



AGENDA

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

**18 NOVEMBER 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

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Finance and Corporate Services Committee Meeting held on 21 October 2024.

REPORTS

For Decision

2.1.1	First Quarter Budget Review 2024/25.....	7
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For Information

2.2.1	Council Finance Report - October 2024.....	69
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QUESTIONS ON NOTICE

There are no Questions on Notice.

MOTIONS ON NOTICE

There are no Motions on Notice.

OTHER BUSINESS ITEMS

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

CLOSE



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

34 CHURCH STREET, SALISBURY ON

21 OCTOBER 2024

MEMBERS PRESENT

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 S McKell (*from 6.27pm*)
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
PA to General Manager Community Development, Ms H Berrisford
Governance Administration Officer, Ms K Hernen
Manager Strategic Development Projects, Ms S Klein
Assessment Manager, Mr C Zafiropoulos
Manager Environmental Health & Community Compliance, Mr J Darzanos
Manager People and Performance, Ms K Logan
Manager Community Experience, Ms C Kroepsch

The meeting commenced at 6.24pm.

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

APOLOGIES

Apologies have been received from Cr B Brug and Cr M Mazzeo.

LEAVE OF ABSENCE

Nil.

PRESENTATION OF MINUTES

Moved Cr D Hood
Seconded Cr S Reardon

The Minutes of the Finance and Corporate Services Committee Meeting held on 16 September 2024, be taken as read and confirmed.

CARRIED

REPORTS

For Decision

2.1.1 Cultural Development Trust Fund Administration

Moved Cr C Buchanan
Seconded Cr J Chewparsad

That Council:

1. Appoints John Harry (Chief Executive Officer) and Gillian Aldridge (Mayor) as trustees for the Cultural Development Trust Fund (“the Fund”).
2. Authorises Administration to finalise the appropriate deed to replace the remaining Trustee and add an additional Trustee to the Fund.
3. Notes the information contained in this report (Item 2.1.1, Finance and Corporate Services Committee, 21 October 2024).

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

Moved Cr S Ouk

Seconded Mayor G Aldridge

That 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 Update on Action on Rates Assessments Outstanding under Section 184 of the Local Government Act 1999 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*
- *PA to General Manager Community Development*
- *Governance Administration Officer*
- *Manager Strategic Development Projects*
- *Assessment Manager*
- *Manager Environmental Health & Community Compliance*
- *Manager People and Performance*
- *Manager Community Experience*
- *Team Leader Open Space & Urban Streetscape*

On the basis:

- 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.

- 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*
 - Commercial in confidence reasons (b)(i) and sensitive information on lease and licences (b)(ii).*

*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.*

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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.*

CARRIED

The meeting moved into confidence at 6.26pm.

The meeting moved out of confidence at 6.28pm.

The meeting closed at 6.28pm.

CHAIRMAN.....

DATE.....

ITEM	2.1.1
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	18 November 2024
HEADING	First Quarter Budget Review 2024/25
AUTHORS	Brayden French, Assistant Accountant, Business Excellence Melissa Hamilton, Team Leader Accounting Services, Business Excellence
SUMMARY	This report provides a high-level summary of the financial impacts of the Budget Review contained in Attachment 1, and seeks Council's approval of associated budget review adjustments. The attachment provides an update on Council's delivery of both the operating and capital budgets through the program view and capital summary. It also provides valuable context to the budget review adjustments contained in this covering item.

RECOMMENDATIONThat Council:

1. Notes the 2024/25 First Quarter Budget Review report (Item 2.1.1, Finance and Corporate Services Committee, 18 November 2024).
2. Approves the budget variances identified in this review contained in the Budget Variation Summary (Attachment 1, Item 2.1.1, Finance and Corporate Services Committee, 18 November 2024), and net capital and operating \$956,600 be credited to the Sundry Project Fund. This will bring the balance to \$956,600.
3. Approves the allocation of funding for the following **non-discretionary** net bids:

OPERATING

2025 Salisbury Fringe	\$26,000
Insurance Premiums	\$28,000
Salisbury Business Association (SBA) & Salisbury Christmas Parade	\$10,000
Shop Local Campaign	\$30,000
St Kilda Tramway – Australian Electric Transport Museum (AETM) Sponsoship	\$17,000
St Kilda Tramway – Repairs & Replacement Works between Mangrove St & St Kilda Playground	\$100,000
Street Tree Inspection & Pruning Program	\$160,400
Western Suburbs Transport Program – 6 Month Trial	\$82,000
CONFIDENTIAL: Legal Fees	\$104,000

CAPITAL

Access Management System	\$80,400
Additional Budget Funding for Sports Lighting Program, Brahma Lodge Oval	\$200,000
Additional Funding to Seal Carisbrooke Park Northern Car Park	\$604,000
Burton Park Sports Clubroom - Medical & Recovery Room Fit Out	\$75,000
Carisbrooke Entrance	\$1,500,000

Dignam Drive Reserve, Paralowie - Reserve Upgrade	\$300,000
Field Fencing, Yalumba Drive Reserve, Paralowie	\$103,000
Harry Bowey, Salisbury Park Precinct Improvements	\$500,000
Lake Windemere Reserve, Salisbury North - Additional Playground Equipment	\$90,000
Salisbury Memorial Park and Mausoleum Building Renewal Works	\$350,000
Salisbury Recreation Precinct - Additional Car Parking	\$1,800,000
Sir Douglas Lake, Mawson Lakes - Wall Remediation Works	\$60,000
Sportsfield Lighting - Decommissioning & Replacement	\$300,000
St Kilda Tramway - Fencing at St Kilda Playground	\$120,000
Wiltshire Street, Salisbury, Pedestrian Access	\$180,000
Woodfield Drive Reserve, Salisbury Down - Seal Path & Picnic Shelter	\$200,000
TOTAL	\$7,019,800

NB: If parts 1, 2 and 3 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of (\$6,063,200).

4. Approves the allocation of funding for the following **Discretionary** net bids:

OPERATING

Licence Plate Recognition	\$25,000
Pound Coordinator Services	\$108,000

TOTAL **\$133,000**

NB: If parts 1, 2, 3 and 4 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of (\$6,196,200).

5. Approves the following transfers:

Budget Transfer from CEO Consulting to City Shaping for Sustainable Industrial Manufacturing Pacific (SIMPAC)	\$10,000
CONFIDENTIAL ITEM (resolution number 0784/2024 August 2024)	\$1,200,000
Salisbury Community Hub Facility & Safety Improvements - Budget conversion to align with nature of expenditure	\$50,000
Transfer Employee Costs within Business Excellence	\$84,750
Transfer from CEO Consulting Funds for Lower Greater Edinburgh Park Outfall Assessment	\$30,000
Transfer Insurance Premium budget from Field Services to Urban Recreation and Natural Assets	\$94,000
Transfer of Available Funds for Sports Lighting Audit	\$54,655
Transfer of Budget funds from Urban and Recreational Assets to Streetscapes and Open Assets	\$102,400
Transfer of funds for Communications and Marketing Advisor position from City Shaping to Community Experience (Linked to V2000781)	\$50,000
Transfer Operating Budget to Capital for Barker Road Pump Installation	\$10,900
Transfer Operating Budget to Capital for Seesaw Rocker at Laurence's Green	\$9,200
Transfer Streetscape Tree Planting Resourcing budgets	\$183,000

NB: If parts 1, 2, 3, 4 and 5 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of (\$6,196,200).

6. Approves the variation of Loan Borrowings to reflect the bids and transfers approved by Council detailed in parts 1 to 5 of this resolution.

NB: If parts 1 to 5 of this resolution are moved as recommended, loan borrowings in 2024/25 will increase by (\$6,196,200).

ATTACHMENTS

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

1. 2024/25 First Quarter Budget Review Report

1. BACKGROUND

- 1.1 In accordance with Part 2 of the *Local Government (Financial Management) Regulations 2011*, Financial Accountability, the attached First Quarter Budget Review for the financial year 2024/25 has been prepared.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 The processes of preparing the budget review requires extensive internal consultation to ensure that commentary reflects the operations of Council, and to identify funding needs, which typically have been subject of various Council reports leading up to the review.

3. REPORT

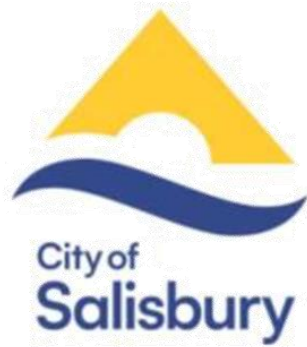
- 3.1 Council's financial position following the first quarter budget review remains consistent with the operating surplus outlined in the original budget. Borrowing requirements increase as a result of the capital variations proposed as part of the first quarter review.
- 3.2 The original budget was for an operating surplus of \$3,893k, which has been revised to a forecast surplus of \$3,919k at this review. This is due to the 2023/24 carry forwards budget and first quarter budget review adjustments being offset by the estimated 2024/25 carry forwards' budget. It should be noted that the final result for the year will be further impacted through other variations throughout our operations.
- 3.3 Budget Review Operating Bids total \$690k, with Capital Bids totaling \$6,462k, with most of these items subject to separate reports to Council and resolutions to refer to this budget review as referenced within the bid details.
- 3.4 Loan Borrowing requirements for 2024/25 were considered in September 2024, with original budget indicative net loan borrowings being \$16.9M. Loan Borrowing requirements were further impacted by 2023/24 Third Quarter requirements of \$2.7M, offset by the establishment of new borrowing facilities of \$19.6M. Additionally, the reinstatement of timing adjustments from 2023/24 requires a further \$1.3M, with the outcome of first quarter budget review (Attachment 1) increasing borrowing requirements by \$6.2M, resulting in an indicative net borrowings position of \$7.5M at the conclusion of first quarter.

- 3.5 The original expenditure budget for the capital program was \$64.7M and has been increased by carry forward funds and budget timing adjustments to \$104.5M. The table below provides percentage completed details, with further detail provided in Appendix 5 of Attachment 1.

		% of Original Budget (\$64.7M)	% of Revised Budget (\$104.5M)
Spent to Date	\$7.4M	11.4%	7.1%
Spend + Commitments	\$34.3M	53.0%	32.8%

4. CONCLUSION / PROPOSAL

- 4.1 It is proposed that Council consider the First Budget Review 2024/25 and approve the recommendations as detailed in Section 5 of the attached document within this report.



**2024/25 FIRST QUARTER BUDGET REVIEW
REPORT**

**For the period ended
30 September 2024**

Contents

1. Executive Summary	3
2. New Bid Proposals	6
3. Budget Review	8
3.1 Policy and Context	8
3.2 Sundry Projects Fund	9
3.3 Consolidated Funding Statement	10
3.4 Transfer of Funds – Chief Executive Officer Delegation	12
3.5 Business Transformation Future Fund Transfers	12
3.6 Transfer of Funds Requests	13
4. Loan Borrowings/Investments and Reserves	14
5. Recommendations	15
Appendix 1 – Budget Variation Summary as at 30 September 2024	17
Appendix 2 – Capital Budget Timing Adjustments	18
Appendix 3 – Statement of Comprehensive Income	19
Appendix 4 – Statement of Financial Performance – Key Directions	21
Appendix 5 – Capital Expenditure Report as at 30 September 2024	41
Appendix 6 – Savings from Budget Bids	49
Appendix 7 – Business Unit Reporting	50
Appendix 8 – Budgeted Financial Statements	53

1. Executive Summary

Council's financial position following the First Quarter Budget Review remains an operating surplus, with a minor improvement from the Original Budget. This improvement can be attributed to estimated 2024/25 carry forwards and operating budget variations (Appendix 1), offsetting the allocations arising from new bids (Section 2) included in this review.

The Budget Review is a legislative requirement under Part 9 of the Local Government (Financial Management) Regulations 2011, and Council's approach to managing its budget throughout the year has been set within the Treasury Policy, Part E – Policy Statement, paragraph 1.2:

Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:

- *Maintain target ranges for its Net Financial Liabilities ratio;*
- *Generally only borrow funds when it needs cash and not specifically for particular projects;*
- *Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.*

Budget Review Process/Funding Requests Arising throughout the financial year

- *Apply surplus contained within the Sundry Projects Fund, following adjustments for variations to existing estimates, to a reduction in borrowings.*
- *To ensure ongoing financial sustainability and appropriate deliberation of arising matters, it is imperative that wherever possible any new bids/projects arising through the year are to be referred to the budget process for the subsequent year as this enables Council to consider the merits of these proposals with all other bids/projects.*
- *To be considered for funding during the year the project must be urgent or advantageous to Council, and where possible Council should consider options for cancelling or deferring existing projects to enable funds to be made available. It should be considered a last resort to add to the program and increase borrowings as this does not enable Council to consider the merits of the specific project in light of all other proposed projects.*
- *From time to time a matter may be referred to the next quarterly budget review as a 'Non-discretionary Budget Review Bid'. This mechanism is only to be used when funds must be expended without delay, and consequently should be regarded as an extraordinary situation or advantageous to Council.*

This policy position has been set to strike a balance between being responsive to emerging issues, and ensuring that budget Financial Targets are achieved.

Financial Sustainability Targets

Council commenced 2024/25 with a budgeted operating surplus of \$3,893k. Should Council approve the recommendations of the First Quarter Budget Review, the forecast operating surplus will marginally improve to \$3,919k. The current forecast position with respect to the financial sustainability indicators is detailed in the table below.

	Target	Budget	Current Forecast
Operating Surplus		3,893	3,919
Operating Surplus Ratio	0.5%-5%	2.44%	2.45%
Net Financial Liabilities	<70%	59.43%	56.27%
Asset Renewal Funding Ratio	90%-110%	100%	137%

Note: The Current Forecast includes Operating Carry Forwards from 2023/24 into the 2024/25 financial year of \$2.9M, noting that estimated Operating Carry Forwards of \$4.2M from 2024/25 into the 2025/26 financial year have also been reflected in the Forecast Operating Surplus.

The movement in operating result from the original budget position of \$3,893k surplus to the revised surplus of \$3,919k, follows proposed first quarter adjustments including Operating Prior Year Carry Forward Funds \$2,919k and recommendations of this review. The current forecast for the Operating Surplus / (Deficit) remains consistent with the original budget position, within Council's financial targets. The current forecast for the Asset Renewal Funding Ratio is a result of Prior Year Carry Forward Funds for the infrastructure program, indicating an increase in renewal expenditure for the current program.

Consolidated Funding Statement

This statement (expanded upon in Section 3.3) details the movement between the original budget and Council's budget position following the adoption of this review:

2024/25 Operating Budget Forecast	\$'000
Original Budgeted Operating Surplus	3,893
2023/24 Operating Carry Forward Funds	(2,919)
2024/25 Operating Carry Forward Funds - Estimated	4,200
First Quarter Budget Review Adjustments	(1,255)
Forecast Operating Surplus/(Deficit)	3,919

The operating budget surplus forecast is \$3,919k following adoption of this review, inclusive of estimated 2024/25 carry forwards of \$4,200k.

The operating surplus is adversely impacted by the carry forward of prior year projects of \$2,919k into the current year. These projects were funded in last year's operating budget and are being spent during 2024/25. Similarly, our estimate is there will be carry forwards of \$4,200k from this year into 2025/26, based on historical carry forward amounts over the past 5 years.

Capital Works Program

The Capital Program spend to date is \$7.4M or 7.1% of the revised capital budget of \$104.5M. A further \$26.9M of expenditure is committed as at the conclusion of the first quarter, bringing total expenditure and commitment to \$34.3M or 32.8% of the revised budget.

Detailed analysis of the capital program and the status of individual projects are contained within Appendix 5.

Sundry Projects Fund

The overall impact of budget adjustments proposed in this review total an unfavourable \$6.2M, comprised of favourable operating and capital budget variations of \$1.0M as detailed in Appendix 1, and allocations arising from net bids of \$7.2M contained in Section 2 of this review.

Loan Borrowings / Investments

Loan Borrowing requirements for 2024/25 were considered in September 2024, with original budget indicative net loan borrowings of \$16.9M, and insufficient facilities from 2023/24 of \$2.7M, resulting in the establishment of new borrowing facilities of \$19.6M. Additionally, the reinstatement of timing adjustments from 2023/24 requires a further \$1.3M.

The outcome from First Quarter Budget Review variations contained in Appendix 1, results in an increase in loan borrowings of \$6.2M, resulting in indicative net borrowings position of \$7.5M at the conclusion of the first quarter. Further details are contained in Section 4 of this review.

2. New Bid Proposals

New/Additional Capital Bids	Expenditure	Funding	Net Bid
NON DISCRETIONARY - CAPITAL BIDS			
Access Management System			
NB0783 Install a system for managing access to clubrooms at Andrew Smith Drive Oval, Parafield Gardens, Hausler Reserve, Paralowie, and Paquita Park, Mawson Lakes. (resolution number 0719/2024 August 2024)	80,400	0	80,400
Additional Budget Funding for Sports Lighting Program, Brahma Lodge Oval			
NB0767 Additional budget allocation to enable the renewal of sports lighting at Brahma Lodge Oval. (resolution number 0698/2024 May 2024)	200,000	0	200,000
Additional Funding to Seal Carisbrooke Park Northern Car Park			
NB0755 Council approved an additional \$604k to provide the required \$1M to seal the northern car park at Carisbrooke Park, Salisbury Pak. (resolution number 0756/2024 June 2024)	604,000	0	604,000
Burton Park Sports Clubroom - Medical & Recovery Room Fit Out			
NB0770 Provision of funding to fit out the medical and recovery room at Burton Park Sports Facility. (resolution number 0716/2024 August 2024)	75,000	0	75,000
Carisbrooke Entrance			
NB0754 Additional \$1.5M non-discretionary budget allocation to provide the required \$2.5M to deliver Stage 1 of Carisbrooke Park to Harry Bowey, access driveway and ancillary car parking. (resolution number 0756/2024 June 2024)	1,500,000	0	1,500,000
Dignam Drive Reserve, Paralowie - Reserve Upgrade			
NB0764 Provision of funding to renew the playspace, picnic table and pathway connections at Dignam Drive Reserve, Paralowie. (resolution number 0770/2024 July 2024)	300,000	0	300,000
Field Fencing, Yalumba Drive Reserve, Paralowie			
NB0773 Provision of new funding for field fencing, players race and ground signage to meet mandatory FFSA (Football Federation of South Australia) requirements at Yalumba Drive Reserve, Paralowie. (resolution number 0795/2024 August 2024)	103,000	0	103,000
Harry Bowey, Salisbury Park Precinct Improvements			
NB0784 Provision of funding to support traffic flow and associated improvements for Harry Bowey, Salisbury Park, precinct. (resolution number 0738/2024 September 2024)	500,000	0	500,000
Lake Windemere Reserve, Salisbury North - Additional Playground Equipment			
NB0761 In response to the community engagement process, install additional playground equipment at Lake Windemere Reserve, Salisbury North. (resolution number 0768/2024 July 2024)	90,000	0	90,000
Salisbury Memorial Park and Mausoleum Building Renewal Works			
NB0816 Remediation works to occur at the Salisbury Memorial Park and Mausoleum in line with a new management agreement commencing. (resolution number 0761/2024 October 2024)	350,000	0	350,000
Salisbury Recreation Precinct - Additional Car Parking			
NB0771 Provision of \$1.8M capital funding to support the delivery of Option 5 as outlined in Item 4.1.3FI, August 2024, to provide increased car parking capacity at Salisbury Recreation Precinct and a new road safety park for the community. (resolution number 0796/2024 August 2024)	1,800,000	0	1,800,000
Sir Douglas Lake, Mawson Lakes - Wall Remediation Works			
NB0769 Undertake remediation works to repair a section of the lake wall at Sir Douglas Mawson Lake, Mawson Lakes. (resolution number 0792/2024 August 2024)	60,000	0	60,000
Sportsfield Lighting - Decommissioning & Replacement			
NB0785 Provision of funding to replace sports lighting at Creaser Park, Parafield Gardens, and a single light pole at Lindblom Park, Pooraka, due to condition. (resolution number 0738/2024 September 2024)	300,000	0	300,000
St Kilda Tramway - Fencing at St Kilda Playground			
NB0766 As a risk mitigation strategy, install new fencing at St Kilda Playground (resolution number 0755/2024 June 2024)	120,000	0	120,000
Wiltshire Street, Salisbury, Pedestrian Access			
NB0762 Provision of funding for modifications and upgrades to pedestrian crossings and associated works at three (3) locations on Wiltshire Street, Salisbury, to provide safe and continuous accessible paths of travel. (resolution number 0768/2024 July 2024)	180,000	0	180,000
Woodfield Drive Reserve, Salisbury Down - Seal Path & Picnic Shelter			
NB0763 Provision of funding to seal the shared use path and install a new picnic setting with shelter at Woodfield Drive Reserve, Salisbury Downs. (resolution number 0770/2024 July 2024)	200,000	0	200,000
TOTAL - NON DISCRETIONARY - CAPITAL BIDS	6,462,400	0	6,462,400
TOTAL CAPITAL BIDS	6,462,400	0	6,462,400

New/Additional Operating Bids	Expenditure	Funding	Net Bid
NON DISCRETIONARY - OPERATING BIDS			
2025 Salisbury Fringe Event NB0804 As reported to Community Wellbeing and Sport Committee, October 2024, additional funding provided for larger scale content for the 2025 Salisbury Fringe Event. (resolution number 0767/2024 October 2024)	26,000	0	26,000
Insurance Premiums NB0814 Additional funding required to cover a higher than forecasted increase in Insurance Premiums resulting from new assets and rising asset values increasing the total sum insured.	28,000	0	28,000
Salisbury Business Association (SBA) & Salisbury Christmas Parade NB0796 Ex gratia payment to support the SBA and Salisbury Christmas Parade. (resolution number 0745/2024 September 2024)	10,000	0	10,000
Shop Local Campaign NB0786 Provide funding for the new 'Shop Local' campaign and engage with key stakeholders to commence implementation in early November. The campaign aims to encourage people to shop at small businesses, shopping centres and main streets within the City of Salisbury. (resolution number 0769/2024 October 2024)	30,000	0	30,000
St Kilda Tramway - Australian Electric Transport Museum (AETM) Sponsorship NB0802 Additional operating budget relating to the St Kilda Tramway Interface Agreement to provide funding for AETM Sponsorship. (resolution number 0755/2024 June 2024)	17,000	0	17,000
St Kilda Tramway - Repairs & Replacement Works between Mangrove St & St Kilda Playground NB0765 Repair and replacement works to tramway between Mangrove Street and St Kilda Playground. (resolution number 0755/2024 June 2024)	100,000	0	100,000
Street Tree Inspection & Pruning Program NB0772 Additional funding for proactive street tree inspection and pruning program in alignment with the 5 yearly service levels adopted. (resolution number 0717/2024 August 2024)	160,400	0	160,400
Western Suburbs Transport Program - 6 Month Trial NB0795 A 6 month trial for the Western Suburbs Transport Program using a Taxi Voucher model. Noting the cancellation of the previous Community Bus service, refer Appendix 1, resulting in Expenditure Savings of \$230k Operating (ES0793); and \$150k Capital (ES0810). (resolution number 0776/2024 October 2024)	82,000	0	82,000
CONFIDENTIAL: Legal Fees NB0803 Legal fees incurred relating to confidential matters.	104,000	0	104,000
TOTAL - NON DISCRETIONARY - OPERATING BIDS	557,400	0	557,400
DISCRETIONARY - OPERATING BIDS			
Licence Plate Recognition Trial NB0778 A Licence Plate Recognition trial will enable the organisation to review and determine the benefits of the technology in parking enforcement and compliance in school zones and public car park areas. (resolution number 0790/2024 August 2024)	25,000	0	25,000
Pound Coordinator Services NB0777 The Pound Coordinator function is an essential component of the Pooraka Pound to ensure adequate animal welfare needs are carried out and to support the rehoming, adoption and fostering of dogs in Councils care and control. (resolution number 0790/2024 August 2024)	108,000	0	108,000
TOTAL - DISCRETIONARY - OPERATING BIDS	133,000	0	133,000
TOTAL OPERATING BIDS	690,400	0	690,400

3. Budget Review

3.1 Policy and Context

The Budget Review is a legislative requirement under Part 9 of the Local Government (Financial Management) Regulations 2011, and Council's approach to managing its budget throughout the year has been set within the Treasury Policy, Part E – Policy Statement, paragraph 1.2:

- 1.2 Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:
- Maintain target ranges for its Net Financial Liabilities ratio;
 - Generally, only borrow funds when it needs cash and not specifically for particular projects;
 - Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.
 - Apply surplus contained within the Sundry Projects Fund, following adjustments for variations to existing estimates, to a reduction in borrowings. Any new bids/projects arising through the year are to be referred to the budget planning process for the subsequent year, unless they are of sufficient urgency, in which case Council may finance such projects by reducing/cancelling an existing budgeted project or approving an increase to the borrowing requirement.

3.2 Sundry Projects Fund

The Sundry Projects Fund (SPF) represents a mechanism for dealing with budget variations and urgent bids. Its balance represents the projected surplus for the year but it must be remembered that there are variations through the budget and the final result will be a combination of the SPF and these other variations. The current status of the SPF as a result of this review is represented below:

Original Budget 1 July 2024	\$
Recommendations – First Quarter Budget Review:	
Variations to Sundry Projects Fund – Appendix 1 Budget Variation Summary (Recommendation 2)	
Operating Variations	544,100
Capital Variations	412,500
Balance after Variations to the Sundry Projects Funds	956,600
Allocations arising from bids contained in Section 2	(7,152,800)
Movements in General Loan Borrowings / Investments:	
Increase in Borrowings due to bids, Operating & Capital Variations and Timing Adjustments	6,196,200
Net Movements in General Loan Borrowings	6,196,200
Balance Remaining	-

The net favourable operating budget variations of \$1.0M (detailed in Appendix 1), and allocations arising from net bids of \$7.2M contained in Section 2 of this review, results in an unfavourable adjustment of \$6.2M, increasing indicative loan borrowings as detailed in Section 4.

3.3 Consolidated Funding Statement

Consolidated Funding Statement	First Quarter Revised Budget 2024/25	Original Budget 2024/25
	\$000's	\$000's
PART 1 - OPERATING		
Operating Revenue - Original Budget	159,271	159,271
Proposed Adjustments:		
Operating Income Gains (Appendix 1)	781	
Operating Income Losses (Appendix 1)	(582)	
Operating Income Nil Effect Variations (Appendix 1)	340	
Developer Contributions	324	
Operating Revenue	160,134	159,271
Operating Expenditure - Original Budget	155,377	155,377
Proposed Adjustments:		
Operating Expenditure Savings (Appendix 1)	(345)	
Operating Expenditure Nil Effect Variations (Appendix 1)	340	
Operating New Bids (Considered as part of this Review)	690	
Transfers from Capital	26	
Transfers to Capital	(100)	
Prior Year Carry Forward Funds	3,789	
Adjustments endorsed via Carry Forward Report	(870)	
Transfers from Business Transformation Future Fund (BTFF)	1,507	
Operating Expenditure	160,415	155,377
Estimated 2024/25 Operating Carry Forwards	4,200	
Operating Surplus/(Deficit)	3,919	3,893
PART 2 - CAPITAL AND OTHER ADJUSTMENTS		
Capital Revenue - Original Budget	7,248	7,248
Proposed Adjustments:		
Capital Income Nil Effect Variations (Appendix 1)	(239)	
Capital Revenue	7,010	7,248
Net Surplus/(Deficit) Resulting From Operations	10,929	11,142
Capital Expenditure - Original Budget	64,683	64,683
Proposed Adjustments:		
Capital Expenditure Savings (Appendix 1)	(413)	
Capital New Bids (Considered as part of this Review)	6,462	
Capital Expenditure Nil Effect Variations (Appendix 1)	(239)	
Reinstate Budget Timing Adjusted Projects 2023/24	1,271	
Transfers to Operating	(26)	
Transfers from Operating	100	
Capital Prior Year Carry Forwards Funds	33,581	
Adjustments endorsed via Carry Forward Report	200	
Transfers from Reserves	1,200	
Capital Expenditure	106,820	64,683
Principal Repayments	(1,504)	(1,504)
Net Transfers to and from Reserves	2,177	(206)
NAWMA Equity Adjustment	681	681
Prior Year Carry Forward Funds	36,700	
Estimated Current Year Operating Carry Forward Funds	(4,200)	
Add Back Depreciation of Non Current Assets	37,697	37,697
Cash Surplus/(Deficit/Borrowings)	(24,341)	(16,874)
Facilities Applied	16,874	
Proposed / Investment Balance/(Loan Borrowings)	(7,467)	(16,874)

The Consolidated Funding Statement (CFS) provides a comparison between the original budget and the revised position should this review be adopted. The statement identifies the projected Operating Surplus / (Deficit) which is a primary indicator of financial sustainability. The original budget was for an operating surplus of \$3,893k, revised to a forecast surplus of \$3,919k at this review, noting estimated 2024/25 operating carry forwards of \$4,200k. The forecast position at this review is improved by \$26k over the original budget.

This year's operating budget has been impacted by 2023/24 carry forward of \$2,919k, which is partially offset by our estimate of 2024/25 operating carry forward projects of \$4,200k.

Adjustments totalling unfavourable \$1,255k, incorporating variations and new operating bids at First Quarter Budget Review, will result in a forecast operating surplus of \$3,919k. A reconciliation of the changes to Council's budgeted operating surplus / (deficit) is shown below.

2024/25 Operating Budget Forecast	\$'000
Original Budgeted Operating Surplus	3,893
2023/24 Operating Carry Forward Funds	(2,919)
2024/25 Operating Carry Forward Funds - Estimated	4,200
First Quarter Budget Review Adjustments	(1,255)
Forecast Operating Surplus/(Deficit)	3,919

The Consolidated Funding Statement also provides a summary of changes to capital income and capital expenditure and other impacts on cash are also considered, to arrive at the overall projected borrowings / investment balance. If this budget review is endorsed, the increase in borrowing requirements from the original budget position will be \$7,467k.

3.4 Transfer of Funds – Chief Executive Officer Delegation

The Wages and Salaries Provision has a balance of \$287k as at 30 September 2024 following endorsement of this budget review. This balance includes wages and salaries savings identified and allocation from the provision as authorised by the CEO during the first quarter of 2024/25. A total of \$889k has been allocated to the Provision over the first quarter with a total of \$602k allocated from the provision to provide funding for various roles across the organisation to meet short term resourcing requirements and organisational matters.

3.5 Business Transformation Future Fund Transfers

The Business Transformation Future Fund (BTFF) has a balance of \$1,461k at the conclusion of the first quarter 2024/25. Transfers from the BTFF in accordance with resolution number 0724/2024, August 2024, during the first quarter totalled \$1,507k, with \$309k allocated to Business Transformation employee costs for the period 1 July 2024 to 30 September 2024, and \$1,149k allocated to the Enterprise Resource Planning (ERP) project budget. Additionally, in accordance with resolution number 0687/2024, April 2024, the CEO has delegated authority to allocate funding of up to \$100k per quarter from the BTFF to fund project software licences and other project costs to ensure the delivery of Project Connect. This authority has been exercised in the first quarter 2024/25 to allocate \$50k from the BTFF to Project Connect for consulting services necessary to deliver the training required to implement the new information assets (Objective) system.

3.6 Transfer of Funds Requests

It is proposed that the following transfer of budgets be incorporated as part of this review:

Item	Details	Transfer Amount
Transfer of Funds Requests		
TR0782	Budget Transfer from CEO Consulting to City Shaping for Sustainable Industrial Manufacturing Pacific (SIMPAC) Budget Transfer from CEO Consulting to City Shaping for SIMPAC invoice to become a Co-Host Partner of the program that supports and facilitates the transition towards cleaner manufacturing.	10,000
TR0779	CONFIDENTIAL ITEM Transfer from Property Disposal Reserve to Confidential Project. (resolution number 0784/2024 August 2024)	1,200,000
TR0808	Salisbury Community Hub Facility & Safety Improvements - Budget conversion to align with nature of expenditure Facility and safety improvements for the Salisbury Community Hub including vape detectors, relocation of the security duty officer to the ground floor and additional room booking facilities for the contemplation room, were identified and implemented. Collectively these initiatives total \$50,000 and are able to be capitalised, therefore a conversion of existing operating funds to capital is being sought. (resolution number 0761/2024 October 2024)	50,000
TR0811	Transfer Employee Costs within Business Excellence Transfer of Employee Costs from Business Transformation to Finance and Procurement Services and People and Performance due to budgeting errors within the 2024/25 Labour Budget.	84,750
TR0774	Transfer from CEO Consulting Funds for Lower Greater Edinburgh Park Outfall Assessment Transfer from CEO Consulting Funds to support the delivery of an assessment to provide options for construction of the outfall of the lower Greater Edinburgh Park. Noting this transfer is Operating to Capital.	30,000
TR0813	Transfer Insurance Premium budget from Field Services to Urban Recreation and Natural Assets Transfer of Insurance Premium budgets from Field Services to Urban Recreation and Natural Assets to align with invoicing and responsibilities for various buildings.	94,000
TR0768	Transfer of Available Funds for Sports Lighting Audit Transfer \$54,655 of available funds within PR21478 Public Lighting Program to PR17754 Sports Lighting Program to fund lighting audit undertaken. (resolution number 0698/2024 May 2024)	54,655
TR0800	Transfer of Budget funds from Urban and Recreational Assets to Streetscapes and Open Assets Due to an internal restructure the Team Leader Urban and Recreational Assets was transferred to Streetscapes and Open Assets. The associated wages, oncosts and capital time recovery budgets have been moved in alignment with this restructure.	102,400
TR0780	Transfer of funds for Communications and Marketing Advisor position from City Shaping to Community Experience (Linked to V2000781) Transfer of funds for "Communications and Marketing Advisor" position from City Shaping - \$50k funded by the Small Business Fundamental Program to Community Experience - Communications and Marketing. (Linked to V2000776)	50,000
TR0787	Transfer Operating Budget to Capital for Barker Road Pump Installation Transfer expenditure budget for new pump installation at Barker Road from operating to capital.	10,900
TR0788	Transfer Operating Budget to Capital for Seesaw Rocker at Laurence's Green Transfer expenditure budget for new Seesaw Rocker at Laurence's Green from Operating to Capital.	9,200
TR0805	Transfer Streetscape Tree Planting Resourcing budgets Transfer of budget funds for Streetscape Tree Planting resourcing associated with BB001288 from Streetscape Open Space Assets to Field Services Tree Management to align with reporting and responsibilities of service delivery. Noting this resourcing is capitalised in full.	183,000

4. Loan Borrowings/Investments and Reserves

Details of the movement in the current year investments / borrowings:

	\$
Original Budget 1 July 2024	
Net Borrowings / (Investment)	16,874,000
Reinstate Timing Adjustments Projects	1,271,000
Borrowing Requirements Q3 Budget Review 2023/24 (Finance and Corporate Services - September 2024)	2,740,000
Budgeted Cash Advance Debenture Facilities (Finance and Corporate Services - September 2024)	(19,614,000)
Net Borrowings / (Investment) at September 2024	1,271,000
First Quarter Budget Review 2024/25	
Variation to General Borrowing Requirements recommended	6,196,200
Revised Increase / (Decrease) in Borrowing Requirements	6,196,200
Net Borrowings / (Investment) at conclusion of First Quarter	7,467,200

Loan Borrowing requirements for 2024/25 were considered in September 2024. The original budget indicative net loan borrowings were \$16.9M, with borrowing requirements at Third Quarter 2023/24 of \$2.7M, resulting in the establishment of new borrowing facilities of \$19.6M. Additionally, the reinstatement of timing adjustments from 2023/24 requires a further \$1.3M.

The outcome from First Quarter Budget Review variations contained in Appendix 1, and allocations arising from bids contained in Section 2, is an increase in borrowing requirements of \$6.2M, resulting in an indicative net borrowings position of \$7.5M at the conclusion of First Quarter 2024/25.

Reserves

	Year to Date Actual \$000's	Full Year	
		Rev. Bud \$000's	Orig.Bud \$000's
Transfers to Reserves	451	451	0
Transfers from Reserves	1,200	2,913	206
Total	(749)	(2,462)	(206)

The table above summarises movements within Council's Reserve Accounts, e.g. Business Transformation Future Fund, Public Infrastructure and Developments, Open Space, Property Disposals etc., and are in line with budget expectations. Details of balances of Reserves are contained in Finance Reports presented periodically throughout the year to Finance and Corporate Services Committee, with the reporting cycle typically the same as for the budget review. The Year to Date Budget represents the Full Year Revised Budget, although the funds will be transferred from the Reserves when required by individual projects. The significant movement in transfers from reserves reflects the transfer of the Property Disposal Reserve as per Council Resolution 0784/2024, August 2024, refer TR0779, Section 3.6 Transfer of Funds.

5. Recommendations

That Council:

1. Notes the 2024/25 First Quarter Budget Review report.
2. Approves the budget variances identified in this review and contained in the Budget Variation Summary (Appendix 1), and net capital and operating \$956,600 be credited to the Sundry Project Fund. This will bring the balance of the Sundry Projects Fund to \$956,600.
3. Approves the allocation of funding for the following **non-discretionary** net bids:

OPERATING

2025 Salisbury Fringe Event	\$26,000
Insurance Premiums	\$28,000
Salisbury Business Association (SBA) & Salisbury Christmas Parade	\$10,000
Shop Local Campaign	\$30,000
St Kilda Tramway - Australian Electric Transport Museum (AETM) Sponsorship	\$17,000
St Kilda Tramway - Repairs & Replacement Works between Mangrove St & St Kilda Playground	\$100,000
Street Tree Inspection & Pruning Program	\$160,400
Western Suburbs Transport Program - 6 Month Trial	\$82,000
CONFIDENTIAL: Legal Fees	\$104,000

CAPITAL

Access Management System	\$80,400
Additional Budget Funding for Sports Lighting Program, Brahma Lodge Oval	\$200,000
Additional Funding to Seal Carisbrooke Park Northern Car Park	\$604,000
Burton Park Sports Clubroom - Medical & Recovery Room Fit Out	\$75,000
Carisbrooke Entrance	\$1,500,000
Dignam Drive Reserve, Paralowie - Reserve Upgrade	\$300,000
Field Fencing, Yalumba Drive Reserve, Paralowie	\$103,000
Harry Bowey, Salisbury Park Precinct Improvements	\$500,000
Lake Windemere Reserve, Salisbury North - Additional Playground Equipment	\$90,000
Salisbury Memorial Park and Mausoleum Building Renewal Works	\$350,000
Salisbury Recreation Precinct - Additional Car Parking	\$1,800,000
Sir Douglas Lake, Mawson Lakes - Wall Remediation Works	\$60,000
Sportsfield Lighting - Decommissioning & Replacement	\$300,000
St Kilda Tramway - Fencing at St Kilda Playground	\$120,000
Wiltshire Street, Salisbury, Pedestrian Access	\$180,000
Woodfield Drive Reserve, Salisbury Down - Seal Path & Picnic Shelter	\$200,000

TOTAL **\$7,019,800**

NB: If parts 1, 2 & 3 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of (\$6,063,200).

4. Approves the allocation of funding for the following **Discretionary** net bids:

OPERATING

Licence Plate Recognition Trial	\$25,000
Pound Coordinator Services	\$108,000

TOTAL **\$133,000**

NB: If parts 1, 2, 3 & 4 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of (\$6,196,200).

5. Approves the following transfers:

Budget Transfer from CEO Consulting to City Shaping for Sustainable Industrial Manufacturing Pacific (SIMPAC)	\$10,000
CONFIDENTIAL ITEM (resolution number 0784/2024 August 2024)	\$1,200,000
Salisbury Community Hub Facility & Safety Improvements - Budget conversion to align with nature of expenditure	\$50,000
Transfer Employee Costs within Business Excellence	\$84,750
Transfer from CEO Consulting Funds for Lower Greater Edinburgh Park Outfall Assessment	\$30,000
Transfer Insurance Premium budget from Field Services to Urban Recreation and Natural Assets	\$94,000
Transfer of Available Funds for Sports Lighting Audit	\$54,655
Transfer of Budget funds from Urban and Recreational Assets to Streetscapes and Open Assets	\$102,400
Transfer of funds for Communications and Marketing Advisor position from City Shaping to Community Experience (Linked to V2000781)	\$50,000
Transfer Operating Budget to Capital for Barker Road Pump Installation	\$10,900
Transfer Operating Budget to Capital for Seesaw Rocker at Laurence's Green	\$9,200
Transfer Streetscape Tree Planting Resourcing budgets	\$183,000

NB: If parts 1, 2, 3, 4, & 5 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of (\$6,196,200).

6. Approves the variation of Loan Borrowings to reflect the bids and transfers approved by Council detailed in parts 1 to 5 of this resolution.

NB: If parts 1 to 5 of this resolution are moved as recommended, loan borrowings in 2024/25 will increase by \$6,196,200.

Appendix 1 – Budget Variation Summary as at 30 September 2024

Item	Details	Expense Increase/ (Decrease)	Revenue Increase/ (Decrease) <i>Includes Expenditure Recoveries</i>	Net Increase/ (Decrease) Sundry Projects Fund
OPERATING VARIATIONS				
Expenditure Savings				
ES0793	Community Bus (resolution number 0754/2024 September 2024)	(230,000)		230,000
ES0812	Employee Cost Savings due to 2024/25 Labour Budgeting Error	(115,100)		115,100
Total Expenditure Savings		(345,100)		345,100
Income Gains				
IG0790	2024/25 Supplementary Local Road Funding		780,500	780,500
Total Income Gains			780,500	780,500
Income Losses				
IL0818	Financial Assistance General Purpose Grant (FAG) 2024/25		(526,000)	(526,000)
IL0817	Small Business Fundamental Grant - recognised and acquitted in 23/24		(50,000)	(50,000)
IL0736	Oct 24 - Dec 24: Reduction for lease & licence fee waivers, plus fire & emergency services charges recoverable (resolution number 0758/2024 June 2024)		(5,500)	(5,500)
Total Income Losses			(581,500)	(581,500)
Adjustments - Nil Effect				
NG0801	Local Government Association Workers Compensation Scheme (LGAWCS) - Risk Incentive Program	95,600	95,600	0
NG0798	Northern Collaborative Project (NCP) expansion funding	56,100	56,100	0
NG0792	Property Cleanup - Health Act Admin	15,000	15,000	0
NG0789	Recreation Services Utility Reimbursement ****	114,500	114,500	0
NG0799	Reimbursements for Security Call Outs and Services	9,000	9,000	0
NG0776	Small Business Fundamentals Grant - Budget adjustment for 23/24 deferred income	50,000	50,000	0
Total Nil Effect Adjustments		340,200	340,200	0
Net Impact to Operating Result - Transfer to Sundry Projects Fund		(4,900)	539,200	544,100
**** Adjustments to budgets already processed.				

Item	Details	Expense Increase/ (Decrease)	Revenue Increase/ (Decrease) <i>Includes Expenditure Recoveries</i>	Net Increase/ (Decrease) Sundry Projects Fund
CAPITAL VARIATIONS				
Expenditure Savings				
ES0810	Community Bus (resolution number 0754/2024 September 2024)	(150,000)		150,000
ES0806	Salisbury Heights Primary School Kiss and Drop - Deferral to 2025/26 (resolution number 0761/2024 October 2024)	(262,500)		262,500
Total Expenditure Savings		(412,500)		412,500
Adjustments - Nil Effect				
NG0775	Lower Greater Edinburgh Park Outfall Assessment Contribution (resolution number 0761/2024 October 2024)	24,000	24,000	0
NL0807	Salisbury Heights Primary School Kiss and Drop Deferral to 2025/26 - Income Adjustment (resolution number 0761/2024 October 2024)	(262,500)	(262,500)	0
Total Nil Effect Adjustments		(238,500)	(238,500)	0
Net Impact to Capital Program		(651,000)	(238,500)	412,500
Transfer To / (From) Sundry Project Fund				956,600
**** Adjustments to budgets already processed.				

Appendix 2 – Capital Budget Timing Adjustments

Policy Statement

There are projects that are funded in the current year budget that are unable to be progressed in the timeframes originally planned due to external factors, including but not limited to delays in external funding approvals, negotiations with third parties, community consultation and development approval processes. It is important that the Community is aware of the status of these projects which are included in Appendix 5 Capital Expenditure Report. The table below summarises timing differences resulting from external factors for the purposes of adjusting the current year and future years' budget. These changes are also reflected in our cash requirements through a reduction in borrowings in the current year and will then be funded in future years.

There are no capital timing adjustments emanating from external factors to be declared at the first quarter 2024/25 budget review, noting the below timing adjustments endorsed in the Third Quarter Budget Review 2023/24, retiming 2023/24 projects into 2024/25 and as resolved have been added to the 2024/25 capital program.

Item	Details	Revised Budget	Budget Timing Adjustment
Capital Budget Timing Adjustments			
<u>Property & Buildings</u>			
Retime Hausler Reserve Change Facility project from 23/24 to 24/25			
BT0653	Due to delays experienced with development approval, approval was given via Urban Services Committee, March 2024, to transfer \$1.1M associated with the Hausler Reserve Change Facility project, from 2023/24 to 2024/25 in alignment with the revised forecast spend.	1,758,057	(1,071,000)
<u>Transportation</u>			
Retime Carisbrooke Park Carpark from 23/24 to 24/25			
BT0655	New grant funding received for the Carisbrooke Change Facility provides the opportunity to reconsider planning associated with car park access and redesign site access to accommodate a new Change Facility. Approval was given via Urban Services Committee, March 2024, to transfer \$200k associated with the Hausler Reserve Change Facility project, from 2023/24 to 2024/25 in alignment with the revised forecast spend.	400,000	(200,000)

Appendix 3 – Statement of Comprehensive Income

	Year to Date			Full Year	
	Actual \$000's	Budget \$000's	Variance \$000's	Rev Budget \$000's	Orig Budget \$000's
INCOME					
Rates	131,898	131,162	736	131,330	131,330
Statutory Charges	1,213	1,131	82	3,510	3,510
User Charges	1,213	1,211	2	6,312	6,312
Grants, Subsidies & Contributions	11,359	10,518	841	16,945	16,621
Investment Income	27	15	11	80	80
Reimbursement	160	123	36	479	364
Other Revenue	324	293	31	1,054	1,054
Total Income	146,193	144,453	1,740	159,710	159,271
EXPENSES					
Employee Costs	11,717	13,253	1,536	47,214	46,843
Materials, Contracts and Other Expenses	14,784	14,822	38	71,980	67,784
Finance Costs	38	23	(15)	2,372	2,372
Depreciation, amortisation & impairment	9,393	9,392	(2)	37,697	37,697
Share of Loss-Joint Ventures & Associates	0	0	0	681	681
Total Expenses	35,932	37,490	1,558	159,944	155,377
Operating Surplus/(Deficit) before Capital Amounts	110,261	106,964	3,297	(235)	3,893
Net gain (loss) on disposal or revaluation of assets	0	0	0	802	802
Amounts specifically for new or upgraded assets	6,775	6,241	534	6,241	6,241
Physical resources received free of charge	0	0	0	1,000	1,000
Other Comprehensive Income	0	0	0	0	0
Total Comprehensive Income	117,036	113,205	3,831	7,808	11,936

Note: - The above Statement of Comprehensive Income does not include the budget adjustments recommended within this Budget Review, however these adjustments have been reflected in the revised Financial Statements as contained within Appendix 8 Budgeted Financial Statements.

Commentary – Statement of Comprehensive Income

Year to Date: Actual compared to Revised Budget

The commentary on the Statutory Report is designed to explain variations greater than \$50k. No actions are required as, where necessary, they are dealt with elsewhere in the report.

Revenue

Rates – Favourable Variance \$736k

Rate revenue is favourable with higher rate revenue generated than budgeted.

Statutory Charges – Favourable Variance \$82k

The favourable variance in Statutory Charges revenue is due to Town Planning Fees (PDI Act Planning Application Fees) \$100k, attributed to an increase in lodgements ahead of the construction code changes commencing October 1, 2024. Application lodgements are anticipated to decline in future quarters as a result.

Grants, Subsidies & Contributions - Favourable Variance \$841k

The favourable variance is primarily related to the 2024/25 Supplementary Local Road Funding of \$781k which was not included in the 2024/25 Original Budget since funding each year is not guaranteed. Additionally, Small Business Fundamentals Funding of \$50k was received in 2023/24 but deferred to 2024/25 in accordance with accounting standards for the recognition of income. Income Gains have been included for First Quarter Budget Review at Appendix 1 for Supplementary Local Road Funding, refer IG0790, \$781k; and Small Business Fundamentals Grant, refer NG0776, \$50k.

Expenditure

Employee Costs - Favourable Variance \$1,536k

The Employee Cost favourable variance for first quarter is \$1,536k, with vacant positions across the organisation contributing \$1,542k to this variance. This is partly offset by Agency expenditure (reported in Materials, Contract & Other) of \$517k for staff engaged to backfill the vacancies. Additionally, overtime expenditure is \$72k unfavourable, and unbudgeted COVID-19 Special Leave of \$37k has been incurred. Further to those items, capitalised staff costs are \$46k unfavourable due to the under recovery of capital costs compared to budget, resulting from the timing of delivery for the capital infrastructure program.

Appendix 4 – Statement of Financial Performance – Key Directions

	Year to Date			Full Year	
	Actual \$000's	Budget \$000's	Variance \$000's	Rev Budget \$000's	Orig Budget \$000's
NET OPERATING RESULT: Surplus/(Deficit)	116,750	113,024	3,726	7,808	11,936
Represented By:					
<u>KEY DIRECTION REVENUE</u>					
The Living City:					
Recreation, Education & Leisure	171	139	31	998	883
Public Health & Safety	460	514	(53)	1,990	1,990
Community Development	969	967	2	5,035	5,035
The Sustainable City:					
Water Management	317	280	37	2,733	2,733
Waste Management	55	56	(1)	290	290
Parks & Landscape	26	33	(7)	133	133
The Prosperous City:					
Transport	2,757	1,977	781	3,770	3,770
City Planning & Economic Development	1,293	1,135	158	3,060	3,060
Enabling Excellence:					
Corporate Support	467	428	39	1,311	1,311
Governance	0	0	0	2	2
Treasury	27	15	11	80	80
Grants Commission	7,420	7,420	0	8,653	8,653
Rates	131,898	131,162	736	131,330	131,330
Other Miscellaneous Revenue	331	324	7	324	0
Total Operating Revenue	146,193	144,453	1,740	159,710	159,271
Capital Contributions	6,775	6,241	534	8,042	8,042
Total Revenue	152,968	150,694	2,274	167,752	167,313
<u>KEY DIRECTION EXPENDITURE</u>					
The Living City:					
Recreation, Education & Leisure	2,174	2,187	13	10,780	10,467
Public Health & Safety	1,625	1,663	38	7,104	7,190
Community Development	2,388	2,566	178	11,501	11,337
The Sustainable City:					
Water Management	1,737	1,912	176	5,009	4,959
Waste Management	3,631	3,775	143	20,941	20,808
Parks & Landscape	4,396	4,798	402	22,472	22,684
The Prosperous City:					
Transport	737	989	252	5,200	6,087
City Planning & Economic Development	1,844	1,875	31	7,624	7,177
Enabling Excellence:					
Corporate Support	7,764	7,810	46	30,727	26,377
Governance	180	189	9	1,338	1,129
Treasury	(225)	(256)	(32)	1,589	1,715
Depreciation	7,958	7,958	0	31,830	31,830
Other Miscellaneous Expenditure	1,722	2,025	303	3,830	3,617
Total Expenditure	35,932	37,490	1,558	159,944	155,377

The Full Year Revised Budget includes revisions to expenditure budgets for funds carried forward from 2023/24 to 2024/25. We anticipate a carry forward from 2024/25 to 2025/26, however, at this time specific programs cannot be identified, and this will be brought to account at the end of financial year.

Commentary – Key Direction**The Living City – Net Favourable Variance \$208k****Recreation, Education & Leisure – Net Favourable Variance \$44k****Revenue – Favourable Variance \$31k**

No material variances to disclose.

Expenditure – Favourable Variance \$13k

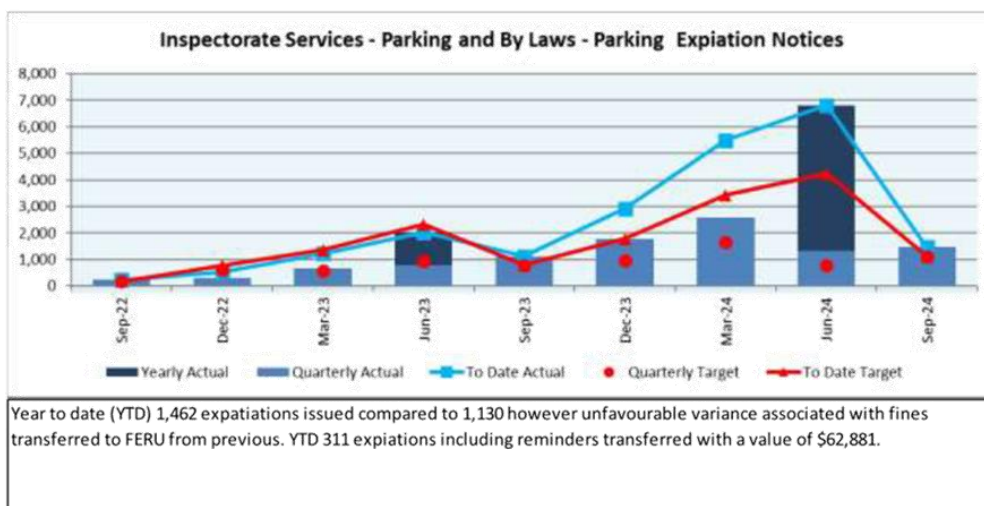
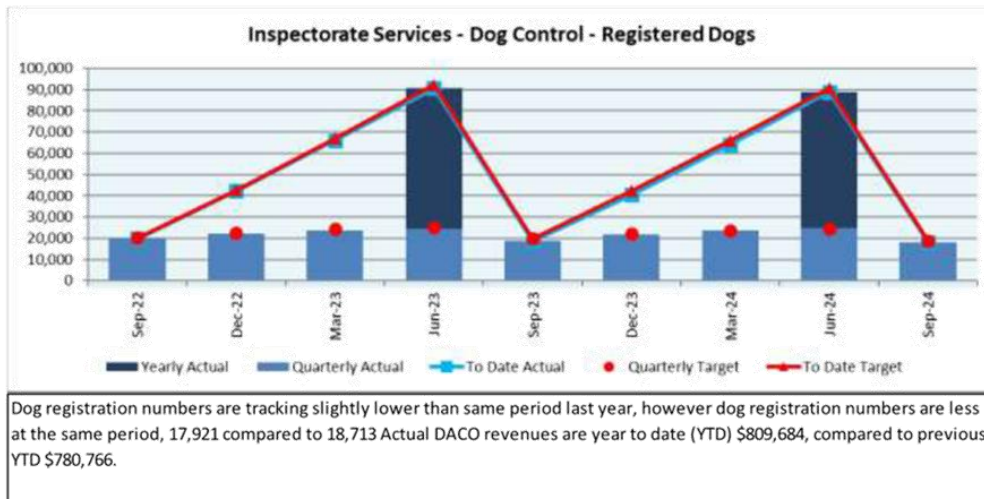
Budget Area	Department	Variance YTD '000s	Comment	Action Required
Building Maintenance Sporting Facilities	City Infrastructure	(23)	The unfavourable variance relates to higher than forecasted insurance premiums caused by new assets and a rise in asset values. A variation has been included as part of this review to provide budget for the insurance increase.	Refer Section 3.6 Transfer of Funds Requests Transfer Insurance Premium budget from Field Services to Urban Recreation and Natural Assets \$76k of \$94k total transfer

Public Health & Safety – Net Unfavourable Variance \$16k**Revenue – Unfavourable Variance \$53k**

Budget Area	General Manager	Variance YTD '000s	Comment	Action Required
Animal Control	City Development	(41)	The unfavourable variance is mostly caused by prior year expiations forwarded to the Fines Enforcement Unit for collection. This will continue to be monitored over upcoming periods.	

Expenditure – Favourable Variance \$38k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Animal Control	City Development	46	The favourable variance is a result of lower costs in Dog Pound contractual services and animal relocations due to reduced service levels from Animal Welfare League (AWL) and cat management rehoming. A variation has been included in this review to provide a budget for a Dog Pound Coordinator that is carried out as part of the contractual services arrangement and is required to provide support to the pound operations.	Refer Section 2 New Bids Pound Coordinator Services \$108k

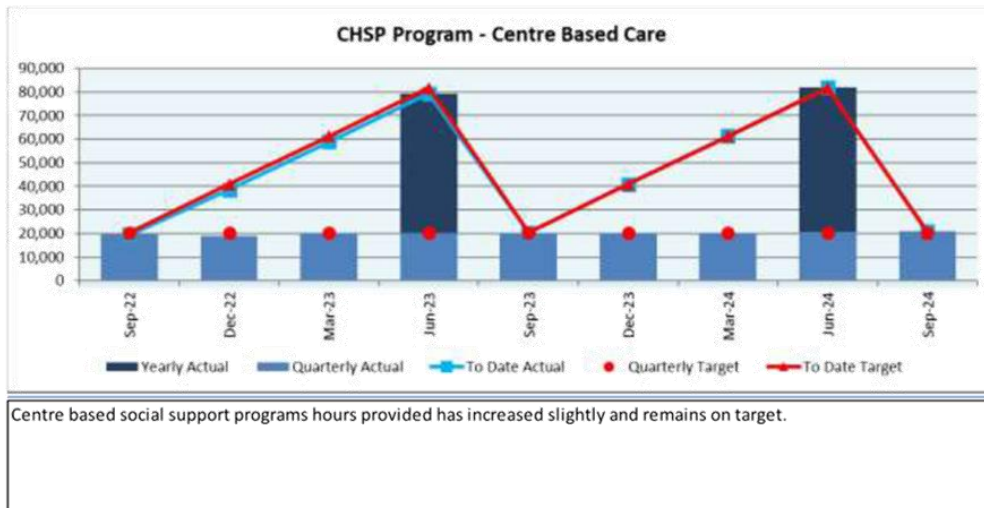


Community Development – Net Favourable Variance \$180k**Revenue – Favourable Variance \$2k**

Budget Area	General Manager	Variance YTD '000s	Comment	Action Required
Salisbury Memorial Park Cemetery	Community Development	(24)	The unfavourable variance is attributed to lower than forecasted sales during the first quarter. Arrangements for the new operating model are still being finalised, and the budget will be adjusted accordingly at a future quarterly budget review.	

Expenditure – Favourable Variance \$178k

Budget Area	General Manager	Variance YTD '000s	Comment	Action Required
HCSP - Home and Community Services Program	Community Development	102	The favourable variance consists of employee costs of \$154k caused by staff vacancies during the first quarter, partially offset by agency backfill of \$98k. This program is mostly grant funded and will continue to be monitored for savings of Council's contribution to the program which will be declared in a future quarterly review if necessary.	
Maintenance-Community Centres	City Infrastructure	39	The favourable variance is mainly the result of the timing of contracted building maintenance and is expected to align to budget over the upcoming periods.	



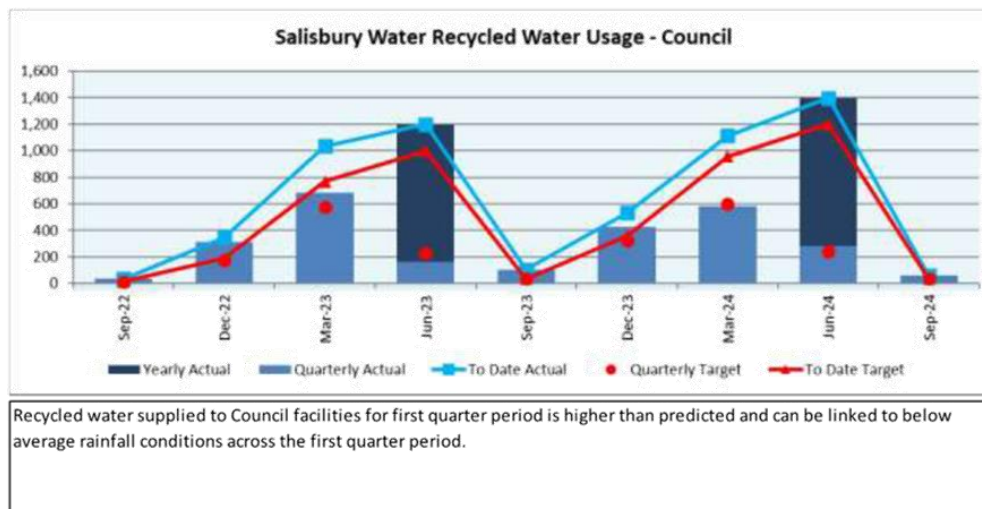
The Sustainable City – Net Favourable Variance \$751k**Water Management – Net Favourable Variance \$212k****Revenue – Favourable Variance \$37k**

Budget Area	General Manager	Variance YTD '000s	Comment	Action Required
Salisbury Water Retail - Marketing / Sales	Business Excellence	31	Water supplied to non-residential facilities for the period is higher than budgeted due to below average rainfall conditions across the first quarter.	

Expenditure – Favourable Variance \$176k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Salisbury Water Distribution - Network Manager	Business Excellence	87	The favourable variance is related to employee costs of \$42k resulting from lower timesheet costing for distribution in the first quarter. Also contributing is the timing of expenditure for contractual services, and materials and supplies with no major works required during the first quarter.	
Salisbury Water Retail - Marketing / Sales	Business Excellence	91	Internal water supplied to Council facilities for the period is higher than budgeted due to below average rainfall conditions across the first quarter. Noting higher costs associated with supply have been offset by lower harvest volume. This variance is offset by unfavourable variances for internal water usage across Field Services.	
Wetland & Native Landscape Maintenance	City Infrastructure	(29)	The unfavourable variance is a result of higher than budgeted staff time spent performing a larger volume	

Budget Area	Department	Variance YTD '000s	Comment	Action Required
			of wetlands maintenance and native landscaping during the first quarter. This will continue to be monitored over the upcoming periods.	



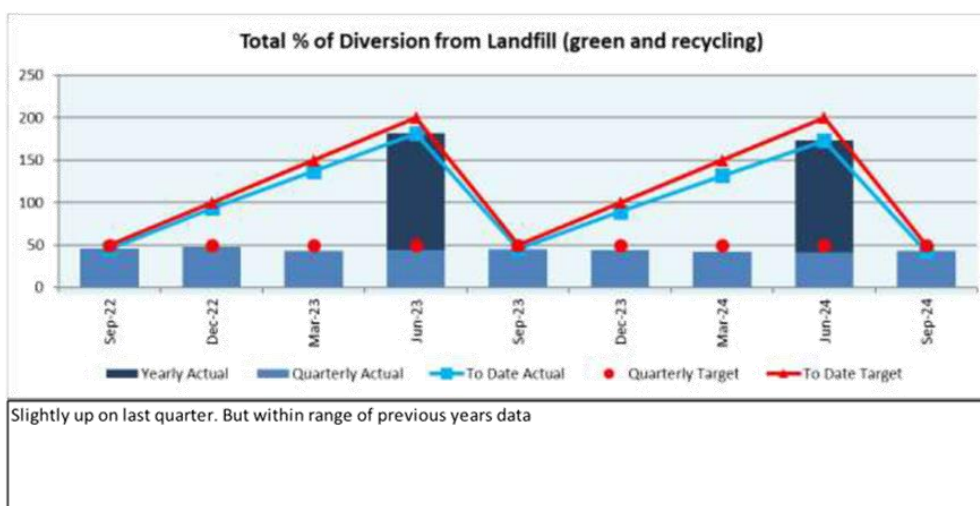
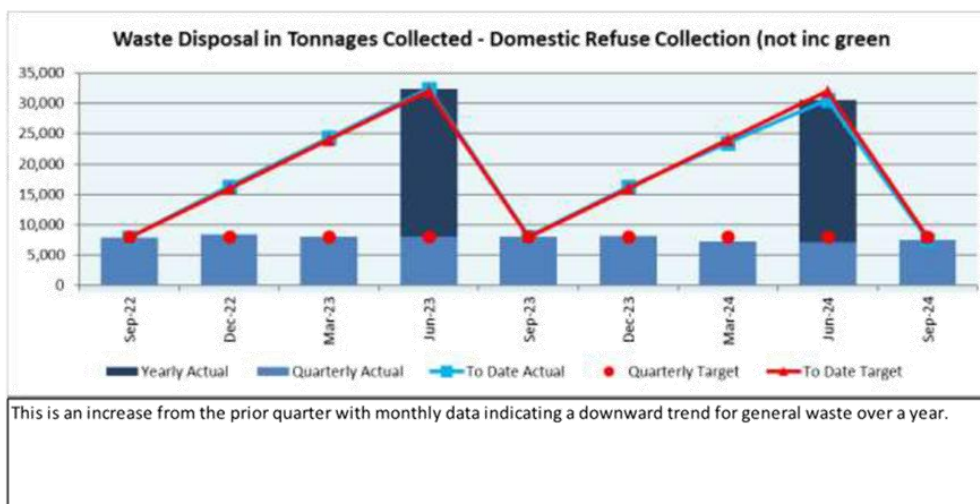
Waste Management – Net Favourable Variance \$143k

Revenue – Unfavourable Variance \$1k

No material variances to disclose.

Expenditure – Favourable Variance \$143k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Cleansing and Waste	City Infrastructure	45	The favourable variance relates to lower than anticipated volumes of dumped rubbish year to date due to the ad-hoc nature of collection requirements.	
Waste Management	City Infrastructure	82	The favourable variance to date represents 0.46% of the total overall budget and is expected to align to budget over the upcoming periods.	



Parks & Landscape – Favourable Variance \$395k**Revenue – Unfavourable Variance \$7k**

No material variances to disclose.

Expenditure – Favourable Variance \$402k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Tree Management	City Infrastructure	81	The favourable variance is primarily due to the delayed start of contracted Tree Pruning works \$137k, with a new contract awarded in September. This is partially offset by higher than budgeted expenditure for reactive tree pruning 45k.	Refer Section 2 New Bids Street Tree Inspection & Pruning Program \$160k
Sportsfield Cutting	City Infrastructure	(50)	The unfavourable variance is mostly a result of higher than budgeted internal water supply, which is offset by a favourable variance in Salisbury Water. This will continue to be monitored over future periods.	
Field Services Administration	City Infrastructure	262	Employee Costs are currently \$400k favourable due to several vacancies during the first quarter. This is partially offset by agency expenditure of \$159k for backfilling these positions and other minor variances. Will continue to be monitored over future periods.	
Urban Structures	City Infrastructure	(32)	The unfavourable variance is caused by the timing of works for playground maintenance and reserve furniture year to date. It is expected that	

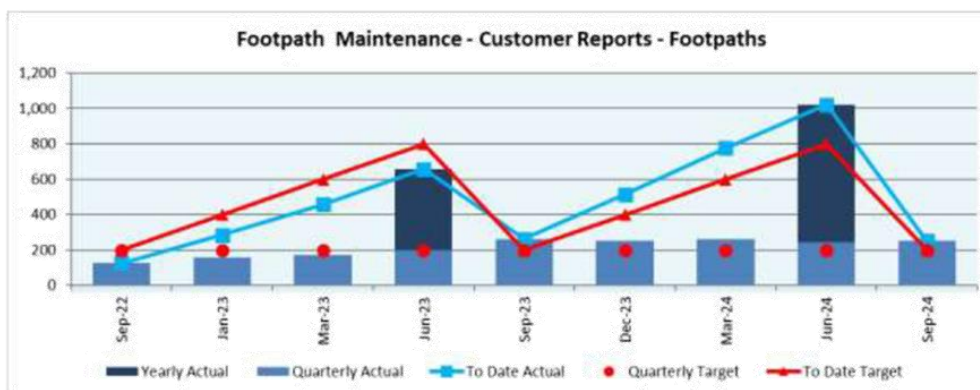
Budget Area	Department	Variance YTD '000s	Comment	Action Required
			expenditure will balance to budget in future periods.	
Feature Landscapes	City Infrastructure	22	The minor favourable variance relates to the timing of contractual services works which is anticipated to align to budget in future periods.	
Park Maintenance	City Infrastructure	33	The favourable variance in Park Maintenance relates to lower than budgeted staff time \$87k due to current vacancies and challenges with backfilling these positions. This is partially offset by higher than budgeted internal water usage of \$65k for Ornamental Lake Fill which is offset by a favourable variance for internal water supplied in Salisbury Water.	
Fleet Services Administration	City Infrastructure	23	The favourable variance mostly relates to lower than forecasted expenditure for fuel and materials in Heavy Vehicle Maintenance year to date, which will continue to be monitored.	

The Prosperous City – Net Favourable Variance \$1,221k**Transport – Net Favourable Variance \$1,032k****Revenue – Favourable Variance \$781k**

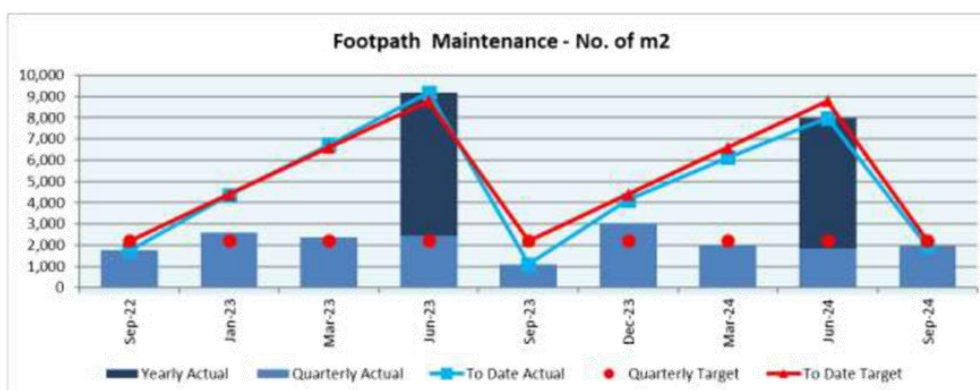
Budget Area	Department	Variance YTD '000s	Comment	Action Required
Untied Road Grants	City Infrastructure	781	Unbudgeted 2024/25 Supplementary Local Road funding received in quarter one, with an income gain included as part of this review.	Refer Appendix 1 Income Gains 2024/25 Supplementary Local Road Funding \$781k

Expenditure – Favourable Variance \$252k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Roads	City Infrastructure	30	The favourable variance relates to the recent change in contracted works with a new contract being signed. It is expected that this will meet budget expectations over the upcoming period.	
Signs	City Infrastructure	21	Various minor variances across the area with budget anticipated to meet expectations. Will continue to monitor over upcoming periods.	
Footpath Maintenance	City Infrastructure	197	The favourable variance is primarily related to maintenance for Pavers \$66k and Block Pavers \$111k, resulting from the timing of program delivery, which is expected to align to budget in future periods.	



Tracking above targeted rate, although a minor decrease from prior quarter.



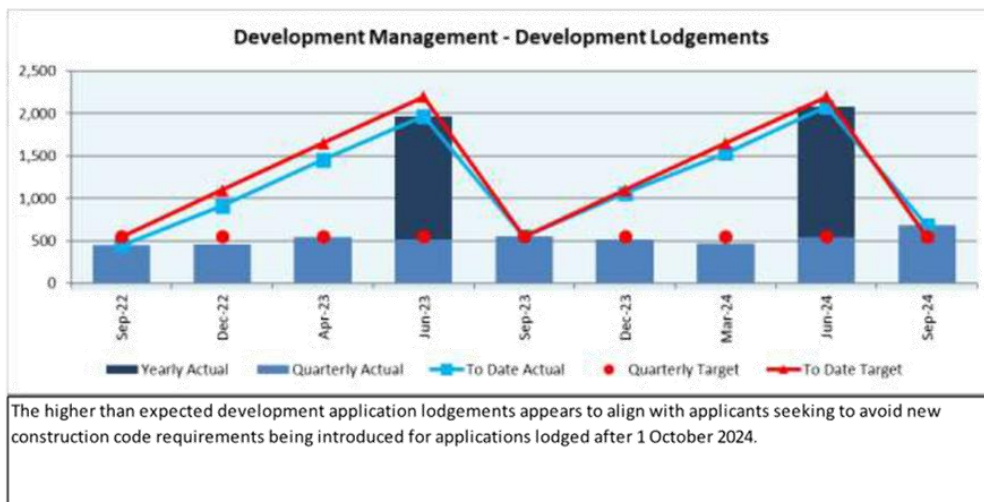
Volume of work for the quarter was slightly below targeted but is anticipated to increase in future quarters.

City Planning & Economic Development – Net Favourable Variance \$189k**Revenue – Favourable Variance \$158k**

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Planning	City Development	111	Favourable variance as a result of an increase in builders seeking to lodge applications ahead of construction code changes starting 1 October 2024. Application lodgments are expected to fall coinciding with cyclical trends leading to the end of the calendar year. Will continue to monitor.	
Polaris Centre	City Development	40	The favourable variance relates to Small Business Fundamentals Grant money received last financial year in advance \$50k and deferred to 24/25 in accordance with accounting standards. A variation is included as part of this review.	Refer Appendix 1 Nil Effect Income Gain Small Business Fundamentals Grant - Budget adjustment for 23/24 deferred income \$50k

Expenditure – Favourable Variance \$31k

No material variances to disclose.



Enabling Excellence – Net Favourable Variance \$1,118k**Corporate Support – Net Favourable Variance \$85k****Revenue – Favourable Variance \$39k**

No material variances to disclose.

Expenditure – Favourable Variance \$46k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Streetscape & Open Space Assets	City Infrastructure	(46)	The unfavourable variance relates to lower than budgeted staff time allocated to the capital program year to date. Will continue to monitor over the upcoming periods.	
Governance Administration	Chief Executive Office	(91)	The unfavourable variance is due to unforeseen legal expenditure. A budget variation has been included as part of this review.	Refer Section 2 New Bids CONFIDENTIAL: Legal Fees \$104k
Accounting Services	Business Excellence	36	The favourable variance is largely related to employee costs because of higher than forecasted annual leave and sick leave taken during the first quarter.	
Business Transformation	Business Excellence	117	The favourable variance relates to employee costs due to 2024/25 labour budgeting errors which have been included as expenditure savings as part of this review.	Refer Appendix 1 Expenditure Savings Employee Cost Savings due to 2024/25 Labour Budgeting Error \$115k
People & Performance	Business Excellence	(112)	The unfavourable variance primarily relates to expenditure for the Care Factor Program \$96k, with funding to be received from the Local Government Risk Services against the Local Government Association Workers Compensation Scheme (LGAWCS).	Refer Appendix 1 Nil Effect Income Gain Local Government Association Workers Compensation Scheme (LGAWCS) - Risk Incentive Program \$96k

Governance – Net Favourable Variance \$9k**Expenditure – Favourable Variance \$9k**

No material variances to disclose.

Treasury – Net Unfavourable Variance \$21k**Revenue – Favourable Variance \$11k**

No material variances to disclose.

Expenditure – Unfavourable Variance \$32k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Treasury	Sundry	(32)	The unfavourable variance is due to a lower interest charge recovery for internal loans during the first quarter, resulting from the interest rate being lower than budgeted. This is offset by favourable variances elsewhere in the organisation.	

Miscellaneous – Net Favourable Variance \$1,045k**Revenue – Favourable Variance \$742k**

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Rates	Sundry	736	Favourable variance primarily related to additional growth and adjustments to capital values that were received after rates declaration.	

Expenditure – Favourable Variance \$303k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Wages & Salaries Provision	Sundry	287	This balance represents Employee Cost savings identified and allocations authorised by the CEO during the first quarter. A total of \$889k has been allocated to the provision during the quarter, with \$602k allocated to various areas of Council, refer Section 3.4 Transfer of Funds.	

Capital Contributions – Net Favourable Variance \$534k**Revenue – Favourable Variance \$534k**

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Capital Grants, Subsidies & Contributions	Sundry	534	The favourable variance relates to the timing of grants received and recognised in accordance with the accounting standards.	



Appendix 5 – Capital Expenditure Report as at 30 September 2024

The 2024/25 Capital Program is now underway, with the projects in progress now transitioned from 2023/24 into the new financial year, together with the creation of new 2024/25 projects. Establishment of a new program of works includes undertaking preliminary site investigations, creation of program and resource schedules, development of concept designs and documenting project requirements. This critical preparation work aids in delivering the right solution, at the optimum time for the community.

At the end of this quarter, \$7.4M (7.1%) has been spent or \$34.3M (32.8%) inclusive of commitments. These values are reflective for this time of the year with the majority of projects in the early planning phases in preparation for procurement and delivery later in the financial year.

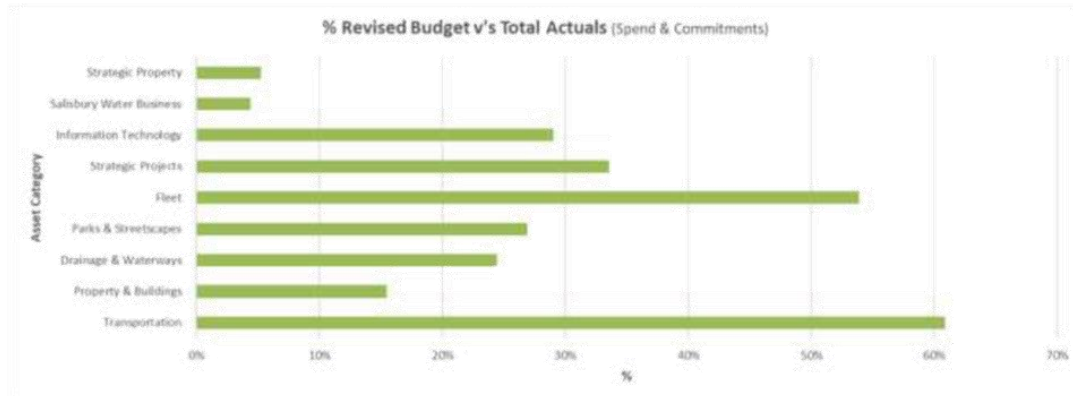
Description	Revised Budget	Actuals	Commitments	Total Actuals / Commitments	Balance Remaining
EXPENDITURE					
Transportation	29,957,113	2,965,458	15,257,340	18,222,798	11,734,315
Property & Buildings	12,189,165	858,306	1,021,607	1,879,913	10,309,253
Drainage & Waterways	4,292,088	214,130	832,803	1,046,933	3,245,155
Parks & Streetscapes	13,132,766	1,480,896	2,045,282	3,526,178	9,606,588
Fleet	7,251,190	743,264	3,160,388	3,903,651	3,347,539
Strategic Projects	11,907,170	621,297	3,368,928	3,990,225	7,916,945
Total City Infrastructure	78,729,492	6,883,351	25,686,346	32,569,697	46,159,795
Information Technology	1,952,578	230,160	335,647	565,808	1,386,770
Salisbury Water Business	10,202,882	97,474	344,557	442,031	9,760,851
Strategic Property	13,588,971	198,803	508,169	706,972	12,881,999
Total Other	25,744,431	526,437	1,188,373	1,714,811	24,029,621
	104,473,923	7,409,788	26,874,719	34,284,508	70,189,416
INCOME					
Transportation	(624,900)	0	0	0	(624,900)
Property & Buildings	0	(2,628,309)	0	(2,628,309)	2,628,309
Drainage & Waterways	0	(158,450)	0	(158,450)	158,450
Parks & Streetscapes	0	(20,000)	0	(20,000)	20,000
Strategic Projects	0	(6,296,476)	0	(6,296,476)	6,296,476
Total City Infrastructure	(624,900)	(9,103,236)	0	(9,103,236)	8,478,336
Salisbury Water Business	(5,616,000)	0	0	0	(5,616,000)
Strategic Property	0	(1,904,828)	0	(1,904,828)	1,904,828
Total Other	(5,616,000)	(1,904,828)	0	(1,904,828)	(3,711,172)
	(6,240,900)	(11,008,064)	0	(11,008,064)	4,767,164
NET	98,233,023	(3,598,275)	26,874,719	23,276,444	74,956,579



A noteworthy achievement this quarter is the significant progress being made as part of the 2024/25 SAMP Road Reseal Service Continuity Program. Where key commuter paths of travel, such as Target Hill Road, Salisbury Heights, works have been occurring at night to minimise the impact to the community. The program is on track for completion in the first quarter of the 2025.

Spend

Across the asset categories, the following graph represents the percentage of Total Actuals (Spend & commitments) versus Revised Budget, as at the end of quarter one, 2024/25. The high value for the Transportation category is reflective of the significant progress achieved as part of the SAMP Road Reseal Service Continuity Program, followed by the fleet program which is heavily committed and awaiting shipment of new plant and fleet items.



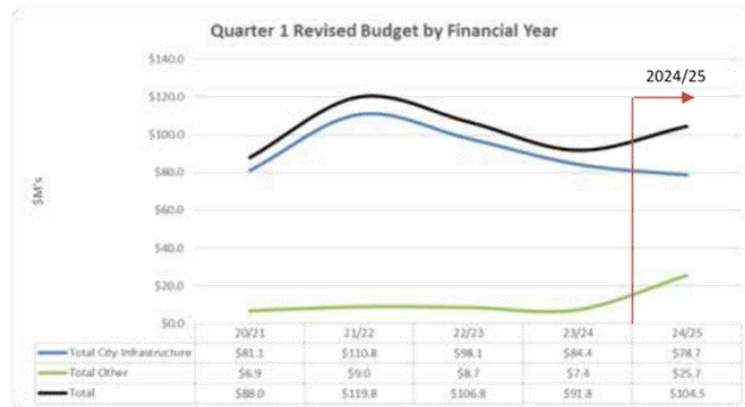
The current level of spend and commitments for this first quarter is consistent with the values at this time last financial year, being \$8.5M versus \$7.4M spend, and \$35M versus \$34.3M of total actuals (spend + commitments) as follows;

Quarter 1	Actual Spend		Spend + Commitments	
	23/24	24/25	23/24	24/25
Transportation	\$1.2	\$3.0	\$2.0	\$18.2
Property & Buildings	\$0.4	\$0.9	\$2.7	\$1.9
Drainage & Waterways	\$0.6	\$0.2	\$1.4	\$1.0
Parks & Streetscapes	\$0.7	\$1.5	\$3.1	\$3.5
Fleet	\$0.5	\$0.7	\$2.2	\$3.9
Strategic Projects	\$4.6	\$0.6	\$22.8	\$4.0
Total City Infrastructure	\$8.1	\$6.9	\$34.0	\$32.6
Information Technology	\$0.0	\$0.2	\$0.1	\$0.6
Salisbury Water Business	\$0.2	\$0.1	\$0.7	\$0.4
Strategic Property	\$0.2	\$0.2	\$0.3	\$0.7
Total Other	\$0.4	\$0.5	\$1.0	\$1.7
Total	\$8.5	\$7.4	\$35.0	\$34.3

The spend value of the first quarter of a financial year is typically low due to the majority of the Capital Works Program not yet entering construction. As the financial year progresses, the spend rate will also increase in alignment with the delivery and completion of works predominately in quarter three and four. Whilst most construction occurs in the later part of the financial year, some works are scheduled to optimise climate and resource conditions and therefore will enter construction earlier to enable works such as drainage to occur in the drier climate of quarter two.

Budget

In response to Covid-19, over the recent years, the Capital Works Program revised budget increased in an effort to stimulate economic recovery from the pandemic, with a quarter one peak of \$120M in 2021/22. Subsequent to this, the 'City Infrastructure' program (blue line below) has slowly transitioned towards pre-covid funding levels. In contrast, for 2024/25 the 'Other' capital program (green line below) has kicked up this year resulting in the overall total value (black line below) of the revised budget increasing surpass that of this time last year. The subset capital category titled 'Other' covers the following works associated with Information Technology, Salisbury Water Business and Strategic Property. The uplift in this category is due to Strategic Property developments and the Salisbury Water Bellchambers Managed Aquifer Recharge Scheme which is subject to grant funding.



Quarter 1	Revised Budget				
	20/21	21/22	22/23	23/24	24/25
Transportation	\$34.4	\$36.0	\$25.0	\$28.7	\$30.0
Property & Buildings	\$10.0	\$34.0	\$10.6	\$8.5	\$12.2
Drainage & Waterways	\$6.4	\$3.6	\$3.3	\$4.1	\$4.3
Parks & Streetscapes	\$10.9	\$14.6	\$11.0	\$7.3	\$13.1
Fleet	\$1.9	\$3.7	\$4.7	\$5.8	\$7.3
Strategic Projects	\$17.6	\$18.9	\$43.5	\$30.0	\$11.9
Total City Infrastructure	\$81.1	\$110.8	\$98.1	\$84.4	\$78.7
Information Technology	\$0.9	\$2.4	\$2.4	\$1.7	\$2.0
Salisbury Water Business	\$4.2	\$5.9	\$5.4	\$4.7	\$10.2
Strategic Property	\$1.7	\$0.8	\$0.9	\$1.0	\$13.6
Total Other	\$6.9	\$9.0	\$8.7	\$7.4	\$25.7
Total	\$88.0	\$119.8	\$106.8	\$91.8	\$104.5

To note, the above figures exclude any 2024/25 first quarter adjustments. Within the next section, details of adjustments associated with the capital program is provided.

New Funding Adjustments

This quarter there were a series of new funding requests associated with the capital program as follows;

- As per resolution 0698/2024, an additional allocation of \$200,000 was endorsed to support the delivery of the sports lighting renewal at Brahma Lodge Oval.
- \$75,000 was approved to fit out the medical and recovery room at Burton Park sports facility, in accordance with resolution 0716/2024.
- New funding of \$80,400 was approved to enable the installation of new access management systems for clubrooms at Andrew Smith Drive Oval, Parafield Gardens, Hausler Reserve, Paralowie, and Paquita Park, Mawson Lakes, as per resolution 0719/2024.
- In September 2024, \$500,000 was approved as a non-discretionary review bid for traffic flow and associated improvements for Harry Bowey, Salisbury Park, in accordance with resolution 0738/2024.
- Provision of \$300,000 of new funding to replace sports lighting at Creaser Park, Parafield Gardens, and a single light pole at Lindblom Park, Pooraka, due to condition as per resolution number 0738/2024.
- New operating funding of \$100,000 was approved for repair and replacement works to the tramway between Mangrove St and St Kilda Playground, as per resolution 0755/2024.
- In June 2024, as a risk mitigation strategy, new funding of \$120,000 of funding was approved to install new fencing at St Kilda Playground, as per resolution 0755/2024.
- As per resolution 0756/2024, to support the delivery of major works at Carisbrooke Park, additional budget of \$1,500,000 was provided to support the delivery of entrance work for the access driveway and ancillary car parking, and \$604,000 to seal the northern carpark.
- In response to the community engagement process, additional \$90,000 of funding was supported as a discretionary bid to enable the installation of additional playground equipment at Lake Windemere Reserve, Salisbury North, as per resolution number 0768/2024.
- Support was given to fund \$180,000 to modify and upgrade pedestrian crossings and associated works at three (3) locations on Wiltshire Street, Salisbury, to provide safe and continuous accessible paths of travel, as per resolution 0768/2024.
- As per resolution 0770/2024, a non-discretionary \$300,000 review bid was approved to enable the renewal of the playspace, picnic table and pathway connections at Dignam Drive Reserve, Paralowie.
- In accordance with resolution 0770/2024, provision of \$200,000 to seal the shared use path and install a new picnic setting with shelter at Woodfield Drive Reserve, Salisbury Downs, was approved.
- In August 2024, as per resolution 0792/2024, \$60,000 was allocated to repair a section of the lake wall at Sir Douglas Mawson Lakes due to failure.
- A non-discretionary review bid of \$103,000 was supported, as per resolution 0795/2024, for fencing and signage at Yalumba Drive Reserve, Paralowie.
- To support the delivery of a new rider safety park at Salisbury Recreation Precinct, plus increase the car parking capacity, \$1,800,000 of additional funding was approved as per resolution 0796/2024.

Income

As reported in October 2024, resolution 0761/2024, the construction of a new kiss and drop at Salisbury Heights Primary School has been deferred to 2025/26 due to land revocation and pending State Government contribution. The associated \$262,500 income budget and \$525,000 expenditure budget will be adjusted to reflect this change.

Also reported in October 2024, \$24,000 of income is expected to be received from the City of Playford associated with the Lower Greater Edinburgh Park Outfall Assessment Contribution, as per resolution number 0761/2024.

Other Funding Adjustments

Other funding adjustments this quarter include;

- A transfer of \$30,000 of existing operating funding to capital to support the delivery of the Lower Greater Edinburgh Park Outfall Assessment which is being undertaken with the City of Playford.
- As per resolution 0698/2024, transfer \$54,665 of available funds within PR21478 Public Lighting Program to PR17754 Sports Lighting Program to fund a lighting audit undertaken.
- To align with the nature of expenditure \$9,200 of existing operating funding will be transferred to capital associated with the replacement a see saw rocker at Laurences Green, Parafield Gardens. Similarly, \$10,900 of existing operating funding will be transferred to capital due to the replacement of a pump at Barker Road.

Asset Category Highlights

Transportation

A major project nearing completion is the replacement of the Pratt Avenue, Pooraka, bridge. With the bridge reaching the end of its serviceable life, it is being upgraded with a bridge which provides improved trafficability for vehicles and pedestrians. This significant project commenced in May 2024 with preliminary and services works prior to a road diversion being put in place and notified. It is scheduled that this new bridge will be open for use prior to Christmas 2024.

As identified earlier, the SAMP Road Reseal Service Continuity Program has been making significant progress in various locations across the City. It is anticipated that all key sites will be completed by the end of next quarter.

The renewal of signalised lighting and controllers occurs annually based upon a condition audit to define the priorities for each year. This year's locations were pedestrian crossings at Belalie Road, Ingle Farm, and Goddard Drive, Salisbury Park, which were completed this quarter.

Pratt Avenue, Pooraka, Road Bridge Replacement



Myall Boulevard Reserve, Salisbury



Salisbury Water

For Salisbury Water, the focus for the first quarter has been on preliminary construction works associated with the upgrade of the Myall Boulevard Reserve, Salisbury, groundwater community well to meet supply demands associated irrigation upgrade at the Little Para Golf Course.

Property and Buildings



The construction of new change facilities and increased carparking at Hausler Reserve is now well advanced with fit out in progress and tiling now complete. This amazing new community facility will be opened for use prior to Christmas 2024.

As part of the Minor Capital Grants Program, grandstand seating, fencing, barbeque and outdoor heaters were completed at Adams Oval, Salisbury North, to support the facilitation of soccer at this location. Also as part of this grant program, the tender for a new spray booth workshop will soon occur for the Woodworkers Shed Northern Districts SA community group who make wooden toys for local charities to distribute to disadvantaged children.

Design development is underway as part of the SAMP Building Service Continuity works for the Ingle Farm Recreation Centre where the main stadium lighting will be renewed and for the Adams Oval soccer clubrooms where the change facilities will be upgraded to modern standards.

Fleet

The Fleet Program is progressively delivered and dependent upon the supply chain and international deliveries with \$3.2M committed. The requirements are currently being documented for 2024/25 program to ensure the acquired fleet and plant meet the needs and purpose which they were intended for. Therefore, typically the first quarter of a financial year is lower in spend than the later third and fourth quarter.

Parks and Streetscape

The renewal of the Baltimore Reserve dog park at Parafield Gardens was completed this quarter. This will be followed by the renewal of The Paddocks dog park in 2024/25.

With the switching off of the 3G network, irrigation controllers within the City's parks and reserves required upgrading to 5G compatible controller systems. This work has been gradually occurring across the sites.

At Ascot Drive Reserve, Paralowie, the installation of new irrigation has commenced. This new irrigation will be installed adjacent the existing playground to facilitate an irrigated turf to support greater activation of the reserve and playground.



Drainage and Waterways

As part of the Major Flood Mitigation Service Continuity Program, flood mitigation works have commenced in Walkley Heights for Brickwork Place. With pipe and pit infrastructure arriving, it is scheduled that this work will be completed prior to Christmas 2024.

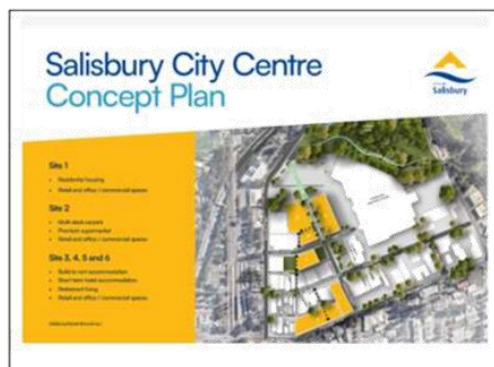
Walkley Heights Flood Mitigation



Strategic Projects

Construction of new footpath and kerb ramps is underway at Ingle Farm as part of a State Government grant to delivery footpath network improvements at Ingle Farm and Pooraka.

Strategic Property



Strategic Development Projects is managing the Salisbury City Centre Project which includes partnering with Buildtec/Catcorp to revitalise the city centre into one of South Australia's most vibrant Centres. The development is progressing well with the lodgement of the planning application SCAP expected in the next month and construction starting in 2025.

The residential development of 35 allotments at Lake Windemere is now sold out and will deliver over 30% affordable housing and 4 specialist disability accommodation options. Construction of the houses will commence in 2025.

The Health Hub on the old St Jays site at Orange Avenue, Salisbury is now complete with occupation expected in the coming weeks. The Health Hub will include a gymnasium, consulting rooms, yoga, a hydrotherapy pool, an outdoor sensory space and Pilates studio. It will include tailored therapeutic services such as, physiotherapy, occupational therapy, rehabilitation, massage therapy, exercise classes and speech pathology that aim to support and assist our community with daily living tasks and is forecast to provide 71 new jobs during construction. The adjacent development for Dunbar Homes is due to commence in November 2024.

Next Quarter

For many projects within the Capital Works Program, they will transition to tender and construction next quarter. Typically, the second half of a financial year is greater in spend due to this quantum of construction works. Noting, there remains some projects which have alternate schedules which target optimising construction in the drier summer months and or such as the quieter times of the summer school holidays in an effort to minimise the impact to the community.

Quarter two will see the commencement of the development of budget bids for consideration early in the new calendar year. This critical work occurs simultaneously with the delivery of the current Capital Works Program.

Summary

The 2024/25 first quarter is currently tracking financially at a similar rate to this time last financial year. This is reflective of the stage in the program with majority of projects in establishment and design development, which are lower in spend value than the last quarter of mostly construction spend.

Some key achievements for this quarter include the construction of the Pratt Avenue, Pooraka, bridge which is on schedule to open for use by the community prior to Christmas 2024. Equally, the progress being made as part of the 2024/25 SAMP Road Reseal Service Continuity Program is noteworthy. All major works for this program are occurring at night to minimise the impact to the community, however this has also enabled the program to make significant progress in relation to the programs schedule.

The new community change facility at Hausler Reserve, Parafield Gardens, is in fit out stage in preparation for opening in December. This new facility has been brightly painted to reflect the Little Para which runs through the area. The carpark has been upgraded and now provides an increase in capacity.

Appendix 6 – Savings from Budget Bids

There are no savings from 2024/25 budget bids.

Appendix 7 – Business Unit Reporting

Salisbury Memorial Park

	Year to Date			Full Year		
	Actual	Budget	Variance	Orig.Budget	Rev.Budget	Forecast
Salisbury Memorial Park	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue	125	150	(24)	824	824	824
Expenditure	124	137	13	736	736	736
Surplus/(Deficit)	1	13	(11)	88	88	88

The overall position of the Salisbury Memorial Park at the conclusion of the first quarter shows a deficit of \$11,000. This includes the operating finance of the mausoleum which has been under the control of the City of Salisbury since September 2023.

The result is due to training new temporary staff to increase capacity to service customer requests now that no onsite customer representative is based at Salisbury Memorial Park. This position reflects through on the slightly lower expenditure on servicing burial, inurnment and entombment requests during Q1.

Building Rules Certification Unit

	Year to Date			Full Year		
	Actual	Budget	Variance	Orig.Budget	Rev.Budget	Forecast
Building Rules Certification Unit	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue	403	403	0	820	820	560
Expenditure	216	224	7	742	727	578
Surplus/(Deficit)	187	179	8	78	93	(18)

Revenue from external client services, Salisbury Development Services (SDS) will largely cease after October 2024, following the resignation of the accredited professional that performed this function. Revenue from applications lodged directly within the Council area will continue. The full year forecast budget has been adjusted to show the expected changes in revenue and expenditure for the financial year. A report will be presented to Council in relation to this function ahead of the second quarter budget review, where the formal budget review items will be presented for Council's consideration.

Salisbury Water

	Year to Date			Full Year		
	Actual	Budget	Variance	Orig.Budget	Rev.Budget	Forecast
Salisbury Water	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
External Revenue	317	281	36	2,736	2,736	2,736
Internal Revenue	183	108	74	3,611	3,611	3,611
Total Income	500	389	111	6,347	6,347	6,347
Expenditure	1,430	1,549	119	6,487	6,537	6,537
Surplus/(Deficit)	(930)	(1,160)	230	(140)	(190)	(190)

The Salisbury Water Business Unit (SWBU) completed the first quarter of the 2024/25 financial year with a favourable variance of \$230k against the revised budget. The current full year outlook is for a budget deficit of \$190k largely due to upward pressures from previous interest rate rises and CPI impacts on contractual services. This forecast is largely dependent on weather conditions as the SWBU supply is highly geared to irrigation and currently drier than average conditions are predicted through to 2025.

Excluding the budgeted depreciation allowance of \$2,119K, it is anticipated that the business will deliver a positive net cash equivalent position of \$2,029K for the year.

Income totalling \$500k has been received to date, which is \$111k above the YTD budget. Operational expenditure was \$119K below the YTD budget with no notable issues arising and lower volumes harvested.

A total of 216ML of water was distributed to Salisbury Water customers during the first quarter. Of this, 60ML was supplied to irrigate Council reserves, sporting ovals and facilities across the City and 156ML was supplied to external customers including industry, schools and residential (11ML). Water supplied to Council facilities for the period is higher than budgeted due to below average rainfall conditions across the first quarter.

Below average rainfall conditions occurred across the first 3 months of this year, with 107mm received (48mm below average). This resulted in 872ML of stormwater harvested. This was a disappointing result compared to the 1,547ML harvested for the same time last year. The poor result is due to stormwater from catchments taking longer to meet regulatory licensed water quality criteria for injection at several MAR sites. The water exhibited increased turbidity, suspended solids, oils/grease, and some pesticides; factors typically found in urban stormwater catchments. This highlights the importance of maintaining stormwater infrastructure and wetland systems across the City.

The combined aquifer balance is 12,132ML which is a solid position as the City heads into warmer and drier conditions over the next 6 months.

Appendix 8 – Budgeted Financial Statements

The Budgeted Financial Statements presented in this Appendix are as originally budgeted adjusted for the recommended changes as a result of this budget review.

City of Salisbury

Budgeted Statement of Comprehensive Income

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
INCOME		
Rates Revenues	131,330	131,330
Statutory Charges	3,525	3,510
User Charges	6,307	6,312
Grants, Subsidies & Contributions	17,256	16,620
Investment Income	80	80
Reimbursements	487	364
Other Income	1,149	1,054
Total Income	160,134	159,270
EXPENSES		
Employee Costs	47,195	46,843
Materials, Contracts & Other Expenses	68,271	67,784
Depreciation, Amortisation & Impairment	37,696	37,697
Finance Costs	2,372	2,372
Net loss - Equity Accounted Council Businesses	681	681
Total Expenses	156,215	155,377
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	3,919	3,893
Asset Disposal & Fair Value Adjustments	802	802
Amounts Received Specifically for New or Upgraded Assets	6,002	6,241
Physical Resources Received Free of Charge	1,000	1,000
NET SURPLUS/(DEFICIT)	11,723	11,936
OTHER COMPREHENSIVE INCOME		
Changes in Revaluation Surplus - I, PP&E	47,313	47,313
Total Other Comprehensive Income	47,313	47,313
TOTAL COMPREHENSIVE INCOME	59,036	59,249

City of Salisbury
Budgeted Statement of Financial Position

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
ASSETS		
Current Assets		
Trade & Other Receivables	7,308	7,272
Inventories	1,213	1,210
Total Current Assets	8,521	8,482
Non-Current Assets		
Financial Assets	60	60
Equity Accounted Investments in Council Businesses	4,870	4,870
Infrastructure, Property, Plant & Equipment	2,225,546	2,225,638
Intangible Assets	210	210
Other Non-Current Assets	33,572	33,572
Total Non-Current Assets	2,264,258	2,264,350
TOTAL ASSETS	2,272,779	2,272,832
LIABILITIES		
Current Liabilities		
Cash Advance Debentures	59,566	64,204
Trade & Other Payables	23,213	23,092
Borrowings	678	678
Provisions	10,407	10,407
Total Current Liabilities	93,864	98,381
Non-Current Liabilities		
Borrowings	1,188	1,188
Provisions	2,419	2,419
Total Non-Current Liabilities	3,607	3,607
TOTAL LIABILITIES	97,471	101,988
NET ASSETS	2,175,308	2,170,844
EQUITY		
Accumulated Surplus	417,399	412,935
Asset Revaluation Reserves	1,708,145	1,708,145
Other Reserves	49,764	49,764
TOTAL EQUITY	2,175,308	2,170,844

City of Salisbury
Budgeted Statement of Cash Flows

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	159,491	158,673
Investment Receipts	80	80
Receipts		
Rates Receipts	131,408	121,882
Statutory Charges	3,509	3,015
User Charges	6,296	5,935
Grants, Subsidies and Contributions (operating purpose)	16,656	14,316
Investment Receipts	80	78
Reimbursements	483	277
Other	1,139	968
Payments		
Operating Payments to Suppliers and Employees	(111,929)	(113,922)
Finance Payments	(2,372)	(2,372)
Net Cash provided by (or used in) Operating Activities	45,270	42,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Amounts Received Specifically for New/Upgraded Assets	5,712	5,936
Sale of Replaced Assets	802	802
Sale of Real Estate Developments	0	0
Payments		
Expenditure on Renewal/Replacement of Assets	(48,190)	(34,585)
Expenditure on New/Upgraded Assets	(57,530)	(29,892)
Net Cash Provided by (or used in) Investing Activities	(99,206)	(57,739)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Proceeds from CAD's	55,530	16,874
Payments		
Repayments of Borrowings	(1,504)	(1,504)
Repayment of Finance Lease Liabilities	(90)	(90)
Net Cash provided by (or used in) Financing Activities	53,936	15,280
Net Increase/(Decrease) in Cash Held		
Cash & Cash Equivalents at Beginning of Period		
Cash & Cash Equivalents/Movements in Borrowings at End of Period		

City of Salisbury
Budgeted Statement of Changes in Equity

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
Opening Balance	2,116,272	2,111,594
Net Surplus / (Deficit) for Year	11,723	11,936
Other Comprehensive Income		
- Gain (Loss) on Revaluation of I, PP&E	47,313	47,313
Other Comprehensive Income	47,313	47,313
Total Comprehensive Income	59,036	59,249
Balance at end of period	2,175,308	2,170,844

City of Salisbury
Budgeted Uniform Presentation of Finances

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
Income		
Rates	131,330	131,330
Statutory Charges	3,525	3,510
User Charges	6,307	6,312
Grants, Subsidies & Contributions	17,256	16,620
Investment Income	80	80
Reimbursements	487	364
Other Income	1,149	1,054
Net gain - equity accounted Council businesses		
Total Income	160,134	159,270
Expenses		
Employee Costs	47,195	46,843
Materials, Contracts & Other Expenses	68,271	67,784
Depreciation, Amortisation & Impairment	37,696	37,697
Finance Costs	2,372	2,372
Net loss - equity accounted Council businesses	681	681
Total Expenses	156,215	155,377
Operating Surplus / (Deficit)	3,919	3,893
Less: Net Outlays on Existing Assets		
Capital Expenditure on Renewal/Replacement of Existing Assets	(48,190)	(34,585)
less Depreciation, Amortisation & Impairment	37,696	37,696
less Proceeds from Sale of Replaced Assets	802	802
	(9,692)	3,913
Less: Net Outlays on New and Upgraded Assets		
Capital Expenditure on New/Upgraded Assets	(57,530)	(29,892)
less Amounts Specifically for New/Upgraded Assets	5,712	5,936
less Proceeds from Sale of Surplus Assets		
	(51,818)	(23,956)
Net Lending / (Borrowing) for Financial Year	(57,591)	(16,150)

In any one year, the above financing transactions are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

**City of Salisbury
Budgeted Financial Indicators**

	2025 Revised Budget \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
Operating Surplus	3,919	3,893
Operating Surplus Ratio	2.45%	2.44%
Operating surplus divided by total operating revenue. This ratio expresses the operating surplus/(deficit) as a percentage of total operating revenue.		
Net Financial Liabilities	90,103	94,656
Net Financial Liabilities are defined as total financial liabilities less financial assets (excluding equity accounted investments in Council businesses).		
Net Financial Liabilities Ratio	56.27%	59.43%
Net Financial Liabilities divided by total operating revenue. Indicates the extent that council can meet its net financial liabilities out of operating revenue.		
Asset Renewal Funding Ratio	137%	100%
Net Asset Renewals divided by Asset Management Plan Renewal Expenditure. Indicates whether capital assets are being renewed as planned in the Asset Management Plans.		

ITEM	2.2.1
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	18 November 2024
HEADING	Council Finance Report - October 2024
AUTHOR	Sadaf Hashim, Accountant, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This report provides key financial data as at 31 October 2024 for the information of Council.

RECOMMENDATIONThat Council:

1. Notes the report.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

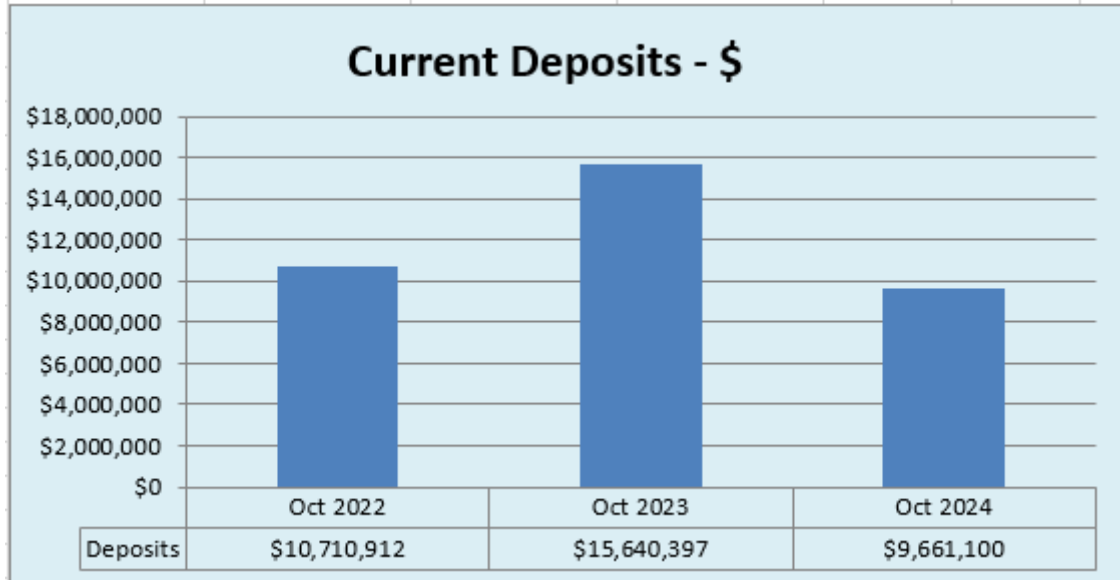
- 1.1 The Treasury Policy requires that a report be prepared detailing fixed borrowings and variable borrowings at the end of the preceding month, together with all investments held, their terms and interest rates. Also included is a summary of Reserve Balances and Rates and Debtor Information. The policy requires that the timing of these reports be November, February and May, with the end of year report as soon as practical as part of the end of financial year reporting.

2. REPORT

- 2.1 Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings are invested in accordance with Council's Treasury Policy. These investments are split between short term deposits (with variable maturity dates from 30-90 days) or at call with the Local Government Finance Authority (LGFA) or with the National Australia Bank (whichever offers better interest rates).
- 2.2 Investments are selected considering which delivers the best value, having regard to investment returns, transaction costs and other relevant factors. It should be noted that there is a bonus paid on deposits with the LGFA each year, and whilst the percentage varies from year to year, typically it is around 0.20%.

2.3 Investments as at 31 October 2024:

Date	Institution	%	Term-Days	Maturity	Value
31-Oct-2024	LGFA	4.65%	At Call	31-Oct-2024	8,563,301
31-Oct-2024	NAB	4.55%	At Call	31-Oct-2024	1,097,799
31-Oct-2023	15,640,397			31-Oct-2024	9,661,100



- 2.4 Cash has decreased compared to October 2023, primarily as a result of the Cash Advance Debenture (CAD's) loan repayments in the first quarter of 2024/25 financial year of \$21.6M, with a drawn down balance of \$10.7M at the end of 2023/24 financial year and another \$10.9M incurred in July and August 2024 due to the timing of the delivery of the infrastructure program during the period. Note that there was no advance payment of the 2024/25 Financial Assistance and Untied Local Roads Grant (FA&ULR) in 2023/24, with \$8.9M paid in July relating to the 2024/25 year. This was 100% of the estimated grant funding to be received. All outstanding CAD's have since been repaid during the first quarter of 2024/25.
- 2.5 The Council's cash holdings and borrowings are monitored closely and when necessary, we will continue to draw down on the existing CAD facilities, noting there are appropriate levels of facilities available to manage any cash shortfalls, with a further report to be considered by Council in coming months.
- 2.6 Whilst there are cash holdings, it should be noted that there is significant expenditure to come due to the scale of the Infrastructure Program which will gradually reduce this cash balance in the coming months of the 2024/25 financial year. Historically, significant amounts of projects are delivered in the second half of the financial year, with significant cash outflows in quarter 3 and 4.

2.7 Reserves as at 31 October 2024:

	Opening Balance as 1/07/2024	Transfer to Reserves	Transfer from Reserves	Current Balance
Open Space Reserve	1,994,043	234,479	-	2,228,522
Car Parking Reserve	1,030,527	16,155	-	1,046,682
Property Disposal Reserve	3,827,983	-	1,200,000	2,627,983
Mausoleum Perpetual Care Fund	1,082,160	16,964	-	1,099,124
Salisbury Memorial Park Reserve	991,527	15,543	-	1,007,070
Developer and Public Infrastructure Reserve	2,371,800	420,141	206,000	2,585,941
Salisbury Water Business Unit Reserve	2,748,824	-	-	2,748,824
Northern Futures Fund Reserve	286,361	4,489	-	290,850
Business Transformation Reserve	2,933,534	45,987	50,000	2,929,521

2.8 Reserves are a device used to ensure that Council has allocated amounts for specific purposes. Transfers to the Reserves represent amounts received as contributions, indicative interest adjustments and property disposal proceeds. Transfers from the Reserves represent these amounts being applied to specific projects, or to reduce loan borrowing requirements.

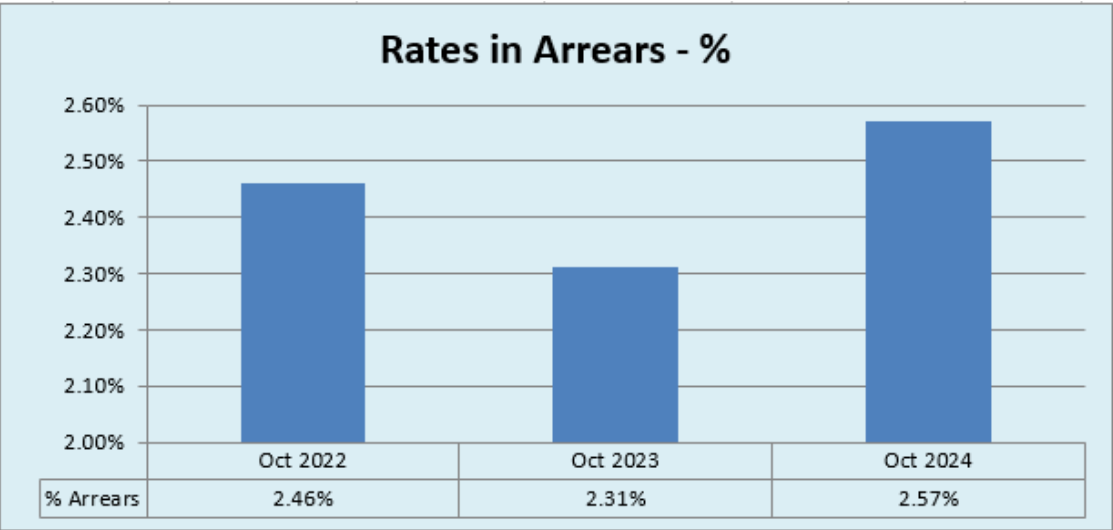
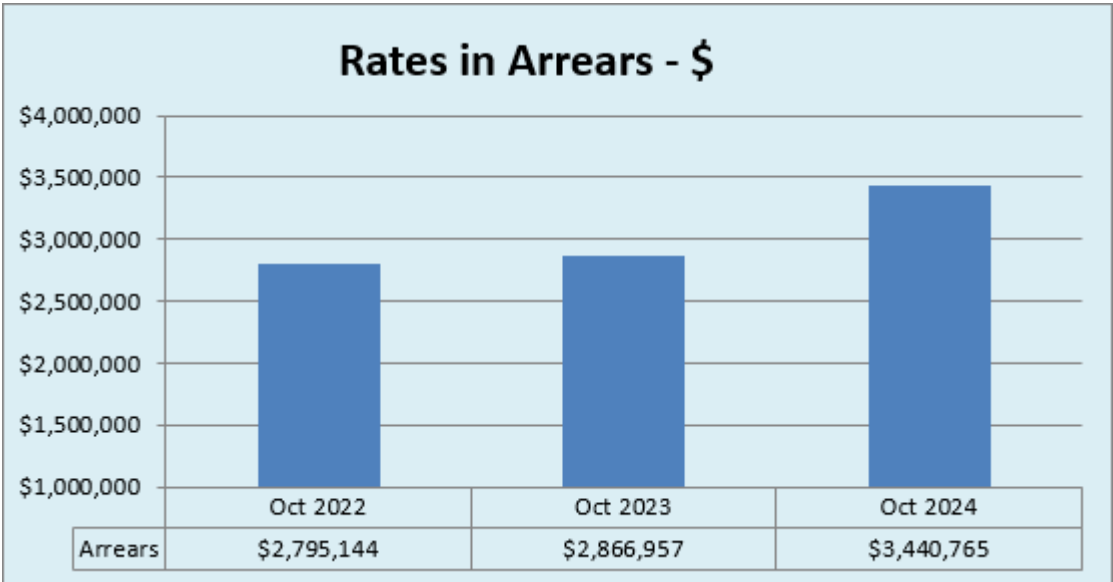
2.9 As at 31 October 2024 the most significant movement is the Returned Funds of Developer Funded Program of \$199k into the Developer and Public Infrastructure Reserve for the works that were either not required or not completed in the 2023/24 financial year, offset by the 2024/25 allocation of \$206k approved through the budget process. Other contributions include \$202k Open Space Reserve Contributions and \$183k Developer and Public Infrastructure Contributions. Further, Business Transformation Reserve of \$50k transferred for Business Transformation project expenses and a Property Disposal Reserve transfer of \$1.2M related to confidential item (resolution 0784/2024), with the remaining balance of the reserve retained to support working capital requirements.

2.10 Other amounts transferred to the Reserves relate to nominal interest totaling \$170k which is applied on the balances of the Reserves on a monthly basis based on the LGFA at call rate at the beginning of the month, with the Property Disposal Reserve and the Salisbury Water Business Unit Reserve being the only exceptions.

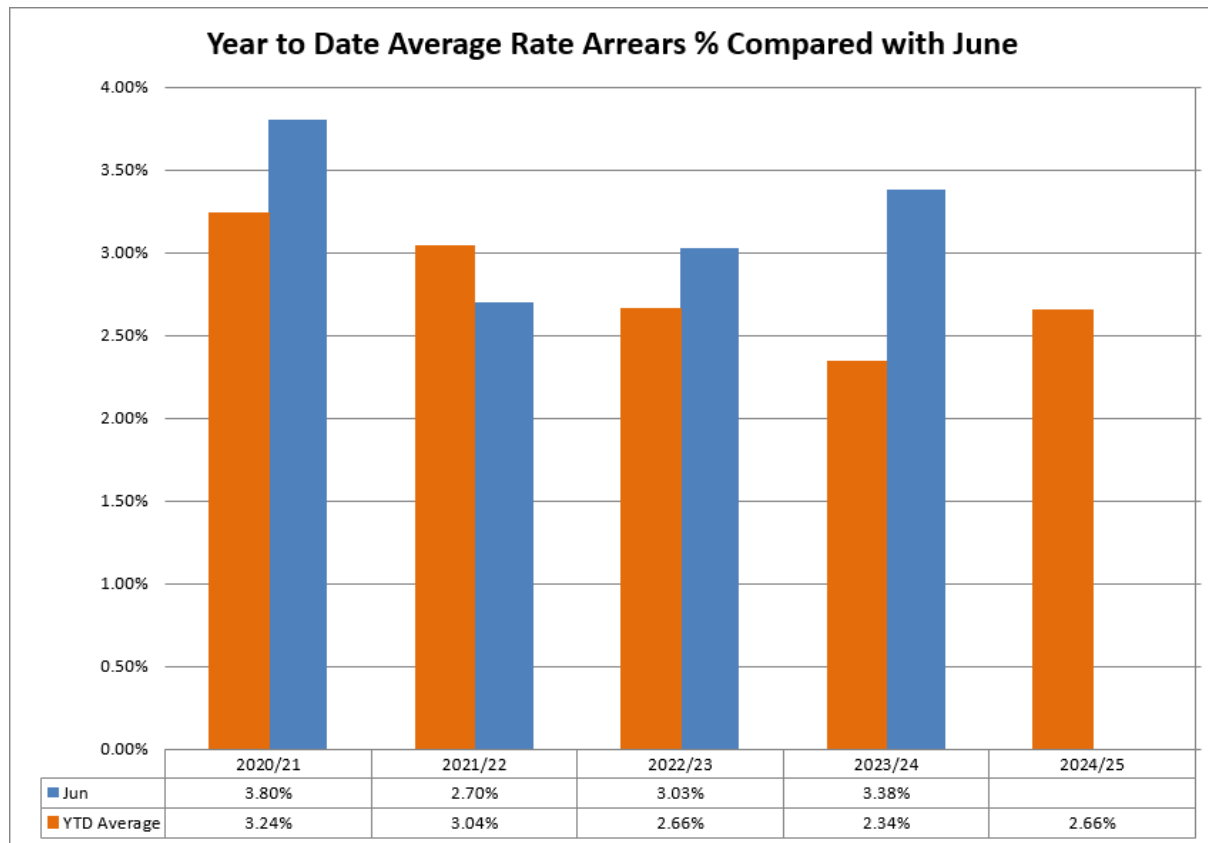
2.11 Recovery of Rates:

	No. of Accounts	\$	%
Outstanding Balance as at 31 October 2024*		80,513,110	61.14%
Outstanding Balance as at 31 October 2023*		74,727,508	61.26%
Outstanding Rates Arrears as at 31 October 2024	5,389	3,440,765	2.57%
Outstanding Rates Arrears as at 31 October 2023	5,314	2,866,957	2.31%

**The calculation of the outstanding balance is comprised of the amount outstanding at the time of the report, offset by payments for rates that have been received in advance. In previous reports, these amounts had also included Water Debtors and comparison data has been adjusted accordingly.*



- 2.12 The level of Council Rates in arrears as at 31 October 2024 is 2.57% which is just above the target maximum level for the Rates Arrears of 2.5%.
- 2.13 Rate arrears are cyclical in nature in that they peak in the month rate installments fall due, and then typically trend downwards for the next two months, meaning that the rate arrears level at a point in time may be distorted, and that the average rate arrears normalises the cyclical impacts. The graph below depicts the average year to date rate arrears, with the average to October 2024 being 2.66%, which is just above the target of 2.5%.



2.14 Other Debtors as at 31 October 2024:

Debtor Type	Current	30 – 60 days	60 - 90 days	Over 90 days	Total
Sundry	452,699	114,097	10,146	171,537	748,479
Salisbury Water	12,995	19,190	-	-	32,185
Inflammable Undergrowth	-	-	-	3,944	3,944
Health Licensing Fees	7,290	2,861	1,668	4,623	16,442
Property Management	63,783	24,955	13,151	4,799	106,688
TOTAL	536,767	161,103	24,965	184,903	907,738

2.15 The above aged analysis represents Council's Sundry debtors as at 31 October 2024. The total Sundry debtors current balance of \$748k includes various debts, all of which are a normal part of Council's operations and are expected to be paid in the upcoming period.

2.16 The above aged analysis also represents other amounts that are owing to Council from a variety of sources that are outstanding as at 31 October 2024. Debts outstanding greater than 90 days account for 20.37% of the total outstanding balance. Debts that are outstanding for greater than 30 days are subject to Council's debt collection procedures, which include internal follow up and ultimately legal action through Council's debt collection agency.

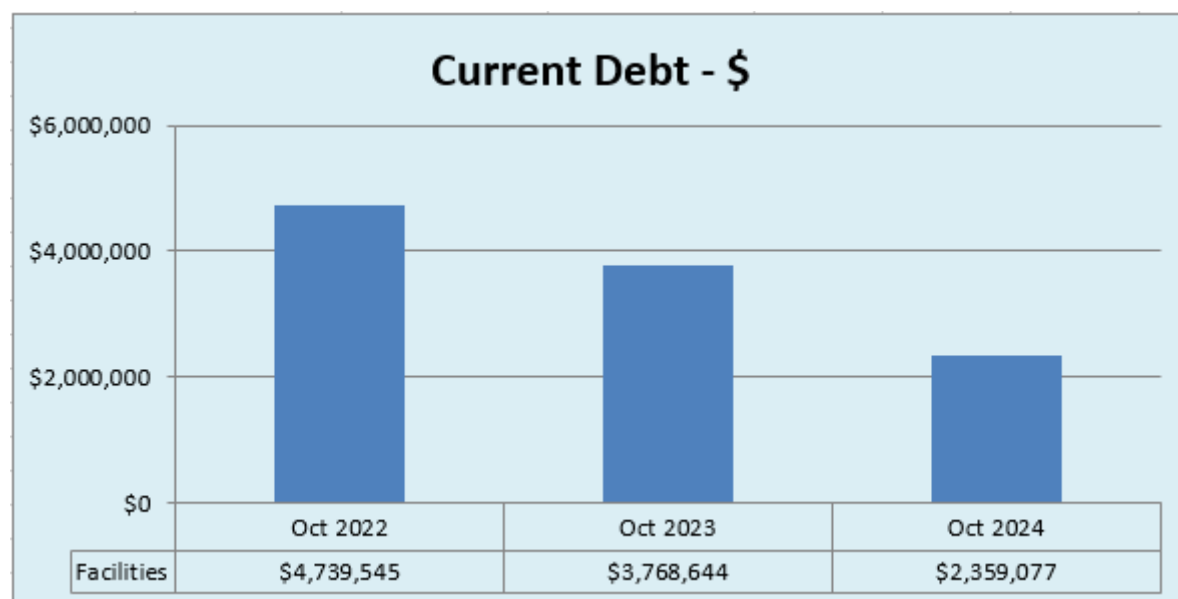
2.17 Loan Schedule as at 31 October 2024:

Debtenture Loans	
Principal Outstanding as at 1 July 2024	2,359,077
Loans Raised Year to Date	-
Repayments of Principal Year to Date	-
Loan Principal Outstanding - Debtenture Loans	2,359,077
Cash Advance Debtenture Borrowings (CADs)	
Total CAD's available	45,337,000
Current CAD's drawdown amount year to date	-
Balance of CAD's available	45,337,000
Interest Payments (Debtenture Loans and CADs)	
Interest Payments - Debtenture Loans	50,676
Interest Payments - CAD's	61,060
Total Interest Payments	111,736

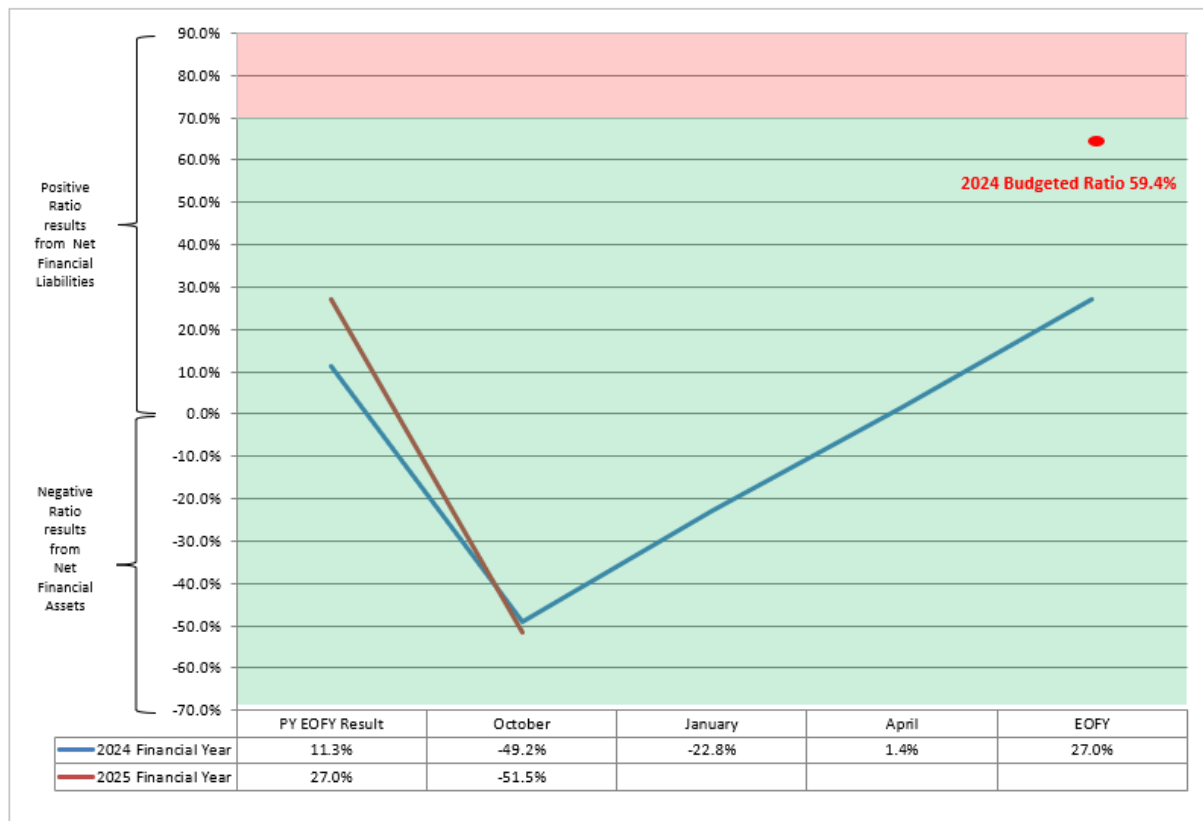
2.18 The above Loan Schedule summarises the position on loans taken for Council purposes. Fixed Term Borrowings detail total movements this financial year, with payments to be made half yearly; payments will occur in November and December 2024 and in May and June 2025.

2.19 CAD drawdowns from the end of last financial year till August 2024 have been fully repaid since with no CAD liability as at 31 October 2024. Interest expense of \$61k has incurred for the first quarter of this financial year.

2.20 The table below shows the level of fixed term loans and drawn down debt held by Council at the same time for the last three financial years and demonstrates a steady decrease in fixed term debt. This has resulted from Council's decision to utilise property development proceeds to offset borrowing requirements in prior years, and the shift to CADs which are drawn down as required and is strongly linked to the timing of delivery of the capital program.



2.21 Net Financial Liabilities Ratio Comparison:



- 2.22 The graph above shows the net financial liabilities ratio (NFL) comparison for the 2024 and 2025 financial years as at the time of preparation of each Council finance report, with the 2024 end of financial year result updated to the audited amount. Council's approved range for the NFL is less than 70% as adopted for the 2025 budget year which is represented by the green shaded area on the graph.
- 2.23 It should be noted that when the ratio is below zero, that this represents a net financial assets position, which is when the financial assets (cash, receivables and financial assets) are greater than total liabilities. Effectively this means that a negative ratio is favourable. When financial assets are less than total liabilities it results in a net financial liability position, and a positive ratio.
- 2.24 As can be seen the trend is that early in both financial years Council is in a strong net financial assets position. This reflects higher levels of cash holdings and trade receivables than levels of trade payables and debt. As the financial year progresses, cash holdings are reduced as the infrastructure program is delivered. At the end of the 2023/24 financial year Council was in a net financial liability position with a ratio of 27% which is in the approved range.
- 2.25 The budgeted ratio for 2024/25 for the net financial liabilities is 59.4%. The ratio is calculated as financial liabilities less financial assets, being net financial liabilities, and then this is divided by operating revenue. Currently the actual ratio is a net financial asset position of 51.5%, which means that we have financial assets (e.g. cash and receivables) exceeding our financial liabilities (e.g. accounts payables, provisions, and loan borrowings).

- 2.26 Over the coming quarters as the Infrastructure program is delivered, cash holdings will be depleted and the levels of trade payables and debt will increase as drawdowns are made on the CAD facilities, resulting in the Ratio moving from net financial asset position to a net financial liability ratio; trending upwards towards the budgeted figure.

3. CONCLUSION / PROPOSAL

- 3.1 The analysis above demonstrates that Council is currently in a sound financial position, with adequate Cash holdings and Net Financial Liabilities within the approved range. Reduction in cash balances and drawdowns of CAD facilities will occur as we expend the scheduled capital program. However, it should be noted that Council has appropriate levels of borrowing facilities to manage any cash shortfalls that may result.