



AGENDA

FOR FINANCE AND CORPORATE SERVICES COMMITTEE MEETING TO BE HELD ON

15 APRIL 2024 AT THE CONCLUSION OF THE POLICY AND PLANNING COMMITTEE

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

MEMBERS

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

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
Deputy Chief Executive Officer, Mr C Mansueto
General Manager City Infrastructure, Mr J Devine
General Manager Community Development, Mrs A Pokoney Cramey
General Manager City Development, Ms M English
Manager Governance, Mr R Deco
Team Leader Council Governance, Ms J O'Keefe-Craig
Governance Support Officer, Ms K Boyd

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Finance and Corporate Services Committee Meeting held on 18 March 2024.

REPORTS

Administration

2.0.1 Future Reports for the Finance and Corporate Services Committee..... 13

For Decision

2.1.1 Higher Value Property Review 15
2.1.2 Long Term Financial Plan Scenarios and Rate Strategy 2024/25 19
2.1.3 Budget Status Update 45
2.1.4 Draft 2024/25 Long Term Financial Plan and Annual Business Plan 85
2.1.5 NAWMA Draft 2024/2025 Budget 249
2.1.6 Approval of Cash Advance Debenture Facility - NAWMA 267
2.1.7 Public Awareness - Rates Notice Information 273
2.1.8 NAWMA (Northern Adelaide Waste Management Authority) Second
Quarter Budget Review 2023/24 275

QUESTIONS ON NOTICE

There are no Questions on Notice.

MOTIONS ON NOTICE

There are no Motions on Notice.

OTHER BUSINESS

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

ORDERS TO EXCLUDE THE PUBLIC

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

Recommendation

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

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

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

CLOSE



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

18 MARCH 2024

MEMBERS PRESENT

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

STAFF

Chief Executive Officer, Mr J Harry
Deputy Chief Executive Officer, Mr C Mansueto
General Manager City Infrastructure, Mr J Devine
General Manager Community Development, Mrs A Pokoney Cramey
General Manager City Development, Ms M English
Manager Governance, Mr R Deco
Team Leader Council Governance, Ms J O'Keefe-Craig
Governance Support Officer, Ms K Boyd
Team Leader Strategic Urban Planning, Ms S Jenkin
Manager Engineering Assets and Systems, Mr M Purdie
Manager Infrastructure Delivery, Mr J Collins
Manager Environmental Health and Community Compliance,
Mr J Darzanos
Manager Urban, Recreation and Natural Assets, Mr J Foong

The meeting commenced at 6.48 pm.

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

APOLOGIES

An apology was received from Cr K Grenfell.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Mayor G Aldridge
Seconded Cr P Jensen

The Minutes of the Finance and Corporate Services Committee Meeting held on 19 February 2024, be taken as read and confirmed.

CARRIED

REPORTS

Administration

2.0.1 Future Reports for the Finance and Corporate Services Committee

Moved Cr D Hood
Seconded Mayor G Aldridge

That Council:

1. Notes the report.

CARRIED

2.1.1 Long Term Financial Plan and Budget Workshops Actions Update

Moved Cr C Buchanan
Seconded Mayor G Aldridge

That Council:

1. Notes the actions and responses provided at paragraph 3.3 of this report (Item 2.1.1, Finance and Corporate Services Committee, 18 March 2024).
2. Receives a Further Information item at its March Council meeting providing an update on West of Port Wakefield Code Amendments New Initiative Bid.
3. Approves that a future report considering costs of additional resourcing in community compliance services and the potential associated revenue be added to the Finance and Corporate Services Committee with a planned reporting date of April 2024.

CARRIED

2.1.2 Budget Bids 2024/25

Moved Cr C Buchanan
Seconded Cr P Jensen

That Council:

1. Approves the following bids to be included in the 2024/2025 budget:
 - a. TRN001251 Elected Member Bid: Upgrade of St Kilda Boat Ramp Car Park and the RV Trailer Park \$100,000 (Attachment 1, Item 2.1.2, Finance and Corporate Services Committee), and requests that staff provide a further information report to consider bringing forward the renewal budget for consideration by Council for the re-seal of the carpark.
 - b. PBN001255 Elected Member Bid: Supply & Install New Public Toilet at Salisbury North Oval \$300,000 (Attachment 2)
 - c. PSN001280 Elected Member Bid: 4 x New Pump Tracks in various locations \$1.4m (Attachment 3) noting that it is spread over 2024/2025 and 2025/2026.
 - d. PBN001281 Elected Member Bid: 6 x Community Defibrillators \$14,400 (Attachment 4) noting that this be spread over three years.

-
- e. PSN001282 Elected Member Bid: New Dog park, RM Williams Drive, Walkley Heights \$500,000 plus \$12,000 for operating expenses (Attachment 5) noting the Ward Councillors to undertake further consultation with the community.
2. Approves the four-year program (Attachment 6) with 2024/25 net expenditure of:
 - Infrastructure Bids: net capital \$41,802,500 and operating \$1,686,600
 - Plant Furniture and Equipment Bids: net capital \$2,462,400 and operating \$8,000
 - Operating Bids: operating \$1,740,700
 - IT Bids: net capital \$1,614,300 and operating \$155,340which will be updated following Council decision in relation to part 1 of this recommendation and noting that three (3) bids subject to a confidential report of Council, as detailed in Attachments 1 to 3 of the Budget Bids 2024/25 – Confidential Items report, Finance and Corporate Services Committee, 18 March 2024 (Item 2.1.2), are not included in these expenditure estimates.

CARRIED
UNANIMOUSLY

2.1.3 Salisbury Water Budget 2024/25 Report

Moved Cr C Buchanan
Seconded Mayor G Aldridge

That Council:

1. Approves the Salisbury Water 2024/25 budget, including budget bids, fees and charges and the water pricing policy as included in Attachment 1 (Item No 2.1.3, Finance and Corporate Services Committee, 18 March 2024) for consideration in the 2024/25 Council Budget.

CARRIED

2.1.4 Building Rules Certification Unit Budget 2024/25 Report

Cr L Brug left the meeting at 7:21 pm.

Moved Mayor G Aldridge
Seconded Cr S McKell

That Council:

1. Approves the Building Rules Certification Unit 2024/25 Budget for consideration in the 2024/25 Council Budget.

CARRIED

Cr L Brug returned to the meeting at 7:25 pm.

Mayor G Aldridge left the meeting at 7:25 pm.

2.1.5 Salisbury Memorial Park Budget 2024/25 Report

Mayor G Aldridge returned to the meeting at 7:28 pm.

Moved Cr C Buchanan
Seconded Cr S Reardon

That Council:

1. Approves the Salisbury Memorial Park 2024/25 Budget as included in Attachment 1 (Item No. 2.1.1, Finance and Corporate Services Committee, 18 March 2024) (excluding fees and charges) for consideration in the 2024/25 Council Budget.

Cr S Reardon withdrew her seconding of the Motion.

The Chairman then called for a new seconder for the Motion.

Moved Cr C Buchanan
Seconded Cr P Jensen

That Council:

1. Approves the Salisbury Memorial Park 2024/25 Budget as included in Attachment 1 (Item No. 2.1.5, Finance and Corporate Services Committee, 18 March 2024) (excluding fees and charges) for consideration in the 2024/25 Council Budget.

CARRIED

QUESTIONS ON NOTICE

There were no Questions on Notice.

MOTIONS ON NOTICE

There were no Motions on Notice.

OTHER BUSINESS

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

There were no Other Business items.

ORDERS TO EXCLUDE THE PUBLIC

2.4.1 Budget Bids 2024/25 - Confidential Items

Moved Cr A Graham

Seconded Cr P Jensen

The Finance and Corporate Services Committee orders

1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (d)(i) and (d)(ii) of the Local Government Act 1999, that it is necessary and appropriate to exclude the public for the consideration of Agenda Item 2.4.1 Budget Bids 2024/25 – Confidential Items with the exception of the following persons:

- Chief Executive Officer*
- Deputy Chief Executive Officer*
- General Manager City Infrastructure*
- General Manager Community Development*
- General Manager City Development*
- Manager Governance*
- Team Leader Council Governance*
- Governance Support Officer*
- Team Leader Strategic Urban Planning*
- Manager Engineering Assets and Systems*
- Manager Infrastructure Delivery*
- Manager Environmental Health and Community Compliance*
- Manager Urban, Recreation and Natural Assets,*

On the basis that:

- it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
- information the disclosure of which would, on balance, be*

contrary to the public interest; and

- commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and

- commercial information of a confidential nature (not being a trade secret) the disclosure of which would, on balance, be contrary to the public interest.

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

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

*On that basis the public's interest is best served by not disclosing Agenda Item 2.4.1 - **Budget Bids 2024/25 - Confidential Items** and discussion at this point in time.*

be excluded from attendance at the meeting for this Agenda Item.

CARRIED

The meeting moved into confidence at 7.33 pm.

The meeting moved out of confidence and closed at 7.41 pm.

CHAIRMAN.....

DATE.....

ITEM	2.0.1
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	15 April 2024
HEADING	Future Reports for the Finance and Corporate Services Committee
AUTHOR	Mercedes Healy, Personal Assistant Executive Office, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This item details reports to be presented to the Finance and Corporate Services Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

RECOMMENDATION

That Council:

1. Notes the report.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

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

2. EXTERNAL CONSULTATION / COMMUNICATION

- 2.1 No external consultation was required in the development of this report.

3. REPORT

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

Meeting Item	Heading and Resolution	Officer
27/06/2022 4.1.10	<p>New Grant funding for Infrastructure Projects</p> <p>5. Authorises the Chief Executive Officer to distribute the \$1.1M across the grant related projects stated in paragraphs 4.2.2 and 4.2.4 of the report (Item 4.1.10 – New Grant Funding for Infrastructure Projects – Urban Services Committee, 20 June 2022) with these allocations to be summarised within the following Quarterly Budget.</p> <p>Due: February 2024 Deferred to: August 2024 Reason: A number of projects with in this program have been extended. Administration will report back to Council once division of the CoS contribution across the projects has been determined.</p>	Michelle Glover

4. CONCLUSION / PROPOSAL

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

ITEM	2.1.1
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	15 April 2024
HEADING	Higher Value Property Review
AUTHORS	Melissa Hamilton, Team Leader Accounting Services, Business Excellence Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report provides details of the Higher Property Rate Remission, and reviews the parameters for the remission for the 2024/25 Budget year for inclusion in the 2024/25 Draft Long Term Financial Plan and Annual Business Plan for public consultation.

RECOMMENDATION

That Council:

- Approves for the Higher Property Value Rate Remission for 2024/25 for public consultation purposes and included in the Draft Long Term Financial Plan and Annual Business Plan be set on the following basis and applying to residential properties only:

Market Movement

Tier	Value Range	Rate Adjustment
1	0- \$779,000	0%
2	\$779,001 - \$868,000	10% reduction in the general rates payable on the value above \$779,000 up to and including \$868,000
3	\$868,001 - \$1,002,000	20% reduction in the general rates payable on the value above \$868,000 up to and including \$1,002,000
4	>\$1,002,000	35% reduction in the general rates payable on the value above \$1,002,000

With the following exclusions for either option:

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

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

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

2. CONSULTATION / COMMUNICATION

2.1 External

The Higher Property Value Rate Remission (HPVRR) forms part of the rating strategy included in the Draft Long Term Financial Plan and Annual Business which is planned to be available for Public Consultation during May 2024.

3. REPORT

- 3.1 The rate policy incorporates a system of tiered alterations to rates on high valued residential properties. In 2023/24 the tier adjustments were set at the level as per Table 1 below:

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

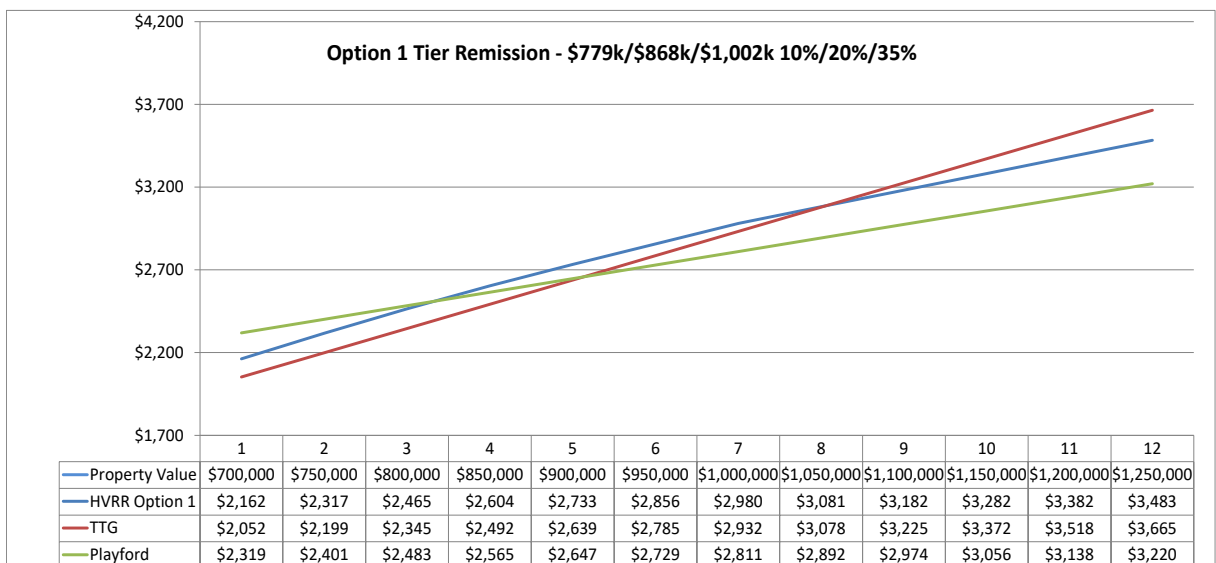
- 3.2 As property values typically increase each year due to market movements, over time more and more properties will receive the HPVRR. To remove this bracket creep, it is appropriate to increase the value ranges each year. In addition, this will assist in containing the cost of the remission.
- 3.3 Adjusting the value ranges for the tiered remissions by the average market movement of 11.3% results in the proposed tiers detailed in Table 2 below:

Tier	Value Range	Rate Adjustment
1	0- \$779,000	0%
2	\$779,001 - \$868,000	10% reduction in the general rates payable on the value above \$779,000 up to and including \$868,000
3	\$868,001 - \$1,002,000	20% reduction in the general rates payable on the value above \$868,000 up to and including \$1,002,000
4	>\$1,002,000	35% reduction in the general rates payable on the value above \$1,002,000

3.4 The cost of this scenario is comparable to 2023/24, and provides a similar level of relief when comparing the difference between City of Salisbury and neighbouring council rates for higher value properties, which is illustrated by the table and graph below:

2024/25 OPTION 1 - \$779k/\$868k/\$1,002k & 10%/20%/35%					
Higher Value Property Rebate - Impact on Sample Property Values					
Property Value	2024/25 Salisbury		TTG	Playford	
	No Remission	HVRR Option 1			+ Fix Chg
Rate in \$*	0.003089		0.002779	0.001552	
			5.5%	\$1,112	5.5%
\$700,000	\$2,162	\$2,162	\$2,052	\$2,319	
\$750,000	\$2,317	\$2,317	\$2,199	\$2,401	
\$800,000	\$2,471	\$2,465	\$2,345	\$2,483	
\$850,000	\$2,626	\$2,604	\$2,492	\$2,565	
\$900,000	\$2,780	\$2,733	\$2,639	\$2,647	
\$950,000	\$2,935	\$2,856	\$2,785	\$2,729	
\$1,000,000	\$3,089	\$2,980	\$2,932	\$2,811	
\$1,050,000	\$3,243	\$3,081	\$3,078	\$2,892	
\$1,100,000	\$3,398	\$3,182	\$3,225	\$2,974	
\$1,150,000	\$3,552	\$3,282	\$3,372	\$3,056	
\$1,200,000	\$3,707	\$3,382	\$3,518	\$3,138	
\$1,250,000	\$3,861	\$3,483	\$3,665	\$3,220	

* NB TTG & Playford rate in the dollar for 2024/25 discounted by the same market movement as CoS, increased by 5.5% to provide approx 2024/25 rates.



- 3.5 The impact on a range of property values provided above is compared with those in Tea Tree Gully and Playford assuming a 2024/25 rate increase of 5.5% in those Councils and same level of market movement.
- 3.6 The table below illustrates the cost and number of properties that will benefit in 2024/25 through applying the average market movement to the 2023/24 tiers, noting that the cost will depend on the rate increase resolved by Council, and have been modelled based on 5.5%.

	2023/24 \$700k/\$780k/\$900k 10%/20%/35%	2024/25 \$779k/\$868k/\$1,002k 10%/20%/35%	Increase / (Decrease)
Cost	\$454k	\$430k	(\$24k)
No of properties	4,238	4,350	112

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

- 3.7 The current draft budget papers provide adequately for the HVRR scheme, and depending on the decision of council in relation to the average rate increase there may be a minor adjustment required.

4. CONCLUSION / PROPOSAL

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

ITEM	2.1.2
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	15 April 2024
HEADING	Long Term Financial Plan Scenarios and Rate Strategy 2024/25
AUTHOR	Kate George, Manager Financial Services, Business Excellence
SUMMARY	

In accordance with s122(4)(a) of the *Local Government Act 1999*, Council is required to review and adopt the Long-Term Financial Plan annually, and as part of this process it is appropriate to review the target ranges for the Financial Sustainability Indicators. Additionally, as year 1 of the Long-Term Financial Plan is set to draft budget figures, it is also important to consider the average rate increase appropriate for the 2024/25 financial year.

RECOMMENDATION

That Council:

1. Approves for consultation basis a rate increase based on a **to be determined**% average increase, including the minimum, as the basis for setting rates in 2024/25 and year 1 of the Long-Term Financial Plan, considering the Long-Term Financial Plan and inflation scenarios presented and the advice provided by the Audit and Risk Committee, and approves for this to be included in the Draft 2024/25 Long Term Financial Plan and Annual Business Plan for public consultation.
2. Approves for the Long-Term Financial Plan be set with a rate increase of forecast CPI+0.6% for years two to ten.
3. Notes that the current general rate capping policy as set out in section 3.7 of this report (Item No. 2.1.2, Finance and Corporate Services Committee 17 April 2024) remains unchanged for 2024/25.
4. Approves for the Operating Ranges for Financial Sustainability Indicators to remain as follows:
 - a. Operating Surplus Ratio: between 0.5% and 5%
 - b. Net Financial Liabilities Ratio: less than 70%
 - c. Asset Renewal Funding Ratio: between 90% and 110%

ATTACHMENTS

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

1. LTFP Scenario Graphs
2. Rate Calculation Based on 5.5% Average Rate Increase
3. Rates Random Sample

1. BACKGROUND

- 1.1 As part of preparing the budget and annual plan Council considers the Long-Term Financial Plan (LTFP) and the associated financial sustainability indicators. An update to the LTFP was presented to Members at the Third Budget Workshop 29 March 2023.
- 1.2 The requirement to review the LTFP is contained within S122 of the *Local Government Act 1999*
 - (4) *A council may review its strategic management plans under this section at any time but must—*
 - (a) *undertake a review of—*
 - (i) *its long-term financial plan; and*
 - (ii) *any other elements of its strategic management plans prescribed by the regulations for the purposes of this paragraph,*
 - on an annual basis; and*
- 1.3 There are three Financial Sustainability Indicators specified in the *Local Government (Financial Management) Regulations 2011*, and the LGA Information Paper 9 ‘Financial Indicators’ that ‘promotes an approach whereby each Council would determine locally appropriate targets or target ranges for each indicator’.
- 1.4 Council last reviewed the LTFP as part of the 2023/24 budget process, including review of the operating ranges for the financial sustainability indicators and endorsed for consultation in April 2023 Council (Resolution 0231/2023), with adoption in June 2023 (Resolution 0382/2023).
- 1.5 The Audit and Risk Committee reviewed the Long-Term Financial Plan and Annual Business Plan at their meeting on the 9 April 2024.
- 1.6 Scenarios presented at the Third Budget Workshop (27 March 2024) were incorporated into the Draft 2024/25 Long Term Financial Plan and Annual Business Plan item reported to the Audit and Risk Committee 9 April 2024, with additional scenarios resulting from feedback at the Workshop. The Audit and Risk Committee provided the following recommendation for Council consideration:

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 (Audit and Risk Committee, 9 April 2024, Item no 7.1.1) and notes that Council should consider a rate increase within the range of 5.5% and 6.5% with CPI + 0.6% for year two onward to be appropriate to maintain Council’s financial sustainability balanced with the needs of the community for affordability.

2. CONSULTATION / COMMUNICATION

2.1 Internal

2.1.1 Various workshops and committee meetings with Elected Members

2.1.2 Audit and Risk Committee 9 April 2024

2.2 External

2.2.1 The Draft LTFP and the Rate Strategy form part of the Draft 2024/25 Long Term Financial Plan and Annual Business Plan which will move to public consultation in May.

3. REPORT

Long Term Financial Plan Scenarios

- 3.1 At the Third Budget Workshop in March, the base operating budget and new initiatives were brought together into the LTFP for discussion. For a number of years Council have adopted the LTFP with planned average rate increases of CPI+0.6% from year 2 through to year 10, to maintain financial sustainability. The scenarios presented were based on forecast annual inflation to June 2024 of 4.8% (Deloitte Access Economics forecast at December 2023 Business Outlook report). The limitations of using forecast inflation were highlighted through the discussion with the risk that inflation will vary, however, there was no better forecast data available currently.
- 3.2 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.
- 3.3 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.
- 3.4 In summary the scenarios at the presentation were:

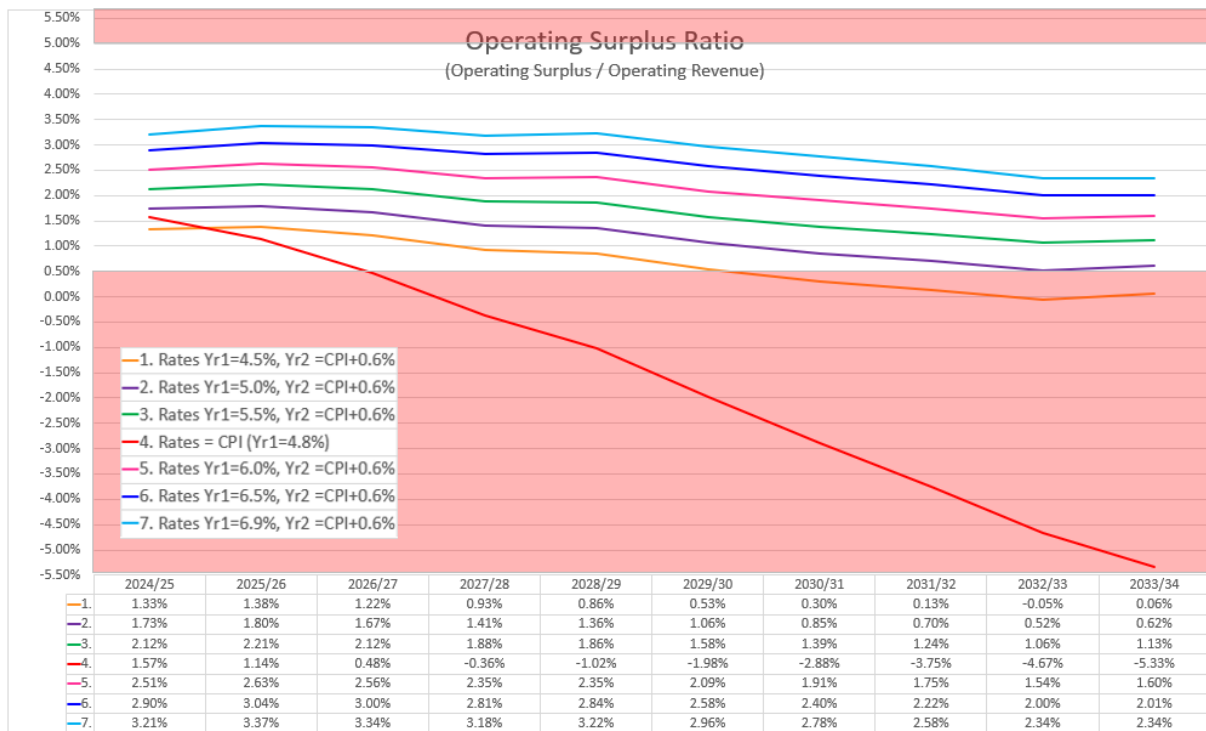
		Scenario Rate Increase		
		Year 1	Year 2	Year 3
1	Rates Yr1=4.5%, Yr2 onwards=CPI+0.6%	4.5%	3.5%	3.2%
2	Rates Yr1=5.0%, Yr2 onwards =CPI+0.6%	5.0%	3.5%	3.2%
3	Rates Yr1=5.5%, Yr2 onwards CPI+0.6%	5.5%	3.5%	3.2%
4	Rates @ CPI	4.8%	2.9%	2.6%

- 3.5 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 details as options 5, 6 and 7 in the table below:

		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%

Operating Surplus Ratio (OSR):

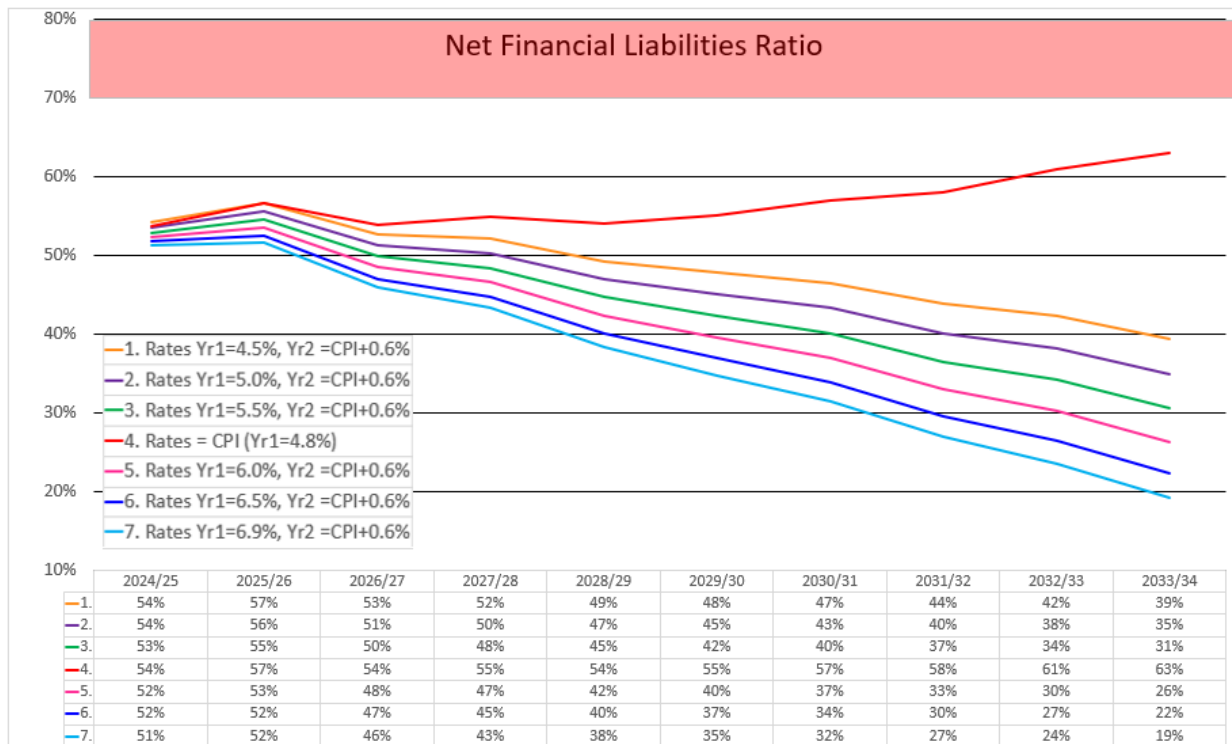
- 3.6 Calculated as Operating Surplus divided by Operating Revenue. The OSR is regarded as the most important indicator of financial sustainability. A positive ratio means that Council is operating with a surplus, and that it has some capacity to respond to emerging issues and changes in community needs. A surplus ratio also reflects the percentage of Council's operating income that contributes to funding capital expenditure and thereby reduces borrowings.
- 3.7 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 during the remainder of the budget process and also through budget review. Consequently, if the average rate increase is set too low the Council may operate below the floor of the OSR and may move into a deficit position.
- 3.8 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. Higher average rate increases provide greater capacity to Council to manage unforeseen issues, however, this also adds to the cost pressures for households. The resulting OSRs from the various scenarios are detailed in the graph below:



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

Net Financial Liabilities Ratio (NFLR)

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

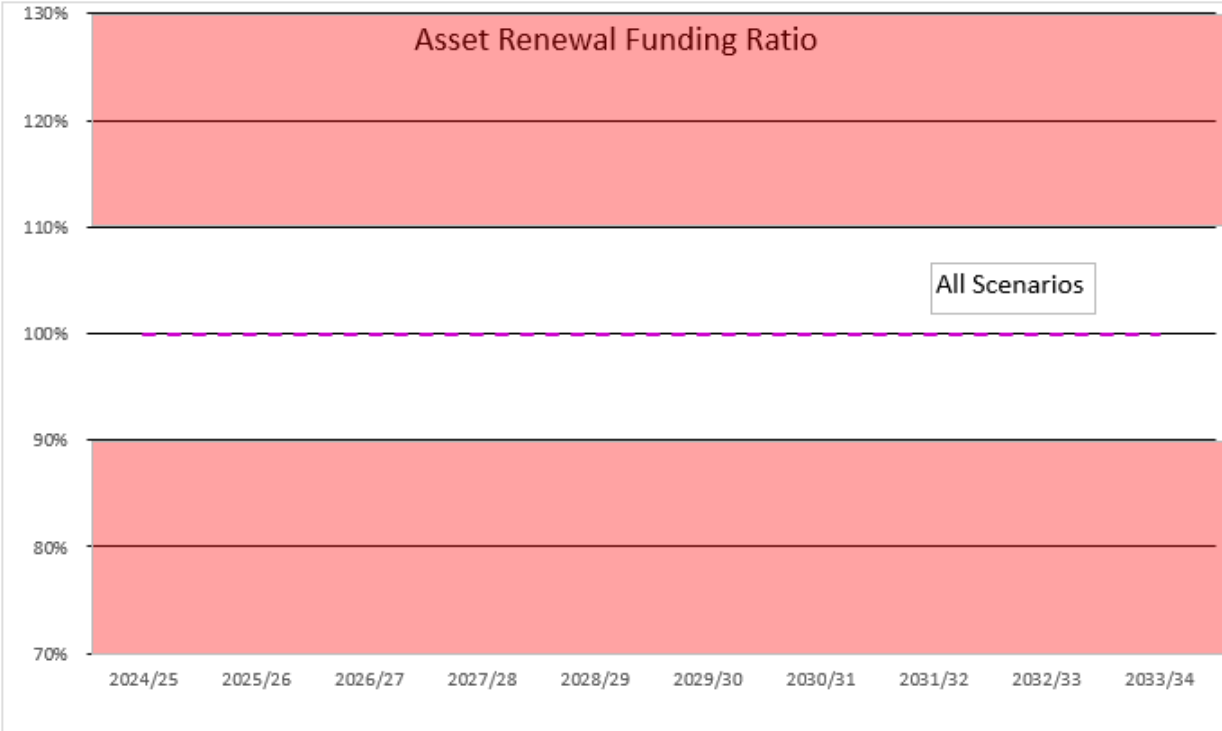


3.11 As detailed in the graph above all LTFP scenarios provide for a financially sustainable result over the 10-year period, although scenario 4 (rates at CPI) has diminishing borrowing capacity over the life of the plan.

3.12 It is proposed that Council maintains an operating range for the NFL indicator of <70% (as depicted by the red region in the graph above), noting that the LGA discussion paper suggests a long-term range of between 0%-100%.

Asset Renewal Funding Ratio (ARFR)

- 3.13 The ARFR is calculated as Asset Renewal Expenditure divided by Renewal Expenditure per Asset Management Plans. A ratio of 100% indicates that council is renewing assets and is maintaining service standards by optimising its timing of capital outlays.
- 3.14 The graph below shows the ARFR based on the renewal expenditure included in the Draft 2024/25 SAMP that will be considered by Council in April for consultation in May 2024.



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

Summary of Results

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

	Scenario Rate Increase			OSR	NFLR	ARFR
	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%	✓	✓	✓

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

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

	Scenario Rate Increase			Average Residential Rate Increase		Minimum Rate Increase	
	Year 1	Year 2	Year 3	p.a.	p.wk	p.a.	p.wk
3 Rates Yr1=5.5%, Yr2 onwards CPI+0.6%	5.5%	3.5%	3.2%	\$ 87.51	\$ 1.68	\$ 63.58	\$ 1.22
5 Rates Yr1=6.0%, Yr2 onwards=CPI+0.6%	6.0%	3.5%	3.2%	\$ 95.46	\$ 1.84	\$ 69.36	\$ 1.33
6 Rates Yr1=6.5%, Yr2 onwards =CPI+0.6%	6.5%	3.5%	3.2%	\$103.42	\$ 1.99	\$ 75.14	\$ 1.45
7 Rates Yr1=6.9%, Yr2 onwards CPI+0.6%	6.9%	3.5%	3.2%	\$109.78	\$ 2.11	\$ 79.76	\$ 1.53

Audit and Risk Committee Consideration

3.19 The scenarios contained in this report were also incorporated into the Draft 2024/25 Long Term Financial Plan and Annual Business Plan item presented to the Audit and Risk Committee 9 April 2024, and the Audit and Risk Committee provided the following guidance for Council:

That Council:

- 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 (Audit and Risk Committee, 9 April 2024, Item no 7.1.1) and notes that Council should consider a rate increase within the range of 5.5% and 6.5% with CPI + 0.6% for year two onward to be appropriate to maintain Council’s financial sustainability balanced with the needs of the community for affordability.

Rating Strategy

3.20 The Rating Strategy adopted in setting the budget has a critical impact on Council’s financial sustainability and has a significant impact on our ratepayers. The strategy adopted requires a balance between affordability for our ratepayers, whilst enabling the organisation to meet existing and new service needs of our community. Given the LTFP scenarios detailed above with year 1 rate increases from 5.5% to 6.9% all result in financial sustainable scenarios, an average rate increase of 5.5% in 2024/2025 financial year has been used in the sections that follow, noting that a decision on the average rate increase for public consultation is the subject of recommendation 1.

Valuation Changes

3.21 The general market movement as detailed below is a result from the mass appraisal process undertaken each year, and is based on data up to 31 December 2023.

General Market Revaluation

Main Categories	Annual % Change	
	Dec 2022	Dec 2023
Average increase across All properties	17.6%	12.5%
Average increase across Residential properties	17.4%	11.3%
Average increase across Commercial/Industrial properties	14.6%	18.4%
Average increase across Vacant Land properties	40.7%	21.7%

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

3.23 The average residential property value in Salisbury is now \$543k (December 2023), increasing from \$487k (December 2022).

Valuation Growth and Increases from Other Development Activities

3.24 The value of the City increases each year from new development for both residential and industrial development. The budget rate revenue estimate has been based on growth, being the increase in the number of assessments estimated at 0.5%, and other development activity contributing a further 0.5%. The data received from the Office of the Valuer General supports a growth figure of 0.4%, and other development activity 0.5% based on the current data received. The average over the past 5 years has been 1% combined with some growth and development activity still to flow through valuation data.

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

Proposed Rate Increase

- 3.26 It should be noted that Council had planned rate increases of CPI+0.6% over a number of years and iterations of the LTFP. This equates to an average rate increase of 5.4% for 2024/25 based on forecast CPI of 4.8% noting that this is per Deloitte Access Economics Business Outlook December 2023.
- 3.27 An Average rate increase of 5.5% in 2024/25, is adequate over the 10 year horizon of the LTFP, however, Council may consider that a higher average rate increase is appropriate to provide sufficient surplus in the 2024/25 budget to respond to community expectations and other emerging projects and initiatives to facilitate ongoing economic growth. The proposed average rate increase for public consultation forms part of the recommendations of this report.
- 3.28 A further 1% increase in rate revenue is anticipated through the increase in the number of assessments and development / improvement activities on specific properties. These two elements together set our target rate revenue at \$129.2M, to produce an operating budget with a surplus aligned to LTFP Scenario 3.
- 3.29 Based on available valuation information and assuming a 5.5% average increase in residential rates the revenue projections have been modelled (see Attachment 2) and the results summarised below.
- 3.30 The rate revenue modelled on the Valuer-General's information to date is \$129.062M (as detailed in the below table), and is \$131k below our required target of \$129.192M as included in the Consolidated Summary contained within Item 2.1.3 Budget Status Update on this Committee's Agenda.

Assumption	2023/24	2024/25
Average Rate Increase (all categories, except minimum rates, and Commercial and Industrial)	6.9%	5.5%
Commercial and Industrial Rate	6.9%	5.5%
Minimum Rates	6.9%	5.5%

Outcomes	2023/24	2024/25	Increase
Rate Revenue	\$121,264,780	\$129,062,099	\$7,797,319
Average Residential Rate	\$1,591	\$1,679	\$88
Residential Rate in \$	0.3258	0.3089	
Minimum Rate (5.5% increase)	\$1,156	\$1,218	\$62
Commercial/Industrial Rate in \$	0.5593	0.4982	
Commercial/Industrial rate differential	71.7%	61.3%	
Vacant Land Rate in \$	0.4235	0.4016	
Vacant Land Rate differential	30%	30%	

- 3.31 In order to achieve an average 5.5% increase, last year's residential rate in the dollar is discounted by the average residential value increase (11.3%). Similarly, for the commercial/industrial category last year's rate is reduced by the average commercial/industrial value increase (18.4%). The 5.5% rate increase is then applied to these discounted rates in the dollar to set the rate in the dollar for the next year.

Impact on Individual Properties

- 3.32 A random selection of individual properties is provided in Attachment 4 with residential properties broken down by suburb. As will always be the case there is some variation between suburbs as a result of market changes in the property values within those suburbs, and also individual properties having some development resulting in valuation changes above market movement. The average residential rate increase across the random sample is 5.64% which is higher than the 5.5% average market movement, which is due to the sample not being a perfect representation of the whole property database, and also results from some properties having increased in value through development activity.

General Rate Capping

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

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

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

The rebate will not apply where:

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

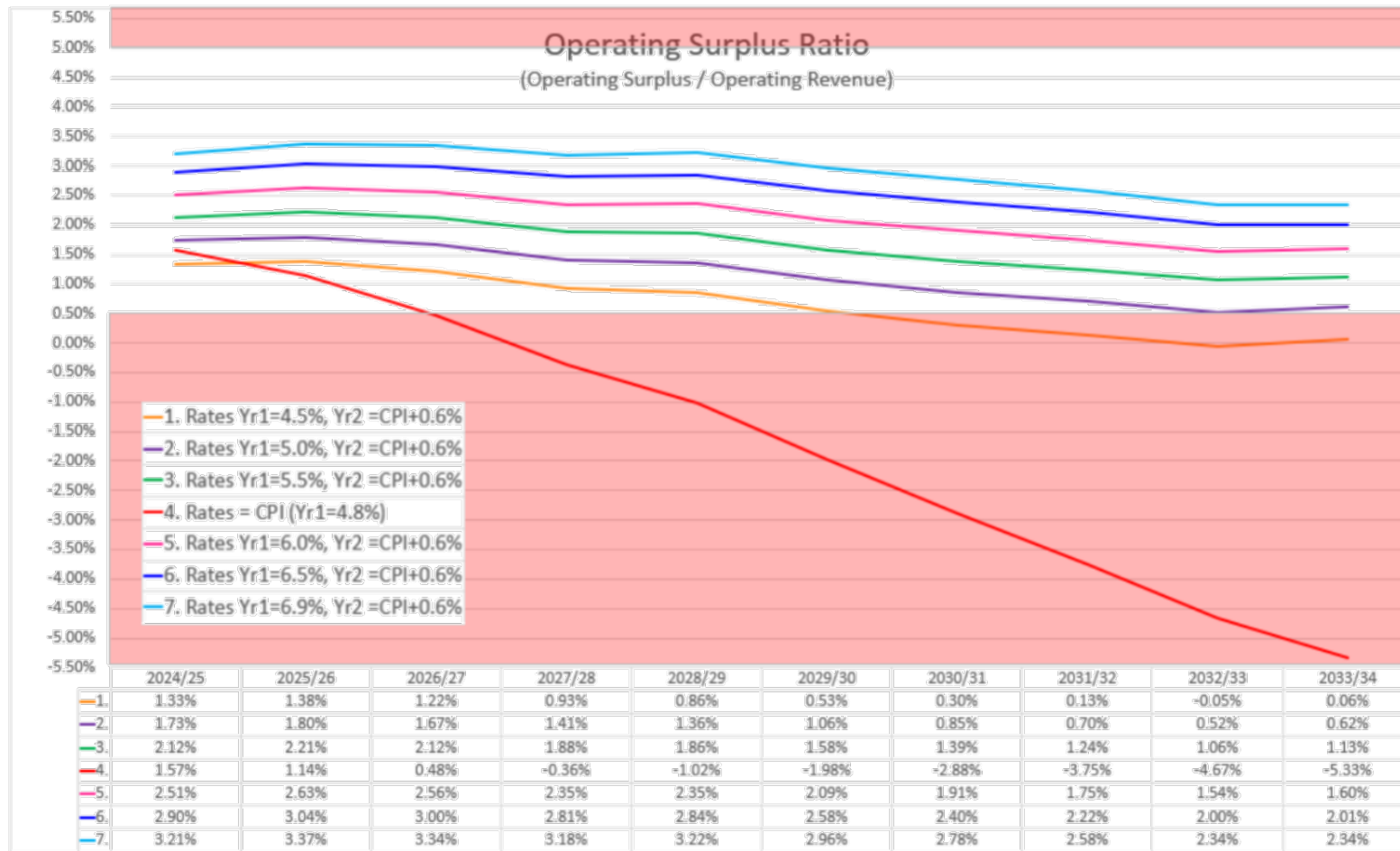
- 3.34 The Rating Strategy will be contained within the Draft 2024/25 Long Term Financial Plan and Annual Business Plan for consultation and feedback from the community.

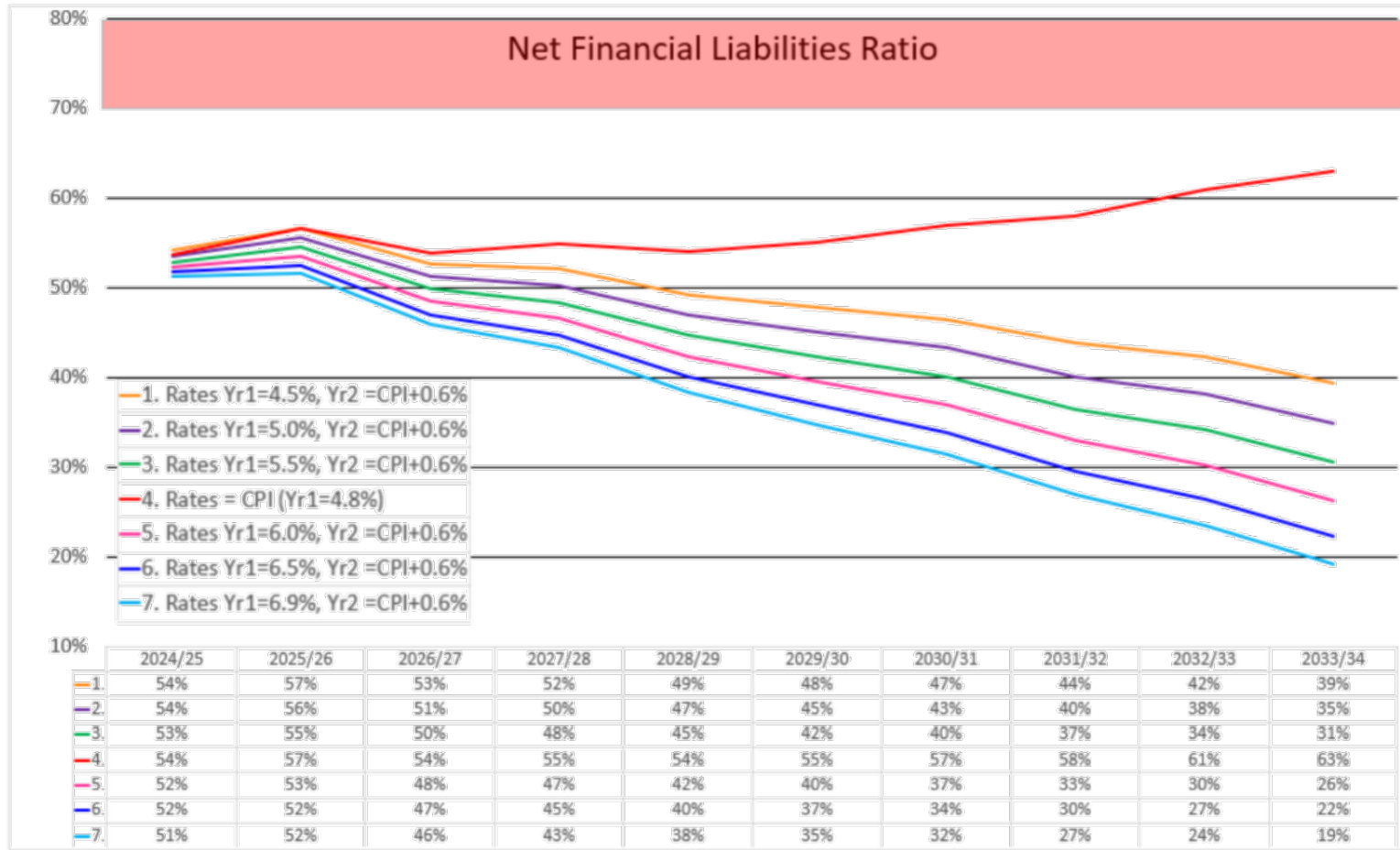
Final Considerations

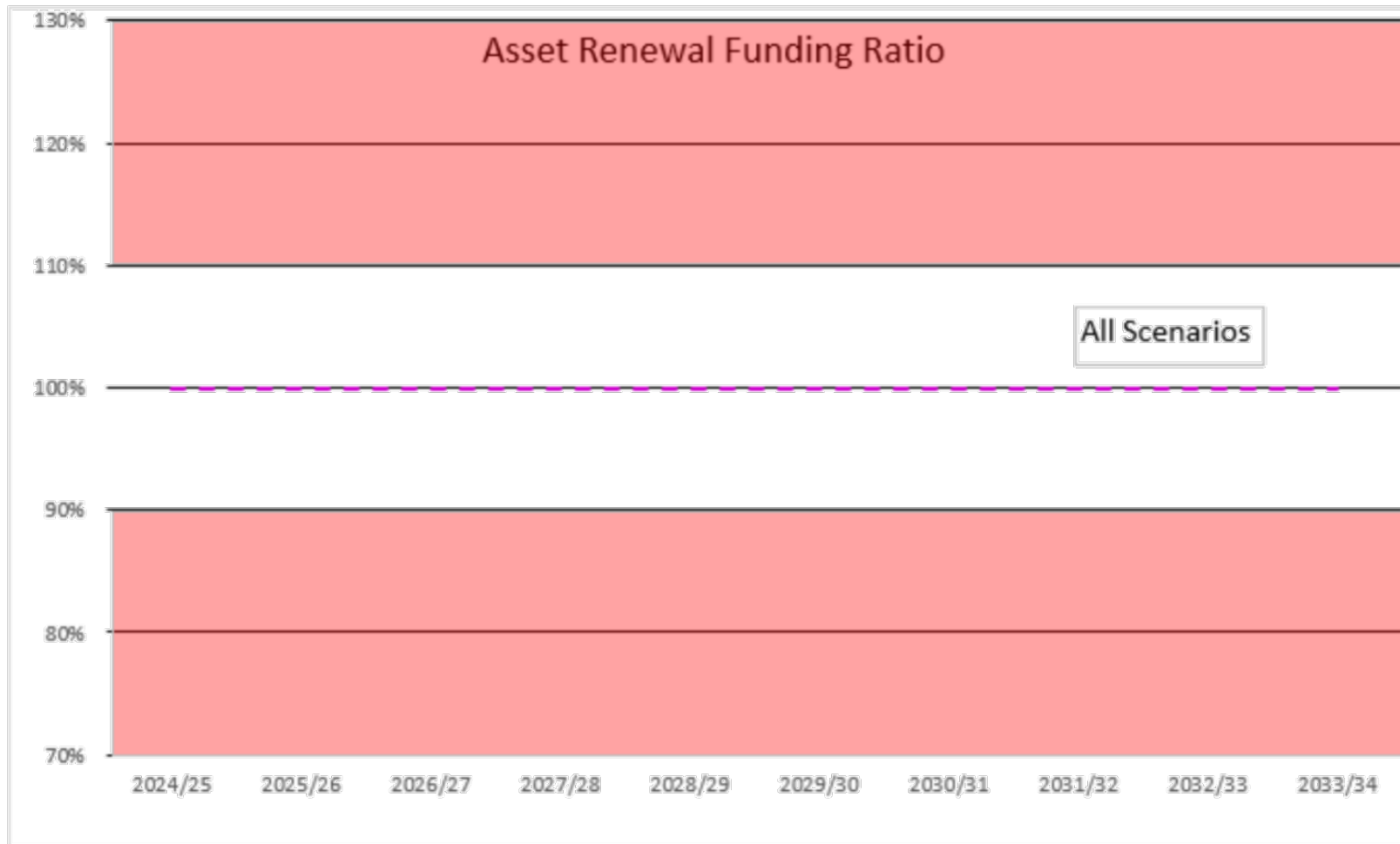
- 3.35 The Draft 2024/25 Long Term Financial Plan for public consultation will require updating for any decisions taken that vary the budget prior to consultation.

4. CONCLUSION / PROPOSAL

- 4.1 The various LTFP scenarios are provided to support Council’s deliberation of the proposed 2024/25 average rate increase. It is appropriate for Council to consider options that maintain financial sustainability and also seek to minimise the impact on ratepayers.
- 4.2 With this frame of reference, the rate strategy has been prepared based on an average rate increase of 5.5%, noting that Council may consider a higher rate increase to ensure an appropriate level of capacity to respond to emerging need across the financial year as Council has done in past years.
- 4.3 Feedback from the Audit & Risk Committee has been included in this report for Council’s consideration.
- 4.4 The Rate increase, rate strategy, and Long-Term Financial Plan selected by Council will be consulted with the community as part of the consultation of the Draft 2024/25 Long Term Financial Plan and Annual Business Plan.







Item 2.1.2 - Attachment 1 - LTFP Scenario Graphs

2024/2025 RATE REVENUE CALCULATION

(MINIMUM UP 5.5% TO \$1,218 [<35% OF PROPS], AVG RES RATE INC OF 5.5%, DIFF ON VAC LND 30% AND COMM/IND Rate Inc 5.5%, DIFF 61.3%)

		529	1,323	1,249	1,858	839	4,025	1,036	694	2,224
LAND USE CODE	TOTAL	1	2	3	4	5	6	7	8	9
LAND USE	ALL	RESIDENT	COM SHOP	COM OFF	COM OTH	IND LIGHT	IND OTH	PRIM PROD	VACANT	OTHER
RATEABLE PROPERTIES -	0.0035									
TOTAL	61,891	57,469	756	211	1,610	321	272	204	879	169
MINIMUM RATED	10,808	9,833	171	29	181	62	21	19	462	30
H/V REMISSION	4,238									
	24.3%									
CAPITAL VALUE -										
TOTAL (\$K)	37,194,073	30,377,175	999,879	263,489	2,991,974	269,318	1,094,785	211,429	610,231	375,793
MINIMUM RATED (\$K)	3,052,968	2,856,015	28,021	4,734	26,727	11,690	3,735	2,988	112,077	6,981
Minimum Rated Value										
RATE (c/\$)		0.308900	0.4982	0.4982	0.4982	0.4982	0.4982	0.3089	0.4016	0.3089
MINIMUM RATE (\$)		1,218.000	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218
RATE REVENUE (\$)	129,062,099	96,467,939	5,050,075	1,324,439	14,993,319	1,359,019	5,461,189	667,016	2,563,302	1,175,800
	6.4%	5.7%	-5.0%	0.1%	10.8%	16.8%	11.4%	17.8%	15.2%	16.9%
AVERAGE RATES (\$)	2,085	1,679	6,680	6,277	9,313	4,234	20,078	3,270	2,916	6,957

Item 2.1.2 - Attachment 2 - Rate Calculation Based on 5.5% Average Rate Increase

RATES TEST DATA - RANDOM SAMPLE 2023/24							
VALUATION					RATES		
(Note: calculations exclude the higher value property remission)							
ASSESS No	CV	Category	CV	Value Change	RATES	RATES	Rate Change
	2023/24		2024/25	%	2023/24	2024/25	%
Average rate Increase				Residential	6.90%		
				Commercial/Industry	6.90%		
RESIDENTIAL BY SUBURB							
Rate in \$					0.003258	0.003089	
Minimum Rate					1,156	1,218	
BRAHMA LODGE							
1651	375,000	01	425,000	13.33	1,221.75	1,312.83	7.45
3135	390,000	01	440,000	12.82	1,270.62	1,359.16	6.97
4647	385,000	01	435,000	12.99	1,254.33	1,343.72	7.13
4897	420,000	01	475,000	13.10	1,368.36	1,467.28	7.23
6624	480,000	01	540,000	12.50	1,563.84	1,668.06	6.66
6938	480,000	01	540,000	12.50	1,563.84	1,668.06	6.66
BURTON							
23914	380,000	01	430,000	13.16	1,238.04	1,328.27	7.29
23294	530,000	01	600,000	13.21	1,726.74	1,853.40	7.34
25371	360,000	01	405,000	12.50	1,172.88	1,251.05	6.66
26754	360,000	01	405,000	12.50	1,172.88	1,251.05	6.66
27729	360,000	01	405,000	12.50	1,172.88	1,251.05	6.66
GULFVIEW HEIGHTS							
19796	1,300,000	01	1,400,000	7.69	4,235.40	4,324.60	2.11
20699	1,000,000	01	1,075,000	7.50	3,258.00	3,320.68	1.92
21755	850,000	01	920,000	8.24	2,769.30	2,841.88	2.62
22809	910,000	01	980,000	7.69	2,964.78	3,027.22	2.11
22539	1,425,000	01	1,550,000	8.77	4,642.65	4,787.95	3.13
INGLE FARM							
12535	365,000	01	405,000	10.96	1,189.17	1,251.05	5.20
12377	495,000	01	550,000	11.11	1,612.71	1,698.95	5.35
13767	350,000	01	390,000	11.43	1,156.00	1,218.00	5.36
13286	380,000	01	650,000	71.05	1,238.04	2,007.85	62.18
14144	490,000	01	540,000	10.20	1,596.42	1,668.06	4.49
15622	500,000	01	550,000	10.00	1,629.00	1,698.95	4.29
15081	495,000	01	550,000	11.11	1,612.71	1,698.95	5.35
15502	495,000	01	550,000	11.11	1,612.71	1,698.95	5.35
15462	425,000	01	470,000	10.59	1,384.65	1,451.83	4.85
16548	440,000	01	490,000	11.36	1,433.52	1,513.61	5.59
16916	480,000	01	530,000	10.42	1,563.84	1,637.17	4.69
16500	480,000	01	530,000	10.42	1,563.84	1,637.17	4.69
17451	495,000	01	550,000	11.11	1,612.71	1,698.95	5.35
17411	455,000	01	510,000	12.09	1,482.39	1,575.39	6.27
18931	470,000	01	520,000	10.64	1,531.26	1,606.28	4.90
18245	475,000	01	530,000	11.58	1,547.55	1,637.17	5.79
64385	550,000	01	610,000	10.91	1,791.90	1,884.29	5.16
64386	560,000	01	620,000	10.71	1,824.48	1,915.18	4.97
MAWSON LAKES							
34828	870,000	01	970,000	11.49	2,834.46	2,996.33	5.71
35737	730,000	01	820,000	12.33	2,378.34	2,532.98	6.50
35587	690,000	01	770,000	11.59	2,248.02	2,378.53	5.81
34994	1,150,000	01	1,300,000	13.04	3,746.70	4,015.70	7.18
46955	770,000	01	860,000	11.69	2,508.66	2,656.54	5.89
55797	530,000	01	590,000	11.32	1,726.74	1,822.51	5.55

Item 2.1.2 - Attachment 3 - Rates Random Sample

RATES TEST DATA - RANDOM SAMPLE 2023/24							
ASSESS No	VALUATION				RATES		
	CV 2023/24	Category	CV 2024/25	Value Change %	(Note: calculations exclude the higher value property remission)		
					RATES 2023/24	RATES 2024/25	Rate Change %
PARA HILLS							
20759	660,000	01	740,000	12.12	2,150.28	2,285.86	6.31
20310	400,000	01	450,000	12.50	1,303.20	1,390.05	6.66
20446	430,000	01	480,000	11.63	1,400.94	1,482.72	5.84
21663	415,000	01	465,000	12.05	1,352.07	1,436.39	6.24
22011	415,000	01	465,000	12.05	1,352.07	1,436.39	6.24
21870	415,000	01	465,000	12.05	1,352.07	1,436.39	6.24
21253	440,000	01	495,000	12.50	1,433.52	1,529.06	6.66
21222	490,000	01	550,000	12.24	1,596.42	1,698.95	6.42
21143	465,000	01	520,000	11.83	1,514.97	1,606.28	6.03
21163	490,000	01	550,000	12.24	1,596.42	1,698.95	6.42
21126	485,000	01	540,000	11.34	1,580.13	1,668.06	5.56
21265	465,000	01	520,000	11.83	1,514.97	1,606.28	6.03
22165	485,000	01	540,000	11.34	1,580.13	1,668.06	5.56
22607	415,000	01	465,000	12.05	1,352.07	1,436.39	6.24
20755	600,000	01	670,000	11.67	1,954.80	2,069.63	5.87
PARA HILLS WEST							
18396	495,000	01	550,000	11.11	1,612.71	1,698.95	5.35
19735	375,000	01	420,000	12.00	1,221.75	1,297.38	6.19
20016	440,000	01	495,000	12.50	1,433.52	1,529.06	6.66
22987	390,000	01	435,000	11.54	1,270.62	1,343.72	5.75
23602	310,000	01	345,000	11.29	1,156.00	1,218.00	5.36
PARA VISTA							
12495	520,000	01	580,000	11.54	1,694.16	1,791.62	5.75
14011	465,000	01	520,000	11.83	1,514.97	1,606.28	6.03
15053	620,000	01	690,000	11.29	2,019.96	2,131.41	5.52
15344	455,000	01	510,000	12.09	1,482.39	1,575.39	6.27
17015	415,000	01	460,000	10.84	1,352.07	1,420.94	5.09
17004	430,000	01	475,000	10.47	1,400.94	1,467.28	4.74
12496	600,000	01	670,000	11.67	1,954.80	2,069.63	5.87
PARAFIELD GARDENS							
38658	485,000	01	530,000	9.28	1,580.13	1,637.17	3.61
36257	590,000	01	650,000	10.17	1,922.22	2,007.85	4.45
37939	275,000	01	300,000	9.09	1,156.00	1,218.00	5.36
38412	365,000	01	400,000	9.59	1,189.17	1,235.60	3.90
39584	390,000	01	430,000	10.26	1,270.62	1,328.27	4.54
39091	495,000	01	540,000	9.09	1,612.71	1,668.06	3.43
39433	475,000	01	520,000	9.47	1,547.55	1,606.28	3.80
39998	415,000	01	455,000	9.64	1,352.07	1,405.50	3.95
41335	425,000	01	465,000	9.41	1,384.65	1,436.39	3.74
41398	390,000	01	430,000	10.26	1,270.62	1,328.27	4.54
42644	435,000	01	480,000	10.34	1,417.23	1,482.72	4.62
42682	495,000	01	540,000	9.09	1,612.71	1,668.06	3.43
42307	425,000	01	465,000	9.41	1,384.65	1,436.39	3.74
43783	475,000	01	520,000	9.47	1,547.55	1,606.28	3.80
43312	475,000	01	520,000	9.47	1,547.55	1,606.28	3.80
44394	415,000	01	455,000	9.64	1,352.07	1,405.50	3.95
44140	410,000	01	450,000	9.76	1,335.78	1,390.05	4.06
45018	475,000	01	520,000	9.47	1,547.55	1,606.28	3.80
45058	495,000	01	540,000	9.09	1,612.71	1,668.06	3.43
44838	580,000	01	640,000	10.34	1,889.64	1,976.96	4.62
44667	475,000	01	520,000	9.47	1,547.55	1,606.28	3.80

Item 2.1.2 - Attachment 3 - Rates Random Sample

RATES TEST DATA - RANDOM SAMPLE 2023/24							
ASSESS No	VALUATION				RATES		
	CV 2023/24	Category	(Note: calculations exclude the higher value property remission)		RATES 2023/24	RATES 2024/25	Rate Change %
			CV 2024/25	Value Change %			
PARALOWIE							
23535	450,000	01	510,000	13.33	1,466.10	1,575.39	7.45
24793	530,000	01	600,000	13.21	1,726.74	1,853.40	7.34
24212	375,000	01	425,000	13.33	1,221.75	1,312.83	7.45
25975	440,000	01	495,000	12.50	1,433.52	1,529.06	6.66
25999	540,000	01	610,000	12.96	1,759.32	1,884.29	7.10
25819	410,000	01	465,000	13.41	1,335.78	1,436.39	7.53
25040	425,000	01	480,000	12.94	1,384.65	1,482.72	7.08
26443	450,000	01	510,000	13.33	1,466.10	1,575.39	7.45
27809	385,000	01	435,000	12.99	1,254.33	1,343.72	7.13
27175	395,000	01	445,000	12.66	1,286.91	1,374.61	6.81
27082	440,000	01	495,000	12.50	1,433.52	1,529.06	6.66
27452	395,000	01	445,000	12.66	1,286.91	1,374.61	6.81
28855	425,000	01	480,000	12.94	1,384.65	1,482.72	7.08
28770	500,000	01	560,000	12.00	1,629.00	1,729.84	6.19
28017	395,000	01	445,000	12.66	1,286.91	1,374.61	6.81
28999	465,000	01	530,000	13.98	1,514.97	1,637.17	8.07
29050	385,000	01	435,000	12.99	1,254.33	1,343.72	7.13
24795	570,000	01	640,000	12.28	1,857.06	1,976.96	6.46
POORAKA							
34944	500,000	01	550,000	10.00	1,629.00	1,698.95	4.29
34197	500,000	01	550,000	10.00	1,629.00	1,698.95	4.29
35746	500,000	01	550,000	10.00	1,629.00	1,698.95	4.29
35883	425,000	01	470,000	10.59	1,384.65	1,451.83	4.85
35465	435,000	01	485,000	11.49	1,417.23	1,498.17	5.71
35287	500,000	01	550,000	10.00	1,629.00	1,698.95	4.29
36739	445,000	01	495,000	11.24	1,449.81	1,529.06	5.47
37882	570,000	01	630,000	10.53	1,857.06	1,946.07	4.79
37729	570,000	01	630,000	10.53	1,857.06	1,946.07	4.79
SALISBURY							
717	435,000	01	490,000	12.64	1,417.23	1,513.61	6.80
539	430,000	01	485,000	12.79	1,400.94	1,498.17	6.94
969	430,000	01	485,000	12.79	1,400.94	1,498.17	6.94
177	400,000	01	450,000	12.50	1,303.20	1,390.05	6.66
54	370,000	01	420,000	13.51	1,205.46	1,297.38	7.63
426	189,000	01	220,000	16.40	1,156.00	1,218.00	5.36
3019	360,000	01	405,000	12.50	1,172.88	1,251.05	6.66
2975	235,000	01	275,000	17.02	1,156.00	1,218.00	5.36
2418	435,000	01	490,000	12.64	1,417.23	1,513.61	6.80
2321	395,000	01	445,000	12.66	1,286.91	1,374.61	6.81
3920	435,000	01	490,000	12.64	1,417.23	1,513.61	6.80
5868	435,000	01	490,000	12.64	1,417.23	1,513.61	6.80
5481	600,000	01	680,000	13.33	1,954.80	2,100.52	7.45
9	212,500	01	247,500	16.47	1,156.00	1,218.00	5.36
6912	465,000	01	530,000	13.98	1,514.97	1,637.17	8.07
6486	580,000	01	660,000	13.79	1,889.64	2,038.74	7.89

Item 2.1.2 - Attachment 3 - Rates Random Sample

RATES TEST DATA - RANDOM SAMPLE 2023/24							
ASSESS No	VALUATION				RATES		
	CV 2023/24	Category	(Note: calculations exclude the higher value property remission)		RATES 2023/24	RATES 2024/25	Rate Change %
			CV 2024/25	Value Change %			
SALISBURY DOWNS							
37397	270,000	01	305,000	12.96	1,156.00	1,218.00	5.36
37243	305,000	01	345,000	13.11	1,156.00	1,218.00	5.36
37281	380,000	01	430,000	13.16	1,238.04	1,328.27	7.29
38289	380,000	01	430,000	13.16	1,238.04	1,328.27	7.29
39480	410,000	01	465,000	13.41	1,335.78	1,436.39	7.53
39134	495,000	01	560,000	13.13	1,612.71	1,729.84	7.26
39985	495,000	01	560,000	13.13	1,612.71	1,729.84	7.26
41602	395,000	01	445,000	12.66	1,286.91	1,374.61	6.81
44630	540,000	01	610,000	12.96	1,759.32	1,884.29	7.10
SALISBURY EAST							
6508	400,000	01	460,000	15.00	1,303.20	1,420.94	9.03
6330	560,000	01	640,000	14.29	1,824.48	1,976.96	8.36
7378	400,000	01	460,000	15.00	1,303.20	1,420.94	9.03
7683	415,000	01	475,000	14.46	1,352.07	1,467.28	8.52
7894	580,000	01	630,000	8.62	1,889.64	1,946.07	2.99
7256	620,000	01	640,000	3.23	2,019.96	1,976.96	-2.13
8430	485,000	01	560,000	15.46	1,580.13	1,729.84	9.47
8480	485,000	01	520,000	7.22	1,580.13	1,606.28	1.65
8352	530,000	01	610,000	15.09	1,726.74	1,884.29	9.12
9304	390,000	01	450,000	15.38	1,270.62	1,390.05	9.40
9746	465,000	01	530,000	13.98	1,514.97	1,637.17	8.07
9881	520,000	01	600,000	15.38	1,694.16	1,853.40	9.40
9205	415,000	01	475,000	14.46	1,352.07	1,467.28	8.52
9416	510,000	01	590,000	15.69	1,661.58	1,822.51	9.69
11006	400,000	01	460,000	15.00	1,303.20	1,420.94	9.03
10836	435,000	01	500,000	14.94	1,417.23	1,544.50	8.98
10241	300,000	01	345,000	15.00	1,156.00	1,218.00	5.36
11432	465,000	01	530,000	13.98	1,514.97	1,637.17	8.07
12214	520,000	01	600,000	15.38	1,694.16	1,853.40	9.40
12262	510,000	01	590,000	15.69	1,661.58	1,822.51	9.69
SALISBURY HEIGHTS							
7528	700,000	01	760,000	8.57	2,280.60	2,347.64	2.94
7891	1,050,000	01	1,125,000	7.14	3,420.90	3,475.13	1.59
10538	430,000	01	465,000	8.14	1,400.94	1,436.39	2.53
11498	530,000	01	570,000	7.55	1,726.74	1,760.73	1.97
12924	650,000	01	700,000	7.69	2,117.70	2,162.30	2.11
12900	530,000	01	570,000	7.55	1,726.74	1,760.73	1.97
SALISBURY NORTH							
30710	365,000	01	400,000	9.59	1,189.17	1,235.60	3.90
29923	255,000	01	280,000	9.80	1,156.00	1,218.00	5.36
30017	365,000	01	400,000	9.59	1,189.17	1,235.60	3.90
30336	455,000	01	500,000	9.89	1,482.39	1,544.50	4.19
31671	365,000	01	400,000	9.59	1,189.17	1,235.60	3.90
31463	230,000	01	255,000	10.87	1,156.00	1,218.00	5.36
31552	335,000	01	370,000	10.45	1,156.00	1,218.00	5.36
31882	235,000	01	260,000	10.64	1,156.00	1,218.00	5.36
31791	230,000	01	255,000	10.87	1,156.00	1,218.00	5.36
31027	390,000	01	430,000	10.26	1,270.62	1,328.27	4.54
31340	240,000	01	265,000	10.42	1,156.00	1,218.00	5.36
32497	335,000	01	370,000	10.45	1,156.00	1,218.00	5.36
47153	440,000	01	485,000	10.23	1,433.52	1,498.17	4.51
32055	365,000	01	400,000	9.59	1,189.17	1,235.60	3.90
33644	375,000	01	410,000	9.33	1,221.75	1,266.49	3.66
33530	390,000	01	430,000	10.26	1,270.62	1,328.27	4.54
33522	390,000	01	430,000	10.26	1,270.62	1,328.27	4.54
33517	380,000	01	420,000	10.53	1,238.04	1,297.38	4.79
33843	325,000	01	355,000	9.23	1,156.00	1,218.00	5.36

Item 2.1.2 - Attachment 3 - Rates Random Sample

RATES TEST DATA - RANDOM SAMPLE 2023/24							
VALUATION				RATES			
ASSESS No	CV	Category	CV	Value Change	RATES	RATES	Rate Change
	2023/24		2024/25		%	2023/24	
SALISBURY PARK							
840	510,000	01	580,000	13.73	1,661.58	1,791.62	7.83
3308	500,000	01	560,000	12.00	1,629.00	1,729.84	6.19
5972	410,000	01	465,000	13.41	1,335.78	1,436.39	7.53
6727	540,000	01	610,000	12.96	1,759.32	1,884.29	7.10
6974	390,000	01	440,000	12.82	1,270.62	1,359.16	6.97
SALISBURY PLAIN							
847	455,000	01	510,000	12.09	1,482.39	1,575.39	6.27
476	465,000	01	530,000	13.98	1,514.97	1,637.17	8.07
1984	465,000	01	530,000	13.98	1,514.97	1,637.17	8.07
2754	480,000	01	540,000	12.50	1,563.84	1,668.06	6.66
4090	455,000	01	510,000	12.09	1,482.39	1,575.39	6.27
VALLEY VIEW							
13521	670,000	01	740,000	10.45	2,182.86	2,285.86	4.72
14691	500,000	01	550,000	10.00	1,629.00	1,698.95	4.29
16805	455,000	01	720,000	58.24	1,482.39	2,224.08	50.03
16435	183,000	01	205,000	12.02	1,156.00	1,218.00	5.36
18734	455,000	01	510,000	12.09	1,482.39	1,575.39	6.27
13522	580,000	01	640,000	10.34	1,889.64	1,976.96	4.62
WALKEY HEIGHTS							
46864	690,000	01	700,000	1.45	2,248.02	2,162.30	-3.81
46866	680,000	01	690,000	1.47	2,215.44	2,131.41	-3.79
46867	660,000	01	670,000	1.52	2,150.28	2,069.63	-3.75
46868	620,000	01	630,000	1.61	2,019.96	1,946.07	-3.66
46870	700,000	01	710,000	1.43	2,280.60	2,193.19	-3.83
46871	720,000	01	730,000	1.39	2,345.76	2,254.97	-3.87
AVERAGE	478,403		533,249	11.46	1,583.38	1,672.72	5.64

Item 2.1.2 - Attachment 3 - Rates Random Sample

RATES TEST DATA - RANDOM SAMPLE 2023/24							
VALUATION					RATES		
ASSESS No	CV 2023/24	Category	(Note: calculations exclude the higher value property remission)		RATES 2023/24	RATES 2024/25	Rate Change %
			CV 2024/25	Value Change %			
LAND USE CODE 2 - COMMERCIAL - SHOPS							
Rate in \$					0.005593	0.004982	
Minimum Rate					1.156	1.218	
346	2,200,000	02	2,500,000	13.64	12,304.60	12,455.00	1.22
1744	2,200,000	02	2,500,000	13.64	12,304.60	12,455.00	1.22
18808	372,186	02	372,186	0.00	2,081.64	1,854.23	-10.92
47669	85,350,000	02	85,350,000	0.00	477,362.55	425,213.70	-10.92
68363	806,198	02	917,397	13.79	4,509.07	4,570.47	1.36
69628	290,000	02	275,000	-5.17	1,621.97	1,370.05	-15.53
67132	400,679	02	400,679	0.00	2,241.00	1,996.18	-10.92
62836	335,000	02	270,000	-19.40	1,873.66	1,345.14	-28.21
3826	350,000	02	392,000	12.00	1,957.55	1,952.94	-0.24
AVERAGE	10,256,007		10,330,807	0.73	57,361.85	51,468.08	-10.27
LAND USE CODE 3 - COMMERCIAL - OFFICE							
3855	759,501	02	868,001	14.29	4,247.89	4,324.38	1.80
50529	2,225,000	03	2,275,000	2.25	12,444.43	11,334.05	-8.92
19727	445,000	03	485,000	8.99	2,488.89	2,416.27	-2.92
AVERAGE	1,143,167		1,209,334	5.79	6,393.73	6,024.90	-5.77
LAND USE CODE 4 - COMMERCIAL - OTHER							
5681	530,000	04	730,000	37.74	2,964.29	3,636.86	22.69
35552	620,000	04	920,000	48.39	3,467.66	4,583.44	32.18
71584	1,600,000	04	1,825,000	14.06	8,948.80	9,092.15	1.60
AVERAGE	916,667		1,158,333	26.36	5,126.92	5,770.82	12.56
LAND USE CODE 5 - INDUSTRY - LIGHT							
190	1,525,000	05	1,975,000	29.51	8,529.33	9,839.45	15.36
5283	560,000	05	770,000	37.50	3,132.08	3,836.14	22.48
72821	4,675,000	05	6,550,000	40.11	26,147.28	32,632.10	24.80
34404	860,000	05	950,000	10.47	4,809.98	4,732.90	-1.60
659	480,000	05	670,000	39.58	2,684.64	3,337.94	24.33
AVERAGE	1,620,000		2,183,000	34.75	9,060.66	10,875.71	20.03
LAND USE CODE 6 - INDUSTRY - OTHER							
1007	1,450,000	06	1,950,000	34.48	8,109.85	9,714.90	19.79
35248	395,000	06	570,000	44.30	2,209.24	2,839.74	28.54
36718	8,650,000	06	9,250,000	6.94	48,379.45	46,083.50	-4.75
39801	2,250,000	06	3,225,000	43.33	12,584.25	16,066.95	27.68
AVERAGE	3,186,250		3,748,750	17.65	17,820.70	18,676.27	4.80

RATES TEST DATA - RANDOM SAMPLE 2023/24							
VALUATION					RATES		
ASSESS No	CV 2023/24	Category	(Note: calculations exclude the higher value property remission)		RATES 2023/24	RATES 2024/25	Rate Change %
			CV 2024/25	Value Change %			
LAND USE CODE 7 - PRIMARY PRODUCTION							
					0.003258	0.003089	
					1,156	1,156	
27617	600,000	07	1,025,000	70.83	1,954.80	3,166.23	61.97
29290	830,000	07	1,000,000	20.48	2,704.14	3,089.00	14.23
27394	800,000	07	960,000	20.00	2,606.40	2,965.44	13.78
56351	2,000,000	07	2,250,000	12.50	6,516.00	6,950.25	6.66
AVERAGE	1,057,500		1,308,750	23.76	3,445.34	4,042.73	17.34
LAND USE CODE 8 - VACANT LAND							
					0.004235	0.004016	
					1,156	1,156	
24553	275,000	08	310,000	12.73	1,164.63	1,244.96	6.90
71833	260,000	08	260,000	0.00	1,156.00	1,156.00	0.00
9100	580,000	08	580,000	0.00	2,456.30	2,329.28	-5.17
5287	245,000	08	345,000	40.82	1,156.00	1,385.52	19.85
63854	245,000	08	410,000	67.35	1,156.00	1,646.56	42.44
56534	305,000	08	340,000	11.48	1,291.68	1,365.44	5.71
65222	5,400,000	08	6,475,000	19.91	22,869.00	26,003.60	13.71
71221	1,225,000	08	1,300,000	6.12	5,187.88	5,220.80	0.63
AVERAGE	1,066,875		1,252,500	17.40	4,554.68	5,044.02	10.74

Item 2.1.2 - Attachment 3 - Rates Random Sample

ITEM	2.1.3
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	15 April 2024
HEADING	Budget Status Update
AUTHORS	Joe Scordo, Senior Management Accountant, Business Excellence Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This report seeks Council's consideration and approval of the Budget Bids, Budget and Long-Term Financial Plan for inclusion in the Draft 2024/25 Long Term Financial Plan and Annual Business Plan for community consultation.

RECOMMENDATIONThat Council:

1. Notes the Budget Status Update, and the inclusion of:
 - a. Various amendments made to the operating budget as detailed in Attachment 3 of this report, Finance and Corporate Services Committee, 15 April 2024 Item 2.1.3.
2. Approves for inclusion in the Draft 2024/25 Long Term Financial Plan and Annual Business Plan for public consultation the four-year Budget Bid Program as per Attachment 4 to this report (Finance and Corporate Services Committee, 15 April 2024 Item 2.1.3), which is inclusive of parts 3 to 7 of this recommendation, with 2024/25 net expenditure totalling:

	Capital Expenditure	Operating Expenditure
Infrastructure	\$42,808,500	\$1,686,600
Information Technology	\$1,614,300	\$155,340
Plant, Furniture and Equipment	\$2,462,400	\$8,000
Operating	\$0	\$3,425,100
Total	\$46,885,200	\$5,275,040

3. Notes the following Operating Budget Bid has been added to the 2024/25 budget:
 - OPN001283 CONFIDENTIAL ITEM \$150k. (Attachment 5)
4. Notes the following 2024/25 Operating Budget Bid has been amended:

- OPN001274 Footpath Maintenance operating expenditure increased \$221.4k aligning the bid with Council Resolution 0635/2024, 25 March 2024, Item AMSC6 Asset Management Improvement Plan - Footpaths Policy and Upgrade Program 2023/2024, bringing the total Footpath Maintenance operating budget for 2024/25 to \$1,750k (existing operational budget of \$1,085k plus budget bid OPN001274 \$665k). (Attachment 6).
5. Notes the following Operating Bid has been removed from the 2024/25 budget:
 - OPN001227 Climate Change Adaptation Plan operating expenditure removed from operating bids, reducing operating bids budget \$50k (Attachment 7) with this item to be progressed in the 2023/24.
 6. Notes the following Infrastructure Budget Bid has been added to the 2024/25 budget:
 - PSN001285 SAMP: St Kilda Playground Service Continuity Program \$1,133k added as a stand-alone bid for 2024/25 as per Council Resolution 0635/2024, March 2024, (Attachment 8).
 7. Notes the following changes to 2024/25 Infrastructure Budget Bids:
 - TRN001183 New Footpath and Kerb Ramps Service Continuity Program reduced \$100k aligning the bid with Council Resolution 0635/2024, March 2024, Item AMSC6 Asset Management Improvement Plan - Footpaths Policy and Upgrade Program 2023/2024, FRET Program budget of \$400k. (Attachment 9)
 - TRR001190 SAMP: Public Lighting Service Continuity Program decreased \$27k to align the bid with the Asset Management Plan – Street Lighting budget as per Item 4.0.1-AMSC3 Asset Management Plan – Street Lighting resolved via Council Resolution 0598/2024, February 2024. (Attachment 10).

ATTACHMENTS

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

1. 2024/25 Consolidated Summary - Scenarios 1, 2 & 3
2. 2024/25 Consolidated Summary - Scenarios 5, 6 & 7
3. 2024/25 Consolidated Summary Adjustments
4. 2024/25 Budget Bid Schedule
5. OPN001283 CONFIDENTIAL ITEM
6. OPN001274 Footpath Maintenance
7. OPN001227 Climate Change Adaptation Plan
8. PSN001285 SAMP St Kilda Playground Service Continuity Program
9. TRN001183 New Footpath and Kerb Ramps Service Continuity Program
10. TRR001190 SAMP Public Lighting Service Continuity Program

1. BACKGROUND

- 1.1 The Consolidated Summary is updated throughout the budget process to transparently report changes in the financial status of the budget. The Consolidated Summary was first distributed to Elected Members at the third budget workshop held on 27 March 2024. A further updated Consolidated Summary is included as Attachments 1 & 2 to this report.
- 1.2 Attachment 3, 2024/25 Consolidated Summary Adjustments, details the changes that have been made to the budget since the third budget workshop.
- 1.3 Council have been briefed on Budget Bids during the Budget workshops held 6 and 13 March 2024. Bids were formally considered at the Finance and Corporate Services Committee meeting 18 March 2024, with resolutions to have Budget Bids further considered for inclusion in the Draft 2024/25 Long Term Financial Plan and Annual Business Plan (LTFP&ABP).
- 1.4 This report provides a summary of the current status of Budget Bids and seeks Council’s consideration and approval to include the four-year Budget Bid Program (Attachment 4) in the Draft 2024/25 Long Term Financial Plan and Annual Business Plan for community consultation.
 - 1.4.1 There has been extensive review of Budget Bids internally, through stakeholder groups, Executive, and through Budget Workshops with Elected Members and Finance and Corporate Services Committee.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 There have been a number of workshops and meetings with Council to provide members with budget information for consideration prior to public consultation. The Audit and Risk Committee reviewed the Draft 2024/25 LTFP&ABP as required by s126(4)(b) of the *Local Government Act 1999* at its meeting on Tuesday, 9 April 2024.
- 2.2 External
 - 2.2.1 The Consolidated Summary provides a snapshot of the budget, with the Draft 2024/25 LTFP&ABP, including detailed information about Budget Bids, being available for Public Consultation in May.

3. REPORT

Audit and Risk Committee Review

- 3.1 The Audit and Risk Committee considered the Draft 2023/24 LTFP&ABP on 9 April 2024 and have provided advice for Council’s consideration prior to approval of the Draft 2024/25 LTFP&ABP for public consultation during May 2024, as per the following:

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 (Audit and Risk Committee, 9 April 2024, Item no 7.1.1) and notes that Council should consider a rate increase within the range of 5.5% and 6.5% with CPI + 0.6% for year two onward to be appropriate to maintain Council's financial sustainability balanced with the needs of the community for affordability.

Consolidated Summary

- 3.2 Members will find the updated Consolidated Summary reflecting the current status of the budget in Attachments 1 & 2, with changes detailed in the paragraphs below.

Operating Surplus

- 3.3 The Consolidated Summary (Attachment 1) circulated to Council at the third budget workshop held on Wednesday 27 March 2024 posed three operating surplus alternatives for the financial year 2024/25 budget:
- 3.3.1 Scenario 1 was \$2.117M based on a rate increase of 4.5%;
 - 3.3.2 Scenario 2 was \$2.723M based on a rate increase of 5%; and
 - 3.3.3 Scenario 3 was \$3.330M based on a rate increase of 5.5%.
- 3.4 The Consolidated Summary (Attachment 2) was added following Elected Member feedback at the 27 March workshop to provide further operating surplus alternatives, which were also presented at the Audit Committee meeting Wednesday, 9 April 2024. The additional alternatives were:
- 3.4.1 Scenario 5 was \$3.936M based on a rate increase of 6%;
 - 3.4.2 Scenario 6 was \$4.543M based on a rate increase of 6.5%; and
 - 3.4.3 Scenario 7 was \$5.028M based on a rate increase of 6.9%.
- 3.5 Changes to the operating budget made between the first budget workshop and the Audit and Risk Committee, highlighted in the 2023/24 Consolidated Summary Adjustments (Attachment 3), are as follows:

Expenditure

- A reduction of \$32.5k for the Field Services Growth Provision, addressing costs already included in the Security base operating budget.

Income

- Vehicle Reimbursement income is increased \$1.8k reflecting minor amendments to vehicles budgets.

Operating Bids

- 3.6 Operating Budget Bids are consistent with that provided to Council at the Finance and Corporate Services Committee meeting held on 18 March 2024.
- 3.7 The following Operating Bid has been added to the report provided to Council at the Finance and Corporate Services Committee meeting held on 18 March 2024. The financial impacts have now been included in the Budget and Consolidated Summary and the Bid attached for consideration:
- 3.7.1 OPN001283 CONFIDENTIAL ITEM \$150k. (Attachment 5)
- 3.8 The following Operating Bid has been removed from the report provided to Council at the Finance and Corporate Services Committee meeting held on 18 March 2024. The financial impacts have now been included in the Budget and Consolidated Summary and the Bid is attached for consideration:
- 3.8.1 OPN001227 Climate Change Adaptation Plan operating expenditure removed from operating bids, reducing operating bids budget \$50k (Attachment 7) with this item to be progressed in the 2023/24 financial year.
- 3.9 The following Operating Bid has been modified from the report provided to Council at the Finance and Corporate Services Committee meeting held on 18 March 2024. The financial impacts have now been included in the Budget and Consolidated Summary and the Bid is attached for consideration:
- 3.9.1 OPN001274 Footpath Maintenance operating expenditure increased \$221.4k aligning the bid with Council Resolution 0635/2024, 25 March 2024, Item AMSC6 Asset Management Improvement Plan - Footpaths Policy and Upgrade Program 2023/2024, bringing the total Footpath Maintenance operating budget for 2024/25 to \$1,750k (existing operational budget of \$1,085k plus budget bid OPN001274 \$665k). (Attachment 6).
- 3.10 Operating bids net operating expenditure is \$3,425k. When combined with the operating elements of capital bids for Infrastructure, IT and Plant Furniture and Equipment categories, operating bids expenditure totals \$5,275k.

Infrastructure Bids

- 3.11 Infrastructure Budget Bids are consistent with that provided to Council at the Finance and Corporate Services Committee meeting held on 18 March 2024.
- 3.12 The following Capital Bid has been added to the report provided to Council at the Finance and Corporate Services Committee meeting held on 18 March 2024. The financial impacts have now been included in the Budget and Consolidated Summary and the Bid attached for consideration:
- 3.12.1 PSN001285 SAMP: St Kilda Playground Service Continuity Program \$1,133k has been added as a stand-alone bid for 2024/25 as per Council Resolution 0635/2024, March 2024. (Attachment 8).
- 3.13 The following Infrastructure Bids have been updated following the report provided to Council at the Finance and Corporate Services Committee meeting held on 18 March 2024. The financial impacts have now been included in the Budget and Consolidated Summary and the Bids are attached for consideration:

- 3.13.1 TRN001183 New Footpath and Kerb Ramps Service Continuity Program reduced \$100k aligning the bid with Council Resolution 0635/2024, March 2024, Item AMSC6 Asset Management Improvement Plan - Footpaths Policy and Upgrade Program 2023/2024, FRET Program budget of \$400k with the revised bid included with this report as Attachment 9.
- 3.13.2 TRR001190 SAMP: Public Lighting Service Continuity Program decreased \$27k to align the bid with the Asset Management Plan – Street Lighting budget as per Item 4.0.1-AMSC3 Asset Management Plan – Street Lighting resolved via Council Resolution 0598/2024, February 2024. (Attachment 10).
- 3.14 Infrastructure bids net capital expenditure totals \$43M, with operating components of net \$1,687k. Future full year depreciation (year 1, 2024/25) associated with these Bids totals \$585k.
- 3.15 IT Budget Bids are consistent with that provided to Council at the Finance and Corporate Services Committee meeting held on 18 March 2024 with the following proposed amendment.
- 3.16 IT Budget Bids net capital expenditure totals \$1,614k with operating components of net \$155k.

Plant Furniture and Equipment Budget Bids

- 3.17 Plant Furniture and Equipment Budget Bids are consistent with that provided to Council at the Finance and Corporate Services Committee meeting held on 18 March 2024.
- 3.18 Plant, Furniture and Equipment budget bids net capital expenditure is \$2,462k with operating components of net \$8k.

NAWMA Budget

- 3.19 The NAWMA 2024/2025 Business Plan was presented at the Informal Budget Workshop 3 held 27 March 2024.

Council Fees & Charges

- 3.20 All Fees and Charges will be presented to Council at the Finance and Corporate Services Committee meeting to be held on 20 May 2024. Changes to legislated fees are expected to be released in late May or June 2024.

Budget Workshop actions

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

Budget Workshop 1 – 6 March 2024

- 3.1 Base Operating Budget, Operating bids, IT Bids and Plant Furniture and Equipment bids were presented at the first budget workshop with various actions captured and initially reported in March to the Finance and Corporate Services Committee Item 2.1.1 Long Term Financial Plan and Budget Workshop Actions Update. Items responded to have been removed and further updates are provided in the table below:

Item	Budget Workshop 1 – 6 March 2024	Who	When	Method
WS1-2	City Infrastructure – Tree and Stump Removal and Tree Pruning Can Unit pricing for Tree removal and Tree Pruning be provided to the Environmental Sustainability and Trees Sub Committee	GMCI	April 2024	Response Provided
	Response: An email with the required information was circulated to Elected Members on Thursday, 11 April 2024.			
WS1-4	Security Costs Further information item on the costs of security at the Salisbury Community Hub covering Council Meetings and Hub After Dark, and the existing contract security costs. Also, the costs of Security Employees.	GMCI	April 2024	Response Provided
	Response: An email with the required information was circulated to Elected Members on Wednesday, 10 April 2024.			

Budget Workshop 2 – 13 March 2024

3.2 Infrastructure bids were presented at the second budget workshop with the following questions taken on notice recorded for follow-up:

Item	Budget Workshop 2 – 13 March 2024	Who	When	Method
CB1-1	Strategic Asset Management Plan Require a comprehensive review of the SAMP and service levels, and consideration of other projects on the horizon / not yet funded, to inform next SAMP (2024/25) and associated LTFP.	GMCI /Mgr Gov	Aug 2024 / Sept 2024	CEO Briefing / Workshop
	Response: <i>Noted will be scheduled for Aug / Sept 2023</i>			
CB1-2	School Traffic Management Framework Clarity on the work that is being planned for 2022/23 (current year), 2023/24 and 2024/25, and what the scope of work is.	GMCI	April 2024	Report Urban Services Committee
	Response: <i>Report covering the scope of work and location details to be provided to Council in April 2024, with the bid recast to reflect the outcome of the report.</i>			

Budget Workshop 3 – 27 March 2024

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

Item	Budget Workshop 3 – 29 March 2023	Who	When	Method
WS3-1	Additional LTFP Scenarios Model for consideration additional rates scenarios of 6%, 6.5% and 6.9%.	MFS	April 2024	Response Provided
	Response: <i>This has been included in the Long-Term Financial Plan Scenarios and Rate Strategy 2024/25 Report on tonight's agenda</i>			

Consolidated Summary Scenarios

- 3.4 The Consolidated Summary Options reflect rate increases of 4.5%, 5.0%, 5.5%, and additional scenarios of 6.0%, 6.5% and 6.9% noting the Adelaide Annualised December 2023 Actual CPI rate of 4.8%. (Deloitte Access Economics forecast at December 2023 Business Outlook report). Council have aimed to set rates at CPI+0.6% with this approach forming the basis of Long-Term Financial Plans over several years.
- 3.5 The CoS 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. This is always the case, that the budget lags behind actual inflation.
- 3.6 Depreciation has been a significant impact into the 2024/25 with an increase of \$4.0M, and with higher projected unit rate increases built into the plan. However, the market may continue to have higher price escalations and drive depreciation up further than the current forecast.
- 3.7 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.
- 3.8 Options from 5.5% through to 6.9% provide for ongoing financial sustainability, noting that 4.5% and 5.0% are not sustainable over the 10-year horizon of the Long Term Financial Plan. Council to maintain a moderate operating surplus and Council in making this decision needs to balance the risks posed by current unknowns to the budget, and the cost pressures felt by the community.
- 3.9 At the lower end, should Council determine a rate increase below 5.5% then consideration will need to be given to the review of service levels to ensure the continued financial sustainability.
- 3.10 Also unknown at this time is the level of rate growth and additional rate revenue from other development activities. Combined, this impact has been estimated at 1% in the LTFP, and this is close to being achieved with 0.9% having flowed through rates data to date. What further movement is to come from the Valuer General is unknown at this stage.
- 3.11 Factoring in the adjustments to the budget as detailed on page 2 of the Consolidated Summary (Attachment 3) inclusive of the changes to the Budget Bids as detailed above and within the attachment results in an operating surplus of:
- \$1.795M based on a rate increase of 4.5% (Scenario 1);
 - \$2.402M based on a rate increase of 5% (Scenario 2);
 - \$3.008M based on a rate increase of 5.5% (Scenario 3).
 - \$3.615M based on a rate increase of 6% (Scenario 5);
 - \$4.221M based on a rate increase of 6.5% (Scenario 6); and
 - \$4.707M based on a rate increase of 6.9% (Scenario 7).
- as circled in red below.

Consolidated Budget Summary 2025 as at 15/04/2024							
	2024	2025		2025		2025	
	Budget	Budget Scenario 1		Budget Scenario 2		Budget Scenario 3	
Rate increase scenarios		4.5%		5.0%		5.5%	
	\$	\$	%	\$	%	\$	%
OPERATING BUDGET SUMMARY							
Base Operating Budget (excluding rates)							
Expenditure as at 27/03/2024		149,109,053	3.7%	149,109,053	3.7%	149,109,053	3.7%
Further Expenditure Adjustments - rates scenarios borrowings/interest impact		-		-		-	
Operating Budget Bids		5,867,940		5,867,940		5,867,940	
Operating Budget Bids - Internal Income		-		-		-	
Rounding		-		-		-	
Expenditure	143,746,298	154,976,993	7.8%	154,976,993	7.8%	154,976,993	7.8%
Income as at 27/03/2024		28,199,468	9.3%	28,199,468	9.3%	28,199,468	9.3%
Further Income Adjustments - rates other		-		-		-	
Operating Budget Bids		592,900		592,900		592,900	
Operating Budget Bids - Internal Income		-		-		-	
Income	25,798,269	28,792,368	11.6%	28,792,368	11.6%	28,792,368	11.6%
Operating Net Bid (excluding Rate Revenue)	117,948,029	126,184,625	7.0%	126,184,625	7.0%	126,184,625	7.0%
Rate Revenue							
Proposed Rate Increase	3.90%	4.50%		5.00%		5.50%	
Rates Growth - Increase in Number of Rate Assessments	0.50%	0.50%		0.50%		0.50%	
Rates Increase from Development Activity	0.50%	0.50%		0.50%		0.50%	
Total Increase	4.90%	5.50%		6.00%		6.50%	
Rate Revenue	121,133,910	121,307,811		121,307,811		121,307,811	
Rate Capping - Revaluation Initiative	-	-		-		-	
Rate Revenue adjustments as per Rates Strategy Report							
General Rate Increase		5,458,851		6,065,372		6,671,930	
Rates Growth - Valuation Growth and Other Development Activity		1,213,078		1,213,078		1,213,078	
Operating Surplus/(Deficit) including Business Units	3,185,801	1,795,115		2,401,635		3,008,193	
Operating Surplus Ratio	2.17%	1.20%		1.60%		2.00%	

Consolidated Budget Summary 2025 as at 15/04/2024							
	2024	2025		2025		2025	
	Budget	Budget Scenario 5		Budget Scenario 6		Budget Scenario 7	
Rate increase scenarios		6.0%		6.5%		6.9%	
	\$	\$	%	\$	%	\$	%
OPERATING BUDGET SUMMARY							
Base Operating Budget (excluding rates)							
Expenditure as at 27/03/2024		149,109,053	3.7%	149,109,053	3.7%	149,109,053	3.7%
Operating Budget Bids		5,867,940		5,867,940		5,867,940	
Expenditure	143,746,298	154,976,993	7.8%	154,976,993	7.8%	154,976,993	7.8%
Income as at 27/03/2024		28,199,468	9.3%	28,199,468	9.3%	28,199,468	9.3%
Operating Budget Bids		592,900		592,900		592,900	
Income	25,798,269	28,792,368	11.6%	28,792,368	11.6%	28,792,368	11.6%
Operating Net Bid (excluding Rate Revenue)	117,948,029	126,184,625	7.0%	126,184,625	7.0%	126,184,625	7.0%
Rate Revenue							
Proposed Rate Increase	3.90%	6.00%		6.50%		6.90%	
Rates Growth - Increase in Number of Rate Assessments	0.50%	0.50%		0.50%		0.50%	
Rates Increase from Development Activity	0.50%	0.50%		0.50%		0.50%	
Total Increase	4.90%	7.00%		7.50%		7.90%	
Rate Revenue	121,133,910	121,307,811		121,307,811		121,307,811	
Rate Revenue adjustments as per Rates Strategy Report							
General Rate Increase		7,278,469		7,884,989		8,370,239	
Rates Growth - Valuation Growth and Other Development Activity		1,213,078		1,213,078		1,213,078	
Operating Surplus/(Deficit) including Business Units	3,185,881	3,614,732		4,221,252		4,706,503	
Operating Surplus Ratio	2.17%	2.41%		2.81%		3.14%	

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

- 3.12.1 Business Unit surpluses are quarantined so that City of Salisbury remains financially sustainable without these commercial returns. This is important as commercial returns can be quite variable due to the associated business risk. Further once a level of return is passed through in a budget year, this same level must be achieved in each future year or rates will increase as a result.
- 3.12.2 As the 2024/25 budget includes an operating deficit for Salisbury Water Business Unit this principle is not applicable for the 2024/25 budget.
- 3.13 It is appropriate that Council operations result in a moderate surplus, given that there are always some areas of uncertainty in formulating the budget. Risks include the financial impact of changes to Rates Growth and Other Development Activity data, inflation rate risk resulting in cost containment challenges, late additions to the budget, Enterprise Agreement negotiation, and impacts of the State Budget and potential legislative changes. Also of consideration is any further changes to service levels to be determined by Council.
- 3.14 In considering the level of rate increase, Council should not only consider the one-year impact but also the longer-term outcomes. A stable and manageable level of rating has allowed Council to sustainably meet the community's needs while also funding major community assets, and has also supported Council in responding to unforeseen issues. The table below summarises the Financial Sustainability Indicators status resulting from the scenarios presented in the Consolidated Summary with scenarios 5.5%-6.9% meeting financial sustainability targets. Further information is contained within the Long-Term Financial Plan Scenarios and Rate Strategy Report on tonight's agenda.

	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
ARFR ~ Asset Renewal Funding Ratio

Borrowings

- 3.15 Indicative 2024/25 borrowings under each of the Scenarios are: Scenario 1, \$8.4m with rates set at 4.5%; Scenario 2, \$7.8m with rates set at 5%; Scenario 3, \$7.2m with rates set at 5.5% Scenario 5, \$6.6m with rates set at 6%; Scenario 6, \$6.0m with rates set at 6.5%; and Scenario 7, \$5.5m with rates set at 6.9% (circled in red below). The operating surplus generated also impacts on the loan borrowings, as larger surpluses reduce our need to borrow funds externally.

3.16 Within the options below, our indicative borrowings (circled in red below) range from \$8.4M to \$5.5M, reflecting that borrowings will be required to fund the infrastructure program under each option. It should be noted that these borrowings include the impacts of the current infrastructure program as detailed within this report. Further expansion in the infrastructure program and/or increased operating expenditure will necessitate further borrowings.

Consolidated Budget Summary 2025 as at 15/04/2024							
	2024	2025		2025		2025	
	Budget	Budget Scenario 1		Budget Scenario 2		Budget Scenario 3	
Rate increase scenarios		4.5%		5.0%		5.5%	
	\$	\$	%	\$	%	\$	%
CAPITAL FUNDING SUMMARY							
Other - Non Operating Items							
Add Back Depreciation - non cash item	33,643,285	37,696,500		37,696,500		37,696,500	
Transfer from Reserves	(200,000)	(206,000)		(206,000)		(206,000)	
Add back NAWMA Equity Adjustment - non cash item	739,000	681,000		681,000		681,000	
Loan Principal Repayments	(1,409,568)	(1,504,187)		(1,504,187)		(1,504,187)	
Total Other	34,043,717	36,667,313		36,667,313		36,667,313	
Funding Available for Capital	37,229,598	38,462,428		39,068,948		39,675,506	
Indicative Borrowing Requirements							
General Purpose Borrowings / (Investments)	1,146,902	6,491,972		5,885,452		5,278,894	
Business Unit Borrowings	1,898,000	1,930,800		1,930,800		1,930,800	
Total Indicative Borrowings	3,044,902	8,422,772		7,816,252		7,209,694	
Net Borrowings/(Investment)	3,044,902	8,422,772		7,816,252		7,209,694	
Total Available for Capital	40,274,500	46,885,200		46,885,200		46,885,200	
Infrastructure Budget Bids (Net)							
Business Units Infrastructure Investment	1,898,000	1,930,800		1,930,800		1,930,800	
Plant Furniture & Equipment	2,143,000	2,462,400		2,462,400		2,462,400	
Information Technology	784,200	1,614,300		1,614,300		1,614,300	
Infrastructure, including project resourcing overhead	35,449,300	40,877,700		40,877,700		40,877,700	
Total	40,274,500	46,885,200		46,885,200		46,885,200	
Funding Surplus/(Deficit)	-	-		-		-	

Consolidated Budget Summary 2025 as at 15/04/2024							
	2024	2025		2025		2025	
	Budget	Budget Scenario 5		Budget Scenario 6		Budget Scenario 7	
Rate increase scenarios		6.0%		6.5%		6.9%	
	\$	\$	%	\$	%	\$	%
CAPITAL FUNDING SUMMARY							
Other - Non Operating Items							
Add Back Depreciation - non cash item	33,643,285	37,696,500		37,696,500		37,696,500	
Transfer from Reserves	(200,000)	(206,000)		(206,000)		(206,000)	
Add back NAWMA Equity Adjustment - non cash item	739,000	681,000		681,000		681,000	
Loan Principal Repayments	(1,409,568)	(1,504,187)		(1,504,187)		(1,504,187)	
Total Other	34,043,717	36,667,313		36,667,313		36,667,313	
Funding Available for Capital	37,229,598	40,282,045		40,888,565		41,373,816	
Indicative Borrowing Requirements							
General Purpose Borrowings / (Investments)	1,146,902	4,673,555		4,065,835		3,580,584	
Business Unit Borrowings	1,898,000	1,930,800		1,930,800		1,930,800	
Total Indicative Borrowings	3,044,902	6,603,155		5,996,635		5,511,384	
Net Borrowings/(Investment)	3,044,902	6,603,155		5,996,635		5,511,384	
Total Available for Capital	40,274,500	46,885,200		46,885,200		46,885,200	
Infrastructure Budget Bids (Net)							
Business Units Infrastructure Investment	1,898,000	1,930,800		1,930,800		1,930,800	
Plant Furniture & Equipment	2,143,000	2,462,400		2,462,400		2,462,400	
Information Technology	784,200	1,614,300		1,614,300		1,614,300	
Infrastructure, including project resourcing overhead	35,449,300	40,877,700		40,877,700		40,877,700	
Total	40,274,500	46,885,200		46,885,200		46,885,200	
Funding Surplus/(Deficit)	-	-		-		-	

4. CONCLUSION / PROPOSAL

- 4.1 Following the extensive review and discussion of Budget Bids it is appropriate for Council to undertake a final review and formally approve Bids for inclusion in the Draft 2024/25 Long Term Financial Plan and Annual Business Plan for public consultation purposes.
- 4.2 Scenario Rate Increase Options of 5.5% to 6.9% will ensure Council continues to equitably and sustainably manage its financial position, in addition to providing a modest surplus in the 2024/25 budget within the financial targets and also an appropriate level of operating surplus and financial liabilities over the LTFP forward estimates.
- 4.3 This approach will allow Council to continue to provide a high level of service to its community and respond to emerging needs without any major impact on its financial sustainability, while delivering major infrastructure projects and enhanced service delivery.

Consolidated Budget Summary 2025 as at 15/04/2024							
	2024 Budget	2025 Budget Scenario 1		2025 Budget Scenario 2		2025 Budget Scenario 3	
		4.5%		5.0%		5.5%	
	\$	\$	%	\$	%	\$	%
Rate increase scenarios							
OPERATING BUDGET SUMMARY							
Base Operating Budget (excluding rates)							
Expenditure as at 27/03/2024		149,109,053	3.7%	149,109,053	3.7%	149,109,053	3.7%
Operating Budget Bids		5,867,940		5,867,940		5,867,940	
Expenditure	143,746,298	154,976,993	7.8%	154,976,993	7.8%	154,976,993	7.8%
Income as at 27/03/2024		28,199,468	9.3%	28,199,468	9.3%	28,199,468	9.3%
Operating Budget Bids		592,900		592,900		592,900	
Income	25,798,269	28,792,368	11.6%	28,792,368	11.6%	28,792,368	11.6%
Operating Net Bid (excluding Rate Revenue)	117,948,029	126,184,625	7.0%	126,184,625	7.0%	126,184,625	7.0%
Rate Revenue							
Proposed Rate Increase	3.90%	4.50%		5.00%		5.50%	
Rates Growth - Increase in Number of Rate Assessments	0.50%	0.50%		0.50%		0.50%	
Rates Increase from Development Activity	0.50%	0.50%		0.50%		0.50%	
Total Increase	4.90%	5.50%		6.00%		6.50%	
Rate Revenue	121,133,910	121,307,811		121,307,811		121,307,811	
Rate Revenue adjustments as per Rates Strategy Report							
<i>General Rate Increase</i>		5,458,851		6,065,372		6,671,930	
<i>Rates Growth - Valuation Growth and Other Development Activity</i>		1,213,078		1,213,078		1,213,078	
Operating Surplus/(Deficit) including Business Units	3,185,881	1,795,115		2,401,635		3,008,193	
Operating Surplus Ratio	2.17%	1.20%		1.60%		2.00%	
CAPITAL FUNDING SUMMARY							
Other - Non Operating Items							
Add Back Depreciation - non cash item	33,643,285	37,696,500		37,696,500		37,696,500	
Transfer from Reserves	(200,000)	(206,000)		(206,000)		(206,000)	
Add back NAWMA Equity Adjustment - non cash item	739,000	681,000		681,000		681,000	
Loan Principal Repayments	(1,409,568)	(1,504,187)		(1,504,187)		(1,504,187)	
Total Other	34,043,717	36,667,313		36,667,313		36,667,313	
Funding Available for Capital	37,229,598	38,462,428		39,068,948		39,675,506	
Indicative Borrowing Requirements							
General Purpose Borrowings / (Investments)	1,146,902	6,491,972		5,885,452		5,278,894	
Business Unit Borrowings	1,898,000	1,930,800		1,930,800		1,930,800	
Total Indicative Borrowings	3,044,902	8,422,772		7,816,252		7,209,694	
Net Borrowings/(Investment)	3,044,902	8,422,772		7,816,252		7,209,694	
Total Available for Capital	40,274,500	46,885,200		46,885,200		46,885,200	
Infrastructure Budget Bids (Net)							
Business Units Infrastructure Investment	1,898,000	1,930,800		1,930,800		1,930,800	
Plant Furniture & Equipment	2,143,000	2,462,400		2,462,400		2,462,400	
Information Technology	784,200	1,614,300		1,614,300		1,614,300	
Infrastructure, including project resourcing overhead	35,449,300	40,877,700		40,877,700		40,877,700	
Total	40,274,500	46,885,200		46,885,200		46,885,200	
Funding Surplus/(Deficit)	-	-		-		-	

S: Consolidated Summary 2025 - Version 5 FACS Committee 15.04.2024_4.5-5.0-5.5

Consolidated Budget Summary 2025 as at 15/04/2024							
	2024 Budget	2025 Budget Scenario 5		2025 Budget Scenario 6		2025 Budget Scenario 7	
		6.0%		6.5%		6.9%	
	\$	\$	%	\$	%	\$	%
Rate increase scenarios							
OPERATING BUDGET SUMMARY							
Base Operating Budget (excluding rates)							
Expenditure as at 27/03/2024		149,109,053	3.7%	149,109,053	3.7%	149,109,053	3.7%
Operating Budget Bids		5,867,940		5,867,940		5,867,940	
Expenditure	143,746,298	154,976,993	7.8%	154,976,993	7.8%	154,976,993	7.8%
Income as at 27/03/2024		28,199,468	9.3%	28,199,468	9.3%	28,199,468	9.3%
Operating Budget Bids		592,900		592,900		592,900	
Income	25,798,269	28,792,368	11.6%	28,792,368	11.6%	28,792,368	11.6%
Operating Net Bid (excluding Rate Revenue)	117,948,029	126,184,625	7.0%	126,184,625	7.0%	126,184,625	7.0%
Rate Revenue							
Proposed Rate Increase	3.90%	6.00%		6.50%		6.90%	
Rates Growth - Increase in Number of Rate Assessments	0.50%	0.50%		0.50%		0.50%	
Rates Increase from Development Activity	0.50%	0.50%		0.50%		0.50%	
Total Increase	4.90%	7.00%		7.50%		7.90%	
Rate Revenue	121,133,910	121,307,811		121,307,811		121,307,811	
Rate Revenue adjustments as per Rates Strategy Report							
<i>General Rate Increase</i>		7,278,469		7,884,989		8,370,239	
<i>Rates Growth - Valuation Growth and Other Development Activity</i>		1,213,078		1,213,078		1,213,078	
Operating Surplus/(Deficit) including Business Units	3,185,881	3,614,732		4,221,252		4,706,503	
Operating Surplus Ratio	2.17%	2.41%		2.81%		3.14%	
CAPITAL FUNDING SUMMARY							
Other - Non Operating Items							
Add Back Depreciation - non cash item	33,643,285	37,696,500		37,696,500		37,696,500	
Transfer from Reserves	(200,000)	(206,000)		(206,000)		(206,000)	
Add back NAWMA Equity Adjustment - non cash item	739,000	681,000		681,000		681,000	
Loan Principal Repayments	(1,409,568)	(1,504,187)		(1,504,187)		(1,504,187)	
Total Other	34,043,717	36,667,313		36,667,313		36,667,313	
Funding Available for Capital	37,229,598	40,282,045		40,888,565		41,373,816	
Indicative Borrowing Requirements							
General Purpose Borrowings / (Investments)	1,146,902	4,672,355		4,065,835		3,580,584	
Business Unit Borrowings	1,898,000	1,930,800		1,930,800		1,930,800	
Total Indicative Borrowings	3,044,902	6,603,155		5,996,635		5,511,384	
Net Borrowings/(Investment)	3,044,902	6,603,155		5,996,635		5,511,384	
Total Available for Capital	40,274,500	46,885,200		46,885,200		46,885,200	
Infrastructure Budget Bids (Net)							
Business Units Infrastructure Investment	1,898,000	1,930,800		1,930,800		1,930,800	
Plant Furniture & Equipment	2,143,000	2,462,400		2,462,400		2,462,400	
Information Technology	784,200	1,614,300		1,614,300		1,614,300	
Infrastructure, including project resourcing overhead	35,449,300	40,877,700		40,877,700		40,877,700	
Total	40,274,500	46,885,200		46,885,200		46,885,200	
Funding Surplus/(Deficit)	-	-		-		-	

S: Consolidated Summary 2025 - Version 5 FACS Committee 15.04.2024_S.04.64.9

Proposed Budget Adjustments to Consolidated Summary as at 15/04/2024	
Changes from Base Operating Budget as at 27/03/2024	
Expenditure	\$
Expenditure as at 27/03/2024	149,141,553
Adjustments:-	
▪ Decrease - Field Services Growth Provision	(32,500)
Total Adjustments	(32,500)
Expenditure as at 15/04/2024	149,109,053
Income	
Income as at 27/03/2024	28,197,668
Adjustments:-	
▪ Increase - Vehicle Reimbursement adjustment	1,800
Total Adjustments	1,800
Income as at 15/04/2024	28,199,468
Changes from Operating Budget Bids as at 27/03/2024	
Operating Budget Bids	\$
Operating Budget Bids (Expenditure) as at 27/03/2024	5,546,540
Adjustments:-	
▪ Increase - OPN001283 CONFIDENTIAL ITEM	150,000
▪ Decrease - OPN001227 Climate Change Adaptation Plan	(50,000)
▪ Increase - OPN001274 Footpath Maintenance	221,400
Total Adjustments	321,400
Operating Budget Bids (Expenditure) as at 15/04/2024	5,867,940
Operating Budget Bids (Income) as at 27/03/2024	592,900
Operating Budget Bids (Income) as at 15/04/2024	592,900

5. Consolidated Summary 2025 - Version 5 FACS Committee 15.04.2024_4.5-5.0-5.5

Proposed Budget Adjustments to Consolidated Summary as at 15/04/2024	
Changes from Infrastructure Budget Bids as at 27/03/2024	
<u>Net Infrastructure Budget Bids</u>	\$
Net Infrastructure Bids as at 27/03/2024	41,802,500
Adjustments:-	
• Increase - PSN001285 SAMP: St Kilda Playground Service Continuity Program	1,133,000
• Decrease - TRN001183 New Footpath and Kerb Ramps Service Continuity Program	(100,000)
• Decrease - TRN001190 SAMP: Public Lighting Service Continuity Program	(27,000)
Total Adjustments	1,006,000
Net Infrastructure Bids as at 15/04/2024	42,808,500
Changes from PF&E Budget Bids as at 27/03/2024	
<u>PF&E Budget Bids</u>	\$
Net PF&E Budget Bids as at 27/03/2024	2,462,400
PF&E Budget Bids as at 15/04/2024	2,462,400
Changes from IT Budget Bids as at 27/03/2024	
<u>IT Budget Bids</u>	\$
IT Budget Bids as at 27/03/2024	1,614,300
IT Budget Bids as at 15/04/2024	1,614,300
Other Nil Effect Adjustments as at 15/04/2024	
<u>Nil Effect Adjustments</u>	\$
Adjustments:-	

5. Consolidated Summary 2025 - Version 5 FACS Committee 15.04.2024_4.5-5.0-5.5

Budget Bids

2024/25 Financial Yr

Infrastructure & Operating Summary 2024/25 Financial Yr	2024/25						2025/26						2026/27						2027/28					
	CAPITAL 000'S			Variance to 23/24	OPERATING 000'S			Variance to 23/24	CAPITAL 000'S			Variance to 23/24	OPERATING 000'S			Variance to 23/24	CAPITAL 000'S			Variance to 23/24	OPERATING 000'S			
	Exp	Funding	Net	Yr 2	Exp	Funding	Net	Yr 2	Exp	Funding	Net	Yr 3	Exp	Funding	Net	Yr 4	Exp	Funding	Net	Yr 4	Exp	Funding	Net	
Program Works - Bid Synopsis																								
Bid Project Asset Category: Drainage & Waterways																								
New																								
DWN 001147 Local Flooding Service Continuity Program	113	0	113	1	119	0	119	(1)	117	0	117	1	122	0	122	(0)	119	0	119	1	125	0	125	(0)
DWN 001148 Major Flooding Mitigation Service Continuity Projects	412	0	412	2	0	0	(3)	424	0	424	3	0	0	0	0	(4)	435	0	435	4	0	0	0	(4)
DWN 001149 Minor Drainage Networks	165	0	165	(235)	0	0	(2)	501	0	501	21	0	0	0	(5)	510	0	510	110	0	0	0	(6)	
DWN 001252 Ryans Road Flood Mitigation Basin	50	0	50	50	0	0	0	810	0	810	810	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotal - New	740	0	740	(183)	119	0	(5)	1,851	0	1,851	835	122	0	122	(10)	1,064	0	1,064	114	125	0	125	(11)	
Renewal																								
DWR 001150 SAMP: Watercourse Management Service Continuity Program	824	0	824	4	0	0	(2)	847	0	847	7	0	0	0	(2)	869	0	869	7	0	0	0	(2)	
DWR 001152 SAMP: Dam Service Continuity & Rectification Program	77	0	77	0	0	0	0	79	0	79	1	0	0	0	0	82	0	82	1	0	0	0	0	
DWR 001153 SAMP: Environmental Open Space Land Management Service Continuity Program	103	0	103	1	73	0	73	106	0	106	1	75	0	75	1	109	0	109	1	77	0	77	1	
DWR 001154 SAMP: St Kilda Breakwaters Service Continuity Program	412	0	412	207	0	0	0	0	0	0	(210)	0	0	0	0	435	0	435	219	0	0	0	0	
DWR 001155 SAMP: Major Drainage Service Continuity Program	31	0	31	0	0	0	0	349	0	349	3	0	0	0	0	250	0	250	2	0	0	0	0	
Subtotal - Renewal	1,447	0	1,447	212	73	0	(2)	1,382	0	1,382	(199)	75	0	75	(1)	1,744	0	1,744	230	77	0	77	(1)	
TOTAL - Drainage & Waterways	2,187	0	2,187	29	192	0	(7)	3,233	0	3,233	636	197	0	197	(11)	2,807	0	2,807	345	202	0	202	(12)	
Bid Project Asset Category: Property & Buildings																								
New																								
PBN 001156 Clubs/Sporting Facilities Service Continuity Program (Minor Infrastructure Grant)	464	0	464	(8)	41	0	(7)	477	0	477	(7)	42	0	42	(7)	489	0	489	(7)	43	0	43	(7)	
PBN 001157 Miscellaneous Land Acquisition Service Continuity Program	56	0	56	0	0	0	0	58	0	58	0	0	0	0	0	60	0	60	0	0	0	0	0	
PBN 001158 Community and Public Art Program	31	0	31	0	21	0	(2)	32	0	32	0	21	0	21	(2)	0	0	0	0	0	0	0	(2)	
PBN 001254 Automated External Defibrillators (AEDs) Program	142	0	142	142	0	0	0	0	0	0	5	0	5	5	5	0	0	0	0	5	0	5	5	
PBN 001255 ELECTED MEMBER BID: Supply & Install New Public Toilet at Salisbury North Oval	300	0	300	300	0	0	0	0	0	0	25	0	25	25	25	0	0	0	0	26	0	26	26	
PBN 001277 The Gardens, Recreation Centre Upgrade, Parafield Gardens	100	0	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
PBN 001281 ELECTED MEMBER BID: 6 x Community Defibrillators	14	0	14	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotal - New	1,107	0	1,107	548	62	0	(9)	566	0	566	(7)	94	0	94	22	548	0	548	(6)	74	0	74	22	
Renewal																								
PBR 001160 SAMP: Building Furniture and Equipment Service Continuity Program	103	0	103	26	0	0	0	106	0	106	27	0	0	0	0	109	0	109	28	0	0	0	0	
PBR 001161 SAMP: Building Service Continuity Program	2,311	0	2,311	(1,482)	138	0	138	0	3,918	0	3,918	31	142	142	0	4,020	0	4,020	34	145	0	145	0	
PBR 001276 SAMP: Ingle Farm Recreation Centre	1,500	0	1,500	1,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotal - Renewal	3,914	0	3,914	45	138	0	138	0	4,024	0	4,024	58	142	142	0	4,128	0	4,128	62	145	0	145	0	
TOTAL - Property & Buildings	5,021	0	5,021	593	200	0	(9)	4,590	0	4,590	51	236	0	236	22	4,676	0	4,676	56	220	0	220	22	
Bid Project Asset Category: Parks & Streetscapes																								
New																								
PSN 001163 SAMP: Streetscapes Planting Service Continuity Program	1,030	0	1,030	15	0	0	(12)	1,059	0	1,059	8	0	0	0	(20)	1,086	0	1,086	9	0	0	0	(21)	
PSN 001164 Major Entry Sites Landscape Enhancements Service Continuity Program	41	0	41	0	0	0	0	180	0	180	22	0	0	0	(3)	44	0	44	5	0	5	5	(12)	
PSN 001165 Community Use Sports Court Lighting Service Continuity Program	154	0	154	1	0	0	(0)	11	0	11	5	5	5	(3)	163	0	163	1	5	5	5	0		
PSN 001166 Developer Funded Service Continuity Program	206	206	0	0	0	0	(3)	212	212	0	0	0	0	(3)	217	217	0	0	0	0	0	(4)		
PSN 001215 Pledger Wetlands, Mawson Lakes - Irrigation Supply points relocation	12	0	12	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
PSN 001216 Ascot Drive Reserve, Paralowie, New Irrigation	128	0	128	128	0	0	0	0	0	0	5	0	5	5	5	0	0	0	0	5	0	5	5	
PSN 001253 Lake Windemere, Salisbury North - Amenities	750	0	750	750	0	0	0	0	0	0	26	0	26	26	0	0	0	0	26	0	26	26	0	
PSN 001259 Playspace Renewal at Laurence's Green, Parafield Gardens	10	0	10	10	0	0	0	440	0	440	440	0	0	0	0	0	0	0	0	0	0	0	0	
PSN 001279 Coogee Avenue Reserve, Paralowie - Irrigated Green Space	128	0	128	128	0	0	0	0	0	0	6	0	6	6	6	0	0	0	0	6	0	6	6	
PSN 001280 ELECTED MEMBER BID: 4 x New Pump Tracks in various locations	700	0	700	700	0	0	0	700	0	700	700	10	10	10	10	0	0	0	0	20	0	20	20	
PSN 001282 ELECTED MEMBER BID: New Dog Park, RM Williams Drive, Walkley Heights	500	0	500	500	0	0	0	0	0	0	12	0	12	12	0	0	0	0	12	0	12	12	0	
Subtotal - New	3,660	206	3,454	2,244	0	0	(16)	2,601	212	2,389	1,171	64	0	64	29	1,510	217	1,293	11	80	0	80	34	
Renewal																								
PSR 001167 SAMP: Dog Park Service Continuity Program	176	0	176	56	0	0	(5)	216	0	216	93	0	0	0	(5)	170	0	170	40	5	0	5	0	
PSR 001168 SAMP: Irrigation Service Continuity Program	1,240	0	1,240	830	0	0	0	350	0	350	(71)	0	0	0	0	358	0	358	(72)	0	0	0	0	
PSR 001169 SAMP: Feature Landscapes Service Continuity Program	124	0	124	1	0	0	0	0	0	0	0	0	0	0	130	0	130	1	0	0	0	0		
PSR 001170 SAMP: Tree Screen Renewal Service Continuity Program	515	0	515	3	0	0	0	138	0	138	1	0	0	0	141	0	141	1	0	0	0	0		
PSR 001171 SAMP: Playground Service Continuity Program	1,133	0	1,133	6	0	0	0	1,482	0	1,482	12	0	0	0	1,630	0	1,630	14	0	0	0	0		
PSR 001172 SAMP: Outdoor Sports Court Service Continuity Program	397	0	397	2	0	0	0	53	0	53	(52)	0	0	0	0	458	0	458	27	0	0	0	0	
PSR 001174 SAMP: Fitness Equipment Service Continuity Program	0	0	0	0	0	0	0	64	0	64	1	0	0	0	65	0	65	1	0	0	0	0		
PSR 001175 SAMP: Outdoor Furniture Service Continuity Program	52	0	52	0	0	0	0	53	0	53	0	0	0	0	54	0	54	1	0	0	0	0		
PSR 001176 SAMP: Open Space Signage Service Continuity Program	52	0	52	0	0	0	0	53	0	53	0	0	0	0	54	0	54	1	0	0	0	0		
PSR 001177 SAMP: Sport Lighting Service Continuity Program	361	0	361	2	0	0	0	424	0	424	3	0	0	0	0	0	0	0	0	0	0	0		
PSR 001178 Irrigation Controller Renewal	1,030	0	1,030	(4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
PSR 001256 Passmore Place Reserve, Salisbury North - Bicycle Motocross (BMX) Track Resurfacing	70	0	70	70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
PSR 001285 SAMP: St Kilda Playground Service Continuity Program	1,133	0	1,133	1,133	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Subtotal - Renewal	6,280	0	6,280	2,097	0	0	(5)	2,831	0	2,831	(13)	0	0	0	(5)	3,061	0	3,061	13	5	0	5	0	
TOTAL - Parks & Streetscapes	9,940	206	9,734	4,341	0	0	(21)	5,432	212	5,220	1,158	64	0	64	24	4,571	217	4,353	24	86	0	86	34	

Budget Bids

2024/25 Financial Yr

Infrastructure & Operating Summary 2024/25 Financial Yr		2024/25								2025/26								2026/27								2027/28											
		CAPITAL 000'S			Variance to 23/24	OPERATING 000'S			Variance to 23/24	CAPITAL 000'S			Variance to 23/24	OPERATING 000'S			Variance to 23/24	CAPITAL 000'S			Variance to 23/24	OPERATING 000'S			Variance to 23/24	CAPITAL 000'S			Variance to 23/24	OPERATING 000'S							
		Exp	Funding	Net	Yr 2	Exp	Funding	Net	Yr 2	Exp	Funding	Net	Yr 3	Exp	Funding	Net	Yr 3	Exp	Funding	Net	Yr 4	Exp	Funding	Net	Yr 4	Exp	Funding	Net	Yr 4	Exp	Funding	Net	Yr 4	Exp	Funding	Net	Yr 4
Program Works - Bid Synopsis																																					
Bid Project Asset Category: Strategic Projects																																					
New																																					
STN	003225	Lindblom Park New Changeroom Facilities	2,500	0	2,500	2,500	0	0	0	0	0	0	0	52	0	52	52	0	0	0	0	53	0	53	53	0	0	0	0	54	0	54	54				
Subtotal - New		2,500	0	2,500	2,500	0	0	0	0	0	0	0	0	52	0	52	52	0	0	0	0	53	0	53	53	0	0	0	0	54	0	54	54				
Renewal																																					
STR	001258	SAMP: Asset Auditing & Valuation Planning Program	700	0	700	700	0	0	0	721	0	721	721	0	0	0	0	741	0	741	741	0	0	0	0	760	0	760	0	0	0	0					
STR	001264	SAMP: Investigation, Planning & Design for Future Works not elsewhere covered	391	0	391	391	0	0	0	402	0	402	402	0	0	0	0	413	0	413	413	0	0	0	0	424	0	424	0	0	0	0					
Subtotal - Renewal		1,091	0	1,091	1,091	0	0	0	0	1,123	0	1,123	1,123	0	0	0	0	1,154	0	1,154	1,154	0	0	0	0	1,184	0	1,184	0	0	0	0					
TOTAL - Strategic Projects		3,591	0	3,591	3,591	0	0	0	0	1,123	0	1,123	1,123	52	0	52	52	1,154	0	1,154	1,154	53	0	53	53	1,184	0	1,184	54	0	54	54					
Bid Project Asset Category: Transportation																																					
New																																					
TRN	001179	SAMP: Jones Road Bolivar - Site Rehabilitation for Future Clean Fill Disposal	57	0	57	0	33	0	33	(1)	58	0	58	0	34	0	34	(1)	60	0	60	1	35	0	35	(1)	61	0	61	36	0	36	36				
TRN	001180	Minor Traffic Improvements Service Continuity Program	165	0	165	1	62	0	62	(2)	169	0	169	1	64	0	64	(2)	174	0	174	2	66	0	66	(2)	178	0	178	68	0	68	68				
TRN	001181	Major Traffic Improvements Service Continuity Program	652	0	652	22	0	0	(6)	106	0	106	53	0	0	0	(18)	1,345	600	745	53	0	0	0	(1)	111	0	111	0	0	0	0					
TRN	001182	School Zones and Pedestrian Crossings Service Continuity Program	783	263	520	264	0	0	(6)	265	0	265	2	0	0	0	(6)	272	0	272	2	0	0	0	(7)	279	0	279	0	0	0	0					
TRN	001183	New Footpath and Kerb Ramps Service Continuity Program	400	0	400	93	23	0	(3)	514	0	514	199	23	0	23	(4)	316	0	316	(7)	24	0	24	(4)	325	0	325	25	0	25	25					
TRN	001184	Bicycle Network Improvements Service Continuity Program	206	50	156	1	0	0	(4)	212	50	162	(23)	0	0	0	(4)	326	130	196	43	0	0	0	(6)	223	50	173	0	0	0	0					
TRN	001185	City Wide Trails Service Continuity Program	824	300	524	(78)	0	0	(12)	847	300	547	(78)	0	0	0	(12)	869	300	569	(79)	0	0	0	(13)	557	150	407	0	0	0	0					
TRN	001186	Footpath Trading Pedestrian Service Continuity Protection	26	12	13	(0)	0	0	(1)	26	13	14	(1)	0	0	0	(1)	27	13	14	(1)	0	0	0	(1)	28	13	15	0	0	0	0					
TRN	001187	Staff Capitalisation Overhead	3,468	0	3,468	238	0	0	0	3,565	0	3,565	254	0	0	0	0	3,658	0	3,658	264	0	0	0	0	3,753	0	3,753	0	0	0	0					
TRN	003251	ELECTED MEMBER BID: Upgrade of St Kilda Boat Ramp Car Park and the RV Trailer Park	100	0	100	100	0	0	0	0	0	0	0	5	0	5	5	0	0	0	0	5	0	5	5	0	0	0	5	0	5	5					
Subtotal - New		6,679	625	6,055	639	118	0	118	(25)	5,763	363	5,400	408	126	0	126	(42)	7,047	1,043	6,004	278	130	0	130	(28)	5,515	213	5,302	133	0	133	133					
Renewal																																					
TRR	001188	SAMP: Fences and Bollards Service Continuity Program	52	0	52	(1)	0	0	0	53	0	53	(1)	0	0	0	0	54	0	54	(1)	0	0	0	0	56	0	56	0	0	0	0					
TRR	001189	SAMP: Mawson Lakes and Edinburgh Sound Attenuation Walls Service Continuity Program	0	0	0	(103)	0	0	0	318	0	318	160	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
TRR	001190	SAMP: Public Lighting Service Continuity Program	986	0	986	525	253	0	253	200	821	0	821	349	254	0	254	200	850	0	850	365	55	0	55	1	931	0	931	57	0	57	57				
TRR	001191	SAMP: Carpark Renewal / Upgrade Service Continuity Program	206	0	206	1	0	0	0	212	0	212	2	0	0	0	0	217	0	217	2	0	0	0	0	223	0	223	0	0	0	0					
TRR	001192	SAMP: Bridge Service Continuity Program	340	0	340	1	0	0	(1)	349	0	349	3	0	0	0	(1)	359	0	359	3	0	0	0	(1)	368	0	368	0	0	0	0					
TRR	001194	SAMP: Asphalt Shared Use Paths Service Continuity Program	206	0	206	1	0	0	(3)	212	0	212	2	0	0	0	(3)	217	0	217	2	0	0	0	(3)	223	0	223	0	0	0	0					
TRR	001195	SAMP: Bus Shelter and Bus Stop Improvement Service Continuity Program	227	0	227	1	16	0	16	1	233	0	233	2	16	0	16	1	239	0	239	2	17	0	17	1	245	0	245	17	0	17	17				
TRR	001196	SAMP: Road Reseal Service Continuity Program	10,250	0	10,250	0	919	0	919	27	10,558	0	10,558	52	944	0	944	30	10,855	0	10,855	86	969	0	969	32	12,260	0	12,260	994	0	994	994				
TRR	001198	SAMP: Signalised Pedestrian Crossing Service Continuity Program	31	0	31	0	0	0	0	32	0	32	0	0	0	0	0	33	0	33	0	0	0	0	0	33	0	33	0	0	0	0					
TRR	001199	Pratt Avenue Bridge Pooraka	1,993	0	1,993	10	0	0	(4)	0	0	0	0	0	0	0	(4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Subtotal - Renewal		14,290	0	14,290	436	1,187	0	1,187	221	12,787	0	12,787	567	1,215	0	1,215	224	12,824	0	12,824	460	1,041	0	1,041	29	14,339	0	14,339	1,068	0	1,068	1,068					
TOTAL - Transportation		20,969	625	20,344	1,074	1,305	0	1,305	185	18,550	363	18,187	976	1,341	0	1,341	182	19,870	1,043	18,827	738	1,170	0	1,170	1	19,854	213	19,641	1,201	0	1,201	1,201					
Bid Project Asset Category: Salisbury Water Business																																					
New																																					
WBN	003200	Salisbury Water - Bellchambers Managed Aquifer Recharge (MAR) Scheme	5,638	5,616	22	22	0	0	0	0	5,795	0	5,795	5,795	0	0	0	(96)	0	0	0	0	130	290	(160)	0	0	0	140	385	(245)	(245)					
WBN	003201	Salisbury Water - Pump Station Upgrade Program	120	0	120	0	0	0	(3)	150	0	150	(20)	0	0	0	(3)	170	0	170	(170)	0	0	0	(4)	0	0	0	0	0	0	0					
WBN	003203	Salisbury Water - Recycled Water Supply to Reactivated Reserves	250	0	250	0	20	0	(3)	250	0	250	0	40	0	40	(3)	250	0	250	0	60	60	0	(3)	250	0	250	80	0	80	80					
WBN	001204	Salisbury Water - Sustainable Schools Program	200	0	200	0	0	0	(10)	0	0	0	0	0	0	0	(70)	0	0	0	0	72	(72)	(72)	(112)	0	0	0	74	(74)	(74)	(74)					
WBN	001218	Salisbury Water Distribution Main Linkages	320	0	320	0	10	0	(10)	31	0	31	0	0	0	0	(20)	86	0	86	0	0	0	0	(30)	(100)	0	0	40	(40)	(40)						
Subtotal - New		6,528	5,616	912	22	20	30	(10)	135	6,195	0	6,195	5,775	40	130	(90)	95	420	0	420	170	190	452	(262)	205	250	0	250	220	579	(359)	(359)					
Renewal																																					
WBR	001205	Salisbury Water Asset Renewal Program	1,019	0	1,019	126	0	0	0	644	0	644	(456)	0	0	0	0	1,207	0	1,207	194	0	0	0	0	1,385	0	1,385	0	0	0	0					
WBR	001217	Salisbury Water - Business Unit Planning Program	0	0	0	0	0	0	(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	0	100	0	0	0	0						
Subtotal - Renewal		1,019	0	1,019	126	0	0	0	(2)	644	0	644	(456)	0	0	0	0	1,207	0	1,207	194	0	0	0	0	1,485	0	1,485	0	0	0	0					
TOTAL - Salisbury Water Business		7,547	5,616	1,931	148	20	30	(10)	133	6,840	0	6,840	5,320	40	130	(90)	95	1,627	0	1,627	364	190	452	(262)	205	1,735	0	1,735	220	579	(359)	(359)					
Total New		21,214	6,447	14,767		318	30	288		16,976	575	16,402	497	130	367		10,589	1,260	9,329		652	452	200		8,569	436	8,133	693	579	115	115						
Total Renewal		28,042	0	28,042		1,398	0	1,398		22,791	0	22,791	1,432	0	1,432		24,116	0	24,116		1,268	0	1,268		27,990	0	27,990	1,303	0	1,303	1,303						
		49,255	6,447	42,809		1,717	30	1,687		39,767	575	39,192	1,929	130	1,799		34,705	1,260	33,445		1,920	452	1,469		36,560	436	36,123	1,996	579	1,418	1,418						

2024/25 Financial Year	OPN001283
-------------------------------	------------------

	<p>Confidential Item</p>
---	---------------------------------

Id Number:	36977
Department:	City Development
Key Direction:	A growing City that creates opportunities

Financial Year:	2025
------------------------	------

Executive Summary:	Confidential
Scope:	Confidential
Justification:	Confidential

Project Stakeholders	
Manager:	Leandro Lopez Digon
General Manager:	Michelle English
Asset Owner:	Leandro Lopez Digon
Elected Member:	

Budget Bid Financial Summary					
	2025	2026	2027	2028	Total
Capital Expenditure	0	0	0	0	0
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	150,000	0	0	0	150,000
Operating Expenditure - Depreciation	0	0	0	0	0
Operating Income	0	0	0	0	0
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	150,000	0	0	0	150,000

Item 2.1.3 - Attachment 5 - OPN001283 CONFIDENTIAL ITEM

Budget Bid Projects	2025	2026	2027	2028	Total
Confidential Item	150,000	0	0	0	150,000
Income	0	0	0	0	0
Expenses	150,000	0	0	0	150,000
			Total		150,000

Item 2.1.3 - Attachment 5 - OPN001283 CONFIDENTIAL ITEM

2024/25 Financial Year	OPN001274
-------------------------------	------------------



Id Number:	36743
Department:	City Infrastructure
Key Direction:	A welcoming and liveable City

Financial Year:	2025
------------------------	------


Executive Summary:	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.
Scope:	The audit information presented to Council March 2024 in alignment with agreed level of service determined an increase in maintenance is required to \$1.75M per annum.
Justification:	<p>In accordance with Resolution 0635/2024, March 2024; Item AMSC6, an increase to footpath maintenance budget to \$1.75M was approved;</p> <p>3. Approves in the budget for the footpath program (including \$1.75M maintenance) to be incorporated into Council’s Strategic Asset Management Plan.</p>

Project Stakeholders	
Manager:	Jonathan Foong
General Manager:	John Devine
Asset Owner:	Craig Johansen
Elected Member:	

Item 2.1.3 - Attachment 6 - OPN001274 Footpath Maintenance

Budget Bid Financial Summary					
	2025	2026	2027	2028	Total
Capital Expenditure	0	0	0	0	0
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	655,400	673,800	691,300	709,200	2,729,700
Operating Expenditure - Depreciation	0	0	0	0	0
Operating Income	0	0	0	0	0
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	655,400	673,800	691,300	709,200	2,729,700

Budget Bid Projects					
	2025	2026	2027	2028	Total
Footpath Maintenance	655,400	673,800	691,300	709,200	2,729,700
Income	0	0	0	0	0
Expenses	655,400	673,800	691,300	709,200	2,729,700
				Total	2,729,700

2024/25 Financial Year		OPN001227
		Climate Change Adaptation Plan
Id Number:	36091	
Department:	City Development	
Key Direction:	A sustainable City	
Financial Year:	2025	
Executive Summary:	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.	
Scope:	<p>A Climate Change Risk Assessment was completed in 2023 that identified high level physical and transitional climate risks to Council assets, operations and services. In November 2023, Council noted the initial findings of the risk assessment and that a report to Council on the climate change risk assessment that identifies and prioritises climate risks would be provided for its consideration in early 2024, with the next step being the development of a Climate Change Adaptation Plan to respond to priority climate risks in 2024/25 subject to Council's approval of funding [ESAT55 and 0525/2023].</p> <p>The assessment recommended that a Climate Change Adaptation Action Plan be developed to determine action on priority risks (including high and very high risks). This process would consider the complexity and inter-relatedness of the risks by collectively planning for integrated risk treatments and strategically determine priority actions to progress, and by when.</p> <p>The development of the Climate Change Adaptation Action Plan would be informed by analysis of geographical data, policy review, staff engagement, expert advice and financial modelling. Systems and tools to support implementation of the action plan would be identified.</p>	
Justification:	There were 44 high and 16 very high risks identified in the climate change risk assessment. This risk rating is residual so it accounts for current controls. This demonstrates that new controls and adaptation measures need to be implemented to effectively address these significant risks. Potential adaptation measures / risk controls were identified however further analysis and information is needed to prioritise actions and determine cost effective responses that reduce high and very high risks.	

OPN001227 - Page | 1
Date Produced: 05-Mar-2024

	<p>Effectively managing climate risks will help the Council ensure financial sustainability, minimise service disruptions, and improve community resilience. By prioritising and addressing climate risks Council will save money over the medium to long term. This is particularly true for longer lived assets, where investing more upfront to consider future climate conditions can safeguard assets long-term, and lower whole of lifecycle costs.</p> <p>This bid addresses the following actions:</p> <p>City Plan 2035, A sustainable City, Critical Actions Operational Focus:</p> <p>Adopt practices and infrastructure that make the City cooler in an increasingly warm climate</p> <p>Manage and plan assets so they are resilient to a changing climate.</p> <p>Sustainability Strategy 2035, Climate Resilient Salisbury, New Actions:</p> <p>Undertaking a Climate Change Risk Assessment to understand the corporate exposure to the physical, economic transition and liability risks associated with climate change</p> <p>Incorporating climate change risk into asset management and financial planning.</p>
--	---

Project Stakeholders	
Manager:	Leandro Lopez Digon
General Manager:	Michelle English
Asset Owner:	Leandro Lopez Digon
Elected Member:	

Budget Bid Financial Summary					
	2025	2026	2027	2028	Total
Capital Expenditure	0	0	0	0	0
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	50,000	0	0	0	50,000
Operating Expenditure - Depreciation	0	0	0	0	0
Operating Income	0	0	0	0	0
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	50,000	0	0	0	50,000

Budget Bid Projects					
	2025	2026	2027	2028	Total
Climate Change Adaptation Action Plan	50,000	0	0	0	50,000
Income	0	0	0	0	0
Expenses	50,000	0	0	0	50,000
				Total	50,000

2024/25 Financial Year**PSN001285**

SAMP: St Kilda Playground Service Continuity Program

Id Number: 36987
Department: City Infrastructure
Key Direction: A welcoming and liveable City

Financial Year: 2025

Executive Summary: Based upon condition and compliance audit of playground assets, this bid is to replace non-complaint and failed play elements at St Kilda Adventure Park.

Scope: To replace play elements which are non-compliant and failing or have failed at St Kilda Adventure Park, following completion of design in 2023/24.

Justification: This program and level of service has been developed in accordance with the endorsed Strategic Asset Management Plan (SAMP) adoption Resolution 0439/2023, August 2023.

As resolved March 2024, 0635/2024;
 'Approves for St Kilda Playground to be removed from the Playspace Renewal Program and be considered as a separate budget bid for 2024/25.'

Under the WHS Act, Council is a PCBU which has a primary duty to ensure that the health and safety of services it provides is fit for purpose. The Australian Standards are referenced in the WHS Act as the relevant standard. As such, Council must act to put in place a system of work that will manage safety risks in its playgrounds. The Level 3 Comprehensive Compliance Audit and the annual audit are key components of the system of work that manages safety risks for staff and users of the playground.

Project Stakeholders


Manager: Jonathan Foong
General Manager: John Devine
Asset Owner: Jonathan Foong
Elected Member:

Budget Bid Financial Summary

PSN001285 - Page | 1
 Date Produced: 03-Apr-2024

	2025	2026	2027	2028	Total
Capital Expenditure	1,133,000	0	0	0	1,133,000
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	0	0	0	0	0
Operating Expenditure - Depreciation	0	0	0	0	0
Operating Income	0	0	0	0	0
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	1,133,000	0	0	0	1,133,000


Budget Bid Projects					
	2025	2026	2027	2028	Total
St Kilda Adventure Playground	1,133,000	0	0	0	1,133,000
Income	0	0	0	0	0
Expenses	1,133,000	0	0	0	1,133,000
				Total	1,133,000

2024/25 Financial Year		TRN001183
		New Footpath and Kerb Ramps Service Continuity Program
Id Number:	34428	
Department:	City Infrastructure	
Key Direction:	A growing City that creates opportunities	
Financial Year:	2025	
Executive Summary:	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.	
Scope:	Request for new (additional) footpaths and ramps are often received by Council, these requests are assessed and prioritised by the Footpath Request Evaluation Team (FRET). New footpaths are built consistent with Council's Footpath Policy.	
Justification:	<p>This program and level of service has been developed in accordance with the endorsed Strategic Asset Management Plan (SAMP) adoption Resolution 0439/2023, August 2023.</p> <p>New infrastructure works based on community request, feedback and suggestions for new service level in-line with endorsed Footpath Policy. This works is reactionary in nature, scoping, planning and scheduling works following request and evaluation by FRET which meets quarterly.</p> <p>Council undertakes a universal design approach to it's path network so that it can be accessed and used to the greatest extent possible by people of all abilities within the community.</p> <p>Council has long supported the provision of a network of footpaths throughout the City.</p> <p>Significant numbers of streets now have a footpath down at least one side and the remainder are primarily lower pedestrian trafficked streets such as in rural areas, industrial areas or in residential cul-de-sacs and no through roads.</p>	
Project Stakeholders		

Manager:	Jonathan Foong
General Manager:	John Devine
Asset Owner:	Craig Johansen
Elected Member:	

Budget Bid Financial Summary					
	2025	2026	2027	2028	Total
Capital Expenditure	400,000	514,000	316,400	324,600	1,555,000
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	22,700	23,300	23,900	24,500	94,400
Operating Expenditure - Depreciation	0	6,300	9,500	12,800	28,600
Operating Income	0	0	0	0	0
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	422,700	543,600	349,800	361,900	1,678,000

Budget Bid Projects					
	2025	2026	2027	2028	Total
Short Footpath Segments (Operating)	22,700	23,300	23,900	24,500	94,400
Income	0	0	0	0	0
Expenses	22,700	23,300	23,900	24,500	94,400
New Footpath and kerb ramp Construction	400,000	514,000	316,400	324,600	1,555,000
Income	0	0	0	0	0
Expenses	400,000	514,000	316,400	324,600	1,555,000
Depreciation	0	6,300	9,500	12,800	28,600
Income	0	0	0	0	0
Expenses	0	6,300	9,500	12,800	28,600
				Total	1,678,000

2024/25 Financial Year		TRR001190
		SAMP: Public Lighting Service Continuity Program
Id Number:	34484	
Department:	City Infrastructure	
Key Direction:	A sustainable City	
Financial Year:	2025	
Executive Summary:	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.	
Scope:	<p>This program is for the renewal of public lighting based upon condition, level of service and priority for street, reserve and carpark lighting, excluding sports field and sports court lighting. It also enables Council owned lighting to be renewed to high efficiency LED lighting aiding to reduce energy costs.</p> <p>As reported, February 2024, following the completion of an audit of Mawson Lakes lighting, due to condition and age it is proposed to undertake a preventative capital renewal program. With this, an additional budget was approved to enable this work to occur, February 2024, Resolution 0598/2024.</p> <p>This program also provides the capability to renew Council owned lighting within the City, and to respond to requests, proactively renewing lighting for streets, reserves and carparks that are not meeting expected levels of service. or require reactive replacement of lightpole and luminaire failures.</p>	
Justification:	<p>This program and level of service has been developed in accordance with the endorsed Strategic Asset Management Plan (SAMP) adoption Resolution 0439/2023, August 2023, and in accordance with the February 2024, Item 4.0.1 AMSC3, Resolution 0598/2024 as follows;</p> <p>1. Approves the proposed capital and operating budget for the Public Lighting Continuity Program for consideration in the 2024/25 Budget.</p> <p>Noting whilst this program strives to ensure assets are managed and maintained at the endorsed level of service (LoS), this program also considers new customer requests which are security and safety in nature, plus has a nominal allowance to proactively address failures.</p>	

Project Stakeholders

Manager: Jonathan Foong
General Manager: John Devine
Asset Owner: Michael Pavlovich
Elected Member:

Budget Bid Financial Summary

	2025	2026	2027	2028	Total
Capital Expenditure	986,000	821,300	849,800	930,600	3,587,700
Capital Income	0	0	0	0	0
Transfer From Reserves - Capital	0	0	0	0	0
Operating Expenditure (Excl Depn)	252,500	254,000	55,400	56,900	618,800
Operating Expenditure - Depreciation	0	0	0	0	0
Operating Income	0	0	0	0	0
Transfer From Reserves - Operating	0	0	0	0	0
Net Budget Bid	1,238,500	1,075,300	905,200	987,500	4,206,500

Budget Bid Projects					
	2025	2026	2027	2028	Total
Public Lighting Renewal	450,000	461,300	472,800	484,600	1,868,700
Income	0	0	0	0	0
Expenses	450,000	461,300	472,800	484,600	1,868,700
Public Lighting Adhoc Failures & Maintenance	52,500	54,000	55,400	56,900	218,800
Income	0	0	0	0	0
Expenses	52,500	54,000	55,400	56,900	218,800
Mawson Lakes - Public Lighting Renewal	536,000	360,000	377,000	396,000	1,669,000
Income	0	0	0	0	0
Expenses	536,000	360,000	377,000	396,000	1,669,000
Mawson Lakes - Public Lighting Maintenance	200,000	200,000	0	0	400,000
Income	0	0	0	0	0
Expenses	200,000	200,000	0	0	400,000
Light Pole Audit	0	0	0	50,000	50,000
Income	0	0	0	0	0
Expenses	0	0	0	50,000	50,000
				Total	4,206,500

Item 2.1.3 - Attachment 10 - TRR001190 SAMP Public Lighting Service Continuity Program

ITEM	2.1.4
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	15 April 2024
HEADING	Draft 2024/25 Long Term Financial Plan and Annual Business Plan
AUTHORS	Joe Scordo, Senior Management Accountant, Business Excellence Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report is for the adoption of the Draft 2024/25 Long Term Financial Plan and Annual Business Plan (LTFP&ABP) for public consultation as required by Section 123 of the Local Government Act 1999

RECOMMENDATION

That Council:

1. Adopts the Draft 2024/25 Long Term Financial Plan and Annual Business Plan for the purposes of Public Consultation, subject to further editing and formatting improvements without changing the substantive nature of the document, and changes required to reflect relevant decisions of Council made at Finance and Corporate Services Committee Meeting 15 April 2024 and Council 22 April 2024.

ATTACHMENTS

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

1. Draft 2024/25 Long Term Financial Plan and Annual Business Plan

1. BACKGROUND

- 1.1 This report is for the adoption of the Draft 2024/25 LTFP&ABP for public consultation as required by Section 123 of the *Local Government Act 1999*.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 The Audit and Risk Committee reviewed the Draft 2024/25 LTFP&ABP in accordance with S126(4)(b) of the *Local Government Act 1999* at the Audit and Risk Committee Meeting 9 April 2024.

2.2 External

- 2.2.1 The Draft 2024/25 LTFP&ABP will be available for public consultation in May 2024.

3. REPORT

- 3.1 The Draft 2024/25 LTFP&ABP, distributed to members, contains financial information reflecting just one scenario out of a number of scenarios under Councils consideration. The Finance and Corporate Services Committee will be recommending to Council a number of budget parameters and elements through reports as part of tonight's agenda, and these decisions will be reflected in the updated Draft 2024/25 LTFP&ABP for public consultation.
- 3.2 The Audit and Risk Committee reviewed the Draft 2024/25 LTFP&ABP at the April Audit Committee Meeting, held 9 April 2024 and considered various scenarios consistent with Budget Workshop 3 and additional scenarios as included in item "Long Term Financial Plan Scenarios and Rating Strategy 2024/25" on tonight's agenda.
- 3.3 The Audit and Risk Committee's advice and feedback has been reflected in its recommendation to Council to provide Council the opportunity to consider the Audit Committee's perspectives prior to approving the LTFP&ABP for Public Consultation.
- 3.4 Any decision made at the Finance and Corporate Services Committee Meeting on the 15 April and the Council Meeting on 22 April, which impact on the 2024/25 LTFP&ABP, will be incorporated into the final draft for public consultation as reflected in the recommendation.

LTFP&ABP Consultation

- 3.5 The Draft 2024/25 LTFP&ABP will be made available to the public through the City of Salisbury Website and social media platforms. The Draft 2024/25 LTFP&ABP includes an Executive Summary which provides high-level information about the LTFP&ABP. This Summary will be provided separately on the website, as well as being embedded in the Draft 2024/25 LTFP&ABP.
- 3.6 The public consultation period is planned to commence on Monday 6 May and conclude on Wednesday 29 May, with advertising to appear in the Advertiser on Monday 6 May and on our website during the public consultation period. Links will also be available via our social media pages Twitter and Facebook. During this time the public are welcome to make comment by letter, email or phone.
- 3.7 The opportunity for verbal representations will be provided at the commencement of the May Council meeting.

4. CONCLUSION / PROPOSAL

- 4.1 The Draft 2024/25 LTFP&ABP, subject to refinements and adjustments to reflect relevant decisions of Council at the Finance and Corporate Services Committee Meeting and Council Meeting 29 April be adopted for the purposes of public consultation.



Item 2.1.4 - Attachment 1 - Draft 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 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 Kurna 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 Kurna people living today.



NOT YET REVIEWED BY COUNCIL

This page has intentionally been left blank

Contents

Acknowledgement of Country	03
Executive Summary	06
Mayor's Message	09
Elected Members	10
Our Vision	12
Key Directions	13
Long Term Financial Plan	16
ESCOSA Advice – Salisbury Action Plan	20
Annual Business Plan Overview	22
Operating Budget Bids	24
Infrastructure Budget Bids	30
Information Technology Budget Bids	38
Plant, Furniture and Equipment Budget Bids	40
Budgeted Financial Statements and Analysis	43
Functional Presentation of the Budget	49
Budget Summary by Full Cost Attribution	50
A welcoming and liveable City	52
A sustainable City	82
A growing City that creates new opportunities	94
Innovation and Business Development	108
Rating Strategy and Policy	120
Appendix A - Long Term Financial Plan	124
Appendix B - Uniform Presentation of Rates Revenue	130
Appendix C – ESCOSA Advice and City of Salisbury comments	133

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 \$2.1 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 124 to 129, 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%	1.9%	✓
Asset Renewal Funding	90% - 110%	100%	✓
Net Financial Liabilities	<70%	53.8%	✓

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 5.5% 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 120 to 123.

Average Increase	23/24 Actual	24/25 Budget
Residential	6.90%	5.50%
Commercial and Industrial	6.90%	5.50%

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 \$3.008M or 1.9% Operating Surplus Ratio. Further information is provided in the Budgeted Financial Statements and Analysis on pages 43 to 48.

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 24 to 42. Funds of \$27M are provided for asset updates/renewal in line with our SAMP, with significant items being:

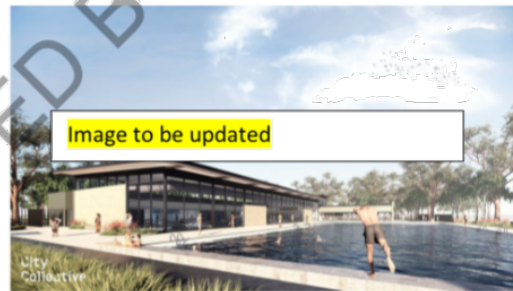
- Road Reseal Service Continuity Program \$10.3M
- Building Renewal Program \$2.3M
- Ingle Farm Recreation Centre \$1.5M
- Irrigation Service Continuity Program \$1.2M
- Playground Service Continuity Program \$1.1M
- Irrigation Controller Renewal \$1M
- Irrigation Controller Renewal \$1M

New and upgraded infrastructure funding of \$14.8M (net of income) 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 \$4.5 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 Gawler / James Street, Salisbury, Roundabout.

NOT YET REVIEWED BY COUNCIL

This page has intentionally been left blank

Mayor's Message



To be updated

**A progressive,
sustainable and
connected community**

Gillian Aldridge
Mayor, Gillian Aldridge OAM

NOT YET REVIEWED BY COUNCIL

Elected Members

MAYOR



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

CENTRAL WARD



Cr Chad Buchanan JP
(Deputy Mayor)
0403 677 907
cbuchan@salisbury.sa.gov.au


PARA WARD



Cr Kylie Spentell
8406 8222
kspentell@salisbury.sa.gov.au

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

NORTH WARD



Cr David Hood JP
0432 799 331
dhood@salisbury.sa.gov.au

HILLS WARD



Cr Peter Jensen JP
0417 546 601
pjensen@salisbury.sa.gov.au

Cr Shiralee Beardon JP
0427 095 566
sbeardon@salisbury.sa.gov.au

EAST WARD



Cr Johnny Chewparsad
0439 877 671
jchewparsad@salisbury.sa.gov.au

Cr Moni Mazzeo
0419 816 709
mmazzeo@salisbury.sa.gov.au



WEST WARD



Cr Beau Brug JP
8406 8222
bbrug@salisbury.sa.gov.au

Cr Sharon Mckell
8406 8222
smckell@salisbury.sa.gov.au

SOUTH WARD



Cr Lauren Brug
8406 8222
lbrug@salisbury.sa.gov.au

Cr Alan Graham
0433 647 670
agraham@salisbury.sa.gov.au

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Elected Members

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

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

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

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

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

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

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

Councillors are elected by the voters within the ward.

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

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

Our Vision

Salisbury

a progressive, sustainable and connected community

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

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

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

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

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

The Salisbury community consists of the 147,932 people who live in our 32 suburbs, whether they have been here all their lives or are new arrivals; the 8,769 businesses and 62,000 workers that make Salisbury the state's fourth largest economy; and the community groups, schools, churches and sporting clubs that bring people together.

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

Key Directions

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

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

Long Term Financial Plan 24/25 to 33/34

CEO Sustainability Report

In accordance with Section 122 (4)(b) the information contained within pages 14 to 19 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 LTFP is underpinned by a number of key assumptions. The primary data source for the 2024/25 LTFP 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 LTFP & 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 is proposing a 5.5% 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 30 to 39. 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 24 to 29.



Other Considerations

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

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

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

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

Long Term Financial Plan 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	2028 Plan Year 4 \$000's	2029 Plan Year 5 \$000's	2034 Plan Year 10 \$000's
INCOME						
Rates Revenues	130,057	135,909	141,617	147,424	153,468	187,617
Statutory Charges	3,481	3,582	3,675	3,767	3,861	4,369
User Charges	6,410	6,596	6,767	6,937	7,110	8,044
Grants, Subsidies & Contributions	16,615	16,784	16,940	17,092	17,248	18,037
Investment Income	80	82	84	86	88	98
Reimbursements	288	297	304	312	320	362
Other Income	1,054	1,084	1,113	1,140	1,169	1,323
Total Income	157,985	164,334	170,500	176,758	183,265	219,850
EXPENSES						
Employee Costs	46,788	48,569	50,137	51,753	53,422	62,566
Materials, Contracts & Other Expenses	67,440	70,641	73,660	76,776	79,814	98,885
Depreciation, Amortisation & Impairment	37,696	39,441	41,227	43,334	45,358	55,975
Finance Costs	2,372	2,464	2,322	2,061	1,791	486
Net loss - Equity Accounted Council Businesses	681	-	-	-	-	-
Total Expenses	154,977	161,115	167,346	173,924	180,385	217,912
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS						
	3,008	3,219	3,154	2,834	2,880	1,938
Asset Disposal & Fair Value Adjustments	802	2,652	6,351	1,999	6,166	3,942
Amounts Received Specifically for New or Upgraded Assets	6,241	1,748	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
NET SURPLUS/(DEFICIT)	11,051	8,619	11,967	7,295	11,508	8,342
OTHER COMPREHENSIVE INCOME						
Changes in Revaluation Surplus - IPP&E	47,313	47,808	48,314	48,951	49,499	23,226
Total Other Comprehensive Income	47,313	47,808	48,314	48,951	49,499	23,226
TOTAL COMPREHENSIVE INCOME	58,364	56,427	60,281	56,246	61,007	31,568

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

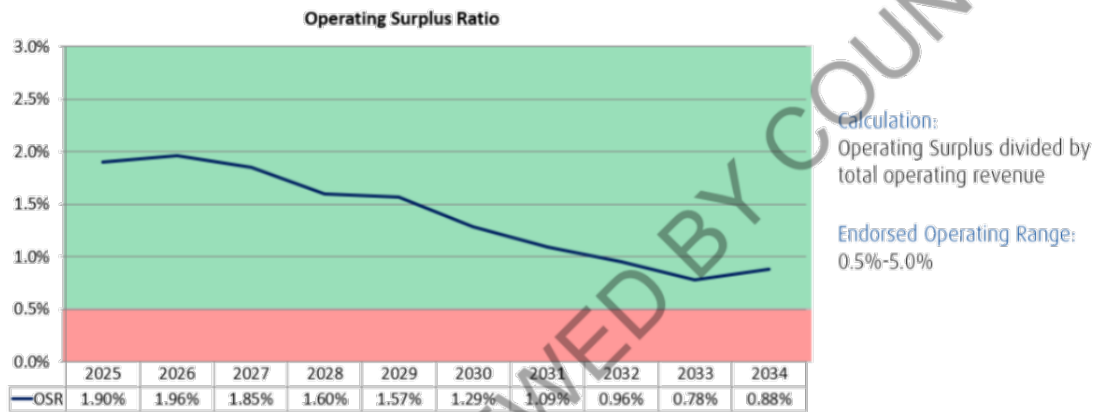
Long Term Financial Plan 24/25 To 33/34

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.

- Within Endorsed Operating Range
- Outside Endorsed Operating Range

Operating Surplus Ratio



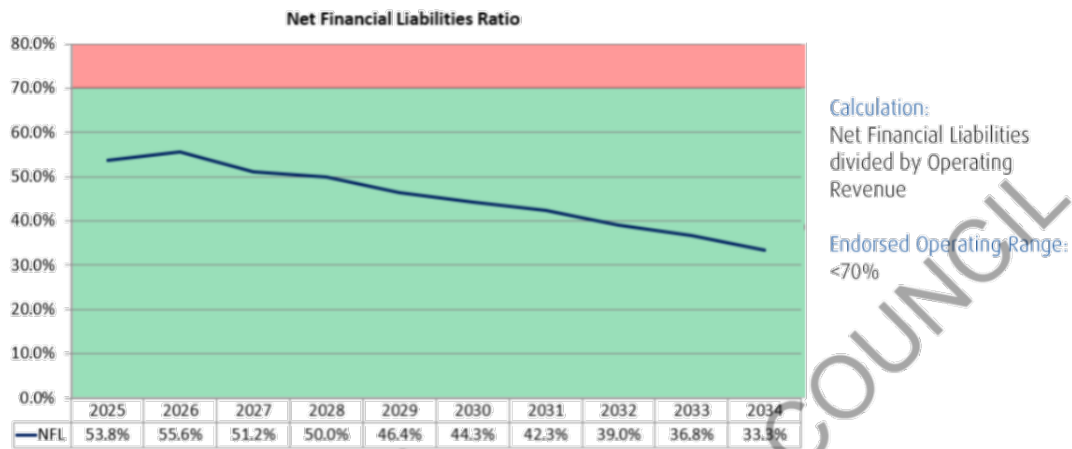
Councils with a positive Operating Surplus Ratio have current rate payers meeting the costs of the services that they are consuming. The larger the ratio the more revenue that is available to fund unforeseen expenditure requirements and the operating surplus can be directed to infrastructure expenditure,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

NOT YET REVIEWED BY COUNCIL

Long Term Financial Plan 24/25 To 33/34

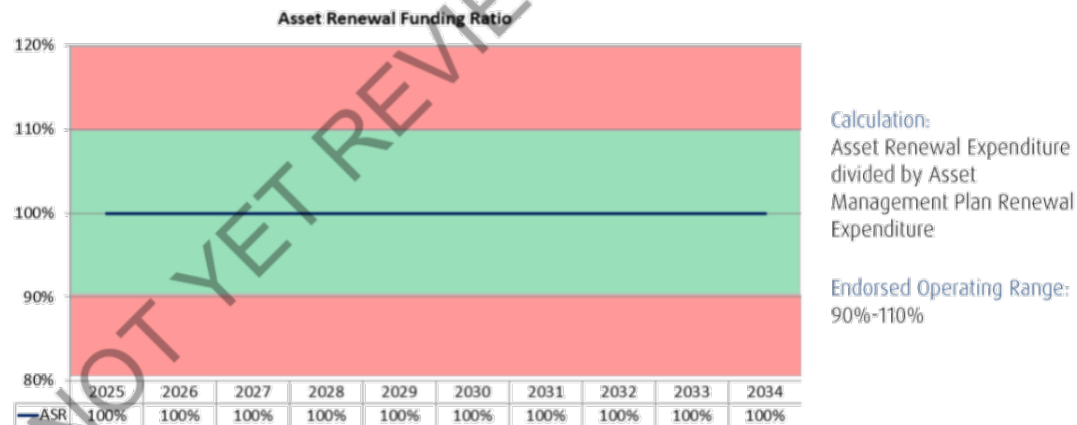
Net Financial Liabilities Ratio



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



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 LTFP 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 \$3.008M
- Gross infrastructure investment of \$49.3M (including \$27M of asset renewal) and a net cost of \$42.8M considering funding from grants.
- Moderate and sustainable levels of debt, with net financial liabilities of \$85M or 53.8% of total operating revenue.

Rate Increase

The 2024/25 average rate increase is proposed to be 5.5% 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) \$5.3M 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	\$655k
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 24.

Footpath Maintenance

The Footpath maintenance budget has been increased by \$655k to \$1.75M 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 City's sustainability goals at major events.

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 30.

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, barbecue 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 2.1.4 - Attachment 1 - Draft 2024/25 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	
A welcoming and liveable City						
Operating Bids						
Thrive Action Plan 24-25						
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
Confidential Item						
Confidential	212	50	162	166	171	175
Confidential Item						
Confidential	203	216	(13)	(13)	(14)	(14)
Confidential Item						
Confidential	1,214	0	1,214	861	684	448
Twelve25 Youth Employment and Work Ready project						
A youth specific (12-25 years) workforce and employment skills program.	20	0	20	0	0	0
Supplementary Events Budget						
To provide funding for various community events.	66	0	66	0	0	0
Cleaning & Sanitary Services for Additional Facilities						
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
Salisbury Hub After Dark						
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
Additional Security Services						
New allocation related to security services to cover static guards for all Council and Committee meetings excluding security services required for the Salisbury Hub After Dark service.	110	0	110	113	116	119
Playspace Compliance Audits						
New allocation of operating funding to undertake Playspace Compliance Audits due to increased audit requirements.	120	0	120	123	127	130
Footpath Maintenance						
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.	655	0	655	674	691	709
Environmental Health Officer (1.0 FTE Level 5)						
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
Operating Components of Capital Bids						
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	33	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
TOTAL - A welcoming and liveable City	3,297	312	2,985	2,639	2,324	2,129

NOT YET REVIEWED BY COUNCIL

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
A sustainable City						
Operating Bids						
Adelaide Coastal Councils Network						
To fund the annual membership fee for the Adelaide Coastal Councils Network.	10	0	10	10	10	10
Waste Management for Events						
Provision of a Waste Management System at major events that aligns with the City's sustainability goals.	30	0	30	31	32	33
Operating Components of Capital Bids						
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
Googee Avenue Reserve, Paralowie - Irrigated Green Space	0	0	0	6	6	6
TOTAL - A sustainable City	587	30	557	447	83	(5)

NOT YET REVIEWED BY COUNCIL

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
A growing City that creates opportunities						
Operating Bids						
Strategic Land Review Feasibilities						
Provide funding to undertake the feasibility and business case investigations for the Strategic Land Review program.	150	0	150	150	150	150
Operating Components of Capital Bids						
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
Confidential Item	150	0	150	0	0	0
TOTAL - A growing City that creates opportunities	1,304	0	1,304	1,187	1,213	1,242

NOT YET REVIEWED BY COUNCIL

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
Innovation and Business Development						
Operating Bids						
Planning Officer (1.0 FTE Level 5)						
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
Dog and Cat Subsidised Desexing 2024/25						
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
Pooraka Pound Cleaning						
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
Data for strategic planning and decision making						
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
Community Experience Strategy						
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
Representation Review						
Funds to engage external resourcing required to conduct the statutory Representation Review.	40	0	40	0	0	0
Elected Members Training						
Funding for the training and development of Council's Elected Members.	62	0	62	62	62	62
Operating Components of Capital Bids						
TOTAL - Innovation and Business Development	517	251	266	174	177	228
Total Operating Budget Bids	5,705	593	5,112	4,447	3,797	3,594

Infrastructure Budget Bids



Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

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
A welcoming and liveable City						
Renewal						
Building Service Continuity Program						
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
Dog Park Service Continuity Program						
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
Playground Service Continuity Program						
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
Outdoor Sports Court Service Continuity Program						
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
Fitness Equipment Service Continuity Program						
Renewal of fitness equipment assets based on age, condition, function and service level.	0	0	0	64	65	67
Outdoor Furniture Service Continuity Program						
Renewal of existing outdoor furniture based on age, condition and function. The scope of this bid includes park benches, picnic settings, shelters, bike racks, drinking fountains and barbecues.	52	0	52	53	54	56
Open Space Signage Service Continuity Program						
Renewal of reserve and information signage based on age, condition and function. This includes reserve signs, wayfinding information and interpretive signage.	52	0	52	53	54	56
Sport Lighting Service Continuity Program						
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
Bus Shelter and Bus Stop Improvement Service Continuity Program						
Ongoing renewal of bus shelters owned by the City of Salisbury including the upgrade of bus stop pads where required to ensure universal design and Disability Discrimination Act (DDA) criteria are met.	227	0	227	233	239	245
Signalised Pedestrian Crossing Service Continuity Program						
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
Passmore Place Reserve, Salisbury North - Bicycle Motocross (BMX) Track Resurfacing						
Reseal the Bicycle Motocross (BMX) track at Passmore Place Reserve, Salisbury North.	70	0	70	0	0	0
Ingle Farm Recreation Centre						
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
St Kilda Playground Service Continuity Program						
Based upon condition and compliance audit of playground assets, this bid is to replace non-complaint and failed play elements at St Kilda Adventure Park.	1,133	0	1,133	0	0	0
Total Renewal	7,440	0	7,440	6,526	6,722	9,043

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	
New						
Clubs/Sporting Facilities Service Continuity Program (Minor Infrastructure Grant) Funding for the Minor Capital Works Grants Program to enable sporting and similar clubs to initiate minor improvements (buildings facilities and equipment).	464	0	464	477	489	502
Community and Public Art Program Continuation of our public art program to beautify and promote arts and culture within our region.	31	0	31	32	0	0
Major Entry Sites Landscape Enhancements Service Continuity Program Creation of new entry statements and feature landscape enhancements at key entry locations in the City.	41	0	41	180	44	167
Community Use Sports Court Lighting Service Continuity Program 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
Bicycle Network Improvements Service Continuity Program Improvements to the on and off-road cycling network across the City to ensure continuity of travel across the City.	208	50	156	162	196	173
City Wide Trails Service Continuity Program Continued development and upgrade of the 'Green Trails' network that follows key open space corridors and waterways.	824	300	524	547	569	407
Lindblom Park New Changeroom Facilities 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
Lake Windemere, Salisbury North - Amenities 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
Automated External Defibrillators (AEDs) Program 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
Supply & Install New Public Toilet at Salisbury North Oval Supply and install new unisex public toilet amenities at Salisbury North Oval.	300	0	300	0	0	0
Playspace Renewal at Laurence's Green, Parafield Gardens 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
The Gardens, Recreation Centre Upgrade, Parafield Gardens 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
4 x New Pump Tracks in various locations Supply and install four new Pump Track locations within the City, including associated amenities.	700	0	700	700	0	0
6 x Community Defibrillators Supply and install six new community defibrillators within the City public realm.	14	0	14	0	0	0
New Dog Park, RM Williams Drive, Walkley Heights Installation of a new dog park at RM Williams Drive Reserve, Walkley Heights.	500	0	500	0	0	0
Total New	6,736	350	6,386	2,548	1,460	1,260
TOTAL - A welcoming and liveable City	14,176	350	13,826	9,074	8,182	10,303

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
A sustainable City						
Renewal						
Watercourse Management Service Continuity Program						
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
Dam Service Continuity & Rectification Program						
Provides funding for civil rectification works of the 21 dams within the City.	77	0	77	79	82	223
Environmental Open Space Land Management Service Continuity Program						
The environmental management of specific lands within Council's open space areas to comply with legislative requirements.	103	0	103	106	109	112
St Kilda Breakwaters Service Continuity Program						
Ongoing program of renewal of the St Kilda Breakwater (sides of the Boat Channel).	412	0	412	0	435	0
Major Drainage Service Continuity Program						
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
Irrigation Service Continuity Program						
This program is for the replacement of irrigation systems within the City's parks and reserves which have reached end of serviceable life.	1,240	0	1,240	350	358	368
Feature Landscapes Service Continuity Program						
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
Tree Screen Renewal Service Continuity Program						
The Tree Screen Renewal Program is to rejuvenate and improve tree and shrub screens found along road and other transport corridors.	515	0	515	138	141	145
Irrigation Controller Renewal						
This bid is for the replacement of irrigation controllers and cabinets within the City's parks and reserves which have reached end of serviceable life due to the cessation of the 3G mobile network.	1,030	0	1,030	0	0	0
Fences and Bollards Service Continuity Program						
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
Mawson Lakes and Edinburgh Sound Attenuation Walls Service Continuity Program						
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
Public Lighting Service Continuity Program						
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.	986	0	986	821	850	931
Salisbury Water Asset Renewal Program						
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
Salisbury Water - Business Unit Planning Program						
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
Total Renewal	6,412	0	6,412	3,705	4,484	4,578

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
New						
Local Flooding Service Continuity Program Design and construction of localised minor flood mitigation works as a result of flooding reports and miscellaneous minor drainage works not funded elsewhere.	113	0	113	117	119	123
Major Flooding Mitigation Service Continuity Projects This program is generated from Council's Integrated Water Management Strategy which identifies a number of projects for major flood mitigation.	412	0	412	424	435	446
Minor Drainage Networks 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
Streetscapes Planting Service Continuity Program 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
Jones Road Bollivar - Site Rehabilitation for Future Clean Fill Disposal Funding to rehabilitate Jones Road as an Environment Protection Authority approved fill containment site to replace the previous Swan Alley/Whites Rd site at Globe Derby.	57	0	57	58	60	61
Salisbury Water - Bellchambers Managed Aquifer Recharge (MAR) Scheme Capacity expansion of Salisbury's Managed Aquifer Recharge Scheme to deliver an additional 800 ML/year of recycled water from the Adams Creek Catchment to supply to customers in the northern regions of Salisbury & Playford council areas. 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.	5,638	5,616	22	5,795	0	0

NOT YET REVIEWED BY COUNCIL

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
Salisbury Water - Pump Station Upgrade Program 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
Salisbury Water - Recycled Water Supply to Reactivated Reserves Extension of the Salisbury Water distribution network to supply recycled water to various reserves across the City of Salisbury.	250	0	250	250	250	250
Salisbury Water - Sustainable Schools Program Construct new Salisbury Water distribution mains to facilitate new recycled water connections to schools.	200	0	200	0	0	0
Pledger Wetlands, Mawson Lakes - Irrigation Supply points relocation 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
Ascot Drive Reserve, Paralowie, New Irrigation 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
Salisbury Water Distribution Main Linkages 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
Ryans Road Flood Mitigation Basin Provides funding for the construction of a Flood Basin at Ryans Road, Mawson Lakes.	50	0	50	810	0	0
Coogee Avenue Reserve, Paralowie – Irrigated Green Space Conversion of a section of dryland reserve into a new irrigated green space at Coogee Avenue Reserve, Paralowie.	128	0	128	0	0	0
Total New	8,622	5,616	3,006	9,163	2,630	2,152
TOTAL - A sustainable City	15,035	5,616	9,419	12,868	7,114	6,730

Infrastructure Budget Bids

	2024/25		2025/26	2026/27	2027/28	
	Exp	\$000's Funding	\$000's Net	\$000's Net	\$000's Net	
A growing City that creates opportunities						
Renewal						
Carpark Renewal / Upgrade Service Continuity Program						
Resealing and upgrade of carparks including unsealed carparks.	206	0	206	212	217	223
Bridge Service Continuity Program						
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
Asphalt Shared Use Paths Service Continuity Program						
Programmed renewal of existing asphalt shared use paths within reserves and path networks.	206	0	206	212	217	223
Road Reseal Service Continuity Program						
Maintain road surfaces, surface treatments and road pavements to deliver service continuity.	10,250	0	10,250	10,558	10,855	12,260
Pratt Avenue Bridge Pooraka						
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
Total Renewal	12,995	0	12,995	11,330	11,648	13,074
New						
Miscellaneous Land Acquisition Service Continuity Program						
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
Developer Funded Service Continuity Program						
Undertake a program of works for which Council has received contributions from Developers to deliver, including but not limited to, planting of trees, 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
Minor Traffic Improvements Service Continuity Program						
Implementation of minor traffic control improvement works such as local area traffic management, pedestrian facilities, parking improvements and minor traffic control devices.	165	0	165	169	174	178
Major Traffic Improvements Service Continuity Program						
A consolidated program to undertake major traffic improvements to the road network that require specific and significant traffic control measures.	652	0	652	106	745	111
School Zones and Pedestrian Crossings Service Continuity Program						
Installation of new or upgraded school zones and pedestrian crossing facilities.	783	263	520	265	272	279
New Footpath and Kerb Ramps Service Continuity Program						
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.	400	0	400	514	316	325
Footpath Trading Pedestrian Service Continuity Protection						
The supply and installation of infrastructure to ensure safety for footpath trading areas that have been identified as part of applications and permit conditions.	26	12	13	14	14	15
Upgrade of St Kilda Boat Ramp Car Park and the RV Trailer Park						
Funds for the upgrade of amenities at the St Kilda Recreation Vehicle (RV) trailer park.	100	0	100	0	0	0
Total New	2,387	481	1,906	1,126	1,581	968
TOTAL - A growing City that creates opportunities	15,382	481	14,901	12,456	13,229	14,042

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
Innovation and Business Development						
Renewal						
Building Furniture and Equipment Service Continuity Program						
Renewal of inside ergonomic furniture and equipment across all Council facilities.	103	0	103	106	109	112
Asset Auditing & Valuation Planning Program						
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
Investigation, Planning & Design for Future Works not elsewhere covered						
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
Total Renewal	1,194	0	1,194	1,229	1,263	1,295
TOTAL - Innovation and Business Development	1,194	0	1,194	1,229	1,263	1,295
Total Capitalised Employee Expenses	3,468	0	3,468	3,565	3,658	3,753
Total Renewal	28,042	0	28,042	22,791	24,116	27,990
Total New	17,746	6,447	11,299	12,836	5,671	4,380
Total Infrastructure Program	49,255	6,447	42,809	39,192	33,445	36,123

NOT YET REVIEWED BY COUNCIL

Information Technology Budget Bids



Item 2.1.4 - Attachment 1 - Draft 2024/25 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 Net	\$000's Net	\$000's Net
Innovation and Business Development						
IT Asset Renewal						
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
Expansion of Centrally Managed Wi-Fi 2024/25						
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
Replacement of Elected Members Microphones in Little Para Conference Room						
Replace the Microphones used by the Elected Members during Council Meetings with a robust and flexible solution.	104	0	104	0	0	0
Environmental Systems Research Institute (ESRI) Advanced Business Analytics and ArcGIS Urban Licences						
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
TOTAL - Innovation and Business Development	1,770	0	1,770	1,555	796	881
Total IT Budget Bids	1,770	0	1,770	1,555	796	881

Plant, Furniture and Equipment Budget Bids



Item 2.1.4 - Attachment 1 - Draft 2024/25 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
A welcoming and liveable City						
CCTV Renewal Program						
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
Plant Equipment for Removal of Seaweed from St Kilda Boat Channel						
Procurement of a push boat to remove seaweed from the St Kilda boat channel.	48	0	48	4	4	4
TOTAL - A welcoming and liveable City	182	0	182	142	145	149
Innovation and Business Development						
Plant & Fleet Replacement Program						
Deliver plant and fleet replacement in alignment with the Fleet Asset Management Plan.	3,090	802	2,289	1,602	1,924	2,213
TOTAL - Innovation and Business Development	3,090	802	2,289	1,602	1,924	2,213
Total PFE Budget Bids	3,272	802	2,470	1,744	2,069	2,363

NOT YET REVIEWED BY COUNCIL

NOT YET REVIEWED BY COUNCIL

This page has intentionally been left blank

Budgeted Financial Statements and Analysis



Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

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	157,985	11,053	7.52%
Operating Expenditure	143,747	154,977	11,230	7.81%
Operating Surplus/(Deficit)	3,185	3,008	(177)	(5.56%)

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	130,057	8,098	6.64%
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%
Total Operating Revenue		146,932	157,985	11,053	7.52%

1.1.1 Rates Revenue (\$8,098k Increase)

The anticipated Rates Revenue in 2024/25 is \$130.1M which when compared to 2023/24 Rate Revenue of \$122M, represents an increase of \$8.1M or 6.64%. This reflects the proposed average rate increase of 5.5% 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	67,294	6,436	10.58%
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%
Total Operating Expenses		143,747	154,977	11,230	7.81%

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 (\$6.4M Increase)

Materials, Contracts and Other Expenses include purchases of consumables that are used throughout the Council for the provision of services. It includes utility costs and works and services which the Council sources externally so as to allow the Council to perform its operations. It encompasses a broad range of 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 \$67.3M compared to \$60.9M in 2023/24. This is an increase of \$6.4M or 10.58%. Major movements in expenditure include Confidential Items \$1,629k, Waste Management \$1,190k and Footpath Maintenance of \$882k.

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.



NOT YET REVIEWED BY COUNCIL

This page has intentionally been left blank

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
A welcoming and liveable City					
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	116	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
Total A welcoming and liveable City	25,532	11,868	37,399	7,198	30,201
A sustainable City					
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
Total A sustainable City	50,330	17,994	68,325	3,463	64,862
A growing City that creates new opportunities					
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	9,930	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
Total A growing City that creates new opportunities	10,619	15,884	26,502	6,099	20,403
Innovation and Business Development					
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)
Total Innovation and Business Development	57,266	(45,746)	11,520	9,039	2,482
Rates Revenue				121,134	(121,134)
TOTAL OPERATING SURPLUS / (DEFICIT)	143,746		143,746	146,932	3,186

* 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
A welcoming and liveable City					
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
Total A welcoming and liveable City	26,204	-	26,204	7,487	18,717
A sustainable City					
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
Total A sustainable City	52,376	-	52,376	3,715	48,661
A growing City that creates new opportunities					
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
Total A growing City that creates new opportunities	11,027	-	11,027	6,657	4,370
Innovation and Business Development					
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
Total Innovation and Business Development	59,502	-	59,502	10,340	49,161
Rates Revenue				129,193	(129,193)
Operating Budget Bids	5,868		5,868	593	5,275
TOTAL OPERATING SURPLUS / (DEFICIT)	154,977		154,977	157,985	3,008

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

A welcoming and liveable City



Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Foundations

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



Council's commitment to develop a welcoming and liveable City

Council will:

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

CRITICAL ACTIONS

Strategic Projects	Budget Context
Upgrade community hubs at Burton and Ingle Farm	The Burton Community Hub was successfully launched in July 2022 and a variety of programs and services are currently being delivered on site providing direct community benefit to the local area.
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 shared clubroom facility in 2024. 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 is a valuable asset to the community and provides opportunities for both formal and informal use. The centre has been used for regional level carnivals and has been established as a regular home for many school sports days.
Provide at least 15% affordable housing through Council's development projects	Lake Windemere development has been released to the market. At least 15% affordable housing will be delivered at a price point 10% below the State Government affordable price point. Houses will be constructed during 2024/25. Walkleys Development planning application will be lodged which will deliver a minimum of 15% affordable housing at 10% below the State Government affordable price point.
Implement the regional public health plan and wellbeing agenda	The Regional Public Health Plan (City of Salisbury Wellbeing Plan) was delivered in 2023. The Reconciliation Action Plan, NAIDOC Activities are all in scope the First Nation's Strategic Group, which will be brought together in the back half of 2024.
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: Manor Farm sport field and Brahma Lodge sports field. In addition, a significant upgrade to footpaths and street trees is being undertaken in mid-2024 to Ingle Farm and Pooraka.
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, with State government support, will continue 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: Fairbanks Reserve Paralowie, Yalumba Reserve Paralowie and Camelot Drive 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.

NOT YET REVIEWED BY COUNCIL

TO BE FINALISED

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

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	The CCTV Policy was adopted in August 2023 and implementation of the Community Safety CCTV program is ongoing. A White Ribbon event was held by the Polaris Centre in 2023 with presentations of how business and workplaces can support women and provide an inclusive and safe environment for all employees. Council's White Ribbon Accreditation has been placed on hold while the South Australian Government undertakes the Royal Commission into Domestic, Family and Sexual Violence. Opportunities for the City of Salisbury to address domestic violence in our community will be presented to Council at the conclusion of the Royal Commission.
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. These grant programs continue to provide clubs and community organisations opportunities to improve their facilities and the services and amenities that the community engage with.
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. Progress is reported to Council and a recent update of achievements reported to the new Intercultural Partnerships Subcommittee.

NOT YET REVIEWED BY COUNCIL

TO BE FINALISED

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

CRITICAL ACTIONS	
<p>Future Planning</p> <p>Develop a place activation strategy</p> <p>Assess future social infrastructure needs</p> <p>Update the 'City Pride' strategy</p>	<p>Budget Context</p> <p>The framework for the consideration of place activation by use, per destination has been endorsed by Council and continues to be updated in line with user requirements, sports associations guidelines and financial affordability.</p> <p>Community Centre Governance Review was delivered and provided direction on Council's community assets. The Place Activation Strategy – Community Facilities is currently underway.</p> <p>Key data sets across a series of quality-of-life measures and community input have been utilised to inform the development of the city's wellbeing strategy. The THRIVE strategy was endorsed by Council November 2023 and demonstrates the City's commitment to supporting the health and wellbeing of our community.</p>
<p>Advocacy Priorities</p> <p>Increased resourcing and services to make our community a safer place</p> <p>Improve public transport options</p> <p>Improved infill development policies and urban design</p> <p>Programs and services to address mental health, housing and income inequity issues</p>	<p>Budget Context</p> <p>Council continues to deliver Neighbour Day and encourage other neighbourhood level initiatives with the aim to increase local connections and build community resilience.</p> <p>We have delivered in consultation with the State Government 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. 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 works closely with the Adelaide North West Homelessness Alliance to respond to instances of people sleeping rough around the City Centre and share information so that fortnightly outreach services can deliver appropriate support during visits. Council works closely with other council's through the Local Government Homelessness Network and Northern Homelessness Network for Council Directors to share information develop responses for the local government sector. Under current exploration is a pilot of a Social Worker in Libraries program to better respond to library users who present with complex health, mental health or other needs and provide appropriate, coordinated support for our community members. The Community Planning team have begun collaborating across the organisation to address cost of living issues within our community. Community engagement is currently to gain an understanding of the pressures the local community is facing.</p>

NOT YET REVIEWED BY COUNCIL

TO BE FINALISED

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

NOT YET REVIEWED BY COUNCIL

This page has intentionally been left blank

Community Development



Key Partners:

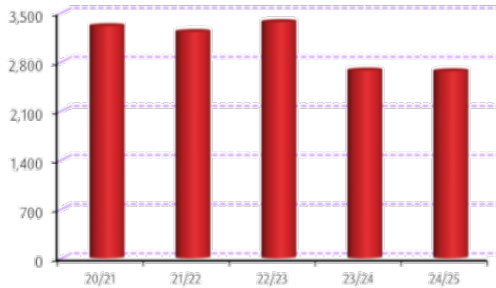
- Department of Health
- Department for Education (SA)
- Department of Human Services (SA)
- Reconciliation Australia
- University of SA
- Alcohol and Drug Foundation
- Northern Adelaide Local Health Network
- Anglicare SA
- White Ribbon
- SAPOL
- Relationships SA
- Northern Mental Alliance
- Adelaide North West Homelessness Alliance (ANWHA)

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

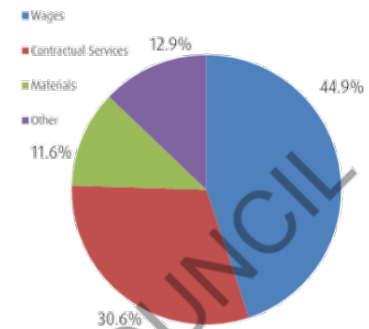
SERVICE AREAS	ACTIVITIES SERVICE LEVELS
<p>Community Development Administration Provides for Executive Management and associated support for the overall management and leadership of the Community Development Department.</p>	<ul style="list-style-type: none"> • Leadership of the Community Development department and accountability for outcomes assigned to the department
<p>Community Grants Management and allocation of the Community Grants Program which provides grants for community and sporting organisations undertaking projects of benefit to the local community.</p>	<ul style="list-style-type: none"> • Applications received, approximate average 32 pa
<p>Community Planning <i>Sport and Recreation</i> Undertakes research and develops policy and program delivery in relation to open space, recreation, leisure and sports development for the City for community wellbeing. Programs focus on increasing the physical activity levels within the City.</p>	<ul style="list-style-type: none"> • Review community recreation and open space needs • Provide support to sporting club development • Provide advice related to sport and recreation facility development • Contribute to the development of the Place Activation Strategy • Contract management of the operation of Council recreation facilities • Provide advice and lead stakeholder engagement for sport and recreation facility development • Management of the athletics centre at Bridgestone Reserve
<p><i>Cultural Development</i> Researches, develops and implements policy and program delivery that responds to the cultural development needs of the community that lives, works and studies within the City.</p>	<ul style="list-style-type: none"> • Deliver a cultural program of events, exhibitions and celebrations • Collaborate with organisations and businesses to support cultural activities • Place curation to activate spaces • 10 exhibitions organised in the John Harvey Gallery • Administration of Watershed Creative Prize, as part of the Writers Week festivities, staging of Vietnam Veterans and Asbestos Victims ceremonies, other place activations and Salisbury Fringe Carnival
<p><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.</p>	<ul style="list-style-type: none"> • Liaise with SAPOL, agencies and businesses on community safety • Regional partnerships in local drug action, homelessness, domestic violence, reconciliation and coordination of Regional Public Health Plan • Provide statistical analysis to social service delivery and social infrastructure provision • Coordination of activities that respond to homelessness, cost of living and community wellbeing • Community bus coordination • Planet Youth drug and alcohol primary prevention program
<p><i>Events</i> Delivers a range of events across the city to encourage community participation, activate the City and celebrate a range of interests.</p>	<ul style="list-style-type: none"> • Curate and deliver a range of events across the City

Community Development

Budgeted Community Development Operating Expenditure (\$'000)



Community Development (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Community Development Administration	1,153	1,063
Community Grants	186	186
Community Planning	1,317	1,397
DIRECT EXPENDITURE	2,656	2,646
FULL COST ATTRIBUTION	701	
TOTAL EXPENDITURE	3,357	2,646
INCOME		
Community Planning	28	
TOTAL INCOME	28	
NET IMPACT TO COUNCIL		
Community Development Administration	1,153	1,063
Community Grants	186	186
Community Planning	1,289	1,397
FULL COST ATTRIBUTION	701	
TOTAL NET IMPACT TO COUNCIL	3,329	2,646

Library Services



Key Partners:

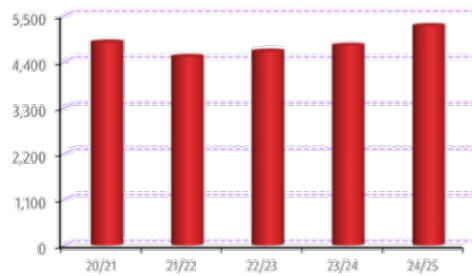
- Public Library Services
- Libraries Board of South Australia
- State Library of South Australia
- Public Libraries SA
- Department for Innovation and Skills
- Department of Employment and Workplace Relations
- Non-government organisations
- Northern Adelaide State Secondary Schools Alliance

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

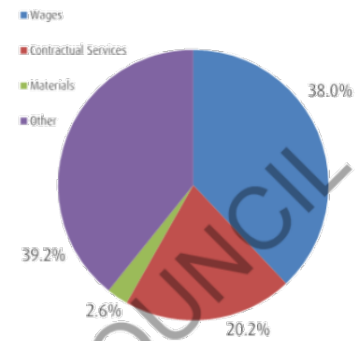
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Building Maintenance Libraries Council's building maintenance program ensures that our library facilities are maintained to the agreed service level. Council is responsible for undertaking routine maintenance of fixed fittings, which includes the building, gas, plumbing and electrical assets.</p>	<p>Maintenance of the building structures including general repairs and programmed maintenance</p> <ul style="list-style-type: none"> • Electrical and Plumbing Service: <ul style="list-style-type: none"> - Priority 1 - Emergency within 2 hours - Priority 2 - Within 24 hours - Priority 3 - General seven days (maximum)
<p>Library Administration and Policy Provides for the management and associated support staff for the function of the library services.</p>	<ul style="list-style-type: none"> • Manage library branch services, library information and access and collections effectively in line with arrangements through the Libraries Board of South Australia
<p>Library Branch Services 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.</p>	<ul style="list-style-type: none"> • 505,000 visits (300,000 Salisbury Community Hub) • 25,000 library members (140 Home Library) • 16,000 PC bookings • 24,500 Justice of the Peace visits
<p>Library Information and Access 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.</p>	<ul style="list-style-type: none"> • 507,000 physical loans • 82,000 digital loans
<p>Community Programs 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.</p>	<ul style="list-style-type: none"> • 22,000 attendees to programs • Successful partnerships including Lit for Life program and National Careers Institute Pathways for Women Grant

Library Services

Budgeted Library Services Operating Expenditure (\$'000)



Library Services (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
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
DIRECT EXPENDITURE	4,793	5,264
FULL COST ATTRIBUTION	3,712	
TOTAL EXPENDITURE	8,505	5,264
INCOME		
Library Administration and Policy	419	426
Library Branch Services	100	94
Library Information and Access	88	117
Community Learning Programs	3	28
TOTAL INCOME	610	665
NET IMPACT TO COUNCIL		
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
FULL COST ATTRIBUTION	3,712	
TOTAL NET IMPACT TO COUNCIL	7,895	4,600

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

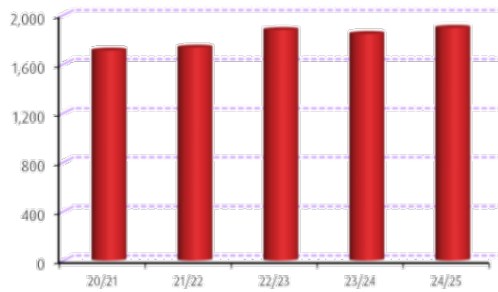
As part of Community Capacity and Learning Division, Community Centres contain the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES SERVICE LEVELS
<p>Building Maintenance Community Centres 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"> • Electrical and Plumbing Service: <ul style="list-style-type: none"> - Priority 1 - Emergency within 2 hours - Priority 2 - within 24 hours - Priority 3 - General seven days (maximum)
<p>Community Centres Deliver learning and engagement activities for all ages across Community Centres in Salisbury North (Bagster Road), Parafield Gardens (Morella), Pooraka (Pooraka Farm) and Salisbury East; Hub sites at the Mawson Centre, Para Hills and Burton Community Hubs, and at the Twelve25 Youth Centre, Salisbury.</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"> • 85,500 attended programs • 700 groups utilised the Centres • 60 Volunteers, who contributed 19,000 hours • 100 residents engaged in Neighbour Day • Launched Morella Cultural Kitchen • 5,000 attended 4 community markets

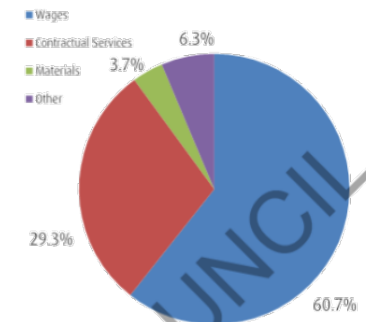
NOT YET REVIEWED BY COUNCIL

Community Centres

Budgeted Community Centres Operating Expenditure (\$'000)



Community Centres (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Building Maintenance Community Centres	489	357
Community Centres	1,359	1,541
DIRECT EXPENDITURE	1,848	1,899
FULL COST ATTRIBUTION	1,147	
TOTAL EXPENDITURE	2,995	1,899
INCOME		
Community Centres	116	212
TOTAL INCOME	116	212
NET IMPACT TO COUNCIL		
Building Maintenance Community Centres	489	357
Community Centres	1,244	1,330
FULL COST ATTRIBUTION	1,147	
TOTAL NET IMPACT TO COUNCIL	2,879	1,687

Recreation Services



Key Partners:

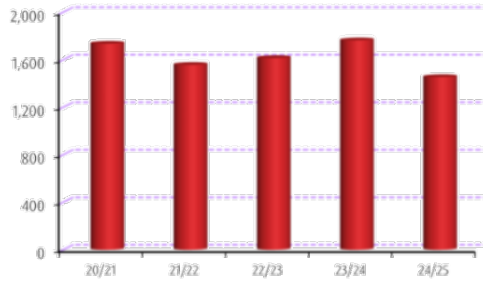
- Service Delivery – BlueFit & Greenspace Management
- Netball SA
- Squash SA
- Tennis SA
- Council of the Aging (COTA)
- Recreation SA
- AustSwim
- Swimming Australia
- Department of Education and Children’s Services
- Office for Recreation, Sport and Racing
- University of SA
- Basketball Australia
- Adelaide Community Basketball Association

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

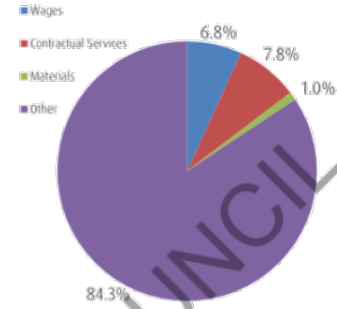
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Building Maintenance Council’s building maintenance program ensures that our recreation facilities are maintained to the agreed service level. Council is responsible for undertaking routine maintenance of fixed fittings, which includes the building, gas, plumbing and electrical assets.</p>	<p>Maintenance of the building structures including general repairs and programmed maintenance</p> <ul style="list-style-type: none"> • Electrical and Plumbing Service: <ul style="list-style-type: none"> - Priority 1 – Emergency within 2 hours - Priority 2 – within 24 hours - Priority 3 - General seven days (maximum)
<p>Recreation Services Contract City of Salisbury provides recreation services through an outsourced business model. Services are provided as follows:</p> <p><i>Ingle Farm Recreation Centre</i> The Centre consists of 3 multi-sport courts, 4 squash courts, training rooms, offices and a function room with a fully equipped catering kitchen. The Centre offers a wide variety of recreational activities such as basketball, netball, roller skating, kindigym, archery, squash and birthday parties. The Centre also accepts payments for rates, fines and dog registration on behalf of Council.</p> <p><i>Gardens Recreation Centre</i> Is a multi-purpose sporting complex providing opportunities for activities such as basketball, netball, kindigym, Futsal and community events such as the annual Craft Fair and Hobby Fair. Also providing access opportunities for organisations such as table tennis, martial arts, Comrec, Novita Children’s Services and Helping Hand. The Centre also plays hosts to many national, state and local sporting events and shows.</p> <p><i>Salisbury Recreation Precinct</i> The Salisbury Aquatic Centre 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> <p><i>Little Para Golf Course</i> Located at Martins Road, Paralowie, the Little Para Golf Course is a 9-hole, par 3 course. The course winds through the Little Para River and is accompanied by a 16-bay driving range equipped with launch monitors, a clubhouse, pro-shop and a BBQ alfresco area undercover.</p>	<ul style="list-style-type: none"> • 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"> - Ingle Farm Recreation Centre - Parafield Gardens Recreation Centre - Little Para Golf Course • Direct customer visits: approx. 160,000 pa • Average teams registered: 85 pa • Customer visits: 70,000 pa • Teams registered: 180 pa • Previous Customer visits: approx. 68,500 pa • Rounds: approx. 18,000 pa • Driving range buckets: approx. 7,200 pa
<p>Bridgestone Athletics Centre The Bridgestone Athletics Centre is the home venue for 3 athletics clubs and is equipped with a synthetic eight-lane 400m track, long jump pits, throwing cages, high jump, steeple chase and pole vault equipment. The indoor area comprises a function space, changeroom facilities, bar and kiosk facilities, officials’ room and first aid area. The Centre also hosts a range of school athletics carnivals.</p>	<ul style="list-style-type: none"> • Attendances: approx. 100,000 pa

Recreation Services

Budgeted Recreation Services Operating Expenditure (\$'000)



Recreation Services (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Building Maintenance	92	107
Recreation Services Contract	1,262	1,189
Bridgestone Athletics Centre	409	158
DIRECT EXPENDITURE	1,763	1,454
FULL COST ATTRIBUTION	179	
TOTAL EXPENDITURE	1,942	1,454
INCOME		
Bridgestone Athletics Centre	136	87
Recreation Services Contract	25	82
TOTAL INCOME	161	169
NET IMPACT TO COUNCIL		
Building Maintenance	92	107
Recreation Services Contract	1,237	1,107
Bridgestone Athletics Centre	274	72
FULL COST ATTRIBUTION	179	
TOTAL NET IMPACT TO COUNCIL	1,781	1,286

Community Sport and Club Facilities



Key Partners:

- Sporting and Community Clubs

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

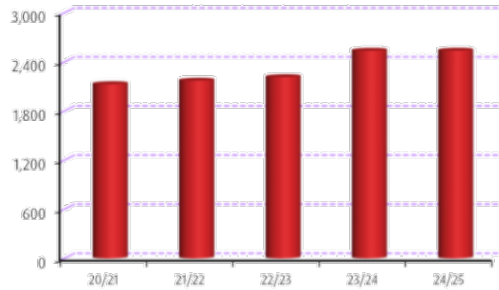
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Building Maintenance Sport and Community Facilities Council's building maintenance program ensures that our sporting and community facilities are maintained to the agreed service level. Council is responsible for undertaking routine maintenance of fixed fittings, which includes the building, gas, plumbing and electrical assets.</p>	<p>Maintenance of the clubroom and change room structures including general repairs and programmed maintenance</p> <ul style="list-style-type: none"> • Electrical and Plumbing Service: <ul style="list-style-type: none"> - Priority 1 - Emergency within 2 hours - Priority 2 - within 24 hours - Priority 3 - General seven days (maximum)
<p>Sportsfield Cutting Council 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.</p>	<p>Maintained to standards to ensure the playing surfaces are 'fit for use' for the sport being played</p> <ul style="list-style-type: none"> • 32 sites comprising 61 fields (80ha of sporting surfaces) • 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.

NOT YET REVIEWED BY COUNCIL

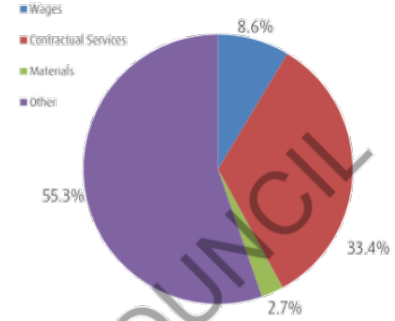
Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

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
EXPENDITURE		
Building Maintenance Sport and Community Facilities	796	733
Sportsfield Cutting	1,743	1,807
DIRECT EXPENDITURE	2,539	2,540
FULL COST ATTRIBUTION	2,134	
TOTAL EXPENDITURE	4,673	2,540
NET IMPACT TO COUNCIL		
Building Maintenance Sport and Community Facilities	796	733
Sportsfield Cutting	1,743	1,807
FULL COST ATTRIBUTION	2,134	
TOTAL NET IMPACT TO COUNCIL	4,673	2,540

NOT YET REVIEWED BY COUNCIL

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Community Health and Wellbeing



Key Partners:

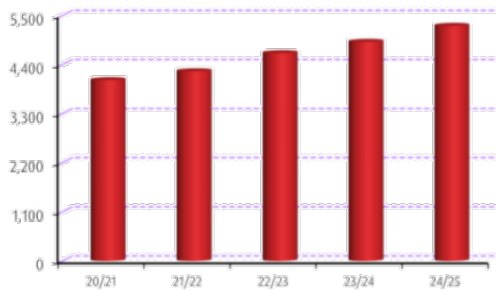
- Commonwealth Department of Health; State Department of Human Services; Department for Premier and Cabinet; Department of Home Affairs, Adelaide Primary Health Network
- COTA SA – Council on the Ageing SA; Volunteering SA & NT; Northern Volunteering; Local Government Volunteer Managers Network; Local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

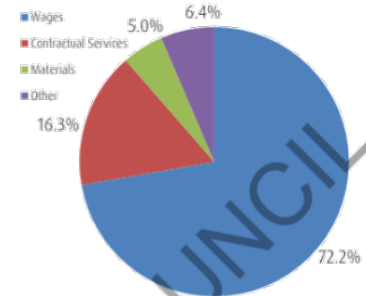
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Aged Care Policy, Planning and Coordination Service development, management of human and financial resources, co-ordination of consultation and collaborative processes and promotion of positive images of ageing. Promotion of an Age Friendly Salisbury where all have the opportunity to be involved in community life.</p>	<ul style="list-style-type: none"> • 140 volunteers • Panel of contractors: 40-50 • 5,250 Salisbury Seniors Magazines distributed (3 editions) pa • Monthly communication updates including a wellbeing newsletter, special and upcoming events publication, Salisbury Seniors Facebook; radio announcements and a bi-monthly wellbeing newsletter
<p>Volunteer Services 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.</p>	<p>During 2022/2023:</p> <ul style="list-style-type: none"> • 311 active volunteers • 45,835 hours contributed by volunteers • 40% of our workforce are volunteers
<p>Disability programs 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.</p>	<ul style="list-style-type: none"> • Participants: 40 pa
<p>Health and Inclusion Undertakes research, community and stakeholder engagement, projects, policy and strategy development in relation to community health and wellbeing; access and inclusion; mental wellbeing and resilience; aged friendly cities and intercultural communities.</p>	<ul style="list-style-type: none"> • Community needs, trends and expectations identified and translated into Council direction • Strategic partnerships developed • Salisbury Seniors Alliance • Salisbury Intercultural Community Alliance • Salisbury Intercultural Strategic Alliance • Disability Access and Inclusion Network • Develop, implement, report, evaluate and renew the City of Salisbury's Framework and Strategic Plans, i.e. Age-Friendly Strategic Plan 2022-2027, Intercultural Strategic Plan 2017-2027, Ability and Inclusion Strategic Plan 2020-24. • Council of Europe Intercultural Cities Network and Welcoming Cities Network accreditation
<p>Salisbury Home and Community Services and Housing Support Program (CSHSP) 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.</p>	<ul style="list-style-type: none"> • Number of individual residents receiving support: 2,500 pa • Domestic assistance: 7,500 hours pa • Social Support Groups 76,000 hours pa • Social support individual: 500 hours pa • Number of meals: 20,000 pa • Number of transport trips: 7,000 pa • Home modifications: \$70,000 pa • Hours of home maintenance: 3,500 pa • Number of people assisted by the Housing Support program: 180 pa

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
EXPENDITURE		
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
DIRECT EXPENDITURE	4,915	5,272
FULL COST ATTRIBUTION	2,391	
TOTAL EXPENDITURE	7,306	5,272
INCOME		
Disability Programs	306	336
Health and Inclusion	170	172
Salisbury Home and Community Services and Housing Support Program (CSHSP)	3,360	3,492
TOTAL INCOME	3,836	4,000
NET IMPACT TO COUNCIL		
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
FULL COST ATTRIBUTION	2,391	
TOTAL NET IMPACT TO COUNCIL	3,470	1,272

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>Salisbury Memorial Park Cemetery 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"> • Provide exceptional and empathetic customer service to those requiring a final resting place for loved ones • Oversee the lease of the Chapel of the Holy Family Mausoleum • Entombments: 12 pa • Standard burials: 110 pa • Vault burials: 3 pa • Inurnments: 80 pa • Licence sales: 110 pa

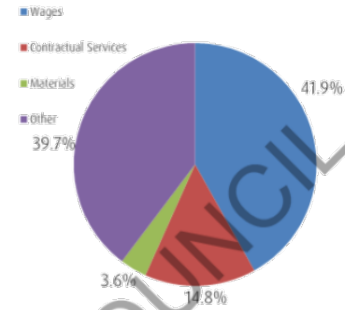
NOT YET REVIEWED BY COUNCIL

Cemetery

Budgeted Cemetery Operating Expenditure (\$'000)



Cemetery (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Salisbury Memorial Park Cemetery	605	535
DIRECT EXPENDITURE	605	535
FULL COST ATTRIBUTION	110	
TOTAL EXPENDITURE	715	535
INCOME		
Salisbury Memorial Park Cemetery	700	608
TOTAL INCOME	700	608
NET IMPACT TO COUNCIL		
Salisbury Memorial Park Cemetery	(95)	(73)
FULL COST ATTRIBUTION	110	
TOTAL NET IMPACT TO COUNCIL	15	(73)

NOT YET REVIEWED BY COUNCIL

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

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
<p>Food and Health Act Administration Council provides a range of services that aim to protect and promote a high standard of public and environmental health, through the administration and enforcement of provisions under the following legislation:</p> <ul style="list-style-type: none"> • SA Public Health Act • Food Act • Environment Protection Act • Local Nuisance and Litter Control Act • Supported Residential Facilities Act 	<ul style="list-style-type: none"> • Food premises inspection: 550 pa • Food safety audits: 45 pa • Food complaint investigations: 75 pa • Health premises inspections: 75 pa • Complaints and customer requests <ul style="list-style-type: none"> ◦ Public and environmental health 220 pa ◦ Local Nuisance and Litter Control Act: 595 pa • High Risk Manufactured Water System Registrations: 60 pa • Licensing of Supported Residential Facility: 1
<p>Immunisation Council provides an immunisation program so as to prevent the occurrence and spread of notifiable diseases, as required under the SA Public Health Act.</p>	<ul style="list-style-type: none"> • Vaccines administered at free clinics: 1000 pa • Vaccines administered through school's program: 5,700 pa • Target of 95% immunisation rate by 63 months old consistent with State/Federal aspirational targets

NOT YET REVIEWED BY COUNCIL

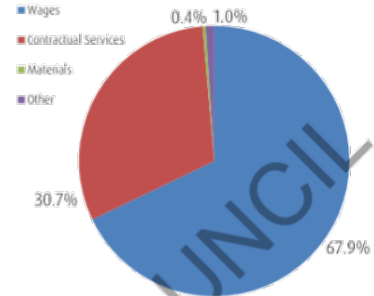
Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

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
EXPENDITURE		
Food and Health Act Administration	787	821
Immunisation	202	210
DIRECT EXPENDITURE	988	1,031
FULL COST ATTRIBUTION	392	
TOTAL EXPENDITURE	1,380	1,031
INCOME		
Food and Health Act Administration	99	114
Immunisation	153	154
TOTAL INCOME	251	268
NET IMPACT TO COUNCIL		
Food and Health Act Administration	688	707
Immunisation	49	56
FULL COST ATTRIBUTION	392	
TOTAL NET IMPACT TO COUNCIL	1,129	762

Community Compliance Services



Key Partners:

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

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

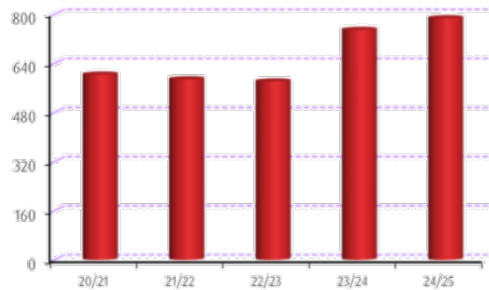
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Community Compliance Services Regular patrols of streets and public car parks to ensure that community members are complying with applicable parking and road rules legislation so as to:</p> <ul style="list-style-type: none"> • enhance and protect the safety of pedestrians and road users, • minimise traffic congestion, and • ensures adequate and equitable car parking is available for customers in shopping precincts by ensuring turnover of parking. <p>Aims to improve the safety and amenity of the area through the effective enforcement of the relevant sections of the Local Government Act, Bylaws and Local Nuisance and Litter Control Act applicable to the section.</p> <p>Undertake activities required for the development and effective operations of the responsibilities for Bushfire Management and Planning.</p> <p>Improve the safety and amenity of the area through the effective enforcement and administration of the relevant sections of the Fire and Emergency Services Act required for the effective control and reduction of risks from fuel hazards on private properties. Issue burning and hot works permits and ensure all applicants take appropriate action to burn as per permit conditions.</p>	<ul style="list-style-type: none"> • Parking, expiations and warnings: 2,500 pa • Abandoned vehicles: 500 pa • Backyard burning: 100 pa • Footpath trading permits: 25 pa • Other animal and bird nuisances: 150 pa • Littering: 700 pa • Noise and environmental nuisances: 300 pa • Fuel hazard (overgrown properties) inspections: 3,600 pa • Burning permits: 50 pa

NOT YET REVIEWED BY COUNCIL

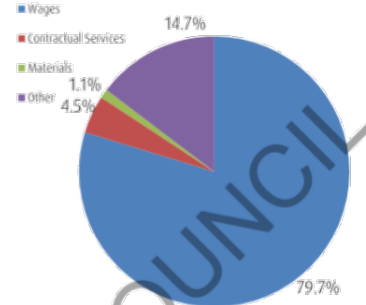
Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Community Compliance Services

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



Community Compliance Services (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Community Compliance Services	751	789
DIRECT EXPENDITURE	751	789
FULL COST ATTRIBUTION	478	
TOTAL EXPENDITURE	1,228	789
INCOME		
Community Compliance Services	308	388
TOTAL INCOME	308	388
NET IMPACT TO COUNCIL		
Community Compliance Services	443	400
FULL COST ATTRIBUTION	478	
TOTAL NET IMPACT TO COUNCIL	920	400

Dog and Cat Management



Key Partners:

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

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

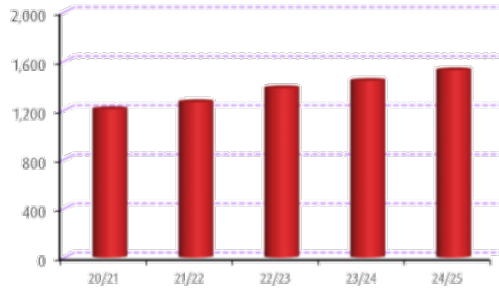
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Animal Control Administering the Dog and Cat Management Act to ensure that community members are complying with legislative requirements and implementing strategies and actions that encourage responsible dog and cat ownership, increase public safety and enhance the amenity and environment, reduce public and environment nuisances from dogs and cats and to ensure Council delivers effective and efficient dogs and cats management services.</p>	<ul style="list-style-type: none"> • Registered dogs: 24,500 pa • Dogs wandering at large: 900 pa • Dogs impounded: 430 pa • Dog attack investigations: 50 pa • Dog noise and nuisance complaints: 120 pa • Property visits as part of a dog registration survey: 6,000 pa • Inspections of premises with guard dogs: 10 pa • Bylaw exemptions for keeping more than two dogs: 150 pa • Provision of ten dog friendly parks and eight small dog parks • Cat nuisance investigations and trapping: 140 pa

NOT YET REVIEWED BY COUNCIL

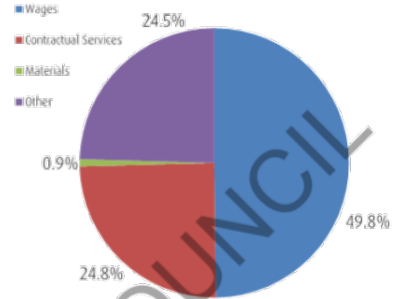
Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

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
EXPENDITURE		
Animal Control	1,441	1,528
DIRECT EXPENDITURE	1,441	1,528
FULL COST ATTRIBUTION	553	
TOTAL EXPENDITURE	1,995	1,528
INCOME		
Animal Control	1,189	1,178
TOTAL INCOME	1,189	1,178
NET IMPACT TO COUNCIL		
Animal Control	252	350
FULL COST ATTRIBUTION	553	
TOTAL NET IMPACT TO COUNCIL	806	350

Crime Prevention and Repair



Key Partners:

- Residents
- Police
- Volunteers

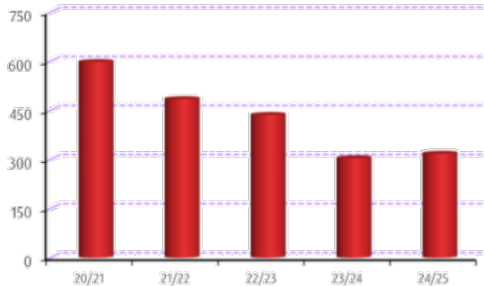
Crime Prevention and Repair contains the following Service Areas, Activities and Service Levels

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

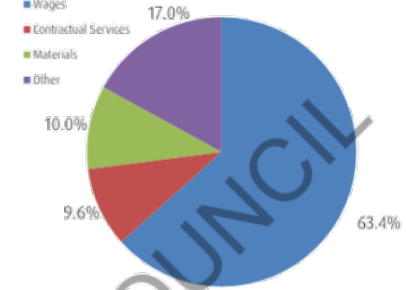
NOT YET REVIEWED BY COUNCIL

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
EXPENDITURE		
Building Maintenance Graffiti	305	319
DIRECT EXPENDITURE	305	319
FULL COST ATTRIBUTION		
TOTAL EXPENDITURE	305	319
NET IMPACT TO COUNCIL		
Building Maintenance Graffiti	305	319
FULL COST ATTRIBUTION		
TOTAL NET IMPACT TO COUNCIL	305	319

NOT YET REVIEWED BY COUNCIL

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Street Lighting



Key Partners:

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

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

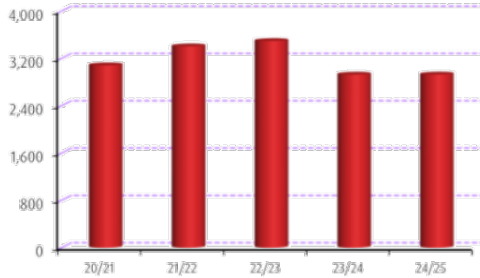
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Lighting There are over 16,000 street lights within the City that are maintained by SA Power Networks.</p> <p>There are 4,400 Council owned street lights in suburbs that include Mawson Lakes, Walkley Heights, Gulfview Heights, Springbank Waters and John Street Salisbury. Council is responsible for the maintenance of these lights. Council also owns and is responsible for the maintenance of 830 mains powered lights in total and a further 120 solar lights. Power for public lighting is purchased as part of a combined contract with State and other Local Government agencies.</p>	<ul style="list-style-type: none"> • Ongoing reviews occur on the adequacy of existing street lighting to identify needs for upgrading of infrastructure with respect to on ground lux levels and associated classification • Ensure Public Lighting is of suitable type, with the General Classification of PRS for pedestrian access on street and PPS for new shared use paths. Crime, crash, and community data is used to assess the correct street and reserve lighting classification • 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 • 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

NOT YET REVIEWED BY COUNCIL

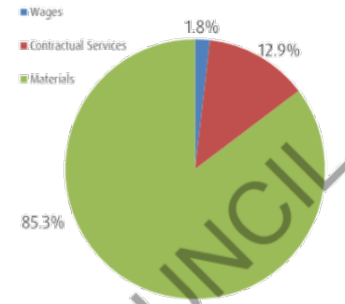
Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Street Lighting

Budgeted Street Lighting Operating Expenditure (\$'000)



Street Lighting (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Lighting	2,927	2,929
DIRECT EXPENDITURE	2,927	2,929
FULL COST ATTRIBUTION	71	
TOTAL EXPENDITURE	2,999	2,929
NET IMPACT TO COUNCIL		
Lighting	2,927	2,929
FULL COST ATTRIBUTION	71	
TOTAL NET IMPACT TO COUNCIL	2,999	2,929

NOT YET REVIEWED BY COUNCIL

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

A sustainable City



Item 2.1.4 - Attachment 1 - Draft 2024/25 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. As a continued program 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 and improve the quality of our water ways. Works are ongoing within Cobble 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.

NOT YET REVIEWED BY COUNCIL

TO BE FINALISED

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

CRITICAL ACTIONS	
Operational Focus	Budget Context
Use recycled or re-used materials where possible in construction and maintenance programs	Council's 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.
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	The new Sustainability Strategy 2035 was adopted by Council on 26 June 2023. Implementation of the new Strategy will continue across the focus areas of biodiversity, climate resilience, carbon responsible, resourceful and waterwise.
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	The Design Guidelines for the Walkleys Development will be developed to include good design techniques and improved environmental performance criteria.
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 FINALISED

City Infrastructure

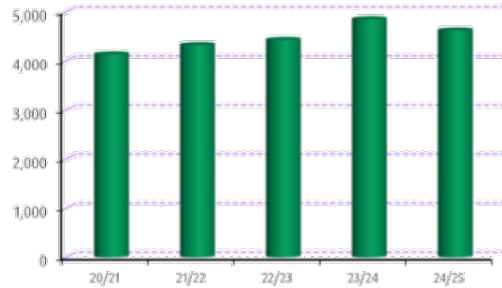


City Infrastructure contains the following Service Areas, Activities and Service Levels

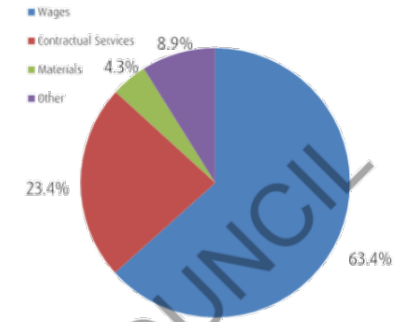
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Infrastructure Delivery & Design Provides for building, civil and landscape infrastructure design and construction.	<ul style="list-style-type: none"> • Completes design and delivery of building, civil and landscape projects within approved timelines and budgets • Delivers Council's annual Infrastructure program • Projects delivered in line with Capital Delivery Framework • Financial administration of Council's Projects and contract management related to Infrastructure
City Infrastructure Administration Provides for the overall leadership, management and administration of the City Infrastructure Department.	<ul style="list-style-type: none"> • Deliver overall departmental support and governance in delivering Corporate objectives
Engineering Assets & Systems Provides for strategic infrastructure management, including asset management, infrastructure planning and landscape / engineering program and project development.	<ul style="list-style-type: none"> • Planning and Program development for the City's civil engineering infrastructure, including roads, drainage systems and structures • Traffic management planning and review • Planning and development of Stormwater Management Plans including major and minor flood mitigation programs • Management of Council's asset management system • Development and update of the Strategic Asset Management Plan
Security Services Management and oversight of Council's physical security systems.	<ul style="list-style-type: none"> • Management of passive security surveillance systems across the City • Security at Council facilities and events
Operations Centre Accommodation The operating costs of Council's Operation Centre.	<ul style="list-style-type: none"> • Maintenance and operational costs associated with Council's Operation Centre.
Urban, Recreation & Natural Assets 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"> • Management and planning of City assets, including recreational facilities, sporting ovals, clubrooms, playgrounds, informal and formal open spaces, and urban streetscape • Management and planning of natural and environmental spaces, including biodiversity corridors and riparian zones • Management and planning of Council buildings, lighting and electrical infrastructure • Delivery of and training in environmental and biodiversity projects • Management of Council's waste management services • Sporting and Community Club Rental Agreements • Facilities management including Salisbury Community Hub and Community Centres

City Infrastructure

Budgeted City Infrastructure Operating Expenditure (\$'000)



City Infrastructure (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Infrastructure Delivery & Design	962	414
City Infrastructure Administration	1,088	1,183
Engineering Assets & Systems	329	307
Security Services	996	1,124
Operations Centre Accomodation	326	341
Urban, Recreation & Natural Assets	1,153	1,253
DIRECT EXPENDITURE	4,854	4,622
FULL COST ATTRIBUTION	(1,468)	
TOTAL EXPENDITURE	3,386	4,622
INCOME		
Engineering Assets & Systems	236	285
Urban, Recreation & Natural Assets	225	284
TOTAL INCOME	461	569
NET IMPACT TO COUNCIL		
Infrastructure Delivery & Design	962	414
City Infrastructure Administration	1,088	1,183
Engineering Assets & Systems	93	22
Security Services	996	1,124
Operations Centre Accomodation	326	341
Urban, Recreation & Natural Assets	928	969
FULL COST ATTRIBUTION	(1,468)	
TOTAL NET IMPACT TO COUNCIL	2,925	4,053

Water Management



Key Partners:

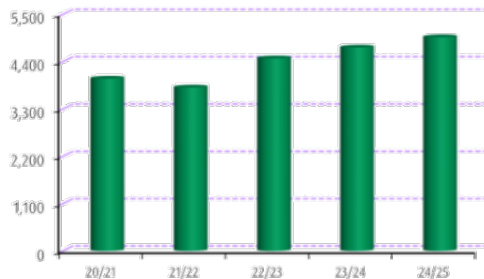
- State Government
- Australian Government Department of Agriculture, Water and the Environment
- Department for Environment and Water (DEW)
- Renewal SA
- SA Water
- Tea Tree Gully Council
- Playford Council
- Department of Defence
- CSIRO
- UniSA
- DEW/Green Adelaide
- Port Adelaide Enfield Council

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

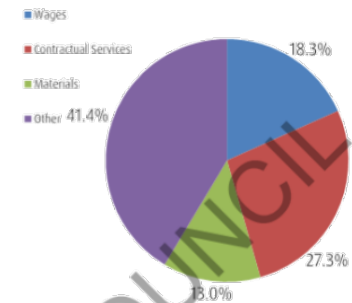
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Drainage Systems The Drainage Asset Management Plan includes maintenance and cleaning of rubbish collection devices, on a continual basis. The maintenance of drains includes the clearing of underground pipes from obstructions such as siltation and root penetration 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.</p>	<ul style="list-style-type: none"> • Maintain over 140 rubbish collection devices at less than 25% full of rubbish • Service 14,000 Side Entry Pits and Junction Boxes on a 5-year cycle • Ongoing inspection and cleanout of underground drains when necessary • Annual inspection of all open drains/river reaches with desilting, root and tree removal and repair where necessary • Water Quality is monitored to ensure Council continues to improve Waterways to minimise pollutants into the Barker Inlet • Ongoing inspection of all flood control dams, including servicing and checking the operation of all penstocks
<p>Salisbury Water Facilitate Council's operation as a licenced water retailer under the Water Industry Act, harvesting, cleansing and reticulating recycled water across the city.</p>	<ul style="list-style-type: none"> • Operate 9 Managed Aquifer Recharge (MAR) schemes with 32 MAR wells • Operate 22 groundwater wells • Maintain 160km of 'purple' distribution pipes • 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 • Licenced monitoring and reporting on quality & 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
<p>Water Systems 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.</p>	<ul style="list-style-type: none"> • 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 • Facilitate and coordinate with the activities of the Drainage Systems, Wetlands & Biodiversity and Salisbury Water teams • Environmental monitoring at specified sites across the City to identify priority works to improve watercourses and terrestrial zones
<p>Wetlands and Biodiversity Planning and Asset Management of wetlands, watercourses and habitat reserves.</p>	<ul style="list-style-type: none"> • Develop, enhance and renew over 46 wetlands, total area exceeding 300ha as part of the Watercourse Management Program

Water Management

Budgeted Water Management Operating Expenditure
(\$'000)



Water Management (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Drainage Systems	1,330	1,329
Salisbury Water	2,819	2,908
Water Systems	123	221
Wetlands and Biodiversity	456	511
DIRECT EXPENDITURE	4,728	4,969
FULL COST ATTRIBUTION	6,787	
TOTAL EXPENDITURE	11,515	4,969
INCOME		
Salisbury Water	2,617	2,723
TOTAL INCOME	2,617	2,723
NET IMPACT TO COUNCIL		
Drainage Systems	1,330	1,329
Salisbury Water	202	186
Water Systems	123	221
Wetlands and Biodiversity	456	511
FULL COST ATTRIBUTION	6,787	
TOTAL NET IMPACT TO COUNCIL	8,898	2,246

Waste Management

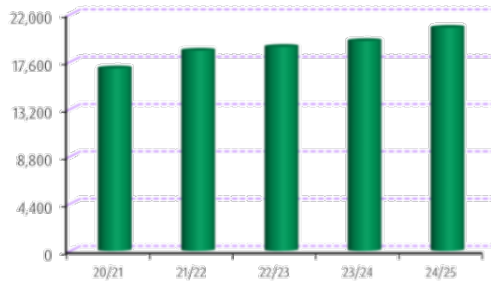


Waste Management contains the following Service Areas, Activities and Service Levels

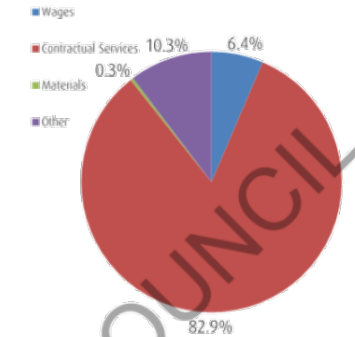
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Coleman Road Landfill Following closure in 1997 Council is continuing to rehabilitate the site, with ongoing monitoring and capping.	<ul style="list-style-type: none"> Monitoring of gas at the landfill site Groundwater monitoring Increasing the cap over the landfill
Domestic Hard Waste Collection Managed by Northern Area Waste Management Authority (NAWMA) with all hard waste collection services provided through a booking arrangement. Residents may also receive a voucher for free disposal of prescribed materials at the NAWMA Resource Recovery Centres in lieu of property collection.	<ul style="list-style-type: none"> Council provides the option of either two hard waste home collection services or two vouchers for use at the NAWMA Resource Recovery Centres (Pooraka or Edinburgh North) or a combination of one of each Approximately 22,000 hard waste services (collection or vouchers) are provided each year
Domestic Refuse Collection Council provides a weekly domestic refuse collection service operated by NAWMA for residents using a 140 litre bin.	<ul style="list-style-type: none"> Weekly to residential properties (140L bin) Domestic Refuse to landfill: 29,400 tonnes pa
Green Waste Kerbside Service 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"> Fortnightly to residential properties (240L bin) Each rateable property is able to obtain one kerbside green waste bin at no additional cost Green waste collected and composted: 20,260 tonnes pa 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
Kerbside Recycling Council provides a 240 litre bin recycling collection service and all recyclables are processed at the NAWMA Materials Recovery Facility (MRF).	<ul style="list-style-type: none"> Fortnightly to residential properties (240L bin) Kerbside recycling: 10,000 tonnes pa
Loose Litter Provides for the collection and disposal of rubbish dumped on Council reserves and roads 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"> Programmed loose litter and litter bin collection 3 day cycle for high traffic locations Ad-hoc collection of dumped rubbish on verges/road reserves Cyclic collection of litter from collector/distributor for roads Removal of dead animals from public places
Pooraka Resource Recovery Centre The Pooraka Resource Recovery Centre (formerly Research Road Waste Transfer Station) is externally operated by NAWMA on Council's behalf. The Centre is available seven days per week except Christmas Day, New Year's Day, Good Friday & ANZAC Day.	<ul style="list-style-type: none"> Total customers (2023): 95,514 During 2023 disposal of: General waste 12,600t, Green waste 6,000t, Metals 613t, E-waste 68t, 3,500 Tyres and 6,093 Mattresses

Waste Management

Budgeted Waste Management Operating Expenditure (\$'000)



Waste Management (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
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
DIRECT EXPENDITURE	19,528	20,758
FULL COST ATTRIBUTION		
TOTAL EXPENDITURE	19,528	20,758
INCOME		
Domestic Refuse Collection	66	66
Pooraka Resource Recovery Centre	194	224
TOTAL INCOME	261	290
NET IMPACT TO COUNCIL		
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)
FULL COST ATTRIBUTION		
TOTAL NET IMPACT TO COUNCIL	19,267	20,468

Parks and Landscapes



Key partners:

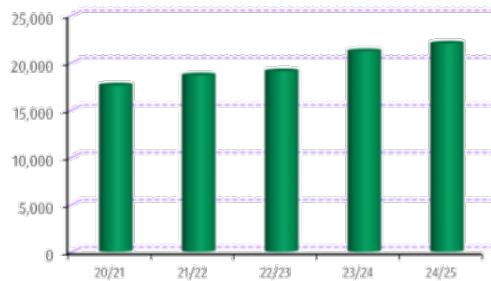
- Department of Environment and Water
- Green Adelaide

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

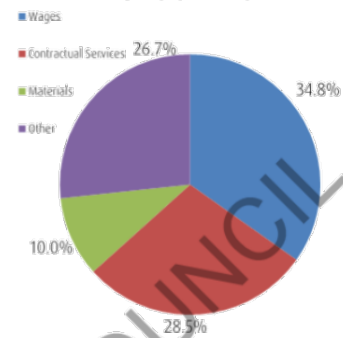
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Field Services Administration Relevant Asset Management Plans provide direction to focus services and service levels across the division.</p> <p><i>Field Services</i> Provides pro-active and reactive maintenance services to all public reserves and associated assets across the City.</p>	<ul style="list-style-type: none"> • Maintenance program ensures delivery of fit for purpose parks and assets that are safe, functional and provide community amenity value • Civil maintenance related to roads, creeks and stormwater assets • 15,000 resident requests actioned annually • Maintenance of local reserves, parks and landscapes • Care of biodiversity sites
<p>Landscapes Consists of feature gardens and lawns which surround Council buildings, entry statements and roundabouts, with a focus on sustainable landscapes throughout the City.</p>	<ul style="list-style-type: none"> • Frequency based maintenance regimes to sites based upon profile and landscape type
<p>Mangrove Trail Provision and maintenance of St Kilda Mangrove Trail.</p>	<ul style="list-style-type: none"> • Council continues to work with State Government agencies to protect and improve the Service Level and access to the Mangrove Trail
<p>Pest and Weed Control Control of nuisance pests and weeds on Council reserves, verges and around buildings.</p>	<ul style="list-style-type: none"> • Programmed and reactive pest and weed control services, with Council the front line in managing the elimination of pest species in the region, such as coolati and caltrop
<p>Public Toilets Maintenance and cleaning of public toilets throughout the City.</p>	<ul style="list-style-type: none"> • Daily cleaning of all public toilets within the City • Sharps containers emptied fortnightly or more frequent if required
<p>Reserves and Playgrounds Maintenance of reserves and open space including grass cutting, litter removal, turf maintenance, irrigation maintenance, park furniture maintenance, fencing and reserve signage. Maintenance of play spaces, shade structures and fitness equipment throughout the City.</p>	<ul style="list-style-type: none"> • Total areas managed: 1,900 ha of reserves • 10 Dog parks and 7 BMX Tracks • 147 play spaces which have weekly, fortnightly and monthly audits of play equipment depending on classification • Council has a hierarchy of play spaces which includes, regional, district, local and irrigated reserve • Frequency based mowing and reserve maintenance depending on reserve classification
<p>Tree Management Tree planting and establishment, tree pruning, tree removal and tree inspections on verges and Council reserves.</p>	<ul style="list-style-type: none"> • Programmed street tree pruning on a 5 yearly cycle, reactive tree pruning, responsive tree assessment processes and risk based inspection regimes
<p>Verges (Road Reserves) Council provides for grass mowing of un-maintained residential verges and collector road verges.</p>	<ul style="list-style-type: none"> • Residential verges and collector roads: 8 services pa • Litter collection, blow down of paths and driveways, edging of paths, weed control, bush and tree debris collection • Street sweeping within 24 hours of verge mowing • Occur mostly in the growing season from February to December

Parks and Landscapes

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



Parks and Landscapes (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
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
DIRECT EXPENDITURE	21,220	22,027
FULL COST ATTRIBUTION	12,676	
TOTAL EXPENDITURE	33,896	22,027
INCOME		
Field Services Administration	64	66
Tree Management	60	67
TOTAL INCOME	124	133
NET IMPACT TO COUNCIL		
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
FULL COST ATTRIBUTION	12,676	
TOTAL NET IMPACT TO COUNCIL	33,772	21,894

A growing City that creates new opportunities



Item 2.1.4 - Attachment 1 - Draft 2024/25 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	
<p>Strategic Projects</p> <p>Enhance the Salisbury City Centre by upgrading Church and John Streets and attracting investment by the private sector into surplus Council sites</p> <p>Attract firms to Salisbury, providing job opportunities for residents</p> <p>Link Technology Park with other innovation precincts in Adelaide</p> <p>Deliver a residential development program by using surplus Council land</p>	<p>Budget Context</p> <p>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 working with the private sector in the redevelopment of a number of major Council landholdings in the city centre.</p> <p>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.</p> <p>Work with key stakeholders, including State Government, to enhance the role of Technology Park in the innovation eco-system continues. A number of initiatives to deliver on this action will be included in the new Economic Development Strategy</p> <p>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.</p>
<p>Operational Focus</p> <p>Support new and existing businesses and industries to grow and create jobs</p> <p>Improve infrastructure, signage, safety, streetscapes and upkeep of commercial and industrial areas to support economic sustainability and growth</p> <p>Improve parking in Salisbury City Centre and Mawson Lakes Central, business and recreation precincts</p> <p>Streamline processes to improve how Council works with businesses</p>	<p>Budget Context</p> <p>The Polaris Centre will continue to deliver its revamped networking and mentoring programs in partnership with the South Australian Government. This is also supported by a case management approach to businesses that want to expand or are looking to relocate.</p> <p>Council is reviewing its maintenance programs to ensure that services meet community expectations and support economic growth across the City.</p> <p>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.</p> <p>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.</p>

NOT YET REVIEWED BY COUNCIL

TO BE FINALISED

CRITICAL ACTIONS	
<p>Future Planning</p> <p>Develop a structure plan for the land west of Port Wakefield Road to open up new development opportunities while preserving the existing character of Globe Derby and St Kilda</p> <p>Review the existing economic growth strategy</p> <p>Review Council's 'Growth Action Plan'</p> <p>Develop guidelines and policies to improve the quality of infill development, starting with Ingle Farm</p> <p>Develop plans to progress economic activity in Technology Park and Edinburgh Parks</p>	<p>Budget Context</p> <p>A detailed Strategic Growth Framework for the land west of Port Wakefield has been approved by Council. It will guide the land use and infrastructure planning for potential for future rezoning. The framework will be updated as new information is gathered and more details on infrastructure requirements are obtained.</p> <p>Delivery of a new Economic Development Strategy will commence.</p> <p>A new Urban Growth Strategy will be finalised and its implementation will guide future development.</p> <p>Design Guidelines have been delivered for Narrow Single Storey Homes and Verge Reinstatement. The new Urban Growth Strategy will provide further guidance to improve infill development.</p> <p>Ongoing discussions with State and Federal Governments regarding development of Technology Park and Edinburgh Parks. There is strong interaction with Renewal SA in relation to sale of land in both precincts. Upgrade of Technology Drive to improve access has been finalised.</p>
<p>Advocacy Priorities</p> <p>Redevelopment of the Salisbury and Mawson Lakes interchanges</p> <p>Improvements to the east-west roads including increasing the capacity and safety of Kings Road and Waterloo Corner Road, duplication and extension of Elder Smith Road and road/rail grade separation of Park Terrace & Kings Road</p> <p>Appropriate and well planned development of the Dry Creek Salt Fields</p> <p>Edinburgh Parks to be business ready as a modern industrial area with efficient freight routes to the Northern Connector, fast digital connectivity and access to alternative energy sources and recycled water</p>	<p>Budget Context</p> <p>The City of Salisbury continues to advocate to the State and Federal Government for investment in critical infrastructure projects. An updated Partnerships Projects document will be prepared to inform future engagement with key stakeholders and decision makers.</p> <p>Conversations continue with the State Government on improvements to the arterial road network through the city including upgrades to Kings Road, Park Terrace and Waterloo Corner Road. The extension of Elder Smith Road is part of the planning of the residential development in Dry Creek.</p> <p>Council is working with the State Government on this major residential project as part of a working group brought together by Renewal SA.</p> <p>Council continues to advocate to State Government on the importance of Edinburgh Parks as a job's growth and investment generator. 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 key infrastructure.</p>

NOT YET REVIEWED BY COUNCIL

TO BE FINALISED

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Economic Development

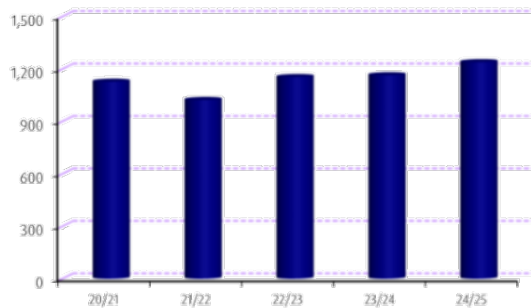


Economic Development contains the following Service Areas, Activities and Service Levels

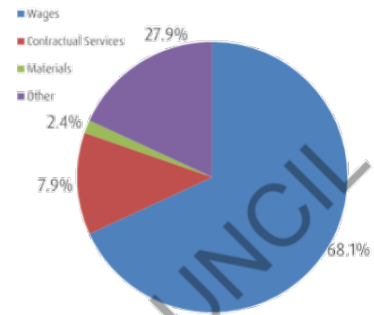
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Business Advisory Services (The Polaris Centre) Council supports people considering starting a business or who are already in business by providing information, advice, workshops and mentoring.</p>	<ul style="list-style-type: none"> • Provide support and training to businesses: over 500 pa • Provide mentoring services to business owners: over 40 pa. • Increase the rate of new business formation in the region by providing start up programs • Provide support services to businesses including workshops (6 pa.), advisory (50 people pa) • Support firms to build their capacity to diversify into international markets: at least 10 pa • Provide networking opportunities to business owners and entrepreneurs in Northern Adelaide
<p>Economic Development <i>Investment Attraction</i> Actively promote Salisbury as an investment location of choice through Invest Salisbury activity and actively work with firms considering relocating to Salisbury or expanding their operations within our City. This includes progressing Council's approach to business growth.</p> <p>Actively promote and position the City of Salisbury as a location of choice for business investment and expansion.</p> <p><i>Policy and Advice</i> Provide economic advice and input to Council and external bodies regarding economic issues and opportunities.</p> <p><i>Salisbury City Centre</i> Contribute to, and, where appropriate, drive initiatives to progress Council's objectives for Salisbury City Centre Revitalisation, and liaison with businesses.</p>	<ul style="list-style-type: none"> • Case management of investment leads • Continual delivery of Invest in Salisbury and work with at least 3 partner organisations to raise Salisbury's economic profile in key sectors • Develop and commence implementation of a future economic strategy for Salisbury • Implementation of Salisbury City Centre investment attraction, business engagement and activation initiatives

Economic Development

Budgeted Economic Development Operating Expenditure (\$'000)



Economic Development (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Business Advisory Services	591	701
Economic Development	574	539
DIRECT EXPENDITURE	1,165	1,240
FULL COST ATTRIBUTION	360	
TOTAL EXPENDITURE	1,525	1,240
INCOME		
Business Advisory Services	94	172
Economic Development	15	
TOTAL INCOME	109	172
NET IMPACT TO COUNCIL		
Business Advisory Services	498	529
Economic Development	559	539
FULL COST ATTRIBUTION	360	
TOTAL NET IMPACT TO COUNCIL	1,417	1,068

Development Services



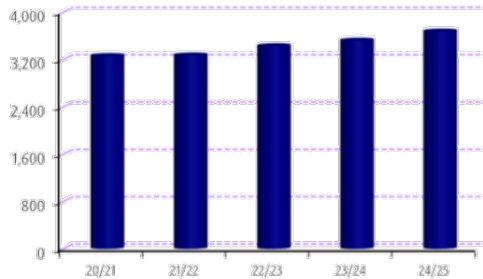
Development Services contains the following Service Areas, Activities and Service Levels

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

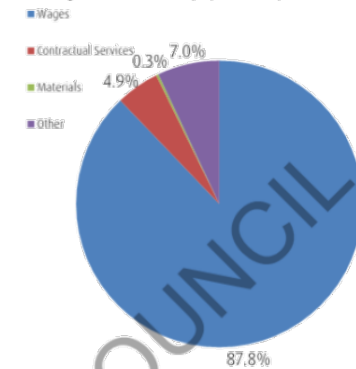
NOT YET REVIEWED BY COUNCIL

Development Services

Budgeted Development Services Operating Expenditure (\$'000)



Development Services (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
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
DIRECT EXPENDITURE	3,525	3,678
FULL COST ATTRIBUTION	1,757	
TOTAL EXPENDITURE	5,282	3,678
INCOME		
Building	971	1,026
City Development Business Services	265	265
Corporate Signage	3	21
Planning	430	531
TOTAL INCOME	1,669	1,842
NET IMPACT TO COUNCIL		
Building	82	68
City Development Business Services	791	836
Corporate Signage	4	(14)
Development Engineering	265	279
Planning	714	666
FULL COST ATTRIBUTION	1,757	
TOTAL NET IMPACT TO COUNCIL	3,613	1,836

Urban Planning and Development

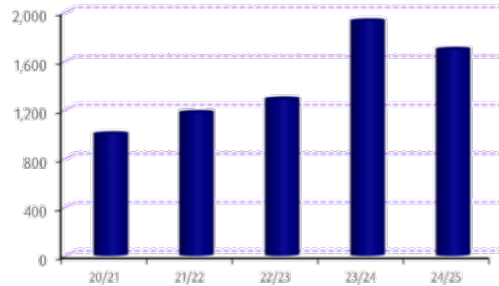


Urban Planning and Development contains the following Service Areas, Activities and Service Levels

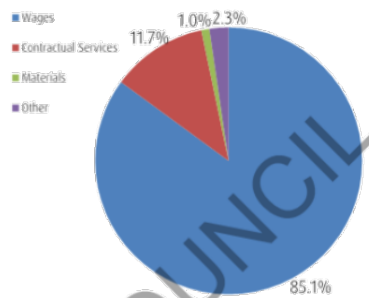
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Strategic Development Projects Oversees Council's strategic development projects from inception through to completion including:</p> <ul style="list-style-type: none"> • Identification and development of surplus Council land. • Preparation of project feasibilities and business cases for identified potential future developments. • Investigating opportunities and coordinating key development projects to contribute to the renewal of the Salisbury City Centre. 	<ul style="list-style-type: none"> • Progress due diligence and concept feasibility studies on priority sites identified in the Strategic Land Review Short Term Action Plan • Construction commenced on the Health Hub at Salisbury Oval site (portion of former St Jays and Salisbury Bowling Club land) • Construction begins on the Lake Windemere site which will include 35 new residential dwellings • Seek planning approval for the Walkley's Road corridor site • Finalise negotiations as a result of the Salisbury City Centre Expression of Interest
<p>Commercial Property Services Management of commercial lease agreements, property acquisition and disposal, leasing of community land and negotiation of easements.</p>	<ul style="list-style-type: none"> • Manage all Commercial Leases / Licences on community land of Council owned land and authorisations / permits on road and road reserves • Prepare invoicing and monitoring rent recoveries • Land acquisition and disposal as required both private and institutional • Granting and extinguishment of Easements as required • Revocation of Community Land Classification • Road and Walkway Closures and Openings • Provide expert property advice to internal and external stakeholders and elected members in relation to Council owned property
<p>Strategic Planning Research and develop policies in relation to land use planning, environmental sustainability and growth (industry and residential). Ongoing policy review of the Planning and Design Code and preparation and advice on private Code Amendments.</p>	<ul style="list-style-type: none"> • Delivery of the City Growth Strategy to inform spatial future of Salisbury • Re-zonings, undertake Council led re-zonings, provide advice on private led re-zonings including co-ordination of Council responses • Undertake planning specific investigations and Spatial master planning of sites. i.e. local heritage assessments & Salisbury North Oval • Implementation of the West of Port Wakefield Road Structure Plan and Strategic Growth Framework (including government liaison, managing investigations, internal coordination, landowner consultation, private and Council led code amendments) • Planning Advice – Provide Strategic and Planning advice on Strategic Development Projects • Dry Creek Saltfields – Provide planning advice on land use and urban design planning related matters • Sustainability – Coordinate the implementation of the Sustainability Strategy i.e. Emissions Reduction Plan and Climate Change Risk Assessment. Follow up indicators of success • Develop infrastructure contributions policy, a process for costing, allocating costs and the method of collection. • City Plan contribution to Critical Actions • Continue to work closely with the State Government on future reviews of the Planning and Design Code (including State led Code Amendments – i.e. Statewide Flood Code Amendment), the Planning System (including revision of legislation) • Collaborate with the State Government during the preparation

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
EXPENDITURE		
Strategic Development Projects	795	610
Commercial Property Services	468	488
Strategic Planning	666	598
DIRECT EXPENDITURE	1,930	1,696
FULL COST ATTRIBUTION	103	
TOTAL EXPENDITURE	2,033	1,696
INCOME		
Commercial Property Services	861	873
TOTAL INCOME	861	873
NET IMPACT TO COUNCIL		
Strategic Development Projects	795	610
Commercial Property Services	(393)	(385)
Strategic Planning	666	598
FULL COST ATTRIBUTION	103	
TOTAL NET IMPACT TO COUNCIL	1,172	823

Roads



Key Partners:

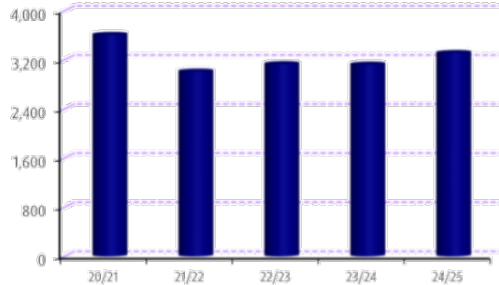
- State Government
- Department of Infrastructure & Transport (DIT)
- Department of Education
- Adelaide Metro
- Federal Government
- Developers
- South Australian Police
- Australian Rail Transport Corporation

Roads contains the following Service Areas, Activities and Service Levels

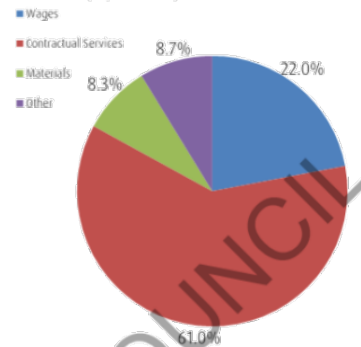
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Road and Car Park Maintenance Maintenance of kerb and gutter, road maintenance and repair damage due to storms and traffic loads. There is 1,800km of kerbing and 810km of road in the city. Service levels are determined by Asset Management Plans and audit processes.</p> <p><i>Road Safety Maintenance</i> Traffic signal/pedestrian and school crossing maintenance is reviewed on an annual cycle, with faults repaired on a weekly basis.</p> <p><i>Road Sweeping</i> Provision of clean and tidy streetscape and prevention of debris entering drainage system. Council undertakes Road Sweeping on a cyclical basis with additional sweeping as required after storm events, and prior to flood events as required.</p> <p><i>Bridge and Boardwalk Maintenance</i> There are 214 footbridges/boardwalks and 29 major road bridges within the Council area.</p>	<ul style="list-style-type: none"> • Roads are maintained on average across the City to Road Pavement Condition Index rating of 3.0, with higher priority and Condition expected for Collector & Arterial Roads and Bus Routes • Council repairs road failures throughout the year on a cyclical basis • Council has a \$9.5M asset management program for road resealing and renewal that forms part of the Capital Works program • Line marking is carried out throughout the city over a 12-36 month interval • Car parks are maintained with checks on surface and linemarking • Pot holes are repaired on a responsive basis within 5 days of notification for high risk and 24 hours for dangerous potholes • Council Maintains 13 pedestrian/school crossings, 13 Emu Crossings, 16 Koala Crossings and 5 Wombat Crossings • 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 • A program of formal audits is undertaken every one to two years for bridges • Regular inspections and maintenance are undertaken six monthly and repairs completed as required
<p>Road Safety Engineering Project management of design and receipt of customer complaints regarding traffic design issues.</p>	<ul style="list-style-type: none"> • The traffic data shows that 50km/h speed limits are being adhered to by road users. However, hoon driving is an ongoing challenge with the Council's traffic staff liaising with SAPOL to address
<p>Signs and Street Furniture <i>Street Signs and Linemarking:</i> Maintenance and replacement of 4,000 street signs and 37,000 other road signage including suburb, warning, regulatory and information signs.</p> <p><i>Street Furniture:</i> 1200 seats/benches and shelters are maintained.</p> <p><i>Bus Shelter & Surround Maintenance:</i> Council has over 300 bus shelters. Bus shelters and bus stops are made universally accessible through the renewal program.</p>	<ul style="list-style-type: none"> • All signage is repaired on an as needs basis • All linemarking is renewed every 12 months for high traffic areas and every 36 months for the whole city • Maintenance of seats/benches and various shelters throughout the City including repainting/sealing, graffiti removal, vandalism and repairs is undertaken on a cyclical basis • Program of inspection and condition auditing is undertaken every 5 years • Maintenance of bus shelters throughout the City including repainting/graffiti removal, vandalism and pavement repair is on a needs basis • Council has a \$300k Bus Shelter Renewal Program

Roads

Budgeted Roads Operating Expenditure
(\$'000)



Roads (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Road and Car Park Maintenance	2,467	2,659
Road Safety Engineering	412	430
Signs and Street Furniture	252	230
DIRECT EXPENDITURE	3,130	3,319
FULL COST ATTRIBUTION	11,207	
TOTAL EXPENDITURE	14,337	3,319
INCOME		
Road and Car Park Maintenance	3,460	3,770
TOTAL INCOME	3,460	3,770
NET IMPACT TO COUNCIL		
Road and Car Park Maintenance	(994)	(1,111)
Road Safety Engineering	412	430
Signs and Street Furniture	252	230
FULL COST ATTRIBUTION	11,207	
TOTAL NET IMPACT TO COUNCIL	10,877	(452)

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

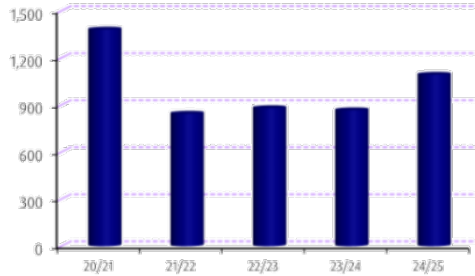
SERVICE AREAS	SERVICE LEVELS
<p>Footpath Maintenance A program of footpath auditing is conducted every three years to gather data which is used to quantify the overall condition of the network. This data is also used to identify priority areas for maintenance works based on proximity to critical pedestrian generating activities.</p> <p>Community requests for additional footpaths are investigated by the multidisciplinary Footpath Request Evaluation Team, and prioritised based on the destination of the path and the additional inclusion opportunities the footpath would give. Council also maintains footpaths and shared use paths through public reserves, with Council continuing to build the Green Trails network across the City.</p> <p><i>Shared Use Paths</i> Council continues to construct the Green Trails network that 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"> • 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 & aged care facilities • Council minimum width of new footpaths is 1.5m preferred • Council's level of service for footpath maintenance intervention is ≥ 25 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 • Council repairs footpath failures throughout the year based on a program of priority works and on customer requests where appropriate <ul style="list-style-type: none"> • 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 • Council City Wide trail renewal program now includes the upgrade of lighting along the existing shared use path to P3 Category

NOT YET REVIEWED BY COUNCIL

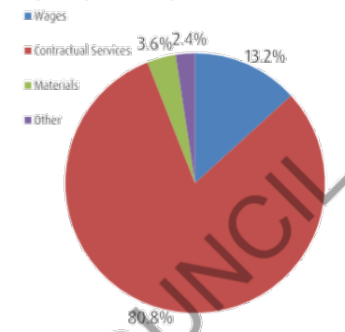
Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Footpaths

Budgeted Footpaths Operating Expenditure
(\$'000)



Footpaths (Expenditure)



	2023/24 Budget \$'000's	2024/25 Budget \$'000's
EXPENDITURE		
Footpath Maintenance	868	1,095
DIRECT EXPENDITURE	868	1,095
FULL COST ATTRIBUTION	2,457	
TOTAL EXPENDITURE	3,325	1,095
NET IMPACT TO COUNCIL		
Footpath Maintenance	868	1,095
FULL COST ATTRIBUTION	2,457	
TOTAL NET IMPACT TO COUNCIL	3,325	1,095

NOT YET REVIEWED BY COUNCIL

Innovation and Business Development



Item 2.1.4 - Attachment 1 - Draft 2024/25 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 FINALISED

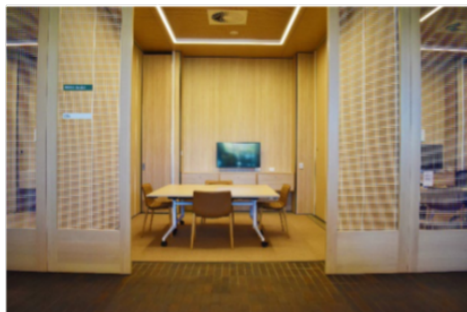
CRITICAL ACTIONS	
<p>Future Planning</p> <p>Develop a digital strategy and framework to implement technology- based initiatives to improve the management of the City</p> <p>Review our community engagement strategy so the needs of diverse groups in our community are recognised at an early stage of planning</p> <p>Review Council’s ‘Strategic Asset Management Plan’</p> <p>Enable the community to monitor Council’s progress in implementing this Plan and compare performance with that of other Councils</p> <p>Identify opportunities to increase non-rates revenue</p> <p>Council governance and practices</p>	<p>Budget Context</p> <p>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.</p> <p>This is an action that is still requiring further work and will form part of work being undertaken to deliver exceptional community experience.</p> <p>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.</p> <p>The dashboard will be reviewed and a new monitoring system will be designed and implemented following the adoption of an updated City Plan.</p> <p>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.</p> <p>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.</p>
<p>Advocacy Priorities</p> <p>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</p>	<p>Budget Context</p> <p>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.</p>

NOT YET REVIEWED BY COUNCIL

TO BE FINALISED

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Innovation and Business Development



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

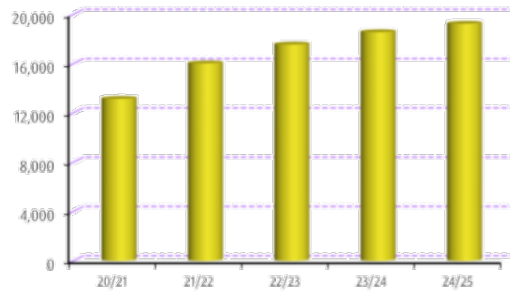
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Accounting Services Provides for business support, management accounting, financial accounting, tax compliance, external and statutory reporting. Reporting services to all departments/divisions of the organisation, the Executive Management and Council, including 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.</p>	<ul style="list-style-type: none"> • Annual Business Plan and Budget • Annual Financial Statements • Long Term Financial Plan • Quarterly Budget Reviews and Monthly Reporting • Grant Acquittals • Divisional and Departmental Planning support • Valuation and Depreciation for \$2.0 billion of Council assets • Invoices processed: 30,000 pa
<p>Business Excellence Administration Provides for the Executive Management and associated support for the overall management and leadership of the Business Excellence Department.</p>	<ul style="list-style-type: none"> • Leadership of the Business Excellence department and accountability for outcomes assigned to the department
<p>Business Intelligence and Data Oversee the flow of corporate information in to and out of the organisation, ensuring information management legislation is complied with.</p>	<ul style="list-style-type: none"> • Compliance with organisational information management framework and South Australian Government information retention requirements
<p>Technology and Digital Solutions 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.</p> <p><i>Service Desk</i> Responsible for the delivery and support of productivity, mobility and audio-visual solutions.</p>	<ul style="list-style-type: none"> • Solutions meet organisational availability and performance metrics • Services are delivered within defined Service Level Agreements (SLA's) • Solutions are effectively managed using suitable security controls and current maintenance and support contracts • All solution changes are documented and approved to ensure controlled and efficient change implementation • Security measures are applied to solutions, hardware and user identities to ensure data and system security, minimising vulnerabilities • Responsive technology service ensuring the organisation can deliver services to the community • Provision and distribution of productivity tools and services • 7,500 incidents and requests processed per year with 84% resolved within defined SLA's.
<p>Business Transformation Advocate and promote the use of improvement and transformation techniques and methodologies.</p> <p><i>Planning and Business Engagement Services</i> Responsible for the alignment of information technology solutions with organisational and Community needs. This also includes the transformational shift of the organisation to a digital and community centric approach, with technology to better</p>	<ul style="list-style-type: none"> • Organisational Business Transformation using Agile principles • Organisational reporting on improvement and business transformation initiatives • Digital and information technology related strategy, frameworks and standards

Innovation and Business Development continued

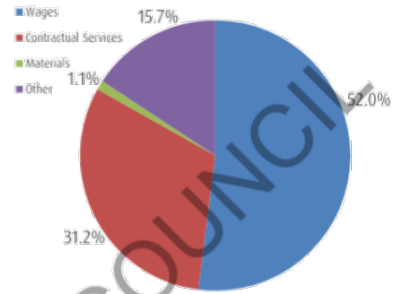
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Community Experience Delivers communications and marketing strategies through traditional and digital communications and media channels, ensuring the community are aware of Council projects, priorities and initiatives and have ways to engage with Council on them. Provides a media liaison and management service including proactive and reactive media.</p>	<ul style="list-style-type: none"> • Communications and marketing support and delivery • Media and public relations liaison management • Community engagement support • Digital communications management including website, social media platforms and digital signage • Corporate publications • Corporate brand custodian
<p>Customer Centre 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.</p>	<ul style="list-style-type: none"> • Call volume: 62,864 pa • Receipt numbers: 15,131 pa • Counter enquiries: 15,354 pa • Customer requests via email/website/post: 19,412 pa
<p>Insurance This area provides for the management of corporate insurance policies and associated claims.</p>	<ul style="list-style-type: none"> • Administration of organisational insurance needs including processing of insurance claims and liaison with the Local Government Association (LGA) insurance service provider (Local Government Risk Services)
<p>People and Performance 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.</p>	<ul style="list-style-type: none"> • Organisational development programs – change management, culture development, leadership development, team development, and individual capability and commitment programs • Workforce planning and succession planning, HR Services including recruitment, induction, performance management, policy advice, payroll, workplace Health and Safety and wellbeing programs
<p>Rate Collection and Property Data This area involves the maintenance of the property data for rating and electoral purposes and the collection of rate and other revenue.</p>	<ul style="list-style-type: none"> • Rateable Properties: 61,693 • Total Rate Notices: 181,753 pa, Overdue Notices: 29,631 pa and SMS reminders 36,735 pa • Changes to Property Data: 12,941 pa • Maintenance of voters roll
<p>Procurement 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.</p>	<ul style="list-style-type: none"> • Northern Region Economic Benefit: Focus on supporting northern region business where it represents value for money • Environmental Preference: promote the procurement of environmentally friendly goods and services that satisfy value for money criteria, as well as fostering the development of products and processes of low environmental and climatic impact • Support the achievement of circular economy outcomes • Provide financial advice and support for Salisbury Water

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
EXPENDITURE		
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
DIRECT EXPENDITURE	18,570	19,249
FULL COST ATTRIBUTION	(15,879)	
TOTAL EXPENDITURE	2,690	19,249
INCOME		
Community Experience		
People and Performance	708	720
Rate Collection and Property Data	22	22
TOTAL INCOME	730	742

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
FULL COST ATTRIBUTION	(15,879)	
TOTAL NET IMPACT TO COUNCIL	1,960	18,507

NOT YET REVIEWED BY COUNCIL

Council

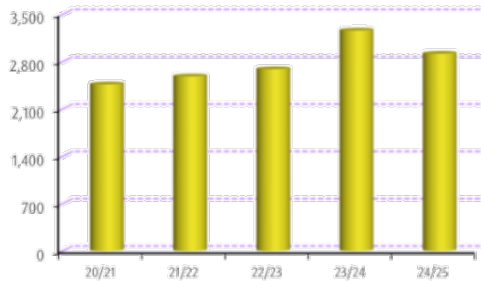


Council contains the following Service Areas, Activities and Service Levels

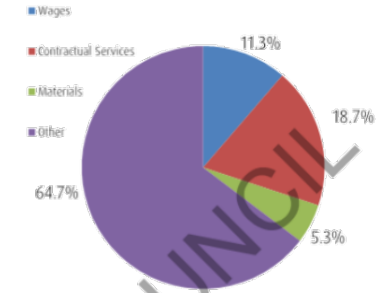
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Civic and Ceremonial Funds civic and ceremonial responsibilities of Council, including citizenship ceremonies.	<ul style="list-style-type: none"> • Organisation of civic events and citizenship ceremonies
Corporate Memberships Funds corporate memberships for required bodies.	<ul style="list-style-type: none"> • Local Government Association (LGA) membership
Council Funds the management and administration of the Elected Member governance responsibilities.	<ul style="list-style-type: none"> • Production and distribution of business papers and minutes • Facilitation of CEO Briefing Sessions • Administrative support to Council, 8 Committees, 4 Sub-Committees, and the Council Assessment Panel • Monitor and review of the City's compliance with legislation • Elected Member training and development • Administration of Elected Member Allowances and Benefits and statutory disclosures
Elections Provides resources for elections within the City.	<ul style="list-style-type: none"> • Manage the Local Government election for more than 98,000 eligible voters
Executive Management Funds the Chief Executive Officer and executive support function that is responsible for the management of the organisation, the support of and accountability to Council and facilitation of meetings with various stakeholders including State and Federal Government representatives.	<ul style="list-style-type: none"> • Chief Executive Officer and Mayor support
Governance 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"> • Support Council and organisational governance processes • Risk management, internal audit and insurance • Coordinate Business Continuity Planning • Facilitate the LGA insurance scheme's risk review • Provide advice and support to ensure strategic and operational risks are identified and managed • Support the Audit and Risk Committee of Council • Facilitate the annual external audit • Undertake and co-ordinate internal audit • Council meeting administration and support, and facilitation of public participation • Elected Member support & communications • Delegations and Authorisations • Support Information Management and State Records Act compliance • Application and monitoring - Policy and procedure framework • Coordination of legal advice and oversight of Legal Services • Facilitate Freedom of Information • Administer Council Grievances and External Agency Reviews • Coordinate the Representation Review

Council

Budgeted Council Operating Expenditure
(\$'000)



Council (Expenditure)



	2023/24 Budget \$000's	2024/25 Budget \$000's
EXPENDITURE		
Civic and Ceremonial	78	78
Corporate Memberships	392	408
Council	774	816
Elections	150	150
Executive Management	1,318	865
Governance	549	601
DIRECT EXPENDITURE	3,262	2,918
FULL COST ATTRIBUTION	(21)	
TOTAL EXPENDITURE	3,240	2,918
INCOME		
Council	2	2
TOTAL INCOME	2	2
NET IMPACT TO COUNCIL		
Civic and Ceremonial	78	78
Corporate Memberships	392	408
Council	772	814
Elections	150	150
Executive Management	1,318	865
Governance	549	601
FULL COST ATTRIBUTION	(21)	
TOTAL NET IMPACT TO COUNCIL	3,239	2,916

Sundry



Sundry contains the following Service Areas, Activities and Service Levels

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

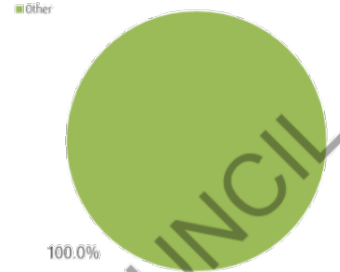
NOT YET REVIEWED BY COUNCIL

Sundry

Budgeted Sundry Operating Expenditure
(\$'000)



Sundry (Expenditure)



	2023/24 Budget \$000's	2024/25 Budget \$000's
EXPENDITURE		
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	
DIRECT EXPENDITURE	35,435	37,335
FULL COST ATTRIBUTION	(29,845)	
TOTAL EXPENDITURE	5,590	37,335
INCOME		
Grants Commission	7,405	8,653
Rates	825	864
Treasury	77	80
TOTAL INCOME	8,307	9,596
NET IMPACT TO COUNCIL		
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	
FULL COST ATTRIBUTION	(29,845)	
TOTAL NET IMPACT TO COUNCIL	(2,717)	27,738

Rating Strategy and Policy

What are Rates?

Rates are the principal source of funding for Council services, representing approximately 82.3% of the total operating revenue. Rates are levied as a tax on property in accordance with the provisions of the Local Government Act. They are not a service or user charge. Consequently, some property owners may choose not to use various council services but nevertheless make a contribution, through their rates. As rates are levied on the value of property as determined by the Valuer-General, those in higher valued properties pay more than those in lower valued properties, noting the higher value property adjustment detailed on page 123 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 4th lowest of the metropolitan Councils.

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

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 5.5% for properties not on the minimum rate. The minimum rate has also proposed to increase by 5.5% from \$1,156 to \$1,220 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	\$394,950
Commercial and Industrial	\$244,882
Vacant Land	\$303,785

No more than 35% of properties can be subject to the minimum rate. The minimum rate is proposed to increase to \$1,220 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 5.5% 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 5.5% the rate (cents in the \$) will decrease from 0.3258 to 0.3089, 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%	1,063
0.1 - 1.0%	14
1.1 - 2.0%	929
2.1 - 3.0%	1,779
3.1 - 4.0%	3,780
4.1 - 5.0%	7,582
5.1 - 6.0%	16,851
6.1 - 7.0%	11,493
7.1 - 8.0%	8,080
8.1 - 9.0%	2,077
9.1 - 10.0%	1,658
10.1 - 12.5%	244
>12.5%	238
Total Number of Properties	55,788

NOT YET REVIEWED BY COUNCIL

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 \$779,000 provided the property is not used for commercial purposes, consists of multiple dwellings or is entitled to a mandatory rebate:

\$779,001 to \$868,000: a reduction of 10% of the general rates payable on the value above \$779,000 up to and including \$868,000, which is an increase on the 2023/24 tier of \$700,001-\$780,000.

\$868,001 to \$1,002,000: a reduction of 20% of the general rates payable on the value above \$868,000 up to and including \$1,002,000, which is an increase on the 2023/24 tier of \$780,001-\$900,000.

\$1,002,001+: a reduction of 35% of the general rates payable on the value above \$1,002,000, with the 2023/24 tier being \$900,001.

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
INCOME										
Rates Revenues	130,057	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	6,410	6,596	6,767	6,937	7,110	7,288	7,470	7,657	7,848	8,044
Grants, Subsidies & Contributions	16,615	16,784	16,940	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	297	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
Total Income	157,985	164,334	170,500	176,758	183,265	190,021	197,046	204,352	211,948	219,850
EXPENSES										
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	67,440	70,641	73,660	76,776	79,814	83,534	87,163	90,935	94,841	98,885
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	2,372	2,464	2,322	2,061	1,791	1,484	1,270	973	737	486
Net loss - Equity Accounted Council Businesses	681	-	-	-	-	-	-	-	-	-
Total Expenses	154,977	161,115	167,346	173,924	180,385	187,574	194,891	202,399	210,301	217,912
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS										
	3,008	3,219	3,154	2,834	2,880	2,447	2,155	1,953	1,647	1,938
Asset Disposal & Fair Value Adjustments	802	2,852	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
NET SURPLUS/(DEFICIT)	11,051	8,619	11,967	7,295	11,508	6,360	8,147	7,331	8,721	8,342
OTHER COMPREHENSIVE INCOME										
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
Total 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	58,364	56,427	60,281	56,246	61,007	56,424	58,747	58,484	31,947	31,568

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
ASSETS										
Current Assets										
Trade & Other Receivables	7,226	7,238	7,480	7,743	8,014	8,301	8,596	8,904	9,223	9,555
Inventories	1,208	1,225	1,241	1,257	1,273	1,293	1,312	1,331	1,352	1,373
Total Current Assets	8,434	8,463	8,721	9,000	9,287	9,594	9,908	10,235	10,575	10,928
Non-Current Assets										
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	2,215,089	2,277,865	2,334,052	2,391,331	2,449,139	2,504,580	2,562,585	2,617,270	2,647,478	2,674,299
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
Total Non-Current Assets	2,253,800	2,316,579	2,372,768	2,430,050	2,487,861	2,543,305	2,601,312	2,656,001	2,686,212	2,713,036
TOTAL ASSETS	2,262,234	2,325,042	2,381,489	2,439,050	2,497,148	2,552,899	2,611,220	2,666,236	2,696,787	2,723,964
LIABILITIES										
Current Liabilities										
Cash Advance Debentures	54,604	59,117	52,835	51,612	46,125	42,652	39,391	32,967	28,496	20,928
Trade & Other Payables	22,952	23,999	24,992	26,014	27,029	28,218	29,398	30,624	31,895	33,213
Borrowings	678	93	76	78	80	83	63	42	42	44
Provisions	10,407	11,638	12,906	14,212	15,557	16,942	18,369	19,839	21,353	22,913
Total Current Liabilities	88,641	94,847	90,809	91,916	88,791	87,895	87,221	83,472	81,786	77,098
Non-Current Liabilities										
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
Total Non-Current Liabilities	3,607	3,784	3,986	4,194	4,409	4,630	4,879	5,160	5,450	5,748
TOTAL LIABILITIES	92,248	98,631	94,795	96,110	93,200	92,525	92,100	88,632	87,236	82,846
NET ASSETS	2,169,986	2,226,411	2,286,694	2,342,940	2,403,948	2,460,374	2,519,120	2,577,604	2,609,551	2,641,118
EQUITY										
Accumulated Surplus	412,076	420,695	432,662	439,958	451,467	457,827	465,974	473,305	482,026	490,368
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	49,763	49,765	49,764	49,764	49,765	49,764	49,765	49,765	49,764
TOTAL EQUITY	2,169,986	2,226,411	2,286,694	2,342,940	2,403,948	2,460,374	2,519,120	2,577,604	2,609,551	2,641,118

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
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Operating Receipts	157,373	164,273	170,439	176,696	183,201	189,958	196,983	204,289	211,886	219,786
Investment Receipts	80	82	84	86	89	90	92	94	96	98
Payments										
Operating Payments to Suppliers and Employees	(111,701)	(116,972)	(121,558)	(126,220)	(130,896)	(136,133)	(141,503)	(147,019)	(152,724)	(158,622)
Finance Payments	(2,372)	(2,464)	(2,322)	(2,061)	(1,791)	(1,484)	(1,270)	(973)	(737)	(486)
Net Cash provided by (or used in) Operating Activities	43,380	44,919	46,643	48,501	50,603	52,431	54,302	56,391	58,521	60,776
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
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	-	-	-	-	-	-	-	-	-	-
Payments										
Payments:										
Expenditure on Renewal/Replacement of Assets	(34,585)	(30,417)	(30,862)	(35,339)	(35,947)	(36,060)	(38,393)	(37,814)	(41,733)	(41,284)
Net Cash Provided by (or used in) Investing Activities	(47,190)	(48,754)	(40,269)	(47,201)	(45,039)	(48,879)	(50,958)	(49,905)	(54,007)	(53,166)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Payments										
Payments:										
Net Cash provided by (or used in) Financing Activities	(1,594)	(678)	(93)	(76)	(78)	(81)	(83)	(63)	(42)	(42)
Net Increase/(Decrease) in Cash Held	(5,404)	(4,513)	6,281	1,224	5,486	3,471	3,261	6,423	4,472	7,568
Cash & Cash Equivalents at Beginning of Period	-	-	-	-	-	-	-	-	-	-
Cash & Cash Equivalents/Movements in Borrowings at End of Period	(5,404)	(4,513)	6,281	1,224	5,486	3,471	3,261	6,423	4,472	7,568

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	2,169,985	2,226,411	2,286,693	2,342,940	2,403,948	2,460,372	2,519,120	2,577,603	2,609,551
Net Surplus / (Deficit) for Year	11,051	8,619	11,968	7,295	11,509	6,360	8,147	7,331	8,721	8,342
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	58,364	56,427	60,282	56,246	61,008	56,424	58,747	58,484	31,947	31,568
Balance at end of period	2,169,986	2,226,411	2,286,694	2,342,940	2,403,948	2,460,374	2,519,120	2,577,604	2,609,551	2,641,118

NOT YET REVIEWED BY COUNCIL

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

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	157,985	164,334	170,500	176,758	183,265	190,021	197,046	204,352	211,948	219,850
less Expenses	(154,977)	(161,115)	(167,346)	(173,924)	(180,385)	(187,574)	(194,891)	(202,399)	(210,301)	(217,912)
Operating Surplus / (Deficit)	3,008	3,219	3,154	2,834	2,880	2,447	2,155	1,953	1,647	1,938
Less: Net Outlays on Existing Assets										
Capital Expenditure on Renewal/Replacement of Existing Assets	(34,585)	(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
	3,913	9,910	11,157	8,787	10,203	12,147	11,944	14,729	13,158	15,483
Less: Net Outlays on New and Upgraded Assets										
Capital Expenditure on New/Upgraded Assets	(19,343)	(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	1,379	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
	(13,407)	(19,223)	(10,199)	(12,654)	(9,884)	(13,611)	(13,357)	(12,883)	(13,066)	(12,674)
Net Lending / (Borrowing) for Financial Year	(6,486)	(6,094)	4,112	(1,033)	3,199	983	742	3,799	1,739	4,747

NOT YET REVIEWED BY COUNCIL

Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

NOT YET REVIEWED BY COUNCIL

This page has intentionally been left blank

APPENDIX B: SUMMARY PRESENTATION OF RATES REVENUE PUBLIC CONSULTATION

Proposed Rates Revenue				
	2023/24 (as adopted)	2024/25 (Public Consultation)	Change	Comments
General Rates Revenue				
General Rates (existing properties)		\$128,613,538 ^(a)		For 2024/25, total General Rates revenue has increased 6.1%, reflecting endorsed average rate increases of 5.5%, growth <i>(refer k)</i> of 0.5% from new properties that have been created over the last year, and a further 0.5% of revenue made up of new construction that will be rated for the first time in 2024/25
General Rates (new properties)		\$579,281 ^(b)		
General Rates (GROSS)	\$121,133,910	\$129,192,819 ^(c)		
Less: Mandatory Rebates	(\$1,371,300)	(\$1,551,000) ^(d)		
Less: Tier Remissions and Capping	(\$454,000)	(\$478,000) ^(e)		
General Rates (NET)	\$119,308,610	\$127,163,819 ^(f)	6.6%	
		<i>(f)=(c)+(d)+(e)</i>		
Other Rates (inc. service charges)				
Regional Landscape Levy	\$2,289,374	\$2,289,374 ^(g)		The Regional Landscape Levy is not retained by Council.
Separate and Special Rates	\$177,878	\$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
	\$2,467,252	\$2,467,252		
Less: Discretionary Rebates	(\$42,000)	(\$33,000) ⁽ⁱ⁾		
Total Rates Revenue	\$116,799,358	\$124,663,567 ^(j)	6.7%	Excluding the Regional Landscape Levy, separate rates, and minus Mandatory & Discretionary Rebates.
		<i>(j)=(f)-(g)-(h)-(i)</i>		

Growth in number of rateable properties				
Number of rateable properties	61,662 <i>Actual</i>	61,891 <i>Estimate</i>	^(k) 0.4%	Growth of 0.5% has accounted for 0.5% the increase in General Rates to be collected <i>(refer b)</i> .
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	\$1,964 <i>(f)-(c)/(k)</i>	\$2,087 <i>(j)-(i)/(k)</i>	^(l) 6.3%	These 'averages' are based on the total of all rateable properties and are therefore not indicative of either the rate or change in rates that all ratepayers will experience. The endorsed average rate increase is 5.5%, with the balance resulting from new assessments and construction that will be rated for the first time in 2024/25.
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the Council area). The total rates paid by all rateable properties will equal the amount adopted in the budget.				

Notes

^(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories:	Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
	Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent
The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).			
^(f) Presented as required by Regulation 6(1)(ea) of the <i>Local Government (Financial Management) Regulations 2011</i> .			
Please Note: The percentage figure in ^(f) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).			
^(g) Councils are required under the <i>Landscape South Australia Act 2019</i> to collect the levy on all rateable properties on behalf of the State Government. The Regional Landscape Levy is not retained by Council.			
⁽ⁱ⁾ A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties that receive the rebate).			
^(k) *Growth* as defined in Regulation 6(2) of the <i>Local Government (Financial Management) Regulations 2011</i> .			
Please note: The 2024/25 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.			

APPENDIX B: SUMMARY PRESENTATION OF RATES REVENUE PUBLIC CONSULTATION

Differential Rates									
	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$
	2023/24	2024/25	Change	2023/24	2024/25	2023/24	2024/25	Change	2024/25
Land Use (General Rates - GROSS)									
Residential	\$91,196,577	\$96,596,710	6%	57,313	57,469	\$1,591	\$1,681	(m) \$90	0.308900
Commercial - Shop	\$5,314,143	\$5,050,417	-5%	749	756	\$7,095	\$6,680	(m) -\$415	0.498200
Commercial - Office	\$1,323,711	\$1,324,497	0%	207	211	\$6,395	\$6,277	(m) -\$118	0.498200
Commercial - Other	\$13,442,542	\$14,993,681	12%	1,596	1,610	\$8,423	\$9,313	(m) \$890	0.498200
Industry - Light	\$1,159,655	\$1,359,143	17%	320	321	\$3,624	\$4,234	(m) \$610	0.498200
Industry - Other	\$4,901,116	\$5,461,231	11%	273	272	\$17,953	\$20,078	(m) \$2,125	0.498200
Primary Production	\$568,949	\$667,054	17%	203	204	\$2,803	\$3,270	(m) \$467	0.308900
Vacant Land	\$2,223,271	\$2,564,226	15%	840	879	\$2,647	\$2,917	(m) \$270	0.401600
Other	\$1,003,946	\$1,175,860	17%	161	169	\$6,236	\$6,958	(m) \$722	0.308900
GRAND TOTAL (GROSS)	\$121,133,910	\$129,192,819	6.7%	61,662	61,891	\$1,964	\$2,087	(m) \$123	

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

Minimum Rate					
	Properties to which rate will apply		Rate		
	2024/25	% of total rateable properties	2023/24	2024/25	Change
Minimum Rate	10,808	17.5%	\$1,156	\$1,220	(n) \$64

The Minimum Rate provides a mechanism where lower valued properties do not pay less than a minimum amount as determined by the Council. Typically, only a small number of all properties (with no more than 35%) pay a minimum amount. Council endorsed to set a minimum rate of \$1,220 which shall be applied to all rateable properties. This will affect 17.5% 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:

The equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth.

Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

Notes

(m) 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.

(n) 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.

NOT YET REVIEWED BY COUNCIL

This page has intentionally been left blank

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.



Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au

Table of contents

Glossary of terms.....	ii
1 The Commission's key advice findings for the City of Salisbury.....	3
2 About the advice	5
2.1 Summary of advice	5
2.2 Detailed advice findings	8
2.2.1 Advice on material plan amendments in 2022-23.....	8
2.2.2 Advice on financial sustainability	10
2.2.3 Advice on current and projected rate levels.....	13
2.3 The Commission's next advice and focus areas.....	13

Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	City of Salisbury
CWMS	Community Wastewater Management System
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGCC	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.¹

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

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

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

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

2.1 Summary of advice

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

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

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

² Commonly referred to as asset management plans.

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

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

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

⁶ LG Act s122(1f)(a) and (1g)(a)(ii).

⁷ LG Act s122(1f)(b) and (1g)(b).

⁸ LG Act s122(1h).

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

ESCOSA Advice – City of Salisbury Comments

Legislative Requirements

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

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

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

Historical Operating Surpluses & Salisbury Aquatic Centre

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

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

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

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

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

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

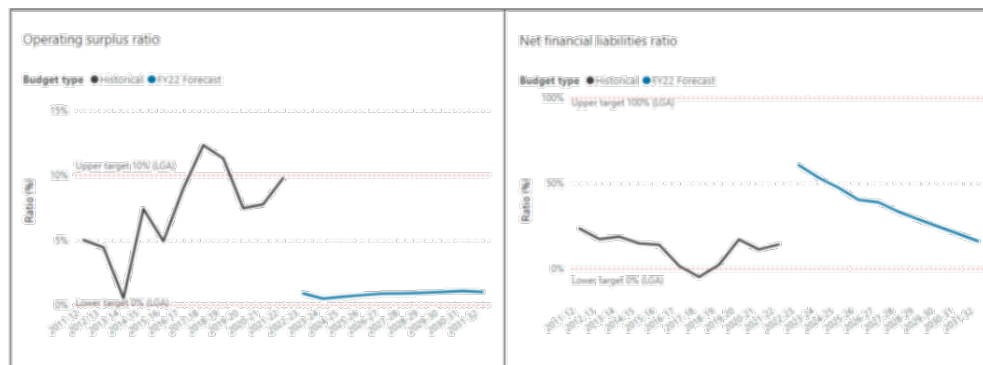
There are current risks to its financial sustainability arising from the extent of funding it has allocated for undefined capital projects in its forward projections, noting that the Salisbury Aquatic Centre project costs and associated service offerings have increased considerably from those originally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

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

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

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

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



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

SCOSA Advice – City of Salisbury Comments

Assertion that there are Risks to Financial Sustainability

The City of Salisbury has operated in a financially sustainable way since 2008/09, and it was at this time that Local Government commenced the recognition of assets and associated depreciation. Other levels of Government do not recognise depreciation in their cost structures. Over the past decade with improved asset understanding we have now recognised over \$2.3bn of assets with annual depreciation of over \$30M, which is an operating cost, and primarily funded through rates. During this period there 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 \$122 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

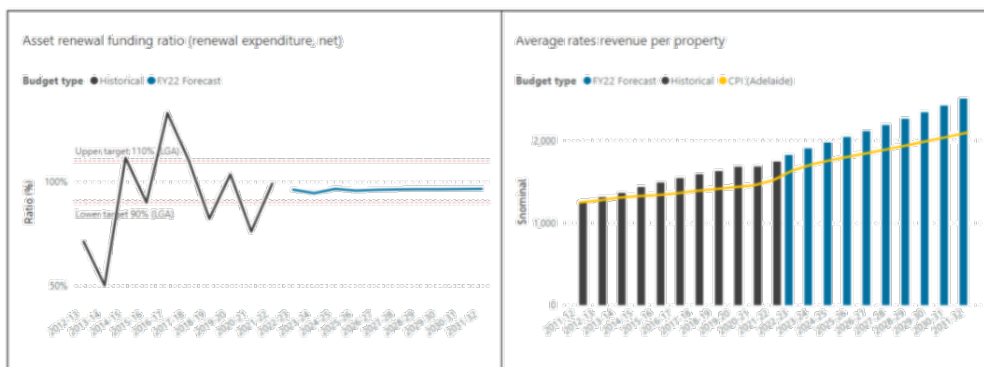
City of Salisbury has continued to budget and plan to operate within Council approved operating ranges for financial sustainability indicators. When actual results have varied to budget, these have been subject to extensive reporting at end of financial year, with these reports having been approved by 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 →
Identified Risks:			
Cost control risk	Operating expenses per property average growth 1.9% p.a. to 2021-22 (CPI 2.0%) →		Cost pressures to 2024-25 Projected operating expenses per property average growth 3.1% p.a. (7 years to 2031-32)
Affordability risk	Rate revenue per property average growth 3.4% p.a. to 2021-22 (CPI 2.0%) →		Rate revenue per property forecast average growth 3.6% p.a. to 2031-32 (CPI 2.8%), with lower capacity to pay indicators →

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

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

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

ESCOSA Advice – City of Salisbury Comments

Asset Renewal Funding Ratio

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

Average Rate Revenue per Property

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

Heat Map

Asset Renewal Funding Ratio

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

Cost Control & Affordability Risk

The average rate increase over the past 11 years (2011/12-2021/22) is 3.0% not 3.4%, and over the past 5 years (2017/18 to 2021/22) the average annual rate increase was 2.1%, compared with CPI of 1.8% over this period, which demonstrates 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.¹¹

2.2.1 Advice on material plan amendments in 2022-23

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

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

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

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

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

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

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

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

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

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

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

ESCOSA Advice – City of Salisbury Comments

LTFP 2021/22 compared with 2022/23

There are two primary changes in the LTFP year on year. The biggest impact was the review of inflation from a 9 year average (2022/23 to 2030/31) of 2.02% to 2.62% across the common years which increase the expenditure budget by \$32.8M and was also reflected in rate revenue required. The other impact was the potential to insource the operations of the Salisbury Aquatic Centre (SAC), rather than paying a contract management fee. This impact was across user charges and materials, contract and other costs. As the 2021/22 plan had factored in the outsourced model, and depreciation of the asset, SAC was not a significant overall variance year on year, but did impact on the detail of the operating budget with these changes largely offsetting each other.

LTFP 2021/22 & 2022/23 Average Rate Increase

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

LTFP Assumptions

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

CPI / Inflation Growth

CPI is reviewed each budget when the Long Term Financial Plan is updated. Council had consulted with the community based on inflation of 3.3% in the 2022/23 draft Annual 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 Centre¹⁷ was not in the Council's City Plan 2035 nor a particularly high priority in its 2020 community survey results;¹⁸ it also brings potentially significant upfront and ongoing costs in terms of subsidising its operation.¹⁹ The Council has not yet published the report containing the community consultation results specifically related to the facility.²⁰

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

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

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

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

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

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

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

ESCOSA Advice – City of Salisbury Comments

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

New and Upgraded Assets Forecast Expenditure

Both the 2021/22 and 2022/23 Long Term Financial Plans (LTFP) had provision for new capital from year 3, which in nominal terms is \$15Mp.a and \$16.2Mp.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 4th place for improvement to quality of life in the City of Salisbury. Council is capable of addressing feedback across multiple services, 4th spot is not insignificant in terms of community response, and a decision was needed regarding the 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).²¹

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

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

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

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

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

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

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

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

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

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

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

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

ESCOSA Advice – City of Salisbury Comments

Operating Surpluses

Average operating surpluses 2016/17 – 2020/21 were \$8.7M above budget expectations, with these impacts not being evident during the budget setting process. The main factors contributing to this favourable result include Grant revenue with \$5.4M Grant income received ahead of time and additional grant revenue including Roads to Recovery \$2.2M, Financial Assistance and Untied Local Roads grants \$6.7M and Other of \$2.2M, with no communication regarding any of these grant impacts being provided during the budget setting process. During this period there were property development proceeds which were quarantined to assist funding the Salisbury Community Hub, together with 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.²⁸

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

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

Net financial liabilities

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

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

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

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

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

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

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

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

ESCOA 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,³⁰ including an average of 90 percent between 2018-19 and 2020-21.

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

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

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

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

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

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

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

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

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

ESCOSA Advice – City of Salisbury Comments

Renewal v New Expenditure

The level of renewal is appropriate if it is delivering on the requirements of the Strategic Asset Management Plan, which it does, as Council always 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 years³² and equated to \$1,744 per property in 2021-22. This is double the rate of CPI inflation over this period (averaging 1.7 percent per annum).

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

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

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

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

2.3 The Commission's next advice and focus areas

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

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

³² From 2011-12 to 2021-22.

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

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

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

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

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

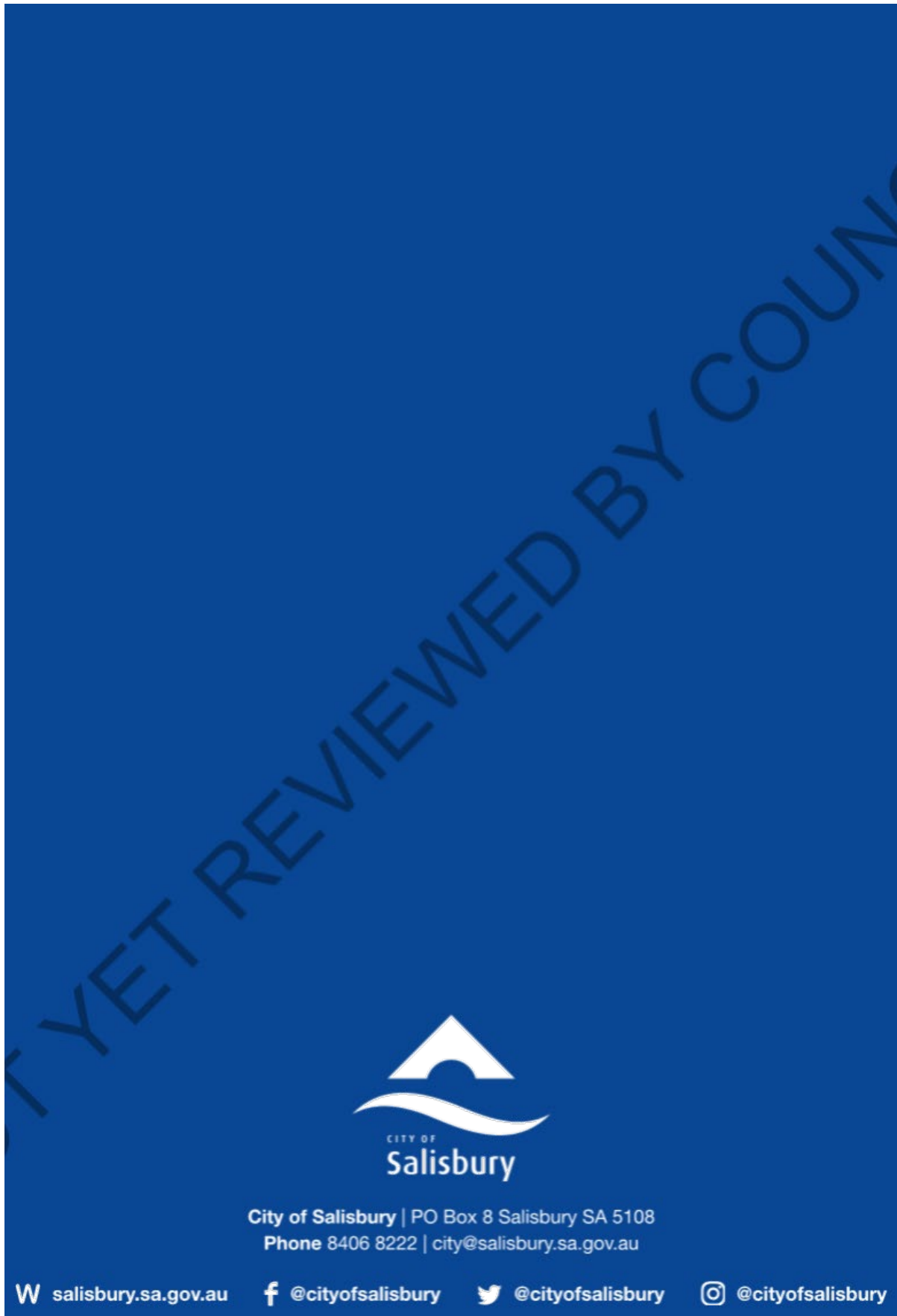
We acknowledge that City of Salisbury is a community of lower economic means than some other communities. Unfortunately, with relatively low levels of grant funding City of Salisbury is reliant on rate revenue funding approximately 80% of its operating expenditure. In other states the relevant State 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.



The Essential Services Commission
Level 1, 151 Pirie Street Adelaide SA 5000
GPO Box 2605 Adelaide SA 5001
T 08 8463 4444
E escosa@escosa.sa.gov.au | W www.escosa.sa.gov.au





Item 2.1.4 - Attachment 1 - Draft 2024/25 Long Term Financial Plan and Annual Business Plan

ITEM	2.1.5
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	15 April 2024
HEADING	NAWMA Draft 2024/2025 Budget
AUTHOR	Elizabeth MacGillivray, Senior Civil Environmental Engineer, City Infrastructure
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	The draft NAWMA 2024/2025 budget is presented for Council's consideration and endorsement.

RECOMMENDATIONThat Council:

1. Notes the information relating to the draft 2024/2025 NAWMA Budget.
2. Endorses the draft NAWMA 2024/2025 Budget.

ATTACHMENTS

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

1. NAWMA FY24 draft budget
2. NAWMA FY24 Letter to John Harry, Chief Executive Officer, City of Salisbury

1. BACKGROUND

- 1.1 According to the agreement between Council and NAWMA, the NAWMA Board is required to prepare a draft annual budget for consideration and endorsement by the constituent councils.
- 1.2 NAWMA representatives presented the draft budget (Attachment 1) and its impact on the City of Salisbury to elected members at a workshop on 27 March 2024. The workshop also provided updates on major projects, information about pressures on costs and income, as well as the broader operating environment.
- 1.3 Advice from NAWMA's Chief Executive Officer of the draft budget endorsed by the NAWMA Board is attached to this report (Attachment 2).
- 1.4 Council currently has a 57.11% interest in NAWMA's Net Assets. This report addresses the operational budget. NAWMA has also prepared a draft Annual Business Plan for 2024/2025 which is in a report for the consideration of the Urban Services Committee.

2. CONSULTATION / COMMUNICATION

- 2.1 External
 - 2.1.1 NAWMA Board

3. DISCUSSION

- 3.1 The Pooraka Resource Recovery Centre, located on Research Road, is operated by NAWMA and they hold the Environment Protection Authority (EPA) licence for the site. Background work to enable an upgrade to the site have been occurring over the last few years. The upgrade to the site is now scheduled to begin at the end of April 2024. The site will be closed while upgrade works occur and is expected to reopen again in August 2024. During this time, residents will be able to utilise the same services at the Edinburgh North Resource Recovery Centre.
- 3.2 The Uleybury Landfill, renewable (waste) electricity plant and solar farm continue to be owned and operated by NAWMA.
- 3.3 A fibre polishing plant at the Woomera Ave Materials Recovery Facility site is currently being constructed and is expected to be commissioned in September 2024. This plant is required to reduce the contamination of paper so that it will comply with Commonwealth requirements for paper product recycling.
- 3.4 The following points should be noted from the draft budget:
 - 3.4.1 The FY25 budget has been based on a CPI forecast of 4.5% and an EPA solid waste (landfill) levy increase of 4.5%. The budget will be adjusted during quarterly reviews to accommodate actual percentage increases.
 - 3.4.2 There is a decrease in the total budget for mobile garbage bins (MGB). This is due to a reduced rate of green waste bin uptake (Food Organics Green Organics (FOGO)) as the percentage of properties anticipated to take up this optional service nears saturation.
 - 3.4.3 Following increases in the Food Organics Green Organics (FOGO) budget line over the previous three years to accommodate costs associated with processing higher tonnages of organic material due to the free Food Organics Green Organics (FOGO) bin and Kitchen Caddy initiatives, the FY25 budget is anticipated to be slightly lower than FY24 as the uptake plateaus and tonnages establish a new 'normal'.
 - 3.4.4 Processing costs for organics will increase from March 2025 due to the commencement of the new green waste contract. The new rate offered by the market is approximately 28% higher than the current processing rate per tonne as the current price and arrangement was locked in seven years ago and was not subject to indexation.
 - 3.4.5 NAWMA has adjusted its cost modelling for waste processing which has resulted in an increased cost per tonne. This has been calculated based on cost recovery for costs associated with the waste processing facility and landfill. The rate for waste processing will increase by 24% from \$59.90/tonne to \$74.50/tonne. However, the projected increase in waste processing cost is 21.4% which is due to improvement in waste management practices, which reduced the quantity of waste to landfill.
 - 3.4.6 Overall, hardwaste costs are expected to increase slightly. The budget figure is based on trends from the previous years, with some allowance for growth. The charge for a hard waste voucher will increase by CPI of 4.5%.

- 3.4.7 An increase of 4.5% has been assumed for the Solid Waste Levy however this charge is set by the State Government and has not yet been published. This rate may change, depending on the levy set by the SA Government. The overall solid waste disposal cost (landfill) in the NAWMA budget for the City of Salisbury increases by less than the 4.5% due to reduced tonnes of waste going to landfill. The reduction is principally due to diversion of food waste from the general waste (red-lid) bin to the FOGO (green-lid) bin.
- 3.4.8 The administration fee covers costs related to the office-based operations including customer service, financial services and the education officers. The contracts for processing glass fines were recently tendered and the costs per tonne for glass fines has therefore increased 4.3% in the FY25 budget.
- 3.4.9 An increase of 5% has been included in the draft budget.
- 3.5 NAWMA remains committed to improving environmental outcomes and further developing a circular economy within South Australia. Investing funds into the northern area in order to generate jobs is also a key element of NAWMA's operations.
- 3.6 NAWMA is projecting an overall operational deficit of \$1.193M for the 2024/2025 financial year.
- 3.7 The draft City of Salisbury 2024/2025 budget has incorporated the NAWMA budget changes as mentioned in this report.

4. FINANCIAL OVERVIEW

- 4.1 The total increase to the City of Salisbury for FY25 (from the second quarterly budget review figures) will be \$1,123,000, or 6.67%. This percentage increase is slightly greater than the previous year. The majority of this increase is due to increased processing costs, as well as the overall increase of 4.5% CPI.

5. CONCLUSION / PROPOSAL

- 5.1 The draft NAWMA 2024/2025 budget includes adequate allocations for the waste management needs of Council, as defined within the service agreement.
- 5.2 It is recommended that the draft NAWMA 2024/2025 budget be endorsed.

Northern Adelaide Waste Management Authority

Uniform Presentation of Finances

	2024/25 \$'000 Draft Budget	2023/24 \$'000 BR2
	\$'000	\$'000
Income		
<i>User Charges</i>	51,414	46,689
<i>Grants, Subsidies and Contributions</i>	-	-
<i>Investment Income</i>	237	461
<i>Other</i>	1,498	503
	<u>53,149</u>	<u>47,653</u>
Expenses		
<i>Employee Costs</i>	5,327	5,168
<i>Materials, Contracts and Other Expenses</i>	43,855	39,628
<i>Depreciation, Amortisation and Impairment</i>	4,607	3,269
<i>Finance Costs</i>	553	516
	<u>54,342</u>	<u>48,581</u>
Operating Surplus / (Deficit)	(1,193)	(928)
Net Outlays on Existing Assets		
<i>Capital Expenditure on renewal and replacement of Existing Assets</i>	(530)	(45)
<i>Depreciation, Amortisation and Impairment</i>	4,607	3,269
<i>Proceeds from Sale of Replaced Assets</i>	-	-
	<u>4,077</u>	<u>3,224</u>
less Net Outlays on New and Upgraded Assets		
<i>Capital Expenditure on New and Upgraded Assets</i>	(2,215)	(14,976)
<i>Amounts received specifically for New and Upgraded Assets</i>	2,130	5,860
<i>Proceeds from Sales of Replaced Assets</i>	-	-
	<u>(88)</u>	<u>(9,116)</u>
Annual Net Impact to Financing Activities (Surplus/(Deficit))	2,796	(6,820)

Northern Adelaide Waste Management Authority

Statement of Comprehensive Income

	2024/25 \$000 Draft Budget	2023/24 \$000 BR2
	\$'000	\$'000
Income		
User Charges	51,414	46,689
Grants, Subsidies and Contributions	-	-
Investment Income	237	461
Other	1,498	503
Total Income	53,149	47,653
Expenses		
Employee Costs	5,327	5,168
Materials, Contracts and Other Expenses	43,855	39,628
Depreciation, Amortisation and Impairment	4,607	3,269
Finance Costs	553	516
Total Expenses	54,342	48,581
Operating Surplus / (Deficit)	(1,193)	(928)
Net Gain / (Loss) on Disposal of Assets	-	-
Amounts received specifically for new/upgraded assets	2,130	6,822
Net Surplus / (Deficit)	937	5,894
Other Comprehensive Income		
Other Comprehensive Income	-	-
Total Comprehensive Income	937	5,894

Northern Adelaide Waste Management Authority

Statement of Financial Position

	2024/25 \$000 Draft Budget	2023/24 \$000 BR2
	\$'000	\$'000
Current Assets		
Cash & Cash Equivalents	305	134
Trade & Other Receivables	4,516	4,516
Stock on Hand	77	77
Total Current Assets	4,898	4,727
Non-Current Assets		
Infrastructure, Property, Plant and Equipment	30,688	31,089
Total Non-Current Assets	30,688	31,089
Total Assets	35,586	35,816
Current Liabilities		
Trade & Other Payables	4,914	4,914
Borrowings	2,728	2,700
Provisions	530	520
Total Current Liabilities	8,172	8,134
Non-Current Liabilities		
Provisions	7,775	7,580
Borrowings	1,793	3,193
Total Non-Current Liabilities	9,568	10,773
Total Liabilities	17,740	18,907
Net Assets	17,846	16,909
Equity		
Accumulated Surplus	16,796	15,859
Asset Revaluation Reserve	1,050	1,050
Total Equity	17,846	16,909

Northern Adelaide Waste Management Authority

Statement of Changes in Equity

	2024/25 \$000 Draft Budget	2023/24 \$000 BR2
	\$'000	\$'000
Accumulated Surplus		
Balance at beginning of period	15,859	9,965
Net Surplus / (Deficit)	937	5,894
Transfers from reserves	-	-
Transfers to reserves	-	-
Balance at end of period	16,796	15,859
Asset Revaluation Reserve		
Balance at beginning of period	1,050	1,050
Gain on Revaluation of Property, Plant and Equipment	-	-
Transfers from reserve	-	-
Balance at end of period	1,050	1,050
Total Equity	17,846	16,909

Northern Adelaide Waste Management Authority
Statement of Cash Flows

	2024/25 \$000 Draft Budget	2023/24 \$000 BR2
	\$'000	\$'000
Cash Flows from Operating Activities		
Operating Receipts	52,912	47,192
Operating Grants	-	-
Investment Receipts	237	461
Operating Payments	(49,182)	(44,796)
Finance Payments	(348)	(315)
Net cash provided by (used in) operating activities	3,619	2,542
Cash Flows from Investing Activities		
Amounts specifically for new or upgraded assets	2,130	5,860
Sale of Replaced Assets	-	-
Expenditure on Renewal/Replacement Assets	(530)	(45)
Expenditure on New/Upgraded Assets	(2,218)	(14,976)
Net cash provided by (used in) investing activities	(618)	(9,161)
Cash Flows from Financing Activities		
Proceeds from Borrowings	-	-
Repayment of Borrowings	(1,245)	(1,494)
Repayment of Lease Liabilities	(1,585)	(1,595)
Net cash provided by (used in) financing activities	(2,830)	(3,089)
Net Increase (Decrease) in cash held	171	(9,708)
Cash & Cash Equivalents at the beginning of period	134	9,842
Cash & Cash Equivalents at end of period	305	134

**NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY
RESOURCE RECOVERY CENTRES - GATE FEES AND CHARGES
FY25 - July 2024 to June 2025**

Type of Vehicle	FY25 Proposed Fee (GST inclusive)	FY24 Fee (GST inclusive)	Variance FY25 vs FY24	Competitor Average Price	Competitor 1	Competitor 2	Competitor 3	Competitor 4
GENERAL WASTE								
Minimum Charge	\$23	\$21	\$	NA	N/A	NA	NA	\$50
Car Boot/240l Bin	\$40	\$35	\$	\$46.67	N/A	\$40	\$50	\$50
Station Wagon	\$53	\$48	\$	\$62.25	\$44	\$75	\$60	\$70
Utes and Vans (Level)	\$95	\$86	\$	\$92.25	\$64	\$75	\$80	\$150
Utes and Vans (Raised)	\$106	\$96	\$	\$109.75	\$84	\$75	\$80	\$200
Trailer 6 x 4 (Level)	\$96	\$87	\$	\$101.00	\$84	\$90	\$130	\$100
Trailer 6 x 4 (Raised or Caged)	\$113	\$103	\$	\$150.75	\$113	\$170	\$170	\$150
Trailer 7 x 5 (Level)	\$117	\$105	\$	\$148.00	\$117	\$170	\$155	\$150
Trailer 7 x 5 (Raised or caged)	\$135	\$118	\$	\$174.50	\$133	\$170	\$195	\$200
Trailer 8 x 5 (Level)	\$138	\$119	\$	\$162.75	\$131	\$170	\$200	\$150
Trailer 8 x 5 (Raised or caged)	\$157	\$135	\$	\$212.50	\$160	\$245	\$245	\$200
Commercial								
Trailer->8X5 TO 10X5 LEVEL	\$193	\$155	\$	\$246.67	\$160	\$245	\$335	Price on application
Trailer->8X5 TO 10X5 RAISED/CAGED	\$266	\$213	\$	\$262.33	\$207	\$245	\$335	Price on application
Trailer->10X5/LIGHT TRUCKS	\$315	\$251	\$	\$279.67	\$259	\$245	\$335	Price on application
All other vehicle combinations with greater than 3 tonne tare	Price on application	Price on application						
ORGANICS								
Minimum Charge	\$14	\$12	\$	NA	NA	NA	NA	\$50
Car Boot/240l Bin	\$15	\$13	\$	\$39.75	\$24	\$50	\$35	\$50
Station Wagon	\$26	\$23	\$	\$49.25	\$27	\$50	\$50	\$70
Utes and Vans (Level)	\$42	\$38	\$	\$62.50	\$40	\$50	\$60	\$100
Utes and Vans (Raised)	\$55	\$50	\$	\$87.50	\$40	\$50	\$60	\$200
Trailer 6 x 4 (Level)	\$43	\$38	\$	\$57.00	\$43	\$45	\$70	\$70
Trailer 6 x 4 (Raised or Caged)	\$57	\$52	\$	\$74.75	\$49	\$55	\$95	\$100
Trailer 7 x 5 (Level)	\$58	\$45	\$	\$75.50	\$52	\$70	\$80	\$100
Trailer 7 x 5 (Raised or caged)	\$66	\$59	\$	\$86.25	\$65	\$75	\$105	\$100
Trailer 8 x 5 (Level)	\$67	\$52	\$	\$90.25	\$66	\$100	\$95	\$100
Trailer 8 x 5 (Raised or caged)	\$72	\$62	\$	\$95.50	\$72	\$100	\$110	\$100
Commercial								
Trailer->8X5 TO 10X5 LEVEL	\$79	\$63	\$	\$104.50	\$84	NA	\$125	Price on application
Trailer->8X5 TO 10X5 RAISED/CAGED	\$110	\$88	\$	\$114.00	\$103	NA	\$125	Price on application

**NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY
RESOURCE RECOVERY CENTRES - GATE FEES AND CHARGES
FY25 - July 2024 to June 2025**

Type of Vehicle	FY25 Proposed Fee (GST inclusive)	FY24 Fee (GST inclusive)	Variance FY25 vs FY24	Competitor Average Price	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Trailer->10x5/LIGHT TRUCKS	\$130	\$104	\$ 26	\$125.50	\$126	NA	\$125	Price on application
All other vehicle combinations with greater than 3 tonne tare	Price on application	Price on application						
CONCRETE								
Minimum Charge	\$22	\$20	\$ 2	NA	NA	NA	\$50 per tonne	\$50
Car Boot/240l Bin				\$56.00	\$23	\$95	\$50 per tonne	\$50
Station Wagon				\$67.67	\$38	\$95	\$50 per tonne	\$70
Utes and Vans (Level)	\$52	\$42	\$ 10	\$90.00	\$50	\$70	\$50 per tonne	\$150
Utes and Vans (Raised)	\$55	\$42	\$ 13	\$106.67	\$50	\$70	\$50 per tonne	\$200
Trailer 6 x 4 (Level)				\$82.00	\$76	\$70	\$50 per tonne	\$100
Trailer 6 x 4 (Raised or Caged)				\$127.67	\$103	\$130	\$50 per tonne	\$150
Trailer 7 x 5 (Level)	\$65	\$49	\$ 16	\$137.67	\$103	\$160	\$50 per tonne	\$150
Trailer 7 x 5 (Raised or caged)				\$208.00	\$154	\$270	\$50 per tonne	\$200
Trailer 8 x 5 (Level)	\$70	\$55	\$ 15	\$182.67	\$128	\$270	\$50 per tonne	\$150
Trailer 8 x 5 (Raised or caged)				\$217.00	\$181	\$270	\$50 per tonne	\$200
Commercial								
Trailer->8x5 TO 10x5 LEVEL	\$90	\$70	\$ 20	\$212.00	\$154	\$270	\$50 per tonne	Price on application
Trailer->8x5 TO 10x5 RAISED/CAGED	\$105	\$84	\$ 21	\$225.50	\$181	\$270	\$50 per tonne	Price on application
Trailer->10x5/LIGHT TRUCKS	\$130	\$104	\$ 26	\$238.00	\$206	\$270	\$50 per tonne	Price on application
All other vehicle combinations with greater than 3 tonne tare	Price on application	Price on application						
CLEAN FILL								
Minimum Charge	\$16	\$11	\$ 5	NA		NA	NA	\$50
Car Boot/240l Bin				\$52.33	\$12	\$95	\$50 per tonne	\$50
Station Wagon				\$61.00	\$18	\$95	\$50 per tonne	\$70
Utes and Vans (Level)	\$35	\$27	\$ 8	\$81.33	\$24	\$70	\$50 per tonne	\$150
Utes and Vans (Raised)				\$135.00	NA	\$70	\$50 per tonne	\$200
Trailer 6 x 4 (Level)	\$35	\$27	\$ 8	\$67.00	\$31	\$70	\$50 per tonne	\$100

Item 2.1.5 - Attachment 1 - NAWMA FY24 draft budget

**NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY
RESOURCE RECOVERY CENTRES - GATE FEES AND CHARGES
FY25 - July 2024 to June 2025**

Type of Vehicle	FY25 Proposed Fee (GST inclusive)	FY24 Fee (GST inclusive)	Variance FY25 vs FY24	Competitor Average Price	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Trailer 6 x 4 (Raised or Caged)				\$107.67	\$43	\$130	\$50 per tonne	\$150
Trailer 7 x 5 (Level)	\$37	\$29	\$	\$99.00	\$37	\$160	\$50 per tonne	\$100
Trailer 7 x 5 (Raised or caged)				\$154.33	\$43	\$270	\$50 per tonne	\$150
Trailer 8 x 5 (Level)	\$40	\$32	\$	\$137.67	\$43	\$270	\$50 per tonne	\$100
Trailer 8 x 5 (Raised or caged)				\$156.33	\$49	\$270	\$50 per tonne	\$150
Commercial								
Trailer->8X5 TO 10X5 LEVEL	\$48	\$38	\$	\$159.50	\$49	\$270	\$50 per tonne	Price on application
Trailer->8X5 TO 10X5 RAISED/CAGED	\$69	\$55	\$	\$162.00	\$54	\$270	\$50 per tonne	Price on application
Trailer->10x5/LIGHT TRUCKS	\$93	\$74	\$	\$270.00	NA	\$270	\$50 per tonne	Price on application
All other vehicle combinations with greater than 3 tonne tare	Price on application	Price on application						
OTHER MATERIALS								
Metal	Free	Free		N/A	Free	NA	NA	NA
E-Waste – TV's, Computers	Free	Free		N/A	Free	NA	NA	60 each
Polystyrene - Edinburgh North	Free	Free		N/A	Free	NA	NA	NA
Polystyrene - Pooraka	GW fees apply	GW fees apply		N/A	Free	NA	NA	NA
Cardboard	Free	Free		N/A	Free	NA	NA	NA
Waste Oil – Max 20 litres per person	Charge for vessel only	Charge for vessel only		N/A	Free	NA	NA	NA
Gas Cylinders	Free	Free		N/A	Free	NA	NA	\$60
Fluro Tubes	Free	Free		N/A	Free	NA	NA	NA
Paint	Free	Free		N/A	Free	NA	NA	NA
Car Batteries	Free	Free		N/A	Free	NA	NA	NA
Household Batteries	Free	Free		N/A	Free	NA	NA	NA
X-rays (Non-commercial quantity only)	Free	From \$2		N/A	NA	NA	NA	NA
Single Mattress	\$42	\$33	\$	\$63.25	\$43	\$60	\$80	\$70
Double Mattress	\$46	\$36	\$	\$67.50	\$60	\$60	\$80	\$70
Tyres off Rim	\$17	\$14	\$	23	\$11	\$20	\$25	\$35
Tyres on Rim	\$25	\$21	\$	28	\$18	NA	\$30	\$35
4WD/Light Truck	\$37	\$35	\$	35	\$20	\$30	\$35	\$55
Truck	\$67	\$64	\$	49	\$33	NA	\$40	\$75
Large truck/tractor:	\$185	\$170	\$	213	\$326	NA	\$100	NA

Northern Adelaide Waste Management Authority**Draft FY25 Budget – New Budget Items & Capital Expenditure**

1. Table 1 below lists operating budget items related to one-off projects including Landfill Alternative Project and new ongoing expenditure included in NAWMA's draft FY25 Budget. They are all included in the budgeted financial statements which show NAWMA's budgeted Operating bottom line and forecast cash position.

Table 1: New Budget Items - FY25 Budget

Project	Amount	Notes
New - One-Off		
1. Landfill Alternative Shared Costs – DFA	\$1.52m	As per signed DFA
2. Landfill Alternative Income – DFA	(\$1.0m)	As per signed DFA – Exclusivity Fee
3. Landfill Alternative Internal Costs	\$0.3m	Consultancies required to support DFA process
4. Wastewater Feasibility Investigation	\$0.1m	Consultancies
5. Bin Audits	\$40k	Net of \$10k contractor contribution
6. FOGO Project	\$40k	Grant funded
7. Gas Wells – Landfill	\$40k	EPA requirement per LEMP
8. Consultancies – Various	\$55k	HR projects, Strategy Development, Policy review, Asset Management Plan
9. Various	\$29k	Minor items of small value
TOTAL	\$1.124m	
New – Ongoing		
1. EA to the CEO	\$66k	0.7 FTE NAWMA employee
2. Maintenance Technician – Fibre Polishing Plant (FPP)	\$0.13m	1 full time NAWMA employee for new FPP
3. FPP Operations	\$0.42m	Operational costs excluding labour
4. FPP Operations	\$0.33m	Labour hire staff to operate FPP
5. FPP Operations	\$1.04m	Increase in annual depreciation following construction
6. Pooraka RRC	\$0.13m	Increase in annual depreciation following safety upgrade
TOTAL	\$2.116m	

2. Table 2 below lists the capital projects included in NAWMA's draft FY25 Budget. They are all included in the budgeted financial statements which show NAWMA's budgeted financial performance and forecast cash position.

Table 2: Capital Expenditure - FY25 Budget

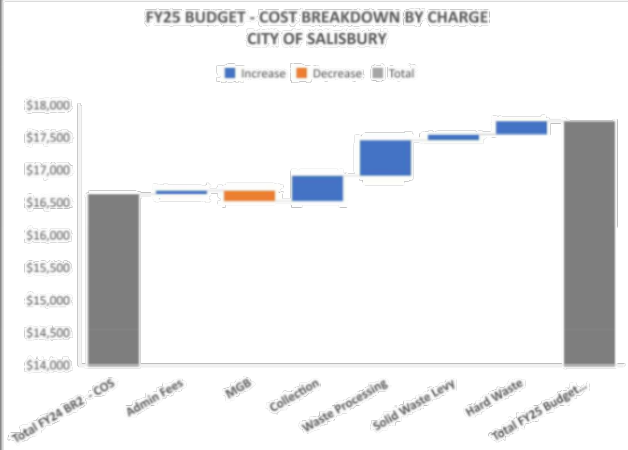
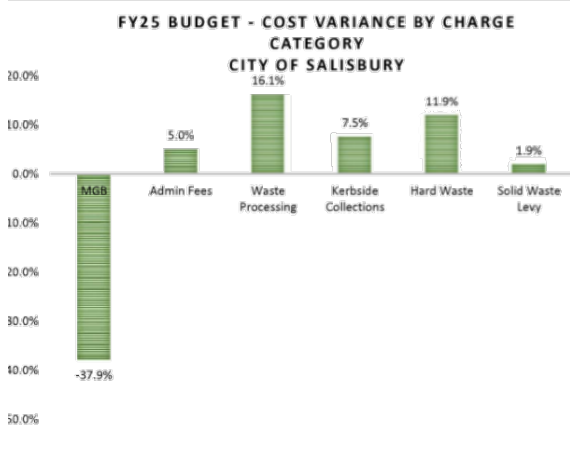
Project	Value	Notes
1. FPP construction (remaining expenditure)	\$1.98m	Project commenced in FY24; \$2.13m grant income budgeted to fund this expenditure.
2. Dust suppression – MRF pre-sort room	\$0.2m	
3. Landfill northern rock batter construction	\$0.2m	
4. MRF receival area concrete replacement	\$80k	Wear & tear
5. WPF fire detection – sprinkler/cannon firefighting equipment	\$50k	Outcome following fire incident
6. WPF concrete replacement	\$50k	Wear & tear
7. MRF & admin office emergency lighting upgrade	\$50k	Current system not fit for purpose
8. Landfill vehicle replacement	\$35k	Current utility 10 years old with 225,000kms
9. Loader purchase – Pooraka RRC	\$35k	End of lease in FY25
10. MRF Baler floor & wheels replacement	\$30k	
11. IT hardware refresh	\$15k	Annual allocation to replace old hardware + unforeseen breakages/replacements etc.
12. Dust covers for MRF Ballistic separators	\$15k	
13. Admin office reception refurbishment	\$5k	
TOTAL	\$2.75m	

NAWMA FY25 DRAFT BUDGET - COST ALLOCATION BREAKDOWN

CITY OF SALISBURY

Waste Category	FY25 Draft Budget ('000)	FY24 Budget Review Two (BR2) ('000)	Variance ('000)	Variance (%)	YOY Weighted Variance (%)
Admin Fees	\$1,154	\$1,099	\$55	5.0%	0.3%
MGB	\$267	\$430	-\$163	-37.9%	-1.0%
Domestic Waste Collection	\$2,710	\$2,539	\$171	6.7%	1.0%
Domestic Waste Processing	\$2,228	\$1,836	\$392	21.4%	2.4%
Solid Waste Levy - Domestic Waste	\$4,876	\$4,786	\$90	1.9%	0.5%
Domestic Waste	\$9,814	\$9,161	\$653	7.1%	3.9%
Recycling Waste Collection	\$1,345	\$1,257	\$88	7.0%	0.5%
MRF Gate Fees	\$0	\$0	\$0	0.0%	0.0%
MRF Residual Waste	\$811	\$621	\$189	30.5%	1.1%
MRF Glass Fines	\$169	\$162	\$7	4.3%	0.0%
Recycling	\$2,325	\$2,041	\$284	13.9%	1.7%
Garden Organics Collection	\$1,564	\$1,429	\$135	9.5%	0.8%
Garden Organics Processing	\$708	\$752	-\$44	-5.9%	-0.3%
Garden Organics	\$2,272	\$2,181	\$91	4.2%	0.5%
Total - Kerbside Waste Service	\$15,831	\$14,911	\$920	6.2%	5.5%
Hard Waste Vouchers	\$833	\$705	\$128	18.1%	0.8%
Hard Waste Collection	\$1,081	\$1,005	\$76	7.5%	0.5%
Hard Waste	\$1,914	\$1,711	\$203	11.9%	1.2%
Illegal Dumping	\$18	\$18	\$0	0.0%	0.0%
Street Sweeping	\$204	\$214	-\$11	-4.9%	-0.1%
	\$0	\$0	\$0	0.0%	0.0%
Council Operations	\$222	\$232	-\$11	-4.5%	-4.5%
Total	\$17,745	\$16,622	\$1,123	6.76%	6.8%

Charge Category	FY25 Draft Budget ('000)	FY24 Budget Review Two (BR2) ('000)	Variance ('000)	Variance (%)	YOY Weighted Variance (%)
Controllable Charges					
MGB	\$267	\$430	-\$163	-37.9%	-1.0%
Admin Fees	\$1,154	\$1,099	\$55	5.0%	0.3%
Waste Processing	\$3,916	\$3,372	\$544	16.1%	3.3%
Kerbside Collections	\$5,619	\$5,225	\$394	7.5%	2.4%
Total Controllable Charges	\$10,956	\$10,125	\$830	8.2%	5.0%
Non-Controllable Charges					
Hard Waste	\$1,914	\$1,711	\$203	11.9%	1.2%
Solid Waste Levy	\$4,876	\$4,786	\$90	1.9%	0.5%
Total Non-Controllable Charges	\$6,790	\$6,497	\$293	4.5%	1.8%
Total	\$17,745	\$16,622	\$1,123	6.8%	6.8%



Item 2.1.5 - Attachment 1 - NAWMA FY24 draft budget



18/03/2024

Mr John Harry
Chief Executive Officer
City of Salisbury
PO Box 8
Salisbury SA 5108

Dear Mr Harry,

RE: Draft 2024/2025 NAWMA Budget and Draft 2024/2025 Annual Business Plan

NAWMA is pleased to forward the appended Draft 2024/2025 Budget and Draft 2024/2025 Annual Business Plan for your Council's consideration.

The Draft Budget and Annual Business Plan were both considered by the NAWMA Board on Thursday 7 March 2024, and the following resolutions were carried:

- 8.1 FY25 Draft Budget**
Moved Mr Green that the NAWMA Board:
 1. Endorse the draft FY25 Budget including the Financial Statements,
 2. Receive and note the draft FY25 Budget assumptions, key drivers, fees & charges and other reports as presented and attached,
 3. Recommend that NAWMA Management present a further report to the May 2024 Board Meeting, surrounding priority and timing of returning to an operating surplus with consideration of the LTFP, and;
 4. Endorse the draft FY25 Budget for consultation with Constituent Councils having separated out the once off items, Landfill Alternative Project, and extraordinary projects.
 Secinded Cr Marsh Carried

- 8.5 FY25 Draft Annual Business Plan**
Moved Mr Green that the Report is received and noted with the Board endorsing the Annual Business Plan to Constituent Councils for consideration.
Secinded Cr Halls Carried

Appended to this letter are the following documents:

1. Draft 2024/2025 NAWMA Budget, including:
 - a. Draft 2024/2025 Budgeted Financial Statements
 - b. Draft 2024/2025 Proposed Fees and Charges
 - c. Draft 2024/2025 New Budget Items and Capital Expenditure
 - d. City of Salisbury Draft 2024/2025 Budget Breakdown
2. Draft 2024/2025 Annual Business Plan

Thank you for the opportunity to present to Council on Wednesday 27 March at 6.30pm. This opportunity will allow NAWMA's Chairperson Mr. Graham Dooley, Chief Financial Officer Mr Sid Jain and myself to provide further context on the impact to City of Salisbury, NAWMA's broader strategic

71-75 Woomera Avenue, Edinburgh SA 5111
Phone (08) 8259 2100
www.nawma.sa.gov.au

Item 2.1.5 - Attachment 2 - NAWMA FY24 Letter to John Harry, Chief Executive Officer, City of Salisbury

operating environment, cost and income pressures and updates on major projects currently being undertaken by the Authority.

In line with the NAWMA Charter, we would appreciate Council considering and endorsing both the Draft 2024/2025 Budget and Draft 2024/2025 Annual Business Plan prior to Friday 31 May 2024.

Should you need to discuss these matters further please contact me on 0436 453 640 or t.terlet@nawma.sa.gov.au.

Yours sincerely



Toby Terlet
Chief Executive Officer

ITEM	2.1.6 FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	15 April 2024
HEADING	Approval of Cash Advance Debenture Facility - NAWMA
AUTHOR	Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community

SUMMARY NAWMA have written to its constituent Councils, asking for approval to establish a \$1M Cash Advance Debenture facility. The matter has been considered by NAWMA's board, and an extract of the board papers has been provided to support Council's consideration of this matter.

RECOMMENDATION

That Council:

1. Approves NAWMA to establish a new Cash Advance Debenture facility to the value of \$1M for a maximum period of ten years.

ATTACHMENTS

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

1. Letter from NAWMA 21/3/24

EXTERNAL CONSULTATION / COMMUNICATION

- 1.1 Letter received from NAWMA following consideration of NAWMA Board to establish a new CAD facility.

2. DISCUSSION

- 2.1 The City of Salisbury has received a letter from Mr Terlet, Chief Executive Officer of NAWMA, dated 21 March 2024, requesting that Council approve NAWMA entering into a new Cash Advance Debenture (CAD) facility to the value of \$1M for a maximum period of 10 years (Attachment 1).
- 2.2 Accompanying the letter is an extract from NAWMA's board papers dated 7 March 2024 (Attachment 1, page 2), which details the need for the facility. The rationale for the facility includes:
 - 2.2.1 NAWMA have recently had a \$0.9m facility expire (15 December 2023)
 - 2.2.2 The CAD facility was primarily used to manage day to day cash flow requirements

- 2.2.3 Major capital projects to be delivered over the next 1-5 years will increase the variability of cash flows.
 - 2.2.4 NAWMA's LTFP indicates a need for the CAD facility in the earlier years of the plan, with no requirement for longer term borrowings at this time
 - 2.3 It is appropriate for Council to consider that in accordance with s31(1) of the Local Government Act, 1999, Liabilities of a regional subsidiary are guaranteed by the constituent councils, noting that CADs are a form of borrowings and are classified as liabilities.
 - 2.4 It should be noted that NAWMA has other borrowings and facilities being:
 - 2.4.1 CAD facility \$2.5M
 - 2.4.2 Four Fixed term loans totaling \$4.44m, expiring over the period 15 July 2025 to 15 October 2029
- 3. CONCLUSION**
- 3.1 To ensure that NAWMA has sufficient working capital Council are asked to approve NAWMA's request to establish a CAD facility to the value of \$1M for a maximum period of 10 years.



21/03/2024

Mr John Harry
Chief Executive Officer
City of Salisbury
PO Box 8
Salisbury SA 5108

Dear Mr Harry,

RE: Cash Advance Debenture (CAD) Facility – Constituent Council Approval

At its meeting on Thursday 7 March 2024, the NAWMA Board considered applying for a new Cash Advance Debenture (CAD) facility, with the following resolution being carried:

8.1. Cash Advance Debenture Renewal

Moved Mr Mansueto that the NAWMA Board:

1. Endorses NAWMA's Management to seek approval from the Constituent Councils (Cities of Salisbury and Playford and the Town of Gawler),
2. Following successful endorsement by the Constituent Councils, approves the application for a new Cash Advance Debenture facility with the Local Government Finance Authority to the value of \$1 million for a maximum period of ten (10) years, and;
3. That, upon successful application, the Board authorises the Chairperson and Chief Executive Officer to affix the Common Seal to execute the CAD Facility Agreement as necessary.

Seconded Mr Green Carried

To commence the application with the Local Government Finance Authority (LGFA) in a timely manner, NAWMA respectfully requests that Council considers the above for endorsement and provides a written response of the outcome by **Tuesday 30 April 2024**.

Appended to this letter is a duplication of the Paper presented to the NAWMA Board for their consideration, which provides background information regarding the decision. Should you require more information or need to discuss this matter further, please contact NAWMA's Chief Financial Officer Sid Jain on 0414 664 274 or s.jain@nawma.sa.gov.au.

We look forward to receiving your response in due course.

Yours sincerely

Toby Terlet
Chief Executive Officer

71-75 Woomera Avenue, Edinburgh SA 5111
Phone (08) 8259 2100
www.nawma.sa.gov.au



Proudly in Partnership with Member Councils | City of Salisbury | City of Playford | Town of Gawler
And our Client Rural and Regional Councils

Agenda Item 8.4

Report Subject: Cash Advance Debenture Renewal	Report Author: Chief Financial Officer
Meeting Date: 7 March 2024	Report Type: Decision Report (finance, operational, risk)
Attachments: Nil	

RECOMMENDATION

That the NAWMA Board:

1. Endorses NAWMA's Management to seek approval from the Constituent Councils (Cities of Salisbury and Playford and the Town of Gawler); and
2. Following successful endorsement by the Constituent Councils, approves the application for a new Cash Advance Debenture facility with the Local Government Finance Authority to the value of \$1 million for a maximum period of ten (10) years.

Purpose of the Report

Consideration and endorsement for a new Cash Advance Debenture (CAD) facility to replace NAWMA's recently expired \$0.9m facility.

Background

NAWMA used to have a \$0.9m CAD facility with a discounted interest rate set up as part of the COVID-19 LGFA special assistance package. This CAD expired on 15 December 2023 and as a result, NAWMA now has \$0.9m less available in variable interest rate borrowings should the need arise. NAWMA still has its current ten (10) year, \$2.5m CAD facility which commenced on 16 April 2018. The current LGFA interest rate for the CAD facility is 6.15% per annum and varies relative to movements in the current cash rate (4.35%).

In addition to the \$2.5m CAD facility, NAWMA currently has four (4) fixed term credit foncier loans with a total value of \$4.44m, expiring annually between 15 July 2025 and 15 October 2029.

NAWMA's Audit Committee considered this request for a \$1m CAD facility at its meeting on 27 February 2024 and recommended it to the Board for endorsement.

Report

The CAD facility is used by NAWMA as an overdraft facility to manage cash flow in the short term, however, the Treasury Management policy allows it to be utilised to fund its LTFP (primarily for major projects) as well for longer term borrowings. The variable nature of this facility makes it an attractive option for short-term borrowings to manage cash flow, especially for cash flow sensitive businesses like NAWMA.

Given the cash flow sensitive nature of NAWMA's business operations and several cash intensive major projects currently being undertaken (Fibre Polishing Plant, Pooraka RRC upgrade and Landfill



Alternative project) and planned over the next 1-5 years (Landfill rehabilitation, Landfill Alternative project), there is a strong chance that the CADs will need to be utilised to manage short-term cash flow and possibly longer-term borrowings. This could especially be the case once current cash reserves are utilised for ongoing capital projects (Fibre Polishing Plant and Pooraka RRC upgrade).

NAWMA's current Long Term Financial Plan (LTFF) endorsed by the Audit Committee and Board in September 2023, shows that there is no need to borrow longer term to fund LTFF expenditure, however, there may be a short term need to utilise the CAD to manage cash flow.

Management believes a second new CAD to the value of \$1m, to replace the expired \$0.9m facility would be beneficial and allow NAWMA to manage any risks related to short-term cash flow issues. Combined, both CAD facilities would then give NAWMA a maximum limit of \$3.5m over the ten (10) year period of its current LTFF.

Should the Board endorse the new CAD facility, it will need to be endorsed by all three (3) Constituent Councils before an application can be made to the LGFA.



ITEM	2.1.7 FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	15 April 2024
HEADING	Public Awareness - Rates Notice Information
AUTHOR	Karen Wehrmann, Team Leader Revenue, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This report is to consider public awareness information to be displayed on the back of rates notices and associated envelopes.

RECOMMENDATION

That Council:

1. Notes that Administration coordinates and displays timely and relevant public awareness messages on rates notices and envelopes that are informative to our ratepayers, with the focus for 2024/25 being:

Quarter 1 – Opening of the Salisbury Aquatic Centre

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

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

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

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

2. REPORT

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

3. CONCLUSION / PROPOSAL

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

ITEM	2.1.8
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	15 April 2024
HEADING	NAWMA (Northern Adelaide Waste Management Authority) Second Quarter Budget Review 2023/24
AUTHORS	Joe Scordo, Senior Management Accountant, Business Excellence Kate George, Manager Financial Services, Business Excellence

SUMMARY

Northern Adelaide Waste Management Authority have provided their Second Quarter Budget Review 2023/24, and this report provides Council the opportunity to consider these budget revisions.

RECOMMENDATIONThat Council:

1. Approves the Second Quarter Budget Review of the Northern Adelaide Waste Management Authority as contained in Attachment 1 to this report (Item No. 2.1.8, Finance and Corporate Services 15 April 2024).

ATTACHMENTS

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

1. NAWMA FY24 Budget Review 2
2. NAWMA FY24 Budget Review 2 Budgeted Financial Statements

1. BACKGROUND

- 1.1 NAWMA have prepared their Second Quarter Budget Review which was considered by the NAWMA Board at their 7 March 2024 meeting.
- 1.2 The Local Government (Financial Management) Regulations 2011 Part 9 – Review of budgets, requires regional subsidiaries to prepare quarterly budget reviews. Also, the Local Government Act 1999 Schedule 2, Provisions applicable to subsidiaries, Part 2 – Regional subsidiaries established by two or more councils, Section 25 Budget states

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

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

2. EXTERNAL CONSULTATION / COMMUNICATION

N/A

3. REPORT

- 3.1 NAWMA's 2023/24 Second Quarter Budget Review, Attachments 1 and 2, forecasts a reduction in operating deficit of \$155k from the First Quarter Budget Review to a revised deficit of (\$928k). The original 2023/24 budget was a deficit of (\$1,375k). Various adjustments are detailed in Attachment 1 with the significant variances being:
 - 3.1.1 Forecast increase in Investment income of \$100k based on increased interest rates and higher than forecast cash reserves currently on hand.
 - 3.1.2 Increase in Other income of \$50k mainly through increased Spot Energy Sales from revenue realised from the sale of Carbon Credits at the landfill.
- 3.2 Capital income, mainly related to anticipated grant funding for the Fibre Polishing Plant, has been revised downwards by \$2,060k reducing forecast income for this item to \$5,860k.
- 3.3 Cash and cash equivalents are forecast to decrease \$2,175k from the First Quarter Budget Review, revising the forecast Cash and Cash Equivalents position to 134k. The reduction between the second and first budget reviews is primarily due to the use of NAWMA's cash reserves to fund the majority of two (2) major capital projects in FY24 (the Fibre Polishing Plant and Pooraka Resource Recovery Centre upgrade), noting Amounts specifically for new or upgraded assets forecast reduction of \$2,060k.
- 3.4 Budget Reviews are an opportunity for councils and regional subsidiaries to consider changes required to the original budget to make the budget more relevant given changes in the operating environment, and to support adjusting plans and associated resources to meet objectives.
- 3.5 NAWMA's 2023/24 revised operating budget position is a deficit of (\$928k), with City of Salisbury's share to be reflected in the end of financial year (EOFY) results. As this is a non-cash item, it does not require funding, and is unlikely to result in a deficit for Council, given the numerous budget movements that will be booked as part of the EOFY process.

4. CONCLUSION / PROPOSAL

- 4.1 Given the importance of having a revised budget position to set achievable goals and meet objectives, Council are encouraged to consider and endorse NAWMA's Second Quarter Budget Review 2023/24.



Proudly in Partnership with Member Councils | City of Salisbury | City of Playford | Town of Gawler
And our Client Rural and Regional Councils

Agenda Item 8.2

Report Subject: FY24 Budget Review 2	Report Author: Chief Financial Officer
Meeting Date: 7 March 2024	Report Type: Decision report (finance, operational, risk)
Attachments: 8.2.1 – FY24 Budget Review 2 Budgeted Financial Statements	

RECOMMENDATION

That the NAWMA Board endorse the FY24 Budget Review 2 as presented in the attached Uniform Presentation of Finances, Statement of Comprehensive Income and receive the updated Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

Purpose of the Report

To provide to the Board the opportunity to consider and endorse NAWMA's FY24 Budget Review 2 (as at 31 December 2023) and associated financial statements, ratios and adjustments.

Background

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

This Report contains Budget Review 2 (BR 2) for FY24. The third and final review for FY24 scheduled for March 2024 (BR 3) will be reported to the Board at the April 2024 meeting.

This BR 2 report and its attachments were considered and endorsed by the NAWMA Audit Committee at its meeting on 27 February 2024.

Report

The original Budget was drafted by NAWMA Administration in February 2023 and endorsed by the NAWMA Board in June 2023. At its meeting in November 2023 the Board considered and endorsed several material changes to the adopted FY24 Budget. Since then, there have been further material changes which are now presented for Board consideration and endorsement as part of BR 2. Updated financial statements attached to this report show the impact of all proposed changes.

Budgeted Operating Result

NAWMA's forecast operating deficit is expected to improve by \$0.15m from a deficit of \$1.08m in Budget Review (BR 1) to \$0.93m in BR 2.

Table 1 below details the significant variances for both income and expenditure proposed in BR 2. Negative amounts (in red) represent an unfavourable impact to the operating bottom line while positive amounts (in black) represent a favourable impact.



Table 1: Key Proposed Adjustments – BR 2 FY24

	Amount	Note
Forecast Operating Deficit – BR 1 FY24	(\$1.08m)	
Landfill Alternative Project - DFA	(\$0.25m)	Development Framework Agreement (DFA) cost share arrangement – NAWMA portion of costs forecast to be incurred in FY24. Balance (\$1.52m) to be budgeted in FY25.
Landfill Alternative Project	\$0.186m	NAWMA internal costs budget of \$0.778m adjusted down to reflect reconciliation against total funding allocated, funds spent to date since FY22 and funds forecast to be spent for the remainder of FY24.
MRF	\$80k	Receival area concrete replacement project no longer proceeding in FY24. Budgeted in FY25.
Spot energy sales	\$54k	Revenue realised from sale of Carbon Credits (LGCs) at the landfill passed on by LMS. Originally not budgeted as sales are ad hoc.
Interest income	\$0.1m	Forecast increase to interest on investments based on increased interest rates and higher than forecast cash reserves being held currently.
Conferences	\$25k	China conference attendance relating to commodity sales originally budgeted in FY24 no longer required. To be reconsidered in FY25 following FPP operations commencing.
Pooraka RRC	(\$30k)	Street sweeper hire while NAWMA sweeper damaged and ongoing site sweeping by larger sweeper.
Licensing	(\$10k)	Annual EPA license fee not budgeted in FY24 for Pooraka RRC.
Forecast Operating Deficit – BR 2 FY24	(\$0.928m)	

Structural Operating Result

In addition to the revised Statutory Budgeted Operating result shown in the table above, a Structural Budgeted Operating result has been calculated. It represents NAWMA's underlying or baseline Operating result without the impact and fluctuations related to one-off operating budget items such as:

- One-off grants;
- Landfill alternative project;
- Consultancies;
- One-off projects;
- MRF commodity pricing fluctuations;



- Interest income due to varying surplus cash levels;
- Non-recurrent operating income and expenditure.

The table below shows how the Structural (Adjusted) Operating result has been calculated.

	Amount	Notes
Operating Surplus/ (Deficit) – Adopted	(\$1.375m)	Adopted June 2023
<i>Remove: one-off income & expenditure items</i>	<i>\$1.164m</i>	<ul style="list-style-type: none"> • Landfill Alternative project internal costs: \$0.8m • Consultancies for tenders (major contracts): \$0.14m • Various other projects/items
Operating Surplus/ (Deficit) – Structural (Adjusted)	(\$0.211m)	
<i>Adjustments BR 1</i>	<i>\$0.273m</i>	<ul style="list-style-type: none"> • Depreciation (Pooraka RRC upgrade & revalued assets): \$0.37m • Waste disposal – external: (\$0.42m) • Loan interest: (\$0.21m) • Various other smaller adjustments
Operating Surplus/ (Deficit) – Structural (Adjusted) BR 1	\$62k	
<i>Adjustments BR 2</i>	<i>\$1k</i>	<ul style="list-style-type: none"> • EPA licensing: (\$10k) • Sweeper hire (Pooraka RRC): \$9k
Operating Surplus/ (Deficit) – Structural (Adjusted) BR 2	\$63k	

The corresponding Adjusted Operating Surplus Ratio is also shown later in this report.

Administration is also working on developing a periodic forecast report to support the quarterly budget review report.

Landfill Alternative Project

It should be noted that the adopted FY24 Budget had an allocation of \$0.78m for the Landfill Alternative project to cover NAWMA's expenses (excluding DFA cost share expenses). This was the estimated remainder of the total budget of \$2.22m originally approved by the Board in FY21. Actual funds spent to date on the project have been reconciled against the original budget approved and the FY24 Budget allocation has been adjusted (as shown in the table above) at BR 2 to reflect this reconciliation.

In addition to the above budget allocation, the Board approved in 2023 an additional amount of \$1.77m for the Development Framework Agreement stage of this project. This amount is NAWMA's share of costs. The amount forecast to be spent in FY24 is \$0.25m (as shown in the table above) with the remainder included in the draft FY25 Budget.

Budgeted Capital Expenditure

NAWMA'S budgeted capital expenditure in FY24 is forecast to be \$15.02m, which is an increase of \$0.27m compared to FY24 BR 1. The following should be noted when considering the revised capital budget:



- The Fibre Polishing Plant (FPP) total budget is \$14.85m of which \$12.9m is forecast to be spent in FY24 with the remainder in FY25. The FY24 Budget has been adjusted accordingly at BR 2 with the balance included in the draft FY25 Budget. Of the total grant funding of \$7.92m, \$5.79m is forecast to be received in FY24 and the budget has been adjusted accordingly at BR 2. The balance of \$2.13m will be received in FY25 and has been included in the draft FY25 Budget. The difference (\$6.93m) between the total cost of the project and grant income is being funded by NAWMA from cash reserves held with the Local Government Finance Authority (LGFA).
- The Pooraka Resource Recovery Centre (RRC) upgrade project was originally budgeted in FY22 but the project did not commence. As a result, Budget funding was reallocated in FY23 and following further delays, the funding was removed from the Budget at BR3 in FY23. The project was approved by the Board in November 2023 and has now been included in the FY24 Budget. The total budgeted cost of the project is \$1.835m of which the City of Salisbury is funding \$0.856m and grant funding of \$0.175m will be received. NAWMA will fund the difference (\$0.804m) from its cash reserves. Any net financial impact to NAWMA's operating bottom line due to the facility being closed during upgrade works is yet to be calculated and will be included in BR 3 following finalisation of construction timelines.
- NAWMA's Budgeted Statements of Financial Position, Equity and Cash Flows have been adjusted accordingly to reflect all operating and capital adjustments proposed in BR 2 and NAWMA'S FY23 year-end position.

Budgeted Cash Flows

Cash and cash equivalents are forecast to be \$0.134m at year end for FY24, which is a decrease of \$2.17m compared to the BR 1 forecast. This decrease is primarily due to the use of NAWMA's cash reserves to fund the majority of two (2) major capital projects in FY24 (the FPP and Pooraka RRC upgrade) as detailed in the 'Budgeted Capital Expenditure' section of this report above.

This may require NAWMA to draw down on its CAD facility between now and the end of FY24 to manage cash flow fluctuations. Any drawdowns will be immediately paid down as soon as surplus cash becomes available. Previous long-term financial modelling has shown that longer term borrowings are not required to fund these projects.

Financial Indicators

As a result of adjustments made to NAWMA's Budget in BR 2, its financial indicators have changed as follows:

Ratio	FY24 BR 2	FY24 BR 1	FY24 Adopted Budget	FY24 LTFP	FY23 Actual	Target
Operating Surplus (OSR)	(1.9%)	(2.3%)	(2.9%)	(3.5%)	(1.2%)	>2%
Adjusted Operating Surplus (AOSR)	0.1%	0.1%	(0.4%)	n/a	n/a	>2%
Net Financial Liabilities (NFLR)	30%	27%	25%	32%	18%	<50%
Debt Servicing (DCR)	8%	8%	8%	7%	7%	<15%

The forecast OSR has improved slightly because of the reduction in the forecast Operating Deficit. Reasons for the reduction are stated earlier in this report. NAWMA's current minimum target for this



ratio is 2% in accordance with its LTFP. Compared to the LTFP, the FY24 revised forecast is an improvement of 1.6%.

The AOSR based on the Structural Operating bottom line as detailed earlier in this report, is 0.1% and represents the underlying structural ratio for NAWMA.

The forecast NFLR is 30% which remains below the 50% ceiling set by NAWMA's Treasury Management Policy and indicates a capacity to borrow in future to fund NAWMA's LTFP. The increase over time compared to the original adopted Budget can be attributed to the use of NAWMA's cash reserves to fund capital projects in the short term.

The forecast Debt Servicing Ratio is 8% and remains unchanged from the originally adopted Budget and BR 1. Compared to the LTFP this ratio is higher by 1%, however, remains below the recommended ceiling of 15%.



Northern Adelaide Waste Management Authority

Uniform Presentation of Finances

2022/23 \$'000 Actual		2023/24 \$'000 BR2	Movement: BR2 v. BR1	2023/24 \$'000 BR1	2023/24 \$'000 Adopted Budget
\$'000		\$'000	\$'000	\$'000	\$'000
Income					
45,150	User Charges	46,689	-	46,689	46,337
96	Grants, Subsidies and Contributions	-	-	-	80
556	Investment Income	461	100	361	301
31	Other	503	55	448	515
45,833		47,653	155	47,498	47,233
Expenses					
4,767	Employee Costs	5,168	-	5,168	5,219
37,482	Materials, Contracts and Other Expenses	39,628	-	39,628	39,089
3,566	Depreciation, Amortisation and Impairment	3,269	-	3,269	3,640
576	Finance Costs	516	-	516	660
46,391		48,581	-	48,581	48,608
(558)	Operating Surplus / (Deficit)	(928)	155	(1,083)	(1,375)
Net Outlays on Existing Assets					
(27)	Capital Expenditure on renewal and replacement of Existing Assets	(45)	-	(45)	(45)
3,566	Depreciation, Amortisation and Impairment	3,269	-	3,269	3,640
6	Proceeds from Sale of Replaced Assets	-	-	-	-
3,545		3,224	-	3,224	3,595
less Net Outlays on New and Upgraded Assets					
(194)	Capital Expenditure on New and Upgraded Assets	(14,976)	(270)	(14,706)	(11,523)
2	Amounts received specifically for New and Upgraded Assets	5,860	(2,060)	7,920	7,167
-	Proceeds from Sales of Replaced Assets	-	-	-	-
(192)		(9,116)	(2,330)	(6,786)	(4,356)
2,795	Annual Net Impact to Financing Activities (Surplus/(Deficit))	(6,820)	(2,175)	(4,645)	(2,136)

Northern Adelaide Waste Management Authority

Statement of Comprehensive Income

2022/23 \$'000 Actual		2023/24 \$'000 BR2	Movement: BR2 v. BR1 \$'000	2023/24 \$'000 BR1	2023/24 \$'000 Adopted Budget
	Income				
45,150	User Charges	46,689	-	46,689	46,337
96	Grants, Subsidies and Contributions	-	-	-	80
556	Investment Income	461	100	361	301
31	Other	503	55	448	515
45,833	Total Income	47,653	155	47,498	47,233
	Expenses				
4,767	Employee Costs	5,168	-	5,168	5,219
37,482	Materials, Contracts and Other Expenses	39,628	-	39,628	39,089
3,566	Depreciation, Amortisation and Impairment	3,269	-	3,269	3,640
576	Finance Costs	516	-	516	660
46,391	Total Expenses	48,581	-	48,581	48,608
(558)	Operating Surplus / (Deficit)	(928)	155	(1,083)	(1,375)
(7)	Net Gain / (Loss) on Disposal of Assets	-	-	-	-
2	Amounts received specifically for new/upgraded assets	6,822	(1,098)	7,920	7,167
(563)	Net Surplus / (Deficit)	5,894	(943)	6,837	5,792
	Other Comprehensive Income				
390	Other Comprehensive Income	-	-	-	-
(173)	Total Comprehensive Income	5,894	(943)	6,837	5,792

Northern Adelaide Waste Management Authority

Statement of Financial Position

2022/23 \$'000 Actual		2023/24 \$'000 BR2	Movement: BR2 v. BR1	2023/24 \$'000 BR1	2023/24 \$'000 Adopted Budget
\$'000		\$'000	\$'000	\$'000	\$'000
Current Assets					
9,842	Cash & Cash Equivalents	134	(2,175)	2,309	9,175
4,516	Trade & Other Receivables	4,516	-	4,516	5,143
77	Stock on Hand	77	-	77	100
14,435	Total Current Assets	4,727	(2,175)	6,902	14,418
Non-Current Assets					
19,337	Infrastructure, Property, Plant and Equipment	31,089	270	30,819	28,832
19,337	Total Non-Current Assets	31,089	270	30,819	28,832
33,772	Total Assets	35,816	(1,905)	37,721	43,250
Current Liabilities					
5,876	Trade & Other Payables	4,914	(962)	5,876	6,557
2,503	Borrowings	2,700	-	2,700	3,417
516	Provisions	520	-	520	327
8,895	Total Current Liabilities	8,134	(962)	9,096	10,301
Non-Current Liabilities					
7,383	Provisions	7,580	-	7,580	6,820
6,479	Borrowings	3,193	-	3,193	9,103
13,862	Total Non-Current Liabilities	10,773	-	10,773	15,923
22,757	Total Liabilities	18,907	(962)	19,869	26,224
11,015	Net Assets	16,909	(943)	17,852	17,026
Equity					
9,965	Accumulated Surplus	15,859	(943)	16,802	16,366
1,050	Asset Revaluation Reserve	1,050	-	1,050	660
11,015	Total Equity	16,909	(943)	17,852	17,026

Northern Adelaide Waste Management Authority

Statement of Changes in Equity

2022/23 \$'000 Actual		2023/24 \$'000 BR2	Movement: BR2 v. BR1	2023/24 \$'000 BR1	2023/24 \$'000 Adopted Budget
\$'000		\$'000	\$'000	\$'000	\$'000
Accumulated Surplus					
10,528	Balance at beginning of period	9,965	-	9,965	10,574
(563)	Net Surplus / (Deficit)	5,894	- 943	6,837	5,792
-	Transfers from reserves	-	-	-	-
-	Transfers to reserves	-	-	-	-
-	Distribution to Councils	-	-	-	-
9,965	Balance at end of period	15,859	(943)	16,802	16,366
Asset Revaluation Reserve					
660	Balance at beginning of period	1,050	-	1,050	660
390	Gain on Revaluation of Property, Plant and Equipment	-	-	-	-
-	Transfers from reserve	-	-	-	-
1,050	Balance at end of period	1,050	-	1,050	660
11,015	Total Equity	16,909	(943)	17,852	17,026

Northern Adelaide Waste Management Authority

Statement of Cash Flows

2022/23 \$000 Actual		2023/24 \$000 BR2	Movement: BR2 v. BR1	2023/24 \$000 BR1	2023/24 \$000 Adopted Budget
\$'000		\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
45,894	Operating Receipts	47,192	55	47,137	46,852
-	Operating Grants	-	-	-	80
556	Investment Receipts	461	100	361	301
(43,423)	Operating Payments	(44,796)	-	(44,796)	(44,308)
(343)	Finance Payments	(315)	-	(315)	(527)
2,684	Net cash provided by (used in) operating activities	2,542	155	2,387	2,398
Cash Flows from investing Activities					
2	Amounts specifically for new or upgraded assets	5,860	(2,060)	7,920	7,167
6	Sale of Replaced Assets	-	-	-	-
(27)	Expenditure on Renewal/Replacement Assets	(45)	-	(45)	(45)
(194)	Expenditure on New/Upgraded Assets	(14,976)	(270)	(14,706)	(11,523)
(213)	Net cash provided by (used in) investing activities	(9,161)	(2,330)	(6,831)	(4,401)
Cash Flows from Financing Activities					
-	Proceeds from Borrowings	-	-	-	5,550
(1,143)	Repayment of Borrowings	(1,494)	-	(1,494)	(1,494)
(1,288)	Repayment of Lease Liabilities	(1,595)	-	(1,595)	(1,595)
(2,431)	Net cash provided by (used in) financing activities	(3,089)	-	(3,089)	2,461
40	Net Increase (Decrease) in cash held	(9,708)	(2,175)	(7,533)	458
9,802	Cash & Cash Equivalents at the beginning of period	9,842	-	9,842	8,717
9,842	Cash & Cash Equivalents at end of period	134	(2,175)	2,309	9,175