedule 4 of the *Local Government Act 1999* set out requirements for the council annual report. See the LGA Annual Report Guidelines available via [Governance policies, codes and guidelines | LGA South Australia](#) for more detail on the preparation of an annual report.

The audit and risk committee annual report should include general information relating to the operations of the Committee, such as:

- Committee membership
- Meetings scheduled and attended
- Activities of the Committee
- Progress against the Committee workplan

The annual report may also include, where appropriate, the Committee's comments on:

- Any areas of accounting treatment that are open to discretion and in particular have material impact on reported financial performance or position of the council.
- The veracity of financial information included in publications for external audiences.
- The adequacy of asset values and depreciation methodology.
- The adequacy of strategies to minimise the likelihood of occurrence and adverse consequence for obvious and major internal and other risks.
- The adequacy of arrangements for employees to confidentially raise concerns of alleged malpractice in accordance with legislative provisions.
- The effectiveness of the internal audit function, where this exists (in particular, the adequacy of the internal audit function for managing the risks to which the council's operations are exposed).
- The arrangements in place for initiating and undertaking efficiency and economy audits.
- The conformity of the appointment arrangements of the external auditor with legislative provisions.
- Its monitoring of progress in response to its previous recommendations regarding areas requiring improvement (including matters raised by the Council's external auditor).

It is a matter for the council to determine whether it requires the presiding member of the audit and risk committee to attend the relevant council meeting to present the annual report of the Committee.

#### —Self assessment

In the process of preparing its annual report to council, the audit and risk committee may wish to consider undertaking self-assessment of its performance over the previous twelve months. The self-assessment should be prepared following consultation with all audit and risk committee members and may include:

- understanding of its role and responsibilities.
- membership (composition, skills, knowledge and experience).
- conduct of meetings including frequency, length, attendance, quality of meeting papers and participation of members.
- objectivity and independence of its operation over the reporting period.
- adequacy of resources available to the committee.
- relevance and clarity of its work program for the reporting period.
- outcomes achieved in its work program.
- effectiveness in providing advice and recommendations to council and/or management about actions to be taken to enhance financial governance.
- activities undertaken and their relevance to its terms of reference.

A sample self-assessment tool is provided in Appendix 4.



## 9.2. TO the audit and risk committee

### —Regularly

The person primarily responsible for the internal audit function must ensure that any reports they prepare are provided directly to the audit and risk committee. Given meeting frequency requirements for the audit and risk committee, this must occur at least quarterly.

### —Annually

Section 99(1)(ib) of the Local Government Act requires the CEO to report annually to the relevant audit and risk committee on the council's internal audit processes.

Irrespective of the arrangement in place for delivery of internal audit processes at a council (e.g., some council may have a dedicated internal audit function whereas others may engage external providers for internal audit services), a report must be provided to the audit and risk committee on an annual basis.

There is no prescribed format or timeframe for the report, so it is at the discretion of the CEO to determine when the annual report will be prepared. It may be appropriate to align the timing of the preparation of the report with other council annual reporting requirements.

For a council that does not have an internal audit function, the audit and risk committee also has a role to review and comment on an annual report provided by the CEO in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures. This obligation is in addition to the report required of the CEO under section 99(1)(ib).

## 10. Regional audit and risk committees

Section 126A of the Local Government Act creates the ability for two or more councils to establish a regional audit and risk committee. It is intended that such committees would operate in substitution for an audit and risk committee established by a single council. The statutory functions of a regional audit and risk committee are essentially the same as a committee established by a single council.

On its face, the ability for a group of councils to establish a single committee to exercise the functions of an audit and risk committee for that group collectively has some merit. However, as the legislation presently stands, there is some doubt about how such committees would operate in practice. Accordingly, councils considering establishing a regional audit and risk committee should seek specific advice regarding the operation of that committee.

There is a lack a clarity within the Local Government Act as to whether a regional audit and risk committee is intended to function as a Section 41 committee of the respective councils. The drafting of Section 41 of the Act does not appear to contemplate its application to committees established by more than one council. Because of this, some of the issues regarding the establishment and operation of regional audit and risk committees identified include:

- protection from liability for committee members: Section 41(12)-(13) provide a protection to members of council committees for honest acts or omissions in the exercise, performance and discharge, or purported exercise performance and discharge, of the member or committees' powers, functions and duties and for any liability to attach to the council



instead of the member. It is not clear how this provision would apply to a member of a regional audit and risk committee, if at all.

- meeting procedural requirements: Section 41 committees operate in accordance with Section 89 and the relevant provisions of the *Local Government (Procedures at Meetings Regulations) 2013*. It is not clear how these provisions operate with respect to regional audit and risk committees, if at all, or whether separate meeting procedures ought be established under Section 126A(6) of the Local Government Act.
- admitting and excluding the public at committee meetings: Section 126A(7) provides for the making of regulations to provide for circumstances when the public may be excluded from regional audit and risk committee meetings. If such committees are not taken to be Section 41 committees, then the Section 90 provisions for excluding the public would not apply, and there are currently no regulations.
- calling of meetings and provision of minutes: the notice of meetings for council committee meetings are provided by the CEO of the council under Section 87(7) of the Local Government Act. If a committee is established by multiple councils, it is not clear how this provision would operate in practice and who would be responsible for undertaking the relevant administrative tasks associated with the calling of the meeting. In addition, under Section 91(3) of the Local Government Act, minutes of council committee meetings, including confidential minutes, must be supplied to all members of the council – if this provision is taken to apply to regional audit and risk committees, then there may be a need to supply members with minutes that relate to matters that concern a council they are not a member of.
- Conflict of interest, register of interest and other integrity provisions: depending on what status regional audit and risk committees hold, the deeming provisions in Sections 62(7), 72 and 75D of the Local Government Act pertaining to conflict and register of interest provisions, as well as the general duty provisions, may or may not operate in respect of members and meetings. Lack of clarity in this regard is concerning for the transparency and accountability of regional audit and risk committee processes.

The LGA intends to liaise with the State Government regarding the current legislation, with a view to clarifying the issues identified.

This Information Paper will be updated with further information on the operation of regional audit and risk committees when it becomes available.

If the establishment of a Regional Audit and Risk Committee is something your council wishes to pursue you are encouraged to contact the LGA Governance Team to discuss the operation of these provisions before beginning the process.

## 10.1. Regional audit and risk committee membership

Regional audit and risk committees must be constituted on the basis that the majority of the members of the committee must be persons who are not members of any council<sup>23</sup>.

<sup>23</sup> Local Government Act 1999, section 126A(3)(a)

The members of the committee (when considered as a whole) must have skills, knowledge and experience relevant to the functions of the committee, including in financial management, risk management, governance and any other prescribed matter<sup>24</sup>.

The membership of the committee<sup>25</sup>:

- May not include an employee of a constituent council (although an employee may attend a meeting of the committee if appropriate).
- May include, or be comprised of, members of a council audit and risk committee or another regional audit and risk committee.
- Must otherwise be determined in accordance with the requirements of the regulations.

Regulation 17A of the *Local Government (Financial Management) Regulations 2011* specifies that a regional audit and risk committee established by two or more councils:

- must have between three and five members (inclusive) and
- must not include, as a member, a constituent council's auditor under section 12 of the Local Government Act.

## 10.2. Regional audit and risk committee purpose and function

The purpose of the regional audit and risk committee is '*to provide independent assurance and advice to those councils on accounting, financial management, internal controls, risk management and governance matters*'.<sup>26</sup>

The functions of the regional audit and risk committee include:

- Reviewing annual financial statements to ensure that they present fairly the state of affairs of the constituent councils.
- Proposing and providing information relevant to, a review of the constituent councils' strategic management plans or annual business plans.
- Monitoring the responsiveness of the constituent councils to recommendations for improvement based on previous audits and risk assessments, including those raised by a constituent council's auditor.
- Proposing, and reviewing, the exercise of powers under section 130A—Other investigations.
- Liaising with the constituent councils' auditors in accordance with any requirements prescribed by the regulations.
- Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the constituent councils on a regular basis.
- In relation to a constituent council that has an internal audit function – providing oversight of planning and scoping of the internal audit work plan and reviewing and commenting on reports provided by the person primarily responsible for the internal audit function on at least a quarterly basis.

<sup>24</sup> Local Government Act 1999, section 126A(3)(b)

<sup>25</sup> Local Government Act 1999, section 126A(3)(c)

<sup>26</sup> Local Government Act 1999, section 126A(2)

- In relation to a constituent council that does not have an internal audit function – reviewing and commenting on an annual report provided by the CEO in relation to policies and processes adopted to evaluate and improve the effectiveness of internal control practices and procedures (which is a new role of the CEO set out in section 99(1)(ib) and which also commenced 30 November 2023).
- Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis (this aligns with the new role of the CEO set out in section 99(1)(ia) which also commenced on 30 November 2023).
- Reviewing any report obtained by a constituent council under section 48(1) (Prudential requirements for certain activities) of the Local Government Act.
- Performing any other function determined by the constituent councils or prescribed by the regulations.

Regulation 17B of the *Local Government (Financial Management) Regulations 2011* requires a regional audit and risk committee to liaise with the constituent councils' auditor by meeting with the auditors on at least one occasion each year on a confidential basis. The regulation specifies that a majority of members of the regional audit and risk committee must be present for the meeting and that no members or employees of the council should be present (other than council members who are members of the regional audit and risk committee).

## 11. Audit committees of council subsidiaries

### 11.1. Single-council subsidiaries

A subsidiary established by a single council under section 42 of the Local Government Act must have an audit committee.

Subject to the regulations, membership of the audit committee will be determined by the council, and may include members of the council's audit and risk committee.

Regulation 17(2) of the *Local Government (Financial Management) Regulations 2011* provides that the audit committee of a council subsidiary:

- (a) must have between 3 and 5 members (inclusive); and
- (b) must include at least 1 person who is not a member of the board of management of the subsidiary and who is determined by the council to have financial experience relevant to the functions of the audit committee; and
- (c) must not include, as a member, the council's auditor under section 128 of the Local Government Act or the auditor of the subsidiary under Part 6.

The functions of a single-council subsidiary audit committee are set out in Schedule 2, Part 1, clause 13 of the Local Government Act and include:

- Reviewing annual financial statements to ensure they provide a timely and fair view of the state of affairs of the subsidiary.
- Liaising with external auditors.
- Reviewing the adequacy of the accounting, internal audit, reporting and other financial management systems and practices of the subsidiary on a regular basis.

## 11.2. Regional subsidiaries established by two or more councils

A regional subsidiary must, unless exempted by regulation, establish an audit committee.

Subject to the regulations, membership of the audit committee will be determined by the constituent councils and may include members of a regional audit and risk committee established by any of the constituent councils or a council audit and risk committee established by any of the constituent councils.

Regulation 17(3) of the *Local Government (Financial Management) Regulations 2011* provides that the audit committee of a regional subsidiary:

- (a) must have between 3 and 5 members (inclusive).
- (b) must include at least 1 person who is not a member of the board of management of the regional subsidiary and who is determined by the constituent councils to have financial experience relevant to the functions of the audit committee.
- (c) may include members who are members of a constituent council.
- (d) must not include, as a member, a constituent council's auditor under section 128 of the Local Government Act or the auditor of the subsidiary under Part 6.

The functions of a regional subsidiary audit committee are set out in Schedule 2, Part 2, clause 30 of the Local Government Act and include:

- Reviewing annual financial statements to ensure they provide a timely and fair view of the state of affairs of the subsidiary.
- Liaising with external auditors.
- Reviewing the adequacy of the accounting, internal audit, reporting and other financial management systems and practices of the subsidiary on a regular basis.

## Appendix 1 – Audit and risk committee sample skills matrix

The following skills matrix is provided as a sample. It incorporates the minimum skills, knowledge and experience requirements specified in section 126 of the Local Government Act. If a council adopts the use of a skills matrix, it should consider additional requirements that may be specific to the audit and risk committee and amend the matrix accordingly.

Skills Matrix - Rating Scale					
0	1	2	3	4	5
<b>No prior experience in the relevant subject area</b>	<b>Limited exposure to the relevant subject area.</b> For example, one or more of: <ul style="list-style-type: none"> <li>- Holding a degree or relevant qualification but no specific role or accountability in the subject area</li> <li>- Familiarity with the field through having a senior role in an organisation but no specific role in this field</li> <li>- Familiarity with the field in management of an entity not specialising in this field</li> </ul>	<b>Some experience in relevant subject area</b> For example – one or more of: <ul style="list-style-type: none"> <li>- A relevant qualification and 1-3 years' experience in a role within the subject area</li> <li>- Detailed experience in this field gained through management in an entity not specialising in this field</li> </ul>	<b>Demonstrated experience in the relevant subject area</b> For example – one or more of: <ul style="list-style-type: none"> <li>- A relevant qualification and 5+ years' experience in a role within the subject area</li> <li>- Professional Membership in the subject area</li> <li>- Management experience in this field in an entity specialising in this field</li> <li>- Audit and Risk Committee positions held in other entities</li> </ul>	<b>Strong expertise and detailed technical understanding of the subject area</b> For example – one or more of: <ul style="list-style-type: none"> <li>- A relevant qualification and 2-5 years' experience in an executive or senior leadership role with direct accountability for this subject area.</li> <li>- Professional Membership in the subject area</li> <li>- 5+ years' experience in an executive or senior leadership role in a professional firm with specialisation in the subject area</li> <li>- Audit and Risk Committee positions held for Councils</li> </ul>	<b>Advanced expertise and sophisticated and strategic understanding in the subject area</b> For example – one or more of: <ul style="list-style-type: none"> <li>- A relevant qualification and 5+ years' experience in an executive or senior leadership role with direct accountability for this subject area</li> <li>- Professional Membership in the subject area</li> <li>- 10+ years' experience in an executive or senior leadership role in a professional firm with specialisation in the subject area</li> <li>- 8+ years' experience in Audit and Risk Committee positions held for Councils.</li> </ul>

The skills matrix should be completed in relation to all members of the audit and risk committee. For existing members, it may be appropriate to undertake a self-assessment to determine any skills gaps that may need to be addressed for future member appointments. For new members, it would be appropriate for the skills matrix to be completed as part of the appointment process and prior to appointment.

Skills Matrix – Member Assessment			
Subject Area	Definition	Evidence examples	Rating
<b>Financial Management</b>	<p>Understanding of the field of accounting, financial reporting, internal controls, including knowledge of relevant accounting standards.</p> <p>Able to contribute to the oversight of budgeting and long-term financial planning.</p> <p>Holds a formal qualification in accounting , finance, or internal audit</p> <p>Holds a professional membership in accounting, finance, or internal audit</p>	<p>An Accounting, Commercial or Business Degree at Undergraduate or Post Graduate level.</p> <p>Has achieved certification for the Institute of Internal Auditors and holds Professional Membership status.</p> <p>Holds a Professional Membership in CPA, CA or IPA</p> <p>Experience in this field</p>	
<b>Risk Management</b>	<p>Experience in systematic risk identification, evaluation, assurance, monitoring and review of key business risks.</p>	<p>Holds a qualification/certification in risk management.</p> <p>Level of experience assisting in the development of risk management frameworks, registers, policies and procedures</p> <p>Experience in this field</p>	
<b>Governance</b>	<p>Understanding of Governance Matters</p>	<p>Relevant qualification in Business or Law.</p> <p>Membership of the Australian Institute of Company Directors.</p> <p>Experience in this field</p>	
<b>Local Government</b>	<p>Experience with Local Government in South Australia</p>		



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The results assessment table provides a consolidated summary of skills held by all committee members. It allows for easy identification of any skills/knowledge/experience gaps to inform future appointments.

To populate the results assessment table transfer individual member ratings from the Member Assessment form, using one column for each member.

Skills Matrix – Results Assessment					
Skills	Member 1	Member 2	Member 3	Member 4	Member 5
Financial Management					
Risk Management					
Governance					
Local Government					

## Appendix 2 – Template audit and risk committee terms of reference

The template terms of reference set out on the following pages are intended to be customised to suit council requirements. The document includes drafting notes that should be deleted prior to finalisation of the document. Drafting notes are formatted with a border, like this:

**DRAFTING NOTE:** Subject to individual council requirements, the legislative provisions set out in clause 2.1 below may be sufficient detail about the functions/activities of the audit and risk committee.

Where specific customisation of text is required within the Terms of Reference, or there are specific decisions required to retain text, this has been highlighted in yellow, **like this**, for ease of identification.

[Council Logo]

### Audit and Risk Committee Terms of Reference

Document reference:	[reference number]
Responsible department:	[name]
Responsible officer:	[name]
Date adopted:	[date]
Next review date:	[date]
Applicable legislation:	Local Government Act 1999 Local Government (Financial Management) Regulations 2011 Local Government (Procedures at Meetings) Regulations 2011

#### 1. Establishment and Purpose

- 1.1 The purpose of the Audit and Risk Committee (the Committee) is to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters.
- 1.2 The Committee is established in accordance with the requirements of sections 126 and 41 of the *Local Government Act 1999* (the Local Government Act).

#### 2. Functions

**DRAFTING NOTE:** Subject to individual council requirements, the legislative provisions set out in clause 2.1 may provide sufficient detail about the functions/activities of the audit and risk committee.



*If further detail is preferred, the subsequent clauses provide examples of activities at a greater level of detail, aligned to the full scope of functions assigned to the audit and risk committee. These are not exhaustive, nor mandatory. They are provided as **examples** only.*

*Before adopting the Terms of Reference the level of detail to be included should be determined and the clauses below should be specifically reviewed and confirmed for inclusion based on individual council requirements.*

*When finalising this section of the Terms of Reference ensure that clauses that are not required are deleted.*

2.1 The Local Government Act assigns the following functions to audit and risk committees:

- (a) Review annual financial statements to ensure that they present fairly the state of affairs of the council.
- (b) Propose and provide information relevant to, a review of the council's strategic management plans or annual business plan.
- (c) Monitor the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's auditor.
- (d) Propose and review the exercise of powers under section 130A.
- (e) Liaise with the Council's auditor in accordance with any requirements prescribed by the regulations.
- (f) Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.
- (g) —  
 If the council has an internal audit function, provide oversight of planning and scoping of the internal audit work plan and review and comment on reports provided by the person primarily responsible for the internal audit function on at least a quarterly basis.  
 If the council does not have an internal audit function, review and comment on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the Council to evaluate and improve the effectiveness of its internal control practices and procedures.
- (h) Review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.
- (i) Review any prudential report obtained by the council under section 48(1).
- (j) Make recommendations to the Council on the appointment of the Auditor pursuant to section 128 of the Local Government Act.
- (j) Perform any other function referred to it by the Council, another Council Committee or prescribed by the regulations.

2.2 Consistent with the legislative functions assigned to audit and risk committees, the Committee will undertake the following activities:

### 2.3 Financial Reporting

- 2.3.1 Monitor the integrity of the financial statements of the Council, reviewing significant financial reporting issues and judgements which they contain.
- 2.3.2 Review and challenge where necessary:
- The consistency of, and/or any changes to, accounting policies.
  - The methods used to account for significant or unusual transactions where different approaches are possible.
  - Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor.
  - The clarity of disclosure in the Council's financial reports and the context in which statements are made.
  - All material information presented with the financial statements.
- 2.3.3 Provide advice to Council relevant to budget reviews undertaken in accordance with the Local Government Act and Regulation 9 of the *Local Government (Financial Management) Regulations 2011*, including in relation to any revisions to the forecast Key Financial Indicators.

### 2.4 Management plans and business plans

- 2.4.1 As the time of preparation or scheduled review, provide advice relevant to the scope of the Committees functions on the Council's strategic management plans, which may include:
- Community/Strategic Plan
  - Long Term Financial Plan
  - Annual Business Plan and Budget
  - Infrastructure and Asset Management Plan.

### 2.5 Internal controls

- 2.5.1 Review the adequacy of Council's internal controls framework, processes and systems.

### 2.6 Risk management

- 2.6.1 Review the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.
- 2.6.2 Monitor responsiveness to recommendations for improvement based on previous audits and risk assessments, including those raised by Council's auditor.

### 2.7 Internal audit

- 2.7.1 Liaise with the CEO in relation to the appointment of a person, or the assignment of responsibility to an employee of the council, to be primarily responsible for the internal audit function.
- 2.7.2 Receive and comment on reports provided by the person primarily responsible for the internal audit function.

- 2.7.3 *[if the council has an internal audit function]* Provide oversight of planning and scoping of the internal audit work plan.
- 2.7.4 Review internal audit reports on the council operations.
- 2.7.5 Review and monitor management's responsiveness to internal audit findings and recommendations.
- 2.7.6 *[if the council does not have an internal audit function]* Review and comment on an annual report provided by the Chief Executive Officer in relation to the policies and processes adopted by the Council to evaluate and improve the effectiveness of its internal control practices and procedures.

## 2.8 External audit

- 2.8.1 Make recommendations to the Council in relation to the selection, appointment and removal of the Council's external auditor.
- 2.8.2 Assess the quality and effectiveness of the external audit conducted and evaluate the performance of the auditor, including:
- Review the scope and terms of the audit and the audit fee, including a review on non-audit services provided by the external auditor.
  - Review the audit plan for coverage of material risks and financial reporting requirements.
  - Monitor and review the auditors independence and objectivity.
  - Discuss matters relating to the conduct of the audit, including any difficulties encountered, any restrictions on scope of activities or access to information, significant disagreements with management and the adequacy of management response.
- 2.8.3 Review the findings of the audit with the external auditor, including but not limited to:
- A discussion of any major issues which arose during the external audit.
  - Any accounting and audit judgements.
  - Levels of errors identified during the external audit.
- 2.8.4 Review any representation letter requested by the external auditor before they are signed by management.
- 2.8.5 Review the subsequent audit management letter from the external auditor and management's proposed response, by the Council, to the external auditor's findings and recommendations in that audit management letter.
- 2.8.6 Meet with the external auditor on at least one occasion each year on a confidential basis, ensuring that a majority of members of the Committee are present for the meeting and that no members or employees of the council are present (other than council members who are members of the Committee).

## 2.9 Other matters

- 2.9.1 Review any report obtained by Council under section 48(1) of the Act in accordance with Council's Prudential Management Policy.
- 2.9.2 Propose and review the exercise of powers under section 130A of the *Local Government Act 1999* to examine and report on any matter relating to financial

management or the efficiency and economy of resource use to achieve council objectives not otherwise addressed as part of an annual audit and of such significance to warrant specific consideration.

- 2.9.3 Make recommendations to Council in relation to development of new and review of existing policies within the scope of the Committee's functions.

### 3. Membership

- 3.1 The Committee shall comprise [insert number - must be between 3 and 5] members appointed by the Council, with [insert number – must be a majority] being independent members and [insert number] Council Member[s].
- 3.2 When considered as a whole, the Committee must have skills, knowledge and experience relevant to the functions of the Committee, including in financial management, risk management, governance and any other prescribed matter.
- 3.3 The term of appointment for independent members will be up to [insert length of term of appointment in months/years] and appointment timing will be managed such that it does not align with council elections, to provide for continuity of Committee membership across terms of Council.

**DRAFTING NOTE:** The following clause is included for circumstances where a council wishes to impose a maximum number of terms for independent audit and risk committee members. It should be deleted if not required.

- 3.4 Independent Committee members are eligible for reappointment up to a maximum of [insert number of terms if a cap is to be applied] terms.
- 3.5 The term of appointment for Council Members will be [insert length of term of appointment in months/years].

**DRAFTING NOTE:** The following clause is included for circumstances where a council wishes to impose a maximum number of terms for council members appointed to the audit and risk committee. It should be deleted if not required.

- 3.6 Council Members are eligible for reappointment up to a maximum of [insert number of terms if a cap is to be applied] terms.

### 4. Presiding Member

**DRAFTING NOTE:** The appointment of the Presiding Member is a matter for council to determine. It is at the discretion of the council whether an independent member is appointed to the role. The clause below refers to the appointment of an independent member as Presiding Member, consistent with good practice.

Should it determine to do so, the council may include arrangements for the appointment of the Presiding Member by the Committee (rather than making the appointment directly) within the Terms of Reference.

The clause should be amended to reflect the decision of the council regarding the appointment of the Presiding Member.

- 4.1 The Council shall appoint the Presiding Member from amongst the Independent Members.

- 4.2 The role of the Presiding Member is to:
- 4.2.1 Oversee the orderly conduct of meetings in accordance with the Local Government Act, the *Local Government (Procedures at Meetings) Regulations 2013* and other procedures relevant to the Committee.
  - 4.2.2 Ensure that the Guiding Principles at Regulation 4 of the *Local Government (Procedures at Meetings) Regulations 2013* are observed and that all Committee members have an opportunity to participate in deliberations of the Committee.
  - 4.2.3 Certify, along with the Chief Executive Officer and in accordance with Regulation 22 of the *Local Government (Financial Management) Regulations 2001*, the 'Independence of External Auditor' as part of the end of financial year audit process.

**DRAFTING NOTE:** The following **optional** clause has been included to provide for the appointment of a Deputy Presiding Member or circumstances where the Presiding Member is absent.

Clause 4.3 and 4.3.1 should be deleted if not required. Consideration should be given to retaining an amended version of clauses 4.3.2 and/or 4.3.3 to provide for circumstances when the presiding member is absent.

#### 4.3 Deputy Presiding Member

- 4.3.1 The Committee will determine if there will be a Deputy Presiding Member of the Committee and, if so, the Committee will make the appointment to that position for a term determined by the Committee.
- 4.3.2 If the Presiding Member of the Committee is absent from a meeting the Deputy Presiding Member (if such position exists) will preside at that meeting.
- 4.3.3 If there is no position of Deputy Presiding Member, or both the Presiding Member and the Deputy Presiding Member of the Committee are absent from a meeting of the Committee, then a member of the Committee chosen from those present will preside at the meeting until the Presiding Member (or Deputy Presiding Member, if relevant) is present.

### 5. Meetings

**DRAFTING NOTE:** The following clauses should be amended to reflect the arrangements in place for the scheduling of meetings. The endorsement of the Terms of Reference by Council that specify the Committee will determine its own meeting schedule satisfies the requirements of section 87(1) of the Local Government Act 1999.

- 5.1 The Committee will meet at least once in each quarter, with meeting dates and times determined by the [Council/Committee].
- 5.2 Meetings will be held at [insert details of location of meetings].
- 5.3 Notice confirming the venue, time and date, together with an agenda of items to be discussed shall be provided to each member of the Committee no later than three clear days before the meeting.

- 5.4 Subject to the operation of section 90 of the Local Government Act, and in accordance with the requirements of section 132 of the Local Government Act, the agenda and minutes of the Committee will be published on a website determined by the Chief Executive Officer.
- 5.5 In accordance with section 88 of the Local Government Act, notice of meetings of the committee must be displayed at the principal office of the Council and on a website determined by the Chief Executive Officer, and must continue to be published and kept on display until the completion of the relevant meeting.
- 5.6 The Chief Executive Officer is authorised to adjourn a scheduled meeting, in circumstances where sufficient apologies have been received to indicate a quorum will not be achieved for the scheduled meeting.
- 5.7 **Meeting procedures**

5.7.1 For the purposes of regulation 5 of the *Local Government (Procedures at Meetings) Regulations 2013*, Council has determined that Part 2—Meetings of councils and key committees apply to the Committee.

**DRAFTING NOTE:** Council is required to resolve to apply Part 2 of the *Procedures at Meetings Regulations* to a committee. The above clause should be deleted if council does not wish to apply Part 2 procedures to the Audit and Risk Committee. In those circumstances, only Parts 1, 3 and 4 of the *Local Government (Procedures at Meetings) Regulations 2013* would apply to the Audit and Risk Committee.

- 5.7.2 Meetings of the Committee will be held in accordance with:

- Local Government Act 1999

**DRAFTING NOTE:** If council resolves to apply Part 2 of the *Procedures at Meetings Regulations* to the Committee the first dot point below should be retained and the second dot point deleted. If council does not resolve to apply Part 2, the second dot point below should be retained and the first dot point deleted.

- Local Government (Procedures at Meetings) Regulations 2013 **OR**

- Local Government (Procedures at Meetings) Regulations 2013, specifically Part 1—Preliminary, Part 3—Meetings of other committees and Part 4--Miscellaneous

- Council's Code of Practice [if applicable]

**DRAFTING NOTE:** The following **optional** clauses have been included to provide for participation in audit and risk committee meetings by committee members via electronic means in accordance with the requirements of section 90(7a) of the *Local Government Act*.

The clauses should be deleted if participation in meetings by electronic means is not relevant.

### 5.8 **Attendance at Committee meetings electronically**

5.8.1 Committee members may participate in a Committee meeting by electronic means.

5.8.2 A member of the Committee participating in a committee meeting by electronic means is taken to be present at the committee meeting provided that the member:

- (a) can hear all other members present at the committee meeting; and
- (b) can be heard by all other members present at the committee meeting.

### 5.9 **Form of participation by electronic means**

5.9.1 Where:

- (a) a Committee member is to participate in an Committee meeting by electronic means; and
- (b) the electronic means has the functionality to allow the member to participate in the Committee meeting by being **both** seen and heard; and
- (c) the electronic means of the Council has the functionality to allow the Committee member to be **both** seen and heard,

the member **must** participate by being **both** seen and heard.

### 5.10 **Public access to electronic committee meetings**

5.10.1 Council will make available to the public a live stream of any Committee meeting which must be conducted in a place open to the public at which one or more members participate electronically and will ensure that members of the public can hear the discussions between all persons participating in the Committee meeting.

5.10.2 The live stream will be published on a website determined by the chief executive officer, provided that this requirement will not apply to any part of the Committee meeting that has been closed to the public.

### **Definitions**

Electronic means includes a telephone, computer or other electronic device used for communication.

### 5.11 **Voting**

5.11.1 Each member of the Committee at a meeting will have one vote.

5.11.2 The Presiding Member will have a deliberative vote and does not, in the event of an equality of votes, have a casting vote.

## 5.12 Quorum

**DRAFTING NOTE:** The quorum calculation clause reflects regulation 26 of the *Local Government (Procedures at Meetings) Regulations 2013*.

Council may wish to determine an alternative quorum, for example, by setting a fixed number and/or requiring a majority of independent members to be present to constitute a quorum for a meeting of the Committee.

- 5.12.1 A quorum for the Committee will be ascertained by dividing the total number of members of the Committee by 2, ignoring any fraction resulting from the division and adding one (in accordance with regulation 26, *Local Government (Procedures at Meetings) Regulations 2013*).

## 6. Reporting

- 6.1 As required by section 126(8)(a) of the Local Government Act, the Committee will provide a report to the Council after each meeting summarising the work of the Committee during the period preceding the meeting and the outcomes of the meeting.
- 6.2 As required by section 126(8)(b) of the Local Government Act, the Committee will provide an annual report to the Council on the work of the Committee. The Council must include this report in its Annual Report.
- 6.3 As required by section 99(1)(ib) of the Local Government Act, the Chief Executive Officer will provide an annual report to the Committee on the council's internal audit processes.
- 6.4 As part of the preparation of the annual report, the Committee will evaluate its performance, which may include consideration of these Terms of Reference, to ensure the Committee is operating at maximum effectiveness with recommendations for any changes presented to the Council for consideration.

## 7. Administrative support

- 7.1 The Chief Executive Officer shall provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions.



## Appendix 3 – Example audit and risk committee work plan

The work plan set out below is provided as an example only and is not intended to be exhaustive. Categories of activity are based on the functions of the audit and risk committee set out in the *Local Government Act 1999* and activities are provided as examples of work relevant to the Committee.

The 'responsible officer' column may be used to identify the council officer with responsibility for facilitating each activity to be undertaken by the Committee. This may be the CEO or General Manager (or equivalent) responsible for finance/risk/audit functions or it may be the officer tasked with supporting Committee.

The timing columns indicate at which meeting the Committee would consider relevant activities. The example plan is based on the minimum quarterly meetings required to be held and assumes the work plan is developed on a financial year basis.

The 'status update' column may be used to provide updates on progress against activities and could form the basis of content for the report to be presented to the Council following each Committee meeting.

Activity	Responsible Officer	Timing				Status Update
		Meeting Date	Meeting Date	Meeting Date	Meeting Date	
		Q3 (Jan-Mar)	Q4 (Apr-Jun)	Q1 (Jul-Sept)	Q2 (Oct-Dec)	
Audit & Risk Committee performance						
- Report to Council after each Committee meeting		X	X	X	X	
- Report annually to Council				X		
- Development of annual work plan			X			
- Undertake self assessment			X			
- Review of Terms of Reference (alternate years)		X				

Activity	Responsible Officer	Timing				Status Update
		Meeting Date	Meeting Date	Meeting Date	Meeting Date	
		Q3 (Jan-Mar)	Q4 (Apr-Jun)	Q1 (Jul-Sept)	Q2 (Oct-Dec)	
Financial Reporting						
- Review annual financial statements				X		
- Review asset valuations				X		
- Review methodology and approach to depreciation				X		
- Review significant accounting and reporting issues, changes to accounting standards and industry updates					X	
Management Plans & Business Plans						
- Review of annual business plan and budget		X				
- Review of long term financial plan (s.122(4)(a) on an annual basis)		X				
- Review of infrastructure and asset management plan(s)		X				
- Review of community/strategic plan (s.122(4)(b) within 2 years after each general election)						

Activity	Responsible Officer	Timing				Status Update
		Meeting Date	Meeting Date	Meeting Date	Meeting Date	
		Q3 (Jan-Mar)	Q4 (Apr-Jun)	Q1 (Jul-Sept)	Q2 (Oct-Dec)	
Internal Controls						
- Review internal controls self assessment			X			
- Review internal control policies and procedures		X				
Risk Management						
- Review strategic risk register		X		X		
Internal Audit						
- Oversight of planning and scoping of internal audit plan <i>(if the council has an internal audit function)</i>			X			
- Review internal audit reports		X	X	X	X	
- Review annual report in relation to policies and processes adopted to evaluate and improve effectiveness of internal control practices/procedures <i>(if the council does not have an internal audit function)</i>				X		

Activity	Responsible Officer	Timing				Status Update
		Meeting Date	Meeting Date	Meeting Date	Meeting Date	
		Q3 (Jan-Mar)	Q4 (Apr-Jun)	Q1 (Jul-Sept)	Q2 (Oct-Dec)	
External Audit						
- Review interim audit report			X			
- Review final external audit report					X	
- Review management representation letters					X	
- Assess appropriateness of Council's response to Auditors findings and recommendations					X	
- Meet with External Auditor (in confidence)					X	
Other Matters						
- Review of section 48 Prudential Management report (as required)						
- Propose and review the exercise of powers under section 130A (as required)						
- Policy reviews (as required)						

## Appendix 4 – Sample audit and risk committee self-assessment

The self-assessment set out below is provided as an example of a tool that may be used by an audit and risk committee to assess its performance.

	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
<b>Committee Members &amp; Meetings</b>						
The Committee understands the Council's business sufficiently to enable the Committee to fulfil its responsibilities						
The mix of skills on the Committee allows it to effectively perform its responsibilities						
Committee members have maintained relevant skills/knowledge/experience and undertaken relevant training and development						
Committee members have attended meetings on a regular basis						
The Committee meets frequently enough to be effective						
Meetings have been conducted in accordance with the agenda issued and allow sufficient time to discuss complex and critical issues						
Meeting agenda and supporting papers are of sufficient clarity and quality to make informed decisions						

	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
Meetings have been conducted to allow Committee members to raise any issue they believe relevant and allow for open, frank and robust discussion of all matters raised						
The Committee has received all information, presentations or explanations it considers necessary to fulfil its responsibilities						
Committee minutes are appropriately maintained and are of good quality						
<b>Committee Planning &amp; Reporting</b>						
The Committee work plan set out achievable priorities and objectives for the year						
Appropriate progress against the work plan was achieved						
Committee recommendations/decisions and agreed actions are monitored and have been implemented within agreed timeframes						
The Committee reported to Council after each meeting summarising the work of the Committee during the period preceding the meeting and the outcomes of the meeting						
The Committee provided an annual report to the Council on the work of the Committee. The Council included this report in its Annual Report						
The Committee has reviewed and if appropriate, proposed amendments to, its Terms of Reference						

	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
<b>External Audit</b>						
The Committee is satisfied that annual financial reports comply with applicable legislation and Australian accounting standards and are supported by appropriate management sign-off on financial statements						
The Committee has reviewed the findings of the interim and annual audits with the external auditor						
The Committee has reviewed the external auditor's management letter and monitored the implementation of recommendations by management						
The Committee has reviewed the external audit opinion, including whether appropriate action has been taken in response to audit recommendations and adjustments						
The Committee has considered contentious financial reporting matters in conjunction with management and external auditors						
The Committee has reviewed the processes in place to ensure financial information included in the annual report is consistent with the signed financial statements						
The Committee has met with the external auditor on at least one occasion on a confidential basis, with a majority of Committee members present and no members/employees of the council present (other than council members who are members of the Committee)						

	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
<b>Internal Audit</b>						
The Committee has reviewed and approved the internal audit plan <i>(if the council has an internal audit function)</i>						
The Committee considers the internal audit resources were adequate for the completion of the internal audit program						
The Committee has monitored the implementation of internal audit recommendations and obtained all information and/or explanations it considers relevant to the progress of implementation of audit recommendations						
The Committee considers the audit reports provided as appropriate for the business needs of the Council and:						
a) The reports were structured, concise and constructive						
b) The recommendations provided were realistic and resulted in improvements to current procedures						
c) The conclusions reached were adequately supported by relevant evidence and reflected a realistic understanding of the area under review						
The Committee has reviewed the annual report provided by the Chief Executive Officer on the council's internal audit processes <i>(if the council does not have an internal audit function)</i>						



	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
<b>Risk Management, Internal Control, Financial Management, Strategic Planning and Reporting</b>						
The Committee understands and reviews the effectiveness of Council's strategic plan and delivery program						
The Committee adequately understands and reviews the Council's risk management framework and whether an effective approach is being followed to manage major risks						
The Committee adequately understands and reviews the Councils financial reporting requirements						
The Committee reviews the effectiveness of the system for monitoring Council's compliance with relevant laws and regulations						
The Committee understands and reviews management's systems and arrangements for maintaining effective internal controls						
The Committee has reviewed the annual report prepared by the CEO in relation to policies and processes adopted to evaluate and improve effectiveness of internal control practices/procedures						
<b>Other Matters [as relevant/required]</b>						
The Committee reviewed and provided comment on any Prudential Management reports prepared in accordance with section 48 of the <i>Local Government Act 1999</i>						



The voice of local government.

	0 Strongly disagree   Below standard	1 Disagree   Poor	2 Neutral	3 Agree   Good	4 Strongly agree   Exceptional	Comment
The Committee appropriately proposed and reviewed the exercise of powers under section 130A of the <i>Local Government Act 1999</i>						
The Committee reviewed and provided feedback on relevant policies						

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## Primary and Ordinary returns: Council Members

**Guideline**

**October 2022**



*These Guidelines have been revised following passage of the Statutes Amendment (Local Government Review) Act 2021 and in preparation for commencement of the relevant provisions amending the Local Government Act 1999 following Council elections in November 2022.*

*This resource has been prepared by the Local Government Association of SA (LGA) to assist councils with implementation of legislative changes arising from Local Government Reforms, incorporating advice from Norman Waterhouse Lawyers, for the guidance of and use by member councils.*

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## 1. Introduction

Council members are required to disclose their interests following their election or appointment to council. The disclosure is made by completing a primary return<sup>1</sup> after their initial election/appointment and is then updated through the lodgement of an ordinary return<sup>2</sup> each year. Council members are also obligated to advise when there are any changes to those interests.

The information submitted in the primary and ordinary returns must be entered into the Register of Interests which must be maintained by the Chief Executive Officer (CEO). The Register must also be published on a website determined by the CEO.

The underlying philosophy of this statutory requirement is that disclosure of private interests by council members promotes transparency and accountability of council members to their electors. The *Local Government Act 1999* (the Local Government Act) specifies the type of information that must be disclosed.

There are specific statutory requirements for council members to declare any conflict of interest in a matter which comes before the Council or a Council committee for discussion. The duty to provide information for inclusion in the Register of Interests co-exists as complementary to the duty to disclose conflicts of interest.

Compliance with the statutory duties and requirements is the individual responsibility of each council member.

General matters which are relevant for Council Members in completing Returns are as follows:

- Primary and ordinary returns must be in the form determined by the Minister<sup>3</sup>.
- The information provided may be disclosed in such a way that no distinction is made between information relating to the council member and a designated person or entity in relation to the council member.
- Council members do not have to disclose the **actual amount** or **extent** of any financial benefit, contribution or interest.
- Council members are required only to disclose information that is known to them or ascertainable by the Council Member by the exercise of reasonable diligence.
- Information to be disclosed regarding a person as trustee of a trust only relates to information about that person in their capacity as trustee.

<sup>1</sup> Section 65, *Local Government Act 1999*

<sup>2</sup> Section 66, *Local Government Act 1999*

<sup>3</sup> Schedule 3-Clause 2(a1), *Local Government Act 1999* and Regulation 9, *Local Government (General) Regulations 2013*. The determination of the form of returns will be published by the Minister for Local Government by way of a Notice in the SA Government Gazette.

## 2. Register of Interest provisions

### 2.1. About the Register

The Register of Interests (the Register) must be kept by every council. The Register contains information provided by council members in their primary and ordinary returns. The type of information to be provided is specified in the Local Government Act and the forms determined by the Minister.

Section 68 of the Local Government Act requires the CEO to maintain the Register and enter into the Register all information<sup>4</sup> provided by council members in their primary and ordinary returns.

The Register also includes information about a designated person or entity in relation to a council member, in so far as it is required to be disclosed in the primary and ordinary returns.

Pursuant to section 68(4) of the Local Government Act, if the CEO is satisfied that:

- the inclusion in the Register of the address of a person would place at risk the personal safety of that person, a member of that person's family or any other person - the CEO may suppress the address from the Register;
- a person's address is suppressed from the roll under the *Electoral Act 1985* – the CEO must suppress the person's residential address from the Register.

A council member who submits a return which they know to be false or misleading in a material particular, whether by inclusion or omission of information, is guilty of an offence<sup>5</sup>.

It is an offence<sup>6</sup> for a person to:

- publish information in the Register unless the information constitutes a fair and accurate summary of the information and is published in the public interest; or
- comment on the facts set out in the Register unless the comment is fair and published in the public interest and without malice.

The maximum penalty for this offence is \$15 000.

### 2.2. Publication of Register

The CEO is required to publish the Register on a website determined by the CEO<sup>7</sup>. However, the CEO must ensure that the following details are not published:

- a person's residential address;
- any other address suppressed from the Register under the Act on the basis the CEO is satisfied the personal safety of that person, a member of that person's family or any other person would be at risk if the address were included in the Register.

<sup>4</sup> With the exception of the residential address of the council member or any other address suppressed from the Register pursuant to section 68(4) of the Local Government Act.

<sup>5</sup> Section 69, *Local Government Act 1999*

<sup>6</sup> Section 71, *Local Government Act 1999*

<sup>7</sup> Section 70(a1), *Local Government Act 1999*



## 2.3. Integrity provisions

The provisions in the Local Government Act regarding primary and ordinary returns are integrity provisions. Accordingly, pursuant to section 264 of the Local Government Act, a complaint may be lodged with the South Australian Civil and Administrative Tribunal (SACAT) on the ground that a council member has contravened or failed to comply with the requirements in the Local Government Act regarding primary and ordinary returns.

If SACAT is satisfied that a Council Member has contravened or failed to comply with the requirements in the Local Government Act regarding primary and ordinary returns and there is proper cause to take action against the council member, SACAT may by an order or orders do one or more of the following:

- reprimand the person (including by means of a public statement);
- require the person to attend a specified course of training or instruction, to issue an apology in a particular form or to take other steps;
- require the person to reimburse the council a specified amount (which may include the reimbursement of the council's costs relating to investigation of the complaint and giving effect to an order under section 267);
- impose a fine not exceeding \$15 000 on the person;
- suspend the person from any office under the Local Government Act for a period not exceeding six months;
- disqualify the person from any office under the Local Government Act;
- disqualify the person from becoming a member of a council, a council committee or a subsidiary of a council for a period not exceeding five years.

## 2.4. Primary return

Section 65 of the Local Government Act provides that when a person is **first** elected or appointed to a council, or elected or appointed after any period of absence during which time they were not a council member, that person must submit a '*primary return*' to the CEO, **within six weeks** after election or appointment.

If a council member is elected following a supplementary election, the council member must complete a primary return even if their election coincides with the period in which they must also complete an ordinary return.

The type of information required to be disclosed in the primary return is specified in the Local Government Act at Schedule 3. The form for a primary return is determined by the Minister and published by way of a Notice in the SA Government. Appendix 1 to these Guidelines contains the form for a primary return as determined by the Minister. Part 4 of these Guidelines provides information and examples to assist council members complete their primary return.

## 2.5. Ordinary return

An 'ordinary return' is the annual return required to be submitted by every council member **on or within 60 days after 30 June every year**<sup>8</sup>.

The type of information required to be disclosed in the ordinary return is specified in the Local Government Act at Schedule 3. The form for an ordinary return is determined by the Minister and published by way of a Notice in the SA Government. Appendix 2 to these Guidelines contains the form for an ordinary return as determined by the Minister.

Part 5 of these Guidelines provides information and examples to assist Council Members complete their ordinary return.

## 2.6. Notification of changes or variations

Council members must notify the CEO of a change or variation to the information appearing in the Register relating to them within one month of the change or variation<sup>9</sup>. However, it is not a breach of this requirement if the council member proves that they did not know and could not reasonably be expected to have known of the relevant change or variation.

## 2.7. Failure to submit a return

If a council member fails to submit a return to the CEO within the time allowed under the Local Government Act, the CEO is required to, as soon as practicable, notify the council member of that failure by registered mail<sup>10</sup>. The CEO must include in that notice specific information about the consequences for the council member if a return is not submitted.

If a council member fails to submit a return to the CEO before the expiration of one month from the end of the period allowed under the Local Government Act for the submission of the return, the council member is automatically suspended from office as a council member<sup>11</sup>.

A council member who is suspended for failing to submit a return is not entitled to receive an allowance during the period of suspension<sup>12</sup>.

If a council member who is suspended for failing to submit a return submits to the CEO (after the commencement of the suspension) the return that was required to be submitted:

- the CEO must immediately publish a notice on a website determined by the CEO specifying the date on which the council member submitted the return; and
- the suspension is taken to be revoked on the date of publication of the notice<sup>13</sup>.

<sup>8</sup> Section 66, *Local Government Act 1999*

<sup>9</sup> Section 67(1), *Local Government Act 1999*

<sup>10</sup> Section 68(2), *Local Government Act 1999*

<sup>11</sup> Section 68(1a), *Local Government Act 1999*

<sup>12</sup> Section 68(1b), *Local Government Act 1999*

<sup>13</sup> Section 68(3a), *Local Government Act 1999*



If a Council Member is suspended for failing to submit a return for a continuous period of more than the prescribed period<sup>14</sup> the council must apply to SACAT for an order disqualifying the council member from the office of council member under the Local Government Act<sup>15</sup>. If a council member is disqualified the disqualification extends to all other offices held in the council member's capacity as a member of the council or by virtue of being a member of the council<sup>16</sup>.

## 2.8. Application to members of committees and subsidiaries

The provisions of the Local Government Act relating to the Register extend to members of a council committee if the council so resolves<sup>17</sup>.

The charter of a subsidiary may provide that the provisions of the Local Government Act relating to the Register extend to board members of subsidiary as if the subsidiary were a council and a board member of the subsidiary were a member of a council<sup>18</sup>. This includes all the provisions regarding automatic suspension from office for failure to submit a return before the expiration of one month from the end of the period allowed under the Local Government Act for the submission of the return.

If provisions of the Local Government Act relating to the Register apply to a regional subsidiary:

- a board member must submit a primary return and ordinary returns to the CEO of each constituent council; and
- the subsidiary must in consultation with the CEOs of the constituent council(s) ensure the Register relating to its board members is maintained at the principal office of the subsidiary or at a council office nominated by the subsidiary and is available for inspection during ordinary office hours<sup>19</sup>.

A council member who is a member of a council committee or board member of a subsidiary to which the provisions under the Local Government Act relating to the Register apply and who has already submitted the appropriate returns is not required to submit additional returns by virtue of being a council committee member or subsidiary board member<sup>20</sup>.

<sup>14</sup> Regulation 8, *Local Government (General) Regulations 2013*. For the purposes of section 68(3b) of the Local Government Act, the prescribed period is 12 months.

<sup>15</sup> Section 68(3b), *Local Government Act 1999*

<sup>16</sup> Section 68(3c), *Local Government Act 1999*

<sup>17</sup> Section 72(1), *Local Government Act 1999*

<sup>18</sup> Section 72(2), *Local Government Act 1999*

<sup>19</sup> Section 72(3), *Local Government Act 1999*

<sup>20</sup> Section 72(5), *Local Government Act 1999*

### 3. Key Terms

There are a number of terms used in the Local Government Act, [and related Forms] which are defined below:

**‘beneficial interest’** in property includes a right to re-acquire the property.

a person who is an object of a discretionary trust is taken to be a **beneficiary** of that trust.

**‘designated person or entity’** in relation to a member of a council means:

- a member of the council member’s family;
- a family company of the council member; or
- a trustee of a family trust of the council member

**‘family’**, in relation to a council member, means:

- a spouse or domestic partner of the council member; and
- a child or stepchild of the council member.

**‘family company’** of a council member means a proprietary company:

- in which the council member or a member of the council member’s family is a shareholder; and
- in respect of which the council member or a member of the council member’s family, or any such persons together, are in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the company.

**‘family trust’** of a council member means a trust (other than a testamentary trust):

- of which the council member or a member of the council member’s family is a beneficiary; and
- which is established or administered wholly or substantially in the interests of the council member or a member of the council member’s family, or any such persons together.

**‘financial benefit’** in relation to a person means:

- any remuneration, fee or other monetary sum in excess of \$1,000 received by the person in respect of a contract of service (entered into) or paid office held by the person; and
- the total of all remuneration, fees or other monetary sums received by the person from a trade, profession, business or vocation engaged in by the person where that total exceeds \$1,000

but does not include an annual allowance, fees, expenses or other financial benefit payable to the person under the Act.

**‘income source’** in relation to a person means:

- any person or body of persons with whom the person entered a contract of service or held any paid office; and
- any trade, vocation, business or profession engaged in by the person



a person is an **'investor'** in a body if:

- the person has deposited money with, or lent money to, the body that has not been repaid in the amount of \$10,000 or more; or
- the person holds, or has a beneficial interest in, shares in, or debentures of, the body or a policy of life insurance issued by the body.

**'relative'** of a person means:

- the spouse or domestic partner; or
- a parent, step parent or remoter lineal ancestor; or
- a child, step child or remoter descendant; or
- a sibling or step sibling; or
- any member of the person's family who resides in the person's household;

**'return period'** in relation to an ordinary return of a council member means-

- In the case of a council member whose last return was a primary return – the period between the date of that return and 30 June next following; or
- In the case of any other council member – the period of 12 months expiring on 30 June on or within 60 days after which the return is required to be submitted.

**'trade or professional organisation'** means a body (whether corporate or unincorporated):

- of employers or employees; or
- persons engaged in a profession, trade or other occupation,

where, at least one of the objects of the body is to further its own or its members' professional, industrial or economic interests or those of any of its members.

## 4. Primary Return – information to be provided

The following table provides guidance on the information to be included in the Primary Return.

Type of Information	Explanation and Examples
<b>1. Income Source</b> State the income source the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> has or expects to have in the period of twelve (12) months after the date of the primary return.	Disclose details of current and expected employer, any paid offices held and any trade, vocation, business or profession engaged in.  Disclosure is required irrespective of the amount of income received or expected to be received in relation to each income source listed. Actual amount of income received or expected to be received does not need to be disclosed.  Where the person has more than one employer or holds more than one paid office, all employers and offices held must be disclosed. This includes the Council to which the Council Member has been elected.  Examples: <ul style="list-style-type: none"> <li>• John Smith &amp; Associates;</li> <li>• Australian Wheat Board;</li> <li>• Electrical Contractor;</li> <li>• Advertising Executive;</li> <li>• Share Trader;</li> <li>• Property Investor.</li> </ul>
<b>2. Offices Held - Companies or Bodies</b> State the name of any company or other body (corporate or unincorporate) in which the <b>Council Member</b> or a <b>member of his or her family</b> holds office whether as director or otherwise.	Disclosure must be made regardless of whether the office held is paid or unpaid. That is, voluntary and honorary positions must be disclosed.  Offices held may include Director, secretary, treasurer or public officer.  Examples: <ul style="list-style-type: none"> <li>• XX Football Club Inc;</li> <li>• XX Residents Association.</li> </ul>

Type of Information	Explanation and Examples
<b>3. Investments</b>  State the name or description of any company, partnership, association or other body in which the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> is an investor.	<p>Disclose the body the person has deposited money with, or lent money to, where the amount unpaid equals or exceeds \$10,000. Where the amount deposited or lent is less than \$10,000, disclosure is not required. Actual amount deposited or lent is not required to be disclosed.</p> <p>Disclose the body in which the person has a beneficial interest in shares in or debentures of the body or a life insurance policy issued by the body. Disclosure is required irrespective of the value of the shares, debentures or life insurance policy. Actual value of the shares, debentures and life insurance policy is not required to be disclosed.</p> <p>In relation to self-managed super funds (SMSF), an obligation arises to declare not only the interest in the fund itself but also the prescribed information regarding every investment made by the fund. Whilst the structure of SMSFs can vary, it is recommended that disclosure is made in relation to the interest in a SMSF and also the name or description of any company, partnership, association or other body in which the person, through the SMSF is an investor as defined. .</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Commonwealth Bank of Australia;</li> <li>• People's Choice Credit Union;</li> <li>• Telstra Corporation Ltd;</li> <li>• Life Insurance Company Ltd.</li> </ul>



Type of Information	Explanation and Examples
<b>4. Employer</b>  State the name and business address of any employer for whom the <b>Council Member</b> works, and the name of the office or place where the <b>Council Member</b> works or a concise description of the nature of the work.	<p>Where the <b>Council Member</b> works for more than one employer, they must disclose this information for all employers and all places/types of work.</p> <p>Where the business address of the employer(s) of a <b>Council Member</b> is different to the place(s) where they work, this will require the disclosure of the employer's business address and the office or place of work.</p> <p>If the <b>Council Member's</b> employment arrangements are not based at a fixed location(s), the nature of the work must be described.</p> <p>A <b>Council Member</b> who is employed by a State Government agency must disclose both the name and business address of the agency they are employed by and the name of the office and/or address of where they actually work (or provide a concise description of the nature of the work).</p> <p>If the <b>Council Member</b> is employed and is not based in an office, as well as disclosing the name and business address of their employer, they would need to describe the nature of their work.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• XX Pharmaceutical Company, 20 Smith Street, Sydney;</li> <li>• Sales consultant covering the metropolitan Adelaide and South East Region of South Australia;</li> <li>• XX Aviation Ltd (20 Smith Street, Sydney) - Adelaide Operations Office Department of Finance and Treasury (200 Victoria Square Adelaide) - Procurement Section;</li> <li>• XX Pastoral Company Ltd (20 First Street, Mount Gambier) - Financial Controller.</li> </ul>



Type of Information	Explanation and Examples
<b>5. Political Associations</b> State the name of any political party, any body or association formed for political purposes or any trade or professional organisation of which the <b>Council Member</b> is a member.	Examples: <ul style="list-style-type: none"> <li>• Real Estate Institute of South Australia;</li> <li>• Australian Labor Party;</li> <li>• Australian Liberal Party;</li> <li>• Australian Chamber of Commerce and Industry;</li> <li>• Greenpeace Australia;</li> <li>• Australian Services Union;</li> <li>• Australian Christian Lobby.</li> </ul>
<b>6. Trusts</b> Provide a concise description of any trust of which the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> is a beneficiary or trustee and the name and address of each trustee.	Disclosure is not required in relation to testamentary trusts (created by a Last Will). The following information should be provided: <ul style="list-style-type: none"> <li>• the name of the trust;</li> <li>• description of the purpose of the trust (if relevant);</li> <li>• the name and address of all trustees, including corporate trustees;</li> <li>• the details of the settlor.</li> </ul> A person who is an object of a discretionary trust is to be taken to be a beneficiary of that trust. Examples: <ul style="list-style-type: none"> <li>• Ali Family Trust: Trustee Mr Said Ali (20 First Street, Melbourne VIC 3000);</li> <li>• Verdi Family Super: Trustee Jane Verdi (35 First Street Port Augusta SA 5700) and Mr Joe Verdi (35 First Street Port Augusta SA 5700);</li> <li>• Verdi Family Super: Trustee Verdi Super Pty Ltd (35 First Street Port Augusta SA 5700).</li> </ul>
<b>7. Land</b> Provide the address or description of any land in which the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> has a beneficial interest other than by way of security for any debt.	Description includes Certificate of Title details. An encumbrance or right of way in favour of the <b>Council Member</b> or <b>person related to the Council Member</b> must be disclosed. Examples: <ul style="list-style-type: none"> <li>• 15 First Street, Whyalla SA 5600, Warnock Station, Crown Lease Register Book Volume 20 Folio 210.</li> </ul>

Type of Information	Explanation and Examples
<b>8. Funds</b> Provide details of any fund in which the <b>Council Member</b> , or a <b>designated person or entity in relation to the Council Member</b> has an actual or prospective interest to which contributions are made by a person other than the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> .	Disclosure is required in relation to any fund to which contributions are made by a third party (ie by a person other than the <b>Council Member</b> or the <b>person related to the Council Member</b> ). A superannuation fund will be caught in circumstances where the employer of the <b>Council Member</b> or of a <b>person related to the Council Member</b> makes employer contributions whether or not the employee also makes a contribution. The name of the fund should be provided together with information as to the purpose of the fund, but the value of the fund or interest in the fund is not required to be disclosed. Examples: <ul style="list-style-type: none"> <li>• SuperSA;</li> <li>• Smith and Johnson Partnership Super: Trustees Mr Geoffrey Smith (75 First Street, Noarlunga SA 5168) and Mr Dimitri Johnson (20 First Street, Echunga SA 5153).</li> </ul>
<b>9. Debts Owed</b> State the name and address of any person to whom the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> is indebted in an amount of \$7,500 or more (not being a relative of the Council Member or a member of the Council Member's family).	This requirement relates to the identification of the lender, whether a person, a company, a bank or a building society etc, not the amount of the debt. Disclosure is not required if the debt is owed to a relative of the <b>Council Member</b> or to a <b>member of the Council Member's family</b> . The \$7,500 limit applies to total amounts owing to a particular person. For example, the name and address of a person who is owed two different debts of \$4,000 must be disclosed. Examples: <ul style="list-style-type: none"> <li>• Commonwealth Bank of Australia (Ground Floor, Tower 1, 201 Sussex Street, Sydney SA 2000);</li> <li>• Emily Edwards (20 First Street, Keith SA 5267).</li> </ul>

Type of Information	Explanation and Examples
<b>10. Natural Person Debts to Member</b> State the natural person (not being a relative of the Council Member or a member of the Council Member's family) who owes money in an amount of or exceeding \$10,000 to the <b>Council Member</b> or to a <b>designated person or entity in relation to the Council Member</b> .	The \$10,000 limit relates to total amounts owing by a natural person. That is, it is necessary to add together all debts owed by a particular person to determine the total amount owing. Disclosure is not required if the natural person is a relative of the <b>Council Member</b> or a <b>member of the Council Member's family</b> . Disclosure is not required in relation to money owed to the person by a body corporate. Example: <ul style="list-style-type: none"> <li>John Jones.</li> </ul>
<b>11. Other Substantial Interests</b> Declare any other substantial interest of the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> (whether monetary or not) of which the <b>Council Member</b> is aware and which the <b>Council Member</b> considers might appear to raise a material conflict between the <b>Council Member's</b> private interests and the public duty the <b>Council Member</b> has or may subsequently have as a member of the Council.	The word ' <i>substantial</i> ' is not defined in the Act or the Regulations. The decision as to what is and what is not ' <i>substantial</i> ' for these purposes is a decision for each <b>Council Member</b> to make.
<b>12. Additional Information</b> Provide any additional information that the <b>Council Member</b> thinks fit.	

## 5. Ordinary Return - information to be provided

The following table gives guidance on the information to be provided in the Ordinary Return in the order of the questions as set out on the published Form. Where the information to be included in the Ordinary Return is the same as the information to be included in the primary return, this is indicated below by 'as per primary return' and the primary return explanatory text is replicated.

Type of Information	Explanation and Examples
<b>1. Income Source</b>  State the income source the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> has or expects to have in the period of twelve (12) months after the date of the primary return.	<p>This is a retrospective statement which relates to the period of twelve months expiring on 30 June or within 60 days after 30 June.</p> <p>Disclosure is only required where the person has received more than \$1,000 by way of remuneration, fee or other monetary sum from an employer or in respect of a paid office held.</p> <p>Disclosure is only required where the person has received more than \$1,000 in relation to a trade, profession, business or vocation engaged in by the person.</p> <p>Any annual allowance, fees, expenses or other financial benefit payable to the person under the Act does not need to be disclosed.</p> <p>This exemption does not, however, apply to appointments or nominations made by Council to external bodies where an allowance or a sitting fee is paid. This is because while the Council makes the appointment or nomination, the financial benefit is not paid under the Act.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• John Smith &amp; Associates;</li> <li>• Australian Wheat Board;</li> <li>• Electrical Contractor;</li> <li>• Advertising Executive;</li> <li>• Share Trader;</li> <li>• Property Investor.</li> </ul>

Type of Information	Explanation and Examples
<b>2. Offices Held - Companies or Bodies</b> State the name of any company or other body (incorporate or unincorporate) in which the <b>Council Member</b> or a <b>member of his or her family</b> held any office during the <b>return period</b> whether as a director or otherwise.	<p><i>As per Primary Return (item 2)</i></p> <p>It should be noted that any offices held <b>during the return period</b> must be disclosed even if the person no longer holds that office as at the date of the ordinary return.</p> <p>Disclosure must be made regardless of whether the office held is paid or unpaid. That is, voluntary and honorary positions must be disclosed.</p> <p>Offices held may include Director, secretary, treasurer or public officer.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• XX Football Club Inc;</li> <li>• XX Residents Association.</li> </ul>
<b>3. Investments</b> State the name or description of any company, partnership, association or other body in which the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> is an investor.	<p><i>As per Primary Return (item 3)</i></p> <p>Disclose the body the person has deposited money with, or lent money to, where the amount unpaid equals or exceeds \$10,000. Where the amount deposited or lent is less than \$10,000, disclosure is not required. Actual amount deposited or lent is not required to be disclosed.</p> <p>Disclose the body in which the person has a beneficial interest in shares in or debentures of the body or a life insurance policy issued by the body.</p> <p>Disclosure is required irrespective of the value of the shares, debentures or life insurance policy. Actual value of the shares, debentures and life insurance policy is not required to be disclosed.</p> <p>In relation to self-managed super funds, an obligation arises to declare not only the interest in the fund itself but also the prescribed information regarding every investment made by the fund. Whilst the structure of SMSFs can vary, it is recommended that disclosure is made in relation to the interest in a SMSF and also the name or description of any company, partnership, association or other body in which the person, through the SMSF is an investor as defined. .</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Commonwealth Bank of Australia;</li> <li>• People's Choice Credit Union;</li> <li>• Telstra Corporation Ltd;</li> <li>• Life Insurance Company Ltd.</li> </ul>

Type of Information	Explanation and Examples
<b>4. Political Associations</b> State the name of any political party, any body or association formed for political purposes or any trade or professional organisation of which the <b>Council Member</b> is a member.	<i>As per Primary Return (item 5)</i> Examples: <ul style="list-style-type: none"> <li>• Real Estate Institute of South Australia;</li> <li>• Australian Labor Party;</li> <li>• Australian Liberal Party;</li> <li>• Australian Chamber of Commerce and Industry;</li> <li>• Greenpeace Australia;</li> <li>• Australian Services Union;</li> <li>• Australian Christian Lobby.</li> </ul>
<b>5. Employer</b> State the name and business address of any employer for whom the <b>Council Member</b> works, and the name of the office or place where the <b>Council Member</b> works or a concise description of the nature of the work.	<i>As per Primary Return (item 4)</i> Where the <b>Council Member</b> works for more than one employer, they must disclose this information for all employers and all places/types of work. Where the business address of the employer(s) of a <b>Council Member</b> is different to the place(s) where they work, this will require the disclosure of the employer's business address and the office or place of work. If the <b>Council Member's</b> employment arrangements are not based at a fixed location(s), the nature of the work must be described. A <b>Council Member</b> who is employed by a State Government agency must disclose both the name and business address of the agency they are employed by and the name of the office and/or address of where they actually work (or provide a concise description of the nature of the work). If the <b>Council Member</b> is employed and is not based in an office, as well as disclosing the name and business address of their employer, they would need to describe the nature of their work. Examples: <ul style="list-style-type: none"> <li>• XX Pharmaceutical Company, 20 Smith Street, Sydney;</li> <li>• Sales consultant covering the metropolitan Adelaide and South East Region of South Australia;</li> <li>• XX Aviation Ltd (20 Smith Street, Sydney) - Adelaide Operations Office Department of Finance and Treasury (200 Victoria Square Adelaide) - Procurement Section;</li> <li>• XX Pastoral Company Ltd (20 First Street, Mount Gambier) - Financial Controller.</li> </ul>

Type of Information	Explanation and Examples
<b>6. Trusts</b> Provide a concise description of any trust of which the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> is a beneficiary or trustee and the name and address of each trustee.	<p><i>As per Primary Return (item 6)</i></p> <p>Disclosure is not required in relation to testamentary trusts (created by a Last Will).</p> <p>The following information should be provided:</p> <ul style="list-style-type: none"> <li>the name of the trust;</li> <li>description of the purpose of the trust (if relevant);</li> <li>the name and address of all trustees, including corporate trustees;</li> <li>the details of the settlor.</li> </ul> <p>A person who is an object of a discretionary trust is to be taken to be a beneficiary of that trust.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>Ali Family Trust: Trustee Mr Said Ali (20 First Street, Melbourne VIC 3000);</li> <li>Verdi Family Super: Trustee Jane Verdi (35 First Street Port Augusta SA 5700) and Mr Joe Verdi (35 First Street Port Augusta SA 5700);</li> <li>Verdi Family Super: Trustee Verdi Super Pty Ltd (35 First Street Port Augusta SA 5700).</li> </ul>
<b>7. Land</b> Provide the address or description of any land in which the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> has a beneficial interest other than by way of security for any debt.	<p><i>As per Primary Return (item 7)</i></p> <p>Description includes Certificate of Title details.</p> <p>An encumbrance or right of way in favour of the <b>Council Member</b> or <b>person related to the Council Member</b> must be disclosed.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>15 First Street, Whyalla SA 5600, Warnock Station, Crown Lease Register Book Volume 20 Folio 210.</li> </ul>



Type of Information	Explanation and Examples
<b>8. Funds</b>  Provide details of any fund in which the <b>Council Member</b> , or a <b>designated person or entity in relation to the Council Member</b> has an actual or prospective interest to which contributions are made by a person other than the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> .	<p><i>As per Primary Return (item 8)</i></p> <p>Disclosure is required in relation to any fund to which contributions are made by a third party (ie by a person other than the <b>Council Member</b> or the <b>person related to the Council Member</b>).</p> <p>A superannuation fund will be caught in circumstances where the employer of the <b>Council Member</b> or of a <b>person related to the Council Member</b> makes employer contributions whether or not the employee also makes a contribution.</p> <p>The name of the fund should be provided together with information as to the purpose of the fund, but the value of the fund or interest in the fund is not required to be disclosed.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• SuperSA;</li> <li>• Smith and Johnson Partnership Super: Trustees Mr Geoffrey Smith (75 First Street, Noarlunga SA 5168) and Mr Dimitri Johnson (20 First Street, Echunga SA 5153).</li> </ul>
<b>9. Debts Owed</b>  State the name and address of any person to whom the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> is indebted in an amount of \$7,500 or more (not being a relative of the Council Member or a member of the Council Member's family).	<p><i>As per Primary Return (item 9)</i></p> <p>This requirement relates to the identification of the lender, whether a person, a company, a bank or a building society etc, not the amount of the debt.</p> <p>Disclosure is not required if the debt is owed to a relative of the <b>Council Member</b> or to a <b>member of the Council Member's family</b>.</p> <p>The \$7,500 limit applies to total amounts owing to a particular person. For example, the name and address of a person who is owed two different debts of \$4,000 must be disclosed.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Commonwealth Bank of Australia (Ground Floor, Tower 1, 201 Sussex Street, Sydney SA 2000);</li> <li>• Emily Edwards (20 First Street, Keith SA 5267).</li> </ul>



Type of Information	Explanation and Examples
<b>10. Natural Person Debts to Member</b> State the natural person (not being a relative of the Council Member or a member of the Council Member's family) who owes money in an amount of or exceeding \$10,000 to the <b>Council Member</b> or to a <b>designated person or entity in relation to the Council Member</b> .	<i>As per Primary Return (item 10)</i> The \$10,000 limit relates to total amounts owing by a natural person. That is, it is necessary to add together all debts owed by a particular person to determine the total amount owing. Disclosure is not required if the natural person is a relative of the <b>Council Member</b> or to a <b>member of the Council Member's family</b> . Disclosure is not required in relation to money owed to the person by a body corporate. Example: <ul style="list-style-type: none"> <li>John Jones.</li> </ul>
<b>11. Other Substantial Interests</b> Declare any other substantial interest of the <b>Council Member</b> or a <b>designated person or entity in relation to the Council Member</b> (whether monetary or not) of which the <b>Council Member</b> is aware and which the <b>Council Member</b> considers might appear to raise a material conflict between the <b>Council Member's</b> private interests and the public duty the <b>Council Member</b> has or may subsequently have as a member of the Council.	<i>As per Primary Return (item 11)</i> The word ' <i>substantial</i> ' is not defined in the Act or the Regulations. The decision as to what is and what is not ' <i>substantial</i> ' for these purposes is a decision for each <b>Council Member</b> to make.
<b>12. Additional Information</b> Provide any additional information that the <b>Council Member</b> thinks fit.	<i>As per Primary Return (item 12)</i>

## 6. Appendix 1: Primary return—Register of members' interests

**Note:** The Notice determining the form of the Primary Return was published by the Minister for Local Government in the SA Government Gazette dated 17 November 2022.

SURNAME	OTHER NAMES	OFFICE HELD	Registrable interests	Details
1			Provide a statement of any income source <sup>2</sup> that you have or a designated person or entity in relation to you <sup>3</sup> has or expects to have in the period of 12 months after the date of the primary return.	
2			State the name of any company or other body, corporate or unincorporate, in which you hold, or a member of your family <sup>4</sup> holds, any office whether as director or otherwise.	
3			State the name or description of any company, partnership, association or other body in which you or a designated person or entity in relation to you <sup>3</sup> is an investor <sup>5</sup> .	
4			State the name and business address of any employer for whom you work and, if you are employed, the name of the office or place where you work or a concise description of the nature of your work.	
5			State the name of any political party, any body or association formed for political purposes or any trade or professional organisation <sup>6</sup> of which you are a member.	
6			Provide a concise description of any trust (other than a testamentary trust) of which you or a designated person or entity in relation to you <sup>3</sup> is a beneficiary or trustee, and the name and address of each trustee.	
7			Provide the address or description of any land in which you have or a designated person or entity in relation to you <sup>3</sup> has any beneficial interest <sup>7</sup> other than by way of security for any debt.	
8			Provide details of any fund in which you or a designated person or entity in relation to you <sup>3</sup> has an actual or prospective interest to which contributions are made by a person other than you or a designated person or entity in relation to you <sup>3</sup> .	
9			If you are or a designated person or entity in relation to you <sup>3</sup> is indebted to another person (not being your relative <sup>8</sup> or a relative <sup>8</sup> of a member of your family <sup>4</sup> ) in an amount of or exceeding \$7 500—state the name and address of that other person.	
10			If you are or a designated person or entity in relation to you <sup>3</sup> is owed money by a natural person (not being your relative <sup>8</sup> or a relative <sup>8</sup> of a member of your family <sup>4</sup> ) in an amount of or exceeding \$10 000—state that person.	
11			Declare any other substantial interest of yours or of a designated person or entity in relation to you <sup>3</sup> whether of a pecuniary nature or not, of which you are aware and which you consider might appear to raise a material conflict between your private interest and the public duty that you have or may subsequently have as a member of the council.	
12			Provide any other additional information which you think fit.	

Signature: *[insert signature of member]*

Date:

**Instructions/notes**

- 1 This return is to be completed in block letters except for signatures. If there is not sufficient space on this return for all of the information you are required to provide, you may attach additional papers for that purpose. Each such paper must be signed and dated.
- 2 Under the Act, **income source**, in relation to a person, means—
  - (a) any person or body of persons with whom the person entered into a contract of service or held any paid office; and
  - (b) any trade, vocation, business or profession engaged in by the person.
- 3.1 Under the Act, **a designated person or entity**, in relation to a member of a council, means—
  - (a) a member of the member's family; or
  - (b) a family company of the member; or
  - (c) a trustee of a family trust of the member.
- 3.2 A **family company** of a member means a proprietary company—
  - (a) in which the member or a member of the member's family is a shareholder; and
  - (b) in respect of which the member or a member of the member's family, or any such persons together, are in a position to cast, or control the casting or, more than one half of the maximum number of votes that might be cast at a general meeting of the company.
- 3.3 A **family trust** of a member means a trust (other than a testamentary trust)—
  - (a) of which the member or a member of the member's family is a beneficiary; and
  - (b) which is established or administered wholly or substantially in the interests of the member or a member of the member's family, or any such persons together.
- 4 Under the Act, **family**, in relation to a member, means—
  - (a) a spouse or domestic partner of the member; and
  - (b) a child or stepchild of the member.
- 5 For the purpose of this return, a person is an investor in a body if—
  - (a) the person has deposited money with, or lent money to, the body that has not been repaid and the amount not repaid equals or exceeds \$10 000; or
  - (b) the person holds, or has a beneficial interest in, shares in, or debentures of, the body or a policy of life insurance issued by the body.
- 6 Under the Act, **trade or professional organisation** means a body, corporate or unincorporate, of—
  - (a) employers or employees; or
  - (b) persons engaged in a profession, trade or other occupation,
 being a body of which the object, or 1 of the objects, in the furtherance of its own professional, industrial or economic interest or those of any of its members.
- 7 Under the Act, **beneficial interest** in property includes a right to re-acquire the property.
- 8 Under the Act, **relative** of a person means—
  - (a) the spouse or domestic partner; or
  - (b) a parent, step parent or remoter lineal ancestor; or
  - (c) a child, step child or remoter descendant; or
  - (d) a sibling or step sibling; or
  - (e) any member of the person's family who resides in the person's household.

**Notes—**

- A member is required only to disclose information that is known to the member or ascertainable by the member by the exercise of reasonable diligence.
- A member is not required to disclose information relating to a person as trustee of a trust unless the information relates to the person in the person's capacity as trustee of a trust by reason of which the person is related to the member.
- A member may include in a return such additional information as the member thinks fit.
- Nothing in this return will be taken to prevent a member from disclosing information in such a way that no distinction is made between information relating to the member personally and information relating to a designated person or entity in relation to the member.
- A member is not required to disclose the actual amount or extent of a financial benefit, contribution or interest.

## 7. Appendix 2: Ordinary return—Register of members' interests

**Note:** The Notice determining the form of the Ordinary Return was published by the Minister for Local Government in the SA Government Gazette dated 17 November 2022.

SURNAME	OTHER NAMES	Details
OFFICE HELD	Registrable interests	
1	Provide a statement of any income source of a financial benefit <sup>2</sup> that you have or a designated person or entity in relation to you <sup>3</sup> has received, or was entitled to receive, during the return period.	
2	State the name of any company or other body, corporate or unincorporate, in which you held, or a member of your family <sup>4</sup> held, any office during the return period whether as director or otherwise.	
3	State the name or description of any company, partnership, association or other body in which you or a designated person or entity in relation to you <sup>3</sup> is an investor <sup>5</sup> .	
4	State the name of any political party, any body or association formed for political purposes or any trade or professional organisation <sup>6</sup> of which you are a member.	
5	State the name and business address of any employer for whom you work and, if you are employed, the name of the office or place where you work or a concise description of the nature of your work.	
6	Provide a concise description of any trust (other than a testamentary trust) of which you or a designated person or entity in relation to you <sup>3</sup> is a beneficiary or trustee, and the name and address of each trustee.	
7	Provide the address or description of any land in which you have or a designated person or entity in relation to you <sup>3</sup> has any beneficial interest <sup>7</sup> other than by way of security for any debt.	
8	Provide details of any fund in which you or a designated person or entity in relation to you <sup>3</sup> has an actual or prospective interest to which contributions are made by a person other than you or a designated person or entity in relation to you <sup>3</sup> .	
9	If you are or a designated person or entity in relation to you <sup>3</sup> is indebted to another person (not being your relative <sup>8</sup> or a relative <sup>8</sup> of a member of your family <sup>4</sup> ) in an amount of or exceeding \$7 500—state the name and address of that other person.	
10	If you are or a designated person or entity in relation to you <sup>3</sup> is owed money by a natural person (not being your relative <sup>8</sup> or a relative <sup>8</sup> of a member of your family <sup>4</sup> ) in an amount of or exceeding \$10 000—state that person.	
11	Declare any other substantial interest of yours or of a designated person or entity in relation to you <sup>3</sup> whether of a pecuniary nature or not, of which you are aware and which you consider might appear to raise a material conflict between your private interest and the public duty that you have or may subsequently have as a member of the council.	
12	Provide any other additional information which you think fit.	

Signature: *[insert signature of member]*

Date:

**Instructions/notes**

- 1.1 This return is to be completed in block letters except for signatures. If there is not sufficient space on this return for all of the information you are required to provide, you may attach additional papers for that purpose. Each such paper must be signed and dated.
- 1.2 The **return period** for the purposes of this return is as follows:
  - (a) if your last return was a primary return under the Act—the period between the date of the primary return and 30 June next following;
  - (b) in any other case—the period of 12 months expiring on 30 June on or within 60 days after 30 June in any year.
- 2.1 Under the Act, **income source**, in relation to a person, means—
  - (a) any person or body of persons with whom the person entered into a contract of service or held any paid office; and
  - (b) any trade, vocation, business or profession engaged in by the person.
- 2.2 Under the Act, **financial benefit**, in relation to a person, means—
  - (a) any remuneration, fee or other pecuniary sum exceeding \$1 000 received by the person in respect of a contract of service entered into, or paid office held by, the person; and
  - (b) the total of all remuneration, fees or other pecuniary sums received by the person in respect of a trade, profession, business or vocation engaged in by the person where that total exceeds \$1 000,
 but does not include an annual allowance, fees, expenses or other financial benefit payable to the person under the Act.
- 3.1 Under the Act, **a designated person or entity**, in relation to a member of a council, means—
  - (a) a member of the member's family; or
  - (b) a family company of the member; or
  - (c) a trustee of a family trust of the member.
- 3.2 A **family company** of a member means a proprietary company—
  - (a) in which the member or a member of the member's family is a shareholder; and
  - (b) in respect of which the member or a member of the member's family, or any such persons together, are in a position to cast, or control the casting or, more than one-half of the maximum number of votes that might be cast at a general meeting of the company.
- 3.3 A **family trust** of a member means a trust (other than a testamentary trust)—
  - (a) of which the member or a member of the member's family is a beneficiary; and
  - (b) which is established or administered wholly or substantially in the interests of the member or a member of the member's family, or any such persons together.
- 4 Under the Act, **family**, in relation to a member, means—
  - (a) a spouse or domestic partner of the member; and
  - (b) a child or stepchild of the member.
- 5 For the purpose of this return, a person is an investor in a body if—
  - (a) the person has deposited money with, or lent money to, the body that has not been repaid and the amount not repaid equals or exceeds \$10 000; or
  - (b) the person holds, or has a beneficial interest in, shares in, or debentures of, the body or a policy of life insurance issued by the body.
- 6 Under the Act, **trade or professional organisation** means a body, corporate or unincorporate, of—
  - (a) employers or employees; or
  - (b) persons engaged in a profession, trade or other occupation,
 being a body of which the object, or 1 of the objects, in the furtherance of its own professional, industrial or economic interest or those of any of its members.
- 7 Under the Act, **beneficial interest** in property includes a right to re-acquire the property.
- 8 Under the Act, **relative** of a person means—
  - (a) the spouse or domestic partner; or
  - (b) a parent, step parent or remoter lineal ancestor; or
  - (c) a child, step child or remoter descendant; or
  - (d) a sibling or step sibling; or
  - (e) any member of the person's family who resides in the person's household.

**Notes—**

- A member is required only to disclose information that is known to the member or ascertainable by the member by the exercise of reasonable diligence.
- A member is not required to disclose information relating to a person as trustee of a trust unless the information relates to the person in the person's capacity as trustee of a trust by reason of which the person is related to the member.
- A member may include in a return such additional information as the member thinks fit.
- Nothing in this return will be taken to prevent a member from disclosing information in such a way that no distinction is made between information relating to the member personally and information relating to a designated person or entity in relation to the member.
- A member is not required to disclose the actual amount or extent of a financial benefit, contribution or interest.



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<b>ITEM</b>	7.0.2
	<b>AUDIT AND RISK COMMITTEE</b>
<b>DATE</b>	09 April 2024
<b>HEADING</b>	Internal Audit Resourcing
<b>AUTHOR</b>	Rudi Deco, Manager Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community
<b>SUMMARY</b>	This report provides the Audit and Risk Committee with a status update on the Internal Audit resourcing.

## **RECOMMENDATION**

### That Council:

1. Notes the internal audit function of Council is currently reduced in level of activity whilst the recruitment for the Audit and Risk Manager position is in progress and the vacancy for the position remains unfilled.
2. Notes that consistent with the new section 125A of the *Local Government Act 1999*, the Audit and Risk Committee will continue to be consulted before appointing a new person to be primarily responsible for the internal audit function.

## **ATTACHMENTS**

There are no attachments to this report.

## **1. BACKGROUND**

- 1.1 Council's internal audit function is based on a co-sourced model, with some internal audits being undertaken in-house and other internal audits being outsourced to suitable auditing firms, in accordance with the approved internal audit plan.
- 1.2 Through relevant internal audit reporting, the Audit and Risk Committee's feedback and input is taken on board in the planning, scoping and resourcing of the internal audits, in consideration of strategic and operational risk to the organisation.
- 1.3 At its February meeting, the Audit and Risk Committee was informed of the recent resignation of the incumbent officer responsible for the internal audit function of Council.
- 1.4 A recruitment process was subsequently initiated, resulting in a preferred candidate being shortlisted in readiness for Audit and Risk Committee consultation at a (then) special meeting to be called. However, at that time the preferred candidate accepted another position, which is reflective of the current competitive employment market.

**2. EXTERNAL CONSULTATION / COMMUNICATION****2.1 Hender Consulting****3. DISCUSSION**

- 3.1 Considering the competitive employment market and the specialist nature of the internal audit function, Council subsequently engaged Hender Consulting to support the process to recruit a new Audit and Risk Manager. This following consultation and discussion with the Chair of the Audit and Risk Committee and on recommendation by the Chief Executive Officer, responsible for human resources.
- 3.2 Hender Consulting received 37 applications, and shortlisted six relevant applicants for a first interview round. Two of the six withdrew their application, with four applicants being interviewed.
- 3.3 Pursuant to the new section 125A of the *Local Government Act 1999*, the Chief Executive Officer of a council that has an internal audit function must, before appointing a person to be primarily responsible for the internal audit function, or assigning such responsibility to an employee of the council, consult with the relevant Audit and Risk Committee on the appointment or assignment of responsibility.
- 3.4 In accordance with the latest LGA Financial Sustainability Information Paper, consultation with the Audit and Risk Committee should occur through placing a report on the agenda of the Audit and Risk Committee. Noting the report will consider “suitability for a particular position”, the Chief Executive Officer may indicate that the report be considered in confidence in accordance with section 90(3)(a) of the *Local Government Act 1999*.
- 3.5 The report, along with a resolution of the Audit and Risk Committee noting the proposed appointment, would provide evidence of the necessary consultation having taken place.
- 3.6 Consultation must occur with respect to the person to be appointed/assigned responsibility before the appointment/assignment is made. As such, this is factored into the timeframe for the recruitment process. The Audit and Risk Committee cannot veto any proposed appointment.
- 3.7 Consultation in relation to the appointment/assignment is required only for the person to be primarily responsible for the internal audit function. It is not necessary to consult with the Audit and Risk Committee in relation to other officers acting in a support capacity to the person with primary responsibility for the internal audit function.
- 3.8 The internal audit function of Council is currently reduced in level of activity whilst the recruitment for the Audit and Risk Manager position is in progress and the vacancy for the position remains unfilled. The outsourced internal audit reviews will proceed.

**4. CONCLUSION**

The Audit and Risk Committee is provided with an update on the Internal Audit resourcing status and associated functional implications. The Audit and Risk Committee will be consulted on the appointment of the person responsible for the internal audit function.



<b>ITEM</b>	7.1.1
	<b>AUDIT AND RISK COMMITTEE</b>
<b>DATE</b>	09 April 2024
<b>HEADING</b>	Audit and Risk Committee Performance Self-Assessment Survey Outcome
<b>AUTHOR</b>	Rudi Deco, Manager Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	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
<b>SUMMARY</b>	Best practice suggests that the performance of the Audit and Risk Committee (“the Committee”) should be reviewed on a regular basis. The process for such self-assessment was approved at the February 2024 meeting. A self-assessment survey was subsequently issued to the five relevant members of the Committee. Three Committee members completed the survey and this report provides the consolidated results.


## **RECOMMENDATION**

That Council:

1. Notes the report.

## **ATTACHMENTS**

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

1. Audit and Risk Committee Self-Assessment 2024 - Survey Results [↓](#) 

## **1. BACKGROUND**

- 1.1 It is considered best practice to review the performance of an Audit and Risk Committee (the Committee) on a periodic basis. One method of conducting this performance review is through a self-assessment questionnaire, completed by the members of the Committee.
- 1.2 Self-assessment surveys are an efficient method for conducting the performance review as they can be completed at the convenience of the Committee members, without the need to arrange or attend any additional meetings or interviews.
- 1.3 The primary focus of the self-assessment is to drive continuous improvement in the performance and effectiveness of the Committee.
- 1.4 At its February 2023 meeting the Committee and Council approved the self-assessment questionnaire and process. A survey was subsequently issued to the five relevant Members in the position as at 31 December 2023, for the assessment period 1 January 2023 to 31 December 2023.

- 1.5 The self-assessment survey consisted of 47 questions across various topics which addressed, amongst other elements, the Committee's responsibilities under the *Local Government Act 1999* and its Terms of Reference.
- 1.6 The survey was provided to the Committee Members via an online survey platform, called Survey Monkey. Three Committee members completed the survey online and an anonymous report was subsequently generated through Survey Monkey (Attachment 1). The respondents cannot be identified through the process.

## **2. EXTERNAL CONSULTATION / COMMUNICATION**

- 2.1 Audit and Risk Committee Members

## **3. DISCUSSION**

- 3.1 The survey participation request was e-mailed to the relevant Members on 28 February 2024 with a reminder sent on 12 March 2024. Three Members completed the survey. Two out of five Members did not respond.
- 3.2 The participating Committee members appear generally satisfied with the performance of the Committee in each of the sections reviewed.
- 3.3 This agenda item presents the opportunity for Committee members to further discuss any matters relating to the Committee's performance.

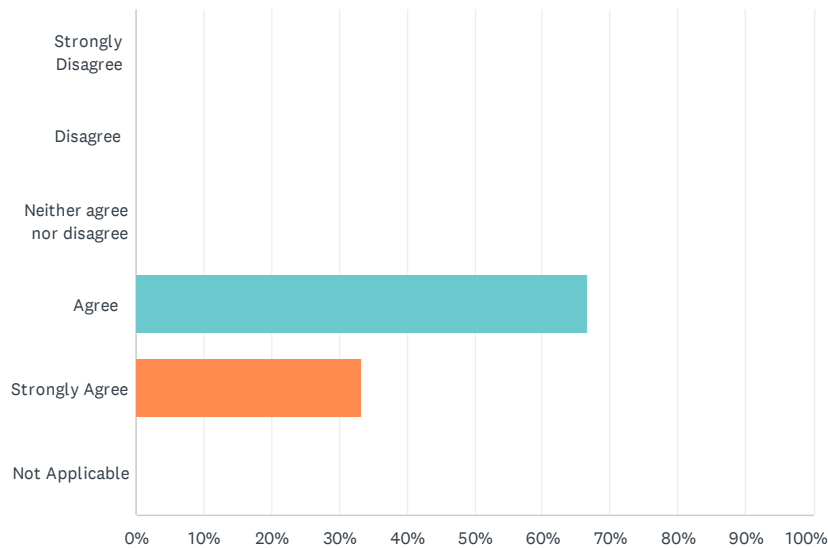
## **4. CONCLUSION**

- 4.1 The participating Committee members appear generally satisfied with the performance of the Committee in each of the sections reviewed.
- 4.2 The Committee is to determine whether it has any further reflections on its performance and whether any further action is to be taken in relation to the self-assessment.

Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q1 The Terms of Reference of the Committee provide clear information on the role and functions of the Committee and its oversight responsibilities on behalf of Council.

Answered: 3    Skipped: 0

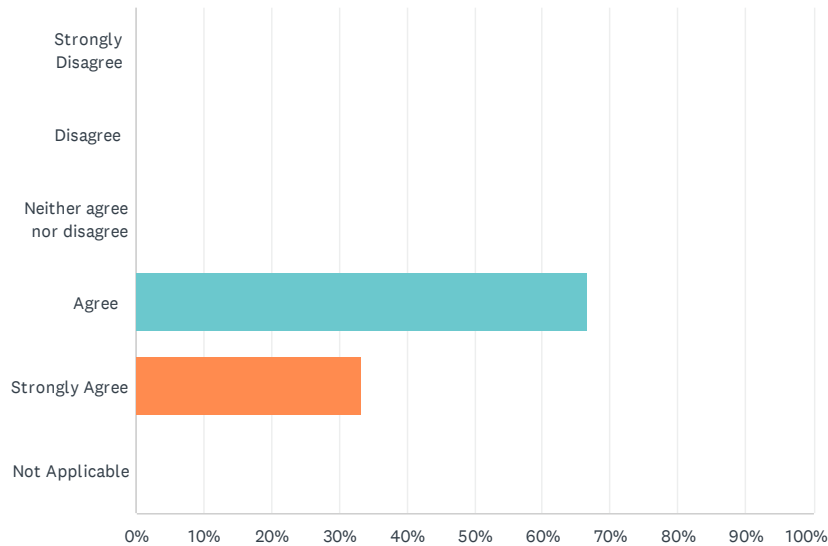


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q2 The Committee members' qualities (e.g. financial literacy and skills, understanding of City of Salisbury, commercial and risk acumen, industry and capital markets) as a whole, are sufficient and appropriate to discharge the Committee's oversight responsibilities on behalf of Council.

Answered: 3    Skipped: 0



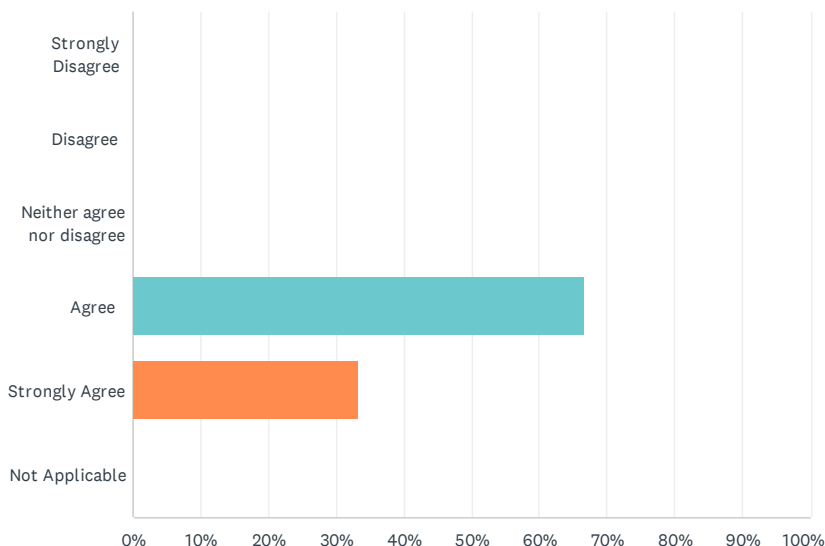
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3



## Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q3 The Committee members demonstrate the highest level of integrity (including maintaining the utmost confidentiality and identifying, disclosing and managing conflicts of interest and acting appropriately where conflicts or interests arise).

Answered: 3 Skipped: 0



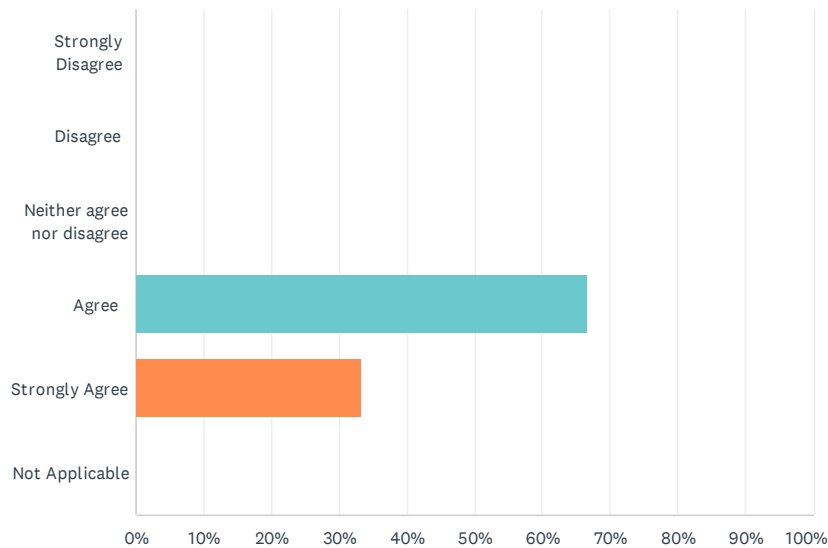
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
<b>TOTAL</b>		<b>3</b>

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Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q4 New members of the Committee are provided induction information and materials to educate them on City of Salisbury, their responsibilities, and Council's financial reporting practices.

Answered: 3    Skipped: 0

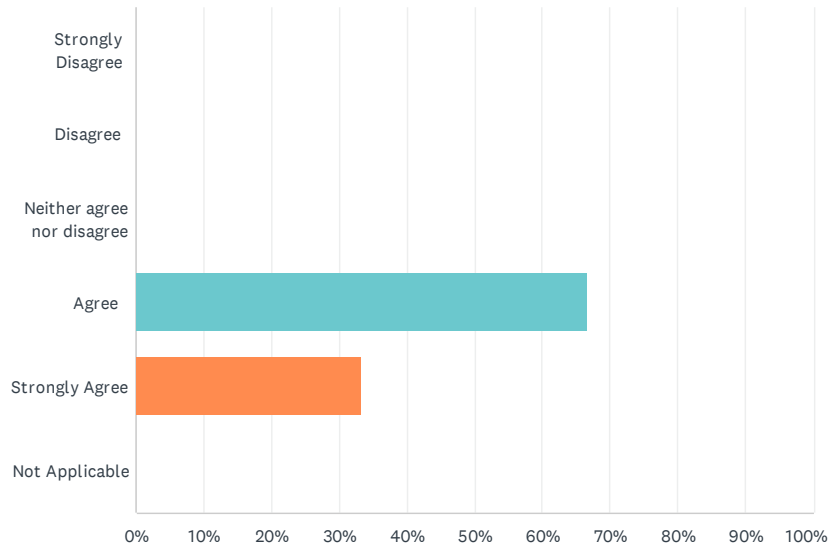


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

## Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q5 The Presiding Member of the Committee is well prepared for the meetings and conducts the meetings effectively as required under the legislation and the Committee's current TOR.

Answered: 3 Skipped: 0



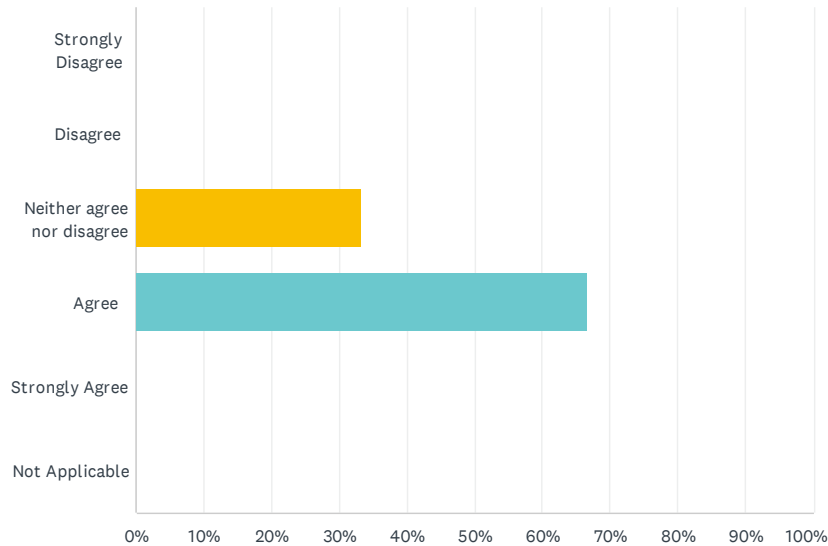
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

5 / 17

## Audit and Risk Committee Self-Assessment 2024 - Survey Results

**Q6 The other members of the Committee are well prepared for the meetings and perform effectively in the fulfilling their role of the Committee as required under the legislation and the Committee's current TOR.**

Answered: 3 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	33.33%	1
Agree	66.67%	2
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
<b>TOTAL</b>		<b>3</b>

**Comments:**

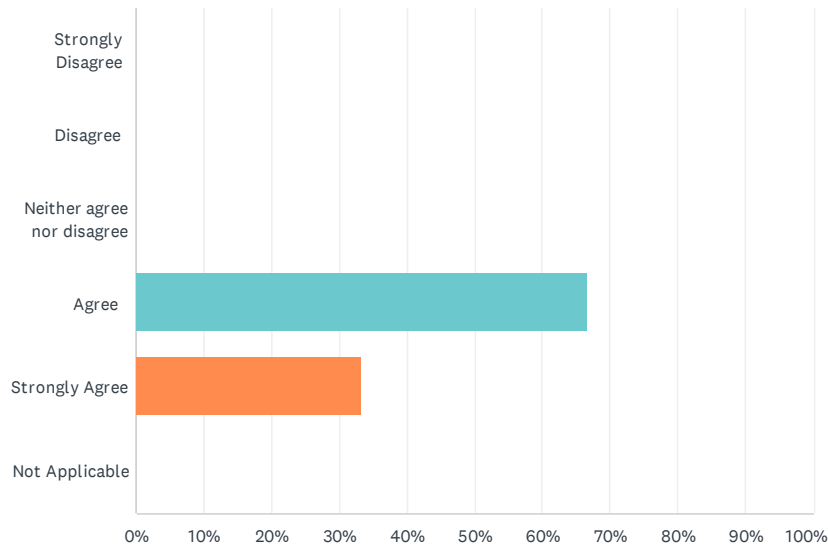
Preparation is substandard from some members.

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Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q7 Arrangements for Committee meetings are appropriate (i.e. frequency, time of day, duration, venue, location and format).

Answered: 3    Skipped: 0

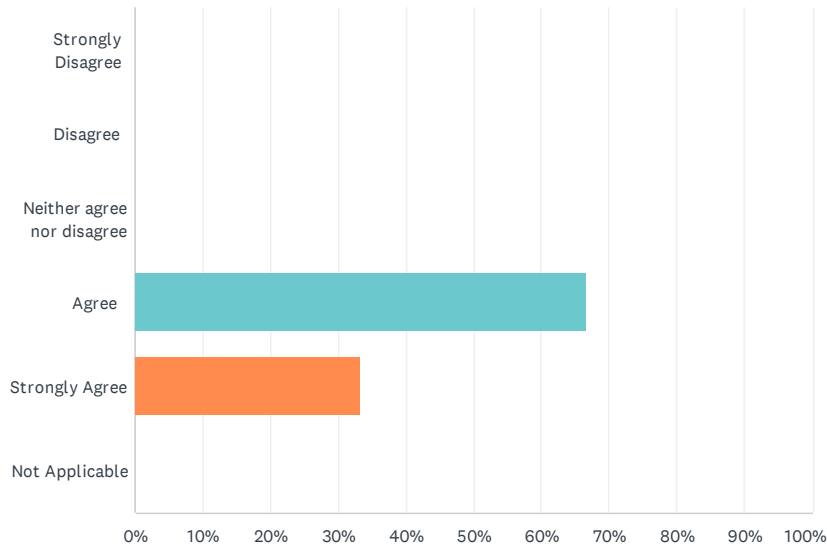


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

## Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q8 The Committee ensures that appropriate internal and external stakeholders attend meetings as necessary (e.g. CEO, GM Business Excellence, external audit representative, etc.)

Answered: 3 Skipped: 0



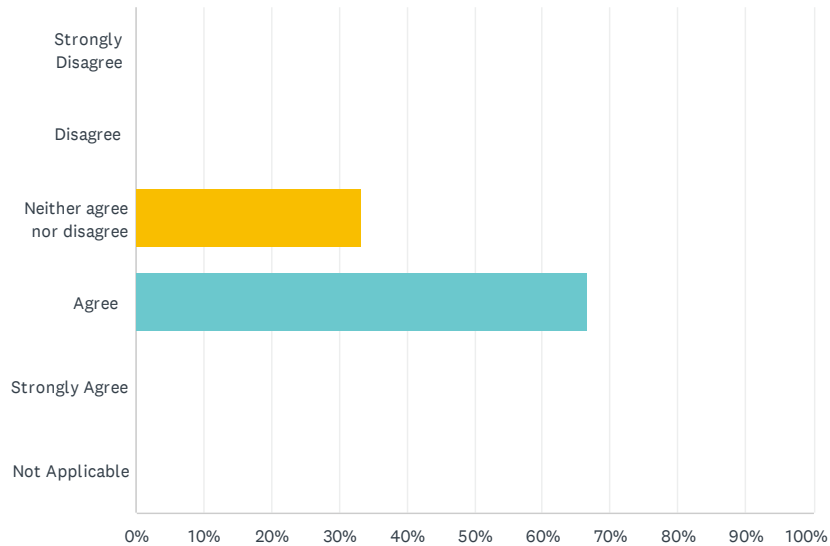
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

2 / 17

## Audit and Risk Committee Self-Assessment 2024 - Survey Results

**Q9 All members of the Committee participate actively and constructively during meetings and work collaboratively with others attending the meeting.**

Answered: 3 Skipped: 0



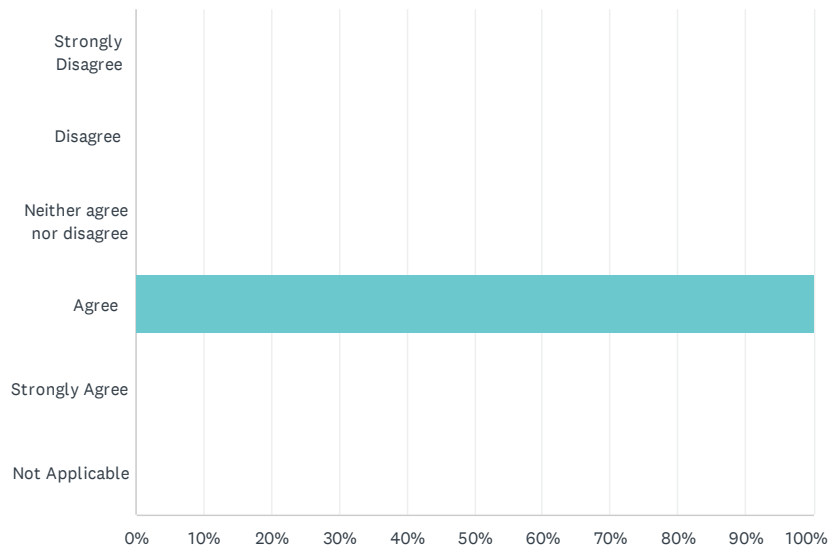
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	33.33%	1
Agree	66.67%	2
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
<b>TOTAL</b>		<b>3</b>

2 / 17

Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q10 The written materials (e.g. meeting agendas, reports, minutes and supporting documentation) provided to the Committee are appropriate, relevant, and concise.

Answered: 3    Skipped: 0



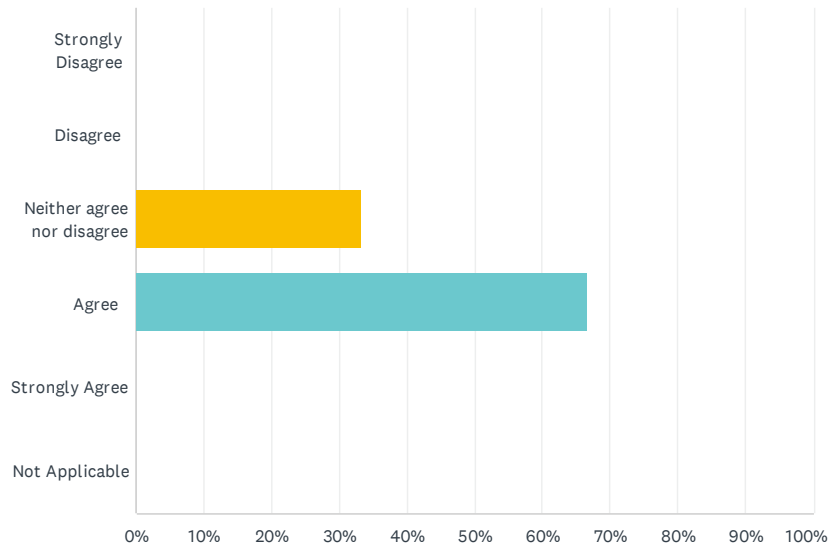
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	3
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		3



Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q11 The written materials provided to the Committee are circulated with sufficient time to allow Committee members to consider the information.

Answered: 3    Skipped: 0

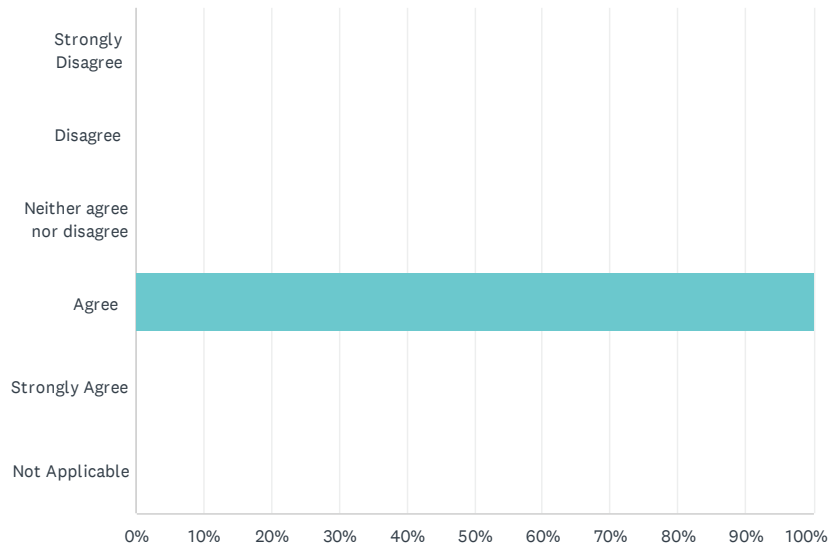


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		33.33%	1
Agree		66.67%	2
Strongly Agree		0.00%	0
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment for 2024

Q12 The meeting procedures and processes in place at the City of Salisbury ensure smooth operation of the Committee.

Answered: 3    Skipped: 0

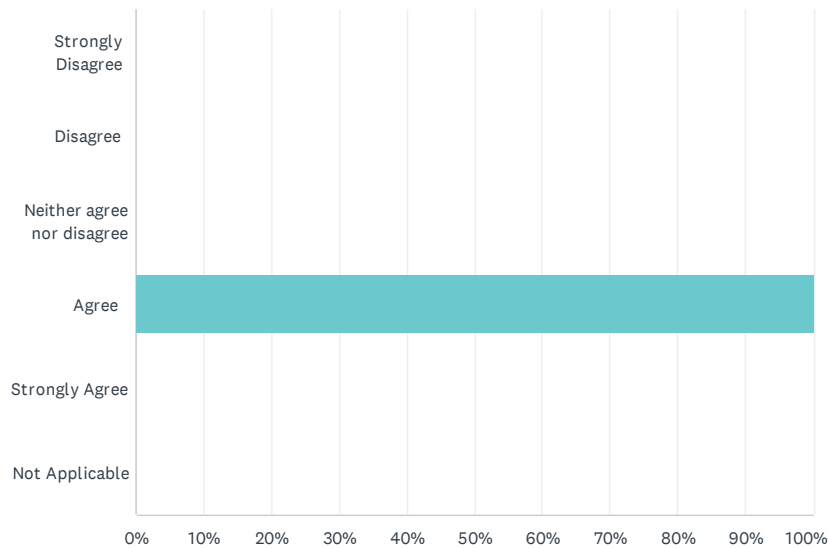


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		100.00%	3
Strongly Agree		0.00%	0
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q13 The Committee meetings are effective in providing independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.

Answered: 3    Skipped: 0

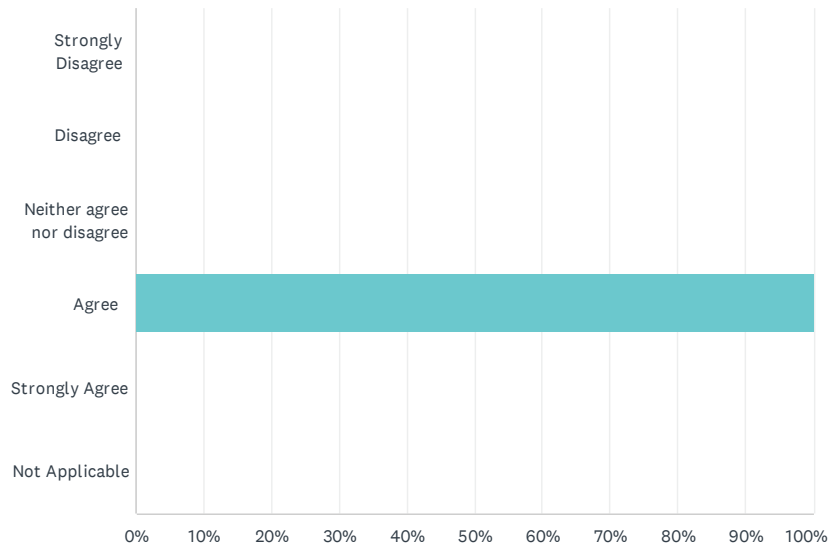


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	3
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment for 2024

Q14 The Committee appropriately considers internal audit reports, management’s responses, actions for improvement, and monitors the responsiveness of the Council to recommendations based on previous audits and risk assessments, including those raised by the Council’s Internal Auditor and External Auditor.

Answered: 3    Skipped: 0

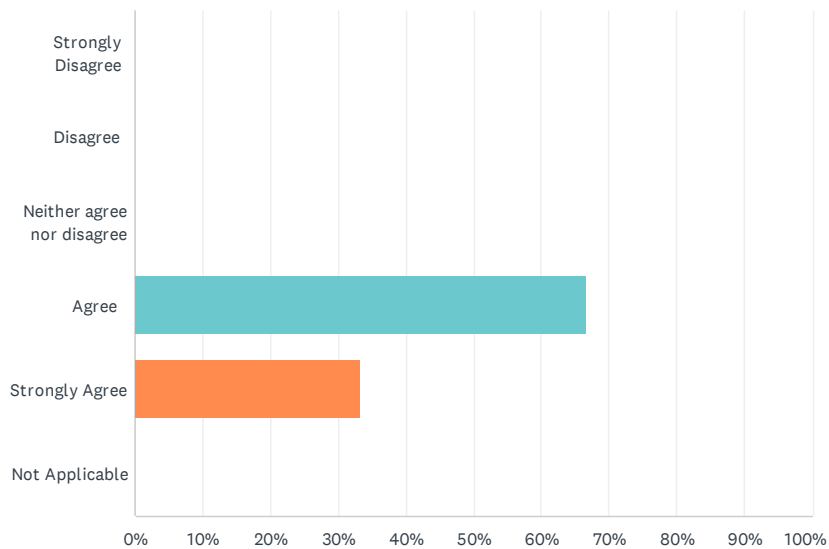


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	3
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		3

## Audit and Risk Committee Self-Assessment 2024 - Survey Results

## Q15 I have direct and unrestricted access to the internal audit function.

Answered: 3 Skipped: 0



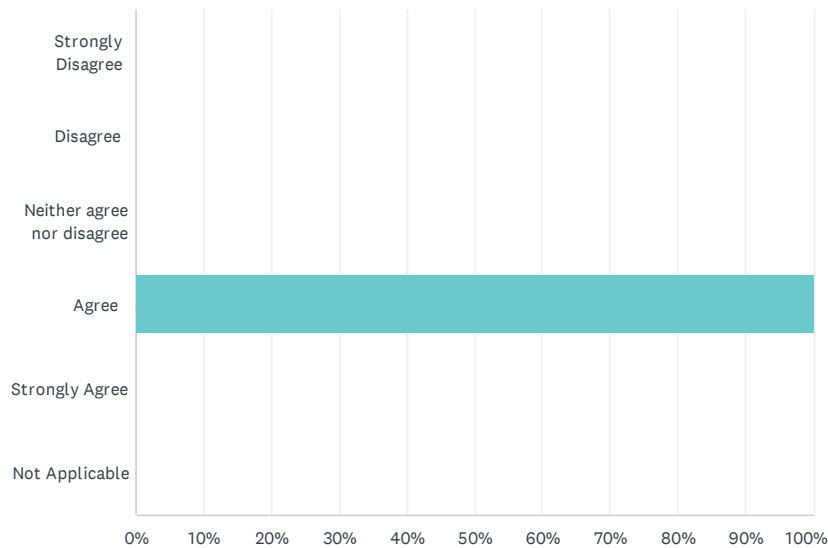
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

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Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q16 The Committee provides oversight of planning and scoping of the internal audit work plan, and ensures that activities in the internal audit plan address areas of concern and provide assurance to Council.

Answered: 3    Skipped: 0

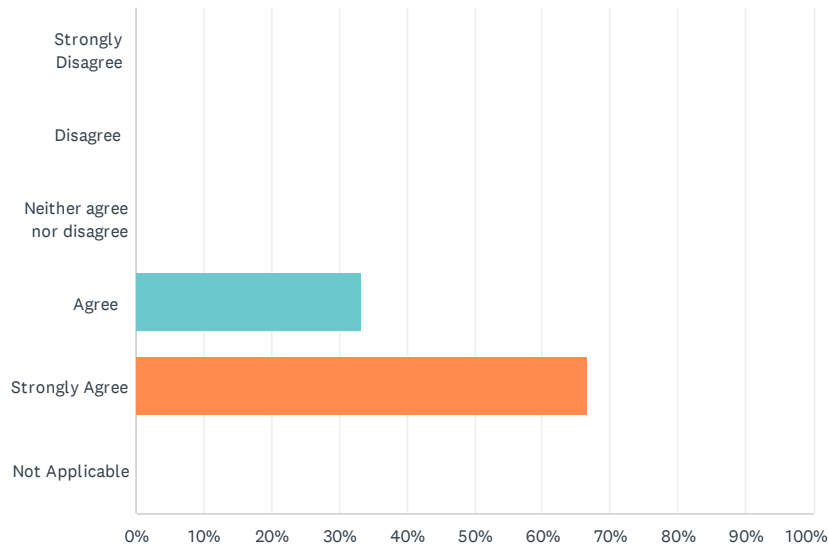


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	3
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment for 2024

Q17 The Committee regularly considers the audit plan and makes recommendations.

Answered: 3    Skipped: 0

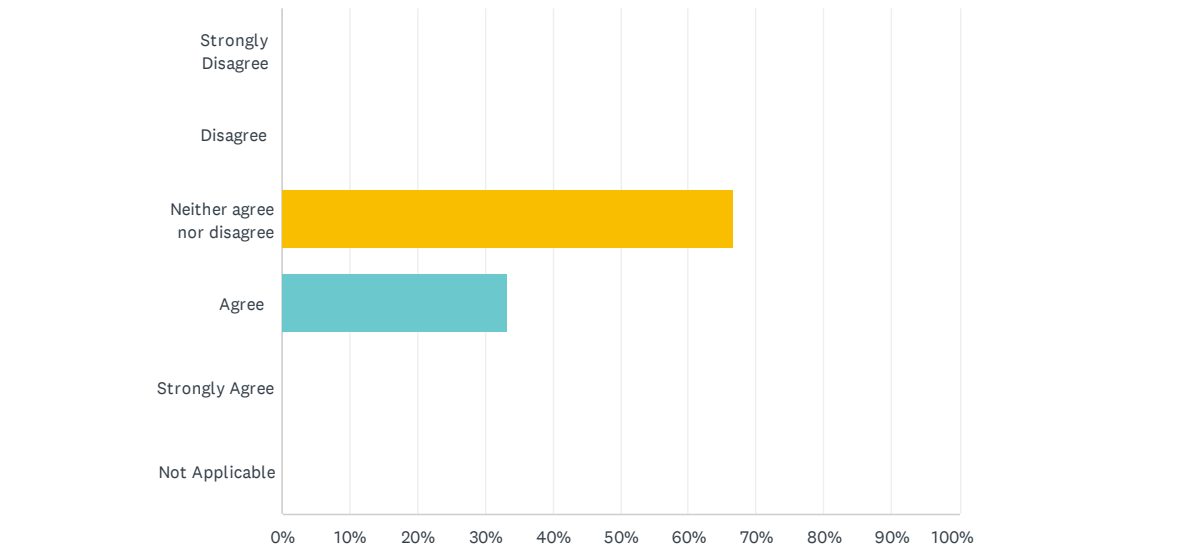


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		33.33%	1
Strongly Agree		66.67%	2
Not Applicable		0.00%	0
TOTAL			3

Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q18 I have direct and unrestricted access to the External Auditor.

Answered: 3    Skipped: 0



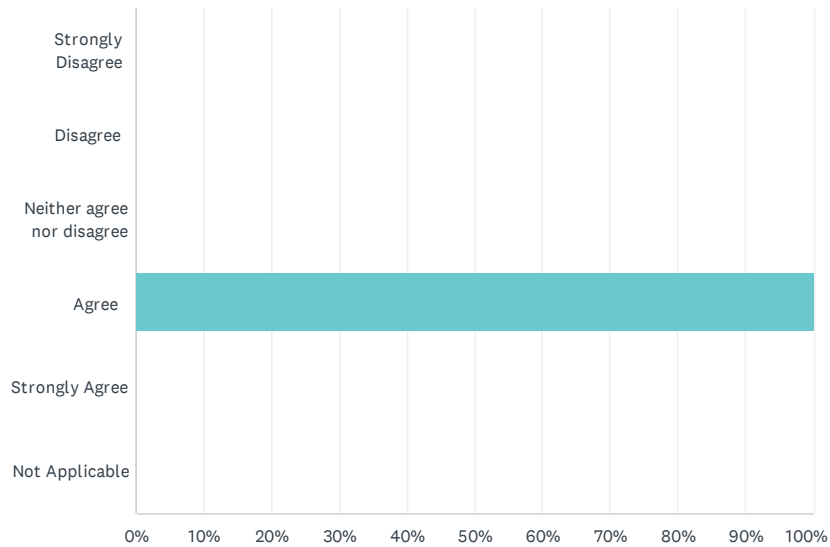
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	66.67%	2
Agree	33.33%	1
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		3



Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment for 2024

Q19 I understand the information being presented to me by the External Auditor.

Answered: 3    Skipped: 0

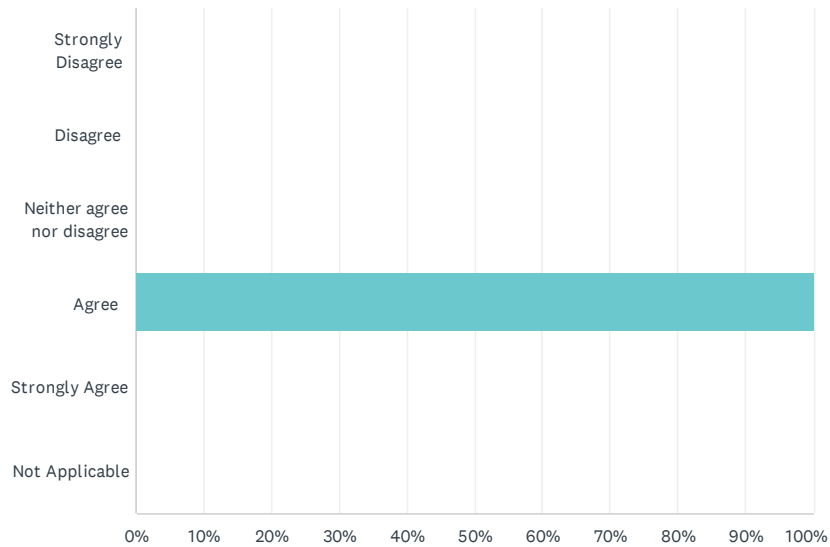


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		100.00%	3
Strongly Agree		0.00%	0
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment for 2024

Q20 The Committee discusses significant findings from the financial and internal controls audits with the External Auditor.

Answered: 3    Skipped: 0

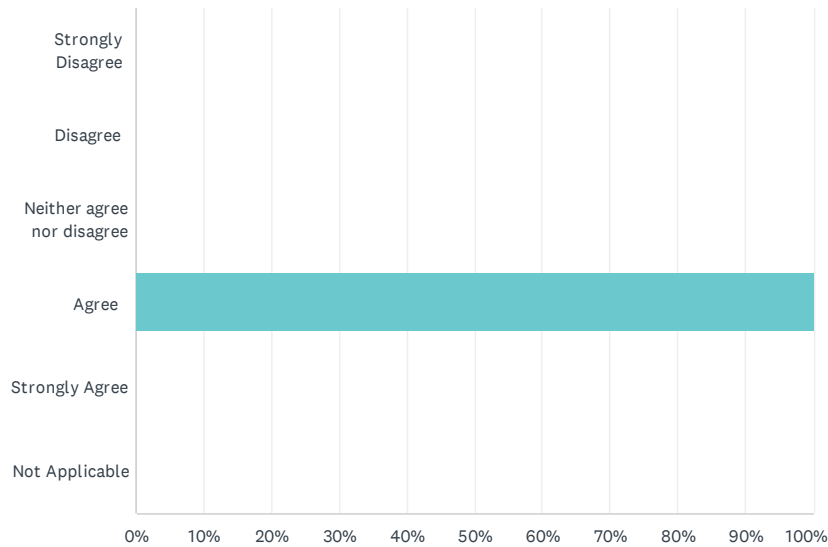


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		100.00%	3
Strongly Agree		0.00%	0
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment for Q21

Q21 The Committee monitors and oversees the process for appointment of the external auditor in accordance with the Local Government Act 1999.

Answered: 3    Skipped: 0

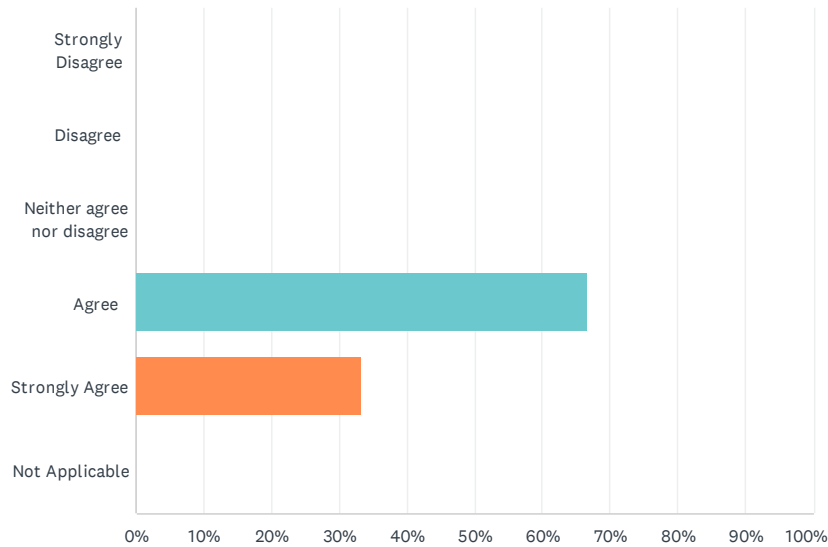


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		100.00%	3
Strongly Agree		0.00%	0
Not Applicable		0.00%	0
TOTAL			3

Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q22 The Committee assesses whether the annual financial statements reflect appropriate accounting principles.

Answered: 3    Skipped: 0

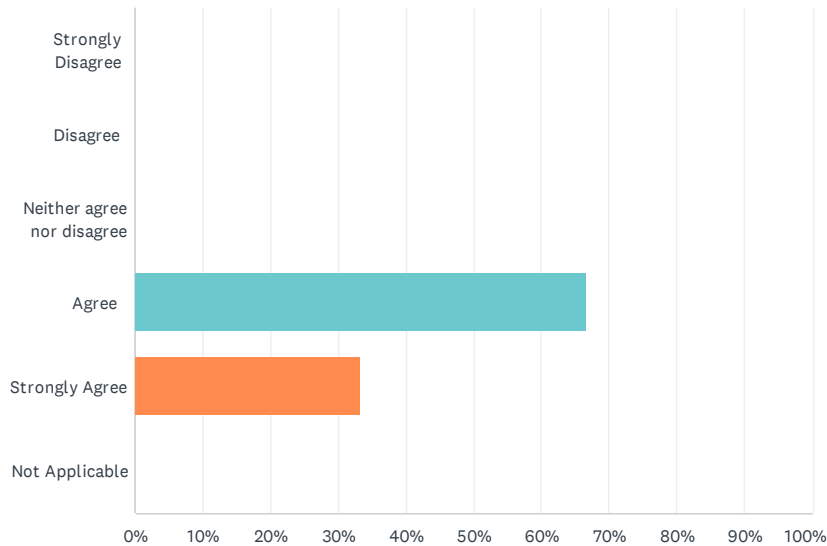


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

## Audit and Risk Committee Self-Assessment 2024 - Survey Results

**Q23 The Committee reviews significant accounting and reporting issues, including complex or unusual transactions, highly subjective areas and significant changes in accounting policies and their corresponding impact on the financial statements.**

Answered: 3 Skipped: 0



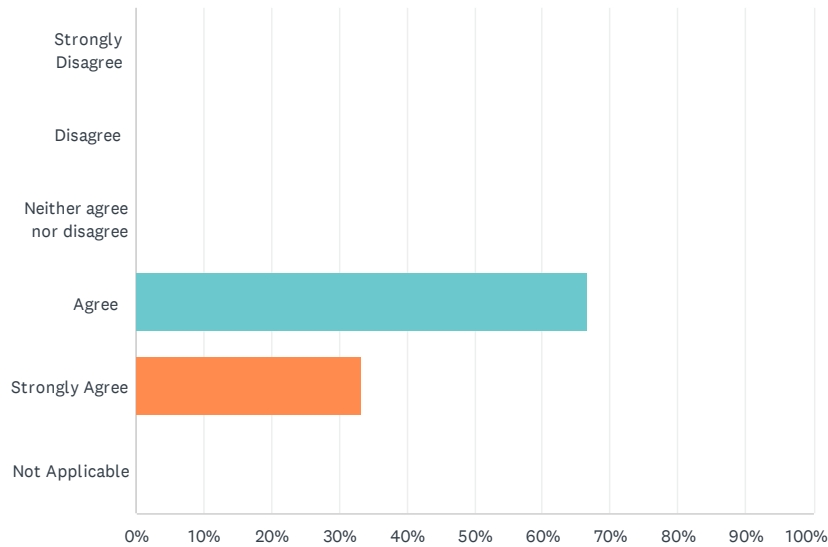
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
<b>TOTAL</b>		<b>3</b>

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Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q24 The Committee reviews the annual financial statements and ensure they present fairly the state of affairs of the Council.

Answered: 3    Skipped: 0

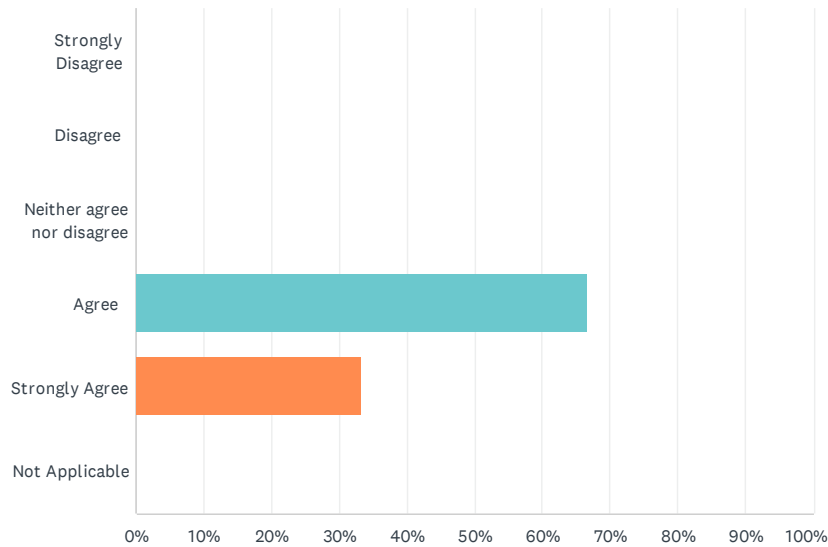


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q25 I am comfortable that the Committee is able to propose and review the exercise of powers under section 130A of the Local Government Act 1999. Namely, the examination of any matter relating to financial management, or the efficiency and economy with which the council management or uses its resources to achieve its objectives.

Answered: 3    Skipped: 0

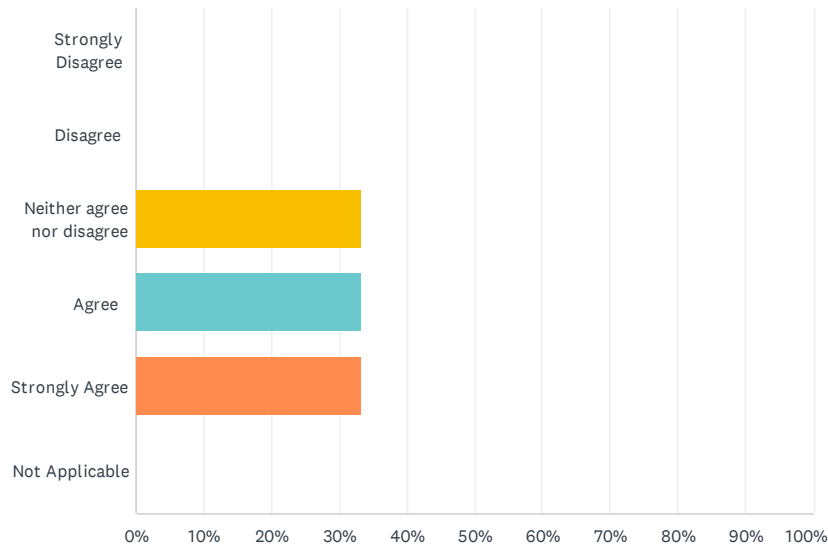


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q26 The Committee reviews the City of Salisbury’s key accounting policy positions.

Answered: 3    Skipped: 0



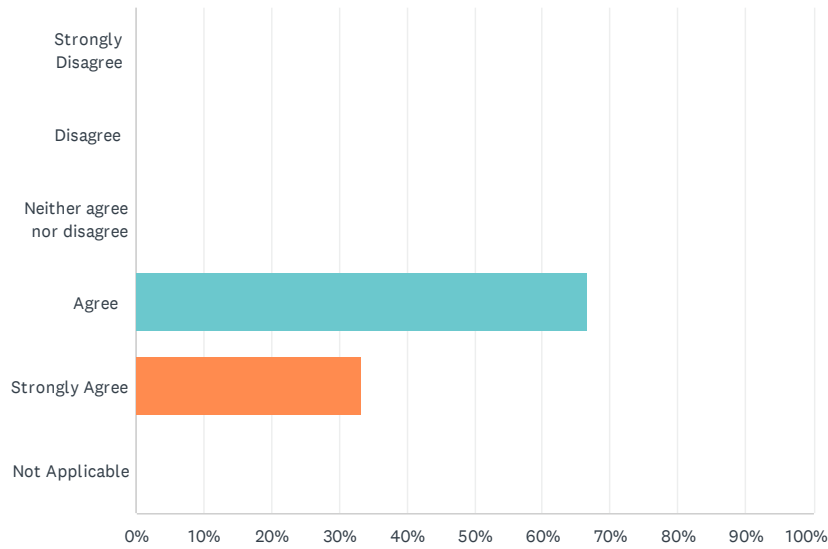
ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		33.33%	1
Agree		33.33%	1
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3



Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q27 The Committee receives sufficient information to assess and understand the process for the evaluation of the City of Salisbury’s internal financial controls, and believes that the internal control testing supports its internal control assessment.

Answered: 3    Skipped: 0

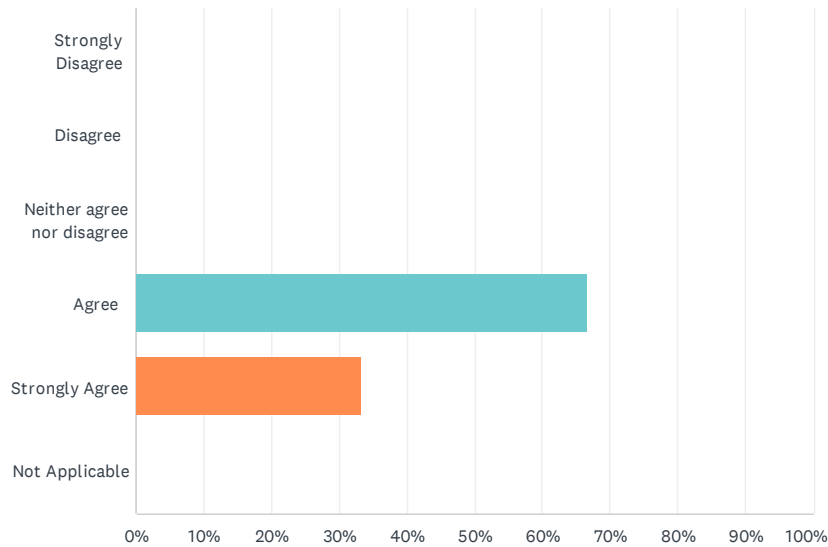


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q28 The Committee understands and considers the internal control testing process conducted by the Administration, the internal auditor, and the external auditor to assess the process for detecting internal control issues or fraud. The Committee addresses and monitors significant deficiencies or weaknesses.

Answered: 3    Skipped: 0

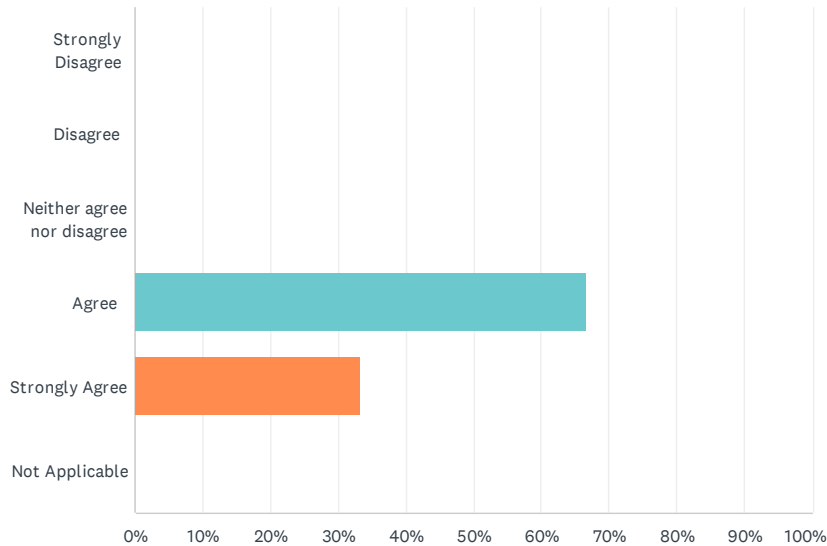


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

## Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q29 The Committee oversees the action taken by the Administration to resolve repeat comments from auditors, especially when related to internal controls.

Answered: 3 Skipped: 0



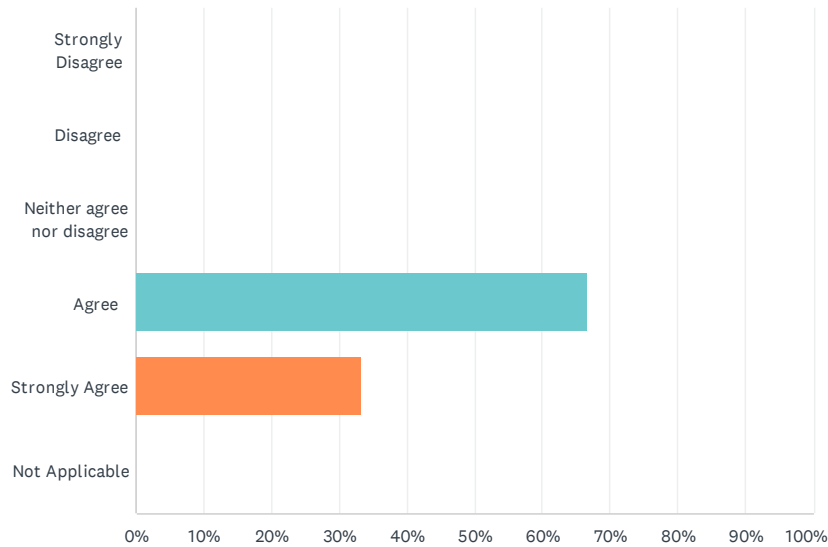
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

33 / 47

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q30 The Committee reviews adjustments to the financial statements resulting from the external audit.

Answered: 3    Skipped: 0

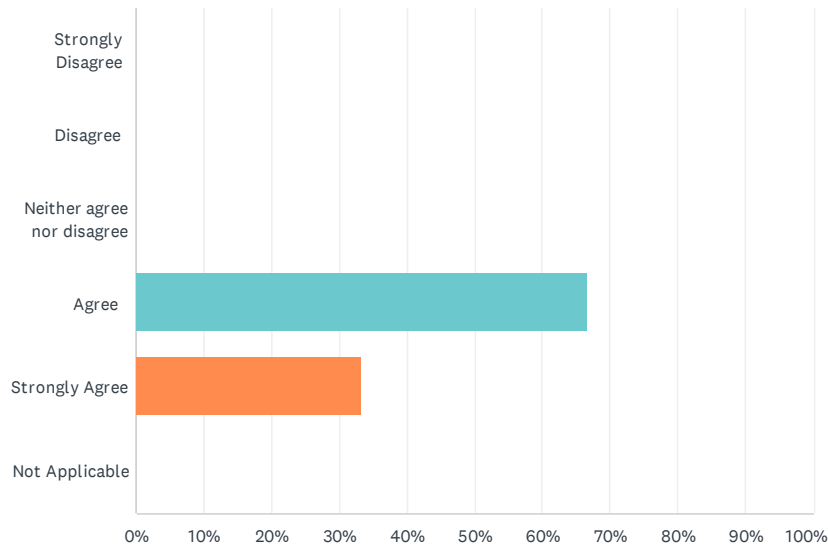


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q31 The Committee is satisfied that there is an effective risk management framework in place at the City of Salisbury.

Answered: 3    Skipped: 0

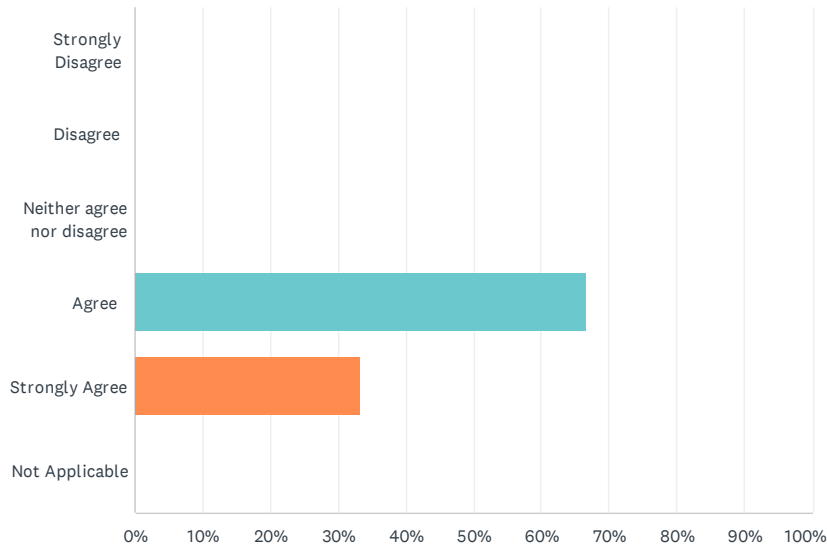


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

## Audit and Risk Committee Self-Assessment 2024 - Survey Results

**Q32 The Committee assures itself that the Chief Executive Officer and General Managers take personal responsibility for risk identification and control.**

Answered: 3 Skipped: 0



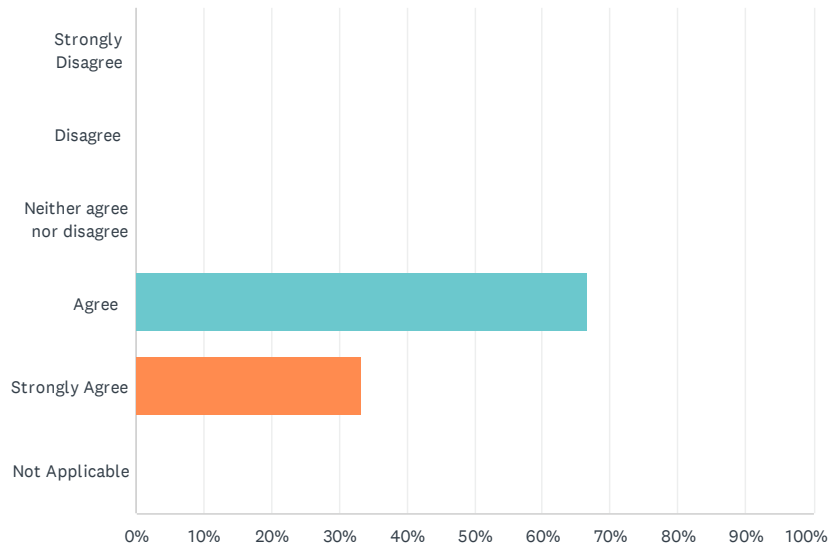
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
<b>TOTAL</b>		<b>3</b>

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Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q33 The Committee understands and discusses issues which present significant risks to the organisation.

Answered: 3    Skipped: 0

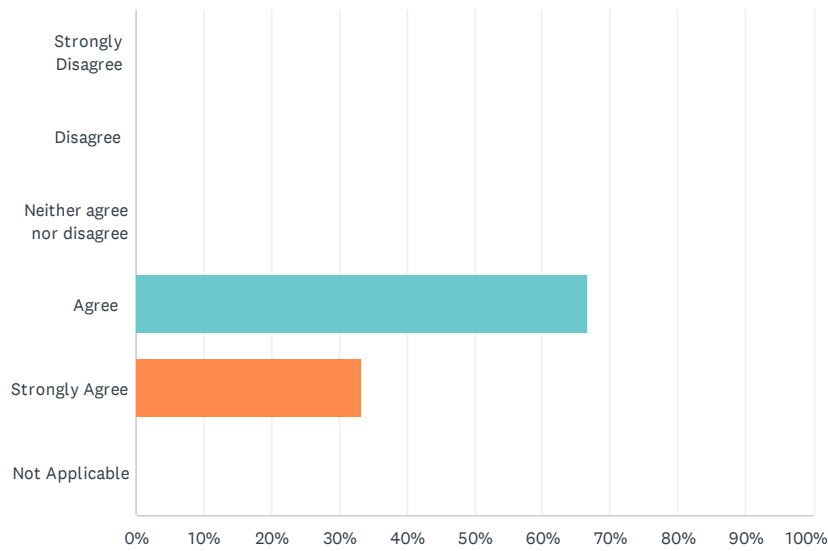


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q34 The Committee ensures that the controls are appropriate for achieving the Council’s goals and objectives, safeguarding the Council's assets and as far as possible maintaining the accuracy and reliability of Council records.

Answered: 3    Skipped: 0



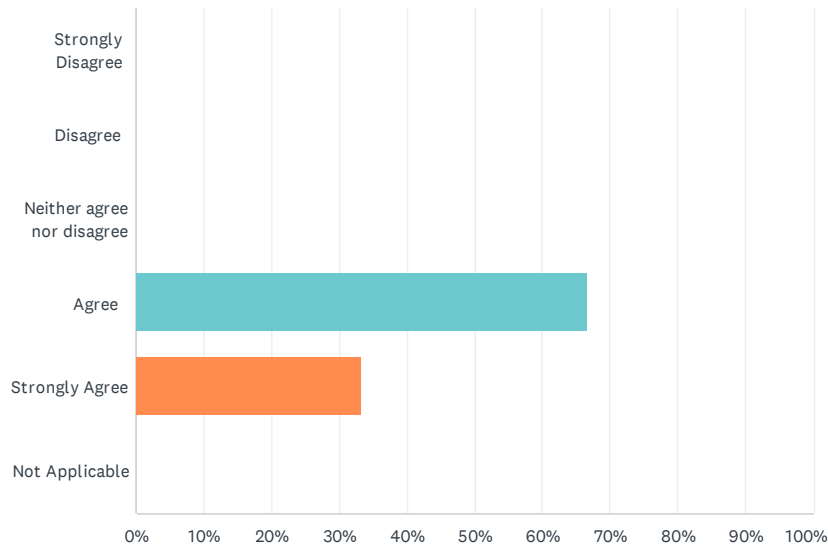
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3



Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q35 The Committee is satisfied that Council implements and maintains appropriate policies, practices and procedures of internal control.

Answered: 3    Skipped: 0

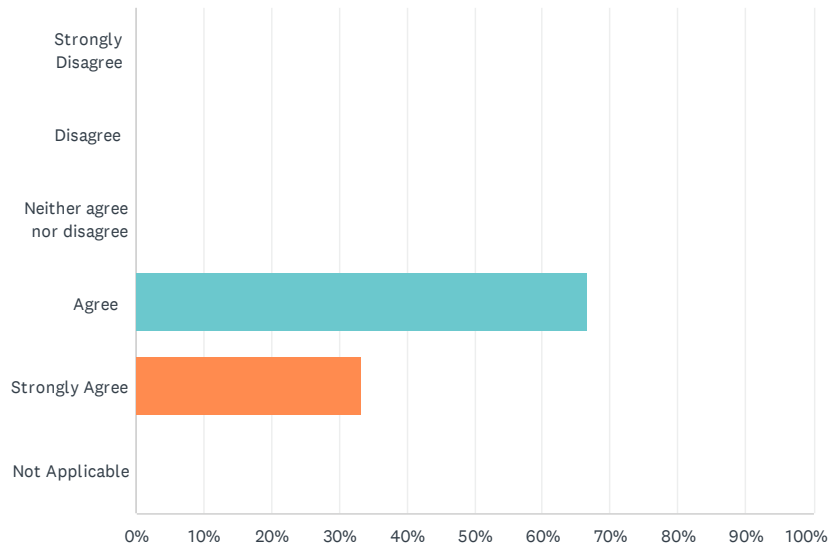


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment for 2024

Q36 The Committee is comfortable that the Council and other committees take into account significant risks which may affect financial reporting.

Answered: 3    Skipped: 0

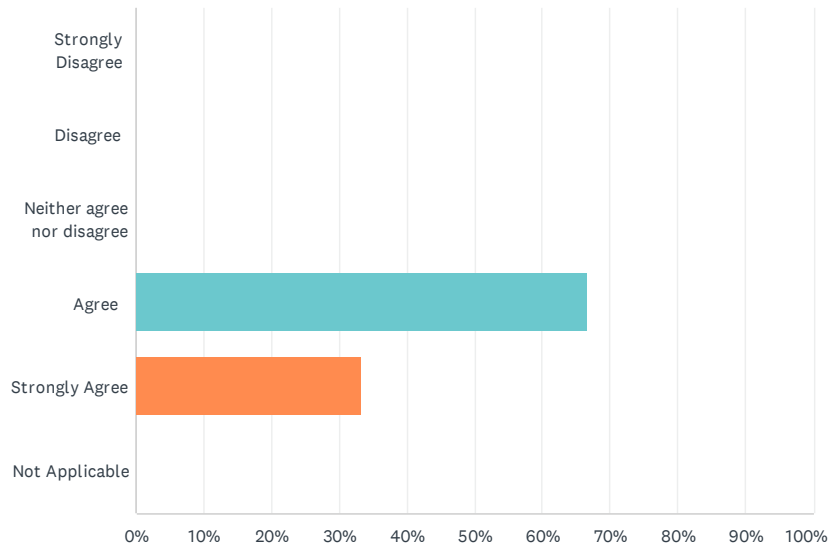


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q37 The Committee understands and approves the process implemented by the Administration to identify, assess, and respond to risks.

Answered: 3    Skipped: 0

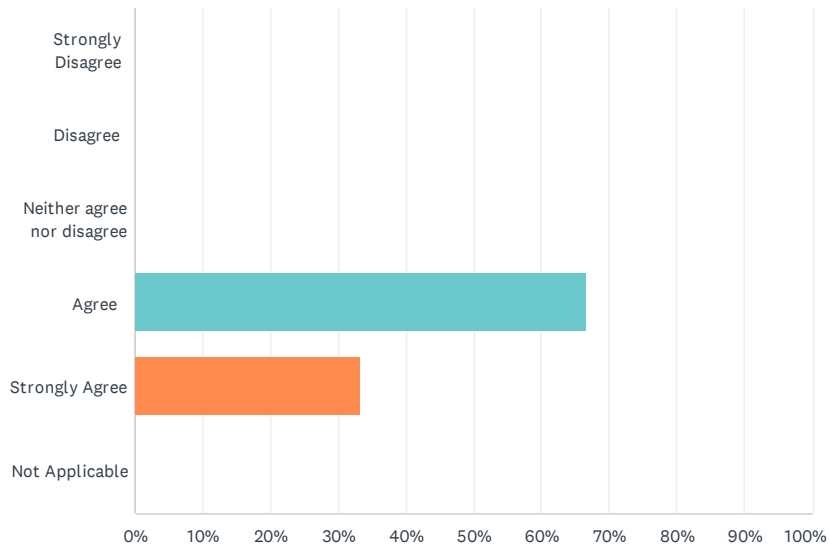


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

## Audit and Risk Committee Self-Assessment 2024 - Survey Results

## Q38 The Committee understands the Administration's fraud risk assessment and understands identified fraud risks.

Answered: 3 Skipped: 0



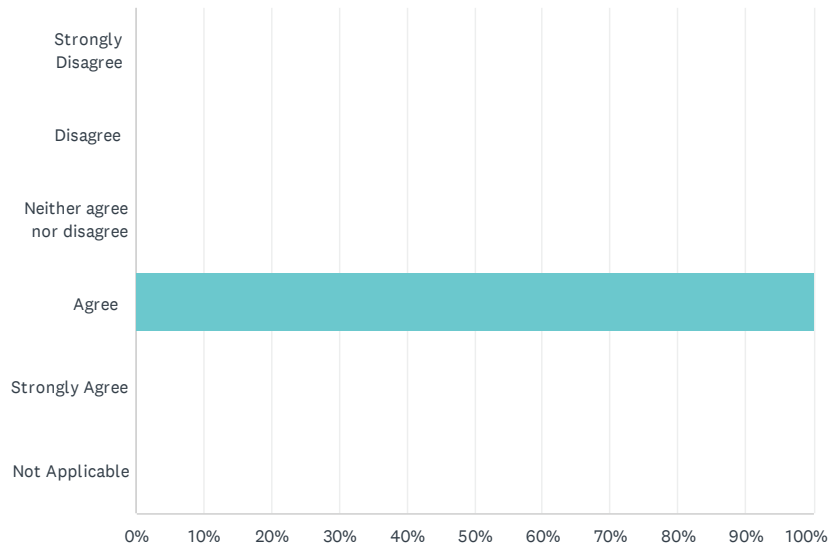
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	66.67%	2
Strongly Agree	33.33%	1
Not Applicable	0.00%	0
TOTAL		3

33 / 47

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q39 The system for reviewing outstanding items arising from external or internal audit reports is efficient and effective.

Answered: 3    Skipped: 0

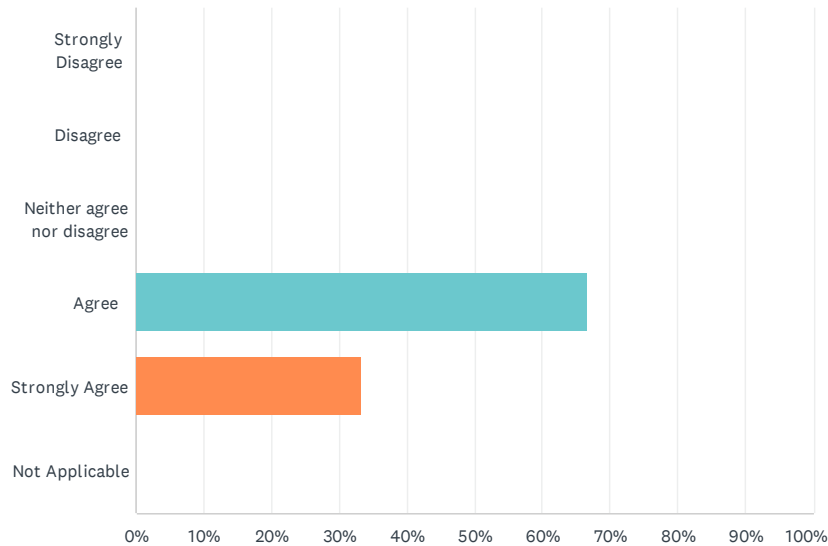


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		100.00%	3
Strongly Agree		0.00%	0
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q40 I am satisfied that the Committee is provided with the opportunity to propose, and provide information relevant to, a review of the Council’s strategic management plans, long term financial plan and annual business plan.

Answered: 3    Skipped: 0

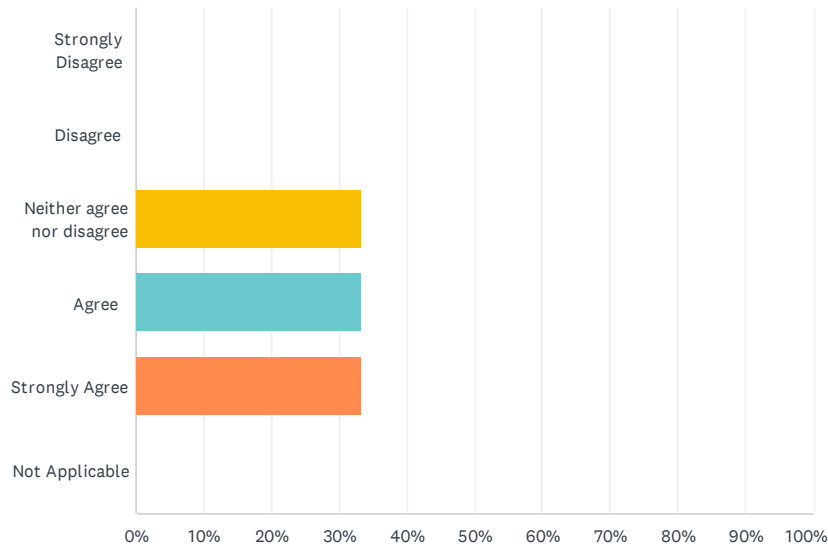


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment for 2024

Q41 I have satisfied myself that Council is meeting its fiduciary and legislative responsibilities.

Answered: 3    Skipped: 0

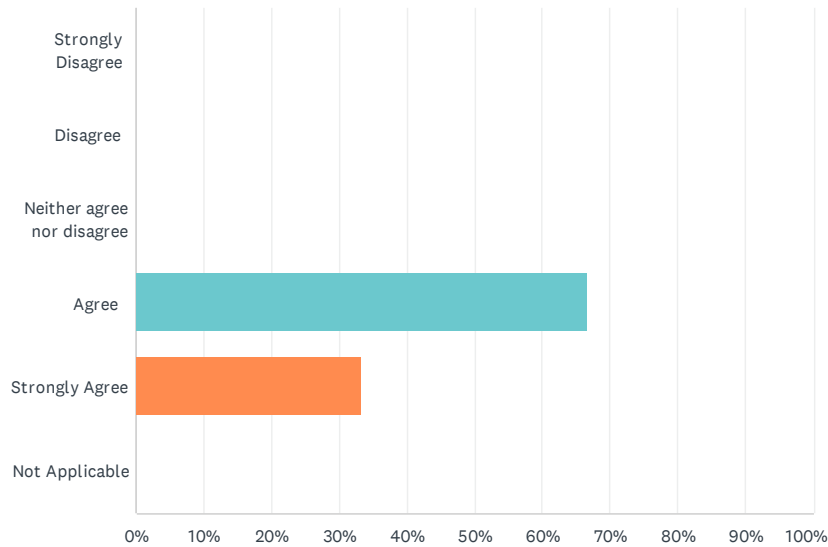


ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		33.33%	1
Agree		33.33%	1
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3

Figure 7.1.1.1 - Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q42 An annual performance assessment of the Committee is conducted and any matters requiring follow-up are resolved.

Answered: 3    Skipped: 0



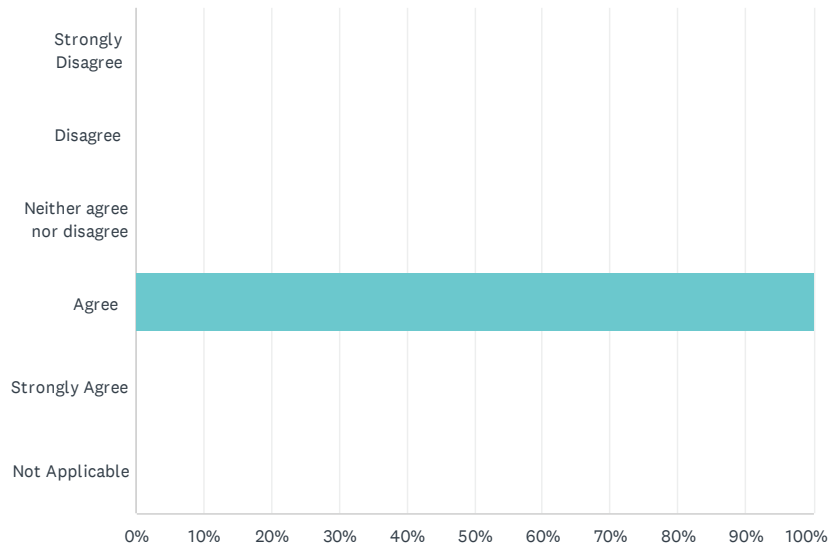
ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		66.67%	2
Strongly Agree		33.33%	1
Not Applicable		0.00%	0
TOTAL			3



Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q43 I feel comfortable offering a professional opinion even if that may be different from other Committee members.

Answered: 3    Skipped: 0



ANSWER CHOICES		RESPONSES	
Strongly Disagree		0.00%	0
Disagree		0.00%	0
Neither agree nor disagree		0.00%	0
Agree		100.00%	3
Strongly Agree		0.00%	0
Not Applicable		0.00%	0
TOTAL			3

Audit and Risk Committee Self-Assessment 2024 - Survey Results

### Q44 What do you consider is the Committee's greatest strength?

Answered: 1   Skipped: 2

Responses:

The members

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Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q45 Conversely, in your view what is the Committee's greatest weakness?

Answered: 1   Skipped: 2

Responses:

More time to consider would be better

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Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q46 As a member of the Audit and Risk Committee, what is your expectation of the Audit and Risk Committee on contemporary matters likely to influence the operations of Council business?

Answered: 1   Skipped: 2

Responses:

It holds an important role

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Audit and Risk Committee Self-Assessment 2024 - Survey Results

Q47 Any further Comments or Suggestions for Improvement not already covered in the sections above?

Answered: 1 Skipped: 2

Response:

No

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<b>ITEM</b>	7.1.2
	<b>AUDIT AND RISK COMMITTEE</b>
<b>DATE</b>	09 April 2024
<b>HEADING</b>	BDO's Annual Audit Plan for 30 June 2024
<b>AUTHOR</b>	Rudi Deco, Manager Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community.
<b>SUMMARY</b>	<p>Council engaged BDO to provide external audit services for the financial year ending 30<sup>th</sup> June 2024 in accordance with the requirements of the <i>Local Government Act 1999</i> and associated regulations.</p> <p>The Annual Audit Plan 2024 covers the timing of significant milestones including on-site visits, key meeting dates and reporting deadlines with respect to the completion of the interim and final audit engagements.</p>




## RECOMMENDATION

### That Council:

1. Notes the report.

## ATTACHMENTS

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

1. BDO Annual Audit Plan [↓](#) 
2. Audit Engagement Letter Internal Controls [↓](#) 
3. Audit Engagement Letter Financial Statement [↓](#) 

## 1. BACKGROUND

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

The auditor must provide to the council

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

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

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

- (1) A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records.
- (2) The policies, practices and procedures of internal financial control under subsection (1) must be in accordance with a standard or document (such as a model relating to financial controls) adopted by the regulations.
- (3) A council must ensure that appropriate policies, systems and procedures relating to risk management are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, inform appropriate decision making, facilitate appropriate prioritisation of finite resources and promote appropriate mitigation of strategic, financial and operational risks relevant to the council.

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

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

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

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

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

## 2. DISCUSSION

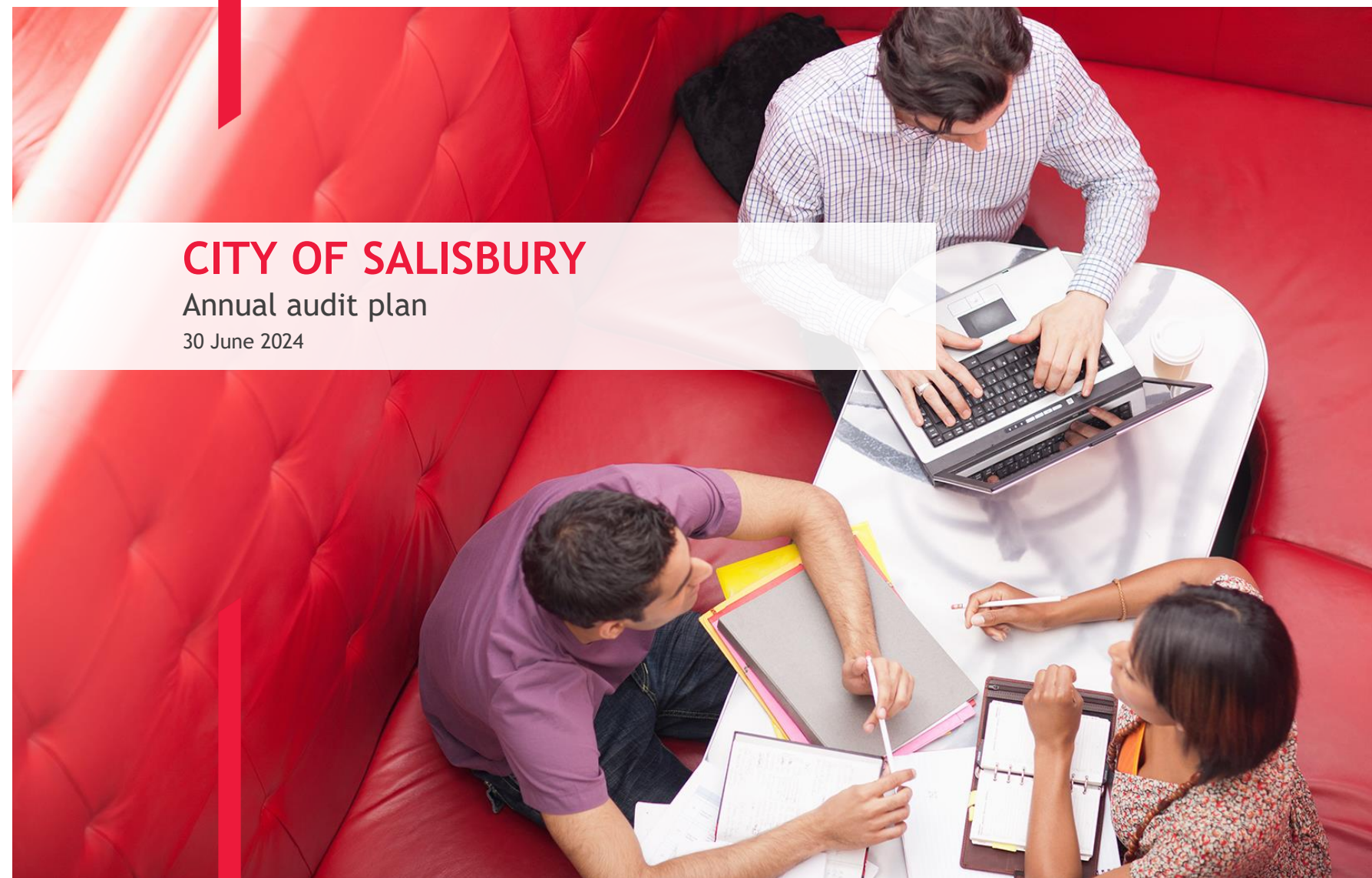
2.1 BDO's Annual Audit Plan to audit the controls and financial statement of City of Salisbury (COS) for the financial year ending 30 June 2024 is included as Attachment 1.



- 2.2 The Audit Engagement Letter for auditing the design and operating effectiveness of controls of COS is included in Attachment 2, providing details of the terms of engagement, responsibilities of both parties, audit approach and procedure that will be followed, and a draft template for the independent assurance report on the internal controls of COS.
- 2.3 The internal assessments and reviews of the financial internal controls and risk assessments, through the Control Track software system is scheduled to commence in mid-April 2024.
- 2.4 The Audit Engagement Letter for auditing the finance report of COS is included in Attachment 3, providing details of the audit scope and objectives, responsibilities of both parties, and a draft template for the independent auditor's report on the audit of COS's Financial Report.
- 2.5 The City of Salisbury maintains the Local Government Better Practice Model—Internal Financial Controls within Control Track software.
- 2.6 BDO selected 70 internal controls (refer page 11, Attachment 1), based on risk prioritisation. The approach to the audit sample selection and categories of internal controls tested is covered within the BDO Annual Audit Plan 2024.
- 2.7 BDO representatives Andrew Tickle, Partner, and/or Chelsea Aplin, Senior Manager, will be in attendance for the April 2024 Audit and Risk Committee meeting to present the Annual Audit Plan.
- 2.8 BDO will commence the Interim Audit in May 2024, covering the audit of controls. BDO will complete the Interim Audit engagement and present the Interim Management Letter to the August 2024 Audit and Risk Committee meeting.
- 2.9 BDO will commence the final audit in August 2024 and will present the final Audit Completion Report to the October 2024 Audit and Risk Committee meeting.

### **3. CONCLUSION**

- 3.1 This report provides a summary of BDO's audit plan for 2024, covering the assurance engagement audit of controls, and the engagement on the audit of the financial reports for 2024.



## CITY OF SALISBURY

### Annual audit plan

30 June 2024

IDEAS | PEOPLE | TRUST **BDO**

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BDO’s global portal ..... 16

BDO Advantage ..... 17

Appendix 1 Other communication ..... 18





Dear Audit and Risk Committee Members

Thank you for the opportunity to present our annual audit plan ('plan') for City of Salisbury ('CoS' or 'Council') for the year ending 30 June 2024.

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

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

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

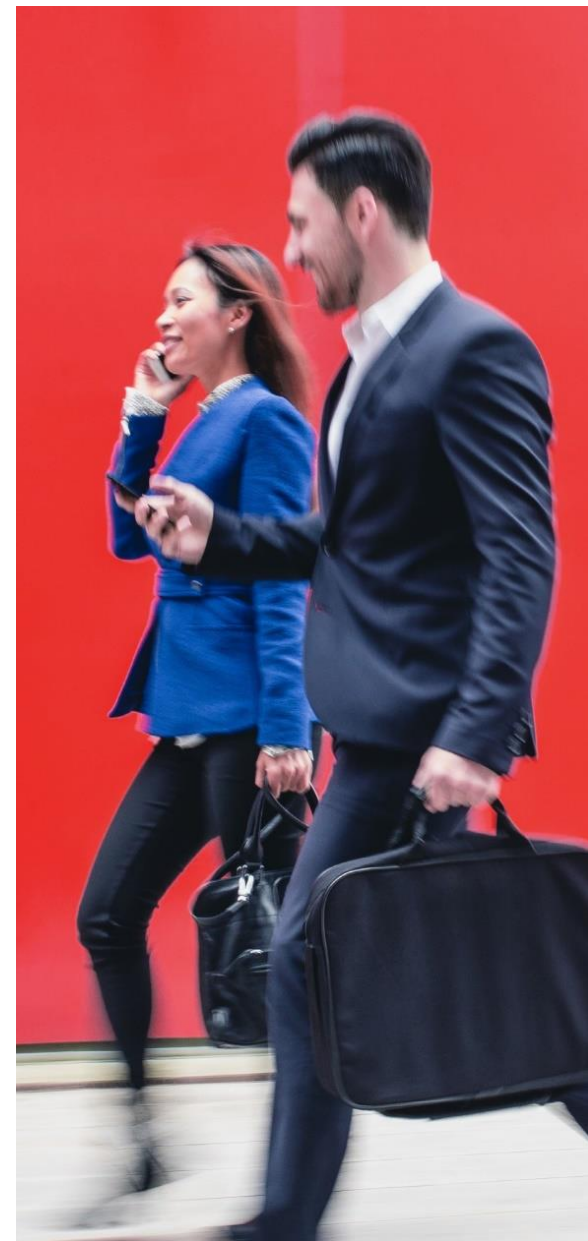
We welcome the opportunity to discuss our plan with you at the Audit and Risk Committee meeting on 9 April 2024.

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

Yours faithfully



**Andrew Tickle**  
Lead audit partner  
Adelaide, 25 March 2024





## YOUR BDO TEAM

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

### YOUR BDO TEAM

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

Supporting Andrew will be Chelsea Aplin as audit manager.

Chelsea is responsible for the day-to-day direction of the audit work and is the key point of contact for Kate George. The day-to-day audit team will be led by Chelsea Aplin.

### SPECIALISTS

When auditing complex areas, we are often required to engage specialists who have qualifications and expertise not possessed by the core audit team. Supporting the engagement team will be our IT specialist, who will review the IT environment and any relevant IT general controls as part of audit if considered necessary.



**ANDREW TICKLE**

Engagement Partner

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**CHELSEA APLIN**

Engagement Manager

Tel: +61 8 7324 6097

Chelsea.Aplin@bdo.com.au

## OUR OBJECTIVES AND APPROACH

### OBJECTIVES

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

- ▶ The financial report is prepared, in all material respects, in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and
- ▶ Controls exercised by Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law based on criteria established in the Better Practice Model - Financial Internal Control for South Australia Councils issued by the Local Government Association of South Australia.

### APPROACH

Our audit is performed in accordance with the BDO Audit Approach, which is documented using our global audit tool, APT. It consists of four key phases:



### A RISK DRIVEN AUDIT

Our audit approach is driven by our assessment of risks of material misstatement, based on a robust understanding of your business from an internal and external point of view. Our approach is centred around:

- ▶ Obtaining an understanding of the business, its environment, and the applicable financial reporting framework
- ▶ Identifying and assessing risks of material misstatement
- ▶ Assessing the controls in place to address and prevent these risks
- ▶ Designing and executing appropriate procedures to obtain evidence, including the use of data analytics where appropriate
- ▶ Ensuring rigorous quality management over audit performance.

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## OUR OBJECTIVES AND APPROACH CONTINUED

### INTERNAL CONTROL

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

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

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

### COMMUNICATIONS

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

In addition, we communicate with management the significant deficiencies being reported to those charged with governance and any other deficiencies identified that in our judgement are of sufficient importance to merit management's attention. In doing so, we will provide recommendations to improve internal controls and business systems.

### FRAUD

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

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

### GOING CONCERN

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

### LAWS AND REGULATIONS

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







Our System of Quality Management (SOQM) provides the foundation on which we build and maintain a culture of quality and it enables the behaviours and actions of our partners and staff to achieve quality on a consistent basis. Our SOQM sets out the key drivers of audit quality, including the specific attributes that are critical in enhancing and maintaining quality. For further information on the elements of our SOQM and how we consistently achieve quality outcomes, refer to our [Transparency Report](#).

### INDEPENDENCE AND OBJECTIVITY

Our commitment to be independent, act objectively, with the necessary integrity, professional competence and due care are key defining qualities that contribute to exceptional client service. At BDO, we adhere to all relevant ethical standards and requirements both within and external to our network.

All engagement team members, including experts and specialists, are required to confirm and declare their independence from audit clients and any related entities prior to commencing work on the engagement.

Your BDO team is independent and will continue to work with objectivity in all aspects of the engagement.

### EXPERIENCE AND EXPERTISE

The appropriate composition of engagement teams is fundamental to delivering a high-quality audit. We ensure partners and staff have the necessary experience, competencies, and technical skills to undertake their engagements. For complex engagements, we consider the need to appoint specialists or experts to assist with specific risk areas.

Your BDO team possesses the relevant experience and expertise necessary to perform an effective audit.

### PROFESSIONAL JUDGMENT AND SCEPTICISM

Professional judgment is the systematic practice of making the best possible decision considering professional standards and the facts and circumstances of a situation. To exercise professional judgment requires professional scepticism. This means having a questioning mind, being alert to anything that may indicate misstatement and critically assessing audit evidence.

We will continue to question and challenge key assumptions and judgments made by management in preparing the 30 June 2024 financial report.





In line with our audit approach and based on our understanding of City of Salisbury, we have identified the risks of material misstatement (RMM) at both the engagement and assertion level. In assessing the RMMs, we use a spectrum of risk based on the likelihood of a misstatement occurring and the magnitude of the misstatement in the context of our materiality. We use inherent risk factors (complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or fraud) to drive risk identification and assessment.

Below we have set out our perspective on the potential impact on the financial statements and our proposed approach to respond to the risks. We will continue to be alert for risks during the course of the audit and update our assessment and responses as required.

AREAS OF FOCUS	OUR PERSPECTIVE	PLANNED RESPONSE
Revaluation of infrastructure	Council’s infrastructure is carried at valuation and was revalued during the period. There is a risk that these balances are misstated as a result of the application and inappropriate valuation methodologies, or incorrect underlying assumptions.	We will evaluate the competence, capability and objectivity of the independent valuers, if any, obtain an understanding of their work and evaluate its appropriateness.  We will review the process undertaken by management regarding the revaluation, perform necessary audit procedures and check the disclosures made to the financial statements for compliance with applicable Australian Accounting Standards.
Accounting treatment of Capital Work In Progress (‘WIP’)	There is a risk that the accounting treatment of items captured within capital WIP may not be in accordance with Australian Accounting Standards.	We will obtain the capital WIP schedule, reconcile the opening balance this year to the audited closing balance in 2023, and review in detail a sample of projects outstanding at the end of the year to ensure they are likely to generate assets.  We will also review a sample of assets transferred out of the capital WIP to check that the categorisation and value allocated to the relevant fixed asset class is appropriate.



AREAS OF FOCUS	OUR PERSPECTIVE	PLANNED RESPONSE
Management override of internal controls	Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override control that otherwise appear to be operating effectively.	Our response will include a review of key internal controls at the Council to mitigate the risk of management override. We will test the appropriateness of journal entries and other adjustments made in the preparation of the financial report. We will also review accounting estimates for bias and evaluate the business rationale (or lack of) of any significant transactions that are outside of the normal course of business or that otherwise appear to be unusual.
Cut-off of grant funding and accuracy of any amounts deferred on 30 June 2024	There is a risk of error in the calculation of grant income recognised and deferred at the end of the year by reference to grant agreements and Australian Accounting Standards.	We will obtain the schedule of grant income recognised and deferred at year-end. We will select a sample of grants and obtain the agreements to review in detail and test that they have been recognised in accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities.
Changes in payroll IT applications	During the year the Council implemented a new payroll IT application. There is a risk that payroll data may not have been appropriately or accurately transferred into the new system, which could result in material misstatements.	<p>We will consider relevant IT general controls around IT system changes during the year.</p> <p>We will also involve our information systems audit specialist to assist with the review, where appropriate.</p> <p>We will perform substantive procedures to check that the leave balances have been brought across appropriately and accurately. Particular attention will be paid to transactions immediately prior to the system change.</p>

## INTERNAL CONTROL ASSESSMENT

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

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

### RISK ASSESSMENT

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

RISK CATEGORY	RISK LEVEL		
	HIGH	MODERATE	LOW
Strategic Financial Planning	-	-	12
Assets	2	7	18
Liabilities	-	4	10
Revenue	2	4	8
Expenses	6	5	8
External Services	-	-	2
Financial Governance	-	-	3

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

### CONTROL ASSESSMENT

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

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



**CONTROL TESTING**

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

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

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

RISK CATEGORY	TEST OF CONTROLS PERFORMED
Strategic Financial Planning	-
Assets	22
Liabilities	8
Revenue	14
Expenses	26
External Services	-
Financial Governance	-
Total	70

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



## MATERIALITY

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

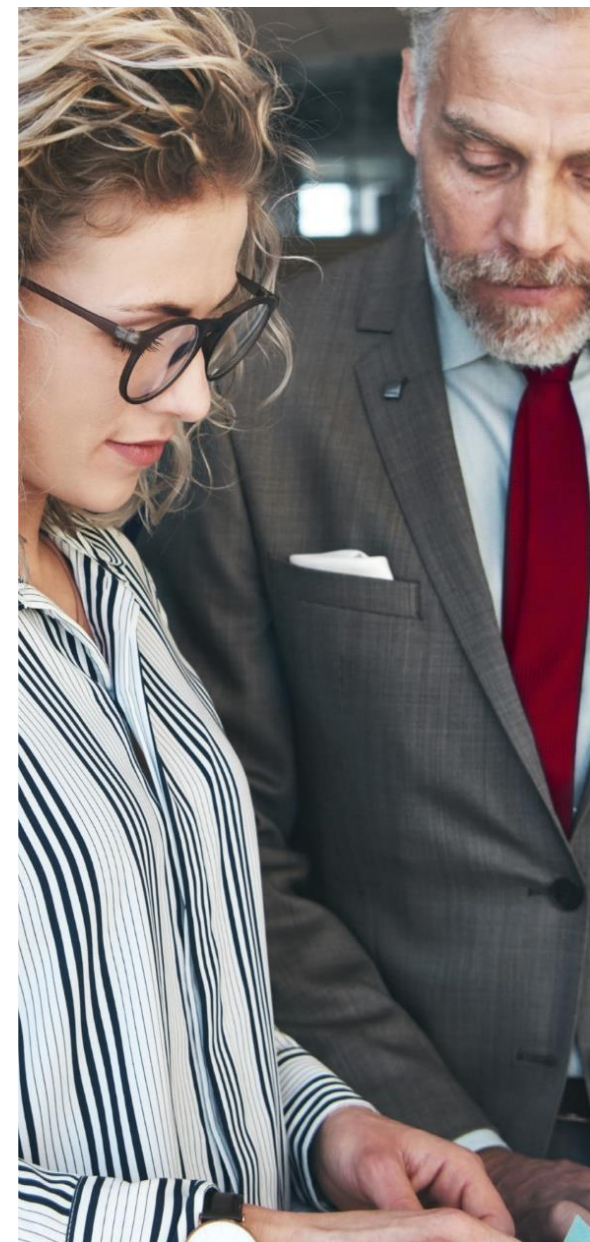
During the course of our audit we may identify misstatements and these will be reported to you at the conclusion of our work based on our assessment of materiality at that stage (this may have been updated from the materiality calculated at the planning stage). It should be noted that the auditing standards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

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

Our engagement materiality for the 30 June 2024 audit will be based on 1.8% forecasted total assets.

Specific materiality will be applied to the financial statement areas that are related to operating activities, whereas engagement materiality will be applied to financial statement areas of capital expense nature. Specific materiality is set at 1.8% of Council's total expenditure for the year.

We are yet to calculate our materiality and we will provide an update as part of our interim management letter.





AUDIT MILESTONES

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

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

milestone	responsibility	date
Initial meeting with management to discuss key audit matter	BDO & management	5 March 2024
Draft Annual Audit Plan to be provided to management	BDO & Management	15 March 2024
Audit and Risk Committee meeting and submission of Annual Audit Plan	BDO & Audit and Risk Committee	9 April 2024
Interim audit visit commences, including internal controls and transactional testing; follow-up on the prior year’s internal control deficiencies	BDO & management	Week Commencing 6 May 2024
EOY Audit requirements to be uploaded to the BDO Global Portal	BDO	14 June 2024
Draft interim management letter to be provided to Management for comments	BDO	25 July 2024
Audit and Risk Committee meeting and submission of Interim Management Letter	BDO & Audit and Risk Committee	13 August 2024
First copy of drafted financial statements available for audit	Management	28 August 2024
Final audit visit commences	BDO & management	26 August 2024

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MILESTONE	RESPONSIBILITY	DATE
Close out meeting with management	BDO & management	5 September 2024
Audit clearance and initial draft Audit Completion Report to be delivered to management for comments	BDO & Management	16 September 2024
Issue final Audit Completion Report with Management comments (if any) included	BDO	26 September 2024
Audit and Risk Committee meeting and presentation of Audit Completion Report	BDO & Audit and Risk Committee	9 October 2024
Certificate of Auditor Independence	BDO	9 October 2024
Chief Executive Officer and Mayor of Council to approve and sign off regulation 14 Certification of Financial Statements and management representation letter	CEO & Mayor	10 October 2024
Audit report to be signed	BDO	10 October 2024



## FEES

### FEES

The proposed fee for all services provided for the year ending 30 June 2024 is \$33,000. All amounts are exclusive of GST.

This fee compasses the audit of:

- ▶ Annual Financial Statements
- ▶ Internal Controls
- ▶ Roads to Recovery Chief Executive Officer's Financial Statement
- ▶ LGAWCS Actual Wages Declaration

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

### ASSISTANCE REQUIRED

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

- ▶ Ensure you have documented your policies and procedures surrounding your business processes, from initiation and processing through to recording and reporting, of transactions, account balances and disclosures. Including how your IT systems and applications are being used in this process
- ▶ Preparing position papers for all key judgements and estimates, using your experts and specialists as required
- ▶ Management providing all deliverables in line with the agreed timetable
- ▶ Assistance from your staff with supporting documentation and explanations during the audit process
- ▶ Disclosure by your staff of all information relevant to the engagement in a timely manner

Prior to the commencement of the audit, we will provide you with an audit preparation package through the BDO Portal.



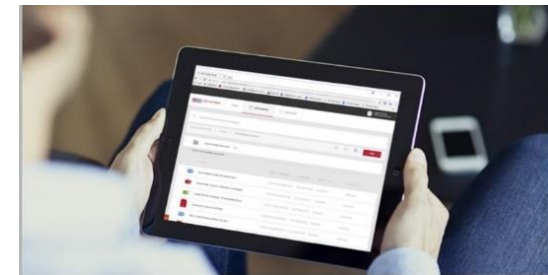
## BDO'S GLOBAL PORTAL

### BDO'S CLIENT PORTAL

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

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

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



#### ONLINE CLIENT COLLABORATION

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



#### A FLEXIBLE, SECURE PLATFORM WITH LOCAL CUSTOMISATION

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



#### DIGITISED PAPERWORK AND WORKFLOW

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

44 City of Salisbury Audit Committee

## BDO ADVANTAGE

### BDO ADVANTAGE: OUR INNOVATIVE AUDIT TECHNOLOGY PLATFORM

Today's business, regardless of industry or location, becomes increasingly digital-centric. Companies accumulate a great amount of data in their systems, but data becomes valuable only if we present and analyse them in such a way that they actually bring benefits. Today, we can do this effectively with **BDO Advantage**.

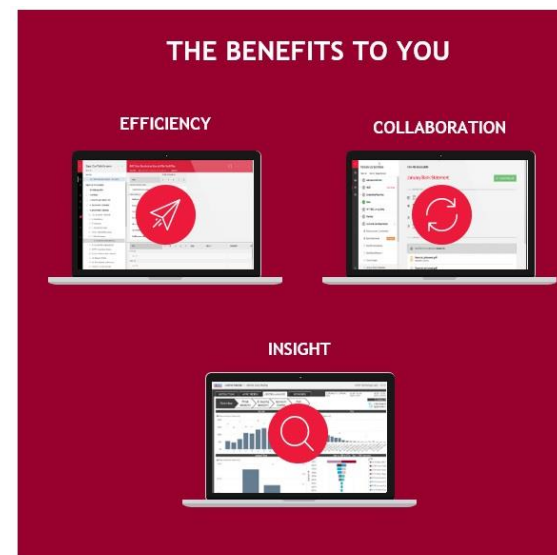
Our new suite of Data Analytics tools (BDO Advantage) enables us to enhance our audit approach through the extraction and analysis of data, to provide assurance for our audit and valuable insights for your business - allowing you to quickly address anomalies and make better decisions.

#### BENEFITS TO YOU

- ▶ **Audit quality** - Audit Data Analytics (ADAs) are engineered to identify risk areas requiring attention more rapidly. Conversely, areas requiring less attention are similarly identified using consistent visualisations derived from underlying data, providing a more effective audit and enhanced audit quality
- ▶ **Reduced reliance on sampling** - ADAs and the supporting methodology focuses our attention on notable items indicating higher risk of material misstatement within a population, allowing for targeted efforts to be directed to those items meriting the most attention. Entire populations do not ordinarily require significant amounts of traditional sampling. Rather, efforts are directed to tests of transactions indicative of higher risk, while simultaneously reducing efforts on those that do not indicate risk
- ▶ **More meaningful audits** - As we perform less sampling on entire populations and focus our efforts on outliers and unusual patterns within your datasets in consistent models, we will increasingly focus our energy on performing more meaningful and interesting work.

#### THE FUTURE

BDO is committed to innovation. As a firm, we are increasingly investing in building and implementing digital tools as part of the BDO Digital Audit Suite, to make the audits we deliver more efficient and insightful for you. As the BDO Digital Audit Suite evolves, we will apply these tools as part of your audit, where we believe they will deliver benefits to you as our client.



## APPENDIX 1 OTHER COMMUNICATION

### ETHICS AND INDEPENDENCE

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

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

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

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

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

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

### COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

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


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



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

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

15 March 2024

Dear Cr Grenfell

#### ASSURANCE ENGAGEMENTS ON CONTROLS

##### Design and Operating Effectiveness of Controls

You have requested that we undertake a reasonable assurance engagement on the design of controls established by City of Salisbury in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, and the operating effectiveness of these controls throughout the period 1 July 2023 to 30 June 2024 in accordance with the requirements of the *Local Government Act 1999*. The control objectives to be addressed are specified by legislation, which are that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are conducted properly and in accordance with law.

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

##### Responsibilities of the assurance practitioner

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

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

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

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The responsibilities of management and identification of the applicable control framework

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

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

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

#### Assurance Approach

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

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

#### Assurance Procedures

Our assurance procedures will include:

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



#### Assurance Report

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

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

#### Material Deficiencies in Design or Deviations in Operating Effectiveness of Controls

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

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

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

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

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

#### Terms of Trade

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

Yours faithfully

BDO Audit Pty Ltd

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

Andrew Tickle  
Director



## Appendix 1

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

## Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Salisbury (the Council) in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2023 to 30 June 2024 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 2023 to 30 June 2024.

## Basis for opinion

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

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

The Council's responsibilities for the internal controls

The Council is responsible for:

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

## Our independence and quality control

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





#### Assurance practitioner's responsibilities

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

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

#### Limitations of controls

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

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

BDO Audit Pty Ltd

Andrew Tickle  
Director  
Adelaide, XX Month 2024



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

15 March 2024

Dear Cr Grenfell

#### TERMS OF ENGAGEMENT - AUDIT

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

#### Audit of the financial report

The objective and scope of the audit

You have requested that we audit the financial report of City of Salisbury which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies, and the certification of the financial statements of the consolidated entity comprising the Council and the entities it controlled at the year's end or from time to time during the financial year.

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

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

The responsibilities of the auditor

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

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

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

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

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

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

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

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

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

#### Other requirements

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

#### Expected form and content of the auditor's report

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

#### Fees

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

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

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

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

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



### Other matters under the Local Government Act 1999

#### Independence

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

#### Enquiries from oversight bodies

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

#### Presentation of the audited financial report on the internet

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

#### Terms of trade

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

Yours faithfully

BDO Audit Pty Ltd

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

Andrew Tickle  
Director



## Appendix 1

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

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of City of Salisbury (the Council), which comprises the statement of financial position as at 30 June 2024, 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 2024, 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 2024.

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

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

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

#### Council's Responsibility for the Financial Report

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

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

#### Auditor's responsibilities for the audit of the Financial Report

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

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

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Andrew Tickle  
Director  
Adelaide, XX Month 20XX





**ITEM** 7.1.3**AUDIT AND RISK COMMITTEE****DATE** 09 April 2024**HEADING** Draft City Plan 2040 - For Consultation**AUTHOR** Daryl Tian, Senior Strategic Planner, City Development**CITY PLAN LINKS** 4.2 We deliver quality outcomes that meet the needs of our community  
4.4 We plan effectively to address community needs and identify new opportunities**SUMMARY** The draft City Plan 2040 (the City Plan) has been prepared for the purposes of public consultation. This draft will be presented to the Policy and Planning Committee on 15 April 2024 and the Council on 22 April 2024 for approval for public consultation. Consultation will occur from 1 – 26 May 2024.

Post-consultation, the final City Plan will be brought back to the Audit &amp; Risk Committee for its meeting on 13 August 2024.

**RECOMMENDATION**That Council:

1. Notes that, in accordance with the *Local Government Act 1999* Section 126(4)(b), the Audit and Risk Committee has reviewed the process and structure of the draft City Plan 2040 as outlined in this report (Item 7.1.3, Audit and Risk Committee, 9 April 2024), and that the draft City Plan has been prepared for Council’s approval for the purposes of public consultation.

**ATTACHMENTS**

There are no attachments to this report.

**1. BACKGROUND**

- 1.1 Section 122 of the *Local Government Act 1999* (the Act) requires councils to develop and adopt plans (which may take various forms) for the management of its area, to be collectively called “strategic management plans”.
- 1.2 The City Plan is the City of Salisbury’s highest-level strategic plan, and constitutes one of its strategic management plans. Other strategic management plans are the Long-Term Financial Plan and Strategic Assets Management Plan.
- 1.3 The Act identifies a number of considerations when preparing a strategic plan, in particular to:
  - 1.3.1 Identify the Council’s objective for its area over a period of at least four years

- 1.3.2 Assess against State Government policies, legislation and directions
- 1.3.3 Assess against other regional and national objectives
- 1.3.4 Propose principle activities and performance measures
- 1.3.5 Anticipate changes in its council area with respect to development and demographics.
- 1.4 A council may review its management strategic plans at any time, but must undertake a comprehensive review of these plans within two years after each general election of the Council.
- 1.5 The current strategic plan, the [City Plan 2035](#), was adopted by the Council in 2020.
- 1.6 A draft of the next version, the City Plan 2040, has been prepared for Council's consideration in April 2024, for the purposes of public consultation.
- 1.7 Section 126 of the Act outlines that the Audit and Risk Committee of a council has the opportunity to propose and provide information relevant to the review of a council's strategic management plan.
- 1.8 This report provides the opportunity for the Audit and Risk Committee to have oversight into the process and structure of the City Plan.

## **2. EXTERNAL CONSULTATION / COMMUNICATION**

- 2.1 External consultation will occur during the public consultation process in May, including with:
  - 2.1.1 The general public
  - 2.1.2 House of Assembly Members and Federal Members of Parliament in the City of Salisbury area.

## **3. DISCUSSION**

### Responding to trends and changes – City Plan review process

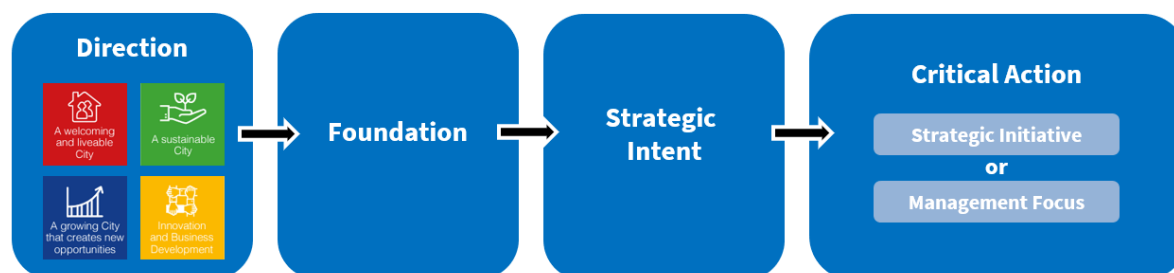
- 3.1 Over the last few years there has been accelerated and transformative changes that need to be considered in how Council delivers services and projects in the future. These include:
  - 3.1.1 Decreasing housing supply and affordability, increasing demand, cost of living and homelessness, especially for our disadvantaged and vulnerable communities
  - 3.1.2 Demand for employment lands and increasing residential infill, and their impacts on transport and traffic networks
  - 3.1.3 Current and future growth fronts, including areas west of Port Wakefield Road and Dry Creek
  - 3.1.4 Population increase and diversity
  - 3.1.5 COVID-19 impacts on health and wellbeing of the community, including changing social connections and lifestyle choices

- 3.1.6 Climate change and natural disasters, including the need for climate resilience against biodiversity loss, bushfire and flooding hazards, and the transition to a low carbon and circular economy
- 3.1.7 State and Federal Government policies and projects associated with increased sovereign capabilities, including investment in defence, renewable energy and localisation of supply chains.
- 3.2 In anticipating these trends, the City Plan proposes a series of draft Critical Actions that address and deliver solutions towards these changes.
- 3.3 In alignment with the City Plan, a number of City of Salisbury strategies have already been adopted, or will be developed to respond to regional and state-wide trends and changes. These include:
  - 3.3.1 [Affordable Housing Implementation Plan](#)
  - 3.3.2 Draft Housing Strategy (to be developed)
  - 3.3.3 Draft Homeless Strategy (to be developed)
  - 3.3.4 Draft Cost of Living Strategy (in development)
  - 3.3.5 [Strategic Growth Framework for Waterloo Corner and Bolivar Corridor](#)
  - 3.3.6 Draft Urban Growth Strategy (in development)
  - 3.3.7 Draft Economic Development Strategy (in development)
  - 3.3.8 Draft Integrated Transport Plan (in development)
  - 3.3.9 [Thrive Strategy](#) and [Action Plan 2024-2026](#)
  - 3.3.10 [Intercultural Strategic Plan 2017-2027](#)
  - 3.3.11 [Sustainability Strategy 2035](#)
  - 3.3.12 Draft Open Space Strategy (to be developed)
  - 3.3.13 Draft Waste Management Strategy (to be developed)
  - 3.3.14 Draft Energy Management Plan (to be developed).
- 3.4 The City Plan and associated strategies above will also inform and respond to the State Government's draft Regional Plan for Greater Adelaide. The Regional Plan is currently being prepared and projected to be finalised mid-2025.

#### City Plan structure

- 3.5 In reviewing the current City Plan, the following opportunities were identified relating to its structure:
  - 3.5.1 Retaining the Vision of "*A progressive, sustainable and connected community*"
  - 3.5.2 Retaining the four Directions of "*A welcoming and liveable city*", "*A sustainable city*", "*A growing city that creates new opportunities*" and "*Innovation and Business Development*"
  - 3.5.3 Reviewing the Foundations, which are the key outcomes for Council to achieve, to better align to regional and state trends and changes
  - 3.5.4 Introducing Strategic Intent, which strengthens the link and focus between Foundations and Critical Actions

- 3.5.5 Reviewing the Critical Actions, which are key strategic initiatives or management focus areas for the Council to undertake
- 3.5.6 Reviewing the Indicators, to respond to the new Foundations (Noting the Indicators will be drafted after consultation when the draft Critical Actions have been consulted).
- 3.6 This proposed structure is illustrated as below:



### City Plan engagement

- 3.7 Pending the Council's approval of the Draft City Plan, public consultation will occur for approximately four weeks, between 1 – 26 May 2024.
- 3.8 This will be undertaken in accordance with Section 122 (6) of the Act and the City of Salisbury's Community Consultation Policy.
- 3.9 A variety of engagement methods will be undertaken, including:
  - 3.9.1 A 'Have Your Say' project page
  - 3.9.2 Online and physical surveys
  - 3.9.3 Drop-in sessions across various City of Salisbury community centres
  - 3.9.4 Promotional material on City of Salisbury websites and social media
  - 3.9.5 Public notice in the Advertiser and media release
  - 3.9.6 Salisbury Aware article
  - 3.9.7 Digital signage.
- 3.10 Financial OverviewThe City Plan, once adopted by the Council, will have implications on the Annual Business Plan and Long-Term Financial Plan, from 2025/26 onwards.
- 3.11 Subsequent funding if required will be funded annually through a Council decision or through a new budget bid process.

## 4. CONCLUSION

- 4.1 The draft City Plan 2040 has been prepared for the purposes of public consultation.
- 4.2 Post-consultation, a final version of the City Plan, informed by community feedback will be brought back to the Audit & Risk Committee meeting at its meeting on 13 August 2024.

<b>ITEM</b>	7.1.4
	<b>AUDIT AND RISK COMMITTEE</b>
<b>DATE</b>	09 April 2024
<b>HEADING</b>	Draft Strategic Asset Management Plan 2024/2025
<b>AUTHOR</b>	Mark Purdie, Manager Field Services, City Infrastructure
<b>CITY PLAN LINKS</b>	<p>4.2 We deliver quality outcomes that meet the needs of our community</p> <p>4.4 We plan effectively to address community needs and identify new opportunities</p>
<b>SUMMARY</b>	Attached to this report is the Draft Strategic Asset Management Plan (SAMP) for 2024/25 which forms part of the 2024/25 Strategic Business Papers to be adopted for the purpose of public consultation in May 2024. This report gives a brief overview of the key updates to the 2024/25 SAMP for review by the Audit and Risk Committee.

## RECOMMENDATION

### That Council:

- Notes that, in line with Section 126 (4)(b) of the *Local Government Act 1999*, the Audit and Risk Committee considered and reviewed the Draft Strategic Asset Management Plan 2024/25 as attached in the report (Item 7.1.4, Draft Strategic Asset Management Plan 2024/25, Audit and Risk Committee, 9 April 2024).

## ATTACHMENTS

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

- Draft 2024/25 Strategic Asset Management Plan [↗](#) 

### 1. BACKGROUND

- Consistent with Section 122 (1) and (2) of the *Local Government Act 1999* Council has a Strategic Asset Management Plan (SAMP). The SAMP is one of Council's strategic documents, along with the Long-Term Financial Plan (LTFP) and City Plan Documents.
- The SAMP and LTFP are consistent and ensure that Council's assets are managed to deliver service continuity in a financially sustainable manner.
- The SAMP enables Council to consider what expenditure is required to manage, maintain and renew assets to deliver the approved levels of service and ensures that these requirements are tested for financial sustainability through the LTFP.
- It is critical that Council adopts a SAMP that not only explains the targeted levels of service and associated financial forecasts, but that is also financially sustainable.

- 1.5 Council set up the Asset Management Sub Committee, as part of its Committee governance structure following the November 2022 Council elections. The Asset Management Sub Committee terms of reference include the following:

- *“Review footpath, playground and streetscape policies for their appropriateness and currency, taking into consideration best practice and sector and other organisations’ approaches and provide recommendations for Council consideration.*
- *Consider the targeted levels of service for key asset classes, namely footpaths, playspaces and streetscapes, taking into consideration best practice in asset management, to ensure they match community expectations and are financially sustainable, and consistent across the city.*
- *Consider the priority of future and current works flowing from the relevant programs in the relevant Asset Management Plans.*
- *Review and provide recommendations to Council on relevant intervention levels for footpath reactive maintenance.*
- *Review and provide recommendations to Council on the Building Renewal Program.”*

- 1.6 The Service levels and responsibility for reviewing the SAMP fall within the remit of the Policy and Planning Committee Terms of Reference as detailed below:

*“The Committee oversees the development and facilitation of strategic partnerships, the development, review and amendments of Council policies, plans, strategies and the development and review of strategic policies and procedures affecting the future development of the City by advising Council on:*

- *“Strategic Asset Management”*

- 1.7 The 2023/24 endorsed SAMP has been updated to reflect changes in Council’s expenditure projections, including any new commitments in relation to asset service level reviews. The 2024/25 draft SAMP is in the same format as the currently endorsed 2023/24 SAMP, with changes largely limited to updating figures and graphs and revising and updating the improvement plan within the SAMP.

## **2. CITY PLAN CRITICAL ACTION**

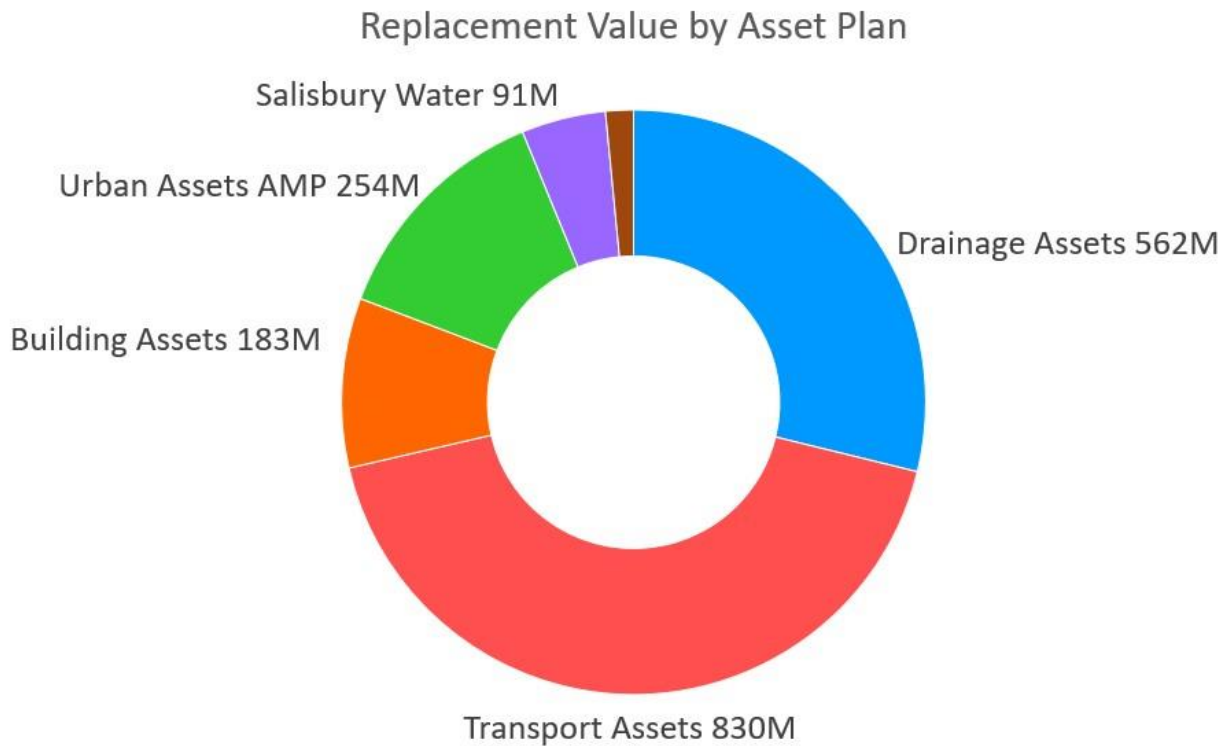
- 2.1 Innovation and Business Development – Future Planning – Review Council’s ‘Strategic Asset Management Plan’.

## **3. REPORT**

- 3.1 The SAMP is the mechanism for Council to undertake a review of levels of service and the effect on the funding requirements to maintain the \$2.03 Billion of existing infrastructure assets and associated services for the City.
- 3.2 The SAMP has a twenty-year per-view, with a detailed focus on the next 10-year Service Continuity Program.

3.3 The assets are broken up into the following classes:

**Graph 1 – Replacement value of Council’s assets by percentage**



- 3.4 Within the asset classes are the major and minor assets. For example, transport represents, Roads, Bridges, Footpaths, Kerbs, Shared Use Paths, and minor assets such as Traffic Control Lights & Public Lighting.
- 3.5 Council formally reviewed four key asset classes (Roads, Drainage, Buildings and Playspaces) through 2022, approving levels of service and associated financial forecasts. The outcomes and expenditure from these reviews were included in the 2023/24 SAMP. In total this represents 70% of the total value of Council’s Infrastructure Assets. This has given the Council confidence to develop sustainable renewal programs based on expenditure that meet the Community’s levels of service expectations.
- 3.6 During 2023/24, Council has considered asset renewal in a number of service areas. The following asset classes have been reviewed and have resulted in key changes to the 2024/25 Draft SAMP:
- 3.6.1 Footpaths / Pathways – shift in service type from renewal to operating to address defects, with renewal budget reduced by \$750k (long term average) to \$0 and operating increased from \$890k to \$1,750k in 2024/25.
  - 3.6.2 Street lighting – Administration undertook an audit of public lighting at Mawson Lakes in the 2023/2024 FY. The findings of the audit was used to develop the capital works program commencing in the 2024/2025 FY.



There will be an increase of \$536k in capital renewal for the Public Lighting Continuity Program from 2024/2025 and \$378k in subsequent years, which equates to approximately 1% renewal of public lighting assets for Mawson Lakes each year.

- 3.6.3 The operating expenditure will increase by \$200k in the 2024/2025 and 2025/2026 FY to undertake maintenance on damaged public lighting assets to help ensure they achieve their useful lives. An audit of public lighting assets will be undertaken once every 4 years, with the next audit scheduled for the 2027/2028 FY.
- 3.7 Other impacts to the revised draft SAMP include:
  - 3.7.1 Fleet Renewal - increases to the Fleet Renewal program of \$267k/annum above forward projections to allow for price increases in new vehicles. This is partly offset to by higher resale values.
  - 3.7.2 St. Kilda Adventure Park Renewal – additional provision of \$1.13M of renewal expenditure on a once-off basis to address renewal of equipment that doesn't currently meet compliance requirements.
  - 3.7.3 Irrigation – additional provision of \$800k of renewal above forward projections to renewal the irrigation system at the Salisbury Par 3 Golf Course.
- 3.8 The overall balanced position projected operating and capital expenditure (preliminary) is found as Figure 11 on page 70 of the attached Draft SAMP, requiring a 10-year average cost of \$108,914,000. The blue shaded areas in the graph represent renewal programs in accordance with endorsed community-based service levels, and are shown isolated in Figure 9 on page 70.
- 3.9 From a financial perspective the graph shows a combination of renewal, upgrade and new capital expenditure, as this is what is required to deliver Council's approved service levels at specific locations/ assets. The costs also reflect market construction rates at the time of preparing the SAMP.
- 3.10 It is proposed, as set out in the Asset Management Improvement Plan in the SAMP, that Irrigation, Sports Lighting, Street trees, Bridges, and Ornamental Lakes will be examined by Council to determine the sustainable Community Based Service Levels over the next 12-18 months. Further work will also be done on Playspace levels of services following completed audits.
- 3.11 The completion of the additional Asset Service Level assessment, to be based on Community Based Service Levels, will complete 85-90% of the Infrastructure Asset Portfolio, in value, and allow the Council to have a mature level of confidence that the renewal expenditure meets the service needs and expectations of the community. The historical understanding of the Community Based Service Levels, and good long-term financial management has allowed Council to date to balance renewal expenditure with the creation of new service provision through new assets.



- 3.12 It is noted that the SAMP is called “Draft” as it will need to be updated once the Public Consultation process is completed and Council has considered any community feedback for either the SAMP or the 2024/25 Budget. At which point in time the graphs in the document will be adjusted accordingly. However, unless Council determines to make major service level changes that affect the Renewal Programs or increase existing ongoing programs it is expected that these changes will be minimal.

#### **4. CONCLUSION / PROPOSAL**

- 4.1 The 2024/25 SAMP that is attached continues the Council’s Asset Management Journey, having now Community Based Service Levels completed for 70% of the Asset Portfolio.
- 4.2 The SAMP presents the levels of renewal expenditure that meets the Community’s needs and expectations over a 10-year period.
- 4.3 The SAMP includes an Asset Management Improvement Plan, that outlines the timeframes for the assessment of community based levels of service for the next asset classes including: Irrigation, Sports Lighting, Street trees, Bridges, and Ornamental Lakes . This will enable Council to further refine the service levels and subsequent renewal expenditure to meet the community needs.
- 4.4 The formal request for adoption of the Draft SAMP will be presented to the Policy and Planning Committee in April 2024 for Public consultation, with the SAMP details to be finalised and presented to Council after public consultation.





Acknowledgement of Country

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

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Figure 8 - 2024/25 Operations and Maintenance Expenditure Projections (prelimary)

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Figure 10 - 2024/25 Capital New/Upgrade Projected Expenditure (prelimary)

Figure 11 - 2024/25 Balanced Position Projected Operating and Capital Expenditure (prelimary)

A photograph of the Burton Community Hub building. The building has a modern design with large glass windows and a flat roof. The glass reflects the surrounding environment. In front of the building is a paved area, likely a parking lot or a walkway. The sky is clear and blue.

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Audit and Risk Committee Agenda - 9 April 2024

City of Salisbury

Item 7.1.4 - Attachment 1 - Draft 2024/25 Strategic Asset Management Plan



# Executive Summary

*The City of Salisbury is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of \$2.03B of Assets, which enable Council to provide a wide range of Services to the Community.*

Major assets include land, buildings, parks, recreation areas, roads, footpaths, drainage systems and provide service essential to our community's quality of life.

This Strategic Asset Management Plan (SAMP) takes the organisational objectives in our strategic plans, reviews how the Community receives and uses the service and whether the organisation is providing community value.

The SAMP takes into account Key Legislative & Risk Mitigation such as:

- Universal Access (DDA)
- Ability inclusion
- Road Safety Framework linking to the School Framework
- Climate change

This Strategic Asset Management Plan (SAMP) considers the Community Expectations/Council Directions & Strategy with respect to improved levels of service in a number of areas:

- Verges and street trees
- Urban spaces (universal design)
- Playspaces and facilities (inclusive design)
- Path lighting (improved light levels to improve community safety)
- Shade
- Irrigation areas increased
- Playing surfaces
- Footpaths
- Community and club room event spaces
- Renewal of street lighting

This Plan is the next step, from the 2023/24 SAMP, in that Council has approved Community Based Levels of Service & Asset Hierarchies for Roads, Drainage, Buildings and Playspaces (70% of the Value of Assets in the City). Council has adopted renewal expenditure across these asset classes to meet the endorsed levels of service, ensuring that the Council's renewal programs are financially sustainable, and deliver intergenerational equity. Council has also reviewed Footpath levels of services and implemented a renewal

program for street lighting. As outlined later in this document, Council has a significant number of asset classes still to be reviewed, such as sports lighting, irrigation, bridges, street trees and ornamental lakes to develop community-based levels of service and hierarchies and subsequent funding options to meet community expectations in a sustainable way. Council is engaged in an asset management improvement process to further review structure and hierarchy of key asset classes and subsequent community levels of service. It is expected that Council will review all levels of service and subsequent renewal expenditure across all asset classes late in 2024, once the further review work is undertaken.

In other words, Council builds infrastructure to provide a quality of service that the community needs, that Council can afford to maintain and renew and replace in years to come.



## Strategic issues

Council has developed a Sustainability Strategy, is finalising a Place Activation Strategy and facilities management model that will set out the long-term investment in building and infrastructure across the City. Similarly, Council is developing Stormwater Management Plans and there will be significant investment in infrastructure, including regional drainage systems in the west of the City to support industry and community facilities. This is particularly relevant for the development of up to 15,000 dwellings on the salt fields site, noting the need for complimentary private and state government investment. Whilst not included in the SAMP, which focuses on service continuity, the total capability of Council to fund their component of new work needs to be considered together with the capacity of Council to fund the increases in levels of service. We aim to continuously improve the age friendliness and inclusiveness of our assets.



Current situation

Asset Managers have been moving from condition based to service continuity based asset management Planning. They have been working closely with Council to determine the community’s expectations and levels of service for key asset classes, which will be reflected in the asset management operational plans and the subsequent projects currently under construction and in the budget for 2023/24. Council is working through a confirmation process of the asset structures and hierarchy and levels of service to ensure that the upgrade component of the renewal program is financially affordable and sustainable in the long term, particularly with respect to current inflationary pressures, which is seeing the cost of construction and raw materials increase by in some cases over 20%.

Community based service levels and asset hierarchies have been approved for major asset classes, outlined later in the document, with work to be undertaken over the next three years to assess further asset classes, together with the existing asset classes to ensure financial sustainability and service levels are achieved. These asset classes are detailed in the Asset Improvement Plan later in the document.

Financial implications

The SAMP is in line with the Long-Term Financial Plan, however because of the increases in levels of service in some classes, developed over the last three years, working with the Council, the cost to renew or build new to meet these levels of service, has increased substantially.

Council is required to manage its assets in a financially sustainable manner. This means that Council must understand the costs to maintain and renew its existing asset portfolios to continue to deliver the targeted levels of service and on top of these provide for growth and new services as identified by the Council to meet community needs and expectations.

Council has maintained the average expenditure for renewal of key assets over the 10 year period of this SAMP. However, a number of renewal programs are reduced in years one to three and increased in years four to 10 to maintain the average renewal spend that frees expenditure for other City Plan projects in the first three years, as outlined in the Long Term Financial Plan (LTFP).

Executive Summary Preliminary Cost Estimates (subject to confirmation of the budget and LTFP)	(\$000)
10 year total cost [10 yr Ops, Maint, Renewal and Upgrade Proj Exp]	\$1,089,149
10 year average cost	\$108,914
10 year total LTFP budget [10 yr Ops, Maint, Renewal and Upgrade LTFP Budget]	\$1,089,149
10 year average LTFP budget	\$108,914
10 year AM financial indicator	100%
10 year average funding shortfall	\$0





Opportunities

Council has been working through an Asset Management Improvement Plan (AMIP) since 2018 with initial phases completed to improve the accuracy of the asset register and move to field mobility and electronic work orders. Future phases of the AMIP have been identified to further improve asset management with key objectives identified and reported to internal stakeholders.

Risks

Risks previously identified in the Asset Risk Register have been reviewed and updated with most risks having been mitigated or eliminated over the last four years, particularly with the improvement in asset data, through the introduction of tablets and asset based costing in the field allowing asset managers real time data and analysis of the assets.

There is a significant challenge with balancing the community’s expectation of service levels and Council’s long term financial sustainability. This will be mitigated by increasing the level of understanding within the community in regards to cost associated with changes in levels of services and balancing service levels between asset categories.

In undertaking the confirmation process of levels of service over the next three years, Council will strengthen the overarching view of the asset renewal program and consider the value of each service against another. Having completed sign off by Council of the first four asset classes, this has significantly mitigated the risk associated by considering each asset class independently of funding increases or reductions and expectations by the community with respect to the levels of service provided by the whole asset portfolio of \$2.03 billion.

Asset management approach

Council has introduced a new Sub Committee focused on asset management and progressing from asset centric based asset management to service based asset management.

Council recognises that the SAMP is an integral part of the strategic management plans of the Council including the City Plan and Long Term Financial Plan. The SAMP is also cognisant of other key Council Strategies such as the Sustainability Strategy, Place Activation Strategy & Integrated Transport Plan, Growth Action Plan, Age Friendly Strategy and the Ability and Inclusiveness Strategy.

The key outcomes from the SAMP include:

- Increases in operating for buildings as Council continues to improve levels of service for its community facilities
- The confirmation of community based levels of service for roads, drainage and buildings and associated funding
- Increase in operating for footpath maintenance to improve levels of service
- Allocation of renewal funding for street lighting
- The maintenance of existing renewal funding for other asset classes until audits and valuations are completed and discussed with Council through the Asset Management Sub-Committee.

The next steps

The draft SAMP is recommended to Council, for public consultation, in line with the Long Term Financial Plan, noting that all graphs and tables outlined below will be modified once the LTFP has been finalised. Once these comments have been received and any adjustments made, the updated SAMP will be recommended to Council for endorsement expected in June 2024, noting the 2025/26 SAMP will be developed in late 2024.





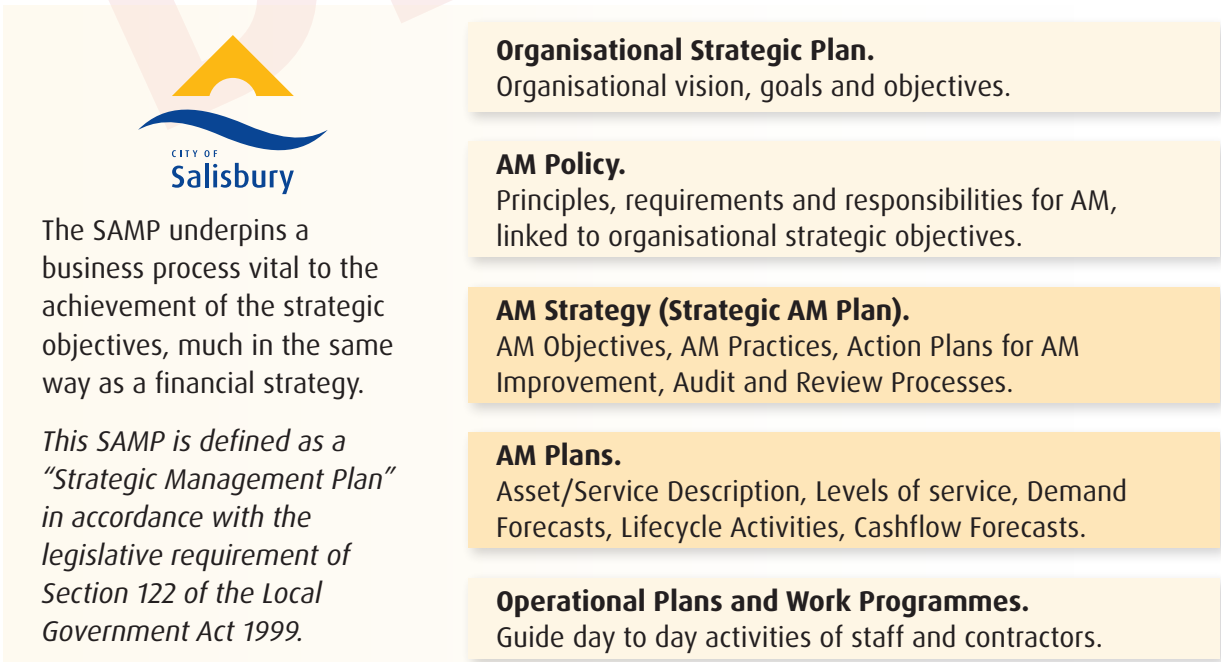
# 1. Introduction

The Strategic Asset Management Plan (SAMP) “includes documented information that specifies how organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans and the role of the asset management system in supporting achievement of the asset management objectives”<sup>1</sup>.

This SAMP is an integral part of the organisation’s planning framework. This includes the Organisational Strategic Plan, Asset Management (AM) Policy, AM strategy/SAMP, AM plans for individual portfolios and operational plans and work programs. There is a clear alignment from the organisational vision and objectives, AM policy, AM objectives, AM plans, operational plans, work programs through to performance measures as shown in **Figure 1**.

This SAMP is defined as a “Strategic Management Plan” in accordance with the legislative requirement of Section 122 of the Local Government Act 1999.

Figure 1 - Asset Management Planning Framework



Source, IIMM Fig 4.2.2, p 4|22.,  
<sup>1</sup>IPWEA, 2015, IIMM, Sec 4.2.3, p 4|28.

## 1.1 Scope of Asset Management System

### 1.1.1 Asset Management System

The AM system is “the set of inter-acting elements of an organisation to establish AM policies and objectives, and processes to achieve those objectives”<sup>2</sup>.

The AM system is applied to the delivery of AM objectives services/products from the following asset portfolios with additional detail in section 3.1.

- Drainage and Waterways
- Urban Assets – including parks and Streetscapes
- Street Trees
- Public Lighting
- Transportation
- Property and Building
- Salisbury Water
- Plant and Fleet
- Information Technology (to be developed).

The AM system scope is determined after consideration of:

- AM objectives
- External and internal issues relevant to the purpose of the organisation
- Community expectations and requirements

- Interaction/linkages with other management systems
- Criteria for AM decision making <sup>3</sup>.

### 1.2 Purpose and Structure of Asset Management System

The AM system is to assist the organisation achieve its AM objectives. It includes “all the functions, people, processes, information and tools that deliver AM objectives” <sup>4</sup>. The AM objectives are the results to be achieved from the AM system. AM objectives are guided by organisational objectives and the AM policy and drive AM practices undertaken by the organisation <sup>5</sup>.

The AM system structure includes

- AM Policy (Developed and Approved through the Asset Management Sub-Committee, or existing programs previously in place)
- AM Operational Plans for the asset portfolios
- Integration of AM processes, activities and data with other organisational functions including levels of service KPI’s and subsequent service delivery, quality, financial and asset accounting, risk management, safety and human resources



- Reporting of AM objectives (levels of service) and resources needed to achieve the objectives in annual budgets
- Reporting of AM objectives achievements in annual reports.

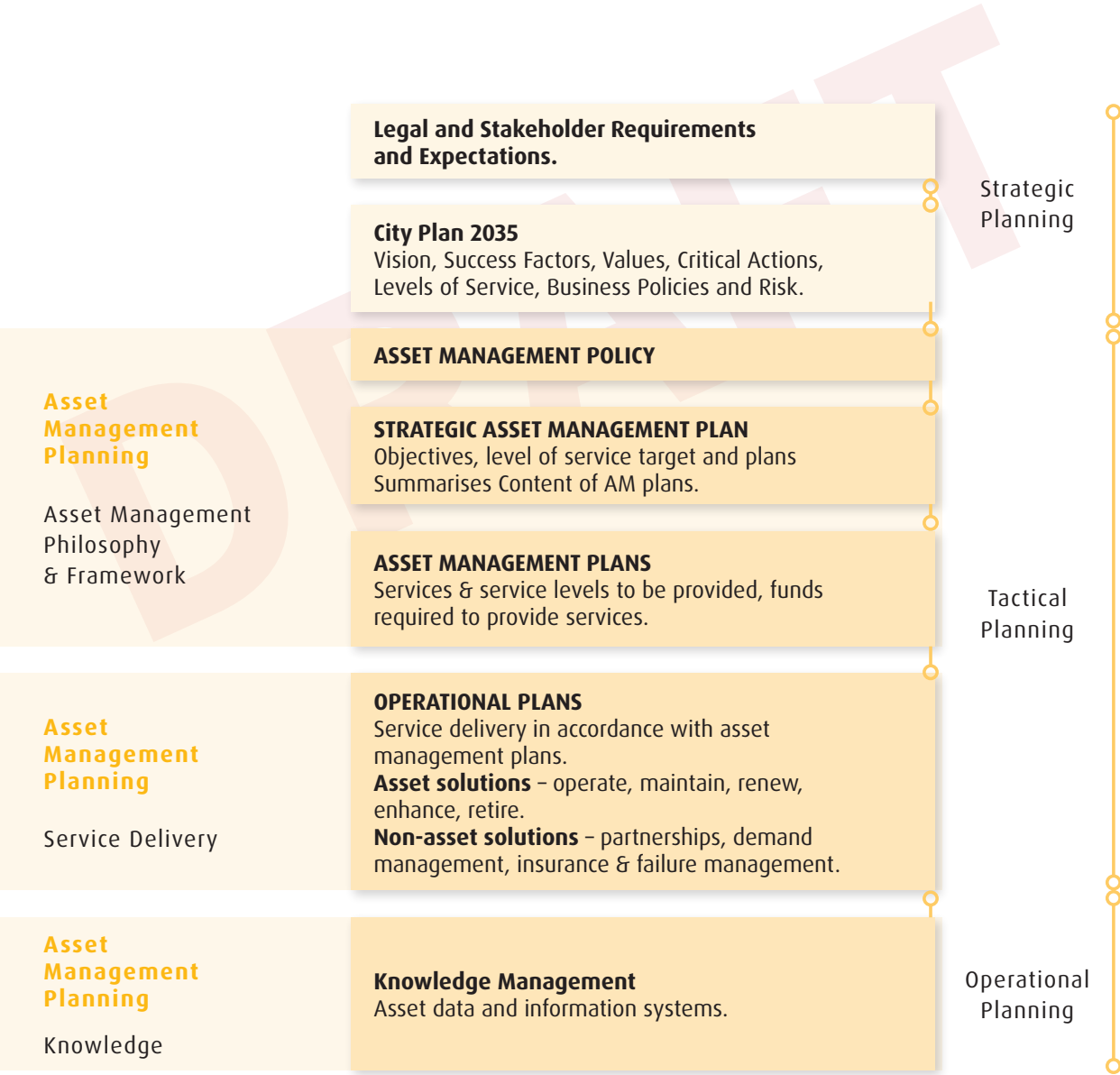
1.3 The SAMP and our Planning Framework

The SAMP is an integral component of our Planning Framework. It is linked to the Organisation’s other strategic documents, including the LTFP and City Plan 2035 and sets the structure for AM Operational Plans for included asset portfolios. The AM Operational Plans are linked to the Strategic Asset Management Plan which forms the basis for development of annual budgets to deliver agreed levels of service for available resources. The annual budget sets the framework for annual work plans and division and staff performance targets.

Figure 2 shows how the AM system integrates within our planning framework.

<sup>2</sup> IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.  
<sup>3</sup> IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.  
<sup>4</sup> IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.  
<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.1.3, p 2|13.

Figure 2 - Strategic Asset Management fit in Asset Planning Process





## Strategic Asset Management Plan 2024-25

### 1.4 Asset Management Objectives

The City of Salisbury's asset management objectives is to deliver and manage assets to achieve the City Plan's vision of *a progressive, sustainable and connected community*.

The AM objectives are developed from our strategic plan and:

- Review of risks including the potential impacts from failure of:
  - Assets from a material/structural perspective, or
  - AM activities, (quality or level of renewal and maintenance) which prevents Council from achieving their agreed to levels of service for the community, both individually or in combination
- Review of the importance of assets related to their intended outcomes, objectives and product or community experience levels of service requirements
- A check on the applicability of AM objectives during the AM planning process<sup>6</sup>.

AM objectives are specific, measurable, achievable, relevant and time bound. AM objectives are developed in Section 4.

AM plans are to be formulated and documented to achieve the AM objectives. This includes documentation of decision making criteria, processes for managing the complete life cycle of assets, addressing risks and opportunities, activities to be undertaken, resources, responsibilities, timelines, performance criteria and financial implications<sup>7</sup>.



<sup>6</sup> ISO 2014, ISO 55002, Sec 6.2.1, p 9

<sup>7</sup> IPWEA, 2015, IIMM, Sec 4.2.3, p 4|29.

## Strategic Asset Management Plan 2024-25

### 1.5 Responsibility for the SAMP

The General Manager City Infrastructure is responsible for development and maintenance of the SAMP. The SAMP is reviewed at regular intervals, to ensure alignment LTFP, and presented to the Strategic Asset Management Group (SAMG), Executive (EXEC) and then to Council.

The Strategic Asset Management Group comprises of a select group of senior staff and reports directly to the Executive group. Additional internal working groups report to SAMG to deliver continuous improvement, develop and review Asset Management Operational Plans, service levels, asset structures and ensure ongoing general asset management planning.



### 1.6. SAMP Planning Horizon

The SAMP has a planning horizon of 20 years, it is based on detail in Asset Management Operational Plans (AMOP) which has been updated and revised with updated AMOPs to follow as part of the Asset Management Improvement Plan (AMIP).

Like the other Strategic Management Plans of Council, the SAMP has a life of four years or as required when there is a major change in Strategy. It is expected, that because of the significant number of asset classes to be reviewed and analysed, to determine community based levels of service and hierarchies, the SAMP will be updated each year over the next four years.

# 2. Strategic Organisational Context

This section details the Strategies of the organisation over the period of the plan and presents options for addressing those issues including those that cross all parts of the organisation as they are likely to impact on our ability to achieve our AM objectives.

## 2.1 Alignment to City Plan 2035

City Plan 2035 contains a vision for Salisbury to be *a progressive, sustainable and connected community*. It has three directions that capture the social, environmental and economic influences on the City, and one direction that addresses factors within the organisation itself.

Several ‘foundations’ are then identified for each of the four directions. Council has determined that these Foundations are the goals that we will seek to achieve for the City. They are supported by critical actions that outline the Council’s priority deliverables over the life of the plan.

Our critical actions range from operational and site-specific projects that will have immediate impact, to strategic objectives that will guide how and what Council achieves in the longer term.

Key critical actions that are linked to this Strategic Asset Management are listed on the following page.



A welcoming and liveable City	
<b>Strategic Projects</b> <ul style="list-style-type: none"><li>• Upgrade community hubs at Burton and Ingle Farm</li><li>• Implement St Kilda and Paddocks masterplans</li><li>• Complete the Bridgestone athletics facility and maximise its use</li><li>• Enhance the visual appearance and amenity of public space through an expanded verge maintenance program, appropriate lighting and more greening of reserves</li><li>• Improve our playgrounds and sporting facilities and cycle paths</li><li>• Implement the ‘Ability Inclusion Strategic Plan’, including providing more equipment in our playgrounds that is able to be used by people with different abilities.</li></ul>	<b>Operational Focus</b> <ul style="list-style-type: none"><li>• Improve quality and cleanliness of residential areas</li><li>• Promptly remove rubbish dumped on public land</li><li>• Implement Council’s community safety strategy, including CCTV coverage</li><li>• Ensure public spaces are accessible [and sporting facilities are maintained</li><li>• Provide support and grants to sporting and community groups</li><li>• Deliver Council’s intercultural Strategic Plan to build connections and increase collaboration among community groups and service providers.</li></ul>
<b>Future Planning</b> <ul style="list-style-type: none"><li>• Develop a place activation strategy</li><li>• Assess future social infrastructure needs</li><li>• Update the ‘City Pride’ strategy.</li></ul>	<b>Advocacy Priorities</b> <ul style="list-style-type: none"><li>• Increased resourcing and services to make our community a safer place</li><li>• Improve public transport options.</li></ul>



Strategic Asset Management Plan 2024-25

A Sustainable City	
<b>Strategic Projects</b> <ul style="list-style-type: none"><li>• Replace all Council-owned street lights with<ul style="list-style-type: none"><li>• energy-efficient lighting</li></ul></li><li>• Improve the environmental performance of Council buildings</li><li>• Enhance our biodiversity corridors along Dry Creek and Little Para River and other environmentally sensitive areas such as coastal mangroves.</li></ul>	<b>Operational Focus</b> <ul style="list-style-type: none"><li>• Use recycled or re-used materials where possible in construction and maintenance programs</li><li>• Adopt practices and infrastructure that make the City cooler in an increasingly warm climate</li><li>• Stabilise major creek lines and banks to improve biodiversity and reduce scour and silting</li><li>• Manage and plan assets so they are resilient to a changing climate.</li></ul>
<b>Future Planning</b> <ul style="list-style-type: none"><li>• Review Council’s sustainability strategy to include waste and energy management, cooler suburbs, biodiversity and water</li><li>• Complete the Dry Creek Stormwater Management Plan to protect the City from flooding</li><li>• Develop a business case to showcase good design techniques that improve the environmental performance of housing and streets.</li></ul>	<b>Advocacy Priorities</b> <ul style="list-style-type: none"><li>• Integrate urban water planning.</li></ul>

Strategic Asset Management Plan 2024-25

A growing City that creates new opportunities	
<b>Strategic Projects</b> <ul style="list-style-type: none"><li>• Enhance the Salisbury City Centre by upgrading Church and John Streets and attracting investment by the private sector into surplus Council sites</li><li>• Deliver a residential development program by using surplus Council land.</li></ul>	<b>Operational Focus</b> <ul style="list-style-type: none"><li>• Support new and existing businesses and industries to grow and create jobs</li><li>• Improve infrastructure, signage, safety, streetscapes and upkeep of commercial and industrial areas to support economic sustainability and growth. Improve parking in Salisbury City Centre and Mawson Lakes Central, business and recreation precincts.</li></ul>
<b>Future Planning</b> <ul style="list-style-type: none"><li>• Develop a structure plan for the land west of Port Wakefield Road to open up new development opportunities while preserving the existing character of Globe Derby and St Kilda.</li></ul>	<b>Advocacy Priorities</b> <ul style="list-style-type: none"><li>• Redevelopment of the Salisbury and Mawson Lakes Interchanges</li><li>• Improvements to east-west roads including increasing the capacity and safety of Kings Road and Waterloo Corner Road, duplication and extension of Elder Smith Road and road/rail grade separation of Park Terrace &amp; Kings Road</li><li>• Edinburgh Parks to be business ready as a modern industrial area with efficient freight routes to the Northern Connector, fast digital connectivity and access to alternative energy sources and recycled water.</li></ul>

Strategic Asset Management Plan 2024-25

Innovation and Business Development	
<b>Strategic Projects</b> <ul style="list-style-type: none"><li>• Upgrade Council’s Operations Centre at Cross Road to support business transformation</li><li>• Deliver Council’s Covid-19 response package.</li></ul>	<b>Operational Focus</b> <ul style="list-style-type: none"><li>• Improve how we use data to better inform decision making</li><li>• Continuous improvement program.</li></ul>
<b>Future Planning</b> <ul style="list-style-type: none"><li>• Review Council’s ‘Strategic Asset Management Plan’.</li></ul>	<b>Advocacy Priorities</b> <ul style="list-style-type: none"><li>• Develop deeper and more effective relationships with government agencies and other organisations to progress the priorities identified in this City Plan and its supporting strategies.</li></ul>



2.2 Services Provided

We provide essential services to the 142,500 residents, visitors and businesses in the City of Salisbury community including:

- Integrated traffic network of 900 km, including major off-road pedestrian cycling network in 50% of the City
- Stormwater flood management network that provides up to 99% of homes flood proof to a one in 100 year event
- 165 local, 32 district and six regional reserve/play spaces
- A hub model which is being implemented across the City, which will see a reduction in the number of facilities, but an increase in service offering at a district level, providing community services including locating of neighbourhood centres, libraries and senior services and wellbeing services
- Council leases 120 facilities to clubs and associations to deliver dports and recreation across the City.

These services are an essential component to the liveability and economic prosperity of the community.

2.3 Our Community

We provide services to a range of customers and community users. These include:

- Residents
- Visitors staying in the area
- Businesses and industry within the area, and
- Business and industry users and visitors passing through the area.

“Our challenge is to provide the services needed by the community at an appropriate level of service at optimum life cycle cost that are financially sustainable.”

2.4 Strategic Challenges & Opportunities

2.4.1 Place Making:

Council, in providing ‘Exceptional Community Experience’, is transforming its asset management planning processes from an ‘asset centric” approach to a ‘service approach’, with a focus on place and destination. This will enable service levels and associated budgeting to be focused on providing a service in a place or destination which includes grouped assets.

2.4.2 Climate Change:

Council is continuing to revise its models with respect to climate change, particularly in the drainage area. This has meant a continuation of the Major Flooding Program, and Stormwater Management Plan development as the Australian Rainfall and Runoff Guidelines continue to be modified to include changes in weather patterns, particularly with the increase in intensity of storms and levels of storm surge. The extended duration of heat wave events (greater than 10 days above 38) also has a direct effect on the road condition with the durability of asphalt compromised as loading occurs during more regular high heat periods, not allowing the road to rest, and subject to higher levels of brittleness and cracking.

2.4.3 Socio-Economic Conditions:

With the reduction in yard size across the City, Council has recognised the need and increased the availability of public irrigated space and playgrounds having completed \$6-7M of upgrades over the last four years. Similarly, it has recognised the Streetscape (street trees, verges and footpaths) now as a key aspect of the communities recreational area. Understanding of the hierarchy of the communities destinations and links to these destinations has changed Council’s approach to asset management. This has meant that Council has continued to increase the level of service for the community in these areas, particularly around the improvement and upgrade of the quality of Council facilities, such as Burton Community Hub. Similarly, link infrastructure such as shared use paths, footpaths and associated lighting has also significantly increased, with \$5M on the path networks over the last three years.

2.4.4. Schooling Changes:

The State Government has completed the move of year 7’s to high school, with \$5M of work being undertaken by Council. However, there has been a significant increase in early learning centres in and around the primary school precincts and significant ongoing growth in a number of public and private schools, which means there is a further \$2M of priority works over the next six years. Council has developed a school framework, that will continue to deliver the capital program, for transport and pedestrian safety works. Similarly, Council, whilst not receiving any financial support has developed a program to upgrade and redevelop bus stops, including bus pads, footpath connections and the replacement of old bus shelters, particularly to address universal access needs.

2.4.5 Demographic Change

Table 1 - Demographic Change and Demand Impact

Item	Present Position	Expected Position	Demand Impact
Population & Demographics	142,555	153,520 by 2036	<p>The City Plan 2035, initial expectations show no significant changes in Demographics, with the general trend being to an older population.</p> <p>This will have to be reassessed if and when the Salt Fields Development comes on line as a major project.</p> <p>Current demographic modelling predicts a significant increase in the proportion of retirement age from 2016 and 2036.</p> <p>This highlights the need for increases in universal access and inclusion with an additional focus on the diversification of Salisbury’s population.</p> <p>Participation particularly in women’s sport is significantly increasing the requirements of Council’s sporting facilities and functional requirements. Whilst, the SAMP does not include “NEW” works it does include the upgrade of Changerooms to Modern Equivalent, which often includes reconfiguration and increases in Changeroom requirements, which puts budgetary stress on the Building Renewal Program</p>



Strategic Asset Management Plan 2024-25

Council is seeing a clear change in areas such as Para Hills and Salisbury North as the original landowners are aging and moving out, which is meaning that there is now becoming a significantly different suburb demographic. Similarly, the City’s population continues to diversify with the ongoing increase in migrants into the area, which challenges how best to meet specific community services in the area. An excellent example of this is playgrounds, that were built in new estates, 20 years ago, were built for the young family, needs upgrading to meet the needs across all ages, for example the inclusion of basketball courts etc. for youth. Council has significantly improved the community level of service in this area to increase availability of playspaces but also investing more to diversify the type of recreation elements. This is a major challenge with district and regional facilities to continue to be redeveloped to include Universal access and be suitable to meet a wider range of demographic needs.

Figure 3 – Population Forecast

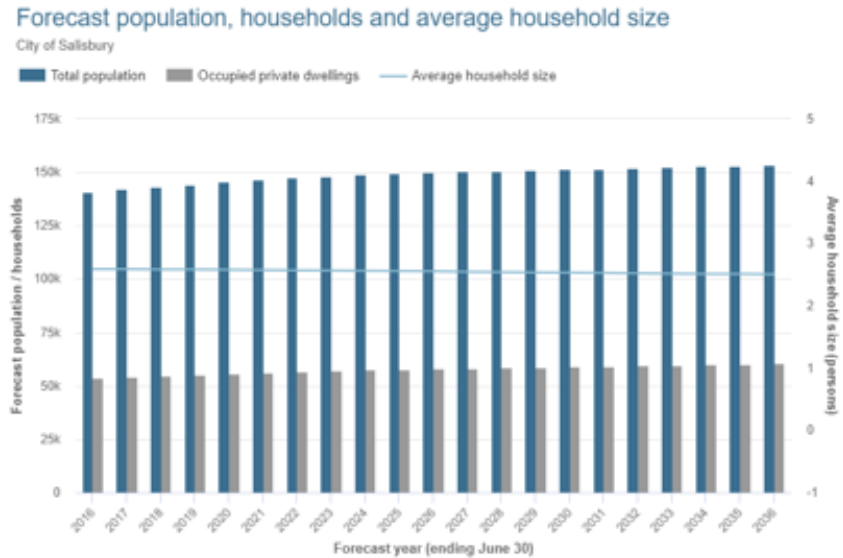
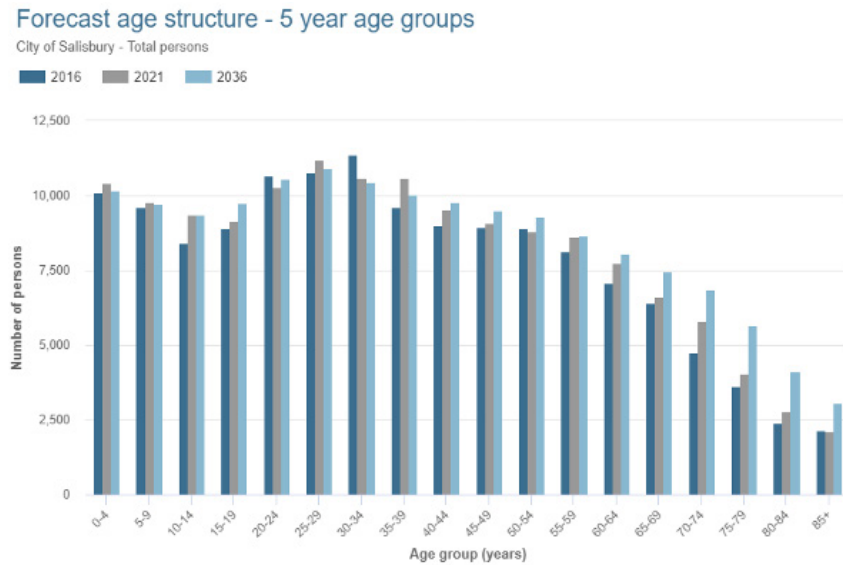


Figure 4 – Forecast age structure 2016 to 2036



Strategic Asset Management Plan 2024-25

2.4.6 Legislative Requirements

Major legislative requirements are detailed in **Table 2** together with expected changes that may impact future operations.

Table 2 – Legislative Requirements

Legislation/Regulation	Major requirement
<b>All portfolios</b>	
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. Council is required to have an adopted plan covering a period of at least four years which meet the requirements of Section 122 of the Local Government Act 1999 for “strategic management plans”.
Australian Accounting Standards	Set out the financial reporting standards relating to. Inter alia, the (re) valuation and depreciation of Assets.
Work Health & Safety Act 2012	To secure the health, safety and welfare of persons at work. To eliminate, at their source, risks to the health, safety and welfare of persons at work. To protect the public against risks to health or safety arising out of or in connection with the activities of persons at work, or the use of operation of various types of plant.
Disability Discrimination Act 1992 (DDA)	To ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community. <i>Council has adopted a more ‘universal and inclusive’ aligned approach to infrastructure delivery. As per the discussion regarding adult change facilities this has significantly increase the cost to build and maintain Council’s Regional facilities.</i>
<b>Transportation</b>	
Civil Liability Act 1936	Liability of road authorities - Section 42, May 2004 inclusion in the Act to provide a replacement for the nonfeasance defence consequent to May 2001 High Court judgement.
Code of Technical Requirements for the Legal Use of Traffic Control Devices	Details the design and construction parameters to which traffic management devices installed by City of Salisbury must comply.
Highway Act 1926	Set out the Legislative framework for drainage of roads and road authorities’ In SA.
Land Administration Act 2002	Standard for land acquisition and management of land.
Road Traffic Act 1961	Contains powers for City of Salisbury to install and remove traffic control devices.
Water Resources Act 1997 (Department of Environment and Water)	Regulates Resource Management , e.g. requires ‘Water Effecting Activities’ permits for Diversions (harvesting), dams, bores etc.



Table 2 - Legislative Requirements continued

Legislation/Regulation (continued from pg 27)	Major requirement (continued from pg 27)
Native Vegetation Act 1991	The Governor considers that the regulation should be made in order to enhance the preservation or management of an area that includes significant native vegetation, or in order to assist in the provision of a significant environmental benefit.
Landscape Act 2019	An Act to promote sustainable and intergrated management of the State's landscapes.
Community Land Management Act 2021	Section 194 The Act places obligations and responsibilities on City of Salisbury to manage community land for the current and future benefit of the community.
Land Administration Act 2002	Standard for land acquisition and management of land.
<b>Streetscapes</b>	
Sewerage Act 1996	The design and safety conditions to meet the Act.
Details species, location and damage responsibilities	Details species, location and damage responsibilities.
Electricity Act 1996	The design and safety conditions to meet the Act.
<b>Property &amp; Buildings</b>	
Building Code Australia	The design and safety conditions to meet the Code.
Disability (Access to Premises - Buildings) Standards 2010	These Standards set performance requirements and provide references to technical specifications to ensure dignified access to, and use of, buildings for people with disability. <i>Council has adopted a more "Universal &amp; Inclusive" aligned approach to infrastructure delivery. As per the discussion regarding adult change facilities this has significantly increase the cost to build and maintain Council's Regional facilities.</i>
<b>Plant, Furniture &amp; Equipment</b>	
Australian Design Rules (ADRs)	The Australian Design Rules (ADRs) are national standards for vehicle safety, anti-theft and emissions. The ADRs are generally performance based and cover issues such as occupant protection, structures, lighting, noise, engine exhaust emissions, braking and a range of miscellaneous items.

Table 2 - Legislative Requirements continued

Legislation/Regulation (continued from pg 27)	Major requirement (continued from pg 27)
<b>Salisbury Water</b>	
The Water Industry Act 2012 (ESCOSA) (OTR)	The Act requires a Water Retail Licence to be held by the City of Salisbury. Salisbury Water is the Division tasked with meeting Council's obligations as a licenced retailer. Regulate water price setting, customer service standards and customer issues. Regulate technical standards and safety issues.
Environment Protection Act 1993 (EPA )	Regulates activities that have the potential to pollute the environment <i>Requires a risk-based management approach including licences for Managed Aquifer Recharge (MAR) and brine disposal, with extensive monitoring and reporting.</i>
Water Resources Act 1997 (DEW)	Requires 'Water Effecting Activity' permits for diversions (harvesting), dams, wells etc. The Water Allocation Plan for the Northern Adelaide Plains Prescribed Area requires Water Licences to for injection, extraction and trading of allocations.
National Water Quality Management Strategy Australian Govt. Dept. of Agriculture and Water Resources	Australian Guidelines for Recycling - Managing health and environmental risks <ul style="list-style-type: none"><li>- Augmentation of drinking water supplies</li><li>- Stormwater harvesting and reuse</li><li>- Managed Aquifer Recharge.</li></ul>



Strategic Asset Management Plan 2024-25

2.4.7 Organisational Opportunities  
Asset Management System

Council has made the appropriate structural changes to improve the focus on Asset Management Planning. There are some challenges to keep level of service expectations in the community at sustainable levels in line with the long term financial plan, with financial implications of service level changes often only realised in the following year's budget cycle.

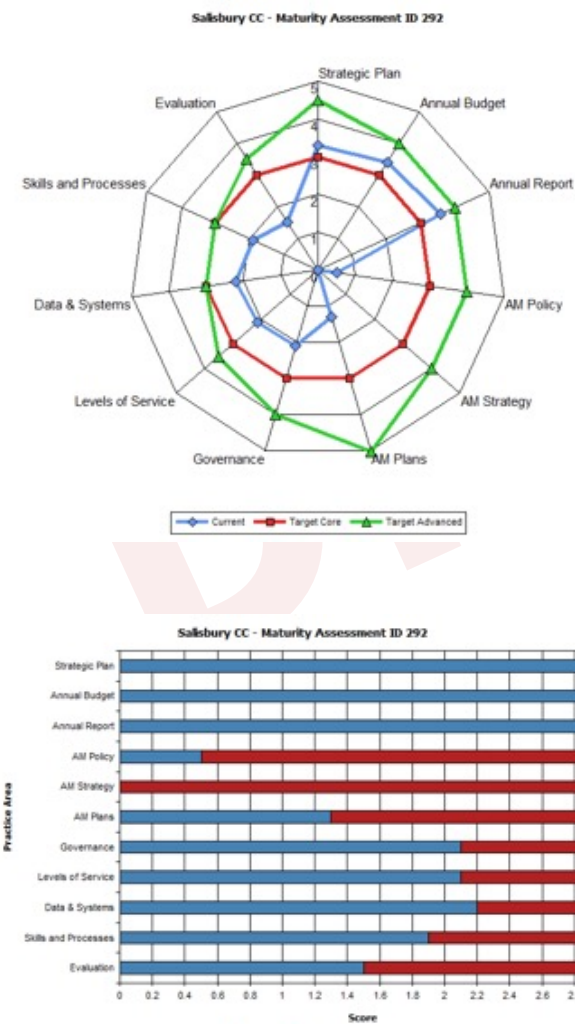
Asset Management Maturity

We have taken steps to improve our asset and associated financial management performance including assessing our asset management maturity against the three frameworks of the Local Government Financial Sustainability National Assessment Framework (NAF). Our target is to achieve 'core' maturity with the frameworks. **Figure 5** and **Figure 6** show the current and target 'core' and 'advanced' maturity scores for the eleven elements of the National Frameworks for asset and financial management.

A NAF maturity assessment was undertaken internally in 2013 prior to development of Asset Management Plans and a more recent internal maturity assessment undertaken using the NAF for comparison. In future maturity assessments will be undertaken using the seven elements of ISO 55001 as the organisation aims to align to ISO 55001.

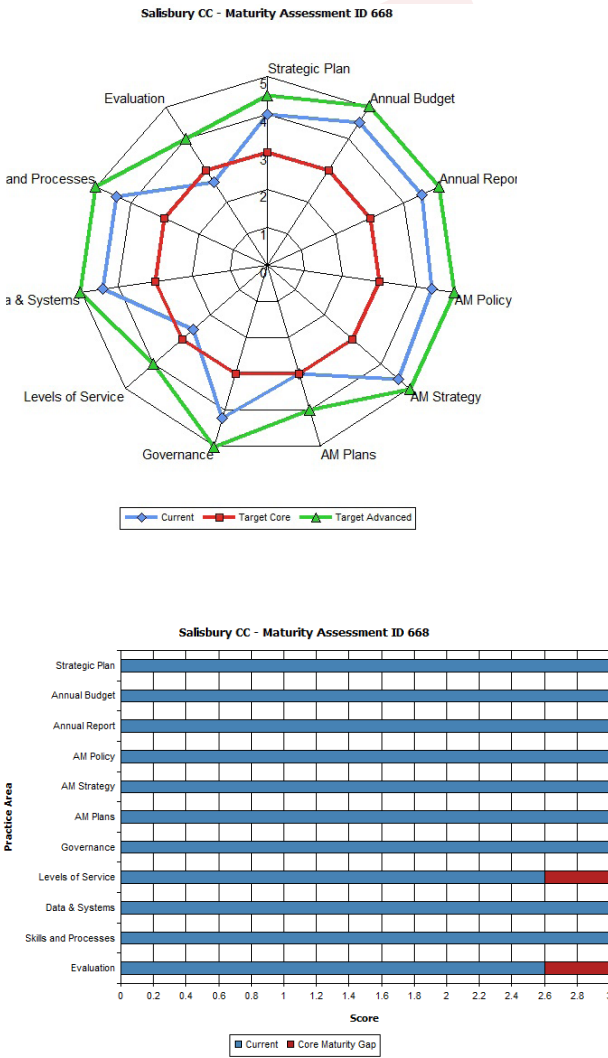
Council has undertaken a level of service review of key assets, of Roads, Drainage, Buildings, Playspaces, and Footpaths which now achieves an 'intermediate' maturity rating and the longer-term strategy will be to achieve an 'advanced level' over the next three years with the completion of community based asset management.

Figure 5 - 2013 Maturity Assessment



Strategic Asset Management Plan 2024-25

Figure 6 - Current Maturity Assessment





# 3. Asset Portfolio

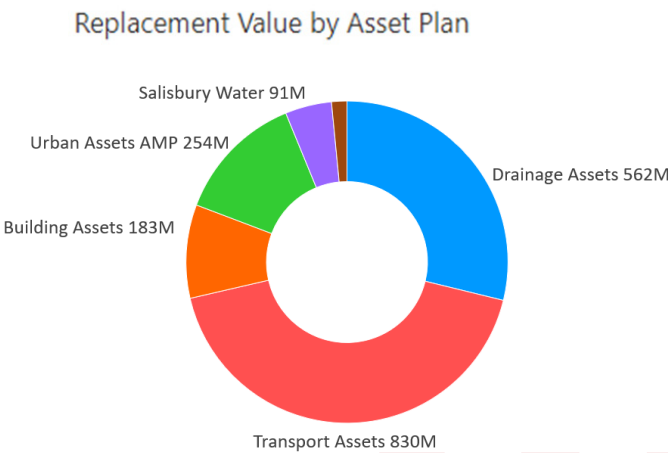
## 3.1 Asset Dimensions and Value

Council manages a large number and variety of assets to provide services to our community. The assets provide the foundation for the community to carry out its everyday activities, while contributing to overall quality of life. **Table 3** highlights key assets by asset management area with the breakdown replacement cost by area shown in **Figure 7**.

Table 3 - Asset Portfolio

Asset Area	Asset Summary
Drainage and Waterways	17,650 Stormwater Pits 531 km Stormwater Pipes 141 km Open Channels 20 Flood Dams
Urban Assets	163 Playspaces 50 Fitness Stations 395 Irrigation Systems 692 Bins 1,250 Seats/Tables 10 Dog Parks 129 Sports Courts/Grounds 71 Artwork 85 Historical Monuments/Plaques 185 Shelters/Gazebos
Streetscapes	77,000 Trees
Public Lighting	3,846 Public Lights 146 Solar Lights 297 Sports Lights
Transportation	812 km Roads 1,828 km Kerbing 1,174 km Footpaths 11,493 Kerb Ramps 250 Car Parks 632 Traffic Control Devices 20,000 Signs 251 Bridges
Property and Building	247 Buildings 145 Statement Walls 1 Swimming Pool Facility 1 Golf Course SCCTV Systems

Figure 7 - Asset Replacement Values



## 3.3 Asset register

This SAMP is based on information from our infrastructure asset register. Access to reliable asset information is critical to the success of good asset management in the organisation.

Council's asset register is continuously updated following the completion of capital works completed by Council or donation of assets from private developers or government departments. Asset structure and asset components are routinely reviewed with assets broken down into components where applicable to help manage asset accounting and asset reporting.

Council's asset register stores condition information against discrete assets and routine condition assessments are undertaken on various asset classes.

Asset performance information particularly maintenance data is being recorded at an individual asset level now, following the completion of the Asset Management Improvement Project in 2018/19.

Data trends are now becoming available and valuable to increase the knowledge around function and capacity of assets in the field. Decision making is now beginning to be made based on function and capacity and maintenance data rather than on condition assessment through audits alone. This is enabling asset managers to be more targeted and efficient in the renewal programs.

As the Council moves to digital cloud based data management systems, it is expected that total integration between GIS, the asset management system, community management system and the financial system will allow further refinement and enable real time predictive modelling. This is currently being trialled with road assets as part of the update to the AMOP for roads, but will be able to be applied across the total asset base in the future as the register and maintenance information continues to develop in sophistication.

# 4. Asset Management Objectives

Council’s Asset Management Objective is to provide ‘Exceptional Community Experience’, is transforming its Asset Management Planning Processes from an ‘asset centric’ approach to a ‘service based’ approach with a focus on place and destination, aided by the use of high-quality asset management data.

The AM objectives, developed in this SAMP provide the essential link between the organisational objectives and the AM plan(s) that describe how those objectives are going to be achieved. The AM objectives are developed from our strategic plan and a range of requirements including corporate goals and stakeholder, regulatory and legislative requirements.

The AM objectives are aligned to the organisational objectives in the strategic plans, with the objective of establishing alignment from the organisational objectives through the AM objectives to AM initiatives, projects and performance measures. Council’s Asset Management Plans are modified as the Council’s strategies and objectives are articulated and endorsed. A good example is the Place Activation Strategy, which led to significant modification of the footpath renewal standards. However, as with the case of the Sustainability Strategy, the Renewal program has already adopted the majority of the objectives in the strategy and therefore the renewal program will not be affected. A number of organisational objectives are included below but it is by no means a complete list.

The AM objectives incorporate our desire to ensure that infrastructure assets are managed in an efficient and sustainable manner and asset cost is optimised over the asset’s lifecycle. AM objectives transform the required outcomes (product or service) to be provided by the assets, into activities typically described in the asset management plans.

**Table 4** shows the AM objectives developed under each organisational objective with a performance target/timeline and responsible officer.

Table 4 - Asset Management Objectives

Organisational Objective AM Objective	Action / Strategy	Performance Target / Timeline
Financial sustainability	Ensure the SAMP is routinely reviewed/ updated and informs the LTFP to ensure service delivery is financially sustainable.	Within two years of a Council election and/or following significant changes to asset management planning strategies (currently reviewed on a yearly basis).
Streetscape renewal and improvement in aesthetic to create place and destination	Street Tree Renewal program modified to increase diversity of species into the City. Integrate Footpath, Street Tree & Kerb Renewal programs to develop a whole of street approach, where possible (trial underway)	Dec 2024
Environmental Sustainability Strategy	Continue to implement Circular Economy approach with respect to the delivery of the capital and operational Programs Improve environmental performance and climate Resilience of Infrastructure (reduction in heat island in roads, natural creek design, sustainable resource use) Increase the use of recyclables in key renewal programs (Building, Road, Bridges, Outdoor Furniture).	Ongoing
Improved Management and efficiency and capacity of Public Lighting	Replacing Council owned luminaires with LED’s.	2021-2028
Improved Access to Green Space -Increase in Irrigated Areas in Local Playspaces	Implement Program to increase supply of shaded Playgrounds within a maximum of 800m walking distance of residents and irrigated open space areas within 400m walking of residential areas.	2021 to 2030
Flood Management – Reduce Risk to Residential and Commercial Premises to above 1 in 100 year events.	Ongoing delivery of the Major Flood Mitigation Strategy.	2018 to 2028
Improve the universal design of our community and sporting facilities.	Implementation of the Age Friendly and Ability and Inclusiveness Strategies through implementing universal design principles in our renewal and upgrade programs.	2018 to 2028

## 5. Asset Management Planning Approach (Action Plan)

The AM planning approach provides direction for AM Plans to achieve the organisational objectives. This includes documentation of decision-making criteria, processes for managing the complete life cycle of assets, addressing risks and opportunities, activities to be undertaken, resources, responsibilities, timelines, performance criteria and financial implications for Council.

### 5.1 Levels of Service

We have defined service levels in two terms.

**Community experience levels of service** measure how the community receives and uses the service and whether the organisation is providing community value.

The following measures are typically used in AM Plans to monitor and report on asset performance against community experience levels of service.

Quality/condition	How good is the service?
Function	Does it meet users' needs?
Capacity/Utilisation	Is the service usage appropriate to capacity?

These measures will be gathered from asset inspections, community satisfaction surveys and feedback from the community through CRMs and other communication methods. Historically condition has been the primary focus for monitoring asset performance and improvement plans to include function, capacity and utilisation.

Our current and projected community levels of service for the services covered by this strategic asset management plan are summarised in this strategic asset management plan with future revisions of the Asset Management Operational Plans based on agreed structure, hierarchy and community experience levels of service. Council's Community

Experience and subsequent technical levels of service have been reviewed and adjusted over the past twelve months following analysis, modelling and reported to Council for approval to be included in this Strategic Asset Management Plan.

Technical levels of service - supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as utility costs (water/electricity), cleansing, mowing, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g., road patching, unsealed road grading, building and structure repairs, cleaning fire hydrants),

- Renewal – the activities that return the service capability of an asset similar to that which it had originally (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade/New – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).

Asset managers plan, implement and monitor the achievement of technical service levels. Together the community and technical levels of service provide detail on service performance, cost and whether service levels are likely to stay the same, get better or worse.

Our current and projected technical levels of service for the services covered by this strategic asset management plan are being developed in the Asset management Operational Plans and are summarised in this strategic asset management plan in **Table 5** on the next page.

Table 5 - Community Experience Service Levels

Service Area	Current Level of Service	Community Experience Level of Service
Community Facilities	<p>The overall condition of the building and its fit-for purpose requirements are based on the Place Activation Strategy, for regional, district and local facilities hierarchies including maintenance response times. Design of replacement facilities are through direct engagement with the users of the facilities.</p>	<p>The Hierarchy agreed by Council is as follows:</p> <ul style="list-style-type: none"><li>Bespoke (custom made)</li><li>Community Hubs</li><li>Community Centres/Libraries</li><li>Sporting Clubrooms – Local</li><li>Sporting Clubrooms – District/Regional</li><li>Public Toilets</li><li>Minor Buildings</li><li>Heritage/Historic buildings</li></ul> <p>The Facilities are suitable for use, based on function and capacity developed through direct engagement during the design phase, with users of the facilities, clubs, and relevant State Sporting Bodies, based on the Hierarchy and Criticality of the Facility. Facilities utilised Universal and Inclusive Design principles where possible.</p>

Table 5 - Community Experience Service Levels continued

Technical Level of Service

The technical level of service accepted as a minimum threshold for habitable and utilised Council buildings is a condition rating of '3 – Fair' with minor deterioration present and routine maintenance may be required.

The assets are fit for purpose based on the Place Activation Strategy and hierarchy determining criticality, fit for purpose and condition criteria.

Building Hierarchy	Criticality 1-5	Fit for Purpose 1-5	Condition 0-6
Bespoke	1, very high	1 to 3, very good to fair	0 to 3, excellent to fair
Community Hubs	1 to 2, very high to high	1 to 3, very good to fair	0 to 3, excellent to fair
Community Centre/Library	2, high	1 to 3, very good to fair	0 to 3, excellent to fair
Sporting Club Regional/District	2, high	1 to 3, very good to fair	0 to 3, excellent to fair
Sporting Club Local	3, moderate	1 to 3, very good to fair	0 to 3, excellent to fair
Public Toilets	3, moderate	1 to 3, very good to fair	0 to 3, excellent to fair
Minor Buildings	3-4, moderate to low	1 to 3, very good to fair	0 to 3, excellent to fair
Heritage/Historical Buildings	5, very low	1 to 3, very good to fair	0 to 4, excellent to poor

Fit for Purpose all Buidlings based on replacement cost

Category	Percentage
1	55%
2	18%
3	21%
4	6%
5	0%

Key Strategy/Program to Deliver

Strategy

- Place Activation Strategy
- Building Renewal/Upgrade Program.
- All New Buildings or Upgrades are funded through individual business cases and budget bids.

Operating/Maintenance

- Programmed and reactive maintenance



Table 5 - Community Experience Service Levels continued

Service Area (continued from pg 38 and 39)	Current Level of Service (continued from pg 38 and 39)	Community Experience Level of Service (continued from pg 38 and 39)
Drainage and Flooding	Homes and businesses will not have flood waters through their buildings and facilities in less than a one in 100 year flood event.	<p>The Hierarchy for Drainage Infrastructure is based on two Hierarchies, referred to as Major and Minor Drainage:</p> <p>The Criteria is as follows:</p> <p>Major Drainage Assets as:</p> <p>a. Maintain a maximum of 300 houses at risk of flooding in a one in 100-year event</p> <p>b. Maintain the existing average of 5,000 tonnes / year of sediment removal from Council’s waterways and wetlands.</p> <p>Minor Drainage Assets as:</p> <p>c. Maintain current nuisance flooding levels of less than gutter height flow, unless designed so, and no ponding for longer than a day on a road surface.</p> <p>d. Maintain current maintenance regimes of pits, pipes and gross pollution traps to ensure stormwater harvesting can occur.</p> <p>In Practical Terms: Homes and businesses will be safe in significant storm events (under 100mm of rainfall in 24 hours).</p> <p>Transportation networks (roads, paths, bridges) will be accessible in a minor short duration storm event (under 20mm per hour).</p> <p>Underpasses and ford crossings with be closed above a minor, medium and long duration storm (above 20mm per hour) event to keep the community safe.</p>

Table 5 - Community Experience Service Levels continued

Technical Level of Service (continued from pg 38 and 39)	Key Strategy/Program to Deliver (continued from pg 38 and 39)
<p>Flood dams and major waterways are designed to cater for a one in 100 year flood event.</p> <p>New underground stormwater network and overland flow paths and basins are designed to cater for a one in 10 year flood event.</p> <p>Council stormwater network is routinely cleaned on a four year cycle.</p> <p>Key stormwater infrastructure (such as known high risk areas) are inspected and cleaned prior to key storm events.</p> <p>Flood maps are reviewed and updated routinely inspected on a four year cycle where required.</p> <p>Routine inspections are undertaken on a routine basis for key assets such as:</p> <p>Side entry pits, trash racks and headwalls, gross pollution traps to ensure water quality is maintained in the network.</p> <p>Council’s stormwater pipe and pit network does not have a renewal program, but is based on a run to fail model, with a small renewal program for pumpstations and mechanical equipment.</p>	<p><b>Strategy</b></p> <ul style="list-style-type: none"><li>• Flood Mitigation Strategy</li><li>• Stormwater Management Plans</li><li>• Capital Renewal</li></ul> <p>There is no Renewal Program, with the Stormwater Network considered as Run to FailCapital Upgrade/New</p> <ul style="list-style-type: none"><li>• Major Flood Mitigation Program</li><li>• Minor Flood Mitigation Program</li><li>• Dry Creek Stormwater Management Plan</li></ul> <p>Operating/Maintenance</p> <ul style="list-style-type: none"><li>• SEP Cleaning Program</li><li>• Civil Maintenance Program</li></ul> <p>Water Quality</p> <p>Water Quality is monitored to ensure Watercourse Management Plan works continue to reduce the pollution to the Barker Inlet.</p>

Table 5 - Community Experience Service Levels continued

Service Area (continued from pg 38 & 39)	Current Level of Service (continued from pg 38 & 39)	Community Experience Level of Service (continued from pg 38 & 39)
<b>Playspaces and Reserves</b>	<p>Irrigated areas are located within 400m walking distance of residents.</p> <p>Playgrounds are located with an 800m walking distance.</p> <p>Regional and district reserves deliver a higher community experience and are distributed within the City.</p>	<p>Council has adopted the following hierarchy for playgrounds:</p> <ul style="list-style-type: none"><li>• Regional</li><li>• District</li><li>• Local</li><li>• Landscaped Amenity</li></ul> <p>Community Levels of Service Criteria include:</p> <ul style="list-style-type: none"><li>• Usage Numbers</li><li>• Length of Stay</li><li>• Provision of Play – Demographics</li><li>• Provision of Play - Accessibility</li></ul> <p>Practically this means Playspaces are accessible by the community via walking.</p> <p>Playspaces will be renewed with universally accessible elements incorporated where applicable based on Hierarchy and need.</p> <p>Playspaces and irrigated open spaces will be accessible within 400m of residences.</p> <p>Regional and District informal recreational areas will be designed to provide facilities for visits over one hour, in accordance with universal and inclusive design principles.</p> <p>Funding at this point in time is to maintain the current Average condition. However, The Playspace and Irrigation Asset Management Plans are identified in the SAMP to be revised, as part of the Asset Management Improvement Plan, through 2024/25, with further analysis of Hierarchy, Criteria and Renewal Strategy based on Revaluation and Compliance Audit to be completed mid 2024, that will inform the 2025/26 SAMP.</p>

Table 5 - Community Experience Service Levels continued

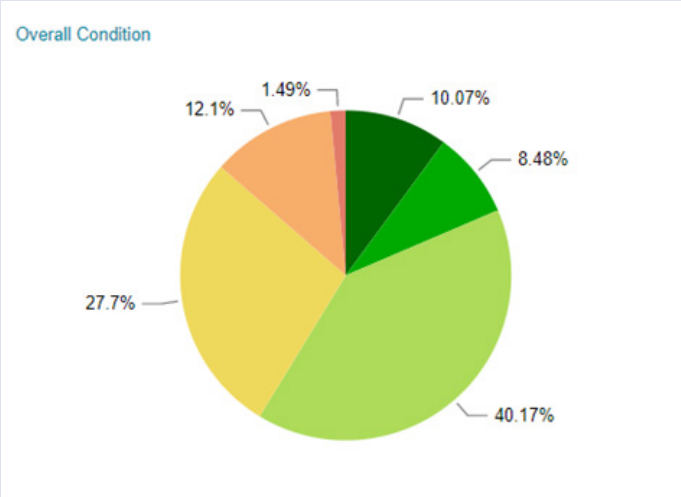
Technical Level of Service (continued from pg 38 & 39)	Key Strategy/Program to Deliver (continued from pg 38 & 39)														
<p>Council designs and manages informal recreational areas in accordance with the place activation strategy – informal recreation areas.</p> <p>Technical service level criteria:</p> <ul style="list-style-type: none"><li>• Age</li><li>• Condition</li><li>• Compliance</li></ul> <p>Council approved funding to maintain the current average condition (2.8):</p> <div><p>Overall Condition</p><table border="1"><caption>Overall Condition Data</caption><thead><tr><th>Condition</th><th>Percentage</th></tr></thead><tbody><tr><td>Green</td><td>40.17%</td></tr><tr><td>Yellow</td><td>27.7%</td></tr><tr><td>Orange</td><td>12.1%</td></tr><tr><td>Dark Green</td><td>10.07%</td></tr><tr><td>Light Green</td><td>8.48%</td></tr><tr><td>Red</td><td>1.49%</td></tr></tbody></table></div> <p>Routine inspections are undertaken on a routine basis for key assets such as;</p> <ul style="list-style-type: none"><li>• Playspaces</li><li>• Irrigated open space</li><li>• Sports court and equipment</li></ul> <p>Council has approved the independent level 3 audits for playspaces on a yearly basis.</p> <p>Reserve turf is cut on a routine basis, in accordance with turf management requirements. IPOS condition assessments are undertaken on a regular basis.</p>	Condition	Percentage	Green	40.17%	Yellow	27.7%	Orange	12.1%	Dark Green	10.07%	Light Green	8.48%	Red	1.49%	<p><b>Strategy</b></p> <ul style="list-style-type: none"><li>• Place Activation Strategy</li></ul> <p><b>Capital Renewal</b></p> <ul style="list-style-type: none"><li>• Playspace Program</li><li>• Irrigation Program</li><li>• Outdoor Furniture Program</li></ul> <p><b>Operating/Maintenance</b></p> <ul style="list-style-type: none"><li>• Parks maintenance program</li></ul>
Condition	Percentage														
Green	40.17%														
Yellow	27.7%														
Orange	12.1%														
Dark Green	10.07%														
Light Green	8.48%														
Red	1.49%														

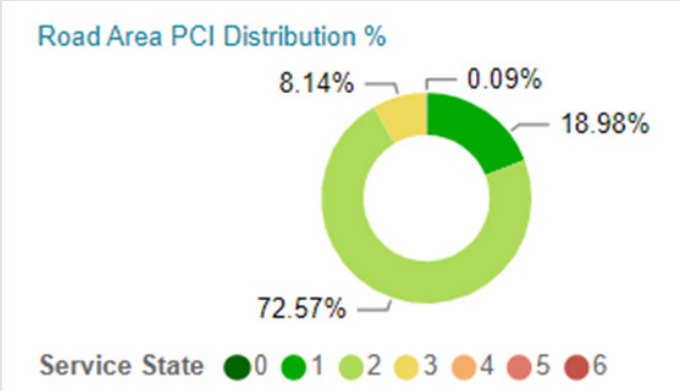


Table 5 - Community Experience Service Levels continued

Service Area (continued from pg 38 & 39)	Current Level of Service (continued from pg 38 & 39)	Community Experience Level of Service (continued from pg 38 & 39)	Technical Level of Service (continued from pg 38 & 39)	Key Strategy/Program to Deliver (continued from pg 38 & 39)
Streetscape	<p>Street Trees are provided based on 1 per residential property.</p> <p>The number of street trees in the City is to be maintained at approximately 80,000 trees.</p> <p>Verges are unirrigated and maintained to a neat standard, with a new program incorporating the renewal of Street Trees, Footpath, Kerb &amp; Verge to be introduced in 2021/22 financial year.</p> <p>Street tree pallet includes a diversity of species mix, with no one species being more than 25% of the total mix.</p>	<p>Street Trees provide amenity for the streetscape and are maintained to a safe level to reduce risk to property damage and infrastructure.</p> <p>The Street Tree Asset Management Plan is identified in the SAMP as part of the Asset Management Improvement Program, to be revised through 2024/25, with a revision of Hierarchy, Criteria and Tree Management Strategy to inform the 2025/26 SAMP.</p>	<p>Street trees are pruned on a five year cycle.</p> <p>Street tree target zones are managed to minimise risk based on species and location.</p> <p>Verges are slashed and debris removed at a minimum eight times per year, subject to seasonal conditions.</p> <p>Broadleaf weed treatments are undertaken twice yearly.</p>	<p><b>Strategy</b></p> <ul style="list-style-type: none"><li>Urban Forest / Strategy</li><li>Biodiversity Corridors Management Plan</li></ul> <p><b>Capital Renewal</b></p> <p>Street Tree Renewal Operating/Maintenance</p> <ul style="list-style-type: none"><li>Tree Planting Program</li><li>Tree Maintenance Program</li><li>Verge Maintenance Program</li></ul>

Table 5 - Community Experience Service Levels continued

Table 5 - Community Experience Service Levels continued

Service Area (continued from pg 38 & 39)	Current Level of Service (continued from pg 38 & 39)	Community Experience Level of Service (continued from pg 38 & 39)
<b>Roads and Transport</b>	<p>Roads are maintained to an acceptable level with a focus on safety and ride ability.</p> <p>Footpaths are provided on at least one side of residential streets and both sides of major roads where possible.</p> <p>Provision of a Green Trails ring route around the City for pedestrian and cycle movement.</p> <p>Bus stops and path linkages are designed to be universally accessible with Bus Shelters provided on high usage bus stops.</p> <p>Public lighting is provided on all road networks and key links with higher standards prioritised on risk.</p>	<p>Road Hierarchies are as follows:</p> <ol style="list-style-type: none"><li>1. High Profile – These are roads located in and around main destinations, like the John Street – Church Street Salisbury City Centre.</li><li>2. Industrial Roads – These are roads that are designed to carry heavy loads and withstand high shear forces caused by heavy load braking and taking corners by vehicles like B-Doubles (large truck and trailer) and A-Trains (Large truck and two large trailers).</li><li>3. Collector Roads– These roads are primarily bus routes and routes that carry lots of traffic</li><li>4. Residential Roads – These are roads that run through suburbs and feed the smaller roads like cul-de-sacs and crescents.</li><li>5. Minor Roads – These are also residential roads but ones that are short and carry low volumes of traffic. The only trucks are the weekly refuse collection runs.</li></ol> <p>The Pavement Condition Index for the whole Road Network will be maintained at the levels outlined below, (where 0 is perfect and 6 is failed):</p> <div><p>Road Area PCI Distribution %</p><p>Service State 0 1 2 3 4 5 6</p></div> <p>The Condition of the Road will be Maintained to a Surface Condition Index (SCI) as outlined Below, for the Different Hierarchies</p>

<sup>8</sup> 0-6 Condition Rating with 0 being Brand New and 6 being End of Life.

Table 5 - Community Experience Service Levels continued

Technical Level of Service (continued from pg 38 & 39)	Key Strategy/Program to Deliver (continued from pg 38 & 39)
<p>Pavement Condition Index 3 or better, (on a condition rating scale where 1 is new and 6 is undriveable).</p> <p>Council streets are designed based on AustRoads Guidelines and incorporating the 'safe system approach'.</p> <p>New Council footpaths are designed with universal access principles with minimum widths of 1.5m on residential streets and 1.8m on major roads where possible.</p> <p>Road defects such as minor pot holes and deformation will be completed within 10 days, with dangerous defects made safe within 24 hours.</p> <p>Public Lighting is designed to comply with AS1158 and P3 Category for new developments.</p> <p>Routine inspections are undertaken on a routine basis for key assets such as;</p> <ul style="list-style-type: none"><li>• Roads</li><li>• Footpaths</li><li>• Kerbing</li><li>• Bus Shelters</li><li>• Signage</li></ul>	<p><b>Strategy</b></p> <ul style="list-style-type: none"><li>• Integrated Transport Plan</li></ul> <p><b>Capital Renewal</b></p> <ul style="list-style-type: none"><li>• Road Reseal Program</li><li>• Bridge Program</li><li>• Bus Shelter Renewal Program</li></ul> <p><b>Capital Upgrade/New</b></p> <ul style="list-style-type: none"><li>• Footpath Program</li><li>• Minor and Major Traffic Improvement Programs</li><li>• School Framework Program</li><li>• City Wide Trails Program</li><li>• Kerb Ramp Upgrade Program</li></ul> <p><b>Operating/Maintenance</b></p> <ul style="list-style-type: none"><li>• Road Maintenance Program</li><li>• Footpath Maintenance Program</li><li>• Kerb Maintenance Program</li><li>• Bus Shelter Maintenance Program</li><li>• Signage Maintenance Program</li></ul>

Table 5 - Community Experience Service Levels continued

Table 5 - Community Experience Service Levels continued

Service Area (continued from pg 38 & 39)	Current Level of Service (continued from pg 38 & 39)	Community Experience Level of Service (continued from pg 38 & 39)	Technical Level of Service (continued from pg 38 & 39)	Key Strategy/Program to Deliver (continued from pg 38 & 39)
Roads and Transport		<div><div>High Profile</div><div>Collector</div><div>Industrial</div><div>Residential</div><div>Minor</div></div> <div><div>Road Area SCI Distribution % (Year 0)</div><div>Road Area SCI Distribution % (Year 0)</div><div>Road Area SCI Distribution % (Year 0)</div><div>Road Area SCI Distribution % (Year 0)</div><div>Road Area SCI Distribution % (Year 0)</div></div> <div><div>Road Area SCI Distribution % (Year 5)</div><div>Road Area SCI Distribution % (Year 5)</div><div>Road Area SCI Distribution % (Year 5)</div><div>Road Area SCI Distribution % (Year 5)</div><div>Road Area SCI Distribution % (Year 5)</div></div> <p>Practically this means that Council will:</p> <p>Provide safe and efficient commuter use travel across the City.</p> <p>Efficient and effective heavy vehicle/freight movement throughout the City.</p> <p>Safe pedestrian and cycle movement through the City with a significant portion off road.</p> <p>Universally accessible public transport use between residential and business areas.</p> <p>Safe pedestrian and cycle travel at night on streets and key links.</p>		

<sup>8</sup> 0-6 Condition Rating with 0 being Brand New and 6 being End of Life.

Strategic Asset Management Plan 2024-25

5.1 Community Experience Levels of Service under review over the next 12 months

Council’s Asset Management Sub Committee are reviewing the service levels in the following areas, to be finalised over the next 12 months;

• **Playspaces (playgrounds)**

- Revise the Playspace AMP based on the hierarchy above including consideration of:
- Universal access, providing for change in demographics, provision of coverage across the City, modern functionality/design
- The number of irrigated spaces and access to playgrounds which will require additional operating and maintenance budgets particularly for mowing, water usage and safety inspections and repairs.
- The provision of shade structures for playgrounds.
- The provision of universally accessible playgrounds
- The provision of toilet and adult change room facilities

• **Streetscapes (trees)**

- Consider improvements to street trees range across the City engaging the community in decision making, including diversifying the tree pallet for the City.

- Canopy Cover, net neutral for street trees with increases in canopy cover in reserve open space.
- **Links and Destinations**
  - Public Lighting of destinations and level of lighting in key links as well as Lighting Standards for Streets, Urban Environments and Reserves where applicable, based on Destination Hierarchy
  - Council will be continuing the Green Trails Project with improved lighting and upgrades in the existing green trails network, with a focus of improving and connected the next sections of the green trails, over the next twelve months in the Dry Creek area between Main North Road and Walkleys Heights.
- **Sportsfield Lighting**
  - Review of sportsfield lighting service levels
- **Irrigation**
  - Undertaken audit and revaluation of irrigation systems and review service levels
- **Roads**
  - The Integrated Transport Plan is to be updated over the next 18 months with a focus on Integration with the Industrial Areas West of Port Wakefield Road and the Dry Creek (Salt Fields Development). Similarly, Council will have a focus

Strategic Asset Management Plan 2024-25

- on Integrated Transport Planning in conjunction with the Department of Infrastructure and Transport, which has a focus on both Active and Public Transport Access. It is expected that there will be significant budget requirements for Road upgrades and the associated linkages.
- A review of road safety will be undertaken and will be included in the revised and updated Integrated Transport Plan.
- Current maintenance regimes and feedback from the community has indicated that the community is satisfied with the current level of service being provided and Council is using new treatment strategies to improve financial and environmental sustainability with no impact to community experience.
- **Drainage and Waterways**
  - Council continues to support and deliver the flood mitigation strategy and has further reduced the number of properties at risk of flooding during significant flood events.
  - Council will be looking to develop a Water Bodies Asset Management plan over the next twelve months to improve the community levels of service for the ornamental lakes and wetlands throughout the City.

• **Buildings**

- Recent audit of buildings has shown the current condition of Council Buildings are in a good state. However through discussion with the Asset Management Sub Committee the community experience around the function and fit for purpose is not meeting the expectation. This has led to a service level review to define the required service level with a gap analysis being undertaken of Council’s community and recreation facilities to identify future upgrade/ new projects.
- The creation of Hubs has led to a significant increase in operating expenses and will continue to do so as additional hubs are development as these have a higher level of service to the Community compared to the existing facilities.

5.2 Risk Management

Risks previously identified in the Strategic Asset Management Plan Risk Register have been reviewed and updated with 30 risks having been mitigated or eliminated. An updated risk register is attached in **Table 6** on the following page. Comments regarding updates on Risk are included in bold in Table 6.

Table 6 - Risk Management Plan

Asset Providing the Service	What can happen	Risk Rating	Risk Treatment Plan	Residual Risk	Treatment Costs (\$)
All Assets	Premature asset failure.	High	Regular asset/condition inspections by dedicated full time/contracted employees.	Medium	700,000 (p.a.)
All Assets	Donated/gifted assets do not meet service levels.	High	Improve specification/handover process and relationships with Government Departments.	Medium	(Within existing budget)
Flood Levee Banks	Flooding due to storm events.	High	Undertake review of Levee Banks in 2025/26 and seek appropriate budget for capital works in 2025/26.	Medium	200,000
All assets	Uninformed decision making for Asset Management Planning	High	Ensure all staff undertake asset inspections in the AMIS (Confirm Connect) or ensure information is recorded in a compatible format that can be imported in a timely manner to ensure the AMIS and associated asset information is accurate and current.	Low	(Within existing budget)
Flood Dams	Failure to dam resulting in major flooding, overtopping and upstream siltation.	High	Dam Survey Audit (every four years).	High	100,000
Reserve Trees	Failure, injury, loss of amenity, damage to infrastructure.	High	Develop a reserve tree management renewal and maintenance programs and seek additional capital works budget in 2025/26.	High	50,000 (p.a.)
Roads	Increase in heavy vehicle traffic. Roads may not be designed or structurally suitable for heavy vehicles.	High	Evaluate land use changes which may impact on the local roads network, submit new budget bids when required. Budget for works will be supplemented by grants where possible.	Medium	500,000 (p.a. seek grant funding)
Major Road Intersections (Heaslip/ Diment & Heaslip/ Edinburgh)	Unsafe/unfit for purpose intersections for heavy vehicle movement along Heaslip Road and intersections with Diment Road and Edinburgh Road.	Very High	Seek grant funding from State and Federal Governments to upgrade both intersections from 2022/23.	Medium	5,000,000
St Kilda Road	Road Failure due to heavy vehicle loadings.	High	Routine monitoring of St Kilda Road for road and drainage deterioration, Negotiations have occurred with SA Water to fully fund Robinson Road upgrade works from 2022/23.	Low	(externally funded)
Signage	Poor condition/function of asset could result in traffic accidents.	Very High	Complete audit via contractors and undertake analysis and development of renewal and maintenance programs every four years.	Medium	40,000 (every four years)
Council Maintained Street Lighting	Poor street lighting can lead to injuries to pedestrians, traffic accidents at traffic control devices and provide an unsafe environment.	High	Analysis of poor lighting areas has been completed and an upgrade program developed to be completed by 2024/25.	Medium	0 (within existing capital works/ budget bids)
Reserve Lighting	Poor lighting in reserves can lead to Injuries to pedestrians, undesirable activity and provide an unsafe environment.	High	Develop budget bid for reserve lighting upgrade program to seek appropriate funds for capital works program from 2022/23.	Medium	150,000 (p.a)
New assets contributed from Northern Connector Project	Funding from State Government or Council is not sufficient to Maintain newly created assets.	High	Negotiate with DIT to seek an ongoing operating/maintenance budget for landscaping and shared use paths.	Low	0 (seeking external funding from State Government)
Dry Creek	Flooding from river system resulting in property damage and/or personal injury.	High	Undertake SMP study in 2024/25 with results to be used to determine future budget bids from 2025/26.	Low	500,000 (p.a. for five years)



Table 7 - Demand Management Plan

Service Impact	Demand Management Plan
Sporting Facilities	Where new facilities are considered build joint use facilities, enabling an increase in capacity for functional requirements but reducing the number of facilities needed to deliver that service. (New Paddocks joint facility, replacing three buildings).
Sports Field Lighting Management	<p>Council has moved to create a new renewal and maintenance program for sports field lighting, bringing the care and control of sports field lighting to maximise the efficiency of managing sports field lights across the City, rather than have each club individually supported to maintain their own lights.</p> <p>Council is reviewing the opportunity to have Sports Field Lighting be able to be set to different Lux levels, to enable clubs to minimise energy costs, whilst still meeting the Club training and game needs.</p>

5.4 Operations and Maintenance Strategies

Operations activities affect service levels including quality and function, such as cleanliness, appearance, etc., through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal.

Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in the respective AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Council operates and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. Proposed operations and maintenance strategies in this SAMP are:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner
- Undertaking maintenance activities through a planned maintenance

system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost)

- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council/Board
- Review current and required skills base and implement workforce acquisition, training and development to meet required operations and maintenance needs
- Review asset utilisation to identify under-utilised assets and appropriate remedies, and over utilised assets and customer demand management options
- Maintain a current hierarchy of critical assets and required operations and maintenance activities
- Develop and regularly review appropriate emergency response capability
- Review management of operations and maintenance activities to ensure we are obtaining best value for resources used.

Strategic Asset Management Plan 2024-25

Council uses the Asset Management System to monitor Councils proactive and reactive maintenance programs and compliance to these programs.

Following the Asset Improvement Plan in 2018/19 Maintenance Managers and Strategic Assets Staff have been automating the proactive maintenance programs, which has enabled resource efficiency to increase proactive inspections and scoping, with real time data being managed through the use of tablets on site. This last year has seen significant inflation for consumables and labour, which could have had a dramatic effect on the cost of operational services, however because Council has developed better targeting of operational resources to asset maintenance strategies costs have been absorbed by the business, other than additional requirements for maintenance of new services and where there are unavoidable increases to Council's contracts.

Council is currently in the process of implementing an Integrated business solution for the City which will significantly improve the links between the Community Request Management System and the Asset and Finance System which will further improve the real time understanding of Council's maintenance and operating services and the direct effect on Council's assets, to meet our goal of exceptional community experience.

5.5 Renewal/Replacement Strategies

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser

required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

Council plans capital renewal and replacement projects, in consultation with the Council and community, to meet community levels of service objectives and minimise infrastructure service risks. This process, post the approval of the sample is managed as part of the capital works engagement framework, through which Council:

Plans capital renewal and replacement projects to meet Community level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner
- Consulting with the community and Elected Members during the scoping and design for all capital renewal and replacement projects to identify:
  - the service delivery 'expectation with respect to capacity or function', present risk and optimum time for renewal/replacement

Strategic Asset Management Plan 2024-25

- the project objectives to rectify the loss of function or capacity
- the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
- and evaluate the options against evaluation criteria adopted by Council/Board, and
- select the best option to be included in capital renewal program.
- Using optimal renewal methods (cost of renewal is less than replacement) wherever possible
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting very high and high risks and residual risks after treatment to management and Council/Board
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required
- Review management of capital renewal and replacement activities to ensure we are obtaining best value for resources used.

Council continues to have shortages in some key areas, such as timber, for buildings, or play equipment supply, have delayed projects or modified designs to best achieve the most efficient project outcomes over the last two years. Council has also, for major Projects moved to a two year process. The first year being for planning, consultation and design with the project constructed in the second year. This enables good consultation and invariably better design outcomes for major projects that meet the community's level of service expectations.

5.6 Renewal ranking criteria

Renewal ranking criteria was developed from consideration of renewal/replacement need for assets that:

- Have a high consequence of failure
- Have a high utilisation and subsequent impact on users would be greatest
- The total value represents the greatest net value to the organisation
- Have the highest average age relative to their expected lives
- Are identified in the AM Plan as key cost factors
- Have high operational or maintenance costs, and
- Where replacement with modern equivalent assets would yield material savings.



Strategic Asset Management Plan 2024-25

Criteria used for ranking renewal and replacement proposals are documented in the applicable AM Plans.

The ranking has enabled council staff to determine to the most critical asset classes to be reviewed by Council over the last 12 months, based on the above criteria, this included Roads, Drainage, Buildings, Playspaces (Stage 1). It is proposed to now focus on completion of the Playspace AMP and update or complete AMP's for key Urban Asset Classes – including Footpaths, Irrigation, Street Trees and Public Lighting.

5.7 New and Upgrade Assets Strategies

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets (donated or gifted assets) may also be acquired at no cost to the organisation from land development or arising from government grants. Whilst having no initial cost, these new assets incur future maintenance and renewal costs.

Strategies for creation, acquisition of new assets and upgrade of existing assets proposed in this SAMP are:

- Council plans capital upgrade and new projects, in consultation with the Council and community, to meet new levels of service objectives in the most efficient manner by:

- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
- Undertaking project scoping and consulting with the community and Council to identify
  - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset
  - the project objectives to rectify the deficiency including value management for major projects
  - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
  - management of risks associated with alternative options
  - and evaluate the options against evaluation criteria adopted by Council, and
  - select the best option to be included in capital upgrade/new programs
- Review current and required skills base and implement staff acquisition, training and development to meet required construction and project management needs

Strategic Asset Management Plan 2024-25

- Review management of capital project management activities to ensure we are obtaining best value for resources used.

This work is also managed through the capital works engagement process, with major projects being developed and delivered over a two year process.

5.8 Proposal New/Upgrade Assets Selection Criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or customer/ community requests, proposals identified by strategic plans or partnerships with other organisations. Proposals are inspected to verify need and to develop preliminary CAPEX and OPEX estimates.

5.9 Disposal Plan

Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The SAMP does not include future disposal programs, however it does take into account current approved new/upgrade works proposed in the four year budget cycle which may include disposal of redundant assets.

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.

Assets identified for possible decommissioning and disposal are shown in the respective asset management plans summarised in this strategic asset management plan.

Council has just demolished the existing swim centre with the replacement Salisbury Aquatic Centre nearing completion. Where there are major upgrades of facilities such as Burton and the Operations Centre, Council have demolished part or all of the existing facilities. Similarly, where there is a merging of facilities as at the Paddocks, three buildings are being replaced with a single facility.

5.10 Assumptions and Confidence Levels

This section details the key assumptions made in presenting the information contained in this Strategic Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan and risks that these may change are shown in **Table 8**.

Strategic Asset Management Plan 2024-25

Table 8 - Key Assumptions made in Strategic Asset Management Plan

Key Assumptions	Risks of Change to Assumptions
Financial values have been forecast as current year costs.	Financial values in the SAMP will need to be adjusted should significant inflationary pressures occur in future annual and/or long term planning.
Level of Service modifications will be within the current budgets where possible.	Level of Service at current asset lives in some asset classes are not financially sustainable in the long term, with either an increase in replacement lives for some assets and/or a reduction in levels of service for some assets required in the long term, or an adjustment to funding requirements is made. This will be addressed through the revision of the AMP's mentioned above.
The hub & new facilities operational costs will be offset by building & operational efficiencies.	The increased Levels of Service have seen an offset to the efficiency gains of the new facilities, and a reduction in total number of facilities, with a significant increase in operating cost being seen for new facilities, with operating increasing in the Building area by \$500k moving forward.
Financing of future Infrastructure for Major New Development (Salt Fields & West of Port Wakefield Road) will be funded through Infrastructure Agreements.	Council will potentially see a large increase in its infrastrucutre asset base over the next 20 years due to substantial new developments (salt fields/ north west industrial sector). This will directly affect depreciation and the Renewal Requirements for the Strategic Asset Management Plan. It is noted that the income from increased rate generation due to these developments, may not be realised in the first 5 to 10 years. This revenue will not be available initially to assist with financing the renewal,maintenance and operating costs of Infrastructure Assets in these new developments.

The expenditure and valuations projections in this strategic asset management plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management.

The estimated confidence level for and reliability of data used in this strategic asset management plan is shown in **Table 9**.

Strategic Asset Management Plan 2024-25

Table 9 - Data Confidence Assessment for AM Plans summarised in Strategic AM Plan

AM Plan	Confidence Assessment	Comment
Drainage and Waterways	Medium	Majority of assets have long lives and are only part way through lifecycle, high risk assets are routinely audited (dams) however Council is increasing the CCTV inspection frequency to further increase confidence levels in the understanding of the Pipe Network Condition.
Playspaces	High	High confidence in data due to regular auditing.
Street Trees	High	Detailed audit undertaken in 2019 and asset management strategies are being revised for implementation based on new Levels of Service, to be reviewed as part of the AMIP.
Public Lighting	High	Detailed audit undertaken in 2019 and asset management strategies are being revised to be reviewed as part of the Asset Management Improvement Plan. Further tenchinal audit completed 2024 and will be undertaken every four years.
Transportation	High	Council has completed a detailed audit this year of its roads, (both PCI and SCI) which gives high confidence in the development of the Renewal Program for the City over the next 5 years and confidence in the longer 20 year estimation of asset condition. Council's Footpath and Kerbs are currently being audited with the results to be used to develop a new AMP as part of the Asset Management Improvement Plan.
Property and Building	High	Building condition data is up to date with an audit recently completed, with hierarchy, function and capacity now the key criteria based on Customer Service Levels.
Salisbury Water	High	Assets are relatively new compared to other asset classes with planned reviews of asset data to revise asset management strategies.
Plant and Fleet	High	Fleet assets are typically short lived compared to other asset classes and asset management strategies are in place. However there will be new challenges around the type of vehicle (EV vs Hybrid vs Diesel) recommended moving forward, which will challenge the current valuations and levels of service.

Overall data sources and confidence in that data is assessed as high, however the valuation: of some asset classes, particularly playspaces and irrigation are of concern, with an expectation of revaluations significantly increasing, due to current inflationary pressures. This inflationary pressure will significantly increase the cost to deliver the Renewal Program and increased funding requirements, should service levels not be reduced.

Strategic Asset Management Plan 2024-25

5.11 Improvement Plan

The asset management improvement tasks identified from an asset management maturity assessment and preparation of this Strategic Asset Management Plan are shown in **Table 10**. These actions have been described above in the risk plan and the community experience service level sections. The improvement plan timelines have been prepared cognisant of available resources. It is noted that 70% (by value) of the assessment of assets (Buildings, Roads, Drainage and Playspace (Stage 1) has been undertaken. This next phase represents 15 to 20% of the remaining value of assets.

Table 10 - Improvement Plan

Task No	Task	Responsibility	Resources Required	
1	SAMP - Revise Strategic Asset Management Plan for Council endorsement to undertake public consultation	Manager Engineering and Asset Systems / T/L Asset Systems and Support	Manager Engineering and Asset Systems T/L Asset Systems and Support Asset Managers	APR 2024
2	SAMP - Revise Strategic Asset Management Plan following public consultations for final Council endorsement	Manager Engineering and Asset Systems / T/L Asset Systems and Support	Manager Engineering and Asset Systems T/L Asset Systems and Support Asset Managers	JUN 2024
3	Drainage – Draft Asset Management Plan	Manager Engineering and Asset Systems T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	JUN 2024
4	Transport – Draft Asset Management Plan	Manager Engineering and Asset Systems T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	JUN 2024
5	Buildings – Draft Asset Management Plan	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	JUN 2024
6	Pathways – Draft Asset Management Plan	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	JUN 2024

Strategic Asset Management Plan 2024-25

7	Sports Lighting - Revise Council Policy Settings, asset hierarchy, service levels	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	SEP 2024
8	Public Lighting – Draft Asset Management Plan	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	NOV 2024
9	Irrigation - Complete Audit & Valuation	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	JUN 2025
10	Irrigation - Revise Council Policy Settings, asset hierarchy, service levels	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	SEP 2025
11	Trees - Undertake a review asset hierarchy and Community Levels of Service for Street Trees and current Tree Management Practices	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	OCT 2025
12	Trees - Draft Asset Management Plan	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	DEC 2025
13	Playspace - Revise Council Policy Settings, asset hierarchy, service levels	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team Urban Assets / Strategic Assets Teams	NOV 2024
14	Playspace – Draft Asset Management Plan	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	MAR 2025
15	Bridges - Revise Council Policy Settings, asset hierarchy, service levels	Manager Engineering and Asset Systems T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	MAY 2024

Strategic Asset Management Plan 2024-25

16	Bridges - Draft Asset Management Plan	Manager Engineering and Asset Systems T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	JUN 2024
17	Ornamental Lakes - Revise Council Policy Settings, asset hierarchy, service levels	Manager Engineering and Asset Systems T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	JUN 2024
18	Ornamental Lakes - Draft Asset Management Plan	Manager Engineering and Asset Systems T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	SEP 2024
19	Sports Courts - Revise Council Policy Settings, asset hierarchy, service levels	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	SEP 2025
20	AMPs - Revise remaining asset management plans	Asset Managers	Asset Managers Asset Systems and Support Team	OCT 2025
21	Open Space Strategy	Manager Urban, Recreation and Natural Assets T/L Asset Systems and Support Asset Managers	Asset Managers Asset Systems and Support Team	DEC 2025

Strategic Asset Management Plan 2024-25

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## 6. Financial Summary

This section contains the collective financial requirements resulting from all the information presented in the previous sections of this SAMP. The financial projections to provide the targeted levels of service will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

### 6.1 Financial Indicators and Projections Asset Renewal Funding Ratio

The Asset Renewal funding ratio indicates to what extent asset renewal is funded in the Long Term Financial Plan. It is calculated by dividing the projected capital renewal expenditure provided in each year of the LTFP by the renewal expenditure contained within the SAMP. Over the next 10 years Council is forecasting it has 100% of the funds to renew and replace existing assets but it has reduced the asset ratio to 90% for the first four years in a number of asset classes to fund other City Plan projects. The average over the 10 year forecast period of the SAMP is still to maintain 100% renewal funding ratio.

This is based on service levels contained within this document, approved by Council. Where service levels are increased this may mean that assets are renewed on a short time frame, and/ or it may require upgrade expenditure to improve the asset to the planned new higher service level.

As these decisions are taken, it requires consideration of trading off other asset service levels into, or accepting a need to increase funding for the service level increases. This must be done in a financially sustainable manner which is why the SAMP considers the asset portfolio, of over \$2.03 Billion in worth as a whole. The challenge will be for Council to balance the Community based levels of service for the next phase of asset classes review, that includes Public Lighting, Street Trees, Irrigation, Bridges, Ornamental Lakes and Playspaces, with the expenditure to meet the approved service levels, in light of a tightening Long Term Financial Plan.

Council has approved 70% of the asset classes, levels of service and subsequent expenditure, so any intention to increase service levels for other asset classes, and subsequent expenditure, will need to be considered in light of these changes to ensure any service level decisions are sustainable, including potentially a review of the asset classes already approved.

At this point in time Council is balancing the cost of Renewal with the available funding for new assets and services. It is proposed to balance the expenditure on renewal over the next five to seven years, with reductions in years one to four of renewal for Buildings and Roads, balanced with a significant increase in years four to eight, so that the 10 year average is not changed.

In analysis of the affects there is a slight reduction in the surface condition of Roads with no net long term reduction effect, however there is no reduction in buildings condition, primarily because the building stock, whilst needing some improvements in function and capacity in some classes, is in very good condition, particularly with the four key largest buildings having been recently renewed.

The gap between service level experienced and the potential service level desired, but not funded, for example for some local Playspaces, requires careful consideration to ensure long term financial sustainability of the renewal programs based on community service levels, ensuring this generation of rate payers are paying their fair share of the services they are consuming and not leaving unaffordable debt to renew assets to the next generation.

### 6.2 Funding Strategy

This SAMP is consistent with Council's existing funding strategy and Long Term Financial Plan looking at both capital and operating costs.

The figures outlined below are preliminary in nature and will be updated on completion of the budget deliberations and the finalisation of the Long Term Financial Plan.

### 6.3 Expenditure Forecasts - Operations and Maintenance

The changes in operations and maintenance budgets as of 2024/25 are shown in **Figure 8**. Note that all costs are shown in current dollar values (i.e. real values). The SAMP includes an assessment of future operational and maintenance needs. Asset managers and maintenance managers reviewed operational changes with respect to infrastructure.

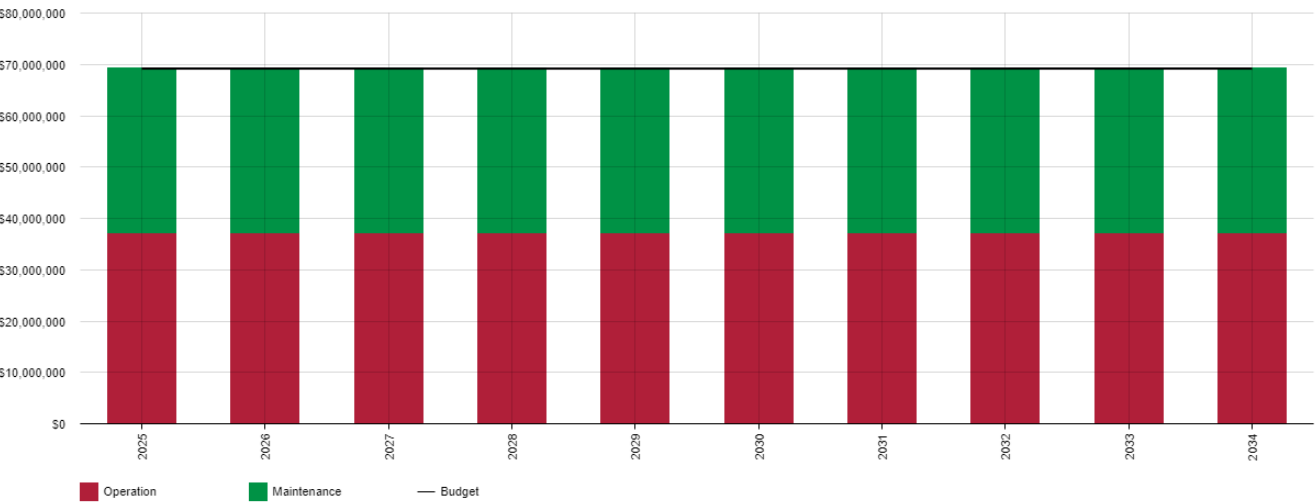
There are additional operating costs due to a number of factors including:

1. The growth of infrastructure assets handed to Council
2. Improved levels of service including verge Maintenance, Burton Community Hub, Church/John Street and Operations Centre management and maintenance and safety needs.
3. The development of higher levels of service for district playspaces, such as Fairbanks Drive and the Paddocks Reserve, including the improvement to safety aspects around CCTV and Reserve Lighting.
4. Resource Management NAWMA - collection contract increases
5. Contractual cost increases linked to inflation
6. Increased mowing and watering costs - due to new irrigated spaces
7. Footpath maintenance - changing renewal to operating to improve footpath maintenance service levels.

It is noted that increases due to revised Contracts are undertaken at the time of the renewal of contracts and it is expected a number of these will be considered late 2024/25, that may significantly increase the Operational Budget, particularly around supply costs for Energy, that is currently not included in the SAMP.

Strategic Asset Management Plan 2024-25

Figure 8 - 2024/25 Operations and Maintenance Expenditure Projections (preliminary)

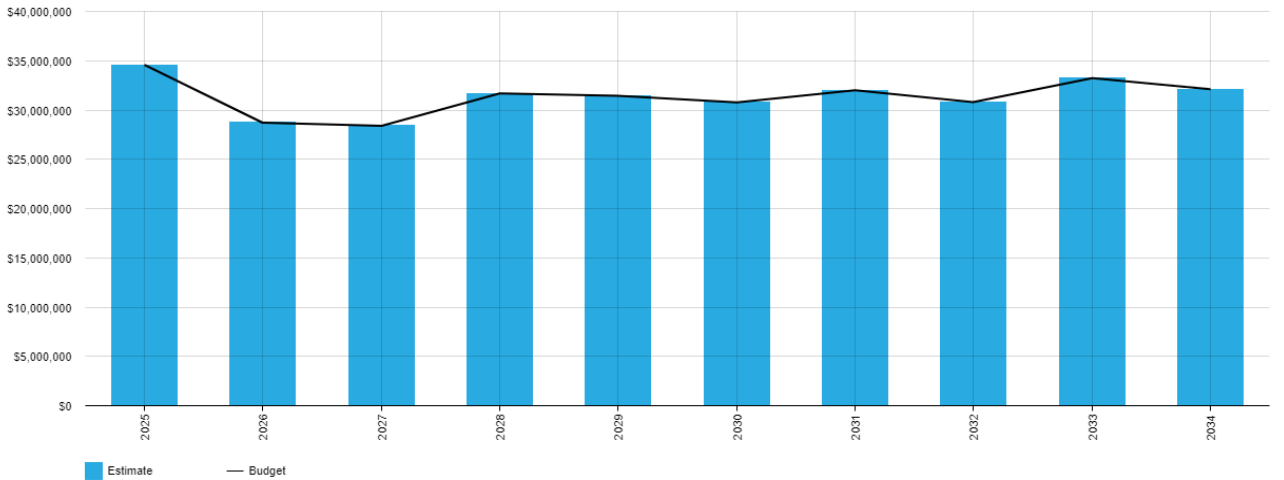


Capital Renewal Expenditure Projections

Projected future renewal and replacement expenditures are forecast to increase over time as Council's assets reach the end of either their service or design lives. This forecast expenditure need has been accommodated in the organisation's long-term financial plan as shown in **Figure 9**.

Strategic Asset Management Plan 2024-25

Figure 9 - 2024/25 Capital Renewal Projected Expenditure (preliminary)



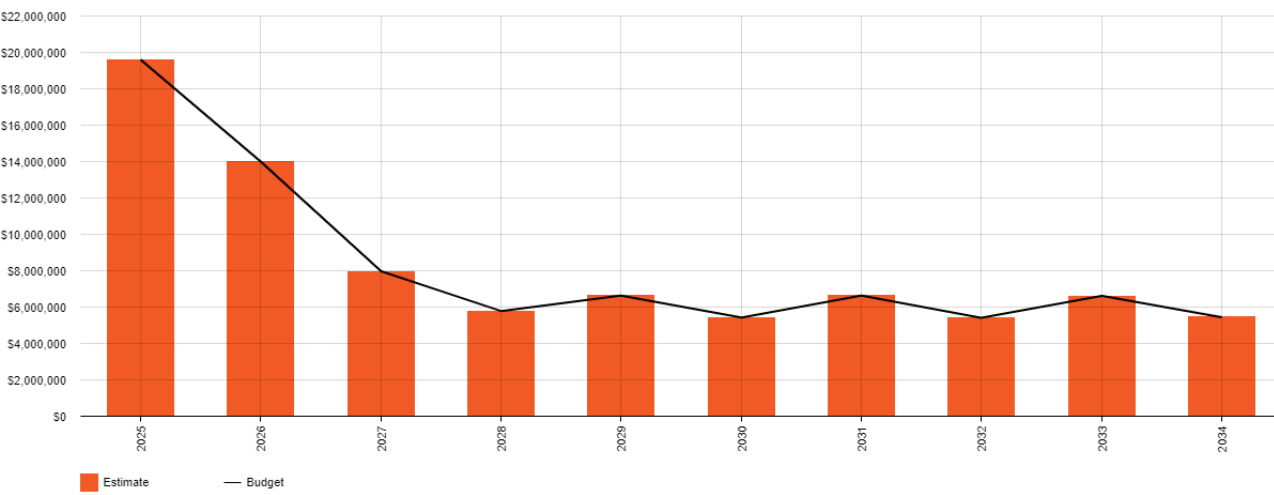
Where renewal projections take into account asset register estimates of asset useful lives, the useful lives are documented in the relevant asset management plan(s).

Capital New/Upgrade Projections

Projected upgrade/new asset expenditures and estimated long-term financial plan outlays are summarised in **Figure 10**. All amounts are shown in today's dollars.

Strategic Asset Management Plan 2024-25

Figure 10 - 2024/25 Capital New/Upgrade Projected Expenditure (preliminary)

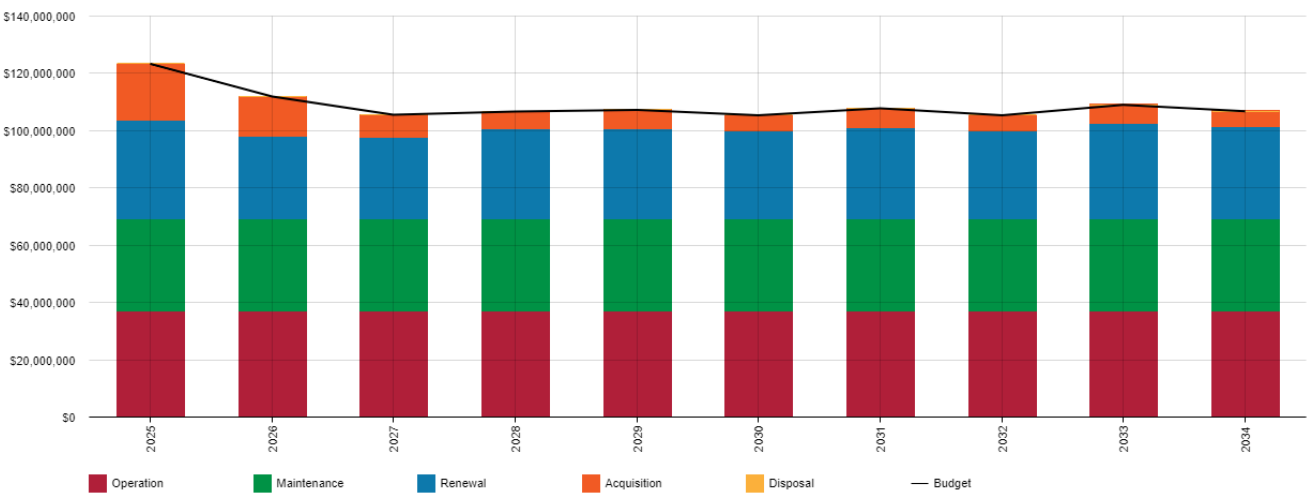


Expenditure Projections linked to Long-Term Financial Plan

Figure 11 shows the projected operations, maintenance, capital renewal, capital upgrade/new expenditure and these amounts have been accommodated in outlays shown in the long-term financial plan.

Strategic Asset Management Plan 2024-25

Figure 11 - 2024/25 Balanced Position Projected Operating and Capital Expenditure (preliminary)



The purpose of this strategic asset management plan is to develop the strategies to achieve the asset management objectives through balancing of asset service performance, cost and risk.



## 7. Conclusion

City of Salisbury is committed to continue to deliver a progressive, sustainable, connected community, providing excellent community experience through its services in a financially affordable and sustainable manner. The asset management data has significantly improved over the last five years, particularly with tablets now in the field, enabling council to manage and maintain its assets in a financially sustainable manner to deliver these services to agreed levels of service.

This Strategic Asset Management Plan (SAMP) is a significant step towards having a mature asset system, based on community endorsed service levels. Renewal Expenditure across the asset classes meets the endorsed Community based levels of service for more than 60% of the asset classes, of roads, drainage and buildings.

Footpath service levels and associated funding have been reviewed and renewal expenditure has been set aside for street public lighting.

The SAMP aligns with the LTFP, however some renewal expenditure has been reduced in the first three years, but significantly increased in years four to 10, which means the average renewal expenditure is the same. This aims to provide some capacity for Council to invest in other community needs.

The SAMP has continued the current funding of renewal of other asset classes, with a review, as part of the Asset Management Improvement Plan, to be undertaken in street trees, playspaces, irrigation, ornamental lakes, bridges and sports lighting through late 2024, to inform the 2025/26 SAMP.

This will ensure that the Council's renewal programs are financially sustainable, intergenerational equity is maintained, and the preventative and reactive maintenance programs and associated costs meet the Council's agreed levels of service in future years.

Asset managers have been continuing the Asset Management Improvement Plan, re-evaluating assets based on place and community services rather than condition and useful life. This process will continue over the next 12 months to confirm useful lives, valuations, capitalisation, and function and capacity of assets to deliver services particularly in the urban assets area.

Council has set funding for renewal and upgrade of assets, based on service continuity rather than condition and depreciation. The Asset Management Improvement Plan, that continues to the approval of the next 2025/26 SAMP, will effectively complete the process, begun five years ago, of moving Council's Strategic Asset Management Plan from core maturity to nearing advanced maturity, across all major asset classes, which will be a major and unique achievement for Salisbury, when comparing other comparable Cities, both in Australia and in OECD countries.

## 8. References

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## DRAFT STRATEGIC ASSET MANAGEMENT PLAN 2024/25

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<b>ITEM</b>	7.1.5
	<b>AUDIT AND RISK COMMITTEE</b>
<b>DATE</b>	09 April 2024
<b>HEADING</b>	Draft 2024/25 Long Term Financial Plan and Annual Business Plan
<b>AUTHOR</b>	Kate George, Manager Financial Services, Business Excellence
<b>CITY PLAN LINKS</b>	4.4 We plan effectively to address community needs and identify new opportunities 4.2 We deliver quality outcomes that meet the needs of our community
<b>SUMMARY</b>	The Draft 2024/25 Long Term Financial Plan and Annual Business Plan is presented to the Audit and Risk Committee for review prior to presentation to Council for approval for Public Consultation.

## RECOMMENDATION

### That Council:

1. Notes that the Audit and Risk Committee has reviewed the Council's Draft 2024/25 Long Term Financial Plan and Annual Business Plan in accordance with s126(4)(b) of the *Local Government Act 1999*.
2. Notes that the Audit and Risk Committee has considered and reviewed the scenarios provided within this report (Item No. 7.1.5, Audit and Risk Committee, 9 April 2024) and notes that Council should consider a rate increase of 5.5% or higher noting that there are additional financial demands on the budget to respond to community expectations and other emerging projects and initiatives to facilitate ongoing economic growth.

## ATTACHMENTS

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

1. Financial Sustainability Ratio Graphs [↓](#) 
2. Draft 24/25 Long Term Financial Plan and Annual Business Plan [↓](#) 

## 1. BACKGROUND

- 1.1 The Annual Budget process is in progress with Council workshops, and the Finance and Corporate Services Committee meeting held. The draft Long Term Financial Plan (LTFP) was presented at the third budget workshop on 27 March 2024, which followed initial discussions of the LTFP in February 2024.
- 1.2 The Draft 2024/25 Long Term Financial Plan and Annual Business Plan (ABP), Attachment 2, has been developed for Council's consideration and approval to commence public consultation and will continue to be updated to reflect all decisions of Council prior to public consultation commencing.

- 1.3 The Draft Long Term Financial Plan and Annual Business Plan, as well as the rate increase will be considered at the Finance and Corporate Services Committee Meeting on 15 April 2024, for consideration by Council at its meeting on 22 April 2024 and pending the review by the Audit and Risk Committee.
- 1.4 The Budget and LTFP process is well progressed with Council with the intent to proceed to community consultation in May 2024. This report provides the opportunity for Council to seek advice from the Audit and Risk Committee, and meet the requirements of S126(4)(b) of the *Local Government Act 1999*.

## 2. CONSULTATION / COMMUNICATION

### 2.1 Internal

- 2.1.1 There has been engagement across the organisation in preparing the draft operating budget and budget bids and a series of workshops and meetings with Council have been held to enable discussion and review of the draft budget, including budget bids and the LTFP.

### 2.2 External

- 2.2.1 Community consultation will commence in May 2024 following approval by Council of a Draft Long-Term Financial Plan and Annual Business Plan.

## 3. BUDGET UPDATE AND LONG-TERM FINANCIAL PLAN

- 3.1 Council has considered the 2024 budget and LTFP through a number of workshops over February and March 2024. At the Budget Workshop 27 March 2024 the LTFP was considered with 3 rate increase scenarios presented and these are summarised in the table below.
- 3.2 Also modelled was a scenario with the average rate increase set at ongoing CPI to support the understanding of the significant deficits that result from this option.
- 3.3 In summary the scenarios at the presentation were:

		Scenario Rate Increase		
		Year 1	Year 2	Year 3
1	Rates Yr1=4.5%, Yr2 onwards=CPI+0.6%	4.5%	3.5%	3.2%
2	Rates Yr1=5.0%, Yr2 onwards =CPI+0.6%	5.0%	3.5%	3.2%
3	Rates Yr1=5.5%, Yr2 onwards CPI+0.6%	5.5%	3.5%	3.2%
4	Rates @ CPI	4.8%	2.9%	2.6%

- 3.4 As a result of the Budget Workshop 27 March, 3 additional scenarios are to be considered by Council, and have been included in this report. The scenarios are:

		Scenario Rate Increase		
		Year 1	Year 2	Year 3
1	Rates Yr1=4.5%, Yr2 onwards=CPI+0.6%	4.5%	3.5%	3.2%
2	Rates Yr1=5.0%, Yr2 onwards =CPI+0.6%	5.0%	3.5%	3.2%
3	Rates Yr1=5.5%, Yr2 onwards CPI+0.6%	5.5%	3.5%	3.2%
4	Rates @ CPI	4.8%	2.9%	2.6%
5	Rates Yr1=6.0%, Yr2 onwards=CPI+0.6%	6.0%	3.5%	3.2%
6	Rates Yr1=6.5%, Yr2 onwards =CPI+0.6%	6.5%	3.5%	3.2%
7	Rates Yr1=6.9%, Yr2 onwards CPI+0.6%	6.9%	3.5%	3.2%

3.5 Graphs of these scenario are provided in Attachment 1 for reference.

3.6 Results of these Scenarios are presented in the table below:

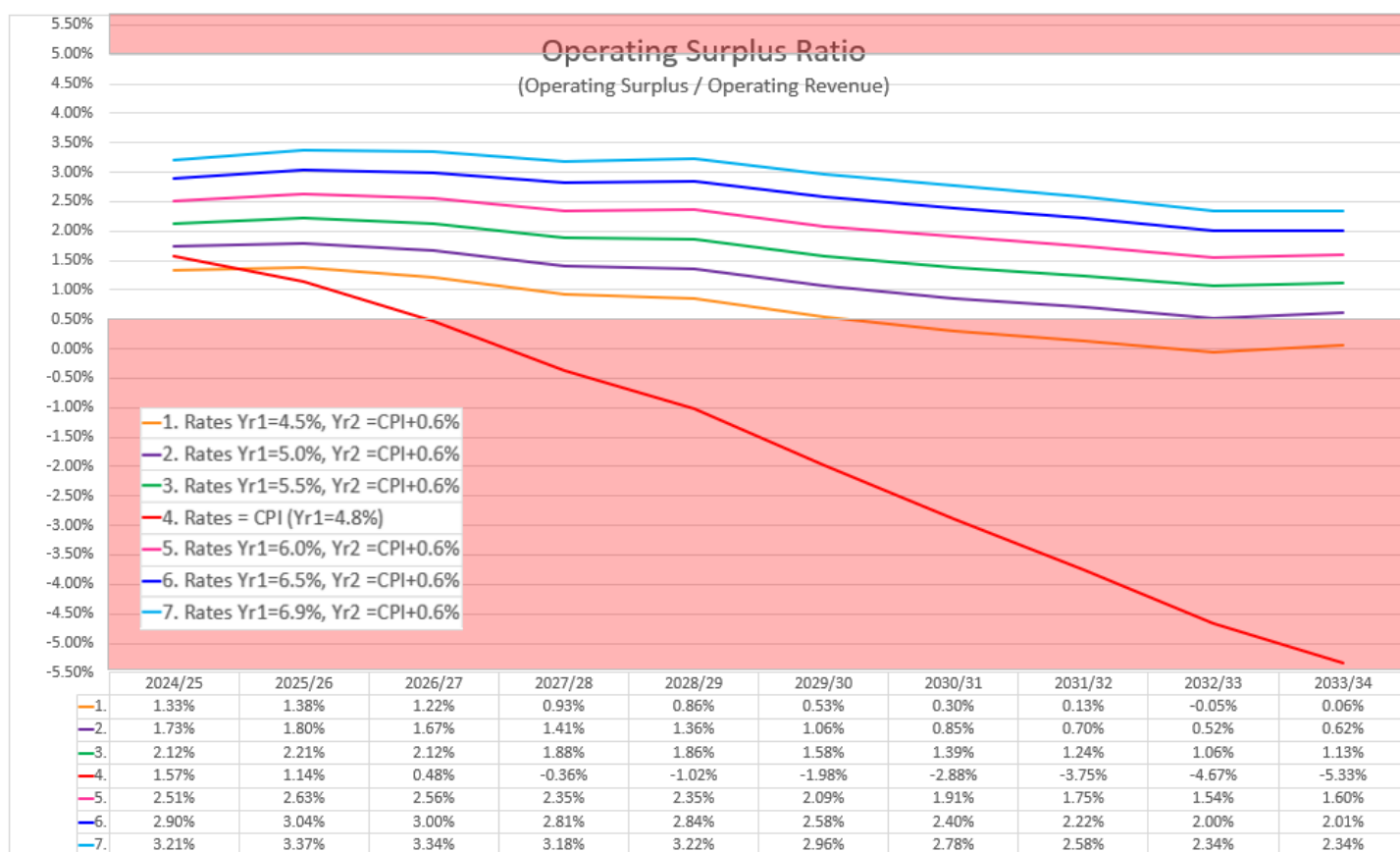
		OSR	NFLR	ARFR
1	Rates Yr1=4.5%, Yr2 onwards=CPI+0.6%	✗	✓	✓
2	Rates Yr1=5.0%, Yr2 onwards =CPI+0.6%	✓	✓	✓
3	Rates Yr1=5.5%, Yr2 onwards CPI+0.6%	✓	✓	✓
4	Rates @ CPI	✗	✓	✓
5	Rates Yr1=6.0%, Yr2 onwards=CPI+0.6%	✓	✓	✓
6	Rates Yr1=6.5%, Yr2 onwards =CPI+0.6%	✓	✓	✓
7	Rates Yr1=6.9%, Yr2 onwards CPI+0.6%	✓	✓	✓

OSR ~ Operating Surplus Ratio

NFLR ~ Net Financial Liabilities Ratio

ASR ~Asset Renewal Funding Ratio

3.7 All options, except for Options 1 and 4 result in ongoing surpluses over the 10 year projections, further Option 1 (4.5%) and Option 4 (ongoing CPI) do not provide for ongoing financial sustainability as detailed in the graph below. Further Option 2 (5.0%) is marginal across the 10 years and should not be considered as a preferred option:



3.8 Since preparing these scenarios there has been no opportunity to consider inflation further (March 2024 CPI to be released 24 April 2024), with the understanding that inflation may vary to the Deloitte Access Economics forecast at December 2023 (used in the modelling).

#### Budget Impacts

- 3.9 The 12 months Adelaide CPI at Dec 2023 quarter was 4.8% with Deloitte Access Economics forecasting 4.8% annual CPI to June 2024 in their December Business Outlook Report, which underpinned the scenarios presented on the 27 March 2024.
- 3.10 The budget has been set with a strong focus on cost containment, and consequently there may be cost increases that flow into 2024/25 financial year as contracts are renewed beyond the provision provided in the budget. This is always the case, that the budget lags behind actual inflation, and with ongoing higher potential levels of inflation, managing within budgeted levels is a greater risk than in more typical years.
- 3.11 The increase in construction costs has significantly increased our valuation of our assets, which has impacted on the cost of depreciation forecast for 2024/25. We have utilised a higher unit rate of escalation than in previous years to mitigate any further increase, however there is still risk that the actual escalation required will be higher than what has been provided.



- 3.12 In addition to the current economic variability and potential impact on expenditure, there may be further decisions that Council will take in relation to the 2024/25 budget to respond to community expectations. There are also emerging projects and initiatives to facilitate economic growth which will have financial implications.
- 3.13 Also unknown at this time is the level of rate growth and additional rate revenue from other development activities. Combined, this impact has been estimated at 1% in the LTFP, and this is on track to being achieved with 0.43% having flowed through rates data to date. What further movements is to come from the Valuer General is unknown at this stage.
- 3.14 The need to remain financially sustainable, the high level of inflation, and the impact of rates on household budgets requires careful consideration. The impact of the various scenarios on the proposed average residential rate (2023/24 \$1,591) and also on minimum rates (2023/24 \$1,156) is detailed below:

	OSR	NFLR	ARFR	Average Residential Rate Increase		Minimum Rate Increase	
				p.a.	p.wk	p.a.	p.wk
1 Rates Yr1=4.5%, Yr2 onwards=CPI+0.6%	✗	✓	✓	\$ 71.60	\$ 1.38	\$ 52.02	\$ 1.00
2 Rates Yr1=5.0%, Yr2 onwards =CPI+0.6%	✓	✓	✓	\$ 79.55	\$ 1.53	\$ 57.80	\$ 1.11
3 Rates Yr1=5.5%, Yr2 onwards CPI+0.6%	✓	✓	✓	\$ 87.51	\$ 1.68	\$ 63.58	\$ 1.22
4 Rates @ CPI	✗	✓	✓	\$ 76.37	\$ 1.47	\$ 55.49	\$ 1.07
5 Rates Yr1=6.0%, Yr2 onwards=CPI+0.6%	✓	✓	✓	\$ 95.46	\$ 1.84	\$ 69.36	\$ 1.33
6 Rates Yr1=6.5%, Yr2 onwards =CPI+0.6%	✓	✓	✓	\$103.42	\$ 1.99	\$ 75.14	\$ 1.45
7 Rates Yr1=6.9%, Yr2 onwards CPI+0.6%	✓	✓	✓	\$109.78	\$ 2.11	\$ 79.76	\$ 1.53

- 3.15 A presentation summarising the LTFP will also be provided to the Audit & Risk Committee as part of this agenda item.
- 3.16 An updated Strategic Asset Management Plan is in progress reflecting updated asset information and aligned to budget bids. All scenarios of the LTFP are consistent with the financials within the updated SAMP, with the Asset Renewal Funding Ratio funded at 100% over the life of the plan scenarios.

#### 4. CONSIDERATION OF A RATE INCREASE

- 4.1 Based on the information provided in this report, the Audit & Risk Committee is asked to consider and review the appropriate range of rate increases that balance the financial impacts on the community, while also maintaining the financial viability for Council to continue delivering the required services and also respond to emerging needs.
- 4.2 The options that provides a level of funding that will allow Council to maintain a small operating surplus and minimise the impact on the community are Option 3, and Options 5-7, with rate increase in year 1 being 5.5%-6.9% with ongoing rate increases from year 2-10 at CPI +0.6%, consistent with previous years.
- 4.3 Due to the risk of further cost pressures, the need to respond to community expectations, and emerging projects to support economic growth, the scenario at 5.5% (Option 3) or above would be prudent to provide a greater capacity to respond to these type of events during the year.

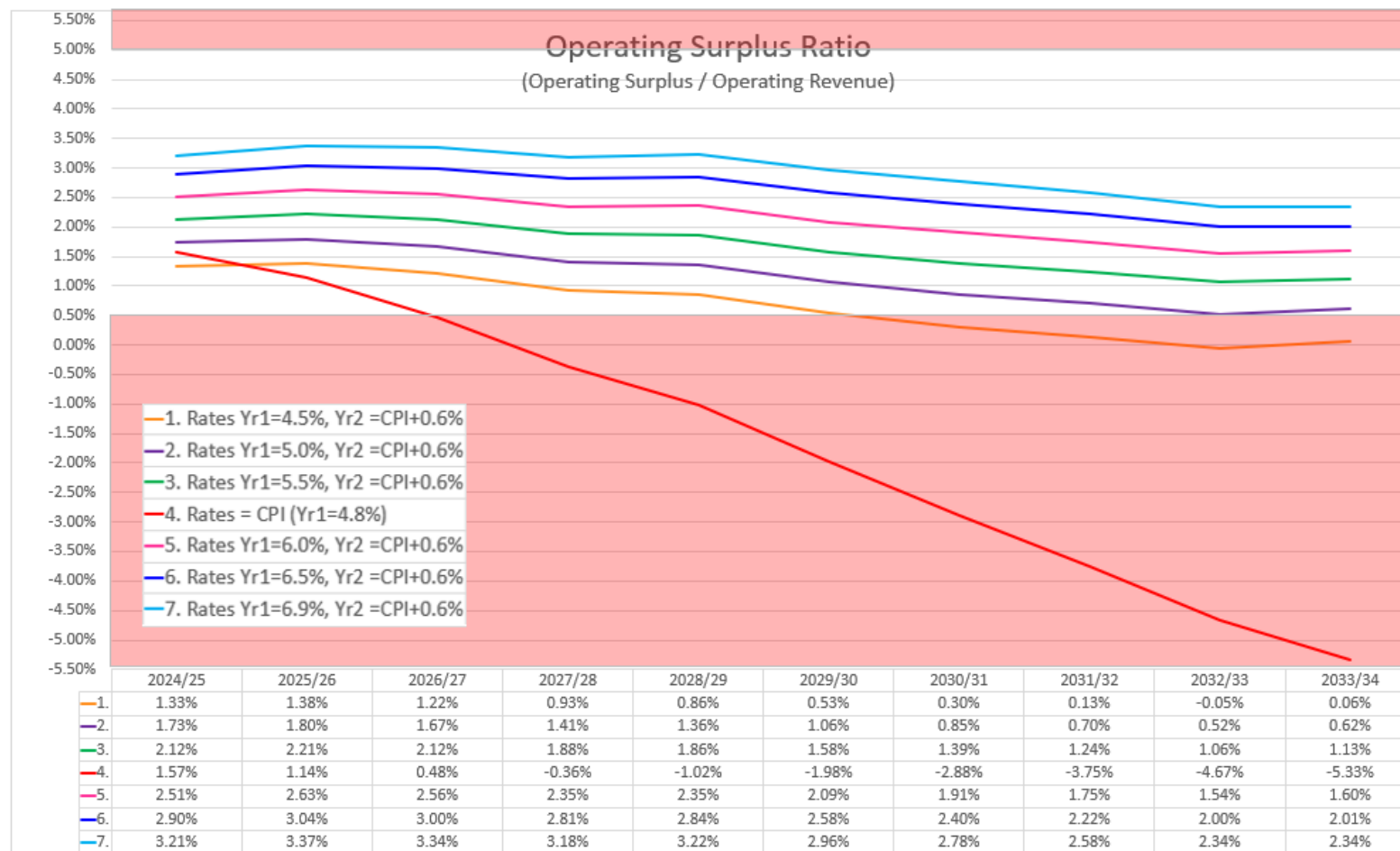
- 4.4 As such the Audit & Risk Committee is asked to review a potential rates increase within the range of 5.5% (Option 3) to 6.9% (Option 7), with any increase below 5.5% needing some consideration of measures to ensure long term financial sustainability.

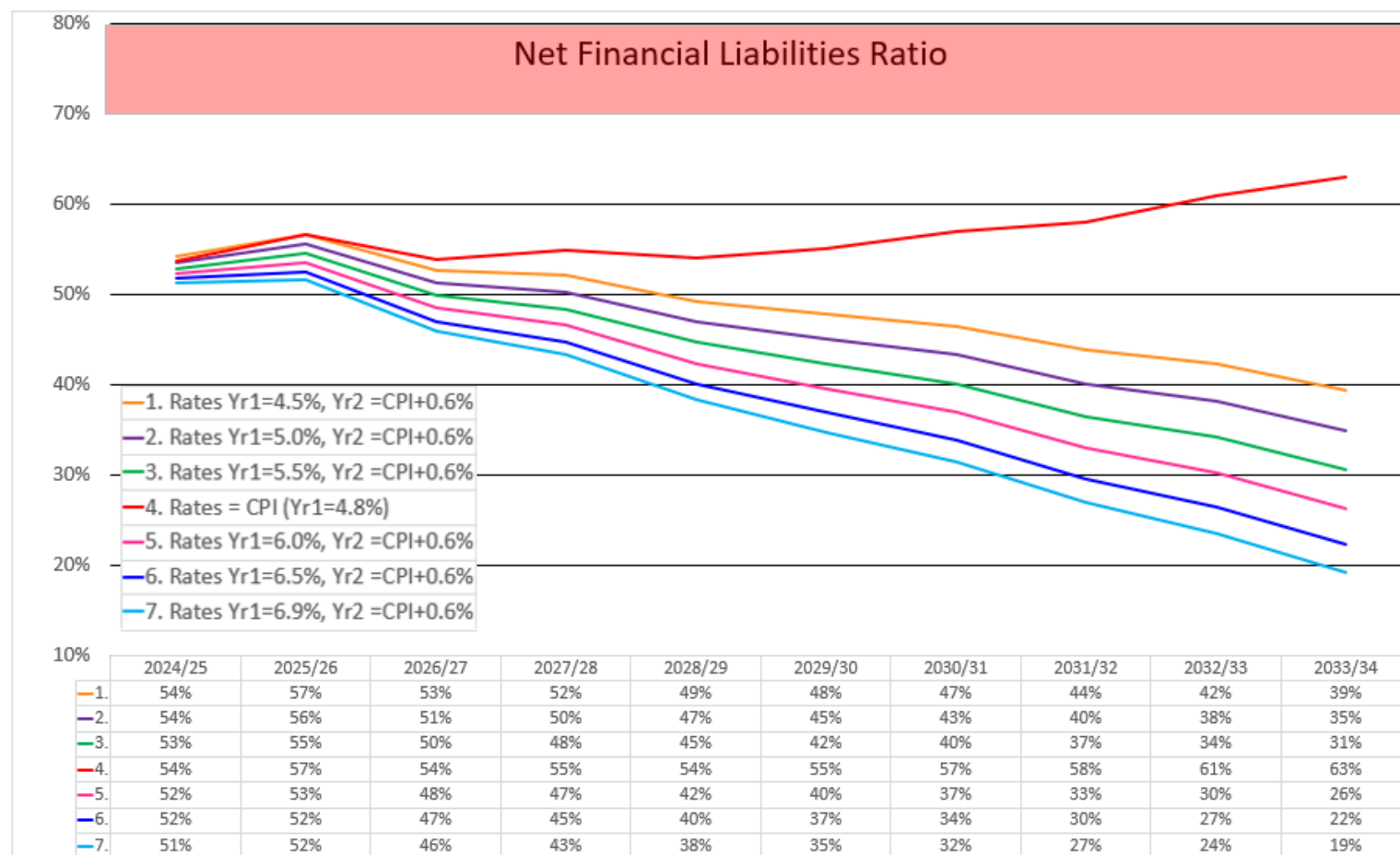
## 5. DRAFT 2024/25 LTFP & ABP CONSULTATION

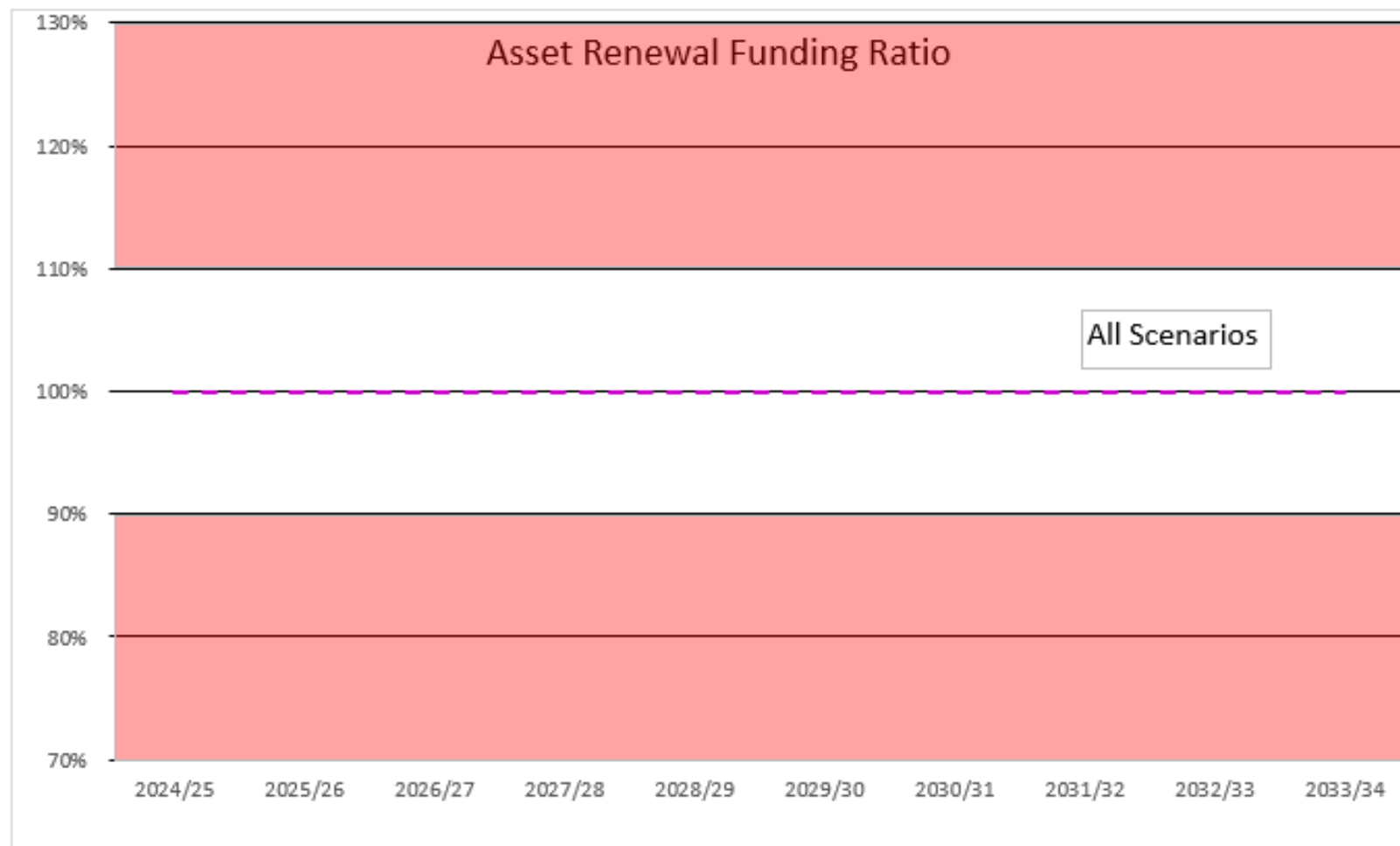
- 5.1 The attached Draft 2024/25 LTFP & ABP has been prepared on the basis of a 5.5% rate increase noting that the rate increase is yet to be decided by Council. The document will be updated to reflect the rate increase decided by Council and for any other decisions of Council to ensure that the Consultation document is complete and accurate.
- 5.2 Public consultation is planned to be conducted during May 2024 with the intended closing date for submissions being Wednesday 29 May 2024. Time will be made available at the commencement of the Council Meeting on the 27 May 2024 for verbal representations.
- 5.3 Advertising is planned to be placed in the Advertiser on Monday 6 May 2024, and the Draft 2024/25 LTFP & ABP will be made available on the City of Salisbury website and social media platforms. Public comment is invited either by letter, email, phone or attendance at the May 2024 Council meeting. Additionally, the website provides the option to make a submission or to ask a question in relation to the Draft LTFP & ABP by clicking on an embedded link.

## 6. CONCLUSION / PROPOSAL

- 6.1 The Draft 2024/25 LTFP & ABP has been prepared on the basis of information available as a result of budget workshops and meetings up to the end of March 2024 and based on a 5.5% rate increase, noting that Council has not decided the rate increase at this time. The consultation document will be updated to reflect the rate increase decision and any other decision of Council to ensure that it is complete and accurate.
- 6.2 Various scenarios have been developed to understand the impacts on Council's financial capacity, ranging from 4.5% to 6.9%. It is recognised that a rate increase in the higher ranges may be more viable for Council's financial capacity and that this needs to be balanced against the impact on the community who are dealing with other cost of living pressures.
- 6.3 After an assessment of the various scenarios, it is being recommended that Council gives consideration to a rate increase within the range of 5.5% to 6.9%.
- 6.4 If the rate increase is at or below 5.5%, then it is also recommended that consideration be given by Council on measures to ensure long term financial sustainability.
- 6.5 Feedback is sought from the Audit & Risk Committee prior to seeking the adoption by Council of an appropriate rate increase, also noting that s126(4)(b) of the *Local Government Act 1999* includes the review of the annual business plan and long term financial plan as part of the functions of the Audit and Risk Committee.











Yellow highlights throughout this document to be updated pending further decisions.

Document subject to final review by Finance.



**2024/25 LONG TERM  
FINANCIAL PLAN AND  
ANNUAL BUSINESS PLAN**

## Public Consultation



### To make a submission

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

The Deputy Chief Executive Officer  
City of Salisbury  
PO Box 8  
Salisbury SA 5108.

Alternatively, please call Belinda on (08) 8406 8212.

All submissions or comments need to be received by no later than Wednesday 29 May 2024 in order for them to be given due consideration. Any submissions received after this date will not be considered as part of this current budget process. Submissions may influence decisions not only for the current ABP but for future years as well.

### Verbal Representation

If you wish to make a verbal representation regarding the Draft ABP, there will be an opportunity to do so at the commencement of the May Council meeting on Monday 27 May 2024 in the Council Chamber at 6.30pm.

If you would like to have a say on Council's plans, budget and rates please register your interest by contacting Belinda on 8406 8212 or by using the above email (see contact details above).



# Acknowledgement of Country

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



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# Executive Summary

## Purpose

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

## Long Term Financial Plan

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

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

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

### The Planning Process

Year one of the LTFP is set to the proposed 2024/25 budget in the ABP. Then through careful consideration of changes that will occur in our asset base, changes in service provision and assumptions, we project Council's financial position for a 10 year period.

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

### Why Plan if Reality will be different?

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

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

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

The City of Salisbury has approximately \$2 billion in infrastructure assets that it provides to the community and has an obligation to maintain and renew. This is a key consideration in our plans, with the LTFP being aligned to the renewal requirements of the Strategic Asset Management Plan (SAMP), which is also being consulted with the community in May 2024 and a copy of which can be located on the City of Salisbury website.

## Financial Sustainability

Being financially sustainable means having:

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

We measure financial sustainability through three indicators. The LTFP, pages XX to XX, shows that Council remains financially sustainable in the long term and continues to operate within target measurement ranges.

Ratio	Target	24/25 Budget	
Operating Surplus	0.5% - 5%		✓
Asset Renewal Funding	90% - 110%	100%	✓
Net Financial Liabilities	<70%		✓

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

# Executive Summary continued

## Annual Business Plan

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

### Rate Increase

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

Average Increase	23/24 Actual	24/25 Budget
Residential	6.90%	
Commercial and Industrial	6.90%	

### Service Provision

The level of service provision increases across a number of services in 2024/25 including, verge maintenance and tree removal, footpath maintenance, green waste services, additional security and increased cleaning costs due to the additional facilities that have been activated across the Council area.

### Operating Surplus

This year, Council has budgeted for an Operating Surplus of \$XXM or XX% Operating Surplus Ratio. Further information is provided in the **Budgeted Financial Statements and Analysis** on pages XX to XX.

### Projects and Additional Services

All of Council’s projects and additional services (Budget Bids) are detailed in the LTFP & ABP by category of spending, and can be found on **pages XX to XX**. Funds of \$27M are provided for asset updates/renewal in line with our SAMP, with significant items being:

- Road Reseal Service Continuity Program \$10.3M
- Building Renewal Program \$2.3M
- Ingle Farm Recreation Centre \$1.5M
- Irrigation Service Continuity Program \$1.2M
- Playground Service Continuity Program \$1.1M
- Irrigation Controller Renewal \$1M
- Irrigation Controller Renewal \$1M

New and upgraded infrastructure funding of \$14.9M includes a number of new and large-scale projects, some of which are delivered over multiple years.

Continued investment in **Parks & Streetscapes** of \$3.7 million in 2024/25 provides funding for new and upgrade initiatives including \$1M to continue Streetscapes Planting across the City, \$750k for additional amenities at Lake Windermere, Salisbury North, \$700k for new Pump Tracks in four locations across Council and \$500k for a new Dog Park at RM Williams Drive, Walkley Heights.

Council’s **Transportation Program** will deliver \$4.6 million of new Major Traffic Improvements including School Zones & Pedestrian Crossings, Footpath and Kerb Ramps, growth of the Bicycle Network and City Wide Trails and upgraded toilet and shower amenities at the St Kilda RV Trailer Park.

An additional \$2.5 million is provided to complete the **new football/cricket changeroom facilities** at Lindblom Park, Pooraka.



The **Salisbury Water Business** Unit proposes the delivery of the Bellchambers Managed Aquifer Recharge Scheme (MAR) which will expand the capacity of Salisbury’s Managed Aquifer Recharge Scheme to deliver an additional 800 ML/year of recycled water from the Adams Creek Catchment to supply to customers in the northern regions of Salisbury & Playford council areas. This project is dependent on a successful Federal Government grant funding application.

Council’s \$1 million investment in new and upgraded **Property & Buildings** in 2024/25 includes the placement of Automated External Defibrillators across the City at a cost of \$160k and a \$300k investment for New Public Toilet facilities at Salisbury North Oval. Council also provides a pool of grant funds available upon application to **Clubs and Sporting Facilities** for clubs to initiate minor improvements to buildings, facilities and equipment.

The focus of **Drainage & Waterways** works for the 2024/25 financial year is the construction of levees to address localised flood risk and flood mitigation works at Canterbury Drive Reserve.

**Major Traffic Improvements Program** projects proposed for delivery via this program in 2024/25 are upgrades for the Church Street / Wiltshire Street, Salisbury, Roundabout and

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## Mayor's Message



**A progressive,  
sustainable and  
connected community**

*Gillian Aldridge*

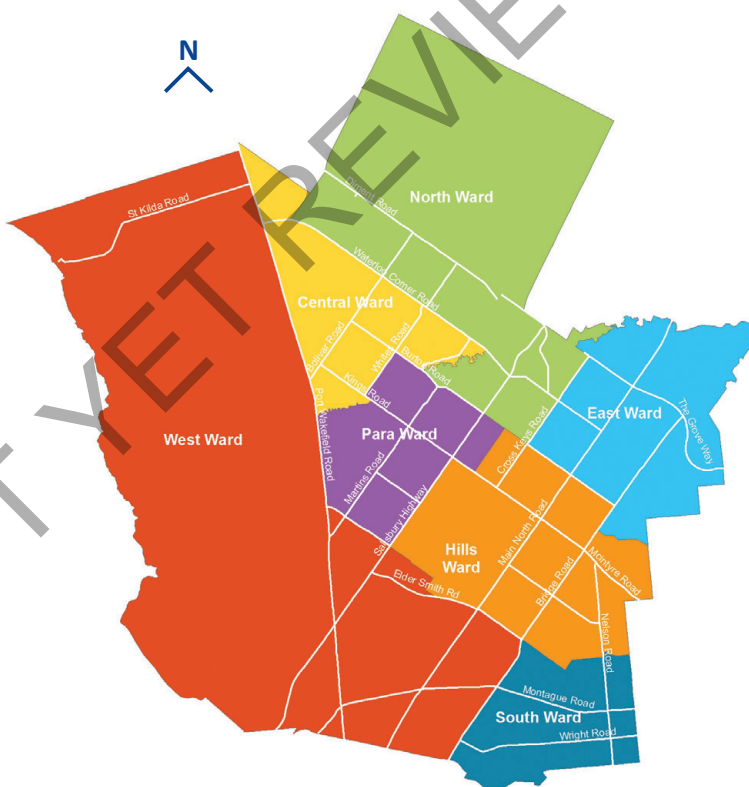
Mayor, Gillian Aldridge OAM

**TO BE UPDATED**

NOT YET REVIEWED BY COUNCIL



# Elected Members



## Elected Members

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

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

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

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

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

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

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

Councillors are elected by the voters within the ward.

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

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

# Our Vision

# Salisbury

a progressive, sustainable  
and connected community

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

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

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

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

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

The Salisbury community consists of the 145,806 people who live in our 32 suburbs, whether they have been here all their lives or are new arrivals; the 7,200 businesses and 53,000 workers that make Salisbury the state's fourth largest economy; and the community groups, schools, churches and sporting clubs that bring people together.

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

# Key Directions

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



A welcoming and liveable City

Encompasses issues that affect the liveability of the City and the health and wellbeing of its people, including safety, social connections, the look and feel of our neighbourhoods, and the facilities and programs available to support our community's aspirations.



A sustainable City

Includes protecting and conserving our diverse natural environment to support biodiversity, reducing Council's environmental footprint, ensuring we make the most of our resources and enabling our community, environment and infrastructure to be resilient to a changing climate.



A growing City that creates new opportunities

This focuses on how we support the success and growth of local businesses, job opportunities for our residents, attracting investment, quality urban planning and providing infrastructure that supports economic activity.



Innovation and Business Development

Outlines how Council will work to provide exceptional experiences, deliver quality outcomes and be recognised as a great place to work.

# Long Term Financial Plan 24/25 to 33/34

## CEO Sustainability Report

In accordance with Section 122 (4)(b) the information contained within pages **XX to XX** of this document and Appendix A are to be taken as the CEO's sustainability report. The content of these pages sets out the practices of the City of Salisbury to seek to operate in a financially sustainable way with all indicators within the target ranges endorsed by Council, and with the intent of continuing to manage rate increases to CPI+0.6%, which is discussed further under "Assumptions".

### Context

While seeking to achieve its City Plan vision, Council is mindful of its responsibility to be financially sustainable. Being financially sustainable means having a financial position capable of meeting long term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or disruptive cuts to services.

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

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

### The Planning Process

Year one of the LTFP is set to the endorsed 2024/25 budget in the Annual Business Plan. Then through careful consideration of changes that will occur in our asset base, changes in service provision and assumptions we project council's financial position for a 10 year period.

There have been a number of unpredictable events in recent years including the COVID-19 pandemic and more recently the increase in inflation with potential impacts into future years. Unexpected events and other unplanned movements in Council's financials will occur in the future and consequently reality will be different to what we are currently forecasting.

### Why Plan if Reality will be different?

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



# Long Term Financial Plan 24/25 to 33/34

## Assumptions Table

Year Ending 30 June	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Consumer Price Index (CPI)	4.8%	2.9%	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary & Wages	3.5%	3.0%	3.0%	3.0%	3.1%	3.2%	3.2%	3.2%	3.3%	3.3%
Superannuation Guarantee Charge	11.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Interest Rate	6.3%	6.1%	6.1%	6.1%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Average Rate Increase	5.5%	3.5%	3.2%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Number of Assessments	61,983	62,293	62,604	62,604	62,917	62,917	62,917	62,917	63,232	63,232
Rates Growth from Increase in Number of Rate Assessments	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Rate Revenue Increase from Other Development Activity	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

## Assumptions

The LTFF is underpinned by a number of key assumptions. The primary data source for the 2024/25 LTFF is Deloitte Access Economics data Business Outlook December 2023, being the most up to date information available at the time of developing the plan consulted with the community in May. Assumptions are also informed by Reserve Bank forecasts, the Australian Bureau of Statistics, and general sector knowledge. These assumptions are at a point in time and the future will vary, however they represent the best information at the time of preparing the plan.

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

### Consumer Price Index

Forecast Consumer Price Index (CPI), has been based on Deloitte Access Economics Business Outlook December 2023 being the most up to date information available at the time of developing the plan consulted with the community in May, and in later years from 2027, the midpoint of the RBA target CPI, being a range of 2%-3%.

### Salary and Wages

The current enterprise agreement covering most staff will expire 30 June 2024, meaning that the percentage for 2025 is relatively certain for the majority of staff, noting that the outside workforce agreement for 2025 is in negotiation at the time of developing this plan. In future years Salary and Wages increases have been set based on Deloitte Access Economics Business Outlook December 2023 being the most up to date information available at the time of developing the plan consulted with the community in May. Also impacting are employee oncosts which can vary over time, and the skills of staff engaged by Council.

### Superannuation Guarantee Charge

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

### Interest Rates

Interest rates have been based on Deloitte Access Economics Business Outlook December 2023 being the most up to date information available at the time of developing the plan consulted with the community in May.

### Average Rate Increase

Over the long term average rates are planned to increase by CPI+0.6% with the actual rate increase being determined by Council each year and consulted with the community through the Draft LTFF & ABP. The 0.6% above CPI reflects that there are a number of costs that move out of sync with CPI. It also reflects the funding required to provide expanded services and the ongoing costs of new infrastructure being higher depreciation, interest and maintenance costs.

As the 2024/25 inflation is based on CPI of 4.8% the average rate increase under the approach of plus 0.6% would be 5.4%, however Council has endorsed a x.x% average rate increase for public consultation. The March Adelaide CPI is x.x%.

### Rates Growth

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

### Rates Revenue Increase from Other Development Activity

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

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



# Long Term Financial Plan 24/25 to 33/34

## Initiative Funding

Year Ended 30 June	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Renewal Capital Expenditure	\$33.5M	\$30.4M	\$30.9M	\$35.3M	\$35.9M	\$36.1M	\$38.4M	\$37.8M	\$41.7M	\$41.3M
New & Upgrade Capital Expenditure	\$19.4M	\$15.0M	\$9.2M	\$7.3M	\$8.7M	\$7.7M	\$9.6M	\$8.5M	\$10.3M	\$9.3M
Uncommitted New Capital Funds		\$8.0M	\$8.0M	\$8.0M	\$8.0M	\$8.0M	\$8.0M	\$8.0M	\$8.0M	\$8.0M
Operating Bids / Expansion in Services		\$1M	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M

\* Nominal Dollars - not adjusted for inflation

### Renewal Capital Expenditure

The City of Salisbury has approximately \$2.1 billion in infrastructure assets provided to the community and has an obligation to maintain and renew these assets. This is a key consideration in our plans, with the LTFP being aligned to the renewal requirements of the Strategic Asset Management Plan (SAMP), which is planned to be consulted with the community in May 2024.

### New & Upgrade Capital Expenditure

Expenditure on new assets and upgrade of existing assets is contained within the SAMP, with current year detailed in pages XX to XX. The new and upgraded infrastructure assets expenditure for 2024/25 has been set at \$19.4M. This is reflective of a return to a more typical level of infrastructure expenditure following the expansion in the program in the past few years following higher expenditure to support recovery during COVID-19. Another significant change has been the approach taken to asset management, and a shift to service based asset expenditure rather than conditioned based. This has resulted in significant increases in asset renewal expenditure and has required a reduction in new asset expenditure.

### Uncommitted New Capital Funds

In addition to new and upgrade expenditure defined in the SAMP, unallocated funds have been provided from 2026 onwards as there will be further projects to be delivered to better serve the community, with these projects yet to be adequately defined and costed to be able to be included in the SAMP, however the inclusion of these uncommitted funds is necessary to support the delivery of the City Plan.

### Operating Bids / Expansion in Services

Approximately \$1M is provided each year to expand services. Details of the 2024/25 bids are detailed in pages XX to XX.



## Other Considerations

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

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

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

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



# Long Term Financial Plan 24/25 to 33/34

## Estimated Statement of Comprehensive Income

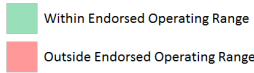
YEAR ENDING 30 JUNE	2025 Budget Year 1 \$000's	2026 Plan Year 2 \$000's	2027 Plan Year 3 \$000's	2029 Plan Year 5 \$000's	2034 Plan Year 10 \$000's
<b>INCOME</b>					
Rates Revenues	130,056	135,909	141,617	153,468	187,617
Statutory Charges	3,481	3,582	3,675	3,861	4,369
User Charges	6,380	6,565	6,736	7,077	8,007
Grants, Subsidies & Contributions	16,616	16,784	16,939	17,248	18,037
Investment Income	80	82	84	89	98
Reimbursements	288	296	304	320	362
Other Income	1,054	1,084	1,113	1,169	1,323
Net gain - equity accounted Council businesses	-	-	-	-	-
<b>Total Income</b>	<b>157,955</b>	<b>164,302</b>	<b>170,468</b>	<b>183,232</b>	<b>219,813</b>
<b>EXPENSES</b>					
Employee Costs	46,788	48,569	50,137	53,422	62,566
Materials, Contracts & Other Expenses	67,088	70,280	73,269	79,424	98,444
Depreciation, Amortisation & Impairment	37,696	39,441	41,227	45,358	55,975
Finance Costs	2,347	2,375	2,207	1,620	351
Net loss - Equity Accounted Council Businesses	681	-	-	-	-
<b>Total Expenses</b>	<b>154,600</b>	<b>160,665</b>	<b>166,860</b>	<b>179,824</b>	<b>217,336</b>
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>3,355</b>	<b>3,637</b>	<b>3,608</b>	<b>3,408</b>	<b>2,477</b>
Asset Disposal & Fair Value Adjustments	802	2,652	6,351	6,166	3,942
Amounts Received Specifically for New or Upgraded Assets	6,241	1,748	1,462	1,462	1,462
Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000
<b>NET SURPLUS/(DEFICIT)</b>	<b>11,398</b>	<b>9,037</b>	<b>12,421</b>	<b>12,036</b>	<b>8,881</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in Revaluation Surplus - I,PP&E	47,313	47,808	48,314	49,499	23,226
<b>Total Other Comprehensive Income</b>	<b>47,313</b>	<b>47,808</b>	<b>48,314</b>	<b>49,499</b>	<b>23,226</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>58,711</b>	<b>56,845</b>	<b>60,735</b>	<b>61,535</b>	<b>32,107</b>

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

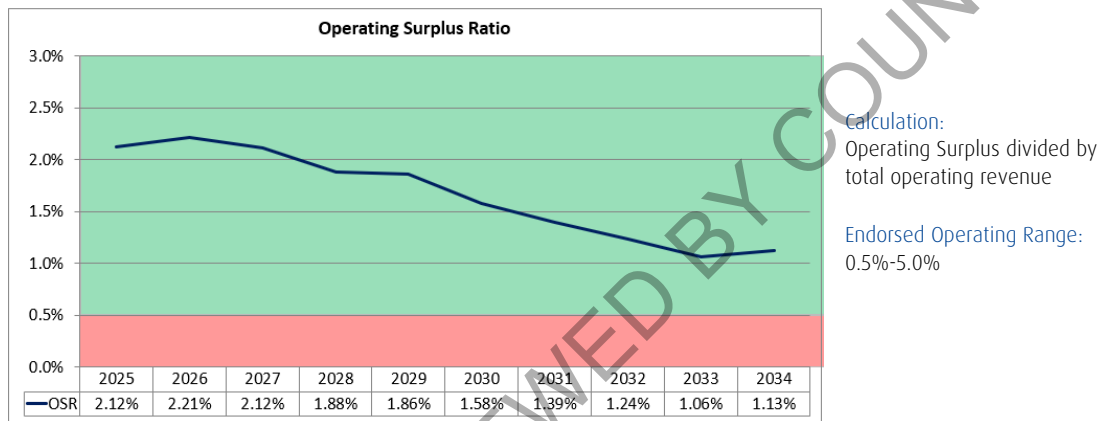
# Long Term Financial Plan 24/25 To 33/34

## Financial Indicators

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



### Operating Surplus Ratio

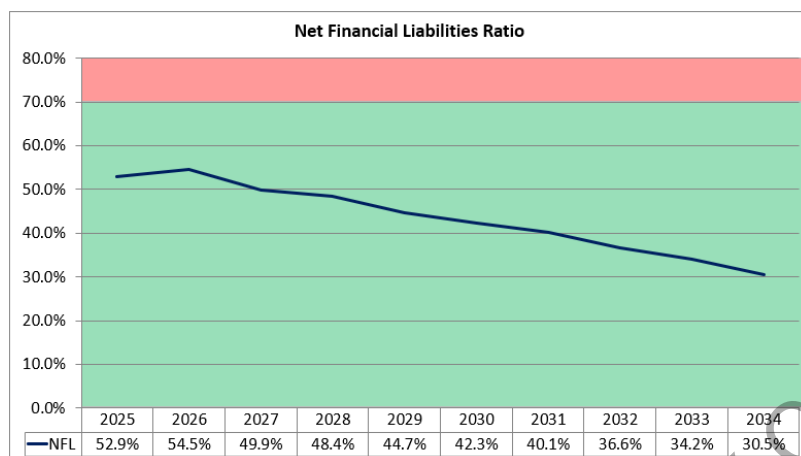


Councils with a positive Operating Surplus Ratio have current rate payers meeting the costs of the services that they are consuming. The larger the ratio the more revenue that is available to fund unforeseen expenditure requirements and the operating surplus can be directed to infrastructure expenditure,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

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

# Long Term Financial Plan 24/25 To 33/34

## Net Financial Liabilities Ratio



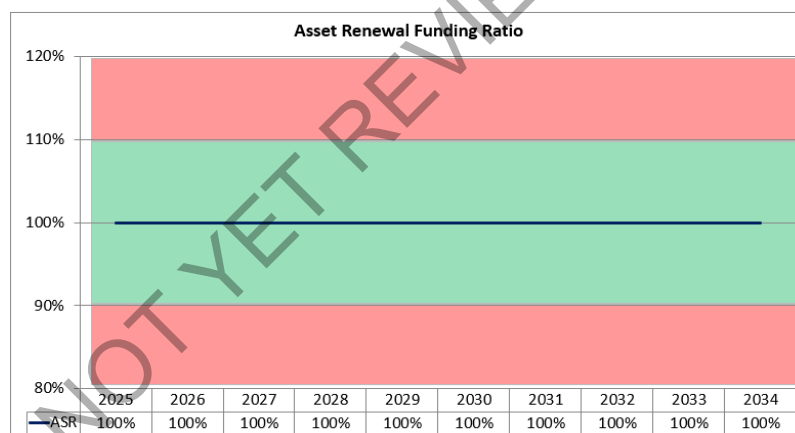
Calculation:  
Net Financial Liabilities  
divided by Operating  
Revenue

Endorsed Operating Range:  
<70%

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

City of Salisbury has a relatively low debt position, and debt drops over the life of the plan as infrastructure spending is contained by the operating surplus with increases in expenditure impacting on interest costs and depreciation.

## Asset Renewal Funding Ratio



Calculation:  
Asset Renewal Expenditure  
divided by Asset  
Management Plan Renewal  
Expenditure

Endorsed Operating Range:  
90%-110%

This ratio indicates whether infrastructure assets are being renewed in line with the Strategic Asset Management Plan (SAMP). A ratio of 100% means that Council is planning to renew assets in line with the SAMP, and as SAMP details the optimum timing for the renewal and replacement of assets, a ratio of 100% means that infrastructure assets are maintained, as are service levels, at the lowest cost to the community.

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

## ESCOSA Advice – Salisbury Action Plan

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

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

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

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

From Appendix C it is evident that much of the Advice is pitched as overarching statements that add little value. Many of the specific Action Items within the Advice are already in place. This calls into the question the approach taken by ESCOSA in undertaking this review process, which was essentially a desktop review with no direct or detailed discussions had with the City of Salisbury to help inform ESCOSA's perspectives.

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

There are 9 Action items within the ESCOSA Advice, and these are subject to the Action Plan below and on the page opposite. This information will be published each year in the draft and adopted Annual Business Plan, until the next ESCOSA review, which is scheduled for 2026/27.

It should be noted that City of Salisbury is not required to accept and/or act upon ESCOSA's Advice.

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

## ESCOSA Advice – Salisbury Action Plan

ESCOSA Advice or Comment	Council Comment or Proposed Action	Implementation Timeframe	Status
5. Develop and publish a risk management plan for the Salisbury Aquatic Centre, which incorporates an annual review of the requirements for recurrent spending (given demand estimates and outcomes), and the associated impact on the Council's operating capacity and quantum of rate contributions.	Council has in place the appropriate risk management framework that it applies for all major projects. The annual budget process will consider any budget impact from the Salisbury Aquatic Centre and any resulting rate impact should it be required. This will be reflected in the Annual Budget and Business Plan so there is no value in adding further reporting for the Salisbury Aquatic centre.	N/A	No action will be taken
6. Review its projected borrowing repayment plans in its long-term financial plan projections with a view to spreading the repayments over a longer time period, if possible, to reduce the extent of the required financial contributions from ratepayers to meet repayments in the short to medium term.	Rates are driven by the need to maintain a small operating surplus, not from the need to repay debt. Borrowing repayments are determined by cashflow as borrowings are in the form of Cash Advance Debentures (that can be repaid at any time). Cashflow is supported by depreciation which is covered in operating expenditure and is a non-cash item, and also property development proceeds.	N/A	No action will be taken
7. Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better align with the allocations in its long-term financial plan as necessary, including the estimates of asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.	Assumptions of lives and valuations are reviewed annually which flow into depreciation expenses. Also, the SAMP updated regularly, currently annually in alignment with the LTFF  As this practice is already in place, no further action is proposed.	N/A	No further action required as already in place
8. Review the new and upgraded asset expenditure projections (as per Finding 2) with consideration of the service levels desired by the community.	New and upgrade asset expenditure is detailed in the SAMP or is provided to enable the delivery of the City Plan which sets the strategic direction for the City.	N/A	No action will be taken
9. Review and consider limiting future minimum rate and average rate increases above inflation, particularly on rate categories which have lower capacity to pay, to help minimise affordability risk in the community.	Any change in the structure of rates will increase rates charged to others in the community, and can only occur through a rate review and community consultation. This is a decision of Council and will be made based on their assessment of the desire to change rate structures. The recommendation also does not recognise that Council considers the feedback from its community on the services and infrastructure it requires. Depending on this, Council may be required to rate above CPI to sustainably fund the initiatives	N/A	Any action will be a decision of Council based on their assessment of the need to review its rating strategy and its delivery of projects or services required by its community

# Annual Business Plan Overview 2024/25

The City of Salisbury's Long Term Financial Plan and Annual Business Plan (LTFP & ABP) is an important part of our planning; one that links our overarching long term City Plan with our budget, the services delivered and rate levels.

Key Directions

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

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

Budget Pressures

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

Sound Financial Management

The budget delivers an operating surplus to ensure our financial position is sustainable and equitable between generations of ratepayers, and builds capacity for the future. The 2024/25 budget delivers:

- An operating surplus of \$XXM
- Gross infrastructure investment of \$48.2M (including \$27M of asset renewal) and a net cost of \$41.8M considering funding from grants.
- Moderate and sustainable levels of debt, with net financial liabilities of \$XX.XM or XX% of total operating revenue.

Rate Increase

The 2024/25 average rate increase is proposed to be X% with a further increase in rate revenue of 1% from the increase in the number of assessments and from development activity. Actual Adelaide Annualised CPI at December 2024 was 4.8%, and whilst some Local Government costs move in line with CPI, council's purchase a different "basket of goods" to households, and consequently CPI is not fully reflective of Local Government cost increases.

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

Operating Budget Bids

Key projects within the (net) \$4.8M of new operating bids included in the budget are listed in the table that follows, noting the value of Confidential Items not able to be disclosed here comprises \$1.4M of this total.

Footpath maintenance	\$434k
Pooraka Pound	\$124k
Representation Review	\$40k
Community Experience Strategy	\$50k
Salisbury Hub After Dark	\$35k
Thrive Action Plan	\$160k
Waste Management for Events	\$30k

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

Footpath Maintenance

The Footpath maintenance budget has been increased by \$434k to \$1.5M to address known defects and sustain the required level of service for the footpath network.

Pooraka Pound Cleaning

The Pooraka Pound is built to provide a high welfare environment for impounded animals, providing state of the art pens for maximum comfort and hygiene, a climate-controlled environment, and the ability to isolate unwell dogs to reduce the risk to healthy dogs. Additional budget is provided to maintain the welfare and hygiene requirements of the facility.

Representation Review

The Representation Review is a mandated statutory review to be undertaken by a qualified person pursuant to sections 12, 16 and 33 of the Local Government Act 1999. This review considers the composition of the Council and the advantages and disadvantages of various representation options.

Community Experience Strategy

One of the City of Salisbury's success factors is exceptional community experience. Provision is made for the development of a City of Salisbury Community Experience Strategy to further inform Council on ways in which the community can continue to receive an exceptional experience when interacting with Council.

Salisbury Hub After Dark

Ongoing funding is provided to continue the Salisbury Hub After Dark service, which extends opening hours at the Salisbury Community Hub on Monday/Tuesday/Wednesdays until 8.30pm.

Thrive Action Plan

Council's Thrive strategy aims to respond to the holistic wellbeing needs of our community members by supporting them to build their social connections, increase levels of physical activity, foster active citizenship and vibrant cultural expression, assist people on their self-development journeys, and support them to be safe and resilient through the cost-of-living crisis.

Waste Management for Events

Community response has ranked "reducing waste" as the highest concern for addressing environmental sustainability. This item provides for a Waste Management System that aligns with the

# Annual Business Plan Overview 2024/25

## Infrastructure Program

### Asset Renewal (Infrastructure)

Council manages community assets valued at \$2 Billion in the form of roads, footpaths, drains, buildings, parks etc. Many were created as the city developed rapidly in the 1960's, '70's and '80's. Our Strategic Asset Management Plan sets our forward plan for how to most economically manage, maintain and renew our assets.

In 2024/25 Council will spend \$27M on infrastructure renewal, with major items being:

- Road Reseal \$10.3M
- Building Renewal \$3.9M
- Irrigation Renewal \$2.3M
- Pratt Avenue Bridge \$2M
- Drainage & Waterways Program \$1.5M
- Playground Renewal \$1.1M
- Public Lighting Renewal \$1M

### Major Infrastructure Works (New and Upgraded)

New and Upgraded Infrastructure spend proposed to 2024/25 is \$14.9M. The infrastructure program includes a number of large scale projects, some of which are delivered over multiple years. 2024/25 expenditure for a sample of projects is detailed below:

Transportation Program	\$4.6M
Lindblom Park Changeroom Facilities	\$2.5M
Streetscape Planting	\$1M
Upgraded Amenities at Lake Windemere	\$0.75M
Four (4) Pump Tracks across the City	\$0.7M
Dog Park RM Williams Drive Walkley Heights	\$0.5M
Clubs and Sporting facilities Minor Infrastructure Grants	\$0.5M

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

### Transportation

The Transportation program will continue to deliver Traffic Improvements across Council including Footpaths & Kerb Ramps. Construction of School & Pedestrian Crossings are planned for Parafield Gardens Primary School and Brahma Lodge Primary School (Emu Crossing), and Madison Park Primary School (Footpath). Improvements to the City's Bicycle Network include progressive removal of discontinuities on shared use/cycling paths and connections to the Gawler Greenway. The City-Wide Trails program includes new works at Dry Creek, Valley View (subject to successful funding application) and progressive Trail Lighting renewal.

### Lindblom Park Changeroom Facilities

Additional funding will enable the delivery of uni-sex changerooms at Lindblom Park, Pooraka, in alignment with the Lindblom Park Masterplan, and will provide separate changerooms for SANFL, Pooraka Sports Club and SACA needs.

### Streetscape Planting

The Streetscape Planting program is focused on improving the amenity of the City by progressively renewing existing street trees. Replacement trees are selected from the Council endorsed street tree palette, which is comprised of a more contemporary range of trees which are also more appropriate to the space provided within the City's streets.

### Upgraded Amenities at lake Windemere

Proposed improvements and amenities at Lake Windemere take into consideration the planned residential subdivision. Works proposed include: sealing the walkway around the lake and installation of exercise equipment, barbeque facilities, toilet facilities and a dog park.

### New Pump Tracks across the City

The creation of four new Pump Track locations across the City is designed to provide the community with the opportunity to participate in free recreational activities which support health and wellbeing. Development includes supply and installation of new Pump Tracks including associated amenities such as landscaping and vegetation, outdoor furniture and seating, path connections and fencing modifications as required.

### Dog Park RM Williams Drive Walkley heights

The proposed new Dog Park for RM Williams Drive in Walkley Heights represents a new level of service and amenity and Community consultation will be undertaken for this project, as it is a new facility within the reserve. The plans for the facility incorporate fencing, picnic shelter, water fountain for dogs, dog training elements, lighting, irrigation and turf and includes a section specifically for small dogs.

### Clubs and Sporting Facilities Minor Infrastructure Grants

Council provides the opportunity for sporting and similar clubs to apply for funding to enable clubs to initiate minor improvements (buildings facilities and equipment) based on club needs. A three-tier program provides maximum funding per grant of \$75k Category A, \$35k Category B and \$10k Category C. These grant allocations are in many cases used by the clubs to attract additional funding from either the Australian Government or State Government

### Major Traffic Improvements Program

The Major Traffic Improvements Program includes measures to address identified, specific major traffic network deficiencies to improve efficiencies for traffic flow, road safety and vehicle movements throughout the City. Projects proposed for delivery via this program in 2024/25 are upgrades for the Church Street / Wiltshire Street, Salisbury, Roundabout and Gawler / James Street, Salisbury, Roundabout.



# Operating Budget Bids



Item 7.1.5 - Attachment 2 - Draft 24/25 Long Term Financial Plan and Annual Business Plan

## Operating Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>A welcoming and liveable City</b>						
<b>Operating Bids</b>						
<b>Thrive Action Plan 24-25</b>						
Funds to support the delivery of the Thrive Strategy which sets out a range of new initiatives directed at enhancing our community's health and wellbeing.	160	0	160	80	0	0
<b>Confidential Item</b>						
Confidential	212	50	162	166	171	175
<b>Confidential Item</b>						
Confidential	203	216	(13)	(13)	(14)	(14)
<b>Confidential Item</b>						
Confidential	1,214	0	1,214	861	684	448
<b>Twelve25 Youth Employment and Work Ready project</b>						
A youth specific (12-25 years) workforce and employment skills program.	20	0	20	0	0	0
<b>Supplementary Events Budget</b>						
To provide funding for various community events.	66	0	66	0	0	0
<b>Cleaning &amp; Sanitary Services for Additional Facilities</b>						
Additional funding for cleaning and sanitary services for Council facilities which are now being coordinated and managed by Council in lieu of a third party.	60	0	60	62	63	65
<b>Salisbury Hub After Dark</b>						
On-going funding to deliver the Salisbury Hub After Dark service, which extends opening hours at the Salisbury Community Hub on Monday/Tuesday/Wednesdays until 8.30pm with only Security present on site.	35	0	35	36	37	38
<b>Additional Security Services</b>						
New allocation related to security services to cover static guard/s for all Council and Committee meetings excluding security services required for the Salisbury Hub After Dark service.	110	0	110	113	116	119
<b>Playspace Compliance Audits</b>						
New allocation of operating funding to undertake Playspace Compliance Audits due to increased audit requirements.	120	0	120	123	127	130
<b>Footpath Maintenance</b>						
Additional footpath maintenance funding to address known defects and sustain the required level of service for the footpath network, following completion of a footpath audit in 2023.	434	0	434	446	458	469
<b>Environmental Health Officer (1.0 FTE Level 5)</b>						
An additional Environmental Health Officer (EHO) to meet obligations under the Food Act 2001 and Local Nuisance and Litter Control Act 2016, maintain service standards and meet community expectations.	126	46	80	82	84	87

## Operating Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>Operating Components of Capital Bids</b>						
Clubs/Sporting Facilities Service Continuity Program (Minor Infrastructure Grant)	41	0	41	42	43	45
Community and Public Art Program	21	0	21	21	0	0
Building Service Continuity Program	138	0	138	142	145	150
Major Entry Sites Landscape Enhancements Service Continuity Program	0	0	0	0	5	5
Community Use Sports Court Lighting Service Continuity Program	0	0	0	5	5	5
Dog Park Service Continuity Program	0	0	0	0	5	6
Bus Shelter and Bus Stop Improvement Service Continuity Program	16	0	16	16	17	17
Lindblom Park New Changeroom Facilities	0	0	0	52	53	54
Lake Windemere, Salisbury North - Amenities	0	0	0	26	26	27
Automated External Defibrillators (AEDs) Program	0	0	0	5	5	5
Supply & Install New Public Toilet at Salisbury North Oval	0	0	0	25	26	26
Integrated Transport Plan	100	0	100	100	0	0
4 x New Pump Tracks in various locations	0	0	0	10	20	20
New Dog Park, RM Williams Drive, Walkley Heights	0	0	0	12	12	12
<b>TOTAL - A welcoming and liveable City</b>	<b>3,076</b>	<b>312</b>	<b>2,764</b>	<b>2,411</b>	<b>2,090</b>	<b>1,889</b>

## Operating Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>A sustainable City</b>						
<b>Operating Bids</b>						
<b>Adelaide Coastal Councils Network</b>						
To fund the annual membership fee for the Adelaide Coastal Councils Network.	10	0	10	10	10	10
<b>Climate Change Adaptation Plan</b>						
Funding to enable development of a Climate Change Adaptation Action Plan which will build on findings of the climate change risk assessment and support implementation of actions in the Sustainability Strategy 2035 and City Plan 2035.	50	0	50	0	0	0
<b>Waste Management for Events</b>						
Provision of a Waste Management System at major events that aligns with the City's sustainability goals.	30	0	30	31	32	33
<b>Operating Components of Capital Bids</b>						
Local Flooding Service Continuity Program	119	0	119	122	125	128
Environmental Open Space Land Management Service Continuity Program	73	0	73	75	77	79
Jones Road Bolivar - Site Rehabilitation for Future Clean Fill Disposal	33	0	33	34	35	36
Public Lighting Service Continuity Program	253	0	253	254	55	57
Salisbury Water - Bellchambers Managed Aquifer Recharge (MAR) Scheme	0	0	0	0	(160)	(245)
Salisbury Water - Recycled Water Supply to Reactivated Reserves	20	20	0	0	0	0
Salisbury Water - Sustainable Schools Program	0	0	0	(70)	(72)	(74)
Ascot Drive Reserve, Paralowie, New Irrigation	0	0	0	5	5	5
Salisbury Water Distribution Main Linkages	0	10	(10)	(20)	(30)	(40)
Waste Management Strategy	50	0	50	0	0	0
Coogee Avenue Reserve, Paralowie - Irrigated Green Space	0	0	0	6	6	6
<b>TOTAL - A sustainable City</b>	<b>637</b>	<b>30</b>	<b>607</b>	<b>447</b>	<b>83</b>	<b>(5)</b>

## Operating Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>A growing City that creates opportunities</b>						
<b>Operating Bids</b>						
<b>Strategic Land Review Feasibilities</b>						
Provide funding to undertake the feasibility and business case investigations for the Strategic Land Review program.	150	0	150	150	150	150
<b>Operating Components of Capital Bids</b>						
Minor Traffic Improvements Service Continuity Program	62	0	62	64	66	68
New Footpath and Kerb Ramps Service Continuity Program	23	0	23	23	24	25
Road Reseal Service Continuity Program	919	0	919	944	969	994
Upgrade of St Kilda Boat Ramp Car Park and the RV Trailer Park	0	0	0	5	5	5
<b>TOTAL - A growing City that creates opportunities</b>	<b>1,154</b>	<b>0</b>	<b>1,154</b>	<b>1,187</b>	<b>1,213</b>	<b>1,242</b>

## Operating Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>Innovation and Business Development</b>						
<b>Operating Bids</b>						
<b>Planning Officer (1.0 FTE Level 5)</b>						
An additional Planning Development Officer to maintain service levels for the increased development activity in the City of Salisbury. The additional cost will be offset by increased planning application income generated by the additional development activity.	126	170	(44)	(45)	(47)	0
<b>Dog and Cat Subsidised Desexing 2024/25</b>						
All dogs and cats born after July 2018 are required to be desexed, unless the owner is a breeder. Subsidised, low cost desexing options are available to eligible concession card holders, aiming to enhance compliance rates within the Salisbury community. This initiative can contribute to a decrease in unwanted litters and the number of impounded cats and dogs.	10	5	5	0	0	0
<b>Pooraka Pound Cleaning</b>						
To provide additional funding for cleaning the Pooraka Pound Facility due to changes in cleaning operations and to provide new animal welfare services for impounded dogs.	200	76	124	128	131	134
<b>Data for strategic planning and decision making</b>						
To provide funding for the Spendmapp subscription, an online analytics application that provides Council and our community access to data for evidence based decision making.	29	0	29	30	31	31
<b>Community Experience Strategy</b>						
A Community Experience Strategy is required to ensure members of our community receive an exceptional experience when interacting with Council.	50	0	50	0	0	0
<b>Representation Review</b>						
Funds to engage external resourcing required to conduct the statutory Representation Review.	40	0	40	0	0	0
<b>Elected Members Training</b>						
Funding for the training and development of Council's Elected Members.	62	0	62	62	62	62
<b>Operating Components of Capital Bids</b>						
<b>TOTAL - Innovation and Business Development</b>	<b>517</b>	<b>251</b>	<b>266</b>	<b>174</b>	<b>177</b>	<b>228</b>
<b>Total Operating Budget Bids</b>	<b>5,383</b>	<b>593</b>	<b>4,790</b>	<b>4,219</b>	<b>3,563</b>	<b>3,354</b>



# Infrastructure Budget Bids





## Infrastructure Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>A welcoming and liveable City</b>						
<b>Renewal</b>						
<b>Building Service Continuity Program</b> This bid allows for service continuity of various elements for buildings owned or under the care and control of Council.	2,311	0	2,311	3,918	4,020	5,794
<b>Dog Park Service Continuity Program</b> Renewal and upgrade of existing dog parks based on age, condition, function and service level as a result of Council resolution to improve and maintain dog parks across the City.	176	0	176	216	170	170
<b>Playground Service Continuity Program</b> The management of playground assets based on condition and compliance to maintain continuity of service in accordance with the endorsed service level as defined within the Strategic Asset Management Plan.	1,133	0	1,133	1,482	1,630	2,118
<b>Outdoor Sports Court Service Continuity Program</b> Renewal of existing outdoor sports courts inclusive of court surface, backstop fencing and associated infrastructure based on asset data.	397	0	397	53	458	58
<b>Fitness Equipment Service Continuity Program</b> Renewal of fitness equipment assets based on age, condition, function and service level.	0	0	0	64	65	67
<b>Outdoor Furniture Service Continuity Program</b> Renewal of existing outdoor furniture based on age, condition and function. The scope of this bid includes park benches, picnic settings, shelters, bike racks, drinking fountains and barbecues.	52	0	52	53	54	56
<b>Open Space Signage Service Continuity Program</b> Renewal of reserve and information signage based on age, condition and function. This includes reserve signs, wayfinding information and interpretive signage.	52	0	52	53	54	56
<b>Sport Lighting Service Continuity Program</b> Sport lighting renewal based on age, condition, function and service level as defined within the Strategic Asset Management Plan.	361	0	361	424	0	446
<b>Bus Shelter and Bus Stop Improvement Service Continuity Program</b> Ongoing renewal of bus shelters owned by the City of Salisbury including the upgrade of bus stop pads where required to ensure universal design and Disability Discrimination Act (DDA) criteria are met.	227	0	227	233	239	245
<b>Signalised Pedestrian Crossing Service Continuity Program</b> Renewal based service level. This includes lighting and controller upgrades and annual programming and audit of signalised pedestrian crossings.	31	0	31	32	33	33
<b>Passmore Place Reserve, Salisbury North – Bicycle Motocross (BMX) Track Resurfacing</b> Reseal the Bicycle Motocross (BMX) track at Passmore Place Reserve, Salisbury North.	70	0	70	0	0	0
<b>Ingle Farm Recreation Centre</b> This bid allows for service continuity of the Ingle Farm Recreation Centre, including the urgent renewal of sports court lighting.	1,500	0	1,500	0	0	0
<b>Total Renewal</b>	<b>6,307</b>	<b>0</b>	<b>6,307</b>	<b>6,526</b>	<b>6,722</b>	<b>9,043</b>

## Infrastructure Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>New</b>						
<b>Clubs/Sporting Facilities Service Continuity Program (Minor Infrastructure Grant)</b> Funding for the Minor Capital Works Grants Program to enable sporting and similar clubs to initiate minor improvements (buildings facilities and equipment).	464	0	464	477	489	502
<b>Community and Public Art Program</b> Continuation of our public art program to beautify and promote arts and culture within our region.	31	0	31	32	0	0
<b>Major Entry Sites Landscape Enhancements Service Continuity Program</b> Creation of new entry statements and feature landscape enhancements at key entry locations in the City.	41	0	41	180	44	167
<b>Community Use Sports Court Lighting Service Continuity Program</b> Lighting to existing sports courts located within a reserve with a district or regional play space, located on a main road or adjacent to a lit carpark.	154	0	154	11	163	11
<b>Bicycle Network Improvements Service Continuity Program</b> Improvements to the on and off-road cycling network across the City to ensure continuity of travel across the City.	206	50	156	162	196	173
<b>City Wide Trails Service Continuity Program</b> Continued development and upgrade of the 'Green Trails' network that follows key open space corridors and waterways.	824	300	524	547	569	407
<b>Lindblom Park New Changeroom Facilities</b> This bid is to cover the funding gap between the existing budget and that required to deliver the new football/cricket changerooms at Lindblom Park, Pooraka.	2,500	0	2,500	0	0	0
<b>Lake Windemere, Salisbury North - Amenities</b> Provision of new improvements and amenities at Lake Windemere Reserve, Salisbury North, which will support the adjacent planned residential subdivision.	750	0	750	0	0	0
<b>Automated External Defibrillators (AEDs) Program</b> To meet legislative requirements and provide the community with lifesaving equipment, this is a new program for the renewal and maintenance of Automated External Defibrillators (AEDs) equipment within the City and also the installation of new AEDs where required.	142	0	142	0	0	0
<b>Supply &amp; Install New Public Toilet at Salisbury North Oval</b> Supply and install new unisex public toilet amenities at Salisbury North Oval.	300	0	300	0	0	0
<b>Playspace Renewal at Laurence's Green, Parafield Gardens</b> The renewal of the playspace at Laurence's Green, Parafield Gardens commencing with planning works in 2024/25 and on ground works to be delivered in 2025/26.	10	0	10	440	0	0
<b>The Gardens, Recreation Centre Upgrade, Parafield Gardens</b> Undertake due diligence and investigation, including a business case, design and costing for Stage 1 upgrade of The Gardens, Recreation Centre, Parafield Gardens, for consideration of funding and construction in financial year 2025/26.	100	0	100	0	0	0
<b>4 x New Pump Tracks in various locations</b> Supply and install four new Pump Track locations within the City, including associated amenities.	700	0	700	700	0	0
<b>6 x Community Defibrillators</b> Supply and install six new community defibrillators within the City public realm.	14	0	14	0	0	0
<b>New Dog Park, RM Williams Drive, Walkley Heights</b> Installation of a new dog park at RM Williams Drive Reserve, Walkley Heights.	500	0	500	0	0	0
<b>Total New</b>	<b>6,736</b>	<b>350</b>	<b>6,386</b>	<b>2,548</b>	<b>1,460</b>	<b>1,260</b>
<b>TOTAL - A welcoming and liveable City</b>	<b>13,043</b>	<b>350</b>	<b>12,693</b>	<b>9,074</b>	<b>8,182</b>	<b>10,303</b>

## Infrastructure Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>A sustainable City</b>						
<b>Renewal</b>						
<b>Watercourse Management Service Continuity Program</b>						
Renewal and upgrade of Council's waterways; including major waterways such as Dry Creek, Little Para River and Edinburgh and Helps Road Drainage corridors and the minor water catchments of Cobbler Creek and the Para Escarpment as well as other open stormwater drains, wetlands and basins across the City.	824	0	824	847	869	892
<b>Dam Service Continuity &amp; Rectification Program</b>						
Provides funding for civil rectification works of the 21 dams within the City.	77	0	77	79	82	223
<b>Environmental Open Space Land Management Service Continuity Program</b>						
The environmental management of specific lands within Council's open space areas to comply with legislative requirements.	103	0	103	106	109	112
<b>St Kilda Breakwaters Service Continuity Program</b>						
Ongoing program of renewal of the St Kilda Breakwater (sides of the Boat Channel).	412	0	412	0	435	0
<b>Major Drainage Service Continuity Program</b>						
This is a renewal program of critical assets required to manage and maintain watercourse Major Flood level of service.	31	0	31	349	250	368
<b>Irrigation Service Continuity Program</b>						
This program is for the replacement of irrigation systems within the City's parks and reserves which have reached end of serviceable life.	1,240	0	1,240	350	358	368
<b>Feature Landscapes Service Continuity Program</b>						
The installation of renewed plantings at nominated profile locations to enhance and promote the City of Salisbury through appropriate landscaping.	124	0	124	0	130	0
<b>Tree Screen Renewal Service Continuity Program</b>						
The Tree Screen Renewal Program is to rejuvenate and improve tree and shrub screens found along road and other transport corridors.	515	0	515	138	141	145
<b>Irrigation Controller Renewal</b>						
This bid is for the replacement of irrigation controllers and cabinets within the City's parks and reserves which have reached end of serviceable life due to the cessation of the 3G mobile network.	1,030	0	1,030	0	0	0
<b>Fences and Bollards Service Continuity Program</b>						
Renewal of existing fencing bollards and gates to reduce unauthorised access and anti-social behaviour within reserves, such as illegally dumped rubbish and turf damage.	52	0	52	53	54	56
<b>Mawson Lakes and Edinburgh Sound Attenuation Walls Service Continuity Program</b>						
This program is to develop a renewal/repair program for the sound attenuation walls adjacent to the railway corridors in Mawson Lakes and Edinburgh.	0	0	0	318	0	0
<b>Public Lighting Service Continuity Program</b>						
This program is for the renewal of public lighting infrastructure based upon asset condition and level of service, plus priority/business case basis for street, reserve and carpark lighting, but excluding sports field and sports court lighting.	1,013	0	1,013	821	850	931
<b>Salisbury Water Asset Renewal Program</b>						
Renewal of Water Business Unit assets in accordance with the Salisbury Water Asset Management Plan.	1,019	0	1,019	644	1,207	1,385
<b>Salisbury Water - Business Unit Planning Program</b>						
To provide the Salisbury Water Business Unit with funds for planning and execution of its 5 yearly risk assessments and Asset Management review.	0	0	0	0	0	100
<b>Total Renewal</b>	<b>6,439</b>	<b>0</b>	<b>6,439</b>	<b>3,705</b>	<b>4,484</b>	<b>4,578</b>

## Infrastructure Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>New</b>						
<b>Local Flooding Service Continuity Program</b>						
Design and construction of localised minor flood mitigation works as a result of flooding reports and miscellaneous minor drainage works not funded elsewhere.	113	0	113	117	119	123
<b>Major Flooding Mitigation Service Continuity Projects</b>						
This program is generated from Council's Integrated Water Management Strategy which identifies a number of projects for major flood mitigation.	412	0	412	424	435	446
<b>Minor Drainage Networks</b>						
To fund the design and construction of minor drainage works to address localised flood risk of properties located in the Paralowie, Parafield Gardens and Burton, and to a lesser extent, Salisbury Park areas.	165	0	165	501	510	157
<b>Streetscapes Planting Service Continuity Program</b>						
Improving the amenity of streetscapes through the programmed renewal of streets with more appropriate tree species for the space available within our streets.	1,030	0	1,030	1,059	1,086	1,115
<b>Jones Road Bolivar - Site Rehabilitation for Future Clean Fill Disposal</b>						
Funding to rehabilitate Jones Road as an Environment Protection Authority approved fill containment site to replace the previous Swan Alley/Whites Rd site at Globe Derby.	57	0	57	58	60	61
<b>Salisbury Water - Bellchambers Managed Aquifer Recharge (MAR) Scheme</b>						
Capacity expansion of Salisbury's Managed Aquifer Recharge Scheme to deliver an additional 800 ML/year of recycled water from the Adams Creek Catchment to supply to customers in the northern regions of Salisbury & Playford council areas.	5,638	5,616	22	5,795	0	0
This bid is subject to securing funding from the Australian Government through the Department for Agriculture, Water and the Environment initiative to improve the efficient use of River Murray water.						

## Infrastructure Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>Salisbury Water - Pump Station Upgrade Program</b> Continuation of an existing program to upgrade tank and booster pump station systems at a number of key distribution locations across the Salisbury Water network to maintain service levels during peak irrigation demand periods.	120	0	120	150	170	0
<b>Salisbury Water - Recycled Water Supply to Reactivated Reserves</b> Extension of the Salisbury Water distribution network to supply recycled water to various reserves across the City of Salisbury.	250	0	250	250	250	250
<b>Salisbury Water - Sustainable Schools Program</b> Construct new Salisbury Water distribution mains to facilitate new recycled water connections to schools.	200	0	200	0	0	0
<b>Pledger Wetlands, Mawson Lakes - Irrigation Supply points relocation</b> To relocate the irrigation supply points on the western side to a lower access point to provide easy access for the Friends of Pledger Wetlands for their watering activities.	12	0	12	0	0	0
<b>Ascot Drive Reserve, Paralowie, New Irrigation</b> Installation of an irrigation system at Ascot Drive Reserve, Paralowie to facilitate irrigated turf which supports the existing play space and greater activation of the reserve.	128	0	128	0	0	0
<b>Salisbury Water Distribution Main Linkages</b> Construct up to 10kms of Salisbury Water distribution mains to improve operational functionality and to provide additional security of supply to existing customers and to secure connection of new customers.	320	0	320	0	0	0
<b>Ryans Road Flood Mitigation Basin</b> Provides funding for the construction of a Flood Basin at Ryans Road, Mawson Lakes.	50	0	50	810	0	0
<b>Coogee Avenue Reserve, Paralowie - Irrigated Green Space</b> Conversion of a section of dryland reserve into a new irrigated green space at Coogee Avenue Reserve, Paralowie.	128	0	128	0	0	0
<b>Total New</b>	<b>8,622</b>	<b>5,616</b>	<b>3,006</b>	<b>9,163</b>	<b>2,630</b>	<b>2,152</b>
<b>TOTAL - A sustainable City</b>	<b>15,062</b>	<b>5,616</b>	<b>9,446</b>	<b>12,868</b>	<b>7,114</b>	<b>6,730</b>

## Infrastructure Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>A growing City that creates opportunities</b>						
<b>Renewal</b>						
<b>Carpark Renewal / Upgrade Service Continuity Program</b>						
Resealing and upgrade of carparks including unsealed carparks.	206	0	206	212	217	223
<b>Bridge Service Continuity Program</b>						
The renewal upgrade and replacement program are for footbridges and boardwalks that provide transport links across the City. Due to high cost and infrequency of the replacement of road bridges (for example Pratt Avenue, Pooraka), road bridge renewals are generally the subject of separate specific budget bids.	340	0	340	349	359	368
<b>Asphalt Shared Use Paths Service Continuity Program</b>						
Programmed renewal of existing asphalt shared use paths within reserves and path networks.	206	0	206	212	217	223
<b>Road Reseal Service Continuity Program</b>						
Maintain road surfaces, surface treatments and road pavements to deliver service continuity.	10,250	0	10,250	10,558	10,855	12,260
<b>Pratt Avenue Bridge Pooraka</b>						
Completion of the construction of a new bridge at Pratt Avenue, Pooraka, a key collector road and bus route linking Main North Road and Bridge Road. The bridge across Dry Creek, forming part of this collector, is in poor condition with a series of structural elements requiring urgent replacement.	1,993	0	1,993	0	0	0
<b>Total Renewal</b>	<b>12,995</b>	<b>0</b>	<b>12,995</b>	<b>11,330</b>	<b>11,648</b>	<b>13,074</b>
<b>New</b>						
<b>Miscellaneous Land Acquisition Service Continuity Program</b>						
Provision for the purchase of minor parcels of land and/or costs associated with the preparation for land acquisition/s.	56	0	56	58	60	61
<b>Developer Funded Service Continuity Program</b>						
Undertake a program of works for which Council has received contributions from Developers to deliver, including but not limited to, planting of trees, and building of footpaths and parking bays within developments where Developers choose not to undertake the works as part of the development.	206	206	0	0	0	0
<b>Minor Traffic Improvements Service Continuity Program</b>						
Implementation of minor traffic control improvement works such as local area traffic management, pedestrian facilities, parking improvements and minor traffic control devices.	165	0	165	169	174	178
<b>Major Traffic Improvements Service Continuity Program</b>						
A consolidated program to undertake major traffic improvements to the road network that require specific and significant traffic control measures.	652	0	652	106	745	111
<b>School Zones and Pedestrian Crossings Service Continuity Program</b>						
Installation of new or upgraded school zones and pedestrian crossing facilities.	783	263	520	265	272	279
<b>New Footpath and Kerb Ramps Service Continuity Program</b>						
Construction of new footpath and kerb ramps based on community requests and feedback. There has been an increase in demand for new/upgrade of footpaths and, in particular, access ramps within the City.	500	0	500	257	264	271
<b>Footpath Trading Pedestrian Service Continuity Protection</b>						
The supply and installation of infrastructure to ensure safety for footpath trading areas that have been identified as part of applications and permit conditions.	26	12	13	14	14	15
<b>Upgrade of St Kilda Boat Ramp Car Park and the RV Trailer Park</b>						
Funds for the upgrade of amenities at the St Kilda Recreation Vehicle (RV) trailer park.	100	0	100	0	0	0
<b>Total New</b>	<b>2,487</b>	<b>481</b>	<b>2,006</b>	<b>869</b>	<b>1,528</b>	<b>914</b>
<b>TOTAL - A growing City that creates opportunities</b>	<b>15,482</b>	<b>481</b>	<b>15,001</b>	<b>12,199</b>	<b>13,176</b>	<b>13,988</b>

## Infrastructure Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>Innovation and Business Development</b>						
<b>Renewal</b>						
<b>Building Furniture and Equipment Service Continuity Program</b>						
Renewal of inside ergonomic furniture and equipment across all Council facilities.	103	0	103	106	109	112
<b>Asset Auditing &amp; Valuation Planning Program</b>						
Maintain asset information across all asset categories to ensure asset condition, fit for purpose, valuations and registers are accurate, up to date and to form the basis for Asset Management Planning.	700	0	700	721	741	760
<b>Investigation, Planning &amp; Design for Future Works not elsewhere covered</b>						
To support the Capital Infrastructure Program, provision of funding to enable early planning, investigation and design to occur to inform future years programs.	391	0	391	402	413	424
<b>Total Renewal</b>	<b>1,194</b>	<b>0</b>	<b>1,194</b>	<b>1,229</b>	<b>1,263</b>	<b>1,295</b>
<b>TOTAL - Innovation and Business Development</b>	<b>1,194</b>	<b>0</b>	<b>1,194</b>	<b>1,229</b>	<b>1,263</b>	<b>1,295</b>
<b>Total Capitalised Employee Expenses</b>	<b>3,468</b>	<b>0</b>	<b>3,468</b>	<b>3,565</b>	<b>3,658</b>	<b>3,753</b>
<b>Total Renewal</b>	<b>26,936</b>	<b>0</b>	<b>26,936</b>	<b>22,791</b>	<b>24,116</b>	<b>27,990</b>
<b>Total New</b>	<b>17,846</b>	<b>6,447</b>	<b>11,399</b>	<b>12,579</b>	<b>5,618</b>	<b>4,326</b>
<b>Total Infrastructure Program</b>	<b>48,249</b>	<b>6,447</b>	<b>41,803</b>	<b>38,935</b>	<b>33,392</b>	<b>36,069</b>



# Information Technology Budget Bids



Item 7.1.5 - Attachment 2 - Draft 24/25 Long Term Financial Plan and Annual Business Plan

## Information Technology Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's	Funding	Net	\$000's	\$000's
<b>Innovation and Business Development</b>						
<b>IT Asset Renewal</b>						
Programmed asset refresh of end user equipment and network infrastructure across all City of Salisbury operating locations, including Libraries and Community Centres.	1,488	0	1,488	1,544	785	870
<b>Expansion of Centrally Managed Wi-Fi 2024/25</b>						
To facilitate a roll-out of corporate grade Wi-Fi at community centres to align with the solution provided at the Salisbury Community Hub.	167	0	167	0	0	0
<b>Replacement of Elected Members Microphones in Little Para Conference Room</b>						
Replace the Microphones used by the Elected Members during Council Meetings with a robust and flexible solution.	104	0	104	0	0	0
<b>Environmental Systems Research Institute (ESRI) Advanced Business Analytics and ArcGIS Urban Licences</b>						
To leverage existing data to reveal a clear picture of community issues, real-time incidents, correlations and trends. Future-proof our city's strategic planning by breaking down data silos and implementing collaborative, timely information-sharing workflows for data-driven decision-making.	11	0	11	11	11	11
<b>TOTAL - Innovation and Business Development</b>	<b>1,770</b>	<b>0</b>	<b>1,770</b>	<b>1,555</b>	<b>796</b>	<b>881</b>
<b>Total IT Budget Bids</b>	<b>1,770</b>	<b>0</b>	<b>1,770</b>	<b>1,555</b>	<b>796</b>	<b>881</b>



# Plant, Furniture and Equipment Budget Bids



Item 7.1.5 - Attachment 2 - Draft 24/25 Long Term Financial Plan and Annual Business Plan

## Plant, Furniture & Equipment Budget Bids

	2024/25			2025/26	2026/27	2027/28
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
<b>A welcoming and liveable City</b>						
<b>CCTV Renewal Program</b>						
Renewal of CCTV equipment to ensure the continued success of the City of Salisbury Public Safety CCTV network due to the end of life of products installed in 2016/17 & 2017/18.	134	0	134	138	141	145
<b>Plant Equipment for Removal of Seaweed from St Kilda Boat Channel</b>						
Procurement of a push boat to remove seaweed from the St Kilda boat channel.	48	0	48	4	4	4
<b>TOTAL - A welcoming and liveable City</b>	<b>182</b>	<b>0</b>	<b>182</b>	<b>142</b>	<b>145</b>	<b>149</b>
<b>Innovation and Business Development</b>						
<b>Plant &amp; Fleet Replacement Program</b>						
Deliver plant and fleet replacement in alignment with the Fleet Asset Management Plan.	3,090	802	2,289	1,602	1,924	2,213
<b>TOTAL - Innovation and Business Development</b>	<b>3,090</b>	<b>802</b>	<b>2,289</b>	<b>1,602</b>	<b>1,924</b>	<b>2,213</b>
<b>Total PFE Budget Bids</b>	<b>3,272</b>	<b>802</b>	<b>2,470</b>	<b>1,744</b>	<b>2,069</b>	<b>2,363</b>

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# Budgeted Financial Statements and Analysis



# Budgeted Financial Statements and Analysis 2024/25

This section of the report analyses the changes in budgeted operating revenues and expenses for the 2024/25 year.

## 1.0 Summary

Details	Adopted Budget 2023/24 \$000's	Draft Budget 2024/25 \$000's	Variance Inc / (Dec) \$000's	Variance %
Operating Income	146,932	157,379	10,446	7.11%
Operating Expenditure	143,747	154,656	10,909	7.59%
<b>Operating Surplus/(Deficit)</b>	<b>3,185</b>	<b>2,723</b>	<b>(462)</b>	<b>(14.51%)</b>

## 1.1 Operating Income

Income Type	Reference	Adopted Budget 2023/24 \$000's	Draft Budget 2024/25 \$000's	Variance Inc / (Dec) \$000's	Variance %
Rates Revenue	1.1.1	121,958	129,450	7,492	6.14%
Statutory Charges	1.1.2	3,027	3,265	238	7.86%
User Charges	1.1.3	5,974	6,299	325	5.45%
Operating Grants & Subsidies	1.1.4	14,652	16,621	1,969	13.44%
Investment Income	1.1.5	77	80	3	4.45%
Reimbursements	1.1.6	277	364	87	31.39%
Other Revenue	1.1.7	967	1,300	333	34.39%
<b>Total Operating Revenue</b>		<b>146,932</b>	<b>157,379</b>	<b>10,446</b>	<b>7.11%</b>

## SECTION TO BE UPDATED PENDING FURTHER DECISIONS

### 1.1.1 Rates Revenue (\$7,492k Increase)

The adopted Rates Revenue for 2024/25 is \$129.5M which when compared to 2023/24 Rate Revenue of \$122M, represents an increase of \$7.5M or 6.14%. This reflects the proposed average rate increase of 5.0% with rates revenue growth from the increase in the number of assessments anticipated at 0.5% and rate revenue increase from development activity of a further 0.5%.

### 1.1.2 Statutory Charges (\$238k Increase)

Statutory Charges relate to fees and fines levied in accordance with legislation and include Dog Registrations, Health Act Regulations, Development Act fees and Parking Expiations. Statutory Charges are forecast to increase by 7.86% or \$238k compared to 2023/24.

This incorporates an increase in Development Fees of \$155k associated with higher volumes and Parking Expiation fees of \$74k associated with an increase in fees.

### 1.1.3 User Charges (\$325k Increase)

User charges represent the recovery of service delivery costs through the charging of fees to the users of the Council's services. These charges are forecast to be \$6.3M in 2024/25, which is an increase of 5.45% or \$325k compared to 2023/24, with significant contributors to this increase coming from increases in Water Sales of \$105k and Salisbury Memorial Park Fees of \$124k, both predominately associated with an increase in fees.

### 1.1.4 Operating Grants & Subsidies (\$1,969k Increase)

Operating Grants and Subsidies for 2024/25 are forecast to be \$16.6M, which is an increase of \$2.0M or 13.44% as compared to the budgeted amount of \$14.7M in 2023/24.

The forecast increase in Operating Grants & Subsidies is primarily the result of \$1,248k increase in Grants Commission funding, and \$310k increase in Untied Local Roads funding.



# Budgeted Financial Statements and Analysis 2024/25

## 1.1.5 Investment Income (\$3k Increase)

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

Investment Income for 2024/25 is forecast to generate \$80K which is an increase of \$3k compared to 2023/24.

## 1.1.6 Reimbursements (\$87k Increase)

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

During 2024/25 Reimbursements Income is forecast to increase to \$364k compared to \$277k in 2023/24. This represents an increase of \$87k or 31.39%.

## 1.1.7 Other Revenue (\$333k Increase)

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

During 2024/25 Other Revenue is forecast to increase to \$1.3M compared to \$967k in 2023/24. This represents an increase of \$333k or 34.39%.

The forecast increase in Other Revenue is primarily the result of \$57k increase in Little Para Golf Course Profit Share.



# Budgeted Financial Statements and Analysis 2024/25

## 1.2 Operating Expenditure

Expense Type	Reference	Adopted Budget 2023/24 \$000's	Draft Budget 2024/25 \$000's	Variance Inc / (Dec) \$000's	Variance % %
Employee Costs	1.2.1	44,765	46,933	2,167	4.84%
Materials, Contracts & Other Expenses	1.2.2	60,859	66,973	6,115	10.05%
Finance Costs	1.2.3	3,740	2,372	(1,368)	(36.57%)
Depreciation, Amortisation & Impairment	1.2.4	33,644	37,697	4,053	12.05%
Net Loss - Equity Accounted Council Businesses	1.2.5	739	681	(58)	100.00%
<b>Total Operating Expenses</b>		<b>143,747</b>	<b>154,656</b>	<b>10,909</b>	<b>7.59%</b>

### 1.2.1 Employee Costs (\$2.2M Increase)

Employee Costs include Salary and Wages together with all associated labour related on-costs such as allowances, leave entitlements and the Superannuation Guarantee Charge (SGC). It also includes the impact of Enterprise Bargaining Agreements, general salary increments, the impact of changing employee numbers and associated costs resulting from changes in grant funding.

During 2024/25 Employee Costs are forecast to increase to \$46.9M compared to \$44.8M in 2023/24, which is an overall increase of \$2.2M or 4.84%. In addition to enterprise agreement wage increases this increase includes a legislated increase to the SGC of 0.5% in 2024/25, outcomes from organisational structural changes, and changes in capitalisation levels of staff time.

### 1.2.2 Materials, Contracts & Other Expenses (\$6.1M Increase)

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

The budgeted amount for materials, contracts and other expenses is forecast for 2024/25 at \$67M compared to \$60.9M in 2023/24. This is an increase of \$6.1M or 10.05%. Major movements in expenditure include Confidential Items \$1,629k, Waste Management \$1,190k and Footpath Maintenance of \$660k.

# Budgeted Financial Statements and Analysis 2024/25

## 1.2.3 Finance Costs (\$1.4M Decrease)

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

The interest costs of \$2.4M forecast for 2024/25 reflect a decrease of \$1.4M or 36.57% compared with \$3.7M in 2023/24. The decrease in Finance Costs reflects a lower debt position, resulting from achieving grant funding above expectations in prior financial years, as well as improved operating results.

## 1.2.4 Depreciation, Amortisation & Impairment (\$4.1M Increase)

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

In 2024/25 the forecast amount of depreciation is \$37.7M compared to \$33.6M for 2023/24. This is an overall increase of \$4.1M or 12.05%, which reflects the impacts of new assets coming on stream, including significant assets such as the Salisbury Aquatic Centre, and the revaluation of existing assets.

## 1.2.5 Net Loss – Equity Accounted Council Businesses (\$58k Decrease)

Net loss – Equity Accounted Council Businesses is the recognition of the City of Salisbury's share of the budgeted deficit that the Northern Adelaide Waste Management Authority (NAWMA) Regional Subsidiary is budgeting for 2024/2025.



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# Functional Presentation of the Budget

In this section of the Draft Long Term Financial Plan and Annual Business Plan the Operating Budget has been presented using a Functional View.

## Full Cost

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

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

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

## Functional Presentation of the Budget

The presentation of the Budget has been aligned with the City of Salisbury's Planning Framework; that is the City Plan 2035. This Planning Framework is structured around four Key Directions, A welcoming and liveable City, A sustainable City, A growing City that creates new opportunities and Innovation and Business Development.

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



# Budget Summary by Full Cost

## 2023/24 Budget

OPERATING BUDGET by KEY DIRECTION	2023/24				
	Direct Cost \$000's	Attributed Cost \$000's	Full Cost \$000's	Funding \$000's	Net \$000's
<b>A welcoming and liveable City</b>					
Community Development	2,656	701	3,357	28	3,329
Library Services	4,793	3,712	8,505	610	7,895
Community Centres	1,848	1,147	2,995	416	2,879
Recreation Services	1,763	179	1,942	161	1,781
Community Sport and Club Facilities	2,539	2,134	4,673		4,673
Community Health and Wellbeing	4,915	2,391	7,306	3,836	3,470
Cemetery	605	110	715	700	15
Food and Health Regulation	988	392	1,380	251	1,129
Community Compliance Services	751	478	1,228	308	920
Dog and Cat Management	1,441	553	1,995	1,189	806
Crime Prevention and Repair	305	-	305	-	305
Street Lighting	2,927	71	2,999	-	2,999
<b>Total A welcoming and liveable City</b>	<b>25,532</b>	<b>11,868</b>	<b>37,399</b>	<b>7,198</b>	<b>30,201</b>
<b>A sustainable City</b>					
City Infrastructure	4,854	(1,468)	3,386	461	2,925
Water Management	4,728	6,787	11,515	2,617	8,898
Waste Management	19,528	-	19,528	261	19,267
Parks and Landscapes	21,220	12,676	33,896	124	33,772
<b>Total A sustainable City</b>	<b>50,330</b>	<b>17,994</b>	<b>68,325</b>	<b>3,463</b>	<b>64,862</b>
<b>A growing City that creates new opportunities</b>					
Economic Development	1,165	360	1,525	109	1,417
Development Services	3,525	1,757	5,282	1,669	3,613
Urban Planning and Development	1,930	103	2,033	861	1,172
Roads	3,130	11,207	14,337	3,460	10,877
Footpaths	868	2,457	3,325	-	3,325
<b>Total A growing City that creates new opportunities</b>	<b>10,619</b>	<b>15,884</b>	<b>26,502</b>	<b>6,099</b>	<b>20,403</b>
<b>Innovation and Business Development</b>					
Innovation and Business Development	18,570	(15,879)	2,690	730	1,960
Council	3,262	(21)	3,240	2	3,239
Sundry *	35,435	(29,845)	5,590	8,307	(2,717)
<b>Total Innovation and Business Development</b>	<b>57,266</b>	<b>(45,746)</b>	<b>11,520</b>	<b>9,039</b>	<b>2,482</b>
Rates Revenue				121,134	(121,134)
<b>TOTAL OPERATING SURPLUS / (DEFICIT)</b>	<b>143,746</b>		<b>143,746</b>	<b>146,932</b>	<b>3,186</b>

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

# Budget Summary by Full Cost 2024/25 Budget

OPERATING BUDGET by KEY DIRECTION	2024/25				
	Direct Cost \$000's	Attributed Cost \$000's	Full Cost \$000's	Funding \$000's	Net \$000's
<b>A welcoming and liveable City</b>					
Community Development	2,646	-	2,646	-	2,646
Library Services	5,264	-	5,264	665	4,600
Community Centres	1,899	-	1,899	212	1,687
Recreation Services	1,454	-	1,454	169	1,286
Community Sport and Club Facilities	2,540	-	2,540		2,540
Community Health and Wellbeing	5,272	-	5,272	4,000	1,272
Cemetery	535	-	535	608	(73)
Food and Health Regulation	1,031	-	1,031	268	762
Community Compliance Services	789	-	789	388	400
Dog and Cat Management	1,528	-	1,528	1,178	350
Crime Prevention and Repair	319	-	319	-	319
Street Lighting	2,929	-	2,929	-	2,929
<b>Total A welcoming and liveable City</b>	<b>26,204</b>	<b>-</b>	<b>26,204</b>	<b>7,487</b>	<b>18,717</b>
<b>A sustainable City</b>					
City Infrastructure	4,622	-	4,622	569	4,053
Water Management	4,969	-	4,969	2,723	2,246
Waste Management	20,758	-	20,758	290	20,468
Parks and Landscapes	22,027	-	22,027	133	21,894
<b>Total A sustainable City</b>	<b>52,376</b>	<b>-</b>	<b>52,376</b>	<b>3,715</b>	<b>48,661</b>
<b>A growing City that creates new opportunities</b>					
Economic Development	1,240	-	1,240	172	1,068
Development Services	3,678	-	3,678	1,842	1,836
Urban Planning and Development	1,696	-	1,696	873	823
Roads	3,319	-	3,319	3,770	(452)
Footpaths	1,095	-	1,095	-	1,095
<b>Total A growing City that creates new opportunities</b>	<b>11,027</b>	<b>-</b>	<b>11,027</b>	<b>6,657</b>	<b>4,370</b>
<b>Innovation and Business Development</b>					
Innovation and Business Development	19,249	-	19,249	742	18,507
Council	2,918	-	2,918	2	2,916
Sundry *	37,335	-	37,335	9,596	27,738
<b>Total Innovation and Business Development</b>	<b>59,502</b>	<b>-</b>	<b>59,502</b>	<b>10,340</b>	<b>49,161</b>
Rates Revenue				128,586	(128,586)
Operating Budget Bids	5,547		5,547	593	4,954
<b>TOTAL OPERATING SURPLUS / (DEFICIT)</b>	<b>154,656</b>	<b>-</b>	<b>154,656</b>	<b>157,379</b>	<b>2,723</b>

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

## TO BE UPDATED



## A welcoming and liveable City



## Foundations

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



## Council's commitment to develop a welcoming and liveable City

### Council will:

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

## CRITICAL ACTIONS

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

# TO BE UPDATED



## CRITICAL ACTIONS

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

# TO BE UPDATED

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

TO BE UPDATED

NOT YET REVIEWED BY COUNCIL

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# Community Development



## Key Partners:

- Department of Health
- Department for Education (SA)
- Department of Human Services (SA)
- Reconciliation Australia
- University of SA
- Alcohol and Drug Foundation
- Northern Adelaide Local Health Network
- Anglicare SA
- White Ribbon
- SAPOL
- Relationships SA
- Northern Mental Alliance
- Adelaide North West Homelessness Alliance (ANWHA)

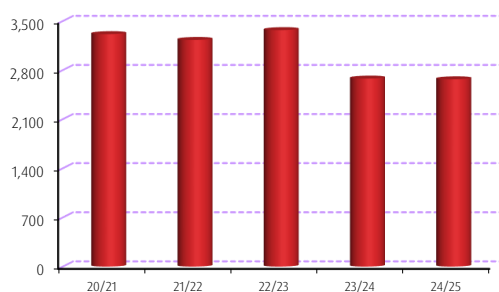
Community Development contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES SERVICE LEVELS
<b>Community Development Administration</b> Provides for Executive Management and associated support for the overall management and leadership of the Community Development Department.	<ul style="list-style-type: none"> <li>• Leadership of the Community Development department and accountability for outcomes assigned to the department</li> </ul>
<b>Community Grants</b> Management and allocation of the Community Grants Program which provides grants for community and sporting organisations undertaking projects of benefit to the local community.	<ul style="list-style-type: none"> <li>• Applications received: approximate average 32 pa</li> </ul>
<b>Community Planning</b> <i>Sport and Recreation</i> Undertakes research and develops policy and program delivery in relation to open space, recreation, leisure and sports development for the City for community wellbeing. Programs focus on increasing the physical activity levels within the City.	<ul style="list-style-type: none"> <li>• Review community recreation and open space needs</li> <li>• Provide support to sporting club development</li> <li>• Provide advice related to sport and recreation facility development</li> <li>• Contribute to the development of the Place Activation Strategy</li> <li>• Contract management of the operation of Council recreation facilities</li> <li>• Provide advice and lead stakeholder engagement for sport and recreation facility development</li> <li>• Management of the athletics centre at Bridgestone Reserve</li> </ul>
<i>Cultural Development</i> Researches, develops and implements policy and program delivery that responds to the cultural development needs of the community that lives, works and studies within the City.	<ul style="list-style-type: none"> <li>• Deliver a cultural program of events, exhibitions and celebrations</li> <li>• Collaborate with organisations and businesses to support cultural activities</li> <li>• Place curation to activate spaces</li> <li>• 10 exhibitions organised in the John Harvey Gallery</li> <li>• Administration of Watershed Creative Prize, as part of the Writers Week festivities, staging of Vietnam Veterans and Asbestos Victims ceremonies, other place activations and Salisbury Fringe Carnival</li> </ul>
<i>Social Policy</i> Undertakes research and develops policy, strategy, programs and partnerships in relation to Community, Wellbeing, implementation of the Reconciliation Action Plan, Community Safety, Public Health, Homelessness and Social Infrastructure.	<ul style="list-style-type: none"> <li>• Liaise with SAPOL, agencies and businesses on community safety</li> <li>• Regional partnerships in local drug action, homelessness, domestic violence, reconciliation and coordination of Regional Public Health Plan</li> <li>• Provide statistical analysis to social service delivery and social infrastructure provision</li> <li>• Coordination of activities that respond to homelessness, cost of living and community wellbeing</li> <li>• Community bus coordination</li> <li>• Planet Youth drug and alcohol primary prevention program</li> </ul>
<i>Events</i> Delivers a range of events across the city to encourage community participation, activate the City and celebrate a range of interests.	<ul style="list-style-type: none"> <li>• Curate and deliver a range of events across the City</li> </ul>

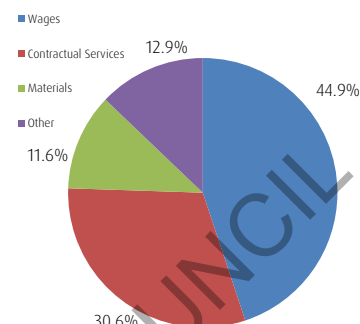


# Community Development

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



**Community Development (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Community Development Administration	1,153	1,063
Community Grants	186	186
Community Planning	1,317	1,397
<b>DIRECT EXPENDITURE</b>	<b>2,656</b>	<b>2,646</b>
<b>FULL COST ATTRIBUTION</b>	<b>701</b>	
<b>TOTAL EXPENDITURE</b>	<b>3,357</b>	<b>2,646</b>
<b>INCOME</b>		
Community Planning	28	
<b>TOTAL INCOME</b>	<b>28</b>	
<b>NET IMPACT TO COUNCIL</b>		
Community Development Administration	1,153	1,063
Community Grants	186	186
Community Planning	1,289	1,397
<b>FULL COST ATTRIBUTION</b>	<b>701</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>3,329</b>	<b>2,646</b>

# Library Services



## Key Partners:

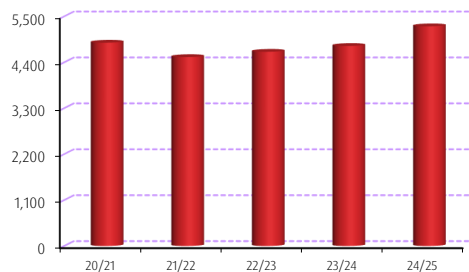
- Public Library Services
- Libraries Board of South Australia
- State Library of South Australia
- Public Libraries SA
- Department for Innovation and Skills
- Department of Employment and Workplace Relations
- Non-government organisations
- Northern Adelaide State Secondary Schools Alliance

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

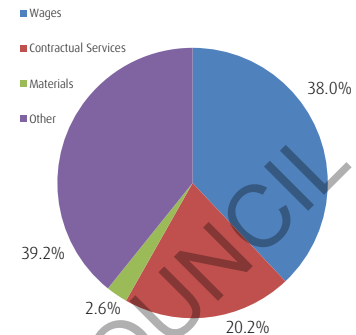
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Building Maintenance Libraries</b> Council's building maintenance program ensures that our library facilities are maintained to the agreed service level. Council is responsible for undertaking routine maintenance of fixed fittings, which includes the building, gas, plumbing and electrical assets.	Maintenance of the building structures including general repairs and programmed maintenance <ul style="list-style-type: none"> <li>• Electrical and Plumbing Service:               <ul style="list-style-type: none"> <li>- Priority 1 - Emergency within 2 hours</li> <li>- Priority 2 - within 24 hours</li> <li>- Priority 3 - General seven days (maximum)</li> </ul> </li> </ul>
<b>Library Administration and Policy</b> Provides for the management and associated support staff for the function of the library services.	<ul style="list-style-type: none"> <li>• Manage library branch services, library information and access and collections effectively in line with arrangements through the Libraries Board of South Australia</li> </ul>
<b>Library Branch Services</b> Services are offered at five strategic locations which include a wide-ranging collection and reference collection, public internet and wi-fi, sporting and toy collections, Justice of the Peace, local and family History, and Home Library. Our sites have a variety of spaces for community use including quiet study areas, bookable meeting rooms, youth and children's areas.	<ul style="list-style-type: none"> <li>• 505,000 visits (300,000 Salisbury Community Hub)</li> <li>• 25,000 library members (140 Home Library)</li> <li>• 16,000 PC bookings</li> <li>• 24,500 Justice of the Peace visits</li> </ul>
<b>Library Information and Access</b> Oversee the operational management of library specific technologies and manage library collections, including local and family history, to ensure the provision of and access to resources that meet the educational, information, recreational and cultural needs of the community.	<ul style="list-style-type: none"> <li>• 507,000 physical loans</li> <li>• 82,000 digital loans</li> </ul>
<b>Community Programs</b> Deliver a range of programs across sites and neighbourhoods that aligns with the needs of the community including literacy and reading, digital literacy, science, technology, engineering and mathematics (STEM), health & wellbeing and employment skills. Services include a range of formal and informal engagement opportunities for people of all ages and abilities including local schools and community groups. All programs and services are specifically designed to build capacity within our community and where appropriate in partnership.	<ul style="list-style-type: none"> <li>• 22,000 attendees to programs</li> <li>• Successful partnerships including Lit for Life program and National Careers Institute Pathways for Women Grant</li> </ul>

# Library Services

**Budgeted Library Services Operating Expenditure (\$'000)**



**Library Services (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Building Maintenance Libraries	99	269
Library Administration and Policy	420	359
Library Branch Services	2,839	3,148
Library Information and Access	851	857
Community Learning Programs	583	630
<b>DIRECT EXPENDITURE</b>	<b>4,793</b>	<b>5,264</b>
<b>FULL COST ATTRIBUTION</b>	<b>3,712</b>	
<b>TOTAL EXPENDITURE</b>	<b>8,505</b>	<b>5,264</b>
<b>INCOME</b>		
Library Administration and Policy	419	426
Library Branch Services	100	94
Library Information and Access	88	117
Community Learning Programs	3	28
<b>TOTAL INCOME</b>	<b>610</b>	<b>665</b>
<b>NET IMPACT TO COUNCIL</b>		
Building Maintenance Libraries	99	269
Library Administration and Policy	1	(67)
Library Branch Services	2,740	3,055
Library Information and Access	764	740
Community Learning Programs	580	602
<b>FULL COST ATTRIBUTION</b>	<b>3,712</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>7,895</b>	<b>4,600</b>

# Community Centres



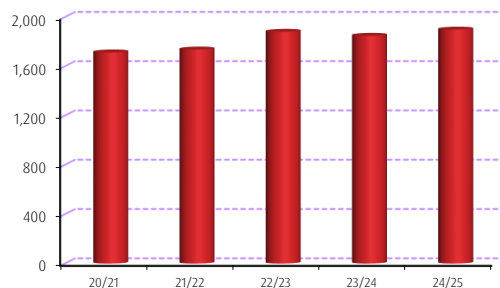
- Key Funding Providers and Partners:
- Community Centres SA
  - Non-Government organisations
  - Department of Human Services
  - Department of Innovation and Skills
  - Department of Education
  - University of South Australia

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

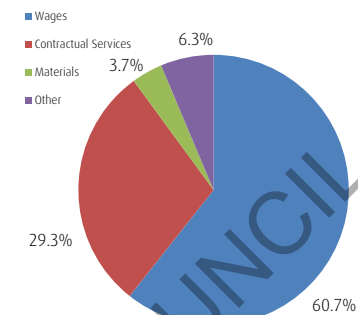
SERVICE AREAS	ACTIVITIES SERVICE LEVELS
<p><b>Building Maintenance Community Centres</b></p> <p>Council's building maintenance program ensures that our community centres are maintained to the agreed service level. Council is responsible for undertaking routine maintenance of fixed fittings, which includes the building, gas, plumbing and electrical assets.</p>	<p>Maintenance of the building structures including general repairs and programmed maintenance</p> <ul style="list-style-type: none"><li>• Electrical and Plumbing Service:<ul style="list-style-type: none"><li>- Priority 1 - Emergency within 2 hours</li><li>- Priority 2 - within 24 hours</li><li>- Priority 3 - General seven days (maximum)</li></ul></li></ul>
<p><b>Community Centres</b></p> <p>Deliver learning and engagement activities for all ages across Community Centres in Salisbury North (Bagster Road), Parafield Gardens (Morella), Pooraka (Pooraka Farm) and Salisbury East; Hub sites at the Mawson Centre, Para Hills and Burton Community Hubs; and at the Twelve25 Youth Centre, Salisbury.</p> <p>Services and programs delivered in sites and neighbourhoods foster resilience and wellbeing, promote health and fitness, enhance social connections, develop language, literacy and digital skills as well as celebrate and entertain.</p> <p>Funding from Government grants and volunteer contributions are key to the success of program delivery. Strategic partnerships and working collaboratively continue to be strong drivers for successful, responsive and cost-effective service delivery.</p>	<ul style="list-style-type: none"><li>• 85,500 attended programs</li><li>• 700 groups utilised the Centres</li><li>• 60 Volunteers, who contributed 19,000 hours</li><li>• 100 residents engaged in Neighbour Day</li><li>• Launched Morella Cultural Kitchen</li><li>• 5,000 attended 4 community markets</li></ul>

## Community Centres

**Budgeted Community Centres Operating Expenditure**  
(\$'000)



**Community Centres (Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Building Maintenance Community Centres	489	357
Community Centres	1,359	1,541
<b>DIRECT EXPENDITURE</b>	<b>1,848</b>	<b>1,899</b>
<b>FULL COST ATTRIBUTION</b>	<b>1,147</b>	
<b>TOTAL EXPENDITURE</b>	<b>2,995</b>	<b>1,899</b>
<b>INCOME</b>		
Community Centres	116	212
<b>TOTAL INCOME</b>	<b>116</b>	<b>212</b>
<b>NET IMPACT TO COUNCIL</b>		
Building Maintenance Community Centres	489	357
Community Centres	1,244	1,330
<b>FULL COST ATTRIBUTION</b>	<b>1,147</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>2,879</b>	<b>1,687</b>

# Recreation Services



## Key Partners:

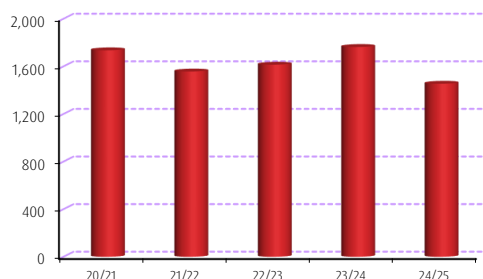
- Service Delivery – BlueFit & Greenspace Management
- Netball SA
- Squash SA
- Tennis SA
- Council of the Aging (COTA)
- Recreation SA
- AustSwim
- Swimming Australia
- Department of Education and Children's Services
- Office for Recreation, Sport and Racing
- University of SA
- Basketball Australia
- Adelaide Community Basketball Association

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

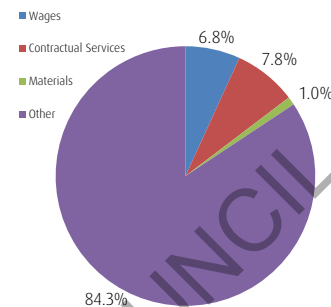
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Building Maintenance</b> Council's building maintenance program ensures that our recreation facilities are maintained to the agreed service level. Council is responsible for undertaking routine maintenance of fixed fittings, which includes the building, gas, plumbing and electrical assets.	Maintenance of the building structures including general repairs and programmed maintenance <ul style="list-style-type: none"> <li>• Electrical and Plumbing Service:               <ul style="list-style-type: none"> <li>- Priority 1 - Emergency within 2 hours</li> <li>- Priority 2 - within 24 hours</li> <li>- Priority 3 - General seven days (maximum)</li> </ul> </li> </ul>
<b>Recreation Services Contract</b> City of Salisbury provides recreation services through an outsourced business model. Services are provided as follows: <p><i>Ingle Farm Recreation Centre</i></p> The Centre consists of 3 multi-sport courts, 4 squash courts, training rooms, offices and a function room with a fully equipped catering kitchen. The Centre offers a wide variety of recreational activities such as basketball, netball, roller skating, kindigym, archery, squash and birthday parties. The Centre also accepts payments for rates, fines and dog registration on behalf of Council. <p><i>Gardens Recreation Centre</i></p> Is a multi-purpose sporting complex providing opportunities for activities such as basketball, netball, kindigym, Futsal and community events such as the annual Craft Fair and Hobby Fair. Also providing access opportunities for organisations such as table tennis, martial arts, Comrec, Novita Children's Services and Helping Hand. The Centre also plays hosts to many national, state and local sporting events and shows. <p><i>Salisbury Recreation Precinct</i></p> The Salisbury Aquatic Centre represents the City of Salisbury's second largest capital project and replaces the City's previous aquatic centre at Happy Home Reserve. The SRP continues to provide tennis facilities in a parkland setting including 8 tennis courts (4 of which are Australian Open standard). <p><i>Little Para Golf Course</i></p> Located at Martins Road, Paralowie, the Little Para Golf Course is a 9-hole, par 3 course. The course winds through the Little Para River and is accompanied by a 16-bay driving range equipped with launch monitors, a clubhouse, pro-shop and a BBQ alfresco area undercover.	<ul style="list-style-type: none"> <li>• Work in partnerships with the recreation services providers to oversee delivery of sport and recreation programs and services of Council's:               <ul style="list-style-type: none"> <li>- Ingle Farm Recreation Centre</li> <li>- Parafield Gardens Recreation Centre</li> <li>- Little Para Golf Course</li> </ul> </li> <li>• Direct customer visits: approx. 160,000 pa</li> <li>• Average teams registered: 85 pa</li> <li>• Customer visits: 70,000 pa</li> <li>• Teams registered: 180 pa</li> <li>• Previous Customer visits: approx. 68,500 pa</li> <li>• Rounds: approx. 18,000 pa</li> <li>• Driving range buckets: approx. 7,200 pa</li> </ul>
<b>Bridgestone Athletics Centre</b> The Bridgestone Athletics Centre is the home venue for 3 athletics clubs and is equipped with a synthetic eight-lane 400m track, long jump pits, throwing cages, high jump, steeple chase and pole vault equipment. The indoor area comprises a function space, changeroom facilities, bar and kiosk facilities, officials' room and first aid area. The Centre also hosts a range of school athletics carnivals.	<ul style="list-style-type: none"> <li>• Attendances: approx. 100,000 pa</li> </ul>

## Recreation Services

**Budgeted Recreation Services Operating Expenditure**  
(\$'000)



**Recreation Services (Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Building Maintenance	92	107
Recreation Services Contract	1,262	1,189
Bridgestone Athletics Centre	409	158
<b>DIRECT EXPENDITURE</b>	<b>1,763</b>	<b>1,454</b>
<b>FULL COST ATTRIBUTION</b>	<b>179</b>	
<b>TOTAL EXPENDITURE</b>	<b>1,942</b>	<b>1,454</b>
<b>INCOME</b>		
Bridgestone Athletics Centre	136	87
Recreation Services Contract	25	82
<b>TOTAL INCOME</b>	<b>161</b>	<b>169</b>
<b>NET IMPACT TO COUNCIL</b>		
Building Maintenance	92	107
Recreation Services Contract	1,237	1,107
Bridgestone Athletics Centre	274	72
<b>FULL COST ATTRIBUTION</b>	<b>179</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>1,781</b>	<b>1,286</b>



# Community Sport and Club Facilities



## Key Partners:

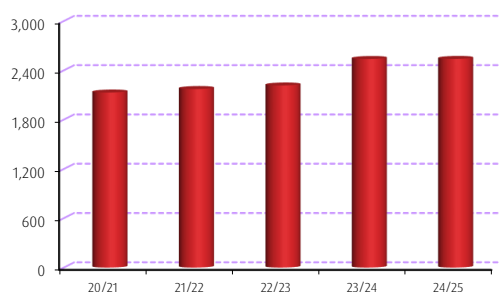
- Sporting and Community Clubs

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

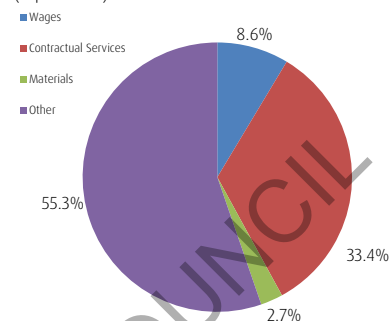
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Building Maintenance Sport and Community Facilities</b> Council's building maintenance program ensures that our sporting and community facilities are maintained to the agreed service level. Council is responsible for undertaking routine maintenance of fixed fittings, which includes the building, gas, plumbing and electrical assets.	Maintenance of the clubroom and change room structures including general repairs and programmed maintenance <ul style="list-style-type: none"> <li>• Electrical and Plumbing Service:               <ul style="list-style-type: none"> <li>- Priority 1 - Emergency within 2 hours</li> <li>- Priority 2 - within 24 hours</li> <li>- Priority 3 - General seven days (maximum)</li> </ul> </li> </ul>
<b>Sportsfield Cutting</b> Council undertakes scheduled treatment of our sport fields to ensure that they are fit for use. This includes monthly independent risk assessments to ensure that the playing surface is safe for use. Council maintains the turf quality through its turf renovation and grass cutting programs.	Maintained to standards to ensure the playing surfaces are 'fit for use' for the sport being played <ul style="list-style-type: none"> <li>• 32 sites comprising 61 fields (80ha of sporting surfaces)</li> <li>• Turf renovation, grass cutting, pest and weed control, turf cricket wicket maintenance (preparation, annual covering and uncovering of concrete wickets), goal post installation/ removal, maintenance and ground condition audits.</li> </ul>

# Community Sport and Club Facilities

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



**Community Sport and Club Facilities (Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Building Maintenance Sport and Community Facilities	796	733
Sportsfield Cutting	1,743	1,807
<b>DIRECT EXPENDITURE</b>	<b>2,539</b>	<b>2,540</b>
<b>FULL COST ATTRIBUTION</b>	<b>2,134</b>	
<b>TOTAL EXPENDITURE</b>	<b>4,673</b>	<b>2,540</b>
<b>NET IMPACT TO COUNCIL</b>		
Building Maintenance Sport and Community Facilities	796	733
Sportsfield Cutting	1,743	1,807
<b>FULL COST ATTRIBUTION</b>	<b>2,134</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>4,673</b>	<b>2,540</b>

# Community Health and Wellbeing



## Key Partners:

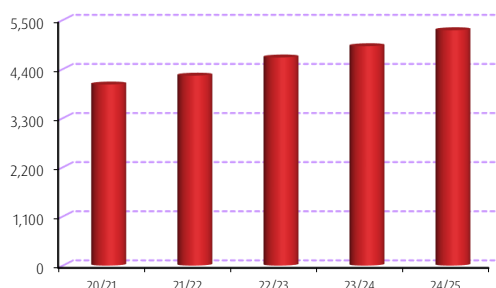
- Commonwealth Department of Health; State Department of Human Services; Department for Premier and Cabinet; Department of Home Affairs, Adelaide Primary Health Network
- COTA SA – Council on the Ageing SA; Volunteering SA & NT; Northern Volunteering; Local Government Volunteer Managers Network; Local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

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

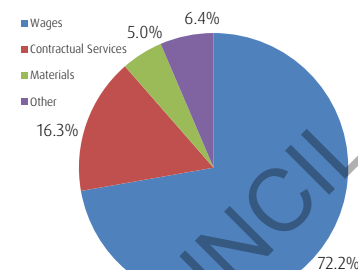
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Aged Care Policy, Planning and Coordination</b> Service development, management of human and financial resources, co-ordination of consultation and collaborative processes and promotion of positive images of ageing. Promotion of an Age Friendly Salisbury where all have the opportunity to be involved in community life.	<ul style="list-style-type: none"> <li>• 140 volunteers</li> <li>• Panel of contractors: 40-50</li> <li>• 5,250 Salisbury Seniors Magazines distributed (3 editions) pa</li> <li>• Monthly communication updates including a wellbeing newsletter, special and upcoming events publication, Salisbury Seniors Facebook; radio announcements and a bi-monthly wellbeing newsletter</li> </ul>
<b>Volunteer Services</b> The City of Salisbury has over 300 dedicated and hard-working volunteers assisting in our Community Centres, Libraries, Graffiti Removal, Memorial Park, Seniors Centres and Home Assist program. Volunteer Services oversee the recruitment, registration and recognition of Council's volunteers, along with the development and management of Council's volunteer practices and systems to ensure they meet audit, legislative, funding and policy requirements.	During 2022/2023: <ul style="list-style-type: none"> <li>• 311 active volunteers</li> <li>• 45,835 hours contributed by volunteers</li> <li>• 40% of our workforce are volunteers</li> </ul>
<b>Disability programs</b> The Shed; Fun on Friday; Salisbury Social Group; STARS Group activities are designed collaboratively with participants and have social and recreational focus with a number of participants engaged in specific interest and everyday skills activities. Promotion of positive community engagement and participation.	<ul style="list-style-type: none"> <li>• Participants: 40 pa</li> </ul>
<b>Health and Inclusion</b> Undertakes research, community and stakeholder engagement, projects, policy and strategy development in relation to community health and wellbeing; access and inclusion; mental wellbeing and resilience; aged friendly cities and intercultural communities.	<ul style="list-style-type: none"> <li>• Community needs, trends and expectations identified and translated into Council direction</li> <li>• Strategic partnerships developed</li> <li>• Salisbury Seniors Alliance</li> <li>• Salisbury Intercultural Community Alliance</li> <li>• Salisbury Intercultural Strategic Alliance</li> <li>• Disability Access and Inclusion Network</li> <li>• Develop, implement, report, evaluate and renew the City of Salisbury's Framework and Strategic Plans, i.e. Age-Friendly Strategic Plan 2022-2027, Intercultural Strategic Plan 2017-2027, Ability and Inclusion Strategic Plan 2020-24.</li> <li>• Council of Europe Intercultural Cities Network and Welcoming Cities Network accreditation</li> </ul>
<b>Salisbury Home and Community Services and Housing Support Program (CSHSP)</b> Funded by Commonwealth and Council to provide support services to frail older people to help them live independently at home and in the community. Support includes household maintenance, transport and support with shopping and community participation. Activities and opportunities at the three Seniors Centres include socialisation, ongoing learning, wellness and culturally specific groups and meals. The Care Finder Housing Support Program supports older people to find secure accommodation.	<ul style="list-style-type: none"> <li>• Number of individual residents receiving support: 2,500 pa</li> <li>• Domestic assistance: 7,500 hours pa</li> <li>• Social Support Groups 76,000 hours pa</li> <li>• Social support individual: 500 hours pa</li> <li>• Number of meals: 20,000 pa</li> <li>• Number of transport trips: 7,000 pa</li> <li>• Home modifications: \$70,000 pa</li> <li>• Hours of home maintenance: 3,500 pa</li> <li>• Number of people assisted by the Housing Support program: 180 pa</li> </ul>

# Community Health and Wellbeing

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



**Community Health and Wellbeing  
(Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Aged Care Policy Planning and Coordination	219	349
Volunteer Services	231	248
Disability Programs	213	332
Health and Inclusion	454	431
Salisbury Home and Community Services and Housing Support Program (CSHSP)	3,799	3,912
<b>DIRECT EXPENDITURE</b>	<b>4,915</b>	<b>5,272</b>
<b>FULL COST ATTRIBUTION</b>	<b>2,391</b>	
<b>TOTAL EXPENDITURE</b>	<b>7,306</b>	<b>5,272</b>
<b>INCOME</b>		
Disability Programs	306	336
Health and Inclusion	170	172
Salisbury Home and Community Services and Housing Support Program (CSHSP)	3,360	3,492
<b>TOTAL INCOME</b>	<b>3,836</b>	<b>4,000</b>
<b>NET IMPACT TO COUNCIL</b>		
Aged Care Policy Planning and Coordination	219	349
Volunteer Services	231	248
Disability Programs	(94)	(4)
Health and Inclusion	284	259
Salisbury Home and Community Services and Housing Support Program (CSHSP)	438	420
<b>FULL COST ATTRIBUTION</b>	<b>2,391</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>3,470</b>	<b>1,272</b>

# Cemetery



## Key Partners:

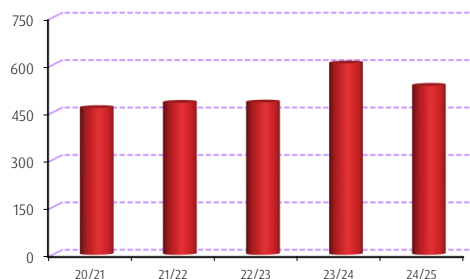
- Garner Memorials
- Arrow Bronze
- Mattiske Funerals
- Simplicity Funerals
- Australasian Cemeteries and Crematoria Association
- Cemeteries and Cremation Association of South Australia
- Italian Monumental Art

Cemetery contains the following Service Areas, Activities and Service Levels

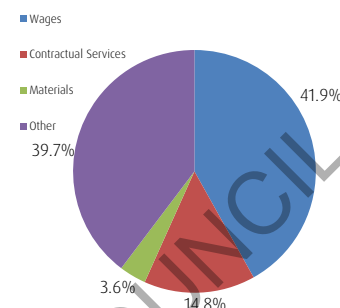
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p><b>Salisbury Memorial Park Cemetery</b> Administer the Salisbury Memorial Park in accordance with the Burial and Cremation Act 2013</p> <p><i>Salisbury Mausoleum</i> Entombment within a crypt or placement of ashes within dedicated cremation niche walls.</p> <p><i>Lawn Burials</i> In ground burial services.</p> <p><i>Vault Burials</i> Below ground burial with concrete walls surrounding the burial plot preventing any contact with the earth (as preferred by a variety of religious denominations).</p> <p><i>Inurnments</i> The burial of cremated remains within the Rose Garden, Shrub Garden, Rotunda, Water Feature or sealed in one of the cemetery's niche walls.</p> <p><i>Licences</i> Licences for burial/inurnment are required under the Local Government Act and can be purchased on an as needed or pre-need basis.</p>	<ul style="list-style-type: none"> <li>• Provide exceptional and empathetic customer service to those requiring a final resting place for loved ones</li> <li>• Oversee the lease of the Chapel of the Holy Family Mausoleum</li> <li>• Entombments: 12 pa</li> <li>• Standard burials: 110 pa</li> <li>• Vault burials: 3 pa</li> <li>• Inurnments: 80 pa</li> <li>• Licence sales: 110 pa</li> </ul>

# Cemetery

**Budgeted Cemetery Operating Expenditure**  
(\$'000)



**Cemetery (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Salisbury Memorial Park Cemetery	605	535
<b>DIRECT EXPENDITURE</b>	605	535
<b>FULL COST ATTRIBUTION</b>	110	
<b>TOTAL EXPENDITURE</b>	715	535
<b>INCOME</b>		
Salisbury Memorial Park Cemetery	700	608
<b>TOTAL INCOME</b>	700	608
<b>NET IMPACT TO COUNCIL</b>		
Salisbury Memorial Park Cemetery	(95)	(73)
<b>FULL COST ATTRIBUTION</b>	110	
<b>TOTAL NET IMPACT TO COUNCIL</b>	15	(73)

# Food and Health Regulation



## Key Partners:

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

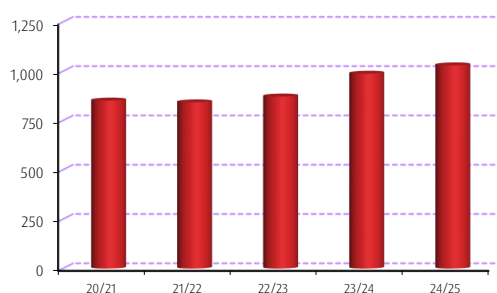
Food and Health Regulation contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Food and Health Act Administration</b> Council provides a range of services that aim to protect and promote a high standard of public and environmental health, through the administration and enforcement of provisions under the following legislation: <ul style="list-style-type: none"> <li>• SA Public Health Act</li> <li>• Food Act</li> <li>• Environment Protection Act</li> <li>• Local Nuisance and Litter Control Act</li> <li>• Supported Residential Facilities Act</li> </ul>	<ul style="list-style-type: none"> <li>• Food premises inspection: 550 pa</li> <li>• Food safety audits: 45 pa</li> <li>• Food complaint investigations: 75 pa</li> <li>• Health premises inspections: 75 pa</li> <li>• Complaints and customer requests               <ul style="list-style-type: none"> <li>◦ Public and environmental health 220 pa</li> <li>◦ Local Nuisance and Litter Control Act: 595 pa</li> </ul> </li> <li>• High Risk Manufactured Water System Registrations: 60 pa</li> <li>• Licensing of Supported Residential Facility: 1</li> </ul>
<b>Immunisation</b> Council provides an immunisation program so as to prevent the occurrence and spread of notifiable diseases, as required under the SA Public Health Act.	<ul style="list-style-type: none"> <li>• Vaccines administered at free clinics: 1000 pa</li> <li>• Vaccines administered through school's program: 5,700 pa</li> <li>• Target of 95% immunisation rate by 63 months old consistent with State/Federal aspirational targets</li> </ul>

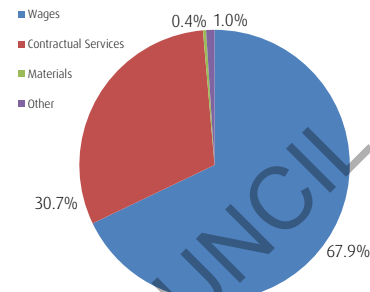


# Food and Health Regulation

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



**Food and Health Regulation**  
(Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Food and Health Act Administration	787	821
Immunisation	202	210
<b>DIRECT EXPENDITURE</b>	<b>988</b>	<b>1,031</b>
<b>FULL COST ATTRIBUTION</b>	<b>392</b>	
<b>TOTAL EXPENDITURE</b>	<b>1,380</b>	<b>1,031</b>
<b>INCOME</b>		
Food and Health Act Administration	99	114
Immunisation	153	154
<b>TOTAL INCOME</b>	<b>251</b>	<b>268</b>
<b>NET IMPACT TO COUNCIL</b>		
Food and Health Act Administration	688	707
Immunisation	49	56
<b>FULL COST ATTRIBUTION</b>	<b>392</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>1,129</b>	<b>762</b>

# Community Compliance Services



## Key Partners:

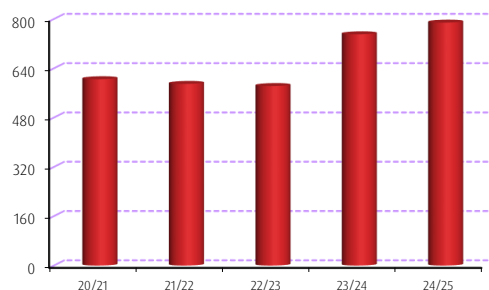
- Local Government Association
- Authorised Persons Association
- Bushfire Management Committee
- Country Fire Service

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

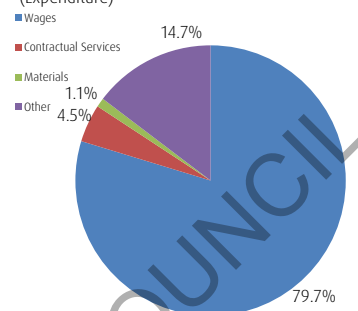
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p><b>Community Compliance Services</b></p> <p>Regular patrols of streets and public car parks to ensure that community members are complying with applicable parking and road rules legislation so as to:</p> <ul style="list-style-type: none"> <li>• enhance and protect the safety of pedestrians and road users,</li> <li>• minimise traffic congestion, and</li> <li>• ensures adequate and equitable car parking is available for customers in shopping precincts by ensuring turnover of parking.</li> </ul> <p>Aims to improve the safety and amenity of the area through the effective enforcement of the relevant sections of the Local Government Act, Bylaws and Local Nuisance and Litter Control Act applicable to the section.</p> <p>Undertake activities required for the development and effective operations of the responsibilities for Bushfire Management and Planning.</p> <p>Improve the safety and amenity of the area through the effective enforcement and administration of the relevant sections of the Fire and Emergency Services Act required for the effective control and reduction of risks from fuel hazards on private properties. Issue burning and hot works permits and ensure all applicants take appropriate action to burn as per permit conditions.</p>	<ul style="list-style-type: none"> <li>• Parking, expiations and warnings: 2,500 pa</li> <li>• Abandoned vehicles: 500 pa</li> <li>• Backyard burning: 100 pa</li> <li>• Footpath trading permits: 25 pa</li> <li>• Other animal and bird nuisances: 150 pa</li> <li>• Littering: 700 pa</li> <li>• Noise and environmental nuisances: 300 pa</li> <li>• Fuel hazard (overgrown properties) inspections: 3,600 pa</li> <li>• Burning permits: 50 pa</li> </ul>

# Community Compliance Services

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



**Community Compliance Services (Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Community Compliance Services	751	789
<b>DIRECT EXPENDITURE</b>	<b>751</b>	<b>789</b>
<b>FULL COST ATTRIBUTION</b>	<b>478</b>	
<b>TOTAL EXPENDITURE</b>	<b>1,228</b>	<b>789</b>
<b>INCOME</b>		
Community Compliance Services	308	388
<b>TOTAL INCOME</b>	<b>308</b>	<b>388</b>
<b>NET IMPACT TO COUNCIL</b>		
Community Compliance Services	443	400
<b>FULL COST ATTRIBUTION</b>	<b>478</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>920</b>	<b>400</b>

# Dog and Cat Management



## Key Partners:

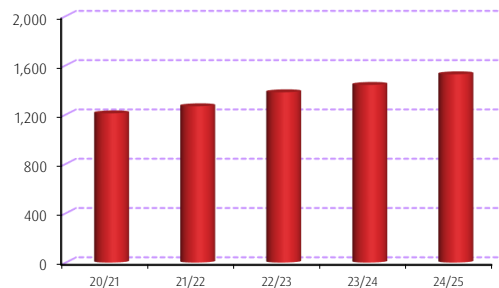
- Dog and Cat Management Board
- Animal Welfare League
- Local Government Association
- Authorised Persons Association

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

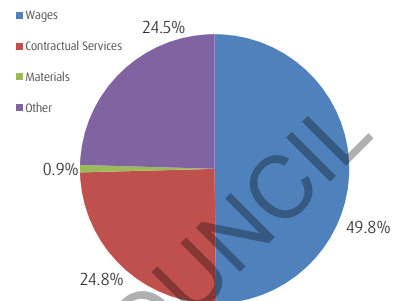
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Animal Control</b> Administering the Dog and Cat Management Act to ensure that community members are complying with legislative requirements and implementing strategies and actions that encourage responsible dog and cat ownership, increase public safety and enhance the amenity and environment, reduce public and environment nuisances from dogs and cats and to ensure Council delivers effective and efficient dogs and cats management services.	<ul style="list-style-type: none"> <li>• Registered dogs: 24,500 pa</li> <li>• Dogs wandering at large: 900 pa</li> <li>• Dogs impounded: 430 pa</li> <li>• Dog attack investigations: 50 pa</li> <li>• Dog noise and nuisance complaints: 120 pa</li> <li>• Property visits as part of a dog registration survey: 6,000 pa</li> <li>• Inspections of premises with guard dogs: 10 pa</li> <li>• Bylaw exemptions for keeping more than two dogs: 150 pa</li> <li>• Provision of ten dog friendly parks and eight small dog parks</li> <li>• Cat nuisance investigations and trapping: 140 pa</li> </ul>

# Dog and Cat Management

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



Dog and Cat Management (Expenditure)



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Animal Control	1,441	1,528
<b>DIRECT EXPENDITURE</b>	<b>1,441</b>	<b>1,528</b>
<b>FULL COST ATTRIBUTION</b>	<b>553</b>	
<b>TOTAL EXPENDITURE</b>	<b>1,995</b>	<b>1,528</b>
<b>INCOME</b>		
Animal Control	1,189	1,178
<b>TOTAL INCOME</b>	<b>1,189</b>	<b>1,178</b>
<b>NET IMPACT TO COUNCIL</b>		
Animal Control	252	350
<b>FULL COST ATTRIBUTION</b>	<b>553</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>806</b>	<b>350</b>

# Crime Prevention and Repair



## Key Partners:

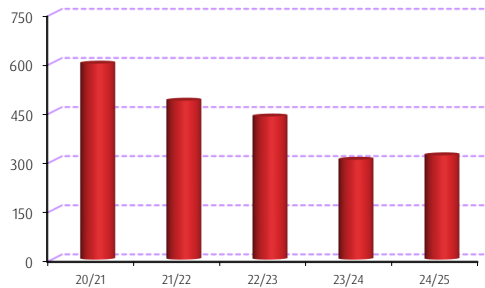
- Residents
- Police
- Volunteers

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

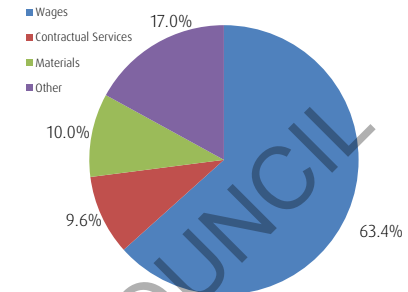
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p><b>Building Maintenance Graffiti</b></p> <p>Council's building maintenance program provides for the removal of graffiti from all Council owned buildings and infrastructure. This initiative uses both Council staff and volunteers.</p> <p>Graffiti is also removed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

## Crime Prevention and Repair

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



Crime Prevention and Repair (Expenditure)



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Building Maintenance Graffiti	305	319
<b>DIRECT EXPENDITURE</b>	<b>305</b>	<b>319</b>
<b>FULL COST ATTRIBUTION</b>		
<b>TOTAL EXPENDITURE</b>	<b>305</b>	<b>319</b>
<b>NET IMPACT TO COUNCIL</b>		
Building Maintenance Graffiti	305	319
<b>FULL COST ATTRIBUTION</b>		
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>305</b>	<b>319</b>



# Street Lighting



## Key Partners:

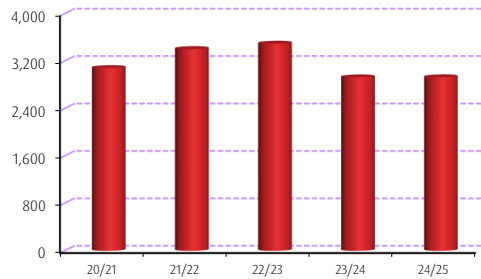
- SA Power Networks
- Local Government Association
- Department of Transport, Energy & Infrastructure

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

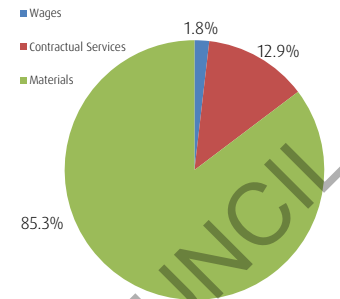
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p><b>Lighting</b></p> <p>There are over 16,000 street lights within the City that are maintained by SA Power Networks.</p> <p>There are 4,400 Council owned street lights in suburbs that include Mawson Lakes, Walkley Heights, Gulfview Heights, Springbank Waters and John Street Salisbury. Council is responsible for the maintenance of these lights. Council also owns and is responsible for the maintenance of 830 mains powered lights in total and a further 120 solar lights. Power for public lighting is purchased as part of a combined contract with State and other Local Government agencies.</p>	<ul style="list-style-type: none"> <li>• Ongoing reviews occur on the adequacy of existing street lighting to identify needs for upgrading of infrastructure with respect to on ground lux levels and associated classification</li> <li>• Ensure Public Lighting is of suitable type, with the General Classification of PR5 for pedestrian access on street and PP5 for new shared use paths. Crime, crash, and community data is used to assess the correct street and reserve lighting classification</li> <li>• Replacement of defective lights and repairs of damaged infrastructure is undertaken on a yearly cyclical inspection basis or upon community request through council customer service or SAPN</li> <li>• Council completed the LED Street Light Replacement program, costing \$6M in 2023, reducing energy use by 40% and providing a safer street environment. Annual savings in operating expenditure attributed to the reduction in energy use were approximately \$420,000/year</li> </ul>

## Street Lighting

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



**Street Lighting (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Lighting	2,927	2,929
<b>DIRECT EXPENDITURE</b>	<b>2,927</b>	<b>2,929</b>
<b>FULL COST ATTRIBUTION</b>	<b>71</b>	
<b>TOTAL EXPENDITURE</b>	<b>2,999</b>	<b>2,929</b>
<b>NET IMPACT TO COUNCIL</b>		
Lighting	2,927	2,929
<b>FULL COST ATTRIBUTION</b>	<b>71</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>2,999</b>	<b>2,929</b>

## A sustainable City



Item 7.1.5 - Attachment 2 - Draft 24/25 Long Term Financial Plan and Annual Business Plan



## Foundations

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



## Council's commitment to develop a sustainable City

Council will:

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

## CRITICAL ACTIONS

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

# TO BE UPDATED

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

TO BE UPDATED

# City Infrastructure



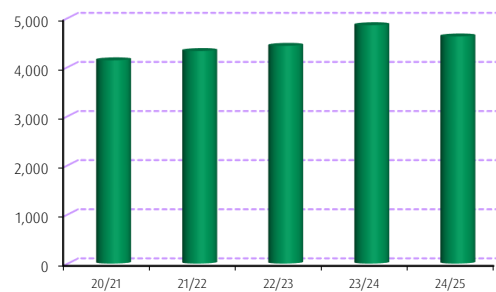
City Infrastructure contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Infrastructure Delivery &amp; Design</b> Provides for building, civil and landscape infrastructure design and construction.	<ul style="list-style-type: none"> <li>• Completes design and delivery of building, civil and landscape projects within approved timelines and budgets</li> <li>• Delivers Council's annual Infrastructure program</li> <li>• Projects delivered in line with Capital Delivery Framework</li> <li>• Financial administration of Council's Projects and contract management related to Infrastructure</li> </ul>
<b>City Infrastructure Administration</b> Provides for the overall leadership, management and administration of the City Infrastructure Department.	<ul style="list-style-type: none"> <li>• Deliver overall departmental support and governance in delivering Corporate objectives</li> </ul>
<b>Engineering Assets &amp; Systems</b> Provides for strategic infrastructure management, including asset management, infrastructure planning and landscape / engineering program and project development.	<ul style="list-style-type: none"> <li>• Planning and Program development for the City's civil engineering infrastructure, including roads, drainage systems and structures</li> <li>• Traffic management planning and review</li> <li>• Planning and development of Stormwater Management Plans including major and minor flood mitigation programs</li> <li>• Management of Council's asset management system</li> <li>• Development and update of the Strategic Asset Management Plan</li> </ul>
<b>Security Services</b> Management and oversight of Council's physical security systems.	<ul style="list-style-type: none"> <li>• Management of passive security surveillance systems across the City</li> <li>• Security at Council facilities and events</li> </ul>
<b>Operations Centre Accommodation</b> The operating costs of Council's Operation Centre.	<ul style="list-style-type: none"> <li>• <b>Commentary required here</b></li> </ul>
<b>Urban, Recreation &amp; Natural Assets</b> Core functions include oversight of Council's urban natural and built assets, leasing of sporting, recreation and community clubs, casual hire of Council's reserves, open space management and planning, environmental and waste management planning, nature education activities and facilities management.	<ul style="list-style-type: none"> <li>• Management and planning of City assets, including recreational facilities, sporting ovals, clubrooms, playgrounds, informal and formal open spaces, and urban streetscape</li> <li>• Management and planning of natural and environmental spaces, including biodiversity corridors and riparian zones</li> <li>• Management and planning of Council buildings, lighting and electrical infrastructure</li> <li>• Delivery of and training in environmental and biodiversity projects</li> <li>• Management of Council's waste management services</li> <li>• Sporting and Community Club Rental Agreements</li> <li>• Facilities management including Salisbury Community Hub and Community Centres</li> </ul>

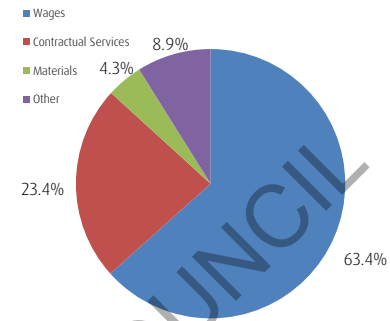


## City Infrastructure

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



**City Infrastructure (Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Infrastructure Delivery & Design	962	414
City Infrastructure Administration	1,088	1,183
Engineering Assets & Systems	329	307
Security Services	996	1,124
Operations Centre Accommodation	326	341
Urban, Recreation & Natural Assets	1,153	1,253
<b>DIRECT EXPENDITURE</b>	<b>4,854</b>	<b>4,622</b>
<b>FULL COST ATTRIBUTION</b>	<b>(1,468)</b>	
<b>TOTAL EXPENDITURE</b>	<b>3,386</b>	<b>4,622</b>
<b>INCOME</b>		
Engineering Assets & Systems	236	285
Urban, Recreation & Natural Assets	225	284
<b>TOTAL INCOME</b>	<b>461</b>	<b>569</b>
<b>NET IMPACT TO COUNCIL</b>		
Infrastructure Delivery & Design	962	414
City Infrastructure Administration	1,088	1,183
Engineering Assets & Systems	93	22
Security Services	996	1,124
Operations Centre Accommodation	326	341
Urban, Recreation & Natural Assets	928	969
<b>FULL COST ATTRIBUTION</b>	<b>(1,468)</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>2,925</b>	<b>4,053</b>

# Water Management



## Key Partners:

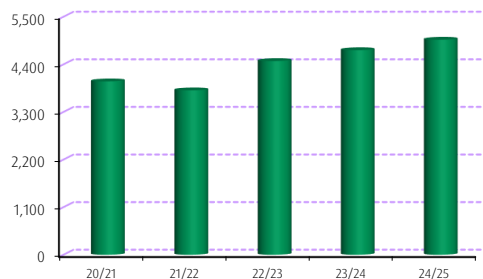
- State Government
- Australian Government Department of Agriculture, Water and the Environment
- Department for Environment and Water (DEW)
- Renewal SA
- SA Water
- Tea Tree Gully Council
- Playford Council
- Department of Defence
- CSIRO
- UniSA
- DEW/Green Adelaide
- Port Adelaide Enfield Council

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

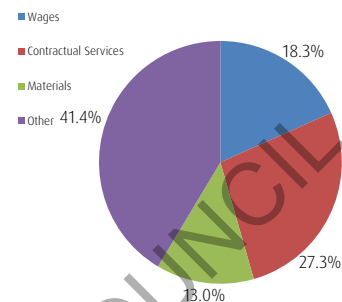
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Drainage Systems</b> The Drainage Asset Management Plan includes maintenance and cleaning of rubbish collection devices, on a continual basis. The maintenance of drains includes the clearing of underground pipes from obstructions such as siltation and root penetration and the desilting, rubbish removal and repair of open drains and river reaches. The servicing of flood detention dam penstocks, the cleaning of all road side-entry pits, the desilting of blocked drains and the inspection and maintenance of the City's flood control dams are also included.	<ul style="list-style-type: none"> <li>• Maintain over 140 rubbish collection devices at less than 25% full of rubbish</li> <li>• Service 14,000 Side Entry Pits and Junction Boxes on a 5-year cycle</li> <li>• Ongoing inspection and cleanout of underground drains when necessary</li> <li>• Annual inspection of all open drains/river reaches with desilting, root and tree removal and repair where necessary</li> <li>• Water Quality is monitored to ensure Council continues to improve Waterways to minimise pollutants into the Barker Inlet</li> <li>• Ongoing inspection of all flood control dams, including servicing and checking the operation of all penstocks</li> </ul>
<b>Salisbury Water</b> Facilitate Council's operation as a licenced water retailer under the Water Industry Act, harvesting, cleansing and reticulating recycled water across the city.	<ul style="list-style-type: none"> <li>• Operate 9 Managed Aquifer Recharge (MAR) schemes with 32 MAR wells</li> <li>• Operate 22 groundwater wells</li> <li>• Maintain 160km of 'purple' distribution pipes</li> <li>• Operate 120 pumps and associated water quality instrumentation, 24 hours per day and 7 days per week, via a comprehensive System Control and Data Acquisition (SCADA) system</li> <li>• Licenced monitoring and reporting on quality &amp; volume at all operational sites and associated groundwater monitoring points. Harvest, cleanse and store up to 5GL/year of stormwater, retail 2.5G/L to over 1000 internal and external customers</li> </ul>
<b>Water Systems</b> City Infrastructure has overall responsibility for stormwater drainage and flood management in the City, including conceptual modelling, risk assessment/prioritisation, engineering, design for construction and operational oversight/decision making of stormwater systems in storm events to ensure prevention of flooding of property.	<ul style="list-style-type: none"> <li>• Prepare and implement risk-based Stormwater Management Plans (SMP) for catchments to identify risks and opportunities, prioritise and prepare budgets for on-ground works, and allocate responsibility</li> <li>• Facilitate and coordinate with the activities of the Drainage Systems, Wetlands &amp; Biodiversity and Salisbury Water teams</li> <li>• Environmental monitoring at specified sites across the City to identify priority works to improve watercourses and terrestrial zones</li> </ul>
<b>Wetlands and Biodiversity</b> Planning and Asset Management of wetlands, watercourses and habitat reserves.	<ul style="list-style-type: none"> <li>• Develop, enhance and renew over 46 wetlands, total area exceeding 300ha as part of the Watercourse Management Program</li> </ul>

# Water Management

**Budgeted Water Management Operating Expenditure**  
(\$'000)



**Water Management (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Drainage Systems	1,330	1,329
Salisbury Water	2,819	2,908
Water Systems	123	221
Wetlands and Biodiversity	456	511
<b>DIRECT EXPENDITURE</b>	<b>4,728</b>	<b>4,969</b>
<b>FULL COST ATTRIBUTION</b>	<b>6,787</b>	
<b>TOTAL EXPENDITURE</b>	<b>11,515</b>	<b>4,969</b>
<b>INCOME</b>		
Salisbury Water	2,617	2,723
<b>TOTAL INCOME</b>	<b>2,617</b>	<b>2,723</b>
<b>NET IMPACT TO COUNCIL</b>		
Drainage Systems	1,330	1,329
Salisbury Water	202	186
Water Systems	123	221
Wetlands and Biodiversity	456	511
<b>FULL COST ATTRIBUTION</b>	<b>6,787</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>8,898</b>	<b>2,246</b>

# Waste Management

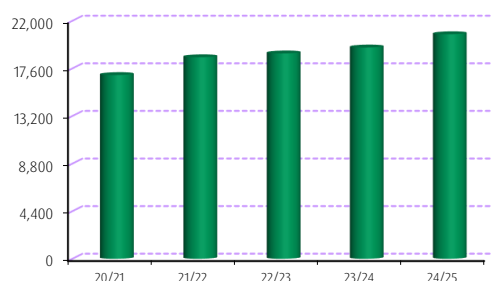


Waste Management contains the following Service Areas, Activities and Service Levels

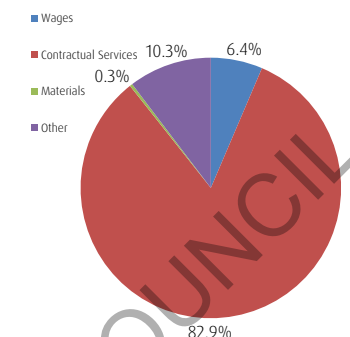
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Coleman Road Landfill</b> Following closure in 1997 Council is continuing to rehabilitate the site, with ongoing monitoring and capping.	<ul style="list-style-type: none"> <li>Monitoring of gas at the landfill site</li> <li>Groundwater monitoring</li> <li>Increasing the cap over the landfill</li> </ul>
<b>Domestic Hard Waste Collection</b> Managed by Northern Area Waste Management Authority (NAWMA) with all hard waste collection services provided through a booking arrangement. Residents may also receive a voucher for free disposal of prescribed materials at the NAWMA Resource Recovery Centres in lieu of property collection.	<ul style="list-style-type: none"> <li>Council provides the option of either two hard waste home collection services or two vouchers for use at the NAWMA Resource Recovery Centres (Pooraka or Edinburgh North) or a combination of one of each</li> <li>Approximately 22,000 hard waste services (collection or vouchers) are provided each year</li> </ul>
<b>Domestic Refuse Collection</b> Council provides a weekly domestic refuse collection service operated by NAWMA for residents using a 140 litre bin.	<ul style="list-style-type: none"> <li>Weekly to residential properties (140L bin)</li> <li>Domestic Refuse to landfill: 29,400 tonnes pa</li> </ul>
<b>Green Waste Kerbside Service</b> Council provides a collection service run by NAWMA for all residents who wish to participate. Recent initiatives have resulted in increased numbers of green waste bins, as well as kitchen caddies, to assist with diversion of an additional 2,000 tonnes of waste from landfill each year.	<ul style="list-style-type: none"> <li>Fortnightly to residential properties (240L bin)</li> <li>Each rateable property is able to obtain one kerbside green waste bin at no additional cost</li> <li>Green waste collected and composted: 20,260 tonnes pa</li> <li>8L benchtop kitchen caddies and rolls of compostable kitchen caddy liners are available for residents to collect, free of charge, from Salisbury Community Hub, Ingle Farm Library, Para Hills Hub, Mawson Lakes Library and Burton Community Hub</li> </ul>
<b>Kerbside Recycling</b> Council provides a 240 litre bin recycling collection service and all recyclables are processed at the NAWMA Materials Recovery Facility (MRF).	<ul style="list-style-type: none"> <li>Fortnightly to residential properties (240L bin)</li> <li>Kerbside recycling: 10,000 tonnes pa</li> </ul>
<b>Loose Litter</b> Provides for the collection and disposal of rubbish dumped on Council reserves and roads and the collection of waste from public rubbish bins. The Department of Correctional Services provide litter collection to arterial and collector roads.	<ul style="list-style-type: none"> <li>Programmed loose litter and litter bin collection</li> <li>3 day cycle for high traffic locations</li> <li>Ad-hoc collection of dumped rubbish on verges/road reserves</li> <li>Cyclic collection of litter from collector/distributor for roads</li> <li>Removal of dead animals from public places</li> </ul>
<b>Pooraka Resource Recovery Centre</b> The Pooraka Resource Recovery Centre (formerly Research Road Waste Transfer Station) is externally operated by NAWMA on Council's behalf. The Centre is available seven days per week except Christmas Day, New Year's Day, Good Friday & ANZAC Day.	<ul style="list-style-type: none"> <li>Total customers (2023): 95,514</li> <li>During 2023 disposal of: General waste 12,600, Green waste 6,000t, Metals 613t, E-waste 68t, 3,500 Tyres and 6,093 Mattresses</li> </ul>

# Waste Management

**Budgeted Waste Management Operating Expenditure**  
(\$'000)



**Waste Management (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Coleman Road Landfill	78	78
Domestic Hard Waste Collection	1,710	1,914
Domestic Refuse Collection	11,250	12,055
Green Waste Kerbside Service	2,205	2,297
Kerbside Recycling	1,257	1,345
Loose Litter	2,900	2,941
Pooraka Resource Recovery Centre	129	128
<b>DIRECT EXPENDITURE</b>	<b>19,528</b>	<b>20,758</b>
<b>FULL COST ATTRIBUTION</b>		
<b>TOTAL EXPENDITURE</b>	<b>19,528</b>	<b>20,758</b>
<b>INCOME</b>		
Domestic Refuse Collection	66	66
Pooraka Resource Recovery Centre	194	224
<b>TOTAL INCOME</b>	<b>261</b>	<b>290</b>
<b>NET IMPACT TO COUNCIL</b>		
Coleman Road Landfill	78	78
Domestic Hard Waste Collection	1,710	1,914
Domestic Refuse Collection	11,183	11,989
Green Waste Kerbside Service	2,205	2,297
Kerbside Recycling	1,257	1,345
Loose Litter	2,900	2,941
Pooraka Resource Recovery Centre	(65)	(97)
<b>FULL COST ATTRIBUTION</b>		
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>19,267</b>	<b>20,468</b>

# Parks and Landscapes



## Key partners:

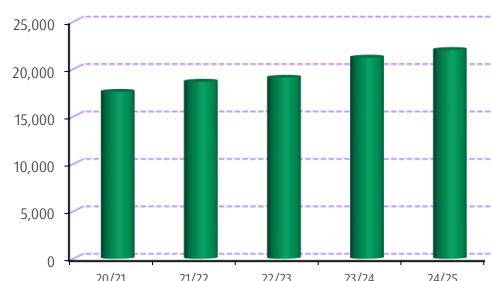
- Department of Environment and Water
- Green Adelaide

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

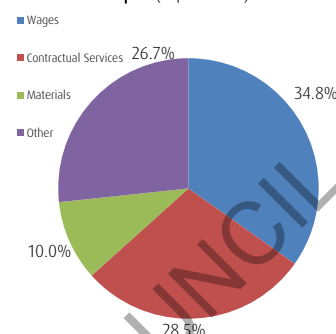
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Field Services Administration</b> Relevant Asset Management Plans provide direction to focus services and service levels across the division.  <i>Field Services</i> Provides pro-active and reactive maintenance services to all public reserves and associated assets across the City.	<ul style="list-style-type: none"> <li>• Maintenance program ensures delivery of fit for purpose parks and assets that are safe, functional and provide community amenity value</li> </ul>
<b>Landscapes</b> Consists of feature gardens and lawns which surround Council buildings, entry statements and roundabouts, with a focus on sustainable landscapes throughout the City.	<ul style="list-style-type: none"> <li>• Civil maintenance related to roads, creeks and stormwater assets</li> <li>• 15,000 resident requests actioned annually</li> <li>• Maintenance of local reserves, parks and landscapes</li> <li>• Care of biodiversity sites</li> <li>• Frequency based maintenance regimes to sites based upon profile and landscape type</li> </ul>
<b>Mangrove Trail</b> Provision and maintenance of St Kilda Mangrove Trail.	<ul style="list-style-type: none"> <li>• Council continues to work with State Government agencies to protect and improve the Service Level and access to the Mangrove Trail</li> </ul>
<b>Pest and Weed Control</b> Control of nuisance pests and weeds on Council reserves, verges and around buildings.	<ul style="list-style-type: none"> <li>• Programmed and reactive pest and weed control services, with Council the front line in managing the elimination of pest species in the region, such as coolati and caltrop</li> </ul>
<b>Public Toilets</b> Maintenance and cleaning of public toilets throughout the City.	<ul style="list-style-type: none"> <li>• Daily cleaning of all public toilets within the City</li> <li>• Sharps containers emptied fortnightly or more frequent if required</li> </ul>
<b>Reserves and Playgrounds</b> Maintenance of reserves and open space including grass cutting, litter removal, turf maintenance, irrigation maintenance, park furniture maintenance, fencing and reserve signage. Maintenance of play spaces, shade structures and fitness equipment throughout the City.	<ul style="list-style-type: none"> <li>• Total areas managed: 1,900 ha of reserves</li> <li>• 10 Dog parks and 7 BMX Tracks</li> <li>• 147 play spaces which have weekly, fortnightly and monthly audits of play equipment depending on classification</li> <li>• Council has a hierarchy of play spaces which includes, regional, district, local and irrigated reserve</li> <li>• Frequency based mowing and reserve maintenance depending on reserve classification</li> </ul>
<b>Tree Management</b> Tree planting and establishment, tree pruning, tree removal and tree inspections on verges and Council reserves.	<ul style="list-style-type: none"> <li>• Programmed street tree pruning on a 5 yearly cycle, reactive tree pruning, responsive tree assessment processes and risk based inspection regimes</li> </ul>
<b>Verges (Road Reserves)</b> Council provides for grass mowing of un-maintained residential verges and collector road verges.	<ul style="list-style-type: none"> <li>• Residential verges and collector roads: 8 services pa</li> <li>• Litter collection, blow down of paths and driveways, edging of paths, weed control, bush and tree debris collection</li> <li>• Street sweeping within 24 hours of verge mowing</li> <li>• Occur mostly in the growing season from February to December</li> </ul>

# Parks and Landscapes

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



**Parks and Landscapes (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Field Services Administration	4,626	5,029
Landscapes	971	1,075
Mangrove Trail	69	62
Pest and Weed Control	565	572
Public Toilets	545	553
Reserves and Playgrounds	8,651	8,881
Tree Management	3,115	3,118
Verges ( Road Reserves )	2,679	2,736
<b>DIRECT EXPENDITURE</b>	<b>21,220</b>	<b>22,027</b>
<b>FULL COST ATTRIBUTION</b>	<b>12,676</b>	
<b>TOTAL EXPENDITURE</b>	<b>33,896</b>	<b>22,027</b>
<b>INCOME</b>		
Field Services Administration	64	66
Tree Management	60	67
<b>TOTAL INCOME</b>	<b>124</b>	<b>133</b>
<b>NET IMPACT TO COUNCIL</b>		
Field Services Administration	4,562	4,963
Landscapes	971	1,075
Mangrove Trail	69	62
Pest and Weed Control	565	572
Public Toilets	545	553
Reserves and Playgrounds	8,651	8,881
Tree Management	3,055	3,051
Verges ( Road Reserves )	2,679	2,736
<b>FULL COST ATTRIBUTION</b>	<b>12,676</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>33,772</b>	<b>21,894</b>



A growing City that creates new opportunities



Item 7.1.5 - Attachment 2 - Draft 24/25 Long Term Financial Plan and Annual Business Plan

## Foundations

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



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

### Council will:

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

## CRITICAL ACTIONS

### Strategic Projects

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

Attract firms to Salisbury, providing job opportunities for residents

Link Technology Park with other innovation precincts in Adelaide

Deliver a residential development program by using surplus Council land

### Budget Context

The revitalisation of the Salisbury City Centre has taken a major step forward with the completion of Church and John Streets upgrades, including both Sexton and Judd Laneways. Council is currently seeking interest from the private sector in the redevelopment of a number of major Council landholdings in the city centre.

Orderly development of new employment land will continue to be a priority. Promotion of Salisbury as a great investment destination will continue and will be enhanced by the development of a new Invest Salisbury brand that includes a refreshed website and investment attraction campaign. This will be underpinned by the support the Polaris Centre provides to new and existing businesses.

Conversations with key stakeholders, including State Government, are ongoing to enhance the role of Technology Park in the innovation ecosystem. Research is being conducted on potential paths moving forward.

A successful builder partner has been engaged to develop the Lake Windemere project following the Expression of Interest that was released to the market seeking innovative, affordable partnerships with builders and community housing providers. Walkleys Road Corridor stage 3 of community engagement is underway which will aim to update the community on the concept plan and seek input into a new District level playground on Baloo Street.

### Operational Focus

Support new and existing businesses and industries to grow and create jobs

Improve infrastructure, signage, safety, streetscapes and upkeep of commercial and industrial areas to support economic sustainability and growth

Improve parking in Salisbury City Centre and Mawson Lakes Central, business and recreation precincts

Streamline processes to improve how Council works with businesses

### Budget Context

The Polaris Centre will enhance its networking program through partnerships, with a focus on key challenges and opportunities facing business today, such as talent retention and attraction, transition into a low carbon economy or digitalisation of our economy. This will compliment new mentoring programs that will be developed.

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

Mawson Lakes on street parking and controls are reviewed annually. Parking in the City Centre was a key part of the John Street, Church Street upgrade and included spaces for electric vehicle parking and refinement of Sexton and Judd Lane carparks. The expression of interest for the redevelopment of some of Council's key landholdings in the city centre include consideration of the provision of major new carparks.

Council adopts a case management approach through the City Shaping Team for development and investment by new and existing businesses, supported by efficient and timely development assessment processes. A "Business Friendly" agenda is being progressed across the organisation to embed practices that assist and support businesses in their interactions with Council.

# TO BE UPDATED



## CRITICAL ACTIONS

### Future Planning

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

Review the existing economic growth strategy

Review Council's 'Growth Action Plan'

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

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

### Budget Context

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

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

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

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

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

### Advocacy Priorities

Redevelopment of the Salisbury and Mawson Lakes interchanges

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

Appropriate and well planned development of the Dry Creek Salt Fields

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

### Budget Context

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

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

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

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

# TO BE UPDATED

# Economic Development

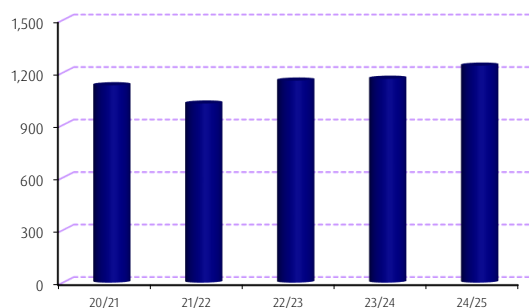


Economic Development contains the following Service Areas, Activities and Service Levels

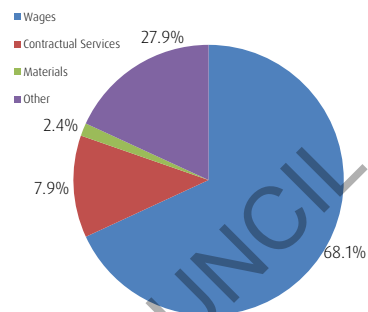
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Business Advisory Services (The Polaris Centre)</b> Council supports people considering starting a business or who are already in business by providing information, advice, workshops and mentoring.	<ul style="list-style-type: none"> <li>• Provide support and training to businesses: over 500 pa</li> <li>• Provide mentoring services to business owners: over 40 pa.</li> <li>• Increase the rate of new business formation in the region by providing start up programs</li> <li>• Provide support services to businesses including workshops (6 pa.), advisory (50 people pa)</li> <li>• Support firms to build their capacity to diversify into international markets: at least 10 pa</li> <li>• Provide networking opportunities to business owners and entrepreneurs in Northern Adelaide</li> </ul>
<b>Economic Development</b> <i>Investment Attraction</i> Actively promote Salisbury as an investment location of choice through Invest Salisbury activity and actively work with firms considering relocating to Salisbury or expanding their operations within our City. This includes progressing Council's approach to business growth.  Actively promote and position the City of Salisbury as a location of choice for business investment and expansion.  <i>Policy and Advice</i> Provide economic advice and input to Council and external bodies regarding economic issues and opportunities.  <i>Salisbury City Centre</i> Contribute to, and where appropriate, drive initiatives to progress Council's objectives for Salisbury City Centre Revitalisation, and liaison with businesses.	<ul style="list-style-type: none"> <li>• Case management of investment leads</li> <li>• Continual delivery of Invest in Salisbury and work with at least 3 partner organisations to raise Salisbury's economic profile in key sectors</li> <li>• Develop and commence implementation of a future economic strategy for Salisbury</li> <li>• Implementation of Salisbury City Centre investment attraction, business engagement and activation initiatives</li> </ul>

# Economic Development

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

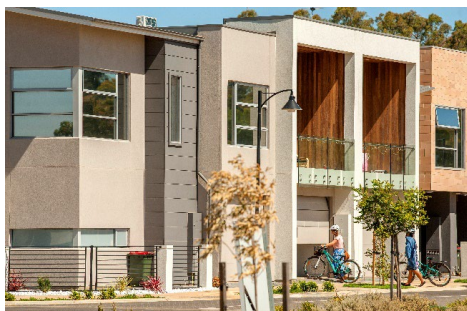


**Economic Development (Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Business Advisory Services	591	701
Economic Development	574	539
<b>DIRECT EXPENDITURE</b>	<b>1,165</b>	<b>1,240</b>
<b>FULL COST ATTRIBUTION</b>	<b>360</b>	
<b>TOTAL EXPENDITURE</b>	<b>1,525</b>	<b>1,240</b>
<b>INCOME</b>		
Business Advisory Services	94	172
Economic Development	15	
<b>TOTAL INCOME</b>	<b>109</b>	<b>172</b>
<b>NET IMPACT TO COUNCIL</b>		
Business Advisory Services	498	529
Economic Development	559	539
<b>FULL COST ATTRIBUTION</b>	<b>360</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>1,417</b>	<b>1,068</b>

# Development Services



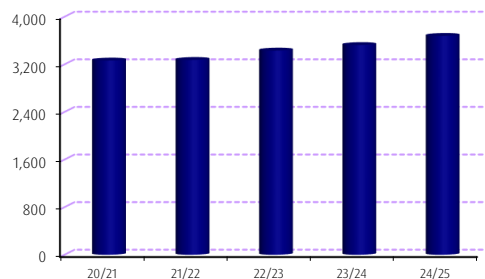
Development Services contains the following Service Areas, Activities and Service Levels

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

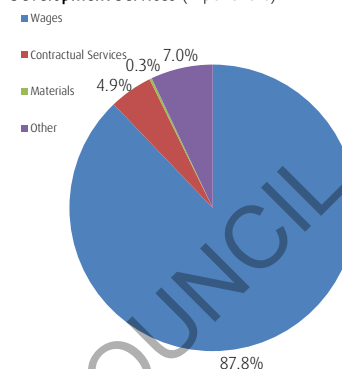


# Development Services

**Budgeted Development Services Operating Expenditure**  
(\$'000)



**Development Services (Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Building	1,053	1,095
City Development Business Services	1,056	1,101
Corporate Signage	7	7
Development Engineering	265	279
Planning	1,144	1,197
<b>DIRECT EXPENDITURE</b>	<b>3,525</b>	<b>3,678</b>
<b>FULL COST ATTRIBUTION</b>	<b>1,757</b>	
<b>TOTAL EXPENDITURE</b>	<b>5,282</b>	<b>3,678</b>
<b>INCOME</b>		
Building	971	1,026
City Development Business Services	265	265
Corporate Signage	3	21
Planning	430	531
<b>TOTAL INCOME</b>	<b>1,669</b>	<b>1,842</b>
<b>NET IMPACT TO COUNCIL</b>		
Building	82	68
City Development Business Services	791	836
Corporate Signage	4	(14)
Development Engineering	265	279
Planning	714	666
<b>FULL COST ATTRIBUTION</b>	<b>1,757</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>3,613</b>	<b>1,836</b>

# Urban Planning and Development

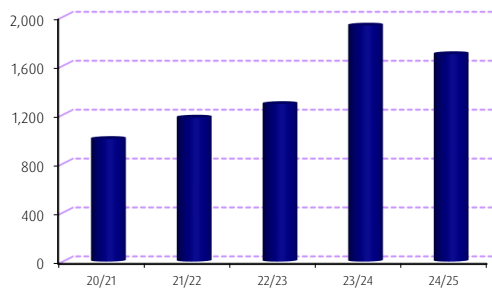


Urban Planning and Development contains the following Service Areas, Activities and Service Levels

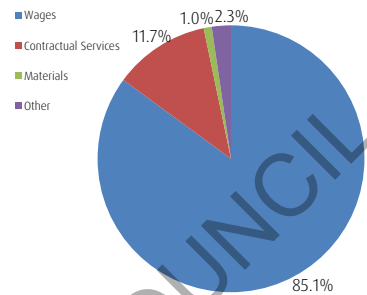
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Strategic Development Projects</b> Oversees Council's strategic development projects from inception through to completion including: <ul style="list-style-type: none"> <li>• Identification and development of surplus Council land.</li> <li>• Preparation of project feasibilities and business cases for identified potential future developments.</li> <li>• Investigating opportunities and coordinating key development projects to contribute to the renewal of the Salisbury City Centre.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress due diligence and concept feasibility studies on priority sites identified in the Strategic Land Review Short Term Action Plan</li> <li>• Construction commenced on the Health Hub at Salisbury Oval site (portion of former St Jays and Salisbury Bowling Club land)</li> <li>• Construction begins on the Lake Windemere site which will include 35 new residential dwellings</li> <li>• Seek planning approval for the Walkley's Road corridor site</li> <li>• Finalise negotiations as a result of the Salisbury City Centre Expression of Interest</li> </ul>
<b>Commercial Property Services</b> Management of commercial lease agreements, property acquisition and disposal, leasing of community land and negotiation of easements.	<ul style="list-style-type: none"> <li>• Manage all Commercial Leases / Licences on community land or Council owned land and authorisations / permits on road and road reserves</li> <li>• Prepare invoicing and monitoring rent recoveries</li> <li>• Land acquisition and disposal as required both private and institutional</li> <li>• Granting and extinguishment of Easements as required</li> <li>• Revocation of Community Land Classification</li> <li>• Road and Walkway Closures and Openings</li> <li>• Provide expert property advice to internal and external stakeholders and elected members in relation to Council owned property</li> </ul>
<b>Strategic Planning</b> Research and develop policies in relation to land use planning, environmental sustainability and growth (industry and residential). Ongoing policy review of the Planning and Design Code and preparation and advice on private Code Amendments.	<ul style="list-style-type: none"> <li>• Delivery of the City Growth Strategy to inform spatial future of Salisbury</li> <li>• Re-zonings, undertake Council led re-zonings, provide advice on private led re-zonings including co-ordination of Council responses</li> <li>• Undertake planning specific investigations and Spatial master planning of sites. i.e. local heritage assessments &amp; Salisbury North Oval</li> <li>• Implementation of the West of Port Wakefield Road Structure Plan and Strategic Growth Framework (including government liaison, managing investigations, internal coordination, landowner consultation, private and Council led code amendments)</li> <li>• Planning Advice – Provide Strategic and Planning advice on Strategic Development Projects</li> <li>• Dry Creek Saltfields – Provide planning advice on land use and urban design planning related matters</li> <li>• Sustainability – Coordinate the implementation of the Sustainability Strategy i.e. Emissions Reduction Plan and Climate Change Risk Assessment. Follow up indicators of success</li> <li>• Develop infrastructure contributions policy, a process for costing, allocating costs and the method of collection.</li> <li>• City Plan contribution to Critical Actions</li> <li>• Continue to work closely with the State Government on future reviews of the Planning and Design Code (including State led Code Amendments – i.e. Statewide Flood Code Amendment), the Planning System (including revision of legislation)</li> <li>• Collaborate with the State Government during the preparation</li> </ul>

# Urban Planning and Development

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



**Urban Planning and Development (Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Strategic Development Projects	795	610
Commercial Property Services	468	488
Strategic Planning	666	598
<b>DIRECT EXPENDITURE</b>	<b>1,930</b>	<b>1,696</b>
<b>FULL COST ATTRIBUTION</b>	<b>103</b>	
<b>TOTAL EXPENDITURE</b>	<b>2,033</b>	<b>1,696</b>
<b>INCOME</b>		
Commercial Property Services	861	873
<b>TOTAL INCOME</b>	<b>861</b>	<b>873</b>
<b>NET IMPACT TO COUNCIL</b>		
Strategic Development Projects	795	610
Commercial Property Services	(393)	(385)
Strategic Planning	666	598
<b>FULL COST ATTRIBUTION</b>	<b>103</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>1,172</b>	<b>823</b>

# Roads



## Key Partners:

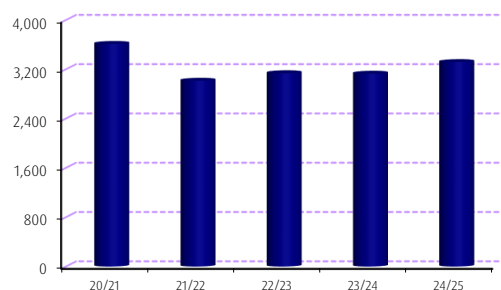
- State Government
- Department of Infrastructure & Transport (DIT)
- Department of Education
- Adelaide Metro
- Federal Government
- Developers
- South Australian Police
- Australian Rail Transport Corporation

Roads contains the following Service Areas, Activities and Service Levels

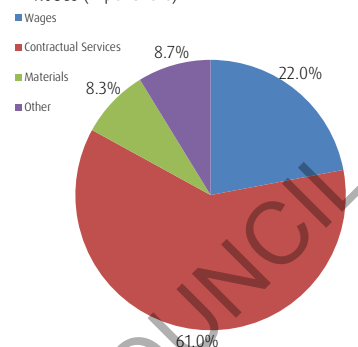
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p><b>Road and Car Park Maintenance</b> Maintenance of kerb and gutter, road maintenance and repair damage due to storms and traffic loads. There is 1,800km of kerbing and 810km of road in the city. Service levels are determined by Asset Management Plans and audit processes.</p> <p><i>Road Safety Maintenance</i> Traffic signal/pedestrian and school crossing maintenance is reviewed on an annual cycle, with faults repaired on a weekly basis.</p> <p><i>Road Sweeping</i> Provision of clean and tidy streetscape and prevention of debris entering drainage system. Council undertakes Road Sweeping on a cyclical basis with additional sweeping as required after storm events, and prior to flood events as required.</p> <p><i>Bridge and Boardwalk Maintenance</i> There are 214 footbridges/boardwalks and 29 major road bridges within the Council area.</p>	<ul style="list-style-type: none"> <li>• Roads are maintained on average across the City to Road Pavement Condition Index rating of 3.0, with higher priority and Condition expected for Collector &amp; Arterial Roads and Bus Routes</li> <li>• Council repairs road failures throughout the year on a cyclical basis</li> <li>• Council has a \$9.5M asset management program for road resealing and renewal that forms part of the Capital Works program</li> <li>• Line marking is carried out throughout the city over a 12-36 month interval</li> <li>• Car parks are maintained with checks on surface and linemarking</li> <li>• Pot holes are repaired on a responsive basis within 5 days of notification for high risk and 24 hours for dangerous potholes</li> <li>• Council Maintains 13 pedestrian/school crossings, 13 Emu Crossings, 16 Koala Crossings and 5 Wombat Crossings</li> <li>• Street sweeping is conducted on a six week cycle for 9 months of the year meeting EPA guidelines and frequency is increased to 3-weekly for selected streets during the summer months to manage additional leaf litter</li> <li>• A program of formal audits is undertaken every one to two years for bridges</li> <li>• Regular inspections and maintenance are undertaken six monthly and repairs completed as required</li> </ul>
<p><b>Road Safety Engineering</b> Project management of design and receipt of customer complaints regarding traffic design issues.</p>	<ul style="list-style-type: none"> <li>• The traffic data shows that 50km/h speed limits are being adhered to by road users. However, hoon driving is an ongoing challenge with the Council's traffic staff liaising with SAPOL to address</li> </ul>
<p><b>Signs and Street Furniture</b> <i>Street Signs and Linemarking:</i> Maintenance and replacement of 4,000 street signs and 37,000 other road signage including suburb, warning, regulatory and information signs.</p> <p><i>Street Furniture:</i> 1200 seats/benches and shelters are maintained.</p> <p><i>Bus Shelter &amp; Surround Maintenance:</i> Council has over 300 bus shelters. Bus shelters and bus stops are made universally accessible through the renewal program.</p>	<ul style="list-style-type: none"> <li>• All signage is repaired on an as needs basis</li> <li>• All linemarking is renewed every 12 months for high traffic areas and every 36 months for the whole city</li> <li>• Maintenance of seats/benches and various shelters throughout the City including repainting/sealing, graffiti removal, vandalism and repairs is undertaken on a cyclical basis</li> <li>• Program of inspection and condition auditing is undertaken every 5 years</li> <li>• Maintenance of bus shelters throughout the City including repainting/graffiti removal, vandalism and pavement repair is on a needs basis</li> <li>• Council has a \$300k Bus Shelter Renewal Program</li> </ul>

## Roads

**Budgeted Roads Operating Expenditure**  
(\$'000)



**Roads (Expenditure)**



	2023/24 Budget \$000's	2024/25 Budget \$000's
<b>EXPENDITURE</b>		
Road and Car Park Maintenance	2,467	2,659
Road Safety Engineering	412	430
Signs and Street Furniture	252	230
<b>DIRECT EXPENDITURE</b>	<b>3,130</b>	<b>3,319</b>
<b>FULL COST ATTRIBUTION</b>	<b>11,207</b>	
<b>TOTAL EXPENDITURE</b>	<b>14,337</b>	<b>3,319</b>
<b>INCOME</b>		
Road and Car Park Maintenance	3,460	3,770
<b>TOTAL INCOME</b>	<b>3,460</b>	<b>3,770</b>
<b>NET IMPACT TO COUNCIL</b>		
Road and Car Park Maintenance	(994)	(1,111)
Road Safety Engineering	412	430
Signs and Street Furniture	252	230
<b>FULL COST ATTRIBUTION</b>	<b>11,207</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>10,877</b>	<b>(452)</b>

# Footpaths



## Key Partners:

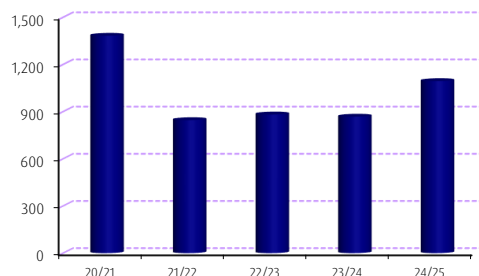
- Department of Infrastructure and Transport who assist with in-kind funding for the Green Trails Project

Footpaths contains the following Service Areas, Activities and Service Levels

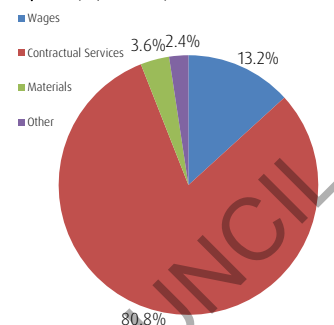
SERVICE AREAS	SERVICE LEVELS
<p><b>Footpath Maintenance</b></p> <p>A program of footpath auditing is conducted every three years to gather data which is used to quantify the overall condition of the network. This data is also used to identify priority areas for maintenance works based on proximity to critical pedestrian generating activities.</p> <p>Community requests for additional footpaths are investigated by the multidisciplinary Footpath Request Evaluation Team, and prioritised based on the destination of the path and the additional inclusion opportunities the footpath would give. Council also maintains footpaths and shared use paths through public reserves, with Council continuing to build the Green Trails network across the City.</p> <p><i>Shared Use Paths</i></p> <p>Council continues to construct the Green Trails network that has been delivered to date linking Salisbury and Mawson Lakes via the Little Para River and Dry Creek Corridors.</p>	<ul style="list-style-type: none"> <li>• Provision of a footpath on one side of a road/street where appropriate as a minimum service standard with provision for a footpath on high profile and collector streets, around schools &amp; aged care facilities</li> <li>• Council minimum width of new footpaths is 1.5m preferred</li> <li>• Council's level of service for footpath maintenance intervention is <math>\geq 25</math> mm. In addition, Council repairs faults based on the risk assessment associated with the destination. For example, Council has a focus on prioritising faults around Schools, high foot traffic generators and Retirement Villages</li> <li>• Council repairs footpath failures throughout the year based on a program of priority works and on customer requests where appropriate</li> </ul>
	<ul style="list-style-type: none"> <li>• Council will continue to extend the 2.4m wide Green Trail with additional upgrades with the next stage to be completed at Dry Creek, Valley View over the next 2 to 3 years</li> <li>• Council City Wide trail renewal program now includes the upgrade of lighting along the existing shared use path to P3 Category</li> </ul>

# Footpaths

**Budgeted Footpaths Operating Expenditure**  
(\$'000)



**Footpaths (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Footpath Maintenance	868	1,095
<b>DIRECT EXPENDITURE</b>	<b>868</b>	<b>1,095</b>
<b>FULL COST ATTRIBUTION</b>	<b>2,457</b>	
<b>TOTAL EXPENDITURE</b>	<b>3,325</b>	<b>1,095</b>
<b>NET IMPACT TO COUNCIL</b>		
Footpath Maintenance	868	1,095
<b>FULL COST ATTRIBUTION</b>	<b>2,457</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>3,325</b>	<b>1,095</b>



## Innovation and Business Development



Item 7.1.5 - Attachment 2 - Draft 24/25 Long Term Financial Plan and Annual Business Plan

## Foundations

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

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



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

Council will:

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

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

TO BE UPDATED

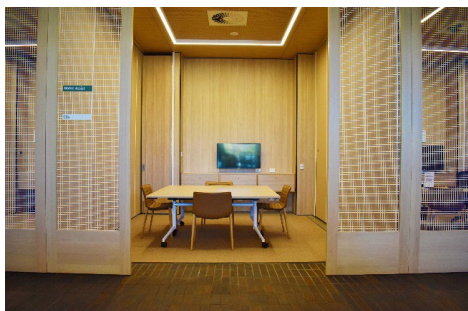


## CRITICAL ACTIONS

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

# TO BE UPDATED

# Innovation and Business Development



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

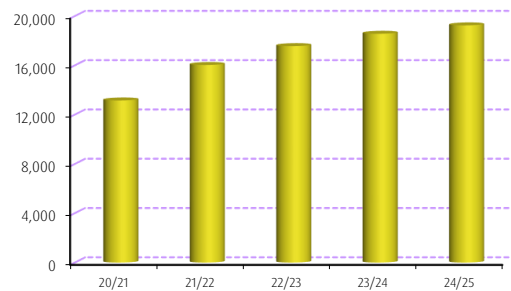
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Accounting Services</b> Provides for business support, management accounting, financial accounting, tax compliance, external and statutory reporting. Reporting services to all departments/divisions of the organisation, the Executive Management and Council, including the preparation of the Council Budget and Annual Plan. Provides specialised accounting services for infrastructure and other assets, particularly with respect to valuation and depreciation. Provides financial support to Council projects as required and delivers the Accounts Payable service.	<ul style="list-style-type: none"> <li>• Annual Business Plan and Budget</li> <li>• Annual Financial Statements</li> <li>• Long Term Financial Plan</li> <li>• Quarterly Budget Reviews and Monthly Reporting</li> <li>• Grant Acquittals</li> <li>• Divisional and Departmental Planning support</li> <li>• Valuation and Depreciation for \$2.0 billion of Council assets</li> <li>• Invoices processed: 30,000 pa</li> </ul>
<b>Business Excellence Administration</b> Provides for the Executive Management and associated support for the overall management and leadership of the Business Excellence Department.	<ul style="list-style-type: none"> <li>• Leadership of the Business Excellence department and accountability for outcomes assigned to the department</li> </ul>
<b>Business Intelligence and Data</b> Oversee the flow of corporate information in to and out of the organisation, ensuring information management legislation is complied with.	<ul style="list-style-type: none"> <li>• Compliance with organisational information management framework and South Australian Government information retention requirements</li> </ul>
<b>Technology and Digital Solutions</b> Technology and Digital Solutions are responsible for the delivery, management, and enhancement of information technology solutions within the organisation. This includes troubleshooting and resolving technical issues, ensuring network and system security, implementing software and hardware updates, providing user support and optimising IT Infrastructure for efficiency.	<ul style="list-style-type: none"> <li>• Solutions meet organisational availability and performance metrics</li> <li>• Services are delivered within defined Service Level Agreements (SLA's)</li> <li>• Solutions are effectively managed using suitable security controls and current maintenance and support contracts</li> <li>• All solution changes are documented and approved to ensure controlled and efficient change implementation</li> <li>• Security measures are applied to solutions, hardware and user identities to ensure data and system security, minimising vulnerabilities</li> </ul>
<b>Service Desk</b> Responsible for the delivery and support of productivity, mobility and audio-visual solutions.	<ul style="list-style-type: none"> <li>• Responsive technology service ensuring the organisation can deliver services to the community</li> <li>• Provision and distribution of productivity tools and services</li> <li>• 7,500 incidents and requests processed per year with 84% resolved within defined SLA's.</li> </ul>
<b>Business Transformation</b> Advocate and promote the use of improvement and transformation techniques and methodologies.	<ul style="list-style-type: none"> <li>• Organisational Business Transformation using Agile principles</li> <li>• Organisational reporting on improvement and business transformation initiatives</li> </ul>
<b>Planning and Business Engagement Services</b> Responsible for the alignment of information technology solutions with organisational and Community needs. This also includes the transformational shift of the organisation to a digital and community centric approach, with technology to better	<ul style="list-style-type: none"> <li>• Digital and information technology related strategy, frameworks and standards</li> </ul>

# Innovation and Business Development continued

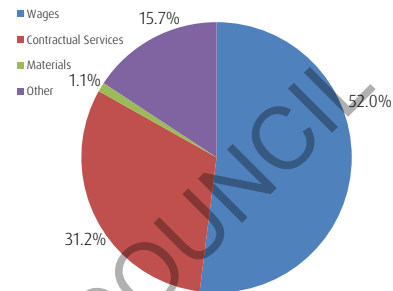
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Community Experience</b> Delivers communications and marketing strategies through traditional and digital communications and media channels, ensuring the community are aware of Council projects, priorities and initiatives and have ways to engage with Council on them. Provides a media liaison and management service including proactive and reactive media.	<ul style="list-style-type: none"> <li>• Communications and marketing support and delivery</li> <li>• Media and public relations liaison management</li> <li>• Community engagement support</li> <li>• Digital communications management including website, social media platforms and digital signage</li> <li>• Corporate publications</li> <li>• Corporate brand custodian</li> </ul>
<b>Customer Centre</b> The first point of contact for the Community with the Council, via phone, webchat and face to face options. The Community Experience teams aim for a first point of contact resolution, assisting customers with information and requests and linking them with services.	<ul style="list-style-type: none"> <li>• Call volume: 62,864 pa</li> <li>• Receipt numbers: 15,131 pa</li> <li>• Counter enquiries: 15,354 pa</li> <li>• Customer requests via email/website/post: 19,412 pa</li> </ul>
<b>Insurance</b> This area provides for the management of corporate insurance policies and associated claims.	<ul style="list-style-type: none"> <li>• Administration of organisational insurance needs including processing of insurance claims and liaison with the Local Government Association (LGA) insurance service provider (Local Government Risk Services)</li> </ul>
<b>People and Performance</b> Provide a range of people management services including general human resources and employment relations services, payroll, wellbeing and work health and safety, organisational development, learning and development and strategic workforce development and planning. This includes providing people strategy, policies, systems and processes used to manage the employment life cycle, guide decision-making and manage risk.	<ul style="list-style-type: none"> <li>• Organisational development programs – change management, culture development, leadership development, team development, and individual capability and commitment programs</li> <li>• Workforce planning and succession planning, HR Services including recruitment, induction, performance management, policy advice, payroll, workplace Health and Safety and wellbeing programs</li> </ul>
<b>Rate Collection and Property Data</b> This area involves the maintenance of the property data for rating and electoral purposes and the collection of rate and other revenue.	<ul style="list-style-type: none"> <li>• Rateable Properties: 61,693</li> <li>• Total Rate Notices: 181,753 pa, Overdue Notices: 29,631 pa and SMS reminders 36,735 pa</li> <li>• Changes to Property Data: 12,941 pa</li> <li>• Maintenance of voters roll</li> </ul>
<b>Procurement</b> Management of contract and purchasing policies, procedures and delegations. Provision of Business support and advisory services relating to Contract and Procurement activities as well as monitoring compliance.	<ul style="list-style-type: none"> <li>• Northern Region Economic Benefit: Focus on supporting northern region business where it represents value for money</li> <li>• Environmental Preference: promote the procurement of environmentally friendly goods and services that satisfy value for money criteria, as well as fostering the development of products and processes of low environmental and climatic impact</li> <li>• Support the achievement of circular economy outcomes</li> <li>• Provide financial advice and support for Salisbury Water</li> </ul>

# Innovation and Business Development

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



**Innovation and Business Development (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Accounting Services	1,817	1,965
Business Excellence Administration	491	510
Business Intelligence and Data	664	691
Business Transformation	1,470	1,310
Community Experience	2,110	1,971
Customer Centre	983	1,046
Insurance	594	625
People and Performance	2,280	2,437
Procurement	367	375
Rate Collection and Property Data	1,022	1,076
Technology and Digital Solutions	6,772	7,243
<b>DIRECT EXPENDITURE</b>	<b>18,570</b>	<b>19,249</b>
<b>FULL COST ATTRIBUTION</b>	<b>(15,879)</b>	
<b>TOTAL EXPENDITURE</b>	<b>2,690</b>	<b>19,249</b>
<b>INCOME</b>		
Community Experience		
People and Performance	708	720
Rate Collection and Property Data	22	22
<b>TOTAL INCOME</b>	<b>730</b>	<b>742</b>



## Innovation and Business Development continued

	2023/24 Budget \$000's	2024/25 Budget \$000's
NET IMPACT TO COUNCIL		
Accounting Services	1,817	1,965
Business Excellence Administration	491	510
Business Intelligence and Data	664	691
Business Transformation	1,470	1,310
Community Experience	2,110	1,971
Customer Centre	983	1,046
Insurance	594	625
People and Performance	1,572	1,717
Procurement	367	375
Rate Collection and Property Data	1,000	1,054
Technology and Digital Solutions	6,772	7,243
<b>FULL COST ATTRIBUTION</b>	<b>(15,879)</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>1,960</b>	<b>18,507</b>

# Council

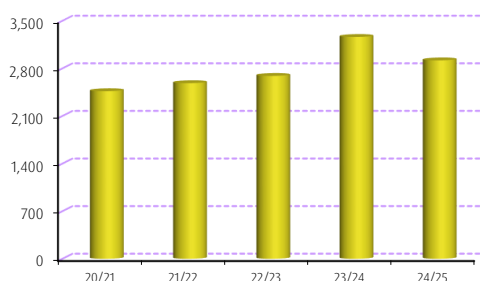


Council contains the following Service Areas, Activities and Service Levels

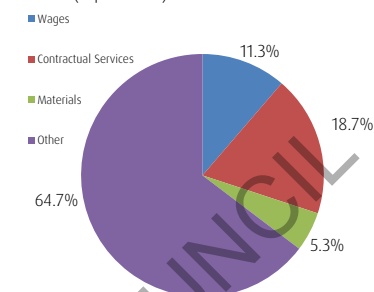
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<b>Civic and Ceremonial</b> Funds civic and ceremonial responsibilities of Council, including citizenship ceremonies.	<ul style="list-style-type: none"> <li>• Organisation of civic events and citizenship ceremonies</li> </ul>
<b>Corporate Memberships</b> Funds corporate memberships for required bodies.	<ul style="list-style-type: none"> <li>• Local Government Association (LGA) membership</li> </ul>
<b>Council</b> Funds the management and administration of the Elected Member governance responsibilities.	<ul style="list-style-type: none"> <li>• Production and distribution of business papers and minutes</li> <li>• Facilitation of CEO Briefing Sessions</li> <li>• Administrative support to Council, 8 Committees, 4 Sub-Committees, and the Council Assessment Panel</li> <li>• Monitor and review of the City's compliance with legislation</li> <li>• Elected Member training and development</li> <li>• Administration of Elected Member Allowances and Benefits and statutory disclosures</li> </ul>
<b>Elections</b> Provides resources for elections within the City.	<ul style="list-style-type: none"> <li>• Manage the Local Government election for more than 98,000 eligible voters</li> </ul>
<b>Executive Management</b> Funds the Chief Executive Officer and executive support function that is responsible for the management of the organisation, the support of and accountability to Council and facilitation of meetings with various stakeholders including State and Federal Government representatives.	<ul style="list-style-type: none"> <li>• Chief Executive Officer and Mayor support</li> </ul>
<b>Governance</b> A resource supporting Elected Members and Administration in the decision making processes of Council. Provides information, advice and assistance to ensure obligations under legislation and policy frameworks are reflected in City of Salisbury work practices.	<ul style="list-style-type: none"> <li>• Support Council and organisational governance processes</li> <li>• Risk management, internal audit and insurance</li> <li>• Coordinate Business Continuity Planning</li> <li>• Facilitate the LGA insurance scheme's risk review</li> <li>• Provide advice and support to ensure strategic and operational risks are identified and managed</li> <li>• Support the Audit and Risk Committee of Council</li> <li>• Facilitate the annual external audit</li> <li>• Undertake and co-ordinate internal audit</li> <li>• Council meeting administration and support, and facilitation of public participation</li> <li>• Elected Member support &amp; communications</li> <li>• Delegations and Authorisations</li> <li>• Support Information Management and State Records Act compliance</li> <li>• Application and monitoring - Policy and procedure framework</li> <li>• Coordination of legal advice and oversight of Legal Services</li> <li>• Facilitate Freedom of Information</li> <li>• Administer Council Grievances and External Agency Reviews</li> <li>• Coordinate the Representation Review</li> </ul>

# Council

**Budgeted Council Operating Expenditure**  
(\$'000)



**Council (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Civic and Ceremonial	78	78
Corporate Memberships	392	408
Council	774	816
Elections	150	150
Executive Management	1,318	865
Governance	549	601
<b>DIRECT EXPENDITURE</b>	<b>3,262</b>	<b>2,918</b>
<b>FULL COST ATTRIBUTION</b>	<b>(21)</b>	
<b>TOTAL EXPENDITURE</b>	<b>3,240</b>	<b>2,918</b>
<b>INCOME</b>		
Council	2	2
<b>TOTAL INCOME</b>	<b>2</b>	<b>2</b>
<b>NET IMPACT TO COUNCIL</b>		
Civic and Ceremonial	78	78
Corporate Memberships	392	408
Council	772	814
Elections	150	150
Executive Management	1,318	865
Governance	549	601
<b>FULL COST ATTRIBUTION</b>	<b>(21)</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>3,239</b>	<b>2,916</b>

# Sundry

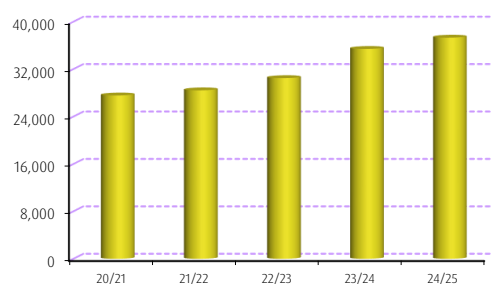


Sundry contains the following Service Areas, Activities and Service Levels

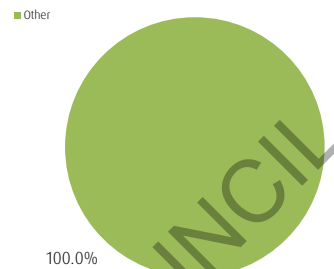
SERVICE AREAS	
<b>Accommodation</b>	The operating costs of Council's municipal offices
<b>Net Loss Equity Accounted Council Businesses</b>	Represents Council's share of the financial results of Council subsidiaries
<b>Grants Commission</b>	Represents the general purpose Financial Assistance Grant provided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

# Sundry

**Budgeted Sundry Operating Expenditure**  
(\$'000)



**Sundry (Expenditure)**



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
<b>EXPENDITURE</b>		
Accommodation	419	423
Net Loss Equity Accounted Council Businesses	739	681
Infrastructure Depreciation	28,224	31,830
Rates	2,467	2,686
Treasury	3,012	1,715
Wages and Salaries Provision	574	
<b>DIRECT EXPENDITURE</b>	<b>35,435</b>	<b>37,335</b>
<b>FULL COST ATTRIBUTION</b>	<b>(29,845)</b>	
<b>TOTAL EXPENDITURE</b>	<b>5,590</b>	<b>37,335</b>
<b>INCOME</b>		
Grants Commission	7,405	8,653
Rates	825	864
Treasury	77	80
<b>TOTAL INCOME</b>	<b>8,307</b>	<b>9,596</b>
<b>NET IMPACT TO COUNCIL</b>		
Accommodation	419	423
Grants Commission	(7,405)	(8,653)
Infrastructure Depreciation	28,224	31,830
Rates	1,642	1,822
Treasury	2,935	1,635
Wages and Salaries Provision	574	
<b>FULL COST ATTRIBUTION</b>	<b>(29,845)</b>	
<b>TOTAL NET IMPACT TO COUNCIL</b>	<b>(2,717)</b>	<b>27,738</b>

# Rating Strategy and Policy

## What are Rates?

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

## Capital Value as a basis for Rating

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

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

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

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

## Strategic Focus

In setting its rates for the 2024/25 financial year the Council considered its City Plan 2035, and other strategic planning documents including the Strategic Asset Management Plan and the Long Term Financial Plan.

## Setting Rates

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

In 2023/24 Salisbury's average residential rate was the 4<sup>th</sup> lowest of the metropolitan Councils.

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

Market Movement of Property Values	
Land Use	Market Movement
Residential	11.3%
Commercial and Industrial	18.4%

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

# Rating Strategy and Policy

After critically reviewing expenditure priorities and income from other sources Council is proposing to increase the residential rates by an average of **xx%** for properties not on the minimum rate. The minimum rate has also proposed to increase by **xx%** from \$1,156 to **\$xx** for 2024/25. Noting that in 2020/21 Council determined a zero percent increase in rates to support the community in responding to the COVID-19 pandemic, and forecast inflation at June 2024 is 4.4% per Deloitte Access Economics Business Outlook December 2023.

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

## Categories of Rates

### General Rates

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

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

Maximum Capital Value for Minimum Rates	
Land Use	Maximum Value
Residential	\$394,302
Commercial and Industrial	\$244,480
Vacant Land	\$303,287

No more than 35% of properties can be subject to the minimum rate. The minimum rate is proposed to increase to **\$xxxx** from \$1,156 for the 2024/25 year.

### Differential Rating

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

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

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



# Rating Strategy and Policy

## Separate Rates

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

### Salisbury Business Association

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

### Globe Derby Community Club Inc.

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

### Landscape Administration Fund

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

## Residential Impact Statement

Council are proposing a XX% average rate increase to residential rates in the 2024/25 year. However, the actual increase for an individual property will vary depending on the actual changes in valuation above or below the average valuation increase.

In order to achieve the proposed average rate increase of xxx% the rate (cents in the \$) will decrease from 0.3258 to xxx%, which accounts for the increased valuation.

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

Percentage Rate Increase	Number of Properties
< 0% = 0%	112
0.1 - 1.0%	12
To Be Updated	
4.1 - 5.0%	2,082
5.1 - 6.0%	1,136
6.1 - 7.0%	2,236
7.1 - 8.0%	14,593
8.1 - 9.0%	7,454
9.1 - 10.0%	10,739
10.1 - 12.5%	10,329
>12.5%	1,447
Total Number of Properties	55,788

# Rating Strategy and Policy

## Payment of Rates

### Quarterly Billing

Rates are payable in quarterly instalments due in September, December, March and June each year. Rate notices will be issued prior to each quarterly instalment.

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

### Advance Payments

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

### Seniors Postponement of Rates

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

## Adjustments and Rebates

### High Value Property Adjustment

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

To overcome this problem Council has endorsed an adjustment for residential properties with a value over \$700,000 provided the property is not used for commercial purposes, consists of multiple dwellings or is entitled to a mandatory rebate:

\$7 To be updated  
 ral  
 d  
 2/23  
 tie  
 \$7  
 ral  
 d  
 2/23  
 tie  
 15%  
 rather than 20% proposed for 2023/24.

\$900,001+: a reduction of 35% of the general rates payable on the value above \$900,000, with the 2022/23 tier being \$814,001.

### Discretionary Rebates

The Local Government Act 1999 enables Council to grant discretionary rebates up to 100% for land used for the purposes of a community benefit.

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

### Rate Capping Rebate

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

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

### Disclaimer

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

### Financial Hardship

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

# Appendix A: Long Term Financial Plan Statements

## ESTIMATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDING 30 JUNE	2025 Budget Year 1 \$000's	2026 Plan Year 2 \$000's	2027 Plan Year 3 \$000's	2028 Plan Year 4 \$000's	2029 Plan Year 5 \$000's	2030 Plan Year 6 \$000's	2031 Plan Year 7 \$000's	2032 Plan Year 8 \$000's	2033 Plan Year 9 \$000's	2034 Plan Year 10 \$000's
<b>INCOME</b>										
Rates Revenues	130,056	135,909	141,617	147,424	153,468	159,760	166,310	173,129	180,227	187,617
Statutory Charges	3,481	3,582	3,675	3,767	3,861	3,958	4,057	4,158	4,262	4,369
User Charges	6,380	6,565	6,736	6,904	7,077	7,254	7,435	7,621	7,811	8,007
Grants, Subsidies & Contributions	16,616	16,784	16,939	17,092	17,248	17,399	17,553	17,711	17,872	18,037
Investment Income	80	82	84	86	89	90	92	94	96	98
Reimbursements	288	296	304	312	320	328	336	344	353	362
Other Income	1,054	1,084	1,113	1,140	1,169	1,198	1,228	1,259	1,290	1,323
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>157,955</b>	<b>164,302</b>	<b>170,468</b>	<b>176,725</b>	<b>183,232</b>	<b>189,987</b>	<b>197,011</b>	<b>204,316</b>	<b>211,911</b>	<b>219,813</b>
<b>EXPENSES</b>										
Employee Costs	46,788	48,569	50,137	51,753	53,422	55,141	56,913	58,740	60,624	62,566
Materials, Contracts & Other Expenses	67,088	70,280	73,289	76,395	79,424	83,134	86,754	90,516	94,411	98,444
Depreciation, Amortisation & Impairment	37,696	39,441	41,227	43,334	45,358	47,415	49,545	51,751	54,099	55,975
Finance Costs	2,347	2,375	2,207	1,918	1,620	1,299	1,054	780	532	351
Net loss - Equity Accounted Council Businesses	681	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>154,600</b>	<b>160,665</b>	<b>166,860</b>	<b>173,400</b>	<b>179,824</b>	<b>186,989</b>	<b>194,266</b>	<b>201,787</b>	<b>209,666</b>	<b>217,336</b>
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>3,355</b>	<b>3,637</b>	<b>3,608</b>	<b>3,325</b>	<b>3,408</b>	<b>2,998</b>	<b>2,745</b>	<b>2,529</b>	<b>2,245</b>	<b>2,477</b>
Asset Disposal & Fair Value Adjustments	802	2,652	6,351	1,999	6,166	1,451	3,530	2,916	4,612	3,942
Amounts Received Specifically for New or Upgraded Assets	6,241	1,748	1,462	1,462	1,462	1,462	1,462	1,462	1,462	1,462
Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<b>NET SURPLUS/(DEFICIT)</b>	<b>11,398</b>	<b>9,037</b>	<b>12,421</b>	<b>7,786</b>	<b>12,036</b>	<b>6,911</b>	<b>8,737</b>	<b>7,907</b>	<b>9,319</b>	<b>8,881</b>
<b>OTHER COMPREHENSIVE INCOME</b>										
Changes in Revaluation Surplus - I,PP&E	47,313	47,808	48,314	48,951	49,499	50,064	50,600	51,153	23,226	23,226
<b>Total Other Comprehensive Income</b>	<b>47,313</b>	<b>47,808</b>	<b>48,314</b>	<b>48,951</b>	<b>49,499</b>	<b>50,064</b>	<b>50,600</b>	<b>51,153</b>	<b>23,226</b>	<b>23,226</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>58,711</b>	<b>56,845</b>	<b>60,735</b>	<b>56,737</b>	<b>61,535</b>	<b>56,975</b>	<b>59,337</b>	<b>59,060</b>	<b>32,545</b>	<b>32,107</b>

# Appendix A: Long Term Financial Plan Statements

## ESTIMATED STATEMENT OF FINANCIAL POSITION

YEAR ENDING 30 JUNE	2025 Budget Year 1 \$000's	2026 Plan Year 2 \$000's	2027 Plan Year 3 \$000's	2028 Plan Year 4 \$000's	2029 Plan Year 5 \$000's	2030 Plan Year 6 \$000's	2031 Plan Year 7 \$000's	2032 Plan Year 8 \$000's	2033 Plan Year 9 \$000's	2034 Plan Year 10 \$000's
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash & Cash Equivalents	-	-	-	-	-	-	-	-	-	-
Trade & Other Receivables	7,221	7,232	7,474	7,737	8,008	8,295	8,590	8,897	9,216	9,548
Other Financial Assets	-	-	-	-	-	-	-	-	-	-
Inventories	1,207	1,223	1,239	1,255	1,271	1,291	1,310	1,329	1,350	1,371
<b>Total Current Assets</b>	<b>8,428</b>	<b>8,455</b>	<b>8,713</b>	<b>8,992</b>	<b>9,279</b>	<b>9,586</b>	<b>9,900</b>	<b>10,226</b>	<b>10,566</b>	<b>10,919</b>
<b>Non-Current Assets</b>										
Financial Assets	59	62	64	67	70	73	75	79	82	85
Equity Accounted Investments in Council Businesses	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870
Infrastructure, Property, Plant & Equipment	2,214,083	2,276,859	2,333,046	2,390,325	2,448,133	2,503,574	2,561,579	2,616,264	2,646,472	2,673,293
Intangible Assets	210	210	210	210	210	210	210	210	210	210
Other Non-Current Assets	33,572	33,572	33,572	33,572	33,572	33,572	33,572	33,572	33,572	33,572
<b>Total Non-Current Assets</b>	<b>2,252,794</b>	<b>2,315,573</b>	<b>2,371,762</b>	<b>2,429,044</b>	<b>2,486,855</b>	<b>2,542,299</b>	<b>2,600,306</b>	<b>2,654,995</b>	<b>2,685,206</b>	<b>2,712,030</b>
<b>TOTAL ASSETS</b>	<b>2,261,222</b>	<b>2,324,028</b>	<b>2,380,475</b>	<b>2,438,036</b>	<b>2,496,134</b>	<b>2,551,885</b>	<b>2,610,206</b>	<b>2,665,221</b>	<b>2,695,772</b>	<b>2,722,949</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Cash Advance Debentures	53,329	57,423	50,690	48,977	42,966	38,944	35,095	28,098	23,030	14,926
Trade & Other Payables	22,868	23,912	24,904	25,924	26,934	28,123	29,299	30,522	31,792	33,107
Borrowings	678	92	76	78	80	83	63	42	42	45
Provisions	10,407	11,638	12,906	14,212	15,557	16,942	18,369	19,839	21,353	22,913
<b>Total Current Liabilities</b>	<b>87,282</b>	<b>93,065</b>	<b>88,576</b>	<b>89,191</b>	<b>85,537</b>	<b>84,092</b>	<b>82,826</b>	<b>78,501</b>	<b>76,217</b>	<b>70,991</b>
<b>Non-Current Liabilities</b>										
Borrowings	1,188	1,095	1,019	941	861	778	714	672	630	586
Provisions	2,419	2,689	2,967	3,253	3,548	3,852	4,165	4,488	4,820	5,162
<b>Total Non-Current Liabilities</b>	<b>3,607</b>	<b>3,784</b>	<b>3,986</b>	<b>4,194</b>	<b>4,409</b>	<b>4,630</b>	<b>4,879</b>	<b>5,160</b>	<b>5,450</b>	<b>5,748</b>
<b>TOTAL LIABILITIES</b>	<b>90,889</b>	<b>96,849</b>	<b>92,562</b>	<b>93,385</b>	<b>89,946</b>	<b>88,722</b>	<b>87,705</b>	<b>83,661</b>	<b>81,667</b>	<b>76,739</b>
<b>NET ASSETS</b>	<b>2,170,333</b>	<b>2,227,179</b>	<b>2,287,913</b>	<b>2,344,651</b>	<b>2,406,188</b>	<b>2,463,163</b>	<b>2,522,501</b>	<b>2,581,560</b>	<b>2,614,105</b>	<b>2,646,210</b>
<b>EQUITY</b>										
Accumulated Surplus	412,423	421,461	433,883	441,669	453,705	460,616	469,353	477,261	486,581	495,460
Asset Revaluation Reserves	1,708,145	1,755,953	1,804,267	1,853,218	1,902,717	1,952,782	2,003,382	2,054,534	2,077,760	2,100,986
Other Reserves	49,765	49,765	49,763	49,764	49,766	49,765	49,766	49,765	49,764	49,764
<b>TOTAL EQUITY</b>	<b>2,170,333</b>	<b>2,227,179</b>	<b>2,287,913</b>	<b>2,344,651</b>	<b>2,406,188</b>	<b>2,463,163</b>	<b>2,522,501</b>	<b>2,581,560</b>	<b>2,614,105</b>	<b>2,646,210</b>

# Appendix A: Long Term Financial Plan Statements

## ESTIMATED STATEMENT OF CASH FLOWS

YEAR ENDING 30 JUNE	2025 Budget Year 1 \$000's	2026 Plan Year 2 \$000's	2027 Plan Year 3 \$000's	2028 Plan Year 4 \$000's	2029 Plan Year 5 \$000's	2030 Plan Year 6 \$000's	2031 Plan Year 7 \$000's	2032 Plan Year 8 \$000's	2033 Plan Year 9 \$000's	2034 Plan Year 10 \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Operating Receipts	157,345	164,242	170,407	176,663	183,168	189,923	196,947	204,252	211,851	219,748
Investment Receipts	80	82	84	86	89	90	92	94	96	98
<b>Payments</b>										
Operating Payments to Suppliers and Employees	(111,428)	(116,613)	(121,189)	(125,842)	(130,508)	(135,735)	(141,096)	(146,601)	(152,296)	(158,184)
Finance Payments	(2,347)	(2,375)	(2,207)	(1,918)	(1,620)	(1,299)	(1,054)	(780)	(532)	(351)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>43,650</b>	<b>45,336</b>	<b>47,095</b>	<b>48,989</b>	<b>51,129</b>	<b>52,979</b>	<b>54,889</b>	<b>56,965</b>	<b>59,119</b>	<b>61,311</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Amounts Received Specifically for New/Upgraded Assets	5,936	2,004	1,479	1,462	1,462	1,462	1,462	1,462	1,462	1,462
Grants utilised for capital purposes	-	-	-	-	-	-	-	-	-	-
Net Disposal of Investment Securities	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Payments:	-	-	-	-	-	-	-	-	-	-
Expenditure on Renewal/Replacement of Assets	(33,479)	(30,418)	(30,862)	(35,339)	(35,947)	(36,060)	(38,393)	(37,814)	(41,733)	(41,284)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(46,184)</b>	<b>(48,755)</b>	<b>(40,269)</b>	<b>(47,201)</b>	<b>(45,039)</b>	<b>(48,879)</b>	<b>(50,958)</b>	<b>(49,905)</b>	<b>(54,007)</b>	<b>(53,166)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Receipts:	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Payments:	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(1,594)</b>	<b>(678)</b>	<b>(93)</b>	<b>(76)</b>	<b>(78)</b>	<b>(81)</b>	<b>(83)</b>	<b>(63)</b>	<b>(42)</b>	<b>(42)</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>(4,128)</b>	<b>(4,097)</b>	<b>6,733</b>	<b>1,712</b>	<b>6,012</b>	<b>4,019</b>	<b>3,848</b>	<b>6,997</b>	<b>5,070</b>	<b>8,103</b>
<b>Cash &amp; Cash Equivalents at Beginning of Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents/Movements in Borrowings at End of Period</b>	<b>(4,128)</b>	<b>(4,097)</b>	<b>6,733</b>	<b>1,712</b>	<b>6,012</b>	<b>4,019</b>	<b>3,848</b>	<b>2,847</b>	<b>13,935</b>	<b>25,922</b>

# Appendix A: Long Term Financial Plan Statements

## SUMMARY STATEMENT OF CHANGES IN EQUITY

YEAR ENDING 30 JUNE	2025 Budget Year 1 \$000's	2026 Plan Year 2 \$000's	2027 Plan Year 3 \$000's	2028 Plan Year 4 \$000's	2029 Plan Year 5 \$000's	2030 Plan Year 6 \$000's	2031 Plan Year 7 \$000's	2032 Plan Year 8 \$000's	2033 Plan Year 9 \$000's	2034 Plan Year 10 \$000's
Opening Balance	2,111,621	2,170,332	2,227,178	2,287,914	2,344,652	2,406,187	2,463,162	2,522,499	2,581,559	2,614,105
Net Surplus / (Deficit) for Year	11,397	9,039	12,422	7,786	12,036	6,911	8,737	7,907	9,320	8,880
Other Comprehensive Income										
- Gain (Loss) on Revaluation of I, PP&E	47,313	47,808	48,314	48,951	49,499	50,064	50,600	51,153	23,226	23,226
Other Comprehensive Income	47,313	47,808	48,314	48,951	49,499	50,064	50,600	51,153	23,226	23,226
Total Comprehensive Income	58,710	56,847	60,736	56,737	61,535	56,975	59,337	59,060	32,546	32,106
Balance at end of period	2,170,331	2,227,179	2,287,914	2,344,651	2,406,187	2,463,162	2,522,499	2,581,559	2,614,105	2,646,211

# Appendix A: Long Term Financial Plan Statements

## UNIFORM PRESENTATION OF FINANCES

YEAR ENDING 30 JUNE	2025 Budget Year 1 \$000's	2026 Plan Year 2 \$000's	2027 Plan Year 3 \$000's	2028 Plan Year 4 \$000's	2029 Plan Year 5 \$000's	2030 Plan Year 6 \$000's	2031 Plan Year 7 \$000's	2032 Plan Year 8 \$000's	2033 Plan Year 9 \$000's	2034 Plan Year 10 \$000's
Income	157,955	164,302	170,468	176,725	183,232	189,987	197,011	204,316	211,911	219,813
less Expenses	(154,600)	(160,665)	(166,860)	(173,400)	(179,824)	(186,989)	(194,266)	(201,787)	(209,666)	(217,336)
<b>Operating Surplus / (Deficit)</b>	<b>3,355</b>	<b>3,637</b>	<b>3,608</b>	<b>3,325</b>	<b>3,408</b>	<b>2,998</b>	<b>2,745</b>	<b>2,529</b>	<b>2,245</b>	<b>2,477</b>
<b>Less: Net Outlays on Existing Assets</b>										
Capital Expenditure on Renewal/Replacement of Existing Assets	(33,479)	(30,417)	(30,862)	(35,339)	(35,947)	(36,060)	(38,393)	(37,814)	(41,733)	(41,284)
less Depreciation, Amortisation & Impairment	37,696	39,441	41,227	43,334	45,358	47,415	49,545	51,751	54,099	55,975
less Proceeds from Sale of Replaced Assets	802	886	792	792	792	792	792	792	792	792
	<b>5,019</b>	<b>9,910</b>	<b>11,157</b>	<b>8,787</b>	<b>10,203</b>	<b>12,147</b>	<b>11,944</b>	<b>14,729</b>	<b>13,158</b>	<b>15,483</b>
<b>Less: Net Outlays on New and Upgraded Assets</b>										
Capital Expenditure on New/Upgraded Assets	(19,443)	(22,993)	(17,237)	(15,323)	(16,720)	(15,732)	(17,557)	(16,469)	(18,348)	(17,286)
less Amounts Specifically for New/Upgraded Assets	5,936	2,004	1,479	1,462	1,462	1,462	1,462	1,462	1,462	1,462
less Proceeds from Sale of Surplus Assets	-	1,766	5,559	1,207	5,374	659	2,738	2,124	3,820	3,150
	<b>(13,507)</b>	<b>(19,223)</b>	<b>(10,199)</b>	<b>(12,654)</b>	<b>(9,884)</b>	<b>(13,611)</b>	<b>(13,357)</b>	<b>(12,883)</b>	<b>(13,066)</b>	<b>(12,674)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(5,133)</b>	<b>(5,676)</b>	<b>4,566</b>	<b>(542)</b>	<b>3,727</b>	<b>1,534</b>	<b>1,332</b>	<b>4,375</b>	<b>2,337</b>	<b>5,286</b>



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Adopted Rates Revenue					
	2022/23 (as adopted)	2023/24 (as adopted)	Change	Comments	
General Rates Revenue					
General Rates (existing properties)		\$120,461,026 (a)		For 2023/24, total General Rates revenue has increased 9.0%, reflecting average rate increases of 6.9%, growth (refer k) of 0.4% from new properties that have been created over the last year, and a further 1.7% of revenue made up of new construction that will be rated for the first time in 2023/24	
General Rates (new properties)		\$672,884 (b)			
General Rates (GROSS)	\$111,231,664	\$121,133,910 (c)			
Less: Mandatory Rebates	(\$1,290,000)	(\$1,371,300) (d)			
Less: Tier Remissions and Capping	(\$491,000)	(\$454,000) (e)			
General Rates (NET)	\$109,450,664	\$119,308,610 (f)	9.0%		
(f)=(c)+(d)+(e)					
Other Rates (inc. service charges)					
Regional Landscape Levy	\$2,139,763	\$2,289,374 (g)		The Regional Landscape Levy is <b>not retained</b> by Council.	
Rate and Special Rates	\$171,400	\$177,878 (h)		Separate rates are collected on behalf of the Salisbury Business Association and Globe Derby Community Club. These funds are not retained by Council	
Less: Discretionary Rebates	(\$40,000)	(\$42,000) (i)			
Other Rates Revenue	\$107,099,501	\$116,799,358 (j)	9.1%	Excluding the Regional Landscape Levy, separate rates, and minus Mandatory & Discretionary Rebates.	
(j)=(f)-(g)-(h)-(i)					
Growth in number of rateable properties					
Number of rateable properties	61,405 <i>Actual</i>	61,662 <i>Estimate</i>	(k) 0.4%	Growth of 0.4% has accounted for 0.4% the increase in General Rates to be collected (refer b).	
Growth* is defined in the regulations as where new properties have been created which has added rateable properties to Council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.					
Average General Rates per rateable property					
Average per rateable property	\$1,811 <i>(l)=(c)/(k)</i>	\$1,964 (l)	8.4%	These 'averages' are based on the <b>total of all rateable properties</b> and are therefore not indicative of either the rate or change in rates that all ratepayers will experience. The average rate increase is 6.9%, with the balance resulting from new assessments and construction that will be rated for the first time in 2023/24.	
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the Council area). The total rates paid by all rateable properties will equal the amount adopted in the budget.					
Rebates					
Councils are <b>required</b> under the Local Government Act to provide a rebate to qualifying properties under a number of categories:					
Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent			
Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent			
The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).					
Presented as required by Regulation 6(1)(ea) of the <i>Local Government (Financial Management) Regulations 2011</i> .					
<b>Please Note:</b> The percentage figure in (f) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from <u>individual</u> rateable properties (ie. individual rates will not necessarily change by this figure).					
Councils are required under the <i>Landscape South Australia Act 2019</i> to collect the levy on all rateable properties on behalf of the State Government. The Regional Landscape levy is <b>not retained</b> by Council.					
Council <b>may</b> grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties that receive the rebate).					
Growth* as defined in Regulation 6(2) of the <i>Local Government (Financial Management) Regulations 2011</i> .					
<b>Please note:</b> The 2023/24 number of rateable properties is an estimate based on the most current information available at the time of going out to consultation on the LTFP&ABP. This information is updated regularly and therefore may be subject to change at the time of adoption of LTFP&ABP.					

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## Differential Rates

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$	
	2022/23	2023/24	Change	2022/23	2023/24	2022/23	2023/24	Change	2023/24	
d Use (General Rates - GROSS)										
Residential	\$84,609,121	\$91,196,577	8%	57,006	57,313	\$1,484	\$1,591	(m)	\$107	0.325800
Commercial - Shop	\$4,612,043	\$5,314,143	15%	744	749	\$6,199	\$7,095	(m)	\$896	0.559300
Commercial - Office	\$1,205,796	\$1,323,711	10%	204	207	\$5,911	\$6,395	(m)	\$484	0.559300
Commercial - Other	\$11,730,647	\$13,442,542	15%	1,538	1,596	\$7,627	\$8,423	(m)	\$795	0.559300
Industry - Light	\$1,041,392	\$1,159,655	11%	323	320	\$3,224	\$3,624	(m)	\$400	0.559300
Industry - Other	\$4,568,293	\$4,901,116	7%	272	273	\$16,795	\$17,953	(m)	\$1,158	0.559300
Agricultural Production	\$465,646	\$568,949	22%	201	203	\$2,317	\$2,803	(m)	\$486	0.325800
Unimproved Land	\$1,979,250	\$2,223,271	12%	955	840	\$2,073	\$2,647	(m)	\$574	0.423500
Other	\$1,019,480	\$1,003,946	-2%	162	161	\$6,293	\$6,236	(m)	-\$57	0.325800
GRAND TOTAL (GROSS)	\$111,231,667	\$121,133,910	8.9%	61,405	61,662	\$1,811	\$1,964	(m)	\$153	

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

## Minimum Rate

	Properties to which rate will apply		Rate		
	2023/24	% of total rateable properties	2022/23	2023/24	Change
<b>Minimum Rate</b>	<b>10,736</b>	<b>17.4%</b>	<b>\$1,081</b>	<b>\$1,156</b>	<b>(n)</b> <b>\$75</b>

Minimum Rate provides a mechanism where lower valued properties do not pay less than a minimum amount as determined by the Council. Typically, only a small number of all properties (with no more than 35%) pay a minimum amount. Council has endorsed a minimum rate of \$1,156 which shall be applied to all rateable properties. This will affect 17.4% of rateable properties.

## Adopted valuation method

## Capital Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

**Capital Value** – the value of the land and all improvements on the land;

**Site Value** – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

**Rental Value** – a valuation of the rental potential of the property.

Council continues to use **Capital Value** as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

• equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth.

Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

## Notes

Average per rateable property calculated as General Rates for category, including minimum rates but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.

Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

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## Appendix C: Essential Services Commission of South Australia (ESCOSA) Advice and City of Salisbury Comments

### Council's Response

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

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

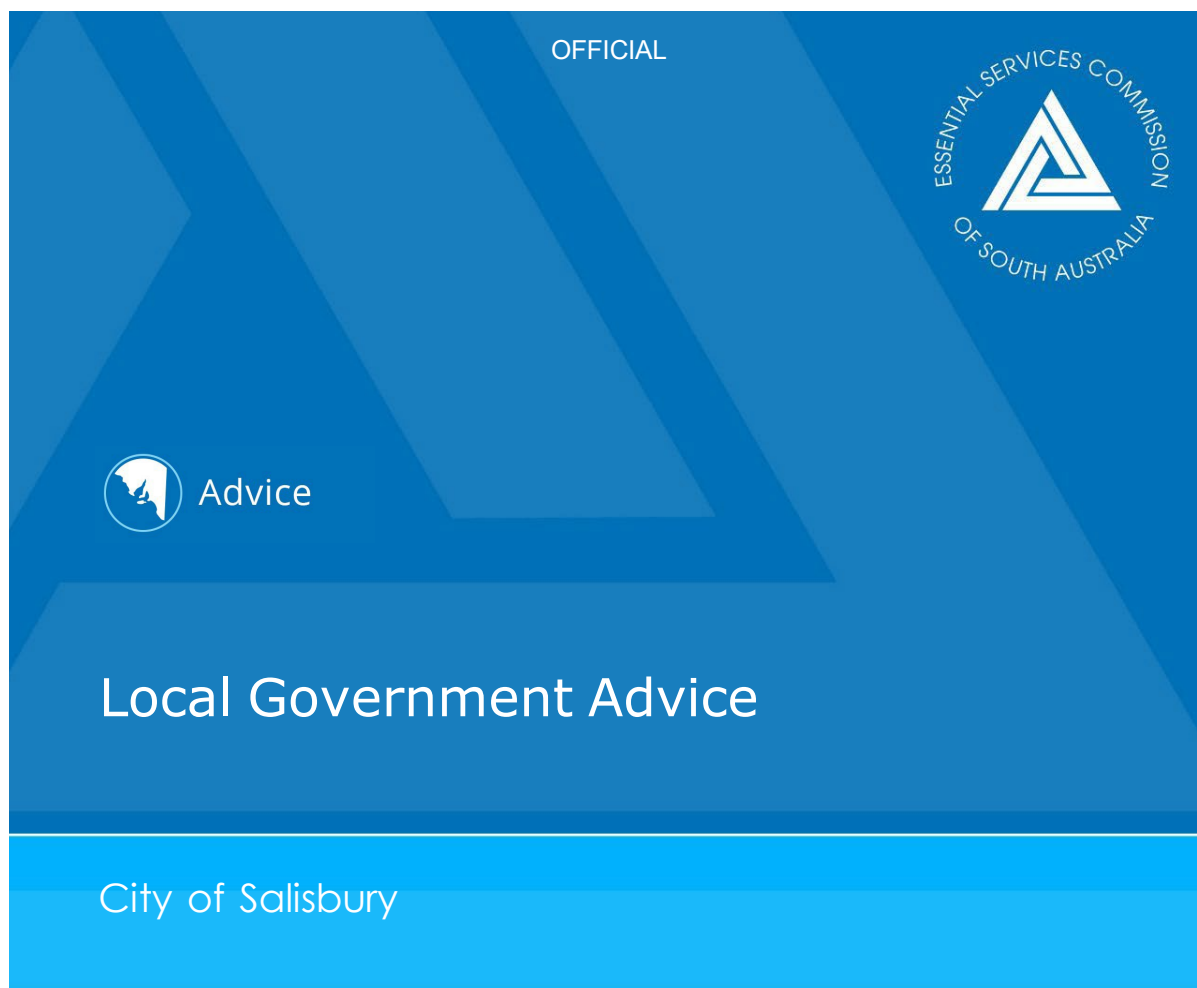
The City of Salisbury has responded to these constraints by providing additional context to aid readers of the report to make a more informed assessment of the operations of the City of Salisbury.

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

### Action Plan

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

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



February 2023



Enquiries concerning this advice should be addressed to:

Essential Services Commission  
GPO Box 2605  
Adelaide SA 5001

Telephone: (08) 8463 4444  
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E-mail: [advice@escosa.sa.gov.au](mailto:advice@escosa.sa.gov.au)  
Web: [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)



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## Glossary of terms

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

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

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

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

### Budgeting and consultation considerations

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

### Providing evidence of ongoing cost efficiencies

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

### Managing operating cost risk

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

### Borrowing repayment considerations

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

## ESCOSA Advice – City of Salisbury Comments

### Service Expansion and Cost Risk

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

### Budgeting Prudently

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

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

Refinements to asset management planning

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

Containing rate levels

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

## SCOSA Advice – City of Salisbury Comments



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

## 2 About the advice

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

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

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

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

The Council is obliged under the *Local Government Act 1999* (LG Act) to publish this advice and its response, if applicable, in its 2023-24 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.<sup>8</sup> It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website<sup>9</sup>), nor is it compelled under the LG Act to follow the advice. The Commission thanks the City of Salisbury for providing relevant information to assist the Commission in preparing this advice.

### 2.1 Summary of advice

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

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

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

<sup>2</sup> Commonly referred to as asset management plans.

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

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

<sup>5</sup> Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at [www.escosa.sa.gov.au/advice/advice-to-local-government](http://www.escosa.sa.gov.au/advice/advice-to-local-government).

<sup>6</sup> LG Act s122(1f)(a) and (1g)(a)(ii).

<sup>7</sup> LG Act s122(1f)(b) and (1g)(b).

<sup>8</sup> LG Act s122(1h).

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



## ESCOSA Advice – City of Salisbury Comments

### Legislative Requirements

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

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

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

### Historical Operating Surpluses & Salisbury Aquatic Centre

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

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

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

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

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

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

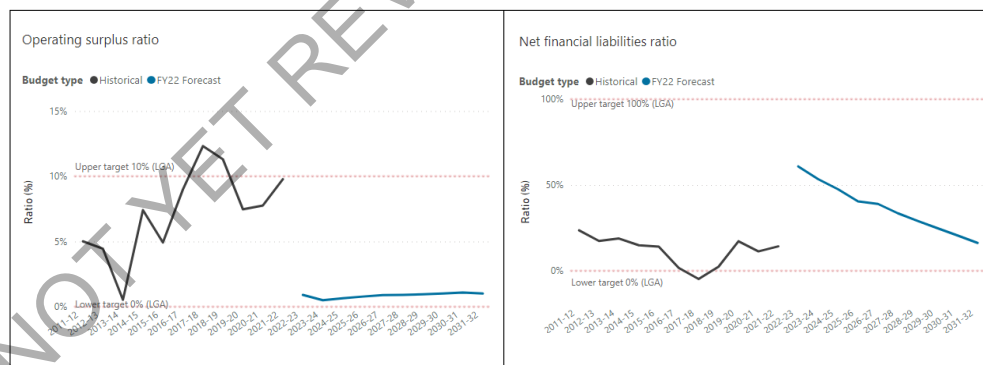
There are current risks to its financial sustainability arising from the extent of funding it has allocated for undefined capital projects in its forward projections, noting that the Salisbury Aquatic Centre project costs and associated service offerings have increased considerably from those originally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

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

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

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

The 'heat map' diagram (over the page) summarises the Commission's findings with reference to whether the Council has met the suggested Local Government Association (LGA) target ranges for the three main financial sustainability indicators<sup>10</sup> and the level of cost control and affordability risk identified for the Council over time.



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

## SCOSA Advice – City of Salisbury Comments

### Assertion that there are Risks to Financial Sustainability

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

### Council's AMPs

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

### Debt

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

### LGA Target Ranges

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

### Actual and Planned Results

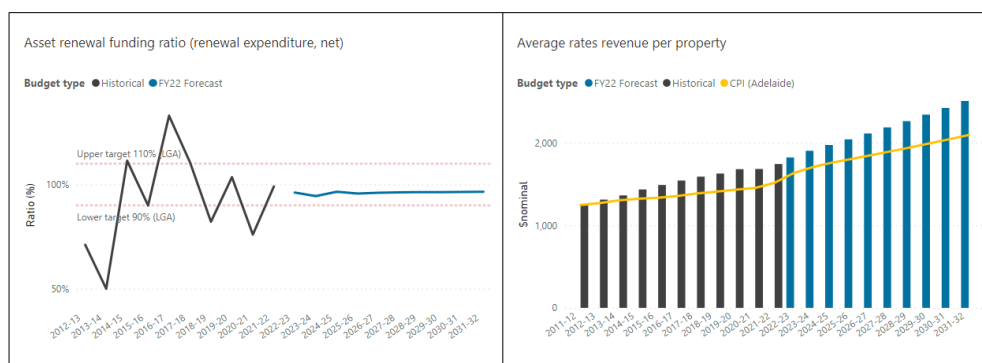
City of Salisbury has continued to budget and plan to operate within Council approved operating ranges for financial sustainability indicators. When actual results have varied to budget, these have been subject to extensive reporting at end of financial year, with these reports having been approved by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

### Operating Surplus Ratio

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

### Net Financial Liabilities Ratio

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



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

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

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

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

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

## ESCOSA Advice – City of Salisbury Comments

### Asset Renewal Funding Ratio

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

### Average Rate Revenue per Property

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

### Heat Map

#### Asset Renewal Funding Ratio

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

#### Cost Control & Affordability Risk

The average rate increase over the past 11 years (2011/12-2021/22) is 3.0% not 3.4%, and over the past 5 years (2017/18 to 2021/22) the average annual rate increase was 2.1%, compared with CPI of 1.8% over this period, which demonstrates Council’s ongoing commitment to manage the organisation sustainably, with a focus on service provision, balanced against affordability. For 2022/23 average residential rates increased by 3.5% and Commercial and Industrial Rates by 3.9% compared to CPI to June 2022 of 6.1%. The Long Term Financial Plan is not a 10 year budget. It is a health check on Council’s financial sustainability, and as each annual budget is considered there will be a number of factors at play which will result in the actual budget varying to LTFP forecasts.

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

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

### Rating Policy

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

## 2.2 Detailed advice findings

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

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

### 2.2.1 Advice on material plan amendments in 2022-23

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

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

- ▶ An additional \$82.1 million or 6 percent in total operating income. This includes an additional \$26.5 million or 50 percent due to higher user charges, mainly relating to the new Salisbury Aquatic Centre, which is currently expected to be operational by mid-2024.<sup>13</sup> The Council stated in its 2022-23 LTFP that rates revenue estimates were also increased by an average of 0.6 percentage points per annum above inflation.<sup>14</sup>
- ▶ An additional \$88.1 million or 6 percent in total operating expenses. This includes an additional \$41.6 million or 7 percent for 'materials, contracts and other' expenses, and an additional \$38.0 million or 9 percent in 'employee costs'. Much of that increase is due to the expanded scope of the Salisbury Aquatic Centre, noting that higher inflation will also have an impact across all years of the LTFP.

Based on the Council's assumptions in its 2022-23 LTFP, an increase in its costs and revenue estimates by around 6 percent over the 2022-23 to 2030-31 forecast period<sup>15</sup> would account for higher inflation, compared with same estimates in its 2021-22 LTFP.

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

<sup>11</sup> The attachment will be available on the Commission's website with the advice.

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

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

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

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

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

## ESCOSA Advice – City of Salisbury Comments

### LTFP 2021/22 compared with 2022/23

There are two primary changes in the LTFP year on year. The biggest impact was the review of inflation from a 9 year average (2022/23 to 2030/31) of 2.02% to 2.62% across the common years which increase the expenditure budget by \$32.8M and was also reflected in rate revenue required. The other impact was the potential to insource the operations of the Salisbury Aquatic Centre (SAC), rather than paying a contract management fee. This impact was across user charges and materials, contract and other costs. As the 2021/22 plan had factored in the outsourced model, and depreciation of the asset, SAC was not a significant overall variance year on year, but did impact on the detail of the operating budget with these changes largely offsetting each other.

### LTFP 2021/22 & 2022/23 Average Rate Increase

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

### LTFP Assumptions

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

### CPI / Inflation Growth

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

### City of Salisbury LTFP CPI / Inflation Forecast

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

### RBA Forecast

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



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

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

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

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

The Salisbury Aquatic Centre<sup>17</sup> was not in the Council's City Plan 2035 nor a particularly high priority in its 2020 community survey results;<sup>18</sup> it also brings potentially significant upfront and ongoing costs in terms of subsidising its operation.<sup>19</sup> The Council has not yet published the report containing the community consultation results specifically related to the facility.<sup>20</sup>

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

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

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

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

<sup>18</sup> McGregor Tan, *City of Salisbury Community Perceptions*, December 2020, p 28, available at [https://www.salisbury.sa.gov.au/assets/files/assets/public/general\\_documents/council/have\\_your\\_say/community\\_perceptions\\_2020\\_-\\_final\\_for\\_website.pdf](https://www.salisbury.sa.gov.au/assets/files/assets/public/general_documents/council/have_your_say/community_perceptions_2020_-_final_for_website.pdf). The survey results showed that 7 percent of respondents felt there was 'more things to do' by the Council related to recreation services and youth activities. Three service areas were identified as higher priority for improvement (the rest lower).

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

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

## ESCOSA Advice – City of Salisbury Comments

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

### New and Upgraded Assets Forecast Expenditure

Both the 2021/22 and 2022/23 Long Term Financial Plans (LTFP) had provision for new capital from year 3, which in nominal terms is \$15Mp.a and \$16.2Mp.a. respectively, with a greater level of new and upgrade being identified in the 2022/23 SAMP based on ongoing improvements in our asset management practices. Also impacting is the 2022/23 capital expenditure, with the 2021/22 LTFP including \$39.8M carryover to the 2022/23 financial year, which increased the capital program to \$70.1m in the 2022/23 LTFP. The majority of the difference was not additional capital expenditure, but rather capital expenditure planned for 2021/22 that was retimed into 2022/23, totalling \$37.3M.

### Salisbury Aquatic Centre

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

### Consultation Outcomes

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

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

The consultation report is available for public review at [Salisbury Aquatic Centre · City of Salisbury](#)

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

### Community Survey

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

## 2.2.2 Advice on financial sustainability

### Operating performance

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

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

Looking ahead, the estimated average growth in operating expenses over the next 10 years of 4.1 percent per annum<sup>25</sup> (which is higher than RBA-based forecast inflation growth of 2.8 percent),<sup>26</sup> combined with higher growth from rates and user charges, is expected to maintain the Council's operating performance. The Council is projecting average annual rates revenue growth of 4.2 percent (to 2031-32), which assumes average growth in rateable property numbers of 0.6 per annum (the impact on ratepayers is discussed further below).

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

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

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

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

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

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

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

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

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

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

## ESCOSA Advice – City of Salisbury Comments

### Operating Surpluses

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

### Operating Income

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

### Cost Minimisation

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

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

### Salisbury Aquatic Facility

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

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

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

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

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

#### Net financial liabilities

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

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

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

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

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

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

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

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

## SCOSA Advice – City of Salisbury Comments

### Salisbury Aquatic Facility

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

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

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

### Treasury Management and Borrowing Strategy

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

### Loan Repayments

Operating Income growth is not a driver in debt repayment. Operating income increases are required to fund operating expenditure growth, with modest forecast surplus. Debt is in the form of Cash Advance Debentures which operate like an overdraft. When surplus funds are available the debt is repaid, and this is achieved primarily as a result of unanticipated favourable budget impacts whether they be timing or permanent, which in turn reduces interest costs and further increases funds available to reduce the debt position. Repayment of debt more slowly will result in higher interest costs, which will have a negative impact on rates if the organisation continues to operate with a budgeted operating surplus. Rate increases are not driven by the desire to repay debt.

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

#### Asset renewals expenditure

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

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

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

With the Council's projected higher capital expenditure, the depreciation expenses are projected to be significantly higher than renewal spending. Renewal spending is forecast to account for 56 percent of depreciation expenses on average to 2031-32.<sup>31</sup> One area that might be leading to higher depreciation expense forecasts, relative to annual asset renewal expenditure needs, is the Council's recent accumulation of new assets following its capital expenditure projects. Another risk that arises when depreciation expenses exceed spending on asset renewals is that the asset lives are assumed to be shorter (in the depreciation calculation) than occurs in practice. The implication of projecting higher than necessary depreciation expenses is that higher operating income (and potentially higher rates income) is required to generate an operating surplus for the Council.

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

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

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

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

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

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



## ESCOSA Advice – City of Salisbury Comments

### Renewal v New Expenditure

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

### Renewal Expenditure compared with Depreciation

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

### Asset Management

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

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

### Asset Renewal Funding Ratio

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

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

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

### 2.2.3 Advice on current and projected rate levels

The City of Salisbury's rate revenue per property growth has averaged 3.4 percent or \$49 per annum for each property over the past 10 years<sup>32</sup> and equated to \$1,744 per property in 2021-22. This is double the rate of CPI inflation over this period (averaging 1.7 percent per annum).

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

Affordability risk among the community for the further rate increase appears moderate based on a range of factors including the existing rate levels<sup>36</sup> and the projected increases (above the forecast rate of inflation), an assessment of the economic resources available to the community<sup>37</sup> and the Council's increasing expenditure forecasts (for example related to new and upgraded assets or new service provision) which risks further increases to its general rate levels.

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

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

## 2.3 The Commission's next advice and focus areas

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

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

<sup>32</sup> From 2011-12 to 2021-22.

<sup>33</sup> Based on the Council's Excel template submitted to the Commission.

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

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

<sup>36</sup> Refer to the Councils in Focus website available at [https://councilsinfocus.sa.gov.au/councils/city\\_of\\_salisbury](https://councilsinfocus.sa.gov.au/councils/city_of_salisbury) for 2019-20 rates data by council.

<sup>37</sup> The City of Salisbury area is ranked 17 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics socio-economic indexes for areas Index of Economic Resources (2016), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20Iga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&27.03.2018&Latest>.

## ESCOSA Advice – City of Salisbury Comments

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

### Average Rate Revenue per Property

The calculation of average rates is not consistent with the methodology of the Local Government Sector, and the calculation of ESCOSA includes revenue increases from property development, which does not aid ratepayers in understanding how rate increases have been applied. Further information about how Local Government calculates average rate increases can be found on pages 120 to 123. Over the 10 year period 2013/14 to 2022/23 the average rate increase was 2.77% for residential properties and 2.81% for commercial and industrial rate payers, not 3.4%.

### Average Rate Increase 2022/23

The 4.6% quoted by ESCOSA is not the average rate increase. The 2021/22 LTFP was based on inflation in 2022/23 of 1.7% which was based on Access Economics forecast. With significant economic upheaval post COVID-19 and with the Russian invasion of the Ukraine, CPI forecasts changed dramatically after the adoption of the 2021/22 LTFP. When setting the 2022/23 LTFP, forecast CPI was 4.25%, however, Council worked to contain costs, and implemented average rate increases of 3.5% for residential rates, and 3.9% for commercial rates, with the minimum rate also increasing by 3.5%. Given the changes in economic circumstances City of Salisbury delivered an average rate increase below CPI to try to contain the impacts for the community. Council's role is to balance the various needs and wants from the community with the community's capacity to pay.

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

### Advice and Focus Areas

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

### Council's Excel Template

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

### ABS Socio-Economic Index

We acknowledge that City of Salisbury is a community of lower economic means than some other communities. Unfortunately, with relatively low levels of grant funding City of Salisbury is reliant on rate revenue funding approximately 80% of its operating expenditure. In other states the relevant State Governments provide significantly more grant funding to fund operational expenditure and this enables lower reliance on rate revenue in these states. The expectation of ESCOSA that rates should be limited to CPI will result in a contraction of services provided by Councils and this will not meet community expectations. It should be noted that despite SA Housing Trust stocks being primarily located in areas of lower socio-economic capacity, the State Government still decided to increase the mandatory rebate on Supported Accommodation from 25% to 75%, and divest housing stock to Community Housing Associations – this lost revenue then impacts on other ratepayers through higher rate increases and impacts on people that are in a similar financial situation to those in social housing. This resulted despite the strong advocacy of the local government sector.

- ▶ achievement of cost savings and efficiencies, and its reporting of these achievements
- ▶ its risk management progress related to the Salisbury Aquatic Centre
- ▶ progress in reviewing and updating the AMPs and its depreciation expenses, and
- ▶ how it has sought to minimise any affordability risks.



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