



ANNUAL BUSINESS PLAN & BUDGET 2017/18

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A Guide to Reading and Using This Plan

- 1. Preamble**

The introductory section of the 2017/18 Annual Business Plan and Budget sets out the statutory context for this document and the process followed in its preparation.
- 2. Introduction to the City of Charles Sturt**

This section provides a summary of the key characteristics of the City.
- 3. Strategic Context**

This section provides a diagrammatical representation of how Council's various plans fit together to produce priorities and actions and identifies the key strategic issues facing the City.
- 4. Strategic Priorities for Charles Sturt in 2017/18**

This section of the Business Plan sets out an easy reference list of the Community Plan objectives which provide the framework for Council's short and medium term focus. Council initiatives to be implemented in 2017/18 are determined in direct response to achievement of each of the objectives over the life of the Corporate plan.
- 5. Financial Strategy – Long Term Financial Plan**

This section provides an overview of the Long Term Financial Plan endorsed by Council for the period 2017/18 until 2026/27. It explains the strategy and key indicators used to evaluate Council's financial position and performance in ensuring it is financially sustainable.
- 6. What Services will we deliver to the Community in 2017/18?**

In planning its activities for the coming year, and specifically for the purposes of financial planning, Council splits its activities into two categories – 'operational' and 'project'.

Those activities considered to be 'core' business of Council and which more or less continue to be provided each year, are dealt with as part of Council's operational budget. The extent of these services is summarised in this section, with a comprehensive listing included as [Attachment B](#).

Those activities which support the current strategic focus of Council and/or which may be short term or one-off initiatives are considered annual operating projects and are listed in **Section 7.1 Annual Operating Projects**.

Expenditure proposed on renewal/replacement and new/upgraded assets is discussed in the **Section 7.2 Capital Projects**.
- 7. Annual Operating and Capital projects**

This section lists the annual operating projects and new/upgrade capital projects endorsed as part of the 2017/18 budget. Renewal capital projects derived from Council's adopted asset management plans are included in **Appendix F**

8. How Does Council Propose to Fund its Programs?

This section identifies the anticipated revenue sources for 2017/18 excluding rates.

9. Annual Budget 2017/18

The parameters for the budget 2017/18, including forecasts for income, expenditure and rates, were developed using the framework of the tabled Long Term Financial Plan (LTFP).

This section provides commentary on significant influences and principles which impacted the development of the annual budget. **Sections 10, 11, and 12** provide an analysis of key financial parameters of the annual budget such as the Operating budget, the Cash Position and Financial Position with commentary on significant influences and reasons for variances between the endorsed budget for 2017/18 and 2016/17.

10. Analysis of Operating Budget

This section provides an analysis of the expected operating revenues and expenses of the Council for the 2017/18 year in comparison to the adopted budget for 2016/17.

11. Analysis of Cash Position

This section analyses the expected cash flows for 2017/18 compared to the adopted budget 2016/17.

12. Analysis of Budgeted Balance Sheet Position

This section provides an analysis of the movements between assets, liabilities and equity of the Council over successive budget years.

13. What does it mean for Rates?

The rates structure and policies are discussed including an overview of rate relief measures.

14. Borrowing Strategy

This section discusses Council's borrowing strategy over the planning period and the status of the current loan portfolio.

15. Infrastructure Strategy

This section discusses the progress to date on the asset management strategy and issues facing Council in relation to the community's infrastructure.

16. Measuring Achievement of the 2017/18 Annual Business Plan

This section discusses how Council measures and monitors its performance on a regular basis to ensure delivery of Community and Corporate Plan outcomes.

17. Attachments

This section provides additional information to support the content of the Annual Business Plan and Budget and includes:

- Commentary and detail of the Long Term Financial Plan
- Summary of Core Operational Services

- Budgeted Financial Statements
- Rating Policy for 2017/18
- Organisational Chart and Divisional Functions
- Capital Projects for renewal of council's existing assets for 2017/18.

1. Preamble

Under section 123 of the Local Government Act 1999 each Council must have a budget for each financial year. This budget must be considered in conjunction with the Council's Annual Business Plan (and be consistent with that plan) and must be adopted before 31 August for the financial year.

Council therefore prepares, as part of its budget development process, an Annual Business Plan. The Business Plan must:

- include a summary of the Council's long-term objectives (as set out in its strategic management plans)
- include an outline of —
 - (i) the Council's objectives for the financial year;
 - (ii) the activities that the Council intends to undertake to achieve those objectives; and
 - (iii) the measures (financial and non-financial) that the Council intends to use to assess the performance of the Council against its objectives over the financial year
- assess the financial requirements of the Council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue
- set out the rates structure and policies for the financial year
- assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the Council, and
- take into account the Council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the Council.

Before a Council adopts its Annual Business Plan it must prepare a draft Annual Business Plan and undertake a public consultation process that, as a minimum, meets the requirements of section 123 (4) of the Local Government Act 1999. During the public consultation period copies of the Council's Draft Annual Business Plan and any other associated documents must be made available for inspection and purchase by the public at the principal office of the Council.

Once adopted by the Council, copies of the annual business plan and budget must be available for inspection or purchase at the principal office of the Council. Copies of a summary of the Annual Business Plan must be included with the first rates notice sent to ratepayers and available at the Council offices.

This document presents the finalised Annual Business Plan and Budget for the City of Charles Sturt for 2017/18 following a period of public consultation and receipt of submissions from the community on the Draft Annual Business Plan. This document has been developed in the context of Council's strategic planning framework including the Community and Corporate Plan.

This Annual Business Plan and Budget 2017/18 was adopted by the Council of the City of Charles Sturt at its meeting on Monday, 26 June 2017.

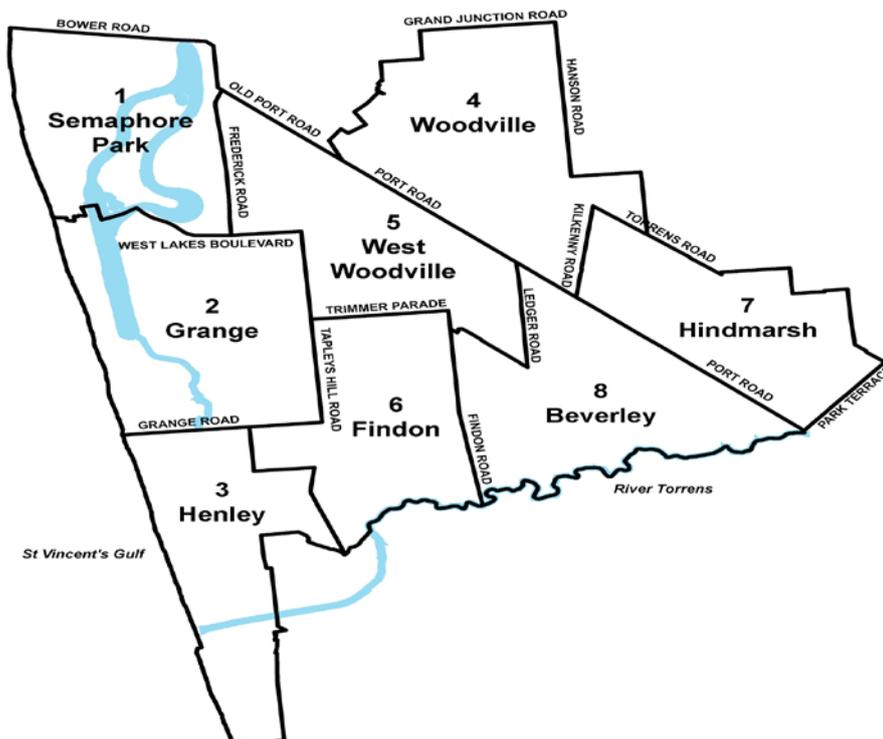
2. Introduction to the City of Charles Sturt

The City of Charles Sturt is one of South Australia's largest metropolitan council areas. The city spans approximately 5,500 hectares, has a population of around 115,000 and 56,000 rateable properties. Charles Sturt Council has developed a reputation for being as diverse as it is large, with the city providing a wide range of opportunities for housing, business, sporting and leisure.

People choose to live in the City because it is close to the beach, the City (of Adelaide), the port, the airport and regional shopping facilities. The City of Charles Sturt has long been considered the sporting and entertainment hub of Adelaide with national basketball, soccer and football stadiums, three privately owned golf courses, an international rowing course, the River Torrens Linear Park, the Coast and numerous highly regarded local sporting venues. The City is also well catered for in terms of schools, medical services, local sporting and community facilities including libraries and community centres.

The population of Charles Sturt is older than that of metropolitan Adelaide with a higher proportion of people aged 65 and over and a lower proportion aged 14 years and under (compared to metropolitan Adelaide). While most of the occupied dwellings within the City are occupied by families, the City has a high proportion of single person households compared to metropolitan Adelaide. The City is culturally diverse with people from in excess of 100 cultures living within the City.

The City is undergoing change led primarily by the development of improved transport infrastructure and the objectives of the 30 Year Plan for Greater Adelaide which forecasts an increase in population, primarily along the City's transport corridors.



3. Strategic Context

The Annual Business Plan and Budget 2017/18 for the City of Charles Sturt has been developed within an overall planning framework which sets the strategic directions for the Council over the medium and long term and converts these into annual actions and outputs.

A 10 year Long Term Financial Plan summarises the financial impacts of Council's strategic directions and provides an indication of the sustainability of these plans. By evaluating our financial strategies over a planning horizon of 10 years we can determine how decisions we make now and for the 2017/18 budget will impact on future budgets and ensure the impact of rates is spread equitably across generations of ratepayers so that planned service standards over the long term and infrastructure levels can be met without unplanned and disruptive increases in rates or cuts to services.

The Community Plan 2016-2027 – *Charles Sturt – A Leading, Liveable City*, is the lead document in Council's strategic planning framework. Five theme areas developed through extensive community consultation reflect the community's aspirations and set down the broad direction and emphasis that Council will pursue over the next 20 years.

The Corporate Plan is the next step in the delivery of that plan and details the strategies and actions that will deliver, over the next 4 years, the first stage of the Community Plan. Progress and achievements based on the Annual Business Plan will be reported each year through the Annual Report.

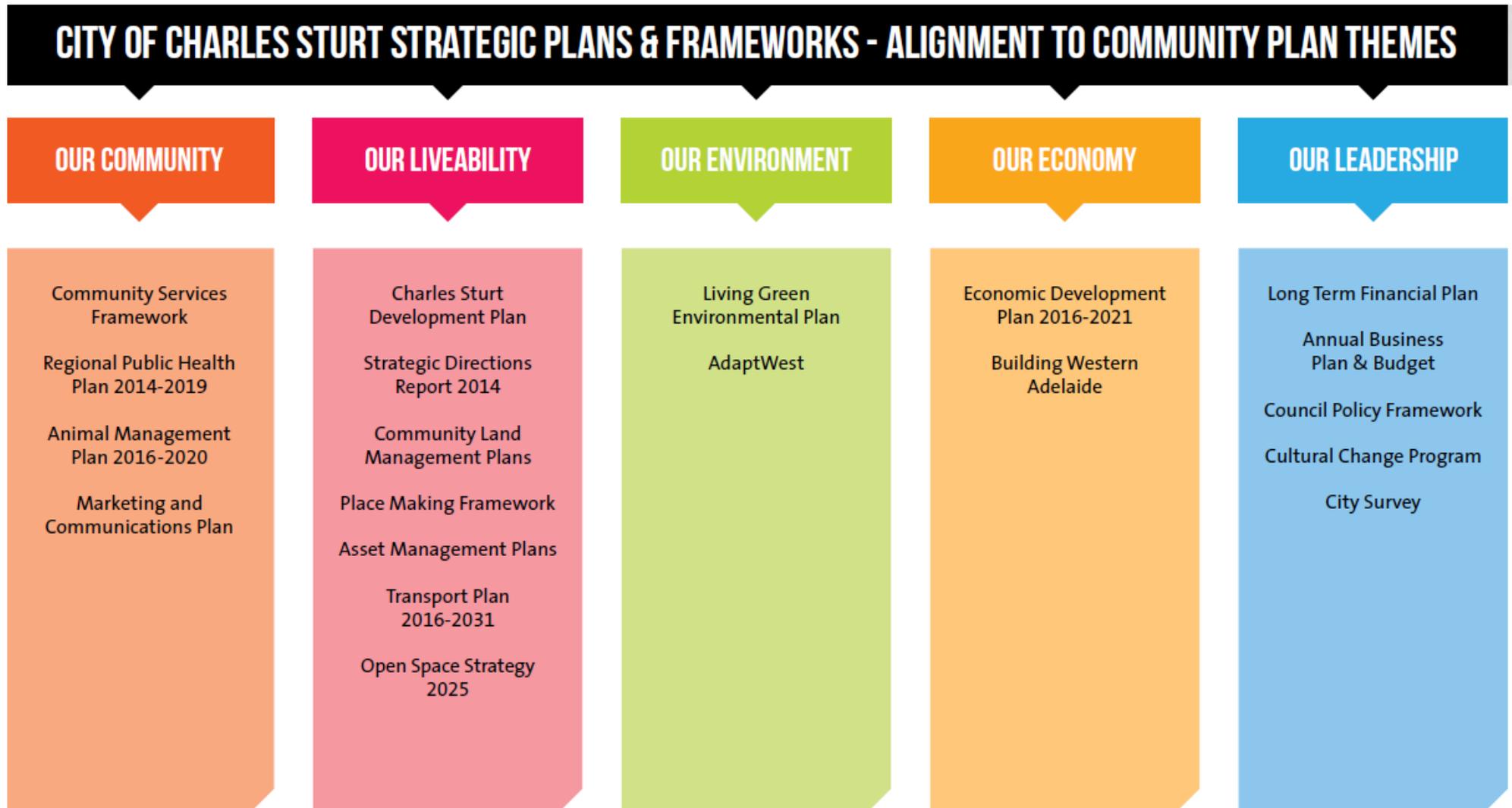
As required by the Local Government Act, the Community Plan had been developed in the broader context of the State Strategic Plan and the State Government's seven key priorities:

- Supporting a clean green food industry
- Ensuring the mining boom stays on track and its benefits flow to the public
- Encouraging advanced manufacturing
- Nurturing a vibrant city
- Ensuring safe and active neighbourhoods
- Working on affordable living
- Focusing on early childhood development

The State Strategic Targets have been cross-referenced to the applicable strategies within the City of Charles Sturt Community Plan. It is important to note that the strategies within the Community Plan will not in themselves achieve the targets of the State Strategic Plan but will contribute to their achievement.

The Community plan and other relevant documents are all available from council's website: www.charlessturt.sa.gov.au

The following diagram depicts Council's strategic planning framework for the five theme areas:



The diagram above reflects the integrated nature of our business unit specific strategies and plans which provide further subject specific detail and actions in alignment with our Community Plan theme areas.

This diagram depicts how Charles Sturt plans align with the state strategic directions



3.1 A Vision for Charles Sturt

The ultimate role and responsibility of Council in all of its endeavours is to provide for and respond to the needs of its community. Our Community Plan is our public commitment to our City that we value our strong and connected community, are dedicated to providing a liveable City of great places, that we continue to be environmentally sustainable, that our economic strategies are targeted and that our leadership is bold and innovative.

3.2 Key Strategic Issues for Charles Sturt

There are a number of challenges and opportunities facing the City today and into the future. These initiatives and pressures include:

- Infrastructure demands
 - ongoing maintenance of existing infrastructure is required to ensure continued benefit to the community
 - provision of new infrastructure to facilitate growth in services to meet increased demand
 - significant commitment of resources for stormwater projects that will bring enormous benefit to the City through water harvesting/reuse and flood mitigation
- 30 Year Plan for Greater Adelaide – need to plan now to cater for future projected population growth
- Review of The City of Charles Sturt Development Plan - guided by the Strategic Directions Report, this will set the parameters for development within the City for the coming years.
- Balancing the expectations of keeping rates low against increasing service delivery and infrastructure responsibilities and unavoidable cost increases
- Long term financial pressures with the need to ensure that Council can continue to meet its financial obligations without leaving a financial impost for future generations
- Increased focus on economic development and the need for employment-generating business growth
- Impact of the Digital Economy through smart cities and e-commerce initiatives
- Encouraging and supporting greater participation and active engagement by the community in facilitating

For these reasons and more it is important that we understand the future our community aspires to and that we work together to form a strong connected community with exciting places and economic opportunity. In this way we can demonstrate accountable leadership, working towards providing a sustainable future for generations to come in partnership with our community.

Council's extensive review of its Strategic Planning Framework has resulted in the Community Plan 2016 – 2027 which is a statement of how we will work with the community to achieve our shared vision. The Corporate Plan 2016-2020 is the second tier in our

planning framework which identifies the strategies that will deliver our Community Plan objectives over the next 4 years.

4. Strategic Priorities for Charles Sturt in 2017/18

The 5 theme areas for the City of Charles Sturt are listed below. Attached to each of these are a range of objectives and key strategies from which actions and key performance indicators (KPI's) are attributed. A range of key projects as detailed in the section on Annual Operating and Capital projects for the 2017/18 financial year align with the strategies. The detail of these key actions and KPI's which we will use to measure our success can also be found in the Charles Sturt Corporate Plan 2016 -2020 document.

4.1 Theme Areas and Objectives

1. OUR COMMUNITY – A Strong and Connected Community

| Objective | Strategies |
|--|---|
| <i>Provide accessible social infrastructure and services that engage our diverse community</i> | <ul style="list-style-type: none"> • <i>Leverage, reposition and align Council's social infrastructure to maximise resources and diversify service offerings to the community.</i> • <i>Provide a range of inclusive and accessible programmes that build skills, capacities, confidence and networks.</i> • <i>Support community and sporting groups to be viable and grow by providing high quality, accessible facilities.</i> • <i>Develop digital technology to support inclusion and accessibility.</i> • <i>Support citizens to age in place and continue to participate in community life.</i> • <i>Provide opportunities for formal and informal recreation and leisure experiences.</i> |
| <i>Capitalise on partnerships, building community resilience and sense of belonging</i> | <ul style="list-style-type: none"> • <i>Develop mutually beneficial partnerships with key stakeholders that effectively respond to and support community needs.</i> • <i>Support Charles Sturt communities to celebrate their unique sense of identity.</i> |

| Objective | Strategies |
|---|---|
| | <ul style="list-style-type: none"> • <i>Strengthen the ability and skills of residents to adapt to changing circumstances and adversity.</i> • <i>Work with the traditional owners to identify, promote and protect locations of significance to Kurna heritage and culture.</i> • <i>Utilise innovative communications techniques to promote our City and bring people together.</i> • <i>Actively support volunteering.</i> |
| <p><i>Create opportunities for community leadership and civic participation</i></p> | <ul style="list-style-type: none"> • <i>Support and facilitate citizens to be engaged in their community and actively contribute to life in Charles Sturt.</i> • <i>Upskill sporting and community groups to build sustainability.</i> • <i>Promote local ownership and encourage residents to become actively involved in shaping our City.</i> |
| <p><i>Educate and regulate to enable a safe and healthy environment</i></p> | <ul style="list-style-type: none"> • <i>Support community safety and positive health outcomes through prevention, education and encouragement.</i> • <i>Administer and enforce delegated legislation and by-laws.</i> |

2. OUR LIVEABILITY –A Liveable City of Great places.

| Objective | Strategies |
|---|---|
| <p><i>An urban environment that is adaptive to a changing and growing City.</i></p> | <ul style="list-style-type: none"> • <i>Influence the design of urban renewal projects through master planning, policy and assessment.</i> • <i>Ensure new developments complement and enhance the desired character and liveability of our city.</i> • <i>Collaborate with government and the private sector to support residential development that delivers housing choice and affordability.</i> • <i>Pursue opportunities to enhance parking provisions in areas of high demand across the City.</i> |
| <p><i>City assets and infrastructure are developed and well maintained on a strategic and equitable basis</i></p> | <ul style="list-style-type: none"> • <i>Implement asset improvements and maintenance via Asset Management Plans to ensure they are fit for purpose and meet changing demands.</i> • <i>Manage maintenance service levels and asset lifecycles to optimise design life and achieve service efficiency in line with community needs and diverse urban densities.</i> |
| <p><i>Create valued urban places that bring people together and reflect local character and identity.</i></p> | <ul style="list-style-type: none"> • <i>Implement a coordinated approach to the creation of main streets and key place making precincts in collaboration with key stakeholders.</i> • <i>Develop destinations that cultivate art, culture, place making and recognise heritage principles.</i> |
| <p><i>Drive an integrated, responsive transport system and network.</i></p> | <ul style="list-style-type: none"> • <i>Continue to implement improvements to our transport network to improve road safety.</i> • <i>Invest in upgrades to the whole transport network to promote a balanced distribution of residents walking, cycling, using public transport and driving.</i> • <i>Advocate and improve access to and investment in public transport options, including light rail, across the</i> |

| Objective | Strategies |
|--|---|
| | <p><i>city.</i></p> |
| <p><i>Enhance the quality and diversity of open and public spaces.</i></p> | <ul style="list-style-type: none"> • <i>Create public and open spaces that are engaging, safe and connected, and meet diverse community needs.</i> • <i>Manage open spaces to facilitate sustainable and diverse community needs.</i> • <i>Work regionally to enhance and optimise the use of Council owned sporting facilities.</i> • <i>Enhance provision of and access to recreation facilities by collaborating with schools and clubs.</i> |

3. OUR ENVIRONMENT – An Environmentally Responsible and Sustainable City.

| Objective | Strategies |
|---|---|
| <p><i>Continue to implement climate change mitigation and adaption solutions.</i></p> | <ul style="list-style-type: none"> • <i>Identify priority areas and adaptation options to develop key actions and responsibilities associated with climate change mitigation and adaptation.</i> • <i>Manage stormwater to mitigate the impacts of flood and climate change.</i> • <i>Effectively manage and operate recycled water systems to provide alternative water sources for parks reserves and other open space environments (including schools).</i> • <i>Influence key stakeholders and agencies to develop and implement strategies to protect our coast.</i> |
| <p><i>Enhance the state of the City’s environment and biodiversity.</i></p> | <ul style="list-style-type: none"> • <i>Enhance and protect biodiversity across the City.</i> • <i>Develop, manage and maintain green infrastructure.</i> • <i>Protect and enhance our urban tree canopy.</i> |
| <p><i>Lead and Educate to reduce the City’s impact on the environment and build resilience.</i></p> | <ul style="list-style-type: none"> • <i>Promote and implement sustainable business practices to minimise our impact on the environment.</i> • <i>Incorporate sustainable design principles in development of public realm infrastructure.</i> • <i>Develop understanding and appreciation of our environment and support citizen science.</i> • <i>Promote sound waste management practices to reduce our City’s amount of waste to landfill.</i> • <i>Implement sustainable solutions that improve the efficiency of water use on public open space.</i> • <i>Actively advocate and partner with relevant stakeholders to implement LED street lighting conversions.</i> |

4. OUR ECONOMY – An Economically Thriving City

| Objective | Strategies |
|--|--|
| <p><i>Lead regional collaboration to promote the Western Adelaide economy</i></p> | <ul style="list-style-type: none"> • <i>Develop Strategic Alliances to develop economic growth and resource sharing.</i> • <i>Engage with business and key markets to encourage and support export orientated initiatives.</i> • <i>Develop strategic alliances to grow defence, advanced manufacturing and health sectors in Western Adelaide.</i> • <i>Maximise tourism investment to increase visitation and expenditure.</i> |
| <p><i>Support and enable local business prosperity and growth.</i></p> | <ul style="list-style-type: none"> • <i>Support opportunities to ‘buy local’ via our procurement practices.</i> • <i>Build capabilities to support entrepreneurialism, social enterprise, and grassroots business start-ups.</i> • <i>Attract and support major events that link sport and tourism to local jobs.</i> • <i>Educate and support local business to adapt to an increasingly digital environment.</i> • <i>Reduce red tape and streamline processes to support business establishment and expansion.</i> |
| <p><i>Facilitate an environment for a diversity of business and industry types</i></p> | <ul style="list-style-type: none"> • <i>Undertake initiatives to increase flexibility of employment land, industrial and commercial precincts to support growth.</i> • <i>Actively advocate for advanced digital infrastructure that strengthens our economic base by providing for growth sectors and new industries.</i> |

5. **OUR LEADERSHIP – A Leading and Transformational Local Government Organisation**

| Objective | Strategies |
|---|---|
| <i>Be bold and innovative in our practises, leadership and decision making.</i> | <ul style="list-style-type: none"> • <i>Review traditional ways of delivering services and solutions to cut red tape and improve efficiency.</i> • <i>Lead through business excellence and exceptional customer service.</i> • <i>Continue to drive innovation and efficiency through collaboration with other councils and external agencies.</i> • <i>Leverage technology to develop Charles Sturt as a Smart City.</i> |
| <i>Adaptive and sustainable management of the City's finances</i> | <ul style="list-style-type: none"> • <i>Review and regularly update the Long Term Financial Plan to ensure financial sustainability into the future.</i> • <i>Vigorously pursue grant and co-funding opportunities.</i> • <i>Influence State legislation to minimise the impact of cost shifting.</i> |
| <i>A collaborative, agile and high performing work place.</i> | <ul style="list-style-type: none"> • <i>Continue to develop a constructive organisational culture with accountable leadership and performance.</i> • <i>Develop staff and the workplace to meet the demands and expectations of future employment trends.</i> |
| <i>Practise transparent and accountable governance</i> | <ul style="list-style-type: none"> • <i>Actively and effectively communicate Council decisions.</i> • <i>Implement marketing and communication strategies to support and promote Council projects and initiatives.</i> • <i>Ensure robust strategies and systems underpin decision making.</i> |

5. Financial Strategy – Long Term Financial Plan

Council uses financial modelling tools to examine the potential impact of its decisions over the long term in determining what the community can afford for a level of rates, debt and services. Council's long-term financial performance and position is considered to be financially sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

The Long Term Financial Plan (LTFP) modelling provides a high level budget framework to guide us when preparing the budget detail and ensure we understand the impact of decisions made today on our future so we can be financially sustainable over the long term.

Our current 10 year Long Term Financial Plan is prepared using a number of tabled assumptions which reflect an assessment of the economic climate and predictions on variables which will impact on Council operations. The process is iterative and assumptions are reviewed every 12 months using updated information and predictions on performance.

Given that Long Term Financial Plans are derived from a "best guess" estimate of future performance it should be appreciated that actual results are likely to vary from the information contained in the Long Term Financial Plan, and at times these variations could be material. The accuracy of predictions over the longer term decreases over time and major difficulties exist in the ability of Council to accurately predict the capital expenditure requirements for Council's extensive infrastructure and new capital.

A number of scenarios were modelled for Council Members to review for varying levels of rates, debt and capital expenditure using a standard number of base assumptions. Following an analysis of key financial indicators and review of the impact on long term financial sustainability a preferred scenario for the ensuing 10 years was adopted on 14 March 2017.

The preferred scenario adopted identified the high level parameters for total rates, borrowings, level of capital expenditure, annual operating projects and recurrent budget forecasts for development of the annual budget for 2017/18. As the actual inputs are refined over the budget process a comparison to the LTFP high level parameters adopted will determine any changes required to those high level parameters and a review of the impact on future financial forecasts.

Asset Management Plans (AMP) have been produced and reviewed regularly as required for asset renewal/replacement of each major asset category and which have been presented to Council for endorsement. These are used as the basis for predicting Council's ongoing commitment to infrastructure spending on asset renewal and replacement of its existing asset infrastructure based on assessments of useful life and condition.

Council's ongoing commitment to infrastructure, as reinforced in its Budget Principles, requires that an amount equal to that identified in relevant Asset Management Plans will be applied when possible to the rehabilitation and/or renewal of existing infrastructure with the balance of any funds applied to new/upgrade capital works.

Council staff have also been gathering financial forecast information on new/upgrade capital projects derived from existing strategic managements plans such the Open Space Strategy, Council resolutions supporting new projects and major project initiatives such as Port Road Flood Mitigation, the St Clair Precinct upgrade and funding for the completion of the Beverley waste and recycling centre. The projects included in the LTFP for new/upgrade capital were presented to Council at a workshop on 6 March 2017.

In 2017/18 Council's contribution to the level of new/upgrade works is \$26.549m, in 2018/19 \$20.084m and then decreases to \$11.3m in the following 2 years. The increase in upgrade capital works over the next 2 years is due to significant projects such as our commitment to Port Road Flood Mitigation, St Clair precinct upgrade, West lakes library and completion of the Waste and Recycling centre upgrade which comprise a contribution from council of \$33.018m over the next 2 years for which an associated external party co - funding contribution of approx. \$27.2m over 2 years has also been factored in to complete the total works.

The modelling assumes that Council will continue to use debt where relevant as a mechanism for funding of its new/upgrade capital program to avoid unacceptable rates increases over the short term and as a way of achieving inter-generational equity.

Debt levels will be within the constraints dictated by Council's Borrowing Policy such that Council's total indebtedness or net financial liabilities ratio is less than 100%.

Although renewal capital expenditure is funded by rates, the level of new/upgrade works which is largely funded by loan borrowings over the life of these assets will impact the level of loan borrowings required over the forecast 10 year period. This means to fund these significant projects Council will need to make use of borrowings in spreading the cost across the generation of users but the increase is well within Council's borrowing limits.

Current depreciation rates for Council's assets have been applied and depreciation expense is based on adherence to Australian Accounting Standards.

Rateable property growth or new properties from development is based on assessments from our Planning Department.

CPI forecasts are obtained from Deloitte Access Economics in an effort to obtain expert and independent assessments.

Wages forecasts are based on currently endorsed Enterprise Bargaining agreements and where they are not in place are based on Deloitte Access Economics predictions for wages growth in SA.

Other assumptions regarding items such as utilities costs are based on either known information or from discussions with relevant staff having regard to existing trends in performance.

The preferred scenario adopted by Council assumed a total rate increase of 2.7% in 2017/18 plus new property development, hereafter referred to as "growth" of 1.2%. This increase was based on an assumption of achievement of a productivity dividend from the forecast

recurrent budget over 2 years of approximately \$900k equating to 0.4% in 2017/18 and 0.5% in 2018/19. Given the increased capital program projected over the next 2 years and with regard to the current economic conditions this target was put in place to reduce the pressure on rates by seeking a commensurate reduction in operating costs. Rate increases excluding growth from 2018/19 are forecast at 4.0%, then 3.0%, 3.0% and 2.5% until 2021/22 for the assumptions tabled.

Annual operating projects or service level increases are assumed for a total \$2.1m.

In summary the high level parameters for 2017/2018 which were used to **guide** the development of the budget were:

- Total rates increase of 2.7% plus assumed property growth of 1.2%
- Total annual operating projects \$2.1m
- Total net capital (renewal) \$26.324m
- Total net capital New/Upgrade \$26.549m (including Council's contribution of \$10.625m for Port Road Flood Mitigation and \$5.276m for St Clair Precinct)
- Operating surplus \$1.54m
- Operating surplus recurrent budget including depreciation \$3.64m
- New borrowings \$21.5m.

All assumptions used for the LTFP forecasts are detailed in **Attachment A [Schedule A](#)** and were prepared on the basis of best estimates as to future events which Council expects are likely to take place.

To determine whether this financial plan achieves financial sustainability of Council operations over the long term a number of key financial indicators have been endorsed by Council. Indicators include the operating sustainability ratio, asset sustainability ratio and net financial liabilities ratio and performance is monitored against benchmarks established which support the principles Council has been using over a number of years in striving to ensure;

- 1) operating revenues are sufficient to meet operating expenses such that ratepayers are paying for their consumption of resources in that year (**operating sustainability ratio >0% and <15%** calculated as operating surplus/deficit divided by total operating income)
- 2) that Council is ensuring it maintains the value of its asset stock by renewing or replacing council's assets such as buildings, footpaths, roads compared with what is need to cost effectively maintain service levels in line with its asset management plans. (**asset sustainability ratio >80%** calculated as capital expenditure on renewal of existing assets divided by renewal expenditure from Asset Management Plans) and;
- 3) that it is managing the total indebtedness of the Council including borrowings to ensure its liabilities and associated costs can be met comfortably from council's operating revenues without the prospect of disruptive service cuts and/or excessive rate increases (**net financial liabilities ratio <100%** calculated as total liabilities less financial assets divided by total operating income)

- 4) Council also uses the interest cover ratio as an indicator to ensure the interest costs associated with borrowings for new/upgrade capital works are not a significant impost on council revenues (**interest cover ratio <10%** calculated as net interest expenses divided by total operating income).

Summary table of key high level parameters used as basis for development of Annual Budget.

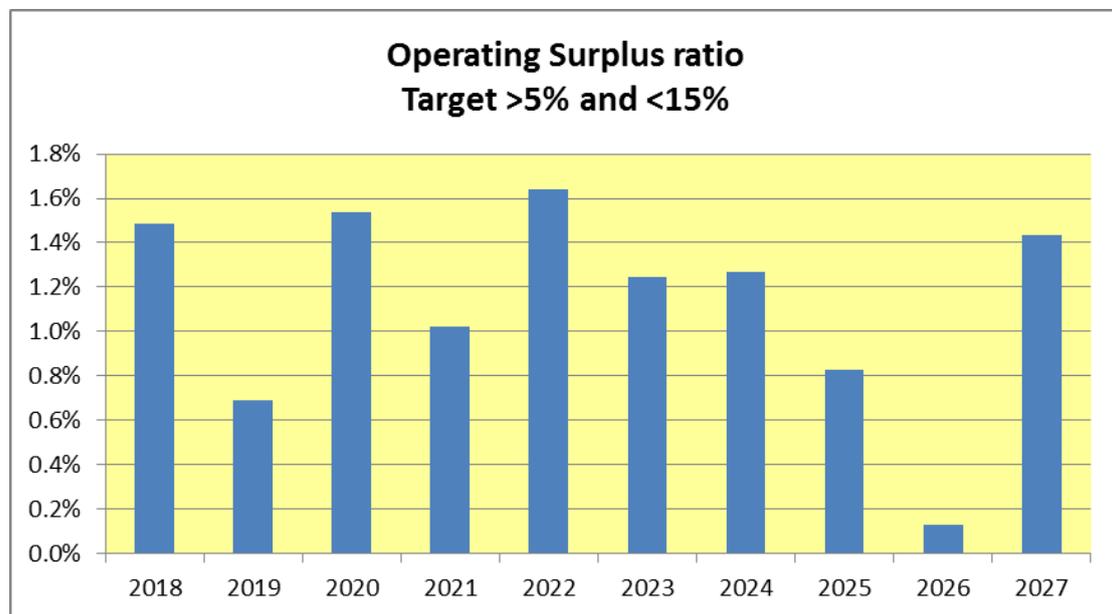
| Operating Revenue | 2017 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | Year Ended 30 June: Estimate | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) |
| General Rates | 99,548 | 103,434 | 108,744 | 113,333 | 118,276 | 123,007 | 127,804 | 132,533 | 137,304 | 142,659 | 147,652 |
| CPI | 1.9% | 1.9% | 2.1% | 2.1% | 2.3% | 2.5% | 2.4% | 2.2% | 2.2% | 2.5% | 2.5% |
| Extra Impost above CPI & Growth | 1.1% | 0.8% | 1.9% | 0.9% | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Forecast Rise Exclusive of Growth | 3.0% | 2.7% | 4.0% | 3.0% | 3.0% | 2.5% | 2.4% | 2.2% | 2.2% | 2.5% | 2.5% |
| Growth | 1.4% | 1.2% | 1.1% | 1.2% | 1.4% | 1.5% | 1.5% | 1.5% | 1.4% | 1.4% | 1.0% |
| Total Rise | 4.3% | 3.9% | 5.1% | 4.2% | 4.4% | 4.0% | 3.9% | 3.7% | 3.6% | 3.9% | 3.5% |
| Prev LTFP Rates Rise exclusive of Growth | | 2.5% | 4.1% | 4.1% | 2.6% | 2.7% | 2.6% | 2.4% | 2.5% | 2.7% | |
| Total Rate Rise Diff to Prev LTFP | | 0.2% | -0.1% | -1.1% | 0.4% | -0.2% | -0.2% | -0.2% | -0.3% | -0.2% | |
| | 2017 | | | | | | | | | | |
| | Estimate | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) |
| Indicator 1 - Operating Surplus / (Deficit) - \$('000) | 3,858 | 1,540 | 752 | 1,739 | 1,206 | 2,013 | 1,588 | 1,680 | 1,134 | 179 | 2,117 |
| Indicator 2 - Operating Surplus Ratio - % | 3.8% | 1.5% | 0.7% | 1.5% | 1.0% | 1.6% | 1.2% | 1.3% | 0.8% | 0.1% | 1.4% |
| Indicator 3 - Net Financial Liabilities Ratio - % | 37.1% | 55.5% | 62.9% | 60.6% | 58.8% | 54.0% | 47.7% | 36.5% | 28.7% | 19.6% | 11.3% |
| Indicator 4 - Asset Sustainability Ratio - % | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Indicator 5 - Interest Cover Ratio - % | 1.15% | 1.75% | 1.64% | 2.23% | 2.18% | 2.03% | 1.85% | 1.68% | 1.20% | 0.79% | 0.43% |
| Net Loans | 28,568 | 49,231 | 63,361 | 65,457 | 68,518 | 64,543 | 61,030 | 44,977 | 30,884 | 17,248 | 5,000 |
| Net Loans as a Percentage of Operating Revenue | 24.9% | 42.3% | 51.9% | 51.5% | 51.7% | 46.9% | 42.7% | 30.3% | 20.1% | 10.8% | 3.0% |
| Capital Program | | | | | | | | | | | |
| Renewal & Replacement | 26,559 | 26,324 | 26,671 | 25,764 | 28,083 | 25,024 | 27,549 | 25,863 | 28,171 | 27,522 | 27,292 |
| New & Upgrade | 14,616 | 33,842 | 24,493 | 5,692 | 5,291 | 6,824 | 3,584 | 3,712 | 3,391 | 3,712 | 6,372 |
| Flood Mitigation & Major Stormwater Projects | | 10,626 | 4,911 | 5,535 | 6,000 | 5,000 | 5,250 | 250 | 5,000 | 5,000 | 5,000 |
| Less Amounts Specifically for New & Ugraded Assets | - 4,561 | - 17,919 | - 9,319 | | | | | | | | |
| Total Net Capital Spend | 36,614 | 52,873 | 46,755 | 36,991 | 39,374 | 36,848 | 36,383 | 29,825 | 36,562 | 36,234 | 38,664 |
| Annual Operating Projects | 2,353 | 2,100 | 2,163 | 2,208 | 2,263 | 2,322 | 2,381 | 2,436 | 2,490 | 2,553 | 2,618 |

Ideally a council should raise enough revenue from rates to cover all of its operating expenses. This means that a council should aim for at least a ‘break even’ operating position where total income equals total expenses and ratepayers in that year are paying for all the resources consumed by the City.

Operating deficits are not sustainable or equitable in the long term as they result in services consumed by current ratepayers being paid for by future ratepayers. A fair and equitable tax system is one in which taxes paid by each generation is in proportion to the benefits that generation receives.

Local government costs for services such as waste, road materials, wages and stormwater increase greater than movements in the CPI. The rate revenue increases endorsed sustain a break even operating position over the forecast period such that operating revenues are sufficient to cover operating expenses while delivering an increased capital works program that accommodates both asset management plan requirements and anticipated new and upgraded infrastructure that delivers the community plan outcomes.

The Operating surplus ratio expresses the level of operating surplus/deficit as a percentage of Operating Income with a negative ratio highlighting the additional revenue percentage required to ensure current ratepayers are paying for their current consumption of resources. This ratio is positive over the forecast period for the adopted LTFP and within benchmarks set by Council, reinforcing Council’s ability to maintain its sustainable operating surplus position.



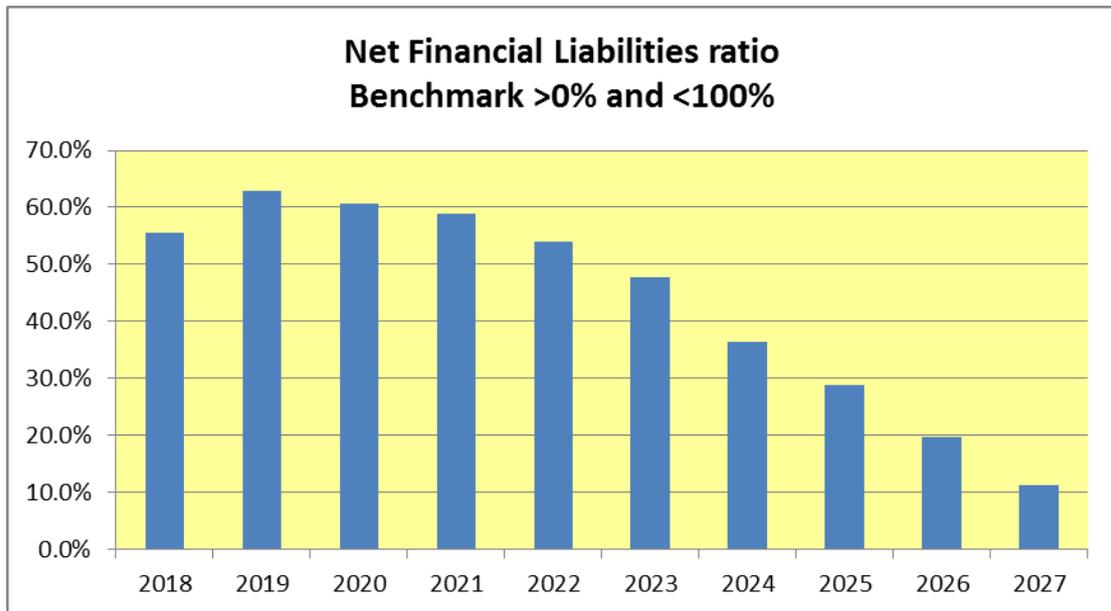
A council must also ensure its total debt does not exceed its ability to service this level of debt.

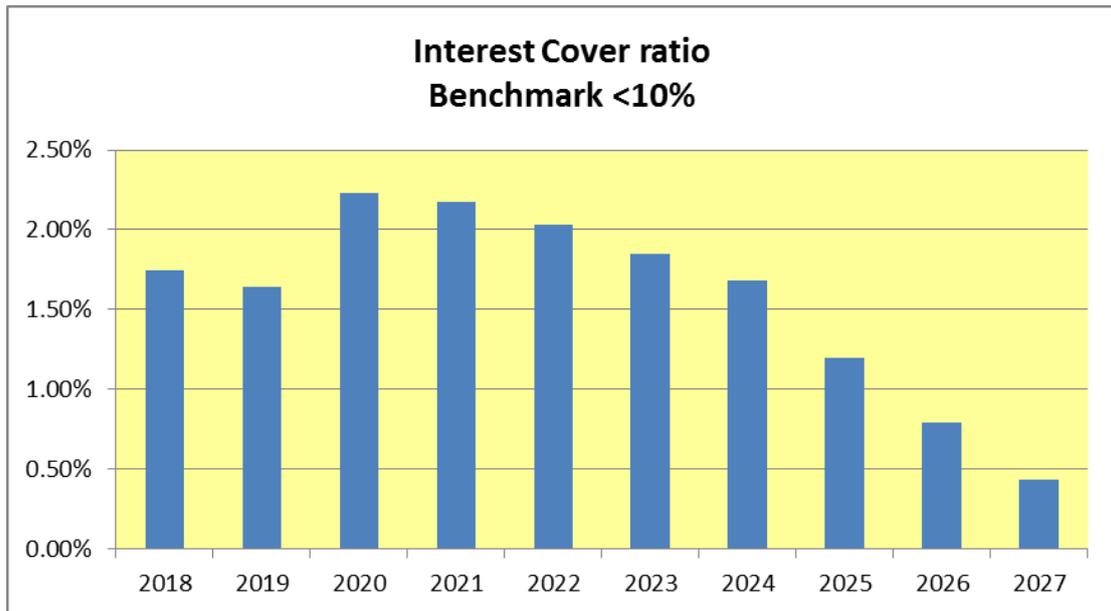
Net financial liabilities measure Council’s total indebtedness and includes not only its loans but its obligations for leave entitlements and provisions.

The Local Government endorsed ratios for a council’s indebtedness is for net financial liabilities as a percentage of operating revenue with acceptable limits between 0% and 100% and for an interest cover ratio with interest costs as a percentage of operating revenues within an acceptable benchmark of less than 10%.

The preferred scenario delivers a net financial liabilities ratio of between 37.1% and 62.9% and an interest cover ratio less than 2% over the 10 year forecast period, all well within acceptable benchmarks.

It should be noted that ideally renewal/replacement of existing infrastructure should be financed by current rate payers with any infrastructure backlog financed by an increase in debt to be repaid as quickly as possible by current ratepayers. New/upgrade capital expenditure should be financed by a long term increase in the volume of debt with the current generation of ratepayers meeting interest repayments on that debt.

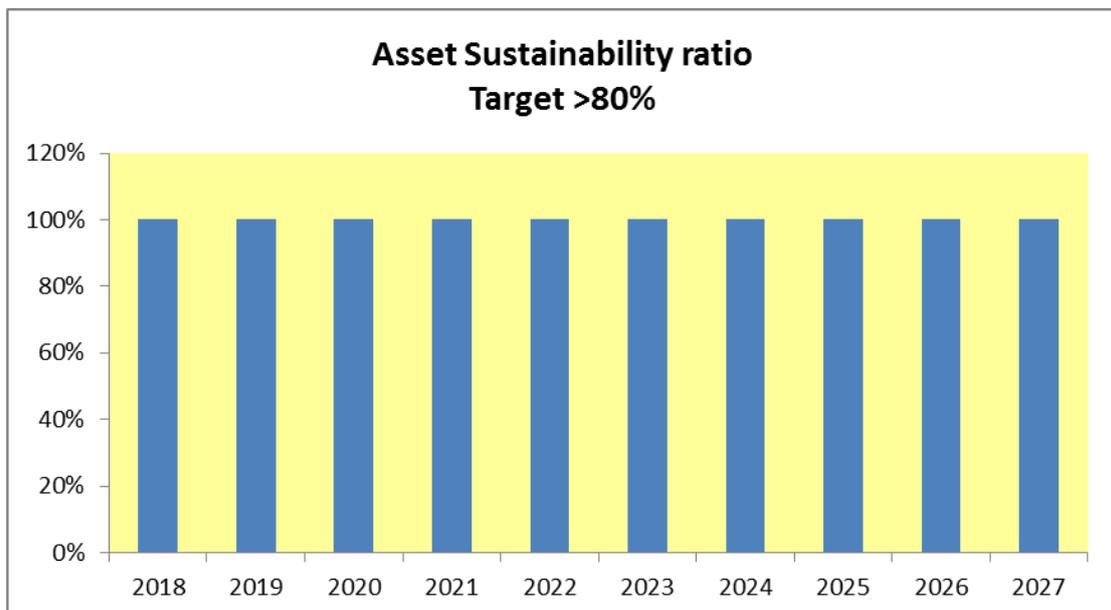




Charles Sturt is the caretaker for more than \$1.0 billion of community assets and is responsible for maintaining the value of these assets.

Asset Management Plans have now been produced for all major asset classes and these have been used to more accurately predict Council’s ongoing commitment to infrastructure spending on renewal of Council’s existing assets based on assessment of condition and the useful life of those assets.

The asset sustainability ratio indicates whether a council is renewing or replacing existing infrastructure assets compared with what is needed to cost effectively maintain service levels as prescribed by its adopted Asset Management Plans. The scenario endorsed by Council shows a ratio which assumes the renewal of infrastructure equates to that identified in its adopted Asset Management Plans.



Overall the strategy endorsed by Council positions itself over the forecast period to be able to meet its obligations for current service levels plus future infrastructure commitments without excessive rate increases or cuts to services. An operating surplus ratio of nil or greater is achieved across the planning period with a break even position continuing to be sustainable for council operations. Councils' infrastructure works are met that address asset management plans and strategic management plans within acceptable benchmarks for council's key financial targets which are used to guide its decision making.

A full copy of the Long Term Financial Plan 2017-2027 is included as [Attachment A](#)

Year 1 of the adopted LTFP set the high level parameters for development of the Annual Budget for 2017/18. The Council consulted on these high level parameters and list of proposed projects and services. Once feedback was received it finalised the actual budget detail. Any variances to those high level parameters impacted on the final rates increase and list of annual operating projects and capital works projects adopted for 2017/18 which will flow through to successive iterations of the LTFP when reviewed in subsequent years.

6. What Services Will We Deliver to our Community in 2017/18?

All councils have basic responsibilities under the Local Government Act 1999 and other relevant legislation. These include:

- Management of basic infrastructure include roads, footpaths, parks, public open space, street lighting and stormwater drainage
- Street cleaning and rubbish collection
- Development planning and control including safety assessment
- Various environmental health services
- Maintaining the voters roll and supporting the elected Council, and
- Setting rates, preparing an annual budget and determining longer term strategic management plans for the area.

In response to community needs we also provide further services including:

- Libraries
- Community centres
- Community programs
- On street parking management
- Dog and cat management, and
- Verge mowing.

The adopted LTFP forecast that in 2017/18 Council's net recurrent operating budget to deliver core services excluding "rates income levied " and including depreciation was approximately **\$99.794m** based on the tabled assumptions.

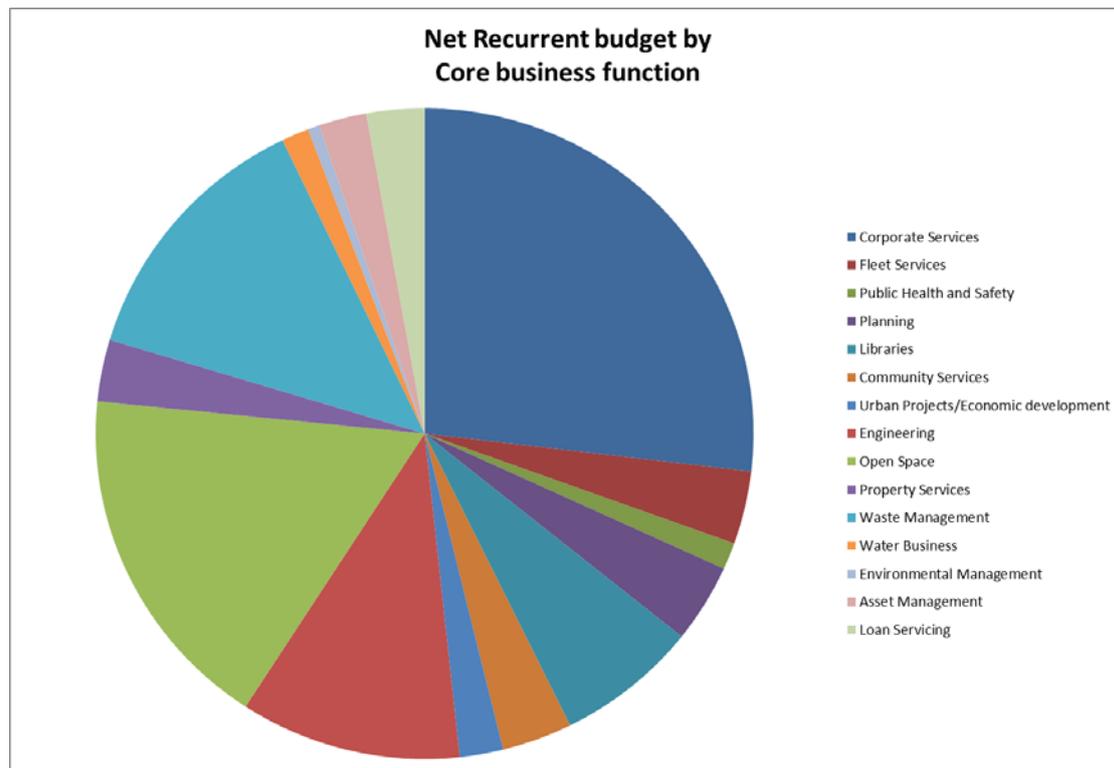
The actual net recurrent operating budget in 2017/18 to deliver core services excluding "rates income levied" and including depreciation is **\$99.387m**. This was determined following a zero based approach and an efficiency dividend delivered of approximately \$300k over and above that included in the LTFP adopted. Depreciation is budgeted at \$29.138m.

Consequently the amount required for rates to be levied was reduced by \$300k on the LTFP forecast due to the improvement in the recurrent budget position.

A comprehensive listing of our core operational services (recurrent budget) provided to the community as at June 2017 is included as [Attachment B](#). Details of Council's organisational structure and the various functions and business activities undertaken by each Division to provide services are included in [Attachment E](#).

| Recurrent Core Business Function | Operating Income \$ | Operating expense \$ | Net \$ |
|---|------------------------|-------------------------|-------------------|
| Corporate Services | 3,039,300 | 21,906,720 | 18,867,420 |
| Fleet Services | - | 2,547,200 | 2,547,200 |
| Public Health and Safety | 3,090,100 | 4,024,200 | 934,100 |
| Planning | 1,258,800 | 4,005,000 | 2,746,200 |
| Libraries | 861,000 | 5,766,900 | 4,905,900 |
| Community Services | 1,802,100 | 4,228,100 | 2,426,000 |
| Urban Projects/Economic development | 65,000 | 1,566,000 | 1,501,000 |
| Engineering | 2,047,000 | 9,681,800 | 7,634,800 |
| Open Space | 119,000 | 12,354,700 | 12,235,700 |
| Property Services | 1,083,600 | 3,241,700 | 2,158,100 |
| Waste Management | 1,120,000 | 10,414,900 | 9,294,900 |
| Water Business | 164,500 | 1,109,200 | 944,700 |
| Environmental Management | 7,000 | 416,900 | 409,900 |
| Asset Management | - | 1,643,000 | 1,643,000 |
| Loan Servicing | | 2,000,000 | 2,000,000 |
| Total excluding depreciation and rates | 14,657,400 | 84,906,320 | 70,248,920 |
| Depreciation | | 29,138,600 | 29,138,600 |
| Total including depreciation | | 114,044,920 | 99,387,520 |
| Rates levied | 103,134,000 | | 103,134,000 |
| | 117,791,400 | 114,044,920 | 3,746,480 |

*Corporate Services includes support services such as Information Systems, Organisational Development, rates management, finance, governance, records management, customer service and insurance.



7. Annual Operating and Capital Projects

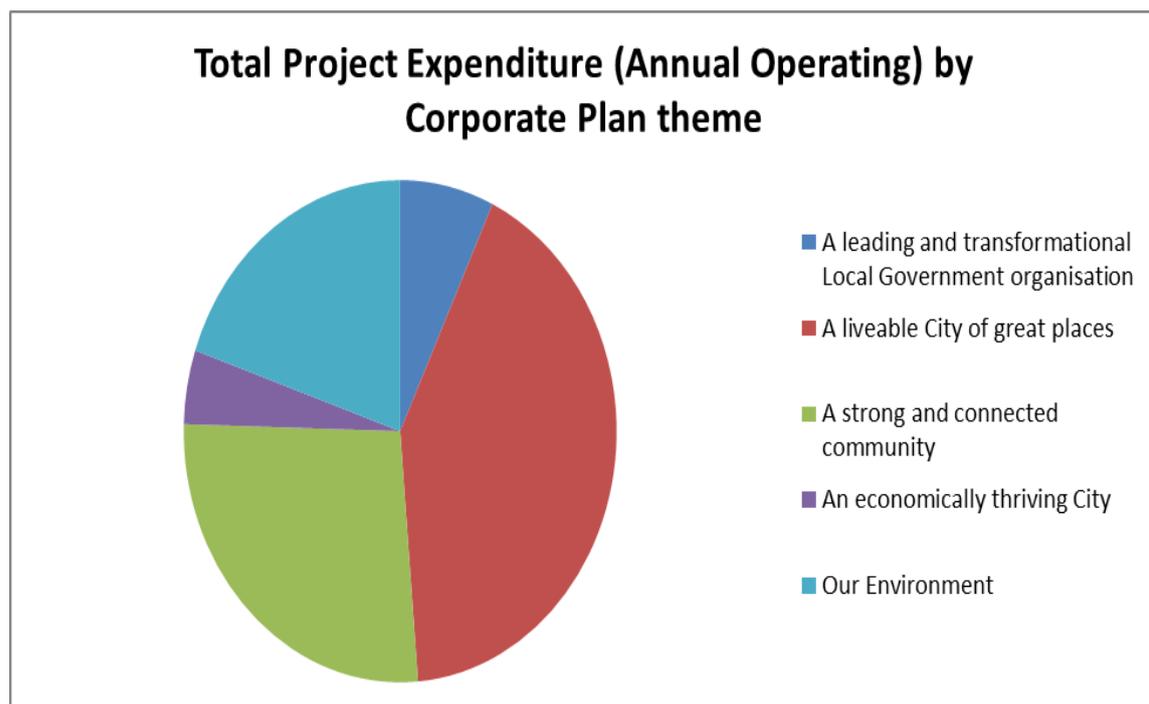
In addition to Councils “core” activities for its recurrent budget monies are put aside for annual operating projects and capital projects.

7.1 Annual Operating Projects

Annual Operating projects support the current strategic focus of Council and / or which may be short term or one off initiatives.

All annual operating projects were the subject of community consultation and review by Council Members before the final project list was determined.

In 2017/18 it is proposed to fund **\$2,202,175** in annual operating projects comprising \$52,500 in income and \$2,254,675 in expenditure. (Note as per LTFP \$2.1m net was adopted as framework for annual operating projects)



The individual projects making up the Annual Operating projects program are listed in the table below.

| Bid number | Bid Name | Bid description | Income \$ | Expenditure \$ | Net Budget \$ |
|-------------------|--|--|------------------|-----------------------|----------------------|
| PBB-00000282 | Council Building Works - Operating 2017/2018 | Maintenance of building components in council owned buildings based on the remaining useful life of each component. Typical works include floor coverings, wet area minor works, painting and other minor building maintenance. Significant works include Public toilets, Kilkenny Community Centre, Woodville North Community Hall, and the grandstands at Woodville Oval This operating maintenance budget is in addition to the \$200,000 in the recurrent budget for painting. | - | 354,613 | 354,613 |
| PBB-00000286 | Doggy Days Community Events | The Doggy Day at the Beach and Doggy Day at the Green are annual events that form part of our educational campaign to promote responsible dog ownership. The events are directly aligned and achieve set actions as identified within the Urban Animal Management Plan 2016-2020. The events are aimed at promoting the importance of responsible dog ownership including free dog training and behavioural workshops, community awareness regarding dog safety and Council's role in animal management in the public realm. | - | 20,000 | 20,000 |
| PBB-00000293 | Tree Screen Renewal | To continue with the tree screen renewal program that commenced in 2002. There are approximately 30 kilometres of tree screen within the City and 12% (equivalent to 3.5 kilometres) still require vegetation renewal. | - | 125,000 | 125,000 |

| | | | | | |
|--------------|--|--|---|---------|---------|
| PBB-00000295 | Whole Street Planting 2018 | As part of the Whole Street Planting Program, a number of residential Streets will be planted with semi-advanced trees. A whole street approach provides a number of benefits to the residents of the street, Council and the community at large, including a consistent uniform planting which in time creates an 'avenue effect' of trees of a similar size, shape and appearance. The selection of streets has been primarily based on the absence of trees in the street, the overall condition of the existing trees being in decline, whether the existing species are appropriate for the location and the integration with Engineering construction projects | - | 135,000 | 135,000 |
| PBB-00000297 | Planet Ark - \$35k | Planet Ark - To accommodate community and local schools' requests to participate in the National Tree Planting Day by planting juvenile trees and shrubs on Council reserves. In addition, to provide donations of plants to schools who wish to participate in this event with a preference to plant trees on school grounds. Trees for the Future - To provide significant trees such as (but not limited to) River Red Gums on our reserves for future generations and to 'green' the City. | - | 35,000 | 35,000 |
| PBB-00000301 | Sporting Club Professional Development | This program has been running for the past four years and offers a series of professional development seminars for sporting clubs at no cost. In 2016/17 a total of 9 workshops took place offering sporting clubs a chance to gain knowledge and expertise in various topics including; Mental Health in Sport, Successful Grant Writing, Culture of Volunteering, RSA and Emergency Response Coordinator. The program has been valuable for Clubs with over 35 people attending each workshop. | - | 10,000 | 10,000 |

| | | | | | |
|--------------|-------------------------------|---|---|--------|--------|
| PBB-00000306 | School Holiday Sports Program | The School Holiday Sports program has been running for nine years. It is a program offering children aged; 2-17 years the chance to try different sports. The program has grown from 150 children registered in 2008, to a record 1258 children registering in the October 2016 program. The program attracts around 30 sporting clubs who offer approximately 70 free sessions to children during the April and September school holidays. | - | 10,000 | 10,000 |
| PBB-00000307 | Adelaide City FREE Bikes | The Adelaide City FREE Bike program has been running at CCS since 2012. The program continues to be successful currently providing free bike hire at five locations around the City. These include Adelaide Shores Caravan Park, West Beach Surf Life Saving Club, Henley Library, Hindmarsh Library and West Lakes Library. The program offers residents and visitors to the City the chance to hire a bike for FREE and explore the city and surrounds. The program encourages an active, healthy lifestyle while promoting sites around the City | - | 20,000 | 20,000 |
| PBB-00000313 | Major Bridge Maintenance | Repair Concrete Spawling in bridge decking and abutments to the two footbridges (Bridges 29 & 30) providing walking access between Delfin Island and surrounding mainland. Repair damaged footpaths that meet abutments and remove trip hazards on approaches to both bridges. AND Repair rusted and damaged steel handrails on the Seaview Road Underpass (bridge 5) | - | 65,000 | 65,000 |

| | | | | | |
|--------------|---|---|---|--------|--------|
| PBB-00000314 | Sand Drift Fencing Renewal - 2017/18 | Replacing Sand Drift Fencing at various locations along the foreshore to assist in sand erosion control. Locations correspond with the sand shifting program undertaken by the Coast Protection Board(CPB) and are negotiated annually with the Coast Protection Board. CPB previously funded the program 50:50 but declined to do so since the sand pipeline project commenced. | - | 25,000 | 25,000 |
| PBB-00000320 | Henley Beach Business Association Support | To support the ongoing work of the Henley Beach Business Association to deliver projects that contribute to achieve their vision and meet their three aims of: Promotion of Henley, creating an active destination all year round and creating a welcoming environment. | - | 15,000 | 15,000 |
| PBB-00000323 | Systems Enhancements Compliance Legislation | Implementation of new IT software and enhancements to current systems across the Public Health and Safety portfolio in addressing changes to legislation around Local Nuisance and Litter Control and Dog and Cat Management and the potential enhancement of environmental health field technology software. | - | 40,000 | 40,000 |
| PBB-00000330 | E-Panel Member Top-up Recruitment | <p>The Charles Sturt Resident Email Advisory Panel (E-Panel) currently was formed in 2014 and currently has 800 members. This group was randomly recruited by consultants via a phone survey to be representative of the Cities adult population, both demographically and geographically.</p> <p>The E-Panel provides Council with feedback- of statistical relevance on projects of strategic City wide importance. Membership of the Panel is for 2 years maximum. To ensure the E-Panel remains a body free of bias or conditioning 400 members are retired annually and replaced with 400 new members each year.</p> <p>Executive have requested that this expenditure be moved to recurrent budgets from 2018/19.</p> | - | 16,000 | 16,000 |

| | | | | | |
|--------------|---|--|-------|--------|--------|
| PBB-00000333 | Woodville Town Hall Activation Year 1 | The Woodville Town Hall is a much loved asset, but is currently under utilised with limited awareness. Town Halls play an active part in Council's interaction with the community and can be a significant contributor to the social capital of the community fostering community wellbeing and engagement. | 7,000 | 80,000 | 73,000 |
| PBB-00000337 | Light Up your Christmas and Activations | This budget bid looks at a light installation on the Woodville Town Hall with activities for the weekend and promotion of the activity. | - | 20,000 | 20,000 |
| PBB-00000339 | Heritage Conservation Grants Program | The Heritage Conservation Grants Program applies to property owners of local heritage places and contributory items as identified in Council's Development Plan and to owners of regulated and significant trees (as defined in the Development Act 1993) in the City of Charles Sturt. The Program provide financial assistance for conservation and restoration works to local heritage places and contributory items as well as to regulated and significant trees which require maintenance pruning. The Program has a recurrent budget of \$25,000 from last financial year. The additional operation budget of \$15,000 will provide additional funds to the Grant Program to service the demand in the Program. | - | 15,000 | 15,000 |
| PBB-00000341 | Development Plan Policy Program | The budget bid seeks funds to assist in investigations to implement amendments to policy contained within the Charles Sturt Council Development Plan | - | 40,000 | 40,000 |
| PBB-00000342 | Tourism Action Plan Implementation | This bid will see the implementation of tourism initiatives to support the implementation of the Western Region Tourism Destination Action Plan, creation of a Charles Sturt Tourism Strategy and promotion of tourism initiatives, working in partnership with the South Australian Tourism Commission. | - | 30,000 | 30,000 |

| | | | | | |
|--------------|---|--|---|--------|--------|
| PBB-00000345 | Hindmarsh Business Association/trader engagement | To support traders in the Hindmarsh precinct to implement marketing campaigns, promotional material and activities to increase economic development opportunities, grow destination awareness of the precinct and manage visitor perceptions of the area during the ongoing capital works along Port Road. Specific strategies will be determined and driven by traders in partnership with Place Leader, Inner West and are likely to include street interface improvements, activations, promotional materials and social media development | - | 20,000 | 20,000 |
| PBB-00000349 | Woodville Business Association Partnering & Support | To support the ongoing work of the Woodville Business Association to deliver projects that contribute to achieve their vision and specific aims such as: <ul style="list-style-type: none"> - make Woodville Road and Environs a destination for businesses, workers and residents; - encourage new development and new business to relocate to the area and improve the tenancy mix - promote the growth of local business and foster local jobs - continue to develop and promote the brand for Woodville Road The association will develop and implement projects in partnership with the Place Leader, Central. | - | 20,000 | 20,000 |
| PBB-00000354 | Queen Street event/activations sponsorship | Sponsorship funding to support Queen St traders to run possible community event or a series of activations | - | 15,000 | 15,000 |
| PBB-00000364 | SA Planning Portal - Council Contribution | Council has received advice from the Local Government Association that it will be required to contribute to the SA Planning Portal as stipulated in Section 56(2) of the Planning, Development and Infrastructure Act 2016. | - | 36,000 | 36,000 |
| PBB-00000367 | Event sponsorship for Woodville Traders Community Christmas Event | Sponsorship for Woodville Road traders to run a community Christmas event. | - | 15,000 | 15,000 |

| | | | | | |
|--------------|---|---|--------|--------|--------|
| PBB-00000368 | Westside Place Makers Grant Scheme | Continuation of the successful city wide Place Makers grant program that funds projects in public spaces that contribute to the organisations vision for placemaking, can be easily implemented and have high impact. Place Makers provides community members, business owners and groups with the opportunity to lead the change they want to see in their local area. | - | 40,000 | 40,000 |
| PBB-00000369 | City of Charles Sturt Public Transport Strategy | Internally prepare a strategy to align with the City of Charles Sturt Transport Strategy 2016 - 2031 forecasting public transport demand by growth and future land zoning, and identifying and setting targets for public transport improvements, as well as a strategy for working with the Department of Planning, Transport and Infrastructure to deliver these improvements. | 17,500 | 35,000 | 17,500 |
| PBB-00000371 | Love My City - Film Competition | The objective of the Love My City film competition is to build the capacity of community members, from multiple age demographics, to engage with the medium of digital film and activate Woodville Town Hall with films screening with the inaugural film competition Awards Night. The Film Competition is to be based upon a positive theme, 'Love My City', and provide Council with an optimistic series of local community stories which may be share via social media networks. The project involves: - community workshops to develop skills in film planning, filming and editing. - social media based competition - awards night within Woodville Town Hall which features screening of short-listed entries. Project to be delivered as a pilot, which has the capacity to grow into a unique, well loved, annual community event. | - | 18,500 | 18,500 |

| | | | | | |
|--------------|--|--|--------|--------|--------|
| PBB-00000373 | Outdoor Dining & Business Improvement Fund | Funding for businesses to apply for minor business improvements (including facade improvement and internal fit-out) or to install energy-absorbing bollards if required for outdoor dining permits. | - | 50,000 | 50,000 |
| PBB-00000374 | Living Green Community Education Programs | Living Green Community Education Programs are a range of initiatives to influence and lead our staff and community and the local government sector through implementing programs focussed on environmental sustainability. The programs this year will involve beehive hosting and related education programs, local indigenous plant subsidy, and travel behaviour change. | 3,000 | 18,000 | 15,000 |
| PBB-00000388 | Strategic Events Partnerships 2017/18 | <p>To secure new and continue existing partnerships with high profile state wide festivals and events.</p> <p>The partnerships are likely to be with festivals or events that have a visual arts, music or social inclusiveness theme. Partnerships will be sought with events that best achieve the following:</p> <ul style="list-style-type: none"> - Bring a mix of quality festivals and events to the City of Charles Sturt - Provide opportunities for increased community participation - Build community capacity and skills - Support and recognise local artists and creative enterprises - Celebrate social inclusion, diversity and unified community, - Raise awareness of the unique places in our City - Activate designated places and increase their vibrancy and - Raise the profile of the City of Charles Sturt | - | 40,000 | 40,000 |
| PBB-00000389 | Tennyson Dunes Rain Garden | The proposal is to install a rain garden in the northern car park which services the Tennyson Dunes and Rowing SA on Military Road, West Lakes Shore. The rain garden would be co funded by the Environment Protection Authority as part of the Rain Garden 500 project | 25,000 | 50,000 | 25,000 |

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| PBB-00000390 | Breakout Creek Stage 3 Preliminary Design | To continue with the previous investment, design and concept plan development undertaken in 2015/16, this bid seeks to jointly contribute additional funding to Adelaide Mount Lofty Ranges Natural Resource Management Board (AMLRNRMB) project in a collaborative manner (jointly with City of West Torrens, SA Water). The additional funding will further investigate the details outlined in the concept plan including the geotechnical analysis and the professional survey undertaken as part of the collaborative project in 2015/16. | - | 25,000 | 25,000 |
| PBB-00000397 | Spring Garden Competition | Conduct a Garden Competition following on from the success of the four previous annual competitions, encouraging greater participation from schools, Community Groups, Businesses, Home Owners and Streets | - | 6,500 | 6,500 |
| PBB-00000399 | Roundabout Upgrades | Landscape roundabouts to increase street amenity and soften the street environment | - | 50,000 | 50,000 |
| PBB-00000406 | Lake Edge Encroachments West Lakes - Survey, Notification and Permit | <ul style="list-style-type: none"> - Detailed boundary identification survey for locations identified as 'medium' to 'high' risk as part of preliminary visual investigations into private encroachment into public land along the Lake Edge in 2016/17. - Preparation and sending of Notification Letters and Permit Application Forms to owners of all properties with identified encroachments. | - | 50,000 | 50,000 |
| PBB-00000407 | Corporate Key Performance Indicators - Annual City Survey | The purpose of the bid is to carry out a survey of our community to assist with measuring our performance and achievements towards the themes of the Community Plan. This survey will build on the baseline data identified via the inaugural City Survey in 2016-2017. | - | 30,000 | 30,000 |

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| PBB-00000411 | Hindmarsh Parking Plan | Detailed parking management plan for the suburb of Hindmarsh, investigating and recommending strategies and actions to improve equity of access to existing parking areas and to increase the parking provision as land use intensifies through urban redevelopment. A Bowden Parking Plan, for the adjoining area, was delivered in 2016/17 and the Hindmarsh Parking Plan is to be delivered 2017/18. | - | 35,000 | 35,000 |
| PBB-00000426 | Community Green Buildings Grants - Year 2 | Using the savings that Council is achieving through an energy efficiency program at the Civic Centre Complex (the Kill Bills project), a grant program has been established to assist community groups and sporting clubs occupying Council-owned premises within the City of Charles Sturt to save energy. The program is to be delivered for a period of at least three years, and commenced in 2016/17. Council adopted the structure and timing of this new community grant program at its meeting on 23 November 2015, and subsequently endorsed the guidelines for Round 2 which has been advertised from late January 2017. | - | 38,000 | 38,000 |
| PBB-00000427 | Santa Sleigh Display | To create a window and civic centre internal street display that will incorporate the Santa Sleigh and provide a place where the community can make charity donations and visit. | - | 20,000 | 20,000 |
| PBB-00000428 | Community Resilience and Well Being- Emergency redi-plan project | The program builds community capacity and resilience through delivery of the Redi-plan program. The program is an award winning and internationally recognised flagship service that is a community engagement program that aims to build the resilience of households and neighbourhoods to reduce and manage the health, financial and material consequences of emergencies. | - | 15,000 | 15,000 |

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| PBB-00000441 | Outdoor Cinema - Summer in the City | Charles Sturt is celebrating summer in the City by hosting a series of outdoor cinema events in the following locations: - Thu 25 January - Bowden Town Square - Fri 26 January - St Clair - Sat 27 January - Henley Square (Subject to venue availability) This free community event will coincide with the Australia Day public holiday and provide family friendly school holiday fun in three popular locations across the City. | - | 20,000 | 20,000 |
| PBB-00000444 | Western Business Leaders | Encourage Business Networking and promote economic growth through two Business Breakfasts and two Business Lunches per financial year. | - | 16,000 | 16,000 |
| PBB-00000445 | Economic Development Strategy Implementation | Implement the Economic Development Strategy | - | 20,000 | 20,000 |
| PBB-00000451 | China Strategy and Business Mission | The City of Charles Sturt's Western Adelaide, China Business Engagement Strategy has been undertaken to assist local business to become China Ready and to engage with China. This bid will: 1. Develop promotional material for the inbound mission 2. Fund China Ready program to upskill local businesses 3. Fund hosting the inbound delegation in September 2017. 4. Facilitate friendly cities school visit | - | 20,000 | 20,000 |
| PBB-00000463 | Small Business Initiatives | Working with existing Business organisations to: Continue Youth Entrepreneurs Program with Business SA Provide Advice to Businesses in three Business Associations through Adelaide Business Hub Support Multicultural Business Event at Town Hall | - | 16,500 | 16,500 |

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| <p>PBB-00000464</p> | <p>Graduate Asset Accountant 0.4 FTE</p> | <p>It is proposed to employ a Graduate Asset Accountant to act as an understudy to the Works and Assets System Officer who currently performs the dual role of both an Asset Accountant together with primary responsibility for system improvement and maintenance of Council's Works & Assets system which captures and manages all information for Council's \$1.6 Billion infrastructure assets. This role is highly specialised and currently there is neither the expertise or the capacity to provide support or back up to this critical function during leave periods or peak work periods. There is also no succession plan in place should the Works & Assets System Officer leave employment with CCS. This has recently been identified as a risk in an Internal Audit Report conducted by EY.</p> | <p>-</p> | <p>26,062</p> | <p>26,062</p> |
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| <p>PBB-00000466</p> | <p>Tree Canopy Improvement Strategy</p> | <p>A recent study initiated by Council identified that tree cover across the City of Charles Sturt (both on public and private land) has declined since 1998, despite substantial Council efforts to grow trees through dedicated tree planting programs on public land.</p> <p>The City of Charles Sturt is seeking to reverse the decline in tree canopy cover across the City and identify opportunities to improve the quality and quantity of tree canopy across the Council area, on both public and private land.</p> <p>This desire to improve the tree canopy recognises the many and varied benefits tree canopy can provide to the Council area and its community including:</p> <ul style="list-style-type: none"> * Health and well being * Character and amenity * Liveability * Improved property values * Urban cooling * Air quality * Biodiversity * Improved asset life (where trees provide shade over built infrastructure). <p>Despite these many benefits however, there is significant evidence that trees are often removed where health and safety is at risk (perceived or real), or where conflicts arise between trees and infrastructure or development.</p> <p>A key aspect of the project will be developing the 'case for change' that will enable Elected Members, staff and the community develop, embrace and sustain a commitment to improving the tree canopy.</p> | <p>-</p> | <p>10,000</p> | <p>10,000</p> |
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| PBB-00000471 | Update Master Plan for Croydon Bowling Club | Revision of current master plan for Albert Greenshield reserve and surrounds, to encourage greater community use and upgrades to Croydon Bowling Club and Arch Paterson Community Centre in Ridleyton. Also, the Ridleyton Greek Home adjacent to the community centre and club looks set to expand its services and dwellings, and there are opportunities for greater cooperation between them, the club and community centre, including access, programs and cross promotion. | - | 10,000 | 10,000 |
| PBB-00000472 | Creation of Useable Open Space in Seaton Park | The Open Space Strategy showed the Seaton Park area as lacking in open space provision. This proposal is to approach the Education Department with a view to creating a joint use park on the western side of the Seaton Park Primary School road reserve and part of the school grounds. | - | 10,000 | 10,000 |
| PBB-00000478 | Adapt West - Regional Coordination and Local Implementation | This project provides a base of funds to support the implementation of the Adapt West Regional Climate Change Adaptation plan, which was formally endorsed by the City of Charles Sturt and its partners (Port Adelaide Enfield and West Torrens) in October/November 2016. The regional partnership program is now in its implementation phase, which includes a range of initiatives outlined further below. It is anticipated that the funds will be used for a combination of project work (by a shared FTE resource working the region), with remaining funds used on the projects themselves. The details of this arrangement will be negotiated and agreed by the 3 Councils through the project Steering Committee. | - | 20,000 | 20,000 |
| PBB-00000485 | Discretionary Ward Allowance for Council Members | To allow Council Members to assess the need for local grant allocations to support minor capital purchases or community initiatives within community groups. | - | 276,000 | 276,000 |

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| PBB-00000488 | Verge Mowing Service Level Increase 2017/18 | Currently the verge mowing budget allows for four cuts per year on local roads and eight per year on main roads. The frequency of cuts on local roads has been inadequate to cope with excessive growth caused by unseasonable weather this year. Additional funds are required to address seasonal growth in high growth areas, twice per year, spring and autumn. | - | 100,000 | 100,000 |
| PBB-00000505 | 2018 Special Olympics Co-Sponsorship | Every four years, hundreds of athletes with an intellectual disability from all over Australia demonstrate their skills at the Special Olympics Australia National Summer Games. In 2018 the Special Olympics are being held in Adelaide, and primarily within the Charles Sturt Council area. This is a co-sponsorship with Adelaide Shores. | - | 12,500 | 12,500 |
| PBB-00000506 | Carols in the Square 2017 | Sponsorship contribution to the Seaton Christian Family Centre to run their annual Christmas Carol event in Henley Square. | - | 15,000 | 15,000 |

7.2 *Capital Projects*

The City of Charles Sturt is responsible for a vast portfolio of assets with a carrying value in excess of a billion dollars. It is therefore critical for long term sustainability of assets that Council engages in practises that optimise the assets useful lives for the benefit of the community.

The City of Charles Sturt, like other government infrastructure asset owners, is faced with an increasing demand to provide services in an environment of ageing infrastructure, increased liability and reduced funding. In response to this an Asset Management Policy and Strategy has been adopted by Council.

The purpose of the Asset Management Policy is to set a broad framework for undertaking asset management in a structured and co-ordinated manner.

The broad goals identified are as follows:

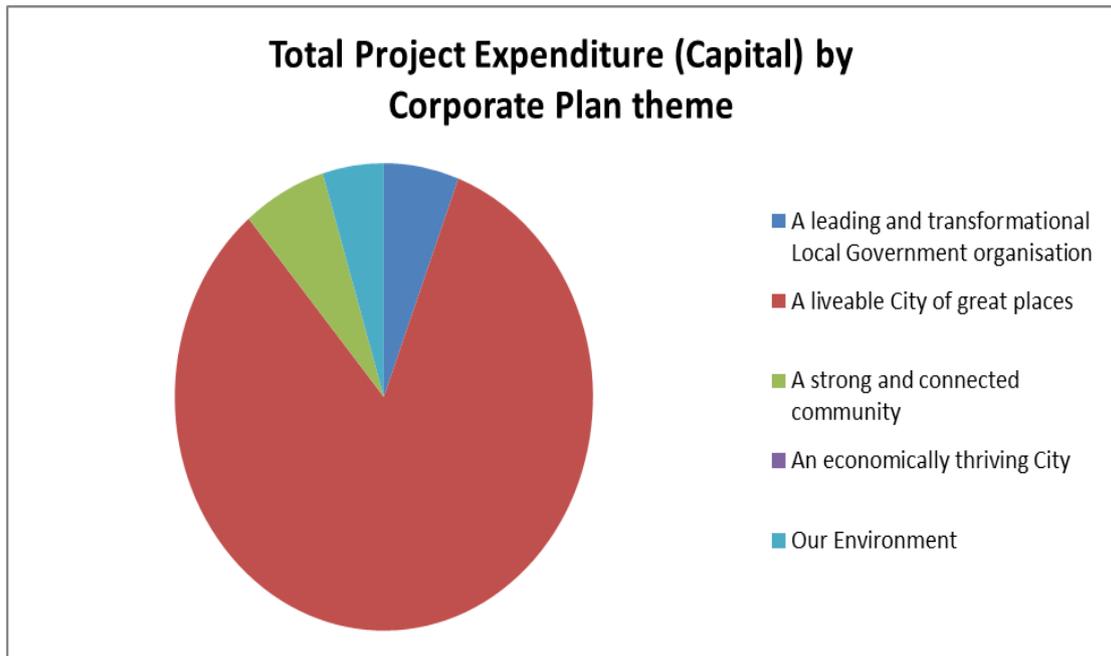
- to ensure the right assets are provided to meet community needs
- to provide sustainable infrastructure through leadership and vision
- to be financially responsible by providing appropriate resources for the delivery of services
- to continually improve our knowledge of Council assets and their lifecycles
- to manage our assets in a manner that is fair for present and future users in terms of benefits and costs.

To ensure the value of our assets are maintained our long term strategy provides for us to fund a capital renewal expenditure program based on Council endorsed Asset Management Plans for each asset. The Asset Management Plans determine future funding requirements based on life and condition assessments of council's existing asset stock and which will be continually refined and updated with the best available information.

For new and upgraded infrastructure capital projects are derived from existing strategic managements plans such the Open Space Strategy, Council resolutions supporting new projects, major project initiatives such as Port Road Flood Mitigation, St Clair recreation centre upgrade and direct requests from the community. New/Upgraded capital projects are those which increase Council's current asset stock or significantly enhance an existing asset to provide a higher level of service or extend the life beyond that which it had originally.

In 2017/18 it is proposed to fund a council contribution of **\$52,591,395** in a total capital program comprising \$26,138,995 in income and \$78,730,390 in total expenditure.

All capital projects were the subject of community consultation and review by Council Members before the final project list was determined. (Note as per LTFP framework \$52.873m was adopted as framework for total net capital)



The capital program adopted comprises \$27,669,425 net in renewal capital projects with \$2,365,995 in income and \$30,035,420 in expenditure based on adopted asset management plans) which are detailed in [Attachment F](#) and \$24,921,970 net in new/upgraded capital projects with \$23,773,000 in income and \$48,694,970 in expenditure which are listed below.

| <i>Bid number</i> | <i>Bid Name</i> | <i>Bid description</i> | <i>Nature of works</i> | <i>Income \$</i> | <i>Expenditure \$</i> | <i>Net Budget \$</i> |
|--------------------------|---|---|-------------------------------|-------------------------|------------------------------|-----------------------------|
| PBB-00000278 | Brompton Community Centre - Internal Toilet Renewal | Internal wet area/ toilet renewal/Upgrade. The existing toilets are in poor condition and are not suitable for the increased usage of the building. The new toilets will eliminate the existing step into the toilets and will comply with DDA and Building codes. | Upgrade | - | 200,000 | 200,000 |
| PBB-00000322 | Implement Strategic Asset Modelling for all Infrastructure Assets | Utilise currently owned Technology One Software to design and implement Strategic Asset Modelling for Drains, Footpaths, and all other asset classes. The Budget Bid will use Technology One consulting to configure Technology One Strategic Asset Management Software to deliver a Maturity Audit, a data health check and set baseline model for and valuation for Drains, Footpaths and other asset classes | New | - | 35,530 | 35,530 |
| PBB-00000325 | Semaphore Surf Life Savings Club Upgrade Contribution | Semaphore Surf Life Savings Club Upgrade Financial Contribution of \$578,375 over two years to upgrade the | Upgrade | - | 462,700 | 462,700 |

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| | | clubroom in order to meet current building code requirements | | | | |
| PBB-0000328 | Investigate and implement technology for Fauna Boxes and a Discovery Trail | The Open Space and Recreation portfolio has partnered with Faunature to install, monitor and maintain Fauna Boxes around the City, providing habitats for species such as microbats, ducks, possums and parrots. This project will implement sensor technology to gather information on Fauna movements on 5 Fauna Boxes. Costs will cover procurement of sensors and installation of Wi-Fi technology. | New | - | 15,000 | 15,000 |
| PBB-0000332 | Heritage Recognition Markers | Installation of recognition markers for the City's listed Heritage Places. Continuation of project commenced in 2014/15. To date, the program has resulted in 26 markers, on key heritage properties in Woodville, Hindmarsh and Henley/Grange. The markers have been well received by property owners and the community as a valuable and effective means of educating and informing the public on significant heritage sites within the Council area. They also provide important | New | - | 20,000 | 20,000 |

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| | | <p>recognition to historically significant places. The continuation of the program provides an opportunity for developing trails and heritage experiences, facilitating activation of local streets and generating a strong sense of connection to place. The 2017/18 project will focus on properties in Kilkenny-West Croydon, building on the enormous interest within those areas to local history.</p> | | | | |
| PBB-00000338 | <p>Waste and Recycling Centre Upgrade - Stage 2</p> | <p>Upgrade of the Beverley Recycling and Waste Centre to comply with the EPA legislative requirements and Workplace Health and Safety requirements. Upgrade will cover the disposal area, introduce a supervised 'Sort'n'Save' recycling process, improve way finding and customer service, and address safety risks to staff and the public associated with the current saw-tooth layout and design.</p> <p>The upgrade is planned to be constructed in one continuous process over two financial years to allow uninterrupted services to continue at the centre throughout the</p> | Upgrade | 150,000 | 1,700,000 | 1,550,000 |

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| | | upgrade process. It has been designed to best practice standards and to allow maximum design flexibility to allow the layout to be easily adapted to future requirements. | | | | |
| PBB-00000344 | West Lakes Hub | Redevelopment of West Lakes Library and Community Centre | New | 1,500,000 | 3,500,000 | 2,000,000 |
| PBB-00000346 | Beach Access Way Upgrade Program 2017/2018 | <p>The continuation of the Beach access way renewals/ upgrade program in accordance with the review of the beach access ways by Council in 2005. refer to AM Report 23 May 2005 item 3.35 beach way review.</p> <p>Undertake design and specifications for the upgrade of the vehicle access way (including the drainage relocation) at South Street Henley Beach.</p> <p>Undertake design and specifications for the upgrade of the beach access way opposite 171 Esplanade Henley Beach, due storm and tidal damage.</p> | Upgrade | - | 140,000 | 140,000 |

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| <p>PBB-0000347</p> | <p>Inclusive Beach Mats - Henley Beach</p> | <p>Beach matting is a relatively new innovation that aims to address the inequities in access and inclusion at Australia’s beaches for those with mobility impairments. With 12km of coastline the expectation from our community to be able to access and enjoy the beach is high. Council resolved regarding the proposed new beach access ramp at Henley Beach, north of the Henley Surf Lifesaving Club (CL23/06/04, Item 7.15) "That the City of Charles Sturt construct the ramp to be wheelchair compliant eg the angle of the slope shall be shallow enough to allow access to the beach by wheelchair users." The City of Charles Sturt has an opportunity to be a leader in this area by rolling out beach matting from the built ramp. This bid seeks to pursue the acquisition and installation of a beach mat for Henley Beach, Henley Surf Life Saving Club – have given us in principle support for roll-out on weekends and public holidays from October to Easter between 12pm – 6pm (tide and</p> | <p>New</p> | <p>10,000</p> | <p>28,000</p> | <p>18,000</p> |
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| | | <p>weather conditions being favourable) Depot staff servicing the Henley Square area in principle may be able to roll-out mats two days per week. The beach mat during favourable tide times and conditions, is placed on top of the sand. It is not expected to damage or interfere with the dune ecosystem in any way.</p> <p>There is opportunity to seek partner funding for the infrastructure purchase from Bendigo Bank for the sum of \$10,000.</p> | | | | |
| PBB-00000348 | Installation of Smart Parking Equipment in Henley Square Southern Car Park & Precinct Directional Way Signage | In the 2016/17 financial year, Council implemented Smart Parking solutions in the Henley Beach Northern Car Park and select Loading Zones on Seaview Road, Henley Beach. This project is to re-engage the Vendor, Database Consultants Australia, to complete the Henley Beach precinct Smart Parking project by way of installation of inground sensors and electronic directional signage. | New | 50,000 | 135,000 | 85,000 |

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| PBB-0000350 | Stormwater Quality Improvement - Tracey Avenue Catchment WSUD - Raingardens - Consult and Design Year 2 | Community consultation (street corner meetings at proposed sites) , internal survey and design of 10 raingardens within the Tracey Avenue catchment. Streetscape raingarden locations include (subject to further investigation and community consultation) a) Greville Avenue/Nelson Avenue, Flinders Park intersection b) Greville Avenue/Flinders Parade, Flinders Park intersection c) Greville Avenue/Collingwood Avenue, Flinders Park intersection | New | 25,000 | 50,000 | 25,000 |
| PBB-0000351 | MJ McInerney Reserve Redevelopment Stage 2 - 2017/18 | MJ McInerney Reserve Redevelopment Stage 2 - 2017/18 Construction works for the reserve redevelopment as per the Open Space Strategy for providing regional facilities, and funding as per the Asset Management Plan and Long Term Financial Plan. There is combination of asset renewal and upgrade works to meet community expectations. Stage 1 (2016/17) is being undertaken for the community consultation and design process. | Upgrade | - | 723,500 | 723,500 |

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| PBB-0000359 | Road Safety and Amenity Improvements - Charles Sturt Avenue | In 2015/2016 a petition was received seeking road safety improvement to Charles Sturt Ave . In response we have undertaken preliminary consultation which found support for action to be taken. In 2016/17 consultation on a concept design of traffic controls and review kerbside parking was undertaken, and a detailed design plan prepared. The 2017/18 budget bid is for the implementation of traffic controls and road safety/amenity improvements from the detailed design plan. | New | - | 130,000 | 130,000 |
| PBB-0000360 | Design - Bridge Upgrade - Bridge 17 - Bartley Terrace Southern Overpass | Design for widening of Bartley Terrace Southern Overpass in preparation for construction in 2018/2019 as part of the construction of Stage 3 of Bartley Terrace Streetscape Project. | Upgrade | - | 25,000 | 25,000 |
| PBB-0000378 | Expand Desktop Virtualisation | Purchase of Virtualised Desktop Infrastructure (VDI) server infrastructure and licencing costs to run VDI PC's. This project supports the PC renewal program. This budget bid is to expand the VDI network, removing existing unsupported technologies and expanding the existing server based hardware and software to support | Upgrade | - | 125,000 | 125,000 |

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| | | the VDI expansion. | | | | |
| PBB-00000384 | Road Safety - Installation of 40 km/h Speed Limits | <p>Installation of 40 km/h speed zones in various areas to follow on from 40 km/h speed limit installation in 2016/17. Areas planned for consultation and installation include:</p> <p>Area 1 - Allenby Gardens South, bounded by Grange Road, Holbrooks Road and Frederick Street</p> <p>Area 2 - Findon, bounded by Trimmer Parade, Findon Road, Grange Road and Tapleys Hill Road</p> <p>Area 3 - Seaton south, bounded by Grange Road, Frederick Road, Trimmer Parade and Tapleys Hill Road</p> <p>Area 4 - Seaton North, bounded by Tapleys Hill Road, West Lakes Boulevard and Clark Terrace</p> <p>Area 5 - Cheltenham North, bounded by Torrens Road, Cheltenham Parade, Buller Terrace and Durham Terrace (not including Durham Terrace)</p> <p>Area 6 - Cheltenham South, bounded by Port Road, Brougham Place/Earle Avenue, Railway</p> | New | - | 90,000 | 90,000 |

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| | | <p>Terrace/Tewkesbury Street and Cheltenham Parade</p> <p>Area 7 - Woodville South and Beverley. Area bounded by Findon Road, Port Road, East Avenue and Grange Road (not including Crittenden Road). This area will be broken into manageable consultation areas based on distributor roads</p> <p>The 40 km/h installation would be on Council controlled roads only, and does not include any arterial roads.</p> | | | | |
| PBB-00000391 | Installation of Coastal Signage | <p>In 2015/16 an internal Coastal Signage Framework was developed incorporating recommendations from the Surf Life Saving SA Aquatic Safety and Risk Assessment Audit, which was undertaken along the Charles Sturt coastline. The framework includes a suite of signs to ensure compliance with the audit recommendations. Replacement signage, additional signs and updated regulatory requirements are included in the Framework.</p> | New | - | 30,000 | 30,000 |

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| PBB-0000392 | Bowden One-Way Street System - Implementation | Implementation of the Bowden One-way Street System in area bounded by Hawker Street, Drayton Street, Eighth Street and Trembath Street. Works include installation of signage, pavement marking and physical traffic control devices. | New | - | 75,000 | 75,000 |
| PBB-0000393 | Pedestrian and Outdoor Dining Safety Improvements - Main Street, Henley Beach | Installation of bollards along the kerbside adjacent Seaview Road preventing any vehicles from turning left into Main Street, Henley Beach | New | - | 15,000 | 15,000 |
| PBB-0000400 | Port Road Drainage - Stage 2 - 2017/18 | This project is continuation of the Old Port Road storm water upgrade that was completed as part of Water proofing the West project. The purpose of the project is to mitigate storm water flooding in part of suburbs of Cheltenham, Albert Park, Woodville West, Woodville South and Woodville along Port Road. Once completed the project will improve to a great extent flood mitigation around the QEH and Civic Centre. | Upgrade | 7,700,000 | 16,200,000 | 8,500,000 |

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| <p>PBB-0000401</p> | <p>Port Road Drainage - Stage 3 Design - 2017/18</p> | <p>This project is the continuation of the Port Road Drainage Upgrades. The purpose of this project is to mitigate storm water flooding along the corridor and surrounding suburbs. The design of stage 3 now will allow the construction to continue following the completion of stage 2 currently on site.</p> <p>Stage 3 runs from Park Street South, Woodville to Jane Street (Glass Company).</p> <p>Stage 4 runs from Jane Street to Minnie Street/Arlington Terrace.</p> | <p>Upgrade</p> | <p>250,000</p> | <p>500,000</p> | <p>250,000</p> |
| <p>PBB-0000403</p> | <p>Road Safety Improvements - Lancaster Avenue, Fulham Gardens</p> | <p>Council has received a number of complaints on Lancaster Avenue regarding driver behaviour and rat-running between Marlborough Street and Tapleys Hill Road. Council staff reviewed traffic counts undertaken on Lancaster Avenue, and identified weekday traffic volumes exceeding the desirable conditions for a local street, and 85th percentile speeds (being the speed that 85% of drivers are travelling at or below) approaching levels where intervention should</p> | <p>New</p> | <p>-</p> | <p>20,000</p> | <p>20,000</p> |

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| | | <p>be considered. Council staff propose to consult and design on treatments in 2017/18, with installation of treatments planned for a budget bid application in 2018/19.</p> <p>Consultation will include working with Henley and Seaton High Schools to empower students to identify the negative driving behaviour and identify positive changes that can be made in their community.</p> | | | | |
| PBB-00000405 | St Clair Recreation Centre Precinct Upgrade 2017-2018 | <p>St Clair Recreation Centre Precinct Upgrade 2017-2018 - Year 1</p> <p>Upgrade of St Clair Recreation Precinct including recreation centre upgrade, improvements to car parking facilities, upgrade of passive recreation spaces which incorporates new skatepark and new regional play space (as identified within the Woodville Village Master Plan and revised Open Space Strategy), Renewal/upgrade to 14 tennis courts and sportsground reconfiguration.</p> <p>Total Project cost: Recreation Centre and surrounds</p> | Upgrade | 12,838,000 | 18,114,000 | 5,276,000 |

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| | | <p>\$25.77m; \$12.932m for council contribution \$12.838m Other contribution including asset sales</p> <p>2017/18 Asset renewal Building, tennis courts/Open Space /Upgrade/Sportsfield reconfiguration design \$18.114m</p> <p>Income: State Government Funding : \$7.5m secured Other Funding incl asset sales \$5.338m</p> <p>2018/19 Asset Renewal Building, carpark, Brocas Ave Road/carpark & rock retaining wall, Open Space / reconfiguration design \$6.656m</p> <p>2019/20 Sportsground reconfiguration \$1.0m</p> | | | | |
| PBB-0000410 | New Paths Program 2017/18 | To Construct New Paths at locations requested by residents and prioritised by staff | New | - | 200,000 | 200,000 |
| PBB-0000413 | Port Road Streetscape Improvement | Landscape works to support the civil works associated with the proposed drainage upgrades along Port Road from Old Port Road to Woodville Road. | New | - | 1,675,500 | 1,675,500 |

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| PBB-0000414 | 2017/18 AMP Playground Integration | Ensure playground Asset Management Plan renewals are considered within the context of the reserve and the Open Space Strategy addressing integration issues within existing site where master plans do not exist. Scope includes the concept design, irrigation modifications, turf repair and incorporation of nature play principles; earth works/mounding, mature tree plantings, rocks/logs. Focus of Integration will be on the incorporation of nature play principles. Reserves included: Bunker Reserve, Dampier Reserve, Mooloola Reserve, Parfit Square, Rowley Park, Valentine Reserve. | Upgrade | - | 90,000 | 90,000 |
| PBB-0000421 | Croydon Station South - Streetscape Project | <ul style="list-style-type: none"> - Construction of a new sealed footpath on the northern side of Euston Terrace, linking the steps at the eastern entrance to the outbound station platform to the Queen Street footpath. - Planting of the verge adjacent the new path. - Placemaking activities | New | - | 15,000 | 15,000 |

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|-------------|---|---|---------|---|--------|--------|
| PBB-0000422 | Croydon Avenue and Garnet Street - Reserve and Streetscape Project - Stage 1 Design | Detailed design for Stage 1 of the Croydon Avenue and Garnet Street - Reserve and Streetscape Project (previously titled 'Croydon Link Masterplan'). Consultation and concept design for the Croydon Avenue and Garnet Street - Reserve and Streetscape Project is being undertaken in 2016/17. | Upgrade | - | 15,000 | 15,000 |
| PBB-0000424 | Backup Electrical Generator - Beverley Centre and Relief Centres | The project is for the purchase and installation of an electrical generator including existing switchboard alterations at the Beverley Centre The recent storm events demonstrated the vulnerabilities of Council properties at defined sites including the Beverley Centre This project is for the purchase of a generator to ensure the Beverley Centre is operational during a power outage. This generator will be interchangeable between identified emergency relief centres and stormwater pump stations during emergencies to mitigate flood inundation | New | - | 50,000 | 50,000 |
| PBB-0000425 | Open Space Water and Irrigation Strategy Implementation | Implementation of recommendations and outcomes of the Open Space Water and Irrigation Strategy | Upgrade | - | 58,000 | 58,000 |

| | | | | | | |
|--------------|--|--|---------|-----------|-----------|-----------|
| PBB-00000429 | Coast Park Fencing - South Street to Gilmore Road Henley Beach | Erect fencing adjacent to the Henley South Coast Park to improve beach user safety, prevent dune damage and sand blow outs resulting from informal access paths created by foot traffic and illegal access through the dunes directly from car parks. | New | - | 75,000 | 75,000 |
| PBB-00000433 | Coast Park Construction- Third Avenue to Terminus Street - Stage 2 | Completion of final stage of Coast Park | New | 1,250,000 | 2,500,000 | 1,250,000 |
| PBB-00000435 | Henley Memorial Oval Master Plan | Development of master plan for Henley Memorial Oval Reserve to guide future capital and asset renewal expenditure. | Upgrade | - | 25,000 | 25,000 |
| PBB-00000439 | SAPN Street Light LED lamp replacement program | This budget bid allocation will facilitate transitioning SA Power Networks (SAPN) street lighting assets to LED (Light Emitting Diode) technology. The business case for this project identifies significant energy and SAPN tariff cost savings and constitutes the largest greenhouse gas reduction opportunity for Council. The project plan identifies a four year roll out of LED lights across the City (including the resolution of issues arising from compliance mapping) and project | Upgrade | - | 735,740 | 735,740 |

| | | | | | | |
|--------------|---|--|---------|---|---------|---------|
| | | <p>management capacity.</p> <p>Also includes new and upgraded lights identified by customer requests including Veronica Lane, Margaret Street Lane, Nelson Avenue, Cooke Street Findon and other customer requests identified throughout the year.</p> | | | | |
| PBB-00000457 | Rowing Course Reserves - Stage 4 : Scullers Reserve | Upgrade of Scullers Reserve, West Lakes. | Upgrade | - | 260,000 | 260,000 |
| PBB-00000468 | Aquatic Reserve West Lakes Shore Reserve Furniture | To supply and install new park furniture to cater for four large community groups which are very active throughout the Aquatic Reserve complex, including the BMX track. This area does not have secure shade areas or bench seating located near by. | New | - | 68,000 | 68,000 |
| PBB-00000473 | Parkway Reserve Playground and Irrigation Upgrade | To install a new playground and irrigation system in this large Reserve so that greater use of the open space can be made by parents and grandparents living nearby. In particular resident grandparents advise that Collins Reserve is too far away to take small children especially with the traffic on Valetta Road. Similarly, Glenwood Crescent is too far away also. A playground would | New | - | 183,000 | 183,000 |

| | | | | | | |
|--------------|--|---|---------|---|--------|--------|
| | | attract a greater use of this Reserve and improved family participation in outdoor activity. | | | | |
| PBB-00000480 | Carnegie Reserve - Reserve Clubroom Wet Area Upgrade 2017/2018 | Wet area upgrade at the Carnegie Reserve Clubrooms - The existing change rooms do not meet the needs of players and members of the club - Councillor request 17/33569 | Upgrade | - | 90,000 | 90,000 |
| PBB-00000489 | Maple Avenue - Footpath Maze | Installation of new fencing and new concrete pad on the two existing footpaths at the cul-de-sac of Maple Avenue, towards George Street, in Royal Park to create a maze which aims to provide physical barriers to deter motorcyclists from cutting through the existing footpath thus accessing the cul-de-sac. | Upgrade | - | 20,000 | 20,000 |
| PBB-00000490 | Disabled Access Shower and Toilet Facility - Henley Square 2017/2018 | Year 1 - \$20,000.00 - Design and Documentation for a new Disabled access shower, change and toilet facility at Henley Square, This bid is a result of a need which was identified by participants of an access beach trail/ fun day in February 2017. The work includes a change table, lifter, wash down facilities and a curtain for dignity. Year 2 - Cost of construction if not yet known but will be advised on completion of design | New | - | 20,000 | 20,000 |

| | | | | | | |
|--------------|---|--|---------|---|---------|---------|
| | | and investigations | | | | |
| PBB-00000491 | New Park Infrastructure Requests 2017/18 | To accommodate community requests for new park infrastructure ie: seats, bins, drinking fountains. A list of community requests is kept throughout the year, and then actioned in the following financial year, subject to budget. | New | - | 20,000 | 20,000 |
| PBB-00000493 | Port Road Drainage - May Street Lateral Upgrade | <p>The May Street lateral drain is a critical component of the Port Road Stormwater Upgrade Project.</p> <p>Scope of this project within 2017/18 is to carry out detailed design and hydraulic modelling of the May Street lateral upgrade and procure a contractor for construction. Future years budgets are for the Construction of this lateral, as well as other lateral upgrades coming off of the Port Road Drainage - Stage 2.</p> <p>2017/2018 - Design and commence construction of May Street Lateral drain including rail corridor works at Jervois Street.</p> <p>2018/2019 - Complete construction of May Street lateral and Design Clovelly lateral</p> <p>2019/2020 – Construct Clovelly</p> | Upgrade | - | 200,000 | 200,000 |

| | | | | | | |
|--------------|--|---|-----|---|--------|--------|
| | | lateral, investigate and Design Stroud St and other Laterals 2020/2021 – Construct Stroud St / other laterals | | | | |
| PBB-00000495 | Bicycle Parking, Access and Linemarking Improvements | Improvements and upgrades to bicycle parking facilities, bicycle links and line marking in various areas throughout the City of Charles Sturt. This will include more secure parking facilities at public transport locations and public attractions, and construction of bicycle links through road closures in the Bowden and Brompton area pending detailed design. Upgrades to line-marking and way-finding along the Outer Harbour Greenway will also be delivered as part of this budget. | New | - | 61,000 | 61,000 |

Summary of the total capital program:

| | Income | Expenditure | Net |
|-----------------------------------|-------------------|-------------------|-------------------|
| Renewal of existing assets | 1,600,000 | 26,121,398 | 24,521,398 |
| Sale of replaced assets | 765,995 | 3,914,022 | 3,148,027 |
| New/Upgrade assets | 23,773,000 | 48,694,970 | 24,921,970 |
| TOTAL | 26,138,995 | 78,730,390 | 52,591,395 |

8. How Does Council Propose to Fund its Programs?

Rates provide the main source of income for Council to fund its operations and infrastructure requirements. Other sources of revenue include:

Statutory Charges

Statutory Charges relate mainly to fees and fines levied in accordance with legislation and include development application fees, animal registrations, health act registrations and parking fines.

User Charges

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for the use of Council facilities, library charges for photocopying, Section 7 searches and fees for the operation of Council's Waste Management Facility at Toogood Avenue, Beverly.

Grants

Grants include monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers and contributions from other parties towards property development costs.

Investment Income

Investment income includes interest on investments.

Reimbursements

This includes income from recouping specific costs of Council activities and private works.

Other Income

Other income relates to a range of unclassified items that do not fit within the main income categories.

Amounts specifically for new and upgraded assets

These amounts include grants from State, Federal and community sources for the specific purpose of funding new or upgraded assets.

Borrowings

In addition to these other sources of operating revenue, borrowings are also used to finance council's capital works and infrastructure programs especially for significant major new or upgrade projects.

Loan borrowings are considered an important source of financing for asset acquisition and renewal. Ideally infrastructure backlog should be financed in the short term by an increase in debt to be repaid as soon as possible by current ratepayers. New capital expenditure should be financed by a long term increase in the volume of debt with the current generation only meeting interest payments on that debt.

Summary

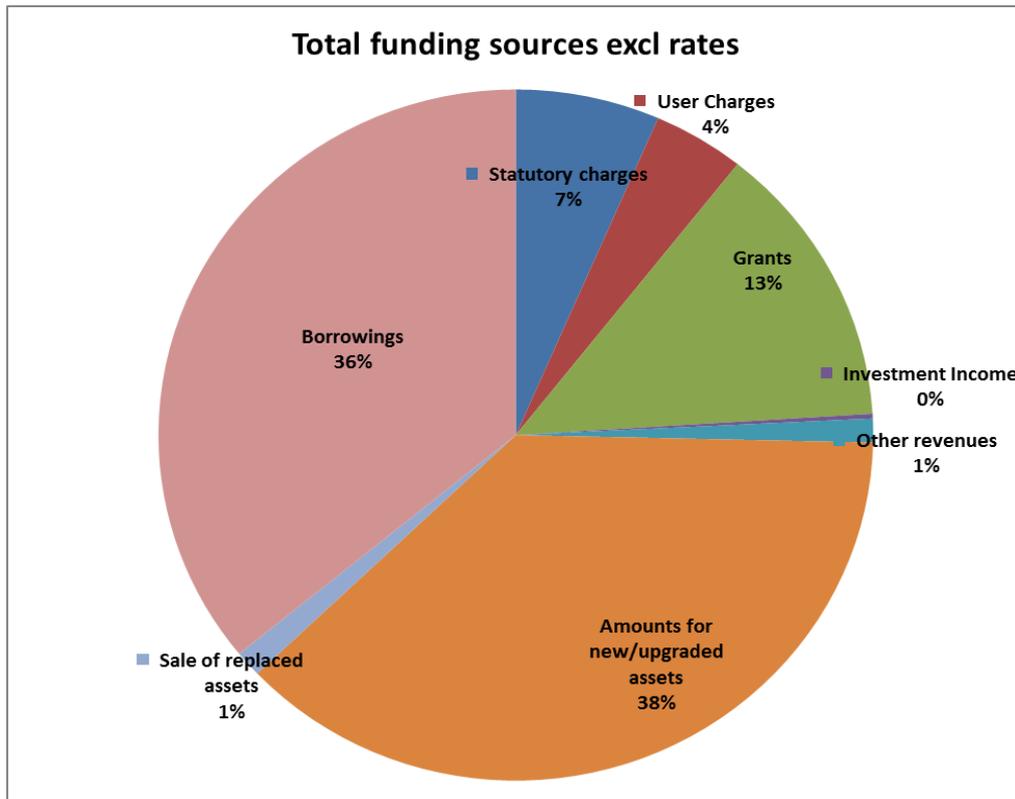
Overall for 2017/18 net rates income is \$103,391,900 (rates levied after deducting rebates, remissions and including rates interest and NRM levy). Other operating income sources is \$14,399,500 which primarily includes User charges (\$2,612,700), Statutory fees charges (\$4,129,600), Operating grants (\$6,819,900) and Other revenues including Investment income of \$837,300.

Revenues associated with the total capital works program include \$26,138,995 which comprises \$1,600,000 in Operating grants and \$23,773,000 for Amounts for New/Upgraded assets and \$765,995 is forecast from the Sale of Plant and Replaced Vehicles.

Revenues associated with annual operating initiatives include \$52,500 comprising \$7,000 in User charges, \$42,500 in Operating grants and \$3,000 in Other Revenues.

\$22,745,000 is forecast for new borrowings offset by forecast repayments of \$837,000 for a net movement of \$21,908,000 which will be used in conjunction with external funding to deliver the new/upgrade capital program.

| Total Funding sources | "000" |
|---------------------------------|------------------|
| Rates | \$103,392 |
| Statutory charges | \$4,130 |
| User Charges | \$2,620 |
| Operating Grants | \$8,462 |
| Investment Income | \$140 |
| Other revenues | \$700 |
| Amounts for new/upgraded assets | \$23,773 |
| Sale of replaced assets | \$766 |
| Borrowings | \$22,745 |
| Total | \$166,728 |



9. Corporate Budget 2017/18

9.1 Budget Context

Under section 123 of the Local Government Act 1999 each Council must have a budget for each financial year. Pursuant to section 123 (10)(b) of the Act, each budget must include an budgeted statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and uniform presentation of finances (summary of operating and capital investment activities).

This section examines the budget 2017/18 with the previously endorsed budget for 2016/17 for the following statements.

- Operating Budget (Statement of Comprehensive Income) - *Refer Section 10*
- Budgeted Cash Position (Cash Flow Statement) – *refer Section 11*
- Budgeted Financial Position (Balance Sheet) – *Refer Section 12*

(Note: Although the analysis makes comparisons with the original endorsed budget for 2016/17 a revised forecast balance sheet and budget for 2016/17 has been used and reflected in Council approved budget reviews over the year to analyse performance. The impact of potential revaluations is not included in any forecasts).

9.2 Significant Influences

9.2.1 External Influences

In preparing the 2017/18 budget a number of external influences have been taken into account because they are likely to impact significantly on the cost of services delivered by Council in the budget period. These include:

- The Consumer Price Index (CPI) All Groups Adelaide increase on goods and services of 2.0% for the 12 months ending 31 March 2017
- Forecast CPI using predictive information from Access Economics for the year ended June 2017 of 1.9%
- Local Government Price Index for the 12 months ending 31 March 2017 of 2.1% against a CPI for the same period for Adelaide of 2.0%
- The impact of the economy on interest rates for the current loan portfolio and on interest earned on average cash balances

- Legislation granting mandatory rate rebates for housing associations (75% for 2016/17) and continued migration of housing stock from the State Govt. to housing associations thus triggering these rebates
- Reduction in payment of Roads to Recovery funding following a one off double payment in 2016/17
- Increase in electricity costs impacting public lighting charges
- Continued Non renewal by the Australian Government of Supplementary Local Road Funding Program, which provided additional funding to South Australia in recognition of the inequitable share of the Identified Local Road Grants
- Increase in waste levy from \$62 to \$87 per tonne.
- Reduction in fuel prices

9.2.2 Internal Influences

As well as the external influences there were also a number of internal influences arising from the 2016/17 year which have had a significant impact on the setting of the recurrent budget for 2017/18. These include:

- The impact on salary and wage costs of potential Enterprise Bargaining Agreements (EBAs) for staff covered by the ASU and AWU
- Impact of paid maternity/paternity leave
- Council's decision to ensure maintenance of an operating break even position and ongoing financial sustainability
- Council's commitment to water business unit and water reuse strategies
- Increased IS services which have an ongoing maintenance commitment
- New Brompton/ Bowden Community centre operations and resourcing to generate greater usage of Woodville Town Hall
- Additional staff approved through adopted annual operating projects 2016/17.
- Renegotiation of Council's waste contract and revised pricing for sale of recyclables

Council has adopted a number of *Budget Principles* which underpin the approach to the budget development process - refer [Attachment A, Schedule C](#).

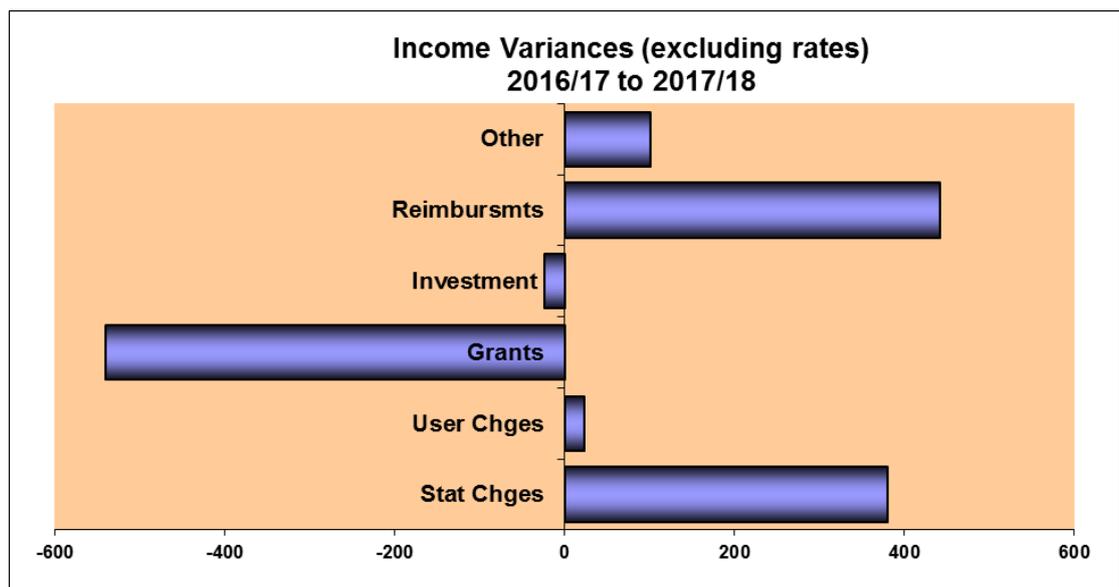
Budget guidelines were also distributed to all Council officers with budget responsibilities. These guidelines set out the principles upon which the officers were to prepare the budgets. These principles include:

- existing fees and charges to be increased in line with the revised fees and charges in Council's Fees & Charges Register. Fees and charges set by regulation to be increased in line with forecast CPI
- grants to be based on confirmed funding levels only
- service levels to be maintained at 2016/17 levels with the aim of using innovation and efficiency to further reduce costs (unless separate approval granted by Council)
- all new staffing proposals to be justified through a business case
- new initiatives or projects which are not cost neutral to be justified through a business case and included as an operating project
- All items of expenditure and income requested to be justified in complete detail by each budget manager starting from a zero-base rather than using the previous year budget as a starting point
- real savings in expenditure and increases in revenue identified in 2016/17 to be preserved, and
- operating revenues and expenses arising from completed 2016/17 capital projects are to be included.

10. Operating Budget Analysis

10.1 Operating Revenue

| | Budget 2016/17 \$'000 | Budget 2017/18 \$'000 | Variance (decrease) \$'000 |
|--------------------------------|-----------------------------|-----------------------------|----------------------------------|
| Rates | 100,448 | 103,392 | 2,944 |
| Statutory Changes | 3,750 | 4,130 | 380 |
| User Charges | 2,597 | 2,620 | 23 |
| Grants | 9,002 | 8,462 | (540) |
| Investment Income | 164 | 140 | (24) |
| Reimbursements | 109 | 551 | 442 |
| Other Income | 48 | 149 | 101 |
| Total Operating Revenue | 116,118 | 119,444 | 3,326 |



10.1.1 Rates (\$2,944,100 increase)

It is expected that the total rate income levied will increase by 2.0% plus forecast growth of 1.6% or \$3.586m over 2016/17. The Natural Resources Management (NRM) levy collected by councils on behalf of the regional Natural Resources Management Board, will increase by 6.5% or \$161.7k over the budgeted estimates from 2016/17 following advice received from the NRM Board on amounts to be levied for 2017/18. Council rebates based on the current suite of Charles Sturt specific rebates and those legislated for community land are expected to increase by \$807.8k which includes allowance for the continued migration of approximately 1,170 SA Housing

Trust properties into housing associations for which a 75% mandatory rebate is granted at an additional cost of \$740k. Rates fines and interest including legal costs recovered are expected to decrease by \$25k with improved success in debt collection efforts as evidenced by the trend in 2016/17.

Section 13. *What Does This Mean for Rates?* Includes a more detailed analysis of the rates and charges to be levied for 2017/18.

10.1.2 Statutory Charges (\$379,500 increase)

Statutory charges relate mainly to fees and fines levied in accordance with legislation and include development application fees, animal registrations, Health Act registrations and parking fines. Increases in statutory fees are made in accordance with legislative requirements.

Overall, statutory fees are forecast to increase by 10.1% with an expected increase in parking fines and expiations of \$187k based on similar activity to 2016/17 and allowance for the recent installation of meters/sensors at Henley. Dog registrations based on our current dog data base and pricing for 2017/18 are expected to increase by \$99.7k and Development fees and Permits by a total of \$90k based on similar activity to 2016/17. Note the increase in Development fees includes an amount that is expected to be paid to the Minister for DAC fees.

10.1.3 User Charges (\$22,200 increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for the use of Council's facilities, library charges for photocopying, Section 7 searches and fees for the operation of Council's Waste Management facility at Toogood Avenue, Beverley.

User Charges are projected to increase by 0.9% on 2016/17 budget estimates and are based on the fees and charges endorsed by Council and increased use/activity in some areas. The Fees and Charges Register can be inspected at the Council offices or on Council's website.

Increases are forecast for a total of \$58.9k across a range of activities for section 7 searches, waste management fees and aged facilities rental based on trends in income from 2016/17. This is offset by a reduction of \$30.5k in the growth of water meter connections due to an expected reduction in new entrants to the market.

10.1.4 Grants (\$539,600 decrease)

Grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers.

Overall the level of grants is expected to decrease by 6% or \$539.6k on 2016/17 Budget estimates.

The Financial Assistance Grant (FAG) and Urban Local Road funding has a freeze on overall funding for 3 years with expectation of a restoration of indexation in 2017/18. There is a reduction of \$1.95m for the Roads to Recovery grant for renewal capital works following an increase in 2016/17 as advised by the Federal Government. The change in grant has a commensurate reduction in expenditure on road projects for renewal in 2017/18. Offset against this is increases in library funding of \$23.4k, \$77k for the meningococcal immunisation program for which there is associated expenditure and a net increase of \$1.4m in capital renewal grants which in 2017/18 is to fund an increase in footpaths works - Pathways to Prosperity and the Rebuild of the Rockwall.

The following table summarises the significant movements in budgeted grant funding between 2016/17 and 2017/18.

| | Budget 2016/17 \$'000 | Budget 2017/18 \$'000 | Variance (decrease) \$'000 |
|------------------------------------|--------------------------------------|--------------------------------------|---|
| State Grants | | | |
| Financial Assistance Grants (FAG) | 2,278.0 | 2,275.1 | (2.9) |
| Home And Community Care (HACC) | 78.0 | 79.0 | 1.0 |
| Immunisation | 65.4 | 68.3 | 2.9 |
| Meningococcal | 0.0 | 77.0 | 77.0 |
| Urban Local Road (ULR) | 1,150.0 | 1,150.0 | 0.0 |
| Median Maintenance | 61.5 | 65.0 | 3.5 |
| PLAIN Library | 785.6 | 809.0 | 23.4 |
| Pest Control | 5.0 | 5.0 | 0.0 |
| OPAL | 25 | 0 | (25.0) |
| Bridge renewal Port Road underpass | 75 | 0 | (75.0) |
| Road Safety control Renewals | 125 | 0 | (125.0) |
| Sand Drift fencing (AOP) | 25 | 0 | (25.0) |
| Small business funding (AOP) | 10 | 0 | (10.0) |
| Public transport Strategy (AOP) | 0.0 | 17.5 | 17.5 |
| Tennyson rain garden | 0.0 | 25.0 | 25.0 |

| | Budget 2016/17 \$'000 | Budget 2017/18 \$'000 | Variance (decrease) \$'000 |
|---|--------------------------------------|--------------------------------------|---|
| Capital project Renewal funding for Pathways to Prosperity | 0.0 | 200.0 | 200.0 |
| Capital project renewal funding for Rebuild of Rockwall | 0.00 | 1,400.0 | 1,400.0 |
| SUB TOTAL | 4,683.5 | 6,170.9 | 1,487.4 |
| Commonwealth Grants | | | |
| Community Visitor Scheme | 54.0 | 55.0 | 1.0 |
| Immunisation | 14.4 | 16.0 | 1.6 |
| Roads to Recovery | 2,800.2 | 845.0 | (1,955.2) |
| HACC | 1,374.9 | 1,375.5 | 0.6 |
| <i>Tourism initiatives (AOP)</i> | 20.0 | 0.0 | (20.0) |
| <i>Community green buildings (AOP)</i> | 55.0 | 0.0 | (55.0) |
| SUB TOTAL | 4,318.5 | 2,291.5 | (2,027.0) |
| Total | 9,002.0 | 8,462.4 | (539.6) |

10.1.5 Investment Income (\$24,000 decrease)

Investment income includes interest on investments and rates in arrears. Interest on investments is forecast to decrease by \$24k or 15% based on forecast cash balances during 2017/18 following a determination of Council's average cash position against a forecast interest rate on earnings of approximately 1.5%.

10.1.6 Reimbursements (\$442,200 increase)

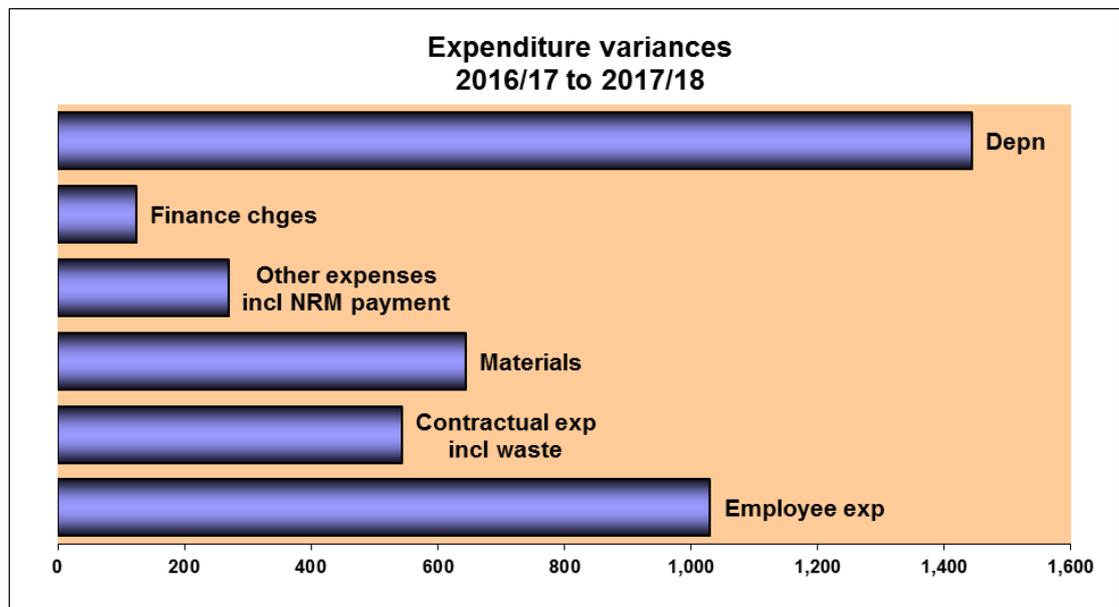
This includes income from recouping specific costs of Council activities and private works. Reimbursement income is expected to increase by 405.3% or \$442.2k largely due to the impact of the renegotiation of Council's waste contract. This includes a \$350k contribution following extension of the contract. \$106k is recognised for the on charge of insurance for use of council facilities, previously unbudgeted.

10.1.7 Other revenues (\$101,000 increase)

Other Income relates to a range of unclassified items that do not fit within the main income categories. Other Income is forecast to increase by 561% or \$101k largely due to forecast increase in sale of recyclables under the new waste contract of \$104k.

10.2 Operating Expenditure

| | Budget 2016/17 \$'000 | Budget 2017/18 \$'000 | Variance (decrease) \$'000 |
|---------------------------------|-----------------------------|-----------------------------|----------------------------------|
| Employee Expenses | 40,356 | 41,386 | 1,030 |
| Materials, Contracts, Other | 42,957 | 43,775 | 818 |
| Finance Charges | 1,770 | 2,000 | 230 |
| Depreciation | 27,580 | 29,139 | 1,559 |
| Total Operating Expenses | 112,663 | 116,300 | 3,637 |



10.2.1 Employee Expenses (\$1,030,162 increase)

Employee expenses include all labour related expenditure such as wages & salaries and on-costs such as allowances, leave entitlements, employee superannuation, rostered days off etc.

Employee costs are based on the current FTE establishment, including 16.26 FTE in grant funded positions and allowance for additional positions adopted as part of the budget 2016/17 from annual operating projects. Employee costs are forecast to increase by 2.6% or \$1.03m compared to 2016/17 budget due to EB wages increase of 2%, increments and allowance for items such as parental leave, long service leave and superannuation.

10.2.2 Materials, Contracts and Other Expenses (\$817,683 increase)

This category of expenditure includes expenditure on Materials, Contractual services and Other expenditure classifications.

“Materials” includes items such as electricity, water, fuel, library books and printing and stationary costs.

“Contracts” relates mainly to the provision of Council services by external providers and include items such as agency costs, waste collection, contractors, rents, leases and repairs and maintenance.

“Other Expenses” relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations, payment of the NRM levy and other miscellaneous expenditure.

Materials, Contractors and Other expenses are expected to increase by \$817k or 1.9%.

The major increases in Contractual expenditure are due to increases in contractors for Property department of \$280k based on previous trends in expenditure, \$73k to accommodate the increase in price of hooklifts, \$669k for the net increase in the zero waste levy from \$62 to \$87 per tonne, \$140k for the increase in IT licences as a result of new software installed such as Technology One modules, water reporting and \$62k for property maintenance costs. These increases are offset by a reduction of \$270k for recyclables (under the new contract we generate income).

Material costs are forecast to decrease largely due to savings on water of \$211k based on expected usage, fuel of \$222k and minor equipment purchases in Fleet of \$61k based on a similar spending trend from 2016/17. These are offset by an increase in electricity including for public lighting of \$445k based on anticipated pricing increases and \$67k for mulch for which we generate income under the new waste contract.

Increases in Other Expenses include the \$162k from the payment of the NRM levy which is collected by Council on behalf of the NRM Board, \$30k for Fencing Act contributions and \$16k for fees paid to the Minister including DAC based on current trends (note Development income has been increased to offset). These costs are offset by \$124k in expected savings in communication.

The decrease in total annual operating projects adopted for 2017/18 as compared to 2016/17 also contributes approximately \$262.2k in reduced expenditure over the 2016/17 budget across Material, Contractual and Other expense categories.

10.2.3 Finance Charges (\$230,000 increase)

Finance charges relate to interest charged by financial institutions on borrowed funds. Borrowing costs have been based Council’s expected loan portfolio including Council’s increased capital new/upgrade program for 2017/18.

10.2.4 Depreciation (\$1,558,600 increase)

Depreciation recognises the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains, over the life of the assets. Estimates for depreciation have been recast taking account of infrastructure revaluations as at June 2016 and capitalisation forecasts including the change in accounting standards for the change in the definition of residual values and impact on road componentisation.

11. Analysis of Cash Position

This section of the report provides an analysis of the expected cash flows for the 2016/17 year. The analysis is based on 3 main categories of cash flow. In summary these are:

- **Operating Activities** – these activities refer to the cash generated or used in the normal service delivery functions of Council.
- **Investing Activities** – these activities refer to cash generated or used to enhance or create infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property, equipment etc.
- **Financing Activities** – these activities refer to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of borrowings.

The significance of budgeting cash flows for Council is that it is a key factor in setting the level of rates each year.

11.1 Budgeted Cashflow Statement

| | Budget 2016/17 \$'000 | Budget 2017/18 \$'000 | Variance (Outflow) \$'000 |
|---|-----------------------------|-----------------------------|---------------------------------|
| <i>Operating Activities</i> | | | |
| Receipts | 116,118 | 119,444 | 3,326 |
| Payments | 85,083 | 87,161 | 2,078 |
| Net cash inflow (outflow) | 31,035 | 32,283 | 1,248 |
| | | | |
| <i>Financing Activities</i> | | | |
| Receipts | 6,700 | 22,745 | 16,045 |
| Payments | 840 | 837 | (3) |
| Net cash inflow (outflow) | 5,860 | 21,908 | 16,042 |
| | | | |
| <i>Investing Activities</i> | | | |
| Receipts | 5,253 | 24,539 | 19,286 |
| Payments | 42,066 | 78,730 | 36,664 |
| Net cash inflow (outflow) | (36,813) | (54,191) | (17,378) |
| | | | |
| Net Increase (decrease) in cash held | 82 | 0 | (82) |
| Cash at beginning of year | 2,100 | 636 | (1,464) |
| Cash at end of year | 2,182 | 636 | (1,546) |
| | | | |

11.1.1 Operating Activities (\$1.248m increase)

The increase in cash outflows from operating activities is \$1.248m. This largely reinforces the council's operating position and council's strategy to ensure operating revenues are adequate to fund council's operating activities with any surplus including grant funds tied to capital renewal works projects which in 2017/18 includes \$1.6m to fund the Rebuild of the Rockwall and Pathways to Prosperity projects.

11.1.2 Financing Activities (\$16.042m increase)

Financing activities includes the principal component of loan repayments for the year and new loans required. The increase in financing activities is due to the borrowings required to fund the increase in new/upgraded capital projects in 2017/18 including Port Road Drainage, St Clair Recreation centre and Coast Park projects as opposed to funding through rates increases to be paid over the life of those new assets.

11.1.3 Investing Activities (\$17.378m increase)

Investment in capital projects for the City has increased in 2017/18 with an increased program for new/upgrade and renewal capital works based on adopted asset management plans plus significant projects such as St Clair Recreation centre upgrade, Rebuild of Rockwall, Port Road Drainage and continuation of the Pathways to Prosperity footpath program

11.1.4 Cash at End of the Year (\$1.546m decrease)

Overall, cash at year end is forecast to decrease by \$1.546m as at 30 June 2018 with surplus cash from unused tied funding in 2016/17 used to complete associated capital works.

12. Analysis of Budgeted Financial Position

This section of the budget report provides an analysis of the anticipated movements in assets, liability and equity between the adopted budget 2016/17 and forecast budget for 2017/18.

12.1 Budgeted Statement of Financial Position

| | Budget 2016/17 \$'000 | Budget 2017/18 \$'000 | Variance \$'000 |
|--------------------------|-----------------------------|-----------------------------|--------------------|
| Assets | 10,147 | 7,272 | (2,875) |
| Non current assets | 1,134,943 | 1,170,167 | 35,224 |
| Total assets | 1,145,090 | 1,177,439 | 32,349 |
| Liabilities | 29,960 | 34,946 | 4,986 |
| Non current liabilities | 37,010 | 39,593 | 2,583 |
| Total Liabilities | 66,970 | 74,539 | 7,569 |
| Net assets | 1,078,120 | 1,102,900 | 24,780 |
| Equity | | | |
| Accumulated surplus | 447,492 | 477,145 | 29,653 |
| Reserves | 630,628 | 625,755 | (4,873) |
| Total Equity | 1,078,120 | 1,102,900 | 24,780 |

12.1.1 Current Assets (\$2.875m decrease)

The decrease in current assets on budget estimates for 2017/18 is mainly due to the expected decrease in cash position at year end and improvement in outstanding debtors including rates.

12.1.2 Non current assets (\$35.224m increase)

The increase in non current assets is the net result of the forecast capital works program and impact of revaluation of stormwater assets from June 2016.

12.1.3 Current Liabilities (\$4.986m increase)

Current liabilities, that is the obligations Council must pay within the next year, is forecast to increase on the 2016/17 forecast by \$4.986m largely due to expected increase in creditors and unused tied grants with timing of capital works for significant projects which span multiple years.

12.1.4 Non Current Liabilities (\$2.583m increase)

Non current liabilities, that is the obligations Council must pay beyond the next year, is forecast to increase by \$2.583m. The increase largely reflects the increase in expected loans for the 2017/18 program noting that the forecast for loans for June 2017 with incomplete capital projects is less than initial projections.

12.1.5 Equity (\$19.307m increase)

The increase in equity is the result of the capitalisation of assets expenditure, revaluations June 2016 and forecast net surplus results.

13. What Does This Mean for Rates?

Rates are Council's main source of income to deliver the services and maintain the infrastructure required by our community.

In the community there is always pressure to provide more services but it is important that this is balanced against the community's ability to pay today and into the future.

Rates are a form of property taxation and property values play an important part in determining how much each individual ratepayer contributes. As it is a system of taxation the rates paid may not directly relate to the services used by each ratepayer. Generally it is assumed the higher the value of the property relative to others in the community the higher the rates paid.

Local Government rates are based on:

- The value of the property
- A rate (in the dollar).

Under the Local Government Act 1999 councils may use one of three valuation methodologies:

- **Capital value** - value of land and all improvements
- **Site value** - value of land and any improvements which permanently affect the amenity of use of the land, such as drainage works but excluding value of buildings and other improvements, or
- **Annual value** - valuation of the rental potential of the property.

The City of Charles Sturt, as with most other metropolitan councils, uses **Capital value**. This is because it is a well understood concept and most of us can relate fairly easily to the market value of our property.

In applying the principles of any taxation it is important that the 5 principles of taxation (equity, benefit, ability to pay, efficiency, simplicity) are balanced against the policy objectives of taxation, that is the need to raise revenue and the effects of the tax on the community.

Rates are a property tax that attempts to balance the 5 principles of taxation and which meets the essence of an ad valorem tax system. Property values provide an independent indication of the relative wealth of a ratepayer. The system of rate rebates, remissions and postponement is designed to enable issues of hardship and temporary incapacity to pay to be specifically targeted for special treatment amongst identified classes of ratepayer. In determining how rates are applied and in determining the rate in the dollar Council's also have a number of options:

- **Single rate** – This is where the same rate in the dollar is applied to the value of properties from using a single rate in the dollar regardless of what the land is being used for.
- **Differential general rate** – This is where a council may charge a different rate in the dollar depending on whether the land is used for residential, commercial, primary production or other purposes.
- **A minimum amount** – This provides a mechanism by which lower valued properties pay not less than a flat(minimum) amount determined by Council. No more than 35% of properties can be on the minimum.
- **Tiered rates** – This is where Council can adopt a tiered rating scale where rates can be altered for properties within specified valuation ranges.
- **A fixed charge** – Under this system some revenue will be raised by applying a fixed charge (a flat amount) to all ratepayers to ensure everyone contributes a base equal amount. The remaining revenue is then collected from ratepayers based on the value of each ratepayers property.

At Charles Sturt we use a **differential rating system** with a **minimum** amount.

All our valuation information on land use and property values for use in determining how much each ratepayer is levied is purchased from the Valuer General. A ratepayer may object to the valuation by the Valuer General in writing setting out the reasons for the objection within 60 days of receiving the notice of the valuation.

Although property valuations are used as an independent indicator of ability to pay rates, where property valuation increases across the city are inconsistent the effect of growth in one ratepayers property compared to others may lead that ratepayer to believe they are paying more than their fair share compared to others in the community. This can also be an issue where ratepayers are on fixed incomes and there is significant growth in the valuation of their property.

This is where rate rebates or remissions can be used. By targeting this rate relief we endeavour to address potential inequities.

13.1 Rate Increase for 2017/18

To meet the requirements of Council's community plan, Long Term Financial Plan and Annual Business Plan and Budget for 2016/17, Council needs to levy rate income of \$103,134,000 (a total increase of 3.6% which is equivalent to an average increase of 2.00% plus growth of 1.6% on 2016/17 rates levied)

For 2017/18 \$2.868m has been allocated towards rate relief options including rebates, remissions and appeals for City of Charles Sturt ratepayers which equates to approximately 2.7% of the total rates levied.

There are a number of issues that have been considered in developing Council's rating strategy for 2017/18:

- The latest reports from the Valuer General have indicated property valuations overall have increased on average by 3% with residential properties increasing by an average of 6.64%, commercial values by 4.87% and industrial by 3.15% while vacant land has reduced in value by 5.27%.
- As provided by the Valuer General, property growth is around 1.59% as against our initial LTFP prediction of 1.2% and reflects the catch up from last years values regarding property development throughout City in information supplied by the Valuer General.
- The increase in CPI (All Groups Adelaide) for the twelve months to 31 March 2016 is 2.0% and for all capital cities 2.1%. This is against a forecast CPI for 2017/18 of 1.9% by Access Economics.
- The increase in the Local Government Price Index (LGPI) for the twelve months to March 2017 is 2.1% against a CPI for Adelaide the same period of 2.0%. The LGPI is a useful reference regarding the inflationary effect of goods and services consumed by local government and is a better reflection of the changing cost of inputs used by councils to deliver services than CPI.

In 2017/18 Council has continued with a strategy that will see Council maintain and improve the operating break even position it achieved in 2010/11 after prior years of operating deficits. Mindful of expectations of moderate rate increases expected by the community, Council's strategy is to increase average rates for all land use codes between 1.5% and 2.2% whilst still maintaining increases to the minimum rate to ensure approximately 35% of ratepayers fall within that threshold.

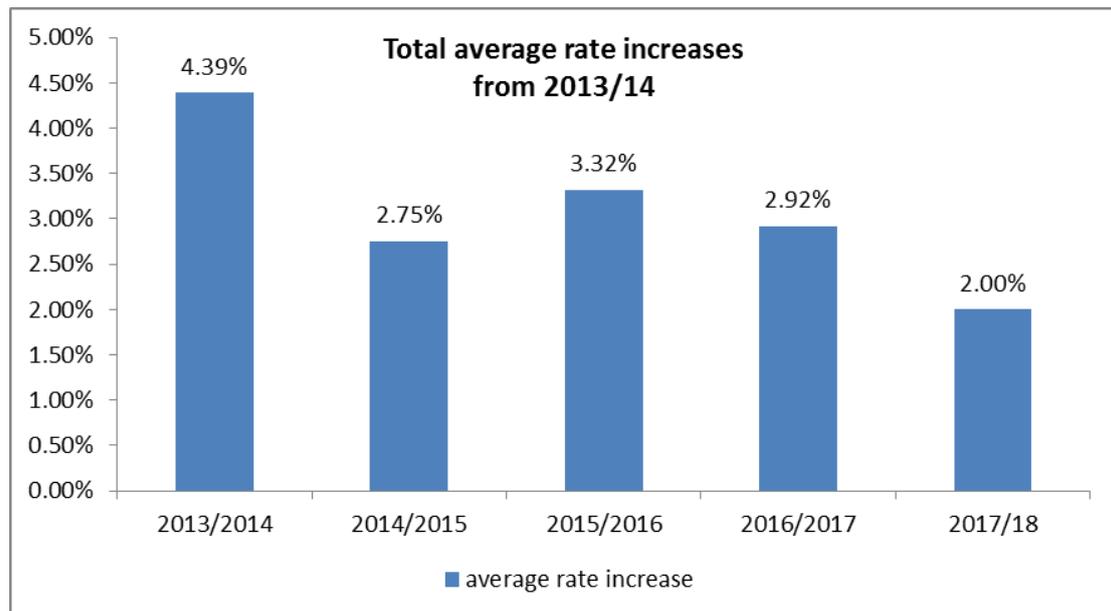
To maintain the number of ratepayers at the legislative minimum of 35% the minimum will be increased from \$1,042 to \$1,060 (1.73% or an increase of \$18 p.a) .

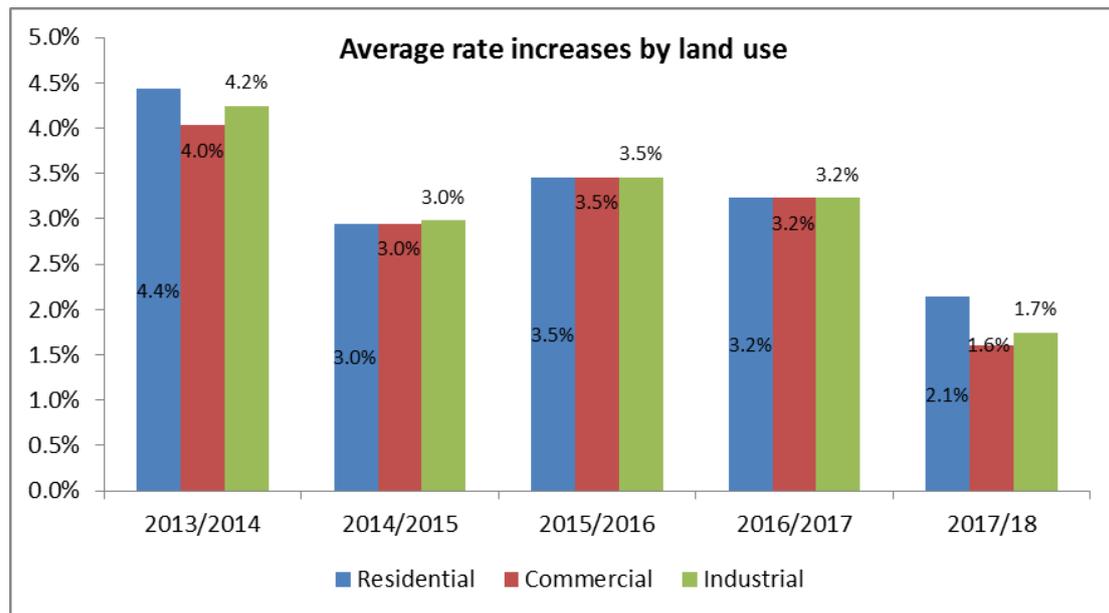
With final valuations received the “typical” residential ratepayer (with a property valued at \$473,606) will be paying approximately \$1,345 p.a. or \$3.68 per day to receive the services and infrastructure benefits laid down in the annual budget.

Overall the rates increase required is 2% plus property growth. For the typical residential ratepayer with an average movement in their property valuations for 2017/18 this is an increase of 2.0% and for commercial ratepayers 1.6%, noting that 35% of all ratepayers on the minimum with a 1.7% increase.

Council is aware of the increasing pressures on the commercial sector and so the strategy for 2017/18 is to ensure the average increase for the commercial sector is approximately 0.4% less than the increase for the residential sector.

For vacant land holders the rate in the dollar is maintained at 3 times the residential rate as an incentive to promote development within the City. Rebates will again be offered where the vacant land holder can demonstrate they are going to develop the land for residential purposes as a Charles Sturt home owner.





With final valuations received from the Valuer General final modelling was undertaken. A summary of this model is show in Section 13.2.

From the rates modelling and an examination of the potential impact across the City on the distribution of residential rates, it is still considered necessary to provide tailored rebates and remissions to address any potential inequities. Feedback from the community still indicates there is hardship for those sectors of the community on fixed incomes and Council is receptive to these concerns.

The following rate relief options provided to Charles Sturt ratepayers are outlined below.

- **Rate capping**

Limits the amount paid in rates in 2017/18 to a 12.5% increase on rates paid (excluding NRM levy and pensioner concessions) in 2015/16 for residential land use across the community. This capping would not apply where :

- the increase is due to an increase in valuation as a result of improvements greater than \$20,000
- the increase is a result of a change in land use or
- ownership of the property has changed since July 2016

Rate capping will be automated and where Council records indicate a ratepayer is eligible for the 12.5% capping rebate the relevant amount will be automatically deducted from the rates levied.

- **Remission – Minimum Rate**

Pensioners and Self Funded Retirees who are owner occupiers of a property which was subject to the minimum rate in 2016/17 and 2017/18 and who received a remission in 2016/17 will effectively continue to have their rates capped to the average residential increase of 2.0% .

If in 2016/17 they received a remission of \$41 it is proposed to again provide a remission in 2017/18 of \$39 to ensure their rate increase continues to be capped at 2.0%.

This means those who effectively paid \$1,001 in 2016/17 (not \$1,042) will pay \$1,021 in 2016/17 (not \$1,060) for a 2% capping.

For those on the minimum in 2017/18 who received a remission on their 2016/17 rates of \$18 it is proposed to again provide a remission in 2017/18 of \$16 to ensure their rate increase also continues to be capped at 2%.

This means those who effectively paid \$1,024 in 2016/17 (not 1,042) will pay \$1,044 in 2017/18 (not \$1,060) for a 2% capping.

Minimum rate remissions for eligible ratepayers will automatically be deducted from the rates levied based on council records and avoid the need for an application to be made.

- **Hardship**

Any ratepayer who does not meet any targeted relief options but who can demonstrate specific hardship can contact Council and a tailored payment plan can be arranged. Arrangements are strictly confidential.

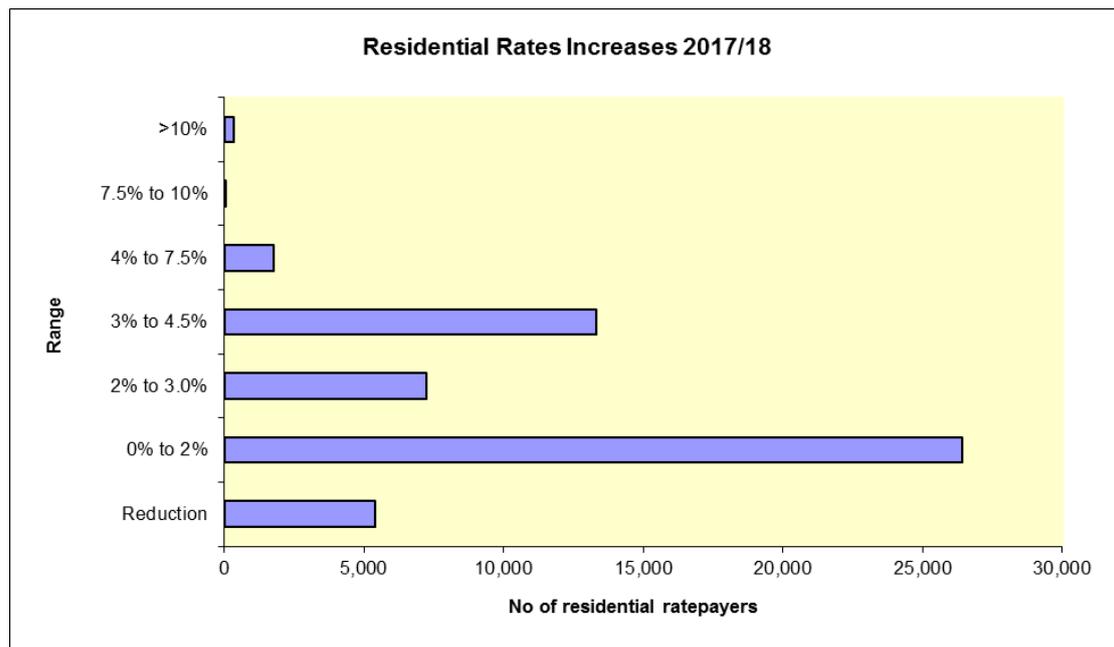
- **Residential Construction**

The vacant land rate in the dollar is usually three times higher than the residential rate in the dollar. For the purposes of securing the proper development of the area a rebate will be given to ratepayers who are assessed as vacant land as at 30 June 2017 but who will build their new family home on that land and can demonstrate that they will live in that home for at least 1 year. If footings are poured prior to 31 December 2017 a full rebate will be given. If the footings are poured after 31 December 2017 a 50% rebate will be given. This rebate will effectively mean those ratepayers applicable will have their rates reassessed using the residential rate in the dollar as opposed to the vacant land rate.

Residential construction rebates will be by application where eligible ratepayers will have until the 30 June 2017 to apply.

- **Postponement of Rates**

In accordance with the new provisions of the Local Government Act 1999, persons who hold a current Seniors Card will be eligible to postpone any amount in excess of \$500 (\$125 per quarter) less any concession entitlement. Interest will accrue on postponed balances in accordance with Section 182A(12) of the Act at the Cash Advance Debenture rate with a premium of 1%. Postponement will be by application.



71.6% of residential ratepayers will pay an increase of less than 3.0%

13.2 Rating Structure

Council has established the following rating structure for 2017/18:

| Rate Type | 2016/17 Cents in \$ | 2016/17 Ave Rate | 2017/18 Cents in \$ | 2017/18 Ave Rate | 2017/18 Ave % Increase | No of Rateable Props | No on Min Rate | Rate Income |
|--------------------------------|---------------------|-------------------|---------------------|-------------------|------------------------|----------------------|----------------|----------------------|
| Res'l - Charles Sturt | 0.278314590 | \$1,332.56 | 0.266315000 | \$1,360.88 | 2.12% | 51,891 | 19,229 | \$70,617,217 |
| Comm'l - Charles Sturt | 0.869405416 | \$7,112.54 | 0.8425086600 | \$7,223.85 | 1.57% | 3,128 | 236 | \$22,596,210 |
| Industrial - Charles Sturt | 1.1050984880 | \$9,777.32 | 1.0912851520 | \$9,947.59 | 1.74% | 499 | 9 | \$4,963,846 |
| Primary Prod'n - Charles Sturt | 0.5128385460 | \$2,303.89 | 0.4863603300 | \$2,352.27 | 2.10% | 9 | 1 | \$21,170 |
| Vacant Land - Charles Sturt | 0.844685588 | \$3,268.12 | 0.911933850 | \$3,336.64 | 2.10% | 1,069 | 22 | \$3,566,872 |
| Other - Charles Sturt | 0.4841211020 | \$6,012.77 | 0.4783400000 | \$6,139.58 | 2.11% | 223 | 20 | \$1,369,126 |
| Overall Average | N/A | \$1,779.86 | | \$1,815.14 | 1.98% | 56,819 | 19,517 | \$103,134,441 |

| | 2016/17 | 2017/18 | % Change |
|-------------------------------------|------------|------------|----------|
| Minimum Rate - Charles Sturt | \$1,042.00 | \$1,060.00 | 1.7% |
| % on Minimum | 33.9% | 34.4% | |

13.3 Rating Policy

The rate structure and rebates offered by Council are incorporated into Council's rating policy. This document sets the policy for setting and collecting rates from its community and has been prepared in accordance with relevant sections of the Local Government Act 1999 - refer [Attachment D](#).

13.4 GIS Mapping of Rate Modelling

Council uses a range of modelling tools in developing its rating strategy. The outcomes of this modelling is then presented in a series of maps, which clearly show the issues that need to be considered in the rating strategy and the outcomes of applying the various options.

Maps are produced for Council Members to view at the Budget workshops which reflect the key issues and outcomes of the 2017/18 rating strategy adopted by the Council. The maps reflect the distribution of rates across the City and the impacts on various sectors of the community. This analysis enables the Council Members to evaluate the potential impact of the rates distribution across the City before finalising a strategy.

14. Borrowing Strategy

14.1 Strategy Development

In developing the Long Term Financial Plan borrowings were defined as an important funding source for asset acquisition and renewal.

The use of debt as a means of funding asset renewal and rehabilitation is a useful mechanism for allocating the costs of such asset renewal and rehabilitation over a time frame that reflects when residents will benefit from the assets.

Ideally infrastructure backlog should be financed in the short term by an increase in debt to be repaid as quickly as possible by current ratepayers through higher than normal operating surpluses.

New capital expenditure (ie on asset extension, expansion or enhancement) should be financed by a long term increase in the volume of debt, with the current generation of ratepayers only meeting interest payments on that debt.

Council regards debt as an appropriate tool to achieve the provision of services to its community as outlined in its LTFP.

Debt will be considered:

- in the context of the strategic objectives of Council
- in the context of long term financial forecasts and objectives
- as funding for long term infrastructure asset creation
- as a means of spreading the cost of infrastructure over the ratepayers who use it, and
- as a mechanism to fund temporary cash shortfalls.

Although debt will be used as an appropriate mechanism to fund asset infrastructure works, the use of debt will be considered within the guidelines of total debt (net financial liabilities) less than 100% of Council's operating revenue.

Council's management of debt will focus on the net debt situation (borrowings less investments) and consequently sound cash management practises will dictate that Council will not borrow at higher interest rates when significant funds are invested at lower interest rates. Therefore although Council approves the use of loans through its budget process to meet expenditure requirements its cash requirements will be viewed holistically before decisions are made on the most appropriate and cost effective borrowing mechanism or source of funding at the time.

14.2 Current Year Borrowings

For the 2017/18 year, Council has decided to continue with its borrowing program and increase council's net debt position to fund any shortfall for new/upgraded capital expenditure from council's revenues. Forecast total borrowings for 2017/18 is \$37.9m. Council uses a Net Financial Liabilities ratio as a measure of Council's ability to meet all of its liabilities which includes borrowings as well as other liabilities including provisions for employee entitlements from its operating revenue. The forecast ratio for 2017/18 is 56.4% and demonstrates Council could comfortably meet all of its existing liabilities from its operating revenue.

In the Long Term Financial Plan (endorsed by Council on 14 March 2017) which has been used as the framework for developing the 2017/18 budget, debt is regarded as an appropriate mechanism for funding asset new and upgrade works within the constraints of a net financial liabilities ratio less than 100% of Council's operating revenue.

In 2017/18 Council has endorsed an increased new/upgrade capital program as detailed in Section 7.2 with total expenditure of \$48.6m funded by external revenues sources of \$23.773m and for which Council will require new borrowings of \$22.745m which will be repaid over the life that those assets generate benefit to the community.

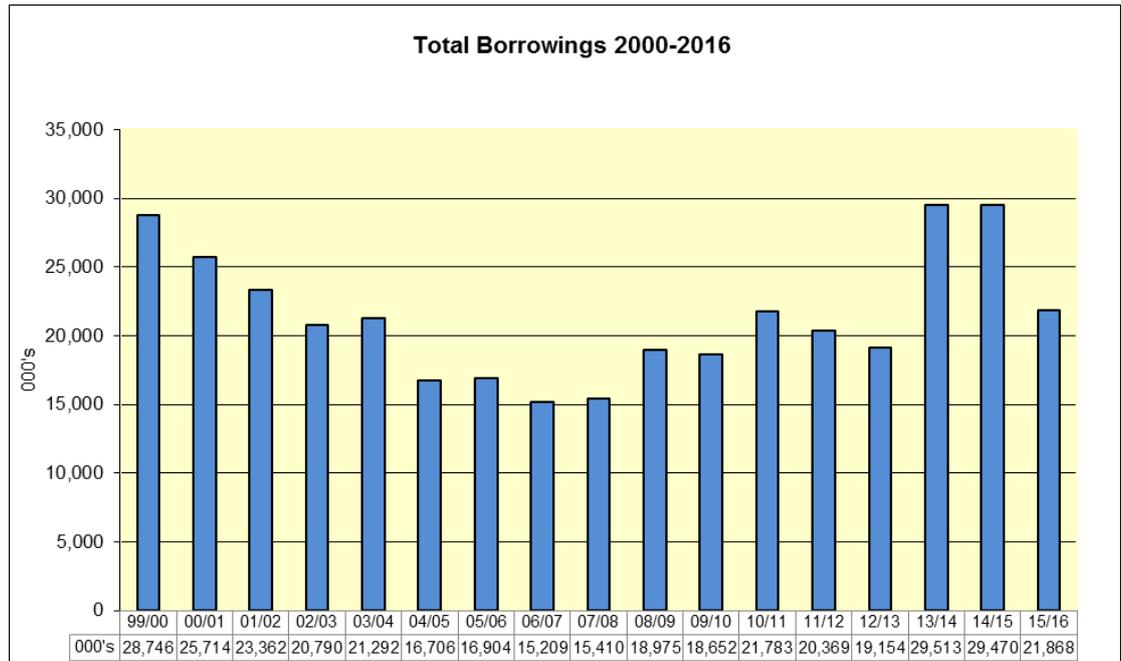
Council has in place a number of Cash Advance Debenture facilities which allow Council to have access to funds when required and which they can repay in part or in full at any time as Council's cash position allows. No charges are incurred on these Cash Advance facilities if the funds are not drawn. Consequently Council is prudently using the facility to fund cash requirements whilst awaiting cash injections from rates income.

As the differential between the cash advance debenture rate and the fixed term interest rate has been marginal, it has been considered cost effective to use the flexibility of the short term cash advances to supplement temporary cash shortfalls as opposed to locking in long term debt and associated repayments when Council has been able to avail itself of unbudgeted cash injections.

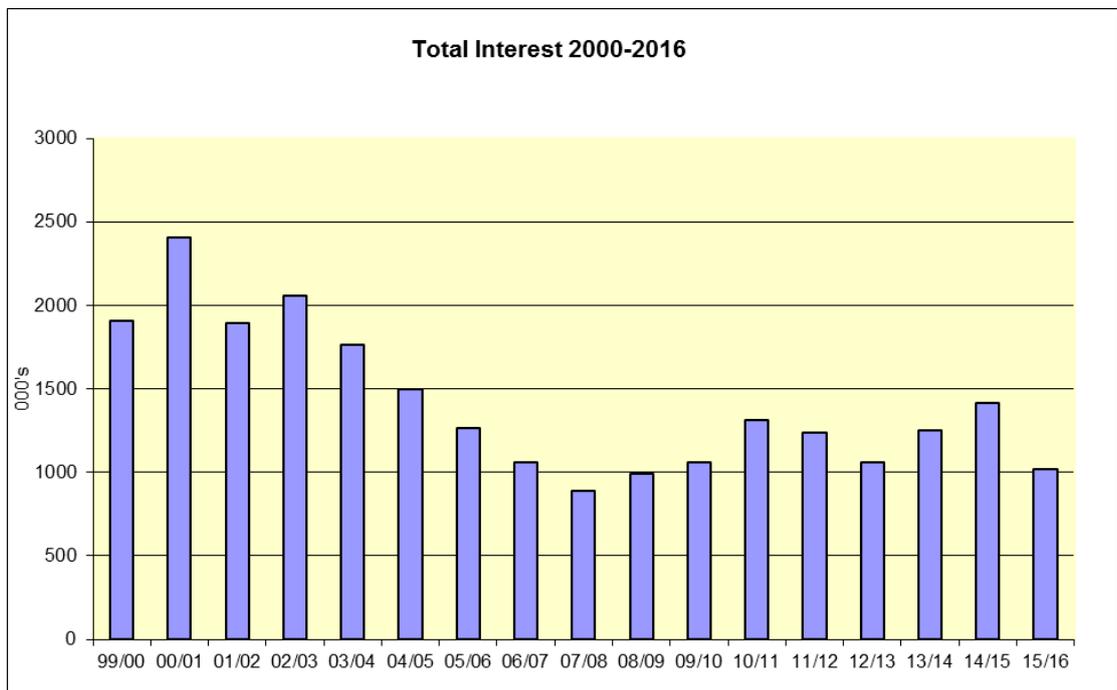
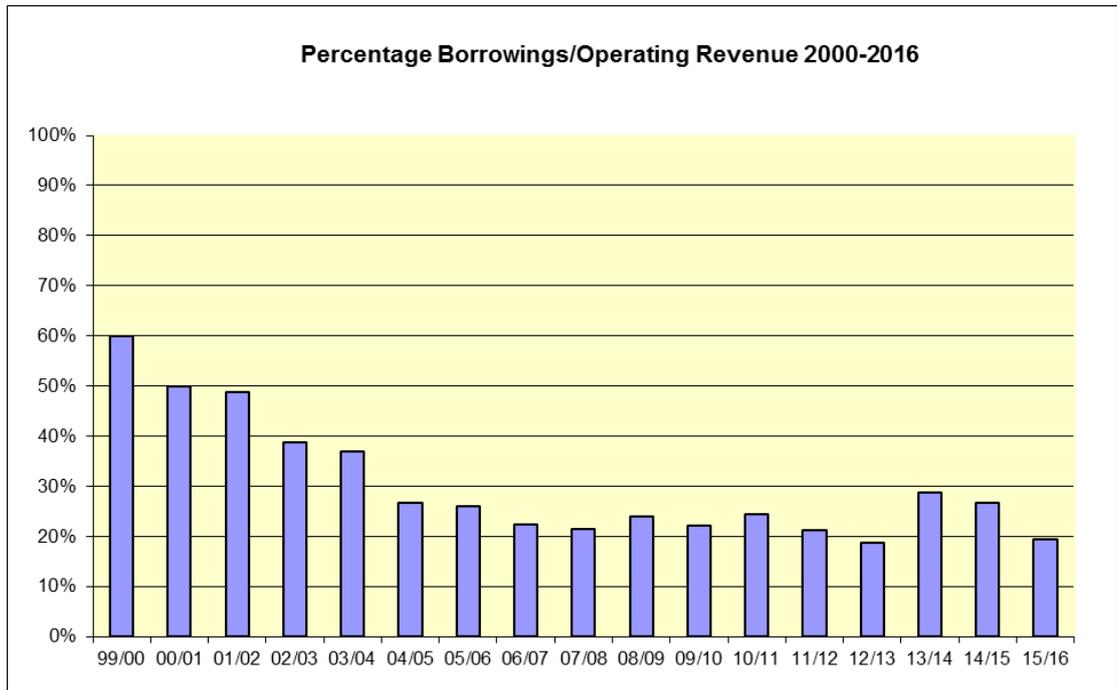
In pursuing this strategy over the last 10 years borrowings identified in the budget process have **only** been utilised if there has been inadequate cash to fund any requirements. Generally the cash advance facilities have been effective in meeting any short term cash requirements, repayable when surplus funds have been received. This has enabled council to reduce its budgeted interest costs over the years and resulted in an actual borrowings position far better than expectations. (However Council still determines its initial forecasts for borrowings for planning purposes without regard to the potential favourable impact as a result of the timing of cash flows for capital works projects over successive years)

To minimise the requirement for loans Council also uses income from unbudgeted asset sales to be used to formally offset budgeted loans, thereby giving Council greater future capacity to consider borrowings as opposed to rates as a viable source of income to fund these expenditure demands.

Each year Council reviews unbudgeted income generated from asset sales and recommends the proceeds be applied to reduce borrowings.



As at June 2016 the total loans outstanding was \$21.868m as against the budget forecast of \$41.8m. Borrowings as a percentage of Councils operating revenue is graphed below, demonstrating the effectiveness of the treasury strategy and use of borrowings over time. As at June 2016 the percentage of council’s borrowings to operating revenue was 19%.



As a June 2016 interest expense was \$1.022m.

In addition to existing cash advance debentures as per CL 12 July 2010 item 6.71 Council endorsed that a special loans program of \$22m for the Water Proofing the West (WPTW) project was secured.

For this significant project a convertible cash advance with the Local Government Financing Authority (LGFA) was secured with the funds available on a floating or fixed interest rate and variable principal basis. As there was significant uncertainty regarding the timing of funds required for WPTW this was considered the most flexible funding option.

Council's loan position to date for this project also has been assisted by staff being able to structure the staging of the project such that the Commonwealth and State contributions have largely been used prior to Council's contributions being utilised.

The facility is in place until 15/09/2018 when the instrument is converted to principal and interest loan.

However with interest rates very favourable over 2015/16 a decision was made to convert \$10m of the interest only facility for WPTW in advance of the 15/09/2018 date to a principal and interest loan at 3.85% over 10 years from 15 March 2016.

Since June 2016, borrowings have been drawn and repaid over the year in response to cash flow requirements in line with the current treasury strategy and the latest forecast assumes a total borrowings as at June 2017 of approximately \$16m, having regard to current estimates of capital works incomplete as at June.

15. Infrastructure Strategy

15.1 Strategy

The Asset Management Strategy is guided by the City of Charles Sturt Corporate and Community Plans. It guides the approach taken in the construction and delivery and ongoing management / operations of the [Infrastructure] Asset Management Plans of Council.

Our Vision:

CHARLES STURT – A LEADING, LIVEABLE CITY

Our Objective:

‘City assets and infrastructure are developed and well maintained on a strategic and equitable basis’

In the coming period we will focus our activities in the following areas;

- Our asset renewal is in line with Asset Management Plans and community needs
- Implement asset improvements and maintenance via Asset Management Plans to ensure they are fit for purpose and meet changing demand
- Manage maintenance service levels and asset lifecycles to optimise design life and achieve service efficiency in line with community needs and diverse urban densities
- Make informed decisions that realise informed planning
- Make sound financial decisions

All Asset Management Plans are endorsed by Council and published for major asset classes and are subject to annual review cycles.

The infrastructure assets that Charles Sturt maintains on behalf of the Community totals in excess of \$1.6bn in replacement value. Due to the nature of services provided, the asset class mix is quite diverse. These can be broadly grouped as;

Roads (including kerb & gutter and carparks)

Transport (paths, lighting, traffic controls, bus stops, bridges)

Water (Recycled water supply & stormwater management)

Council Owned Buildings & Land Parcels

Open Space & Recreation (reserves & other green spaces, playgrounds, furniture, fences & walls, sports accessories and irrigation)

Depending on asset management complexity, the asset classes in these groups are included in an associated Asset Management Plan for major infrastructure assets. These plans are compiled by allocated Asset Managers and Asset Officers who work together to capture asset information and use it to inform and plan Asset

Renewal/Upgrade/Disposal through the Long Term Financial Planning process of Council.

The controls framework that was put in place to ensure an ongoing regular review cycle for Asset Management Plans has once again triggered reviews and revisions where appropriate with these documents being informed by scheduled condition audits and asset works.

This annual review cycle will commence accordingly in June 2018 and will once again trigger revisions of plans that require updates.

Key Asset Management Planning achievements between July 2016 to June 2017 include:

Asset Management Strategy and Plans and Governance

- The Asset Management Services Management Team and Works and Assets Steering Team comprise multi-disciplinary representatives across Council who meet on a regular basis to ensure a coordinated approach to asset management planning.
- Completed the annual review cycle of all Infrastructure Asset Management Plans for major asset classes and triggered revisions where needed.
- Scheduled asset condition audits and revaluations carried out to ensure requirements under Australian Accounting Standards are met into the future.

Asset Systems and Processes

- Commenced implementation of Strategic Asset Management module for road assets
- Refinement of budget bid process to automatically generate work orders for capital works projects which capture activities and all associated costs against the project and assets in question.
- Continued to promote the use of geospatial systems for integrated planning and placemaking by leveraging asset information now centrally stored.
- Piloted the use of the asset survey module to allow for the capture and update of asset data electronically remotely in the field.
- Piloted the use of electronic time sheets to allow for the capture of staff time and resources electronically remotely in the field.

A key focus for Asset Management in 2017/18 will be to:

- Continue to refine Integrated Asset Planning activities across all Divisions of Charles Sturt
- Create better access to relevant asset data through new works and assets system and geospatial tools available
- Continue the implementation and refinement of Strategic Asset Management modelling for all major asset classes.

- Expand the use of Asset Survey to allow “in hand” real time, in field asset data capture and use
- Expand the use of electronic time and resource capture in the field
- Increase the use of GIS tools to aid and benefit asset management planning and asset analysis
- Maintain a high confidence level in data accuracy across major infrastructure asset class assets
- Develop and maintain a four to five year works programming planning horizon across all major infrastructure asset classes
- Set clear maintenance interventions for all assets that are maintained by Charles Sturt
- Run the internal review cycle of the Asset Management Plans for major asset classes per our review framework.

15.2 Roads

An audit of the condition of road seal, kerb and gutter was undertaken in 2017, following the audit of road pavement in 2016. The combined data will be modelled through the Strategic Asset Management solution to provide extensive analysis with the outcomes used to inform and update the Asset Management Plan for Roads and Carparks and provide a revaluation of road assets.

The revised asset plan will include a range of intervention strategies and recognise developing treatment options to keep the cost of road management within sustainable levels.

The program of works is also coordinated with other works (eg storm water drains, footpaths, tree planting) where possible and cost effective to do so in order to improve the overall service delivery and amenity outcomes in those streets.

15.3 Paths

Additional funding through the Paths to Prosperity initiative has accelerated the backlog program to address path defects this coupled with Council’s asset management plan for improving the overall condition of paths is expected to be reflected in the findings of the next path condition audit in 2018.

The findings of the Path condition audit will be used to inform the next Paths Asset Management Plan and will include the development of intervention strategies to avoid full path replacement keeping the cost of path management within sustainable levels.

Since 2015 the number of paths in condition 4 and 5 (poor) has decreased by 2% and those in condition 3 (fair) decreased by 5%, while those in good condition have increased by 7%. Based on the adjusted data it indicates that Council’s management plan for improving the overall condition of the paths in our area is working.

The program of works is also coordinated with other works where possible (e.g. traffic controls, roadworks, tree planting) and where this is cost effective to do so in order to improve the overall service delivery and amenity outcomes in those streets.

15.4 Water (including Stormwater and Recycled water)

In 2017 a Council adopted a new Water Infrastructure Asset Management Plan. This plan combined council owned Stormwater Infrastructure Assets with the Recycled Water Infrastructure assets constructed as part of Water Proofing the West such as pump stations, wetland basins, water bores, recycled water mains, valves, tanks and water meters.

Each year a number of projects are identified to be undertaken jointly with proposed road programs to provide a greater integration of works and a more effective and efficient expenditure of available funds.

In response to local stormwater inundation low to moderate cost treatments have been identified to address some of the localised flooding issues for inclusion in future works.

Construction of the Port Road Stormwater upgrade Stage 2 was commenced in 2017 and is expected to be completed in 2018/19. Design work for the Port Road Stormwater Upgrade Stage 3 will commence in 2017/18.

Council's strategy to replace pre 1975 box culverts will also continue to address the risk issues associated with this particular asset type.

Treatment and harvesting of stormwater continues from the Water Proofing the West with currently twenty six Council reserves connected to the system and irrigated using recycled stormwater.

Additionally, Council will be aiming to implement smaller scale Water Sensitive Urban Design treatments such as rain gardens to improve the quality of stormwater being discharged into the River Torrens.

15.5 Bridges

A revised asset management plan for Bridges was prepared and presented to Council in March 2017 for endorsement.

This plan shows Charles Sturt currently has 67 bridges valued at \$24.26m. Bridges have a long service life if maintained correctly. The plan also showed there was a substantial maintenance backlog which was affecting this service life. In the 2017 Bridge Asset Management Plan Charles Sturt established a planned bridge

maintenance program to ensure maintenance work is completed to bridges on a cyclic basis.

Bridges which have had major maintenance undertaken and renewal work in the last 24 months include the West Lakes Footbridges on Delfin Island and the Port Road underpass.

Bridges planned for renewal in the next 24 months (dependant on the T2T South Road Project) are the Hindmarsh Cemetery RTLP path and the South Road Underpass.

15.6 Public Lighting

The Public lighting Asset Management plan was adopted by Council in April 2017 with a one year work program. Currently Council is undertaking an audit of all lighting assets which will form the basis for improved information and better decision making on lighting assets and projects and inform a future revision of the Asset Management Plan.

Council also continues to negotiate with SA Power Networks for a rollout of LED lighting. New lighting work and Renewal lighting work now essentially only uses LED lighting, except in special circumstances, such as sports field lighting and projects with existing lighting in good condition.

We are continuing to install energy efficient public lighting across the City in reserves and open space areas and upgrading public lighting in streets with these lights. We require that all new urban development areas within the city must use energy efficient public lighting.

15.7 Land and Buildings

The property portfolio consists of a diverse range of properties including administration buildings, community centres, sporting clubs, aged care accomodation, halls and commercial buildings.

In 2017/18 the St Clair Recreation Centre Precinct Upgrade will be a major project for Council and work will also continue on the redevelopment of the clubroom at Frank Mitchell Park. In addition upgrades to wet areas are planned at both the Brompton Community Centre and Carnegie Reserve with Council to also provide a contribution to the upgrade of the Semaphore Surf Life Saving Club and commence construction of the upgrade to Beverley Recycling and Waste centre.

A number of minor capital works will also be undertaken on various Council buildings including Kilkenny Community Centre, Woodville North Community hall and the Woodville Oval Grandstands.

A condition audit and revaluation of all Council Buildings will be carried out in 2017/2018 which will be used to inform the next revision of the Buildings Asset Management Plan and assist in both refining maintenance and intervention

strategies for building assets and drive the future capital renewal and upgrade programmes.

15.8 *Open Space and Recreation*

The Open Space and Recreation Infrastructure Asset Management Plan adopted in March 2017 will inform the delivery of renewal works to open space assets through an integrated approach wherever possible.

The open space capital works and annual operating program is based on a combination of actions arising from the Open Space Strategy and Open Space and Recreation Infrastructure Asset Management Plan. Many parks have numerous assets including playgrounds, irrigation systems, seating, barbecues, shade structures, lighting, footpaths, toilets and community courts with each of the asset types having different estimated useful lives.

This year Council will begin redevelopment at M J Mcinerney Reserve, undertake landscape works to support the drainage upgrades along Port Road and implement the recommendations of the Open Space Water and Irrigation Strategy, resulting in the greening of many Council reserves.

Other projects include an upgrade at Scullers Reserve, new park furniture at Aquatic Reserve and a playground and irrigation upgrade at Parkway Reserve.

16. Measuring Achievement of the 2017/18 Business Plan

Measuring performance is an important factor in ensuring Council is delivering on the community's aspirations as expressed in Charles Sturt's Community and Corporate Plan. For each key objective in the Corporate Plan, Council has identified a number of key indicators to measure and track our success.

This range of indicators, in addition to progress against our annual operating and capital project outcomes are monitored via regular reports presented to Council and through our Annual report.

1. **OUR COMMUNITY – A Strong and Connected Community**

Objective - Provide accessible social infrastructure and services that engage our diverse community

We will know our social infrastructure and services are highly valued and engaging by

- ❖ *Our community positively rates the provision of services and facilities.*
- ❖ *% of Charles Sturt residents are active library members.*
- ❖ *Membership of sporting facilities provided by Charles Sturt as a percentage of our population.*
- ❖ *The number of participant contacts at Council's community centres.*
- ❖ *The number of Community Care service outputs compared to our Commonwealth funding targets.*
- ❖ *The utilisation of Council owned halls is growing with an increase of 20% by 2020.*
- ❖ *Number of people participating in community programs.*

Objective - Capitalise on partnerships, build community resilience and sense of belonging

We will know our community feels connected and supported by

- ❖ *% of volunteer positions occupied.*
- ❖ *Number of total and unique website visits and disengagement rate within social media platforms.*
- ❖ *People have strong networks of support from family, friends and neighbours.*

Objective - Create opportunities for community leadership and civic participation.

We will know our community members are participating in active citizenship by

- ❖ *The number of new Australian Citizens conferred in CCS.*
- ❖ *Number of people (or % of population) participating in consultation projects.*

- ❖ % of sports clubs participating in Council's professional development program.
- ❖ Voter turnout: % of eligible population voting in Council elections.
- ❖ Number of people and projects supported through Young Changemakers program.

Objective - Educate and regulate to enable a safe and healthy environment.

We will know our proactive and compliance activities support positive health and safety outcomes by

- ❖ Our citizens feel safe in their neighbourhood.
- ❖ % of immunisation coverage in Charles Sturt.
- ❖ % of dogs desexed compared to State average.
- ❖ % of building inspection policy quotas completed.
- ❖ % of food premises inspections that resulted in a Improvement Notice being issued.

2. OUR LIVEABILITY –A Liveable City of Great Places.

Objective – An urban environment that is adaptive to a changing and growing City.

We will know our city is meeting the needs of a changing community by

- ❖ Monitoring our population growth.
- ❖ The number of new dwellings that deliver housing choice in the City.
- ❖ Number of (or % increase/decrease in number of) development applications lodged.

Objective – City assets and infrastructure are developed and well maintained on a strategic and equitable basis.

We will know our asset renewal is in line with Asset Management Plans and community needs by

- ❖ Asset sustainability ratio.
- ❖ % of assets actually renewed in line with AMP renewal schedule.

Objective - Create valued urban places that bring people together and reflect local character and identity.

We will know our city comprises vibrant and unique precinct by

- ❖ Number of collaborative partners involved in delivering events funded by the Strategic Events Partnerships budget.

- ❖ *Average participation in business association meetings.*
- ❖ *Annual designated place community satisfaction survey.*

Objective - Drive an integrated, responsive transport system and network

We will know our roads are safe and our citizens are exercising choice of travel mode by

- ❖ *% of population utilising non-car travel modes to travel to work.*
- ❖ *Public transport patronage.*
- ❖ *Number of motor vehicles per household.*
- ❖ *% of local roads with a 40km/h speed limit.*
- ❖ *Number road crashes (Council & all City roads) is reducing.*

Objective - Enhance the quality and diversity of open and public spaces

We will know our public and open spaces are well maintained and utilised by

- ❖ *% of surveyed residents positively rating their satisfaction with our public spaces.*
- ❖ *% of residents that live within 300m of quality open space.*
- ❖ *% of programmed tree pruning completed.*
- ❖ *% of programmed reserve mowing completed*

3. OUR ENVIRONMENT – An Environmentally Responsible and Sustainable City.

Objective - Continue to implement climate change mitigation and adaptation solutions.

We will know our adaption and resilience projects are progressing by

- ❖ *The Urban Heat Island project stage 1, is complete.*
- ❖ *Integration of climate change considerations into Asset Management Plans.*
- ❖ *Stage 3 AdaptWest is complete and adaptation pathways considered.*

Objective - Enhance the state of the City's environment and biodiversity

We will know our biodiversity and tree canopy cover are improving by

- ❖ *Number of understorey plants planted in biodiversity sites.*
- ❖ *% of tree canopy cover (city / public / private land).*

Objective - Lead and educate to reduce the City's impact on the Environment and build resilience.

We will know our environmental management and efficiency is improving by.....

- ❖ *Decrease in the reliance of potable water.*
- ❖ *Decrease in waste sent to landfill.*
- ❖ *Stability or a reduction in our Green House Gas emissions.*

4. OUR ECONOMY – An Economically Thriving City

Objective - Lead regional collaboration to promote the western Adelaide economy

We will know our strategic alliances are supporting the growth of our economy by

- ❖ *5% per annum increase in number of Western Region businesses participating in business development events.*
- ❖ *Increase in Gross Regional Product for the Western Region.*
- ❖ *Increase in tourism visitation and expenditure.*

Objective - Support and enable local business prosperity and growth

We will know our local businesses are growing by

- ❖ *Increase in Gross Regional Product (CCS).*
- ❖ *Increase in number of business in CCS.*
- ❖ *An increase in employment/output in identified growth sectors.*
- ❖ *Growth in annual employment numbers.*
- ❖ *% of surveyed Charles Sturt businesses satisfied with Council support for business.*
- ❖ *Net increase in the annual number of business start-ups.*

Objective - Facilitate an environment for a diversity of business and industry types.

We will know our industry sectors are diversifying by

- ❖ *% of employment in a range of sectors in CCS.*
- ❖ *Growth in annual development application value by sector.*

5. OUR LEADERSHIP – A Leading and Transformational Local Government Organisation

Objective - Be bold and innovative in our practices, leadership and decision making.

We will know our organisation is innovative and achieves business excellence by

- ❖ *Customer service satisfaction.*
- ❖ *Smart City gains.*
- ❖ *Identified reductions in Council business processes.*
- ❖ *We are achieving our key priorities.*

Objective - Adaptive and sustainable management of the City's finances

We will know our finances are sustainable by

- ❖ *Operating surplus ratio is $\geq 0\%$ and $< 15\%$.*
- ❖ *Net financial liabilities ratio is $< 100\%$.*
- ❖ *Asset sustainability ratio is $> 80\%$.*
- ❖ *\$ value of grants and co-funding received.*
- ❖ *Resident acceptance of Council rates as value for money.*

Objective - A collaborative, agile and high performing work place.

We will know our organisational culture is collaborative, agile and high performing by

- ❖ *85% of our Portfolios are demonstrating the benchmark level of constructive culture.*

Objective - Practise transparent and accountable governance.

We will know our organisation is transparent and accountable by

- ❖ *% of Council and Committee items considered in confidence.*
- ❖ *Number of website visits and interactions via our social media platforms.*
- ❖ *Biannual review of marketing and communications benchmarking survey.*
- ❖ *S270 review of decisions undertaken.*

17. Attachments

17.1 Overview to Attachments

The following attachments include voluntary and statutory disclosures of information which provide support for the analysis contained in Sections 1 to 16 of this report.

The information has not been included in the main body of the budget report in the interests of clarity and conciseness. Whilst the budget report needs to focus on the important elements of the budget, the detail upon which the annual budget is based should also be provided in the interests of open and transparent local government.

The contents of the attachments are summarised below.

| Attachment | Nature of Information |
|------------------------------|---|
| Attachment A | Commentary and detail of Long Term Financial Plan Includes: <ul style="list-style-type: none"> - Schedule A – Assumptions for LTFP - Schedule B – Forecast Financial Statements over planning period - Schedule C – Budget Principles |
| Attachment B | Core Operational Services |
| Attachment C | Budgeted Financial Statements for 2017/18 <ul style="list-style-type: none"> - Statement of Comprehensive Income - Cash flow Statement - Balance Sheet - Statement of Changes in Equity - Summary of operating and capital investment activities - Key Financial Indicators This section sets out the budgeted financial statements for 2017/18 as prescribed in the Local Government (Financial Management) Regulations 2011. This information is the basis of the disclosures and analysis of the annual budget in this report. |
| Attachment D | Rating Policy |
| Attachment E | Organisational Chart and Divisional Functions. |
| Attachment F | Capital Projects for renewal of council's existing assets for 2017/18 |

Attachment A - Commentary and detail of the Long Term Financial Plan

Executive Summary

This document details the City of Charles Sturt's current financial position and outlook to 2026/27 as at January 2017.

The key issues arising from these Long Term Financial Plan estimates are:

- A strong alignment with Council's Community and Corporate Plan
- Achievement of an ongoing sustainable operating surplus position
- An ongoing commitment to asset rehabilitation and replacement to ensure the proper management of the community's infrastructure assets
- A commitment to the long term sustainability of Council operations by ensuring all key financial indicator benchmarks are met for key ratios such as operating surplus, net financial liabilities and asset sustainability ratio
- The use of debt as a means of funding new asset and upgrade works. Debt levels will be within the constraints of ensuring Council's net financial liabilities (Council's total indebtedness, which includes all of Council's obligations including provisions for employee entitlements and creditors) is less than 100% of Council's total operating revenue and/or council's net interest expense is less than 10% of council's total operating revenue
- The Long Term Financial Plan estimates are predicated on achieving ongoing operational efficiencies.

The Long Term Financial Plan forecasts have been prepared using anticipated CPI movements over the outlook period based on forecasts provided by Deloitte Access Economics as at January 2017. This adopted LTFP set the high level framework for development of the actual budget for 2017/18.

LTFP

The Long Term Financial Plan estimates are presented as a series of reports comprising the following:

- Estimated Statement of Comprehensive Income
- Estimated Balance Sheet
- Estimated Cashflow Statement
- Estimated Statement of Changes in Equity
- Summary Statement including financing transactions

These are detailed in [Schedule B](#)

A number of assumptions have been made in constructing the LTFP estimates and these are detailed in [Schedule A](#).

Financial Indicators

A series of Key Financial Indicators tabled by the LGA for the local government industry have been identified and included in the suite of reports. These indicators are:

- Operating surplus/deficit
 - This is an indication of whether Council's operations are generating an operating surplus or deficit. An operating surplus indicates the extent to which operating revenue is sufficient to meet all of Council's operating expenses and therefore not transferring a burden that will need to be met by future ratepayers. For the planning period council continues to forecast a small operating surplus position.
- Operating surplus ratio
 - This ratio expresses the operating surplus/deficit as a percentage of operating Income and where the ratio is negative indicates the percentage in operating income required to achieve a break even operating result. Ideally Council should be aiming to achieve an operating surplus ratio >0 % and <15% and over the forecast period council has continued to budget for this outcome.
- Net financial liabilities ratio
 - This ratio indicates the extent to which the net financial liabilities of Council or its total indebtedness can be met by Council's total operating revenue. Net financial liabilities measure a council's indebtedness. It is a broader measure than net debt as it includes all of a council's obligations including provisions for employee entitlements and creditors. Net financial liabilities equals total liabilities less financial assets where financial assets include cash, investments, loans to community groups, receivables and prepayments. The target for the ratio should be greater than zero but less than 100%.
- Interest cover ratio
 - This ratio indicates the extent to which Council's commitment to interest expenses can be met by total operating revenues. A ratio of less than 10% is considered a reasonable limit to ensure net interest costs can be met comfortably by operating revenues.
- Asset sustainability ratio
 - This ratio indicates whether Council's capital expenditure on renewal/replacement of existing assets is what is needed to cost effectively maintain services levels as prescribed in Council's adopted Asset Management Plans (AMP). Council strives for a ratio >80%.

Commentary

Long Term Financial Plan

The Statement of Comprehensive Income forecasts small operating surpluses over the forecast period (operating surplus ratio is 0% or greater) as Council ensures it sustains its relative break even position.

A break even operating position ensures that Council's total operating revenues can meet total operating costs. Running operating deficits is not sustainable or equitable in the long term as it results in services consumed by current ratepayers being paid for by future ratepayers.

Over the next 5 years total net rate increases (based on the assumptions detailed in **Schedule A**) and excluding growth estimates for new developments from 2017/18 are projected to be rate increases of 2.7%, 4.0%, 3.0%, 3.0%, and 2.5% until 2021/22.

This is between 0% and 1.9% greater than the forecast CPI over the next 5 years and reflective of the Local Government basket of goods and increasing cost pressures with imposed legislation, utilities, governance and infrastructure material costs as well as an increased new and upgrade capital program over the next 2 years which includes Port Road Drainage, St Clair Recreation centre upgrade, the waste recycling centre.

The Balance Sheet forecasts an increase in total assets from \$1.17b in 2017/18 to \$1.374b in 2026/27. Over the planning period total liabilities are expected to increase from \$76.27m in 2017/18 to \$96.5m in 2020/21 and then reduces to \$33.9m in 2026/27 as the impact of borrowings reduces with the increasing ability of rates levied available to fund capital expenditure over and above depreciation without increasing Council's level of net financial liabilities or total debt. Borrowings are increased to address forecast new/upgrade capital expenditure requirements. With the completion of Water Proofing the West stage 1 for which the loan borrowings were drawn down on a cash advance debenture with variable interest only has now converted \$10m of that loan to principal and interest loan over the life of the asset at 3.85%. Loan borrowings therefore are forecast at \$49.23m in 2017/18 (assuming completion of incomplete projects or works in progress from 2016/17), increasing to \$68.5m in 2020/21 and then reducing down to \$5m in 2025/27.

Council's total equity or net assets is forecast to increase from \$1.093b in 2017/18 to \$1.34b in 2026/27.

Key Performance Indicators

The Key Financial Indicators support a positive forward outlook and adherence over the longer term to Council's Budget Principles and financial sustainability of Council operations.

Council continues to sustain its break even operating position without imposing an additional rates burden on future ratepayers.

The Operating Surplus ratio is positive over the planning period demonstrating that Council has the ability to reduce its net financial liabilities with an increasing percentage of total rates available to fund capital expenditure over and above depreciation expenses.

The Net Financial Liabilities ratio increases from 55.5% in 2017/18 to 60.6% in 2019/2020 and then reduces to 11.3% in 2026/27, well within the 100% ceiling.

Net borrowings as a percentage of income increases from 42.3% to 51.7% in 2020/21 and then reduces to 3% in 2026/2027. *(For a ratepayer earning \$80,000 per annum this would equate to net borrowings of \$41,360 on their home).*

The interest cover ratio is also well within the accepted benchmark of 10% rising to a maximum ratio of 2.23% in 2019/20.

In line with Council's ongoing commitment to capital expenditure, spending on renewal/replacement of existing assets is targeted at > 80% of what is forecast in the adopted asset management plans, as is evidenced by the asset sustainability ratio. Ideally council should be spending 100% of what is prescribed in the asset management plans but realistically following consultation and taking account of projects which for a variety of reasons remain incomplete at each year end, 80% is more reflective of actual performance.

One should appreciate that forecasts for capital are based on currently available information and recognise that staff planning is more accurate over the first 4 year planning period with the level of capital expenditure most difficult to predict especially for new/upgrade components. These estimates will continually be revisited based on competing priorities.

The Indicators enable an assessment of Council's long term financial performance and position and are used to guide its decision making based on the assumptions contained in the modelling. The LTFP allow council to position itself using the benchmarks for sustainability indicators as a guide to ensure that anticipated services and infrastructure projects can be met without significant rates increases or disruptive cuts to services.

Long Term Financial Plan 2017-2027

Schedule A – Assumptions

General Assumption Drivers

Cautionary Note

The Long Term Financial Plan is prospective information. Actual results are likely to vary from the information presented and the variations are likely to be material. The delineation of the Long Term Financial Strategy is financial forecast information; consequently the information presented is prepared on the basis of best estimate assumptions as to future events which Council expects are likely to take place. These estimates arise from information known as at 31 January 2017.

Rateable Property Growth has historically approximated 0.75%-1% per annum. Over the 10 year forecast it is anticipated to average 1.3% or approximately 750 new properties per annum. These growth forecasts are provided by our Planning and Development Department each year.

HAF (Housing Affordability Fund) project funding has been excluded from this model as it is anticipated to be operating income/expense neutral.

Salary and Wage forecasts for the next 10 years are based initially on anticipated Enterprise Bargaining agreement increments until July 2021 and thereafter based on Deloitte Access Economics SA average weekly earnings growth projections.

CPI Forecasts are based upon Deloitte Access Economics SA CPI projections and this expert, independent organisation has stated that their current CPI forecasts are;

| Year ended 30 June: | 2016 | Audited | Actual | | | | |
|---------------------|------|--------------------------------|----------|---------------|------------|--------------|------------------|
| | 2017 | This Year | Estimate | <i>Growth</i> | <i>CPI</i> | <i>Wages</i> | <i>Materials</i> |
| | 2018 | Long Term Financial Plan | Year 1 | 1.2% | 1.9% | 2.0% | 1.9% |
| | 2019 | | Year 2 | 1.1% | 2.1% | 2.0% | 2.1% |
| | 2020 | | Year 3 | 1.2% | 2.1% | 2.0% | 2.1% |
| | 2021 | | Year 4 | 1.4% | 2.3% | 3.4% | 2.3% |
| | 2022 | | Year 5 | 1.5% | 2.5% | 3.3% | 2.5% |
| | 2023 | | Year 6 | 1.5% | 2.4% | 3.1% | 2.4% |
| | 2024 | | Year 7 | 1.5% | 2.2% | 2.7% | 2.2% |
| | 2025 | | Year 8 | 1.4% | 2.2% | 2.5% | 2.2% |
| | 2026 | | Year 9 | 1.4% | 2.5% | 2.6% | 2.5% |
| | 2027 | | Year 10 | | 1.0% | 2.5% | 2.8% |

Waste Costs are anticipated to rise by an additional \$900,000 pa from 2021-22 for the subsequent 5 years due to new bin replacement contract being factored into the waste collection contract.

This equates to a total additional cost of \$4.5m over 5 years being the replacement of the blue and green bins throughout Council.

The Long Term Financial Plan provides for \$446,000 annual Waste Contract savings per year associated with reductions in both Kerbside Collections and Recyclables Collections. These Kerbside Collection Contract savings however will be eroded partially over the next three years by approximately \$314.6 K per annum as the EPA Levy progressively increases from \$76 per tonne to \$103 per tonne in 2019-20.

Operating grants for Roads to Recovery Federal Assistance funding cease to have a prepaid component in 2017/18 reducing from \$2.8m in 2016/17 to \$847.9k in 2017/18 and 2018/19.

Rate Revenue base is anticipated to be eroded by approximately \$1,000,000 over the next two years due to migration of 1,170 South Australian Housing Trust properties to two Housing Association providers. These properties once under Housing Association managed ownership will become eligible for a 75% mandatory rebate.

Electricity Costs are anticipated to rise by 33% over 2017-18 largely due to residual impact of a new public lighting contract which took effect in 2016-17.

The operating impact of the Recycling and Waste Centre upgrade is anticipated to be neutral with completion of any facility upgrade to be funded by a new charging regime which is expected to cover incremental costs.

The Model assumes the Recycled Water Business will achieve a breakeven position in 2024-2025, post depreciation expenses relevant to the Water Business Unit.

Internal recycled water revenues are treated as a saving in operating expenses with the net margin on internal sales approximating the net margin between SA potable costs and costs of producing our own water.

Finance charges on actual committed 10 year Fixed Loan of 10 Million Dollars attracts an effective interest rate of 3.85% per annum on a 10 year fixed rate. Finance Costs for unfixed loans are assumed to attract an effective interest rate of 4.1% being an average of the current offering of 4.45% for an LGFA 10 Year Fixed Rate Loan and 3.75% for the Current Cash Advance Debenture Rate.

An additional 1 FTE from Council endorsed Annual Operating Projects from 2016/17 has been factored into the recurrent FTE base establishment from 2017 -2018.

Depreciation in this model is anticipated to grow in approximate proportion with Total Rate Rises over the 10 year timeframe. Depreciation is a non-cash-flow item that represents an allocation of predominantly historical costs over the useful lives of the assets, rather than an estimate of future costs.

As per Council's endorsed Budget Principles the model is structured such that there is no reliance on gains made from asset sales to fund core services. If sales are realised the revenue will be applied as per the policy to reducing debt or to fund specific projects as determined by council resolutions.

Operating cash surpluses will be used when possible to fund Capital Expenditure on Renewal & Replacement and then New & Upgraded Assets. The balance of available surplus funds will be used to retire debt or minimise the use of new debt.

Forecasts for asset renewal capital expenditure is derived from Council's adopted asset management plans (AMP). AMP's are reviewed on an annual cycle and then presented to Council including detail of a rolling 4 year renewal program.

New/Upgrade forecasts are based on current Strategic Management Plans and Council in principle adopted projects. These projects will be presented to Council at the workshop 6 March 2017.

The increase in loans is largely due to the escalation in the forecast new/upgrade capital expenditure associated with Port Road Flood Mitigation program and the inclusion of several new major projects identified below for Council's expected contribution to the total project expenditure:

| | Year 1 2018 | Year 2 2019 | Year 3 2020 | Year 4 2021 | Year 5 2022 | Year 6 2023 | Year 7 2024 | Year 8 2025 | Year 9 2026 | Year 10 2027 | |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-------------|
| | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | |
| Net Capital Budget (Council contribution) | | | | | | | | | | | |
| Port Road Drainage (PRD) stage 2 including median upgrade | \$10,376 | \$4,661 | \$2,535 | \$1,000 | | | | | | | New/Upgrade |
| PRD Stages 3 and 4 | \$250 | \$250 | \$3,000 | \$5,000 | \$5,000 | \$5,000 | | | | | New/Upgrade |
| Other catchments - Trimmer/Meakin | \$0 | \$0 | \$0 | \$0 | \$0 | \$250 | \$250 | \$5,000 | \$5,000 | \$5,000 | New/Upgrade |
| TOTAL | \$10,626 | \$4,911 | \$5,535 | \$6,000 | \$5,000 | \$5,250 | \$250 | \$5,000 | \$5,000 | \$5,000 | |
| St Clair Recreation Precinct Upgrade | \$5,276 | \$6,656 | \$1,000 | | | | | | | | New/Upgrade |
| West Lakes Hub Centre | \$2,000 | \$2,000 | | | | | | | | | New/Upgrade |
| Coastal Rockwall Reconstruction | \$817 | | | | | | | | | | Renewal |

Over the forecast 10 year period Stormwater Mitigation projects for stage 2 are included for a net \$18.571m representing Council's contribution to Port Road Flood Mitigation stormwater and lateral upgrades. \$34m is provided for stage 3, 4 and other catchments over 10 years.

It is assumed capital works projects carried forward from 2016/17 of \$7.4m will be reduced to \$5.0m in 2017/18, ready for commissioning from 1 July 2018. It is also assumed there is approximately \$6m in carry forward budgeted capital works (\$8.8m in 2016/17) in progress for all forecast years which has been factored into projections on forecast for borrowings, interest expenses and depreciation.

Infrastructure Assets are revalued every 5 years in line with CPI forecasts for future years, noting that actual revaluations are undertaken as per accounting standards.

Annual Operating projects or service level increase are \$2.1m in 2017/18 (less than in previous iterations of the LTFP), escalating by 2.5% to 3% pa to 2026/27.

Significant Assumption Risks:

Interest Rate Risk

Interest Rate Risk is significant when Financial Liabilities exceed approximately \$80 Million such that a 1.4% interest rate rise would require approximately an additional 1% increase in rate revenue.

Wage Growth Index Forecast Risk

With employee costs comprising approximately 35% of total operating expenditure a 1% error in anticipated wage growth can result in a \$439,000 misstatement in the 2018 operating result and up to a \$545,000 misstatement in the 2027 year.

Schedule B

| City of Charles Sturt | | | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Long Term Financial Plan Model - Scenario 2 | | | | | | | | | | | |
| ESTIMATED COMPREHENSIVE INCOME STATEMENT | | | | | | | | | | | |
| Year Ended 30 June: | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| | Estimate | Plan |
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) |
| INCOME | | | | | | | | | | | |
| Rates | 100,448 | 103,606 | 108,641 | 113,201 | 118,122 | 122,838 | 127,621 | 132,334 | 137,090 | 142,429 | 147,409 |
| Statutory Charges | 4,150 | 4,279 | 4,416 | 4,562 | 4,731 | 4,920 | 5,112 | 5,301 | 5,492 | 5,706 | 5,906 |
| User Charges | 2,622 | 2,907 | 3,198 | 3,505 | 3,735 | 3,976 | 4,220 | 4,466 | 4,716 | 4,982 | 5,255 |
| Grants, subsidies, contributions | 9,500 | 7,729 | 7,891 | 8,057 | 8,242 | 8,448 | 8,651 | 8,841 | 9,036 | 9,262 | 9,494 |
| Investment Income | 164 | 167 | 171 | 175 | 179 | 183 | 187 | 191 | 195 | 200 | 205 |
| Reimbursements | 169 | 172 | 176 | 180 | 184 | 189 | 194 | 198 | 202 | 207 | 212 |
| Other Income | 48 | 149 | 152 | 155 | 159 | 163 | 167 | 171 | 175 | 179 | 183 |
| Total Revenues | 117,101 | 119,009 | 124,645 | 129,835 | 135,352 | 140,717 | 146,152 | 151,502 | 156,906 | 162,965 | 168,664 |
| EXPENSES | | | | | | | | | | | |
| Employee costs | 40,456 | 41,345 | 42,225 | 43,121 | 44,633 | 46,303 | 47,936 | 49,529 | 51,066 | 52,693 | 54,466 |
| Materials, contracts & other expenses | 43,887 | 44,993 | 46,004 | 47,123 | 49,406 | 51,117 | 53,022 | 55,128 | 57,270 | 59,637 | 61,972 |
| Depreciation | 27,580 | 29,096 | 33,661 | 35,013 | 37,221 | 38,484 | 40,966 | 42,667 | 45,593 | 49,189 | 49,398 |
| Finance Costs | 1,320 | 2,035 | 2,003 | 2,839 | 2,886 | 2,800 | 2,640 | 2,498 | 1,843 | 1,267 | 711 |
| Total Expenses | 113,243 | 117,469 | 123,893 | 128,096 | 134,146 | 138,704 | 144,564 | 149,822 | 155,772 | 162,786 | 166,547 |
| OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNT: | 3,858 | 1,540 | 752 | 1,739 | 1,206 | 2,013 | 1,588 | 1,680 | 1,134 | 179 | 2,117 |
| Amounts specifically for new assets | 4,561 | 17,919 | 9,319 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Physical resources free of charge | 2,625 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| NET SURPLUS/(DEFICIT) | 11,044 | 19,659 | 10,271 | 1,939 | 1,406 | 2,213 | 1,788 | 1,880 | 1,334 | 379 | 2,317 |
| Other Comprehensive Income | | | | | | | | | | | |
| Changes in revaluation surplus - IPP&E | 1 | 0 | 0 | 80,476 | 0 | 19,976 | 0 | 0 | 98,363 | 0 | 24,027 |
| Total Other Comprehensive Income | 1 | 0 | 0 | 80,476 | 0 | 19,976 | 0 | 0 | 98,363 | 0 | 24,027 |
| TOTAL COMPREHENSIVE INCOME | 11,045 | 19,659 | 10,271 | 82,415 | 1,406 | 22,189 | 1,788 | 1,880 | 99,697 | 379 | 26,344 |

| City of Charles Sturt | | | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Long Term Financial Plan Model - Scenario 2 | | | | | | | | | | | |
| ESTIMATED BALANCE SHEET | | | | | | | | | | | |
| Year Ended 30 June: | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| | Estimate | Plan |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 10 |
| | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) |
| ASSETS | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| Cash & Equivalent Assets | 2,501 | 538 | 2,470 | 4,379 | 6,601 | 6,487 | 9,233 | 7,869 | 4,085 | 3,736 | 3,005 |
| Trade & Other Receivables | 9,500 | 9,671 | 9,859 | 10,054 | 10,276 | 10,524 | 10,772 | 11,011 | 11,254 | 11,531 | 11,802 |
| Inventories | 60 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 |
| Sub-total | 12,061 | 10,274 | 12,394 | 14,498 | 16,942 | 17,076 | 20,070 | 18,945 | 15,404 | 15,332 | 14,872 |
| Non-current assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Current Assets | 12,061 | 10,274 | 12,394 | 14,498 | 16,942 | 17,076 | 20,070 | 18,945 | 15,404 | 15,332 | 14,872 |
| Non-Current Assets | | | | | | | | | | | |
| Equity Accounted Investments in Council Businesses | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 |
| Infrastructure, Property, Plant & Equipment | 1,109,858 | 1,154,554 | 1,177,167 | 1,259,821 | 1,262,174 | 1,280,714 | 1,276,331 | 1,263,689 | 1,353,221 | 1,340,466 | 1,353,959 |
| Other Non-Current Assets | 7,425 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Total Non-Current Assets | 1,117,478 | 1,159,750 | 1,182,363 | 1,265,017 | 1,267,370 | 1,285,910 | 1,281,527 | 1,268,885 | 1,358,417 | 1,345,662 | 1,359,155 |
| Total Assets | 1,129,539 | 1,170,024 | 1,194,757 | 1,279,515 | 1,284,312 | 1,302,986 | 1,301,597 | 1,287,830 | 1,373,821 | 1,360,994 | 1,374,027 |
| LIABILITIES | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | |
| Trade & Other Payables | 16,650 | 16,878 | 16,973 | 17,115 | 17,249 | 17,588 | 17,715 | 17,974 | 18,192 | 18,427 | 17,180 |
| Borrowings | 837 | 870 | 904 | 939 | 3,975 | 4,513 | 16,053 | 14,093 | 13,636 | 12,248 | 0 |
| Provisions | 9,328 | 9,218 | 9,407 | 9,461 | 9,601 | 9,660 | 9,806 | 9,888 | 9,990 | 10,109 | 10,212 |
| Sub-total | 26,815 | 26,966 | 27,284 | 27,515 | 30,825 | 31,761 | 43,574 | 41,955 | 41,818 | 40,784 | 27,392 |
| Total Current Liabilities | 26,815 | 26,966 | 27,284 | 27,515 | 30,825 | 31,761 | 43,574 | 41,955 | 41,818 | 40,784 | 27,392 |
| Non-Current Liabilities | | | | | | | | | | | |
| Borrowings | 27,731 | 48,361 | 62,457 | 64,518 | 64,543 | 60,030 | 44,977 | 30,884 | 17,248 | 5,000 | 5,000 |
| Provisions | 900 | 945 | 993 | 1,044 | 1,100 | 1,162 | 1,225 | 1,290 | 1,357 | 1,433 | 1,514 |
| Total Non-Current Liabilities | 28,631 | 49,306 | 63,450 | 65,562 | 65,643 | 61,192 | 46,202 | 32,174 | 18,605 | 6,433 | 6,514 |
| Total Liabilities | 55,446 | 76,272 | 90,734 | 93,077 | 96,468 | 92,953 | 89,776 | 74,129 | 60,423 | 47,217 | 33,906 |
| NET ASSETS | 1,074,093 | 1,093,752 | 1,104,023 | 1,186,438 | 1,187,844 | 1,210,033 | 1,211,821 | 1,213,701 | 1,313,398 | 1,313,777 | 1,340,121 |
| EQUITY | | | | | | | | | | | |
| Accumulated Surplus | 448,337 | 467,996 | 478,267 | 480,206 | 481,612 | 483,825 | 485,613 | 487,493 | 488,827 | 489,206 | 491,523 |
| Asset Revaluation Reserve | 625,756 | 625,756 | 625,756 | 706,232 | 706,232 | 726,208 | 726,208 | 726,208 | 824,571 | 824,571 | 848,598 |
| TOTAL EQUITY | 1,074,093 | 1,093,752 | 1,104,023 | 1,186,438 | 1,187,844 | 1,210,033 | 1,211,821 | 1,213,701 | 1,313,398 | 1,313,777 | 1,340,121 |

| City of Charles Sturt | | | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Long Term Financial Plan Model - Scenario 2 | | | | | | | | | | | |
| ESTIMATED CASH FLOW STATEMENT | | | | | | | | | | | |
| Year Ended 30 June: | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| | Estimate | Plan |
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| <u>Receipts</u> | | | | | | | | | | | |
| Rates | 100,448 | 103,606 | 108,641 | 113,201 | 118,122 | 122,838 | 127,621 | 132,334 | 137,090 | 142,429 | 147,409 |
| Statutory Charges | 4,150 | 4,279 | 4,416 | 4,562 | 4,731 | 4,920 | 5,112 | 5,301 | 5,492 | 5,706 | 5,906 |
| User Charges | 2,622 | 2,907 | 3,198 | 3,505 | 3,735 | 3,976 | 4,220 | 4,466 | 4,716 | 4,982 | 5,255 |
| Grants, subsidies, contributions | 9,491 | 7,808 | 7,883 | 8,090 | 8,257 | 8,502 | 8,669 | 8,881 | 9,069 | 9,298 | 9,532 |
| Investment Income | 164 | 167 | 171 | 175 | 179 | 183 | 187 | 191 | 195 | 200 | 205 |
| Reimbursements | 169 | 172 | 176 | 180 | 184 | 189 | 194 | 198 | 202 | 207 | 212 |
| Other Income | 48 | 149 | 152 | 155 | 159 | 163 | 167 | 171 | 175 | 179 | 183 |
| <u>Payments</u> | | | | | | | | | | | |
| Employee costs | (40,456) | (41,345) | (42,225) | (43,121) | (44,633) | (46,303) | (47,936) | (49,529) | (51,066) | (52,693) | (54,466) |
| Materials, contracts & other expenses | (43,216) | (45,086) | (45,852) | (47,104) | (49,313) | (50,959) | (52,952) | (55,001) | (57,159) | (59,520) | (63,344) |
| Finance Costs | (1,320) | (2,035) | (2,003) | (2,839) | (2,886) | (2,800) | (2,640) | (2,498) | (1,843) | (1,267) | (711) |
| Net Cash provided by (or used in) Operating Activities | 32,100 | 30,622 | 34,557 | 36,804 | 38,535 | 40,709 | 42,642 | 44,514 | 46,871 | 49,521 | 50,181 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| <u>Receipts</u> | | | | | | | | | | | |
| Amounts Specifically for New/Upgraded Assets | 4,561 | 17,919 | 9,319 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Payments</u> | | | | | | | | | | | |
| Expenditure on Renewal/Replacement of Assets | (26,559) | (27,685) | (26,671) | (25,764) | (28,083) | (25,024) | (27,549) | (25,863) | (28,171) | (27,522) | (27,292) |
| Expenditure on New/Upgraded Assets | (14,616) | (45,907) | (29,403) | (11,227) | (11,291) | (11,824) | (8,834) | (3,962) | (8,391) | (8,712) | (11,372) |
| WIP Adjustment | 0 | 2,425 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash Provided by (or used in) Investing Activities | (36,614) | (53,248) | (46,755) | (36,991) | (39,374) | (36,848) | (36,383) | (29,825) | (36,562) | (36,234) | (38,664) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| <u>Receipts</u> | | | | | | | | | | | |
| Proceeds from Borrowings | 7,200 | 21,500 | 15,000 | 3,000 | 4,000 | 0 | 1,000 | 0 | 0 | 0 | 0 |
| <u>Payments</u> | | | | | | | | | | | |
| Repayments of Borrowings | (500) | (837) | (870) | (904) | (939) | (3,975) | (4,513) | (16,053) | (14,093) | (13,636) | (12,248) |
| Net Cash provided by (or used in) Financing Activities | 6,700 | 20,663 | 14,130 | 2,096 | 3,061 | (3,975) | (3,513) | (16,053) | (14,093) | (13,636) | (12,248) |
| Net Increase/(Decrease) in cash held | 2,186 | (1,963) | 1,932 | 1,909 | 2,222 | (114) | 2,746 | (1,364) | (3,784) | (349) | (731) |
| Opening cash, cash equivalents or (bank overdraft) | 315 | 2,501 | 538 | 2,470 | 4,379 | 6,601 | 6,487 | 9,233 | 7,869 | 4,085 | 3,736 |
| Closing cash, cash equivalents or (bank overdraft) | 2,501 | 538 | 2,470 | 4,379 | 6,601 | 6,487 | 9,233 | 7,869 | 4,085 | 3,736 | 3,005 |

City of Charles Sturt
 Long Term Financial Plan Model - Scenario 2
ESTIMATED STATEMENT OF CHANGES IN EQUITY

| Year Ended 30 June: | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Estimate | Plan |
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) |
| ACCUMULATED SURPLUS | | | | | | | | | | | |
| Balance at end of previous reporting period | 437,293 | 448,337 | 467,996 | 478,267 | 480,206 | 481,612 | 483,825 | 485,613 | 487,493 | 488,827 | 489,206 |
| Net Result for Year | 11,044 | 19,659 | 10,271 | 1,939 | 1,406 | 2,213 | 1,788 | 1,880 | 1,334 | 379 | 2,317 |
| Balance at end of period | 448,337 | 467,996 | 478,267 | 480,206 | 481,612 | 483,825 | 485,613 | 487,493 | 488,827 | 489,206 | 491,523 |
| ASSET REVALUATION RESERVE | | | | | | | | | | | |
| Balance at end of period | 625,756 | 625,756 | 625,756 | 706,232 | 706,232 | 726,208 | 726,208 | 726,208 | 824,571 | 824,571 | 848,598 |
| OTHER RESERVES | | | | | | | | | | | |
| Balance at end of period | 0 |
| TOTAL EQUITY AT END OF REPORTING PERIOD | 1,074,093 | 1,093,752 | 1,104,023 | 1,186,438 | 1,187,844 | 1,210,033 | 1,211,821 | 1,213,701 | 1,313,398 | 1,313,777 | 1,340,121 |

City of Charles Sturt
 Long Term Financial Plan Model -Scenario 2
SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

| Year Ended 30 June: | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|----------------|-----------------|-----------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| | Estimate | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan |
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) |
| Operating Revenues | 117,101 | 119,009 | 124,645 | 129,835 | 135,352 | 140,717 | 146,152 | 151,502 | 156,906 | 162,965 | 168,664 |
| <i>less Operating Expenses</i> | 113,243 | 117,469 | 123,893 | 128,096 | 134,146 | 138,704 | 144,564 | 149,822 | 155,772 | 162,786 | 166,547 |
| Operating Surplus/(Deficit) before Capital Amounts | 3,858 | 1,540 | 752 | 1,739 | 1,206 | 2,013 | 1,588 | 1,680 | 1,134 | 179 | 2,117 |
| Less: Net Outlays on Existing Assets | | | | | | | | | | | |
| Capital Expenditure on Renewal/Replacement of Existing Assets | 26,559 | 27,685 | 26,671 | 25,764 | 28,083 | 25,024 | 27,549 | 25,863 | 28,171 | 27,522 | 27,292 |
| <i>less Depreciation, Amortisation & Impairment</i> | 27,580 | 29,096 | 33,661 | 35,013 | 37,221 | 38,484 | 40,966 | 42,667 | 45,593 | 49,189 | 49,398 |
| | (1,021) | (1,411) | (6,990) | (9,249) | (9,138) | (13,460) | (13,417) | (16,804) | (17,422) | (21,667) | (22,106) |
| Less: Net Outlays on New and Upgraded Assets | | | | | | | | | | | |
| Capital Expenditure on New/Upgraded Assets | 14,616 | 45,907 | 29,403 | 11,227 | 11,291 | 11,824 | 8,834 | 3,962 | 8,391 | 8,712 | 11,372 |
| <i>less Amounts Specifically for New/Upgraded Assets</i> | 4,561 | 17,919 | 9,319 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 10,055 | 27,988 | 20,084 | 11,227 | 11,291 | 11,824 | 8,834 | 3,962 | 8,391 | 8,712 | 11,372 |
| Net Lending / (Borrowing) for Financial Year | (5,176) | (25,037) | (12,342) | (239) | (947) | 3,649 | 6,171 | 14,522 | 10,165 | 13,134 | 12,851 |

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.

| Scenario 2 Assumes productivity dividend of \$900k over 2 years; rates 2.7% plus growth 2017/18 | | | | | | | | | | | |
|---|------------------------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Operating Revenue | 2017 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| | Year Ended 30 June: Estimate | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) |
| General Rates | 99,548 | 103,434 | 108,744 | 113,333 | 118,276 | 123,007 | 127,804 | 132,533 | 137,304 | 142,659 | 147,652 |
| CPI | 1.9% | 1.9% | 2.1% | 2.1% | 2.3% | 2.5% | 2.4% | 2.2% | 2.2% | 2.5% | 2.5% |
| Extra Impost above CPI & Growth | 1.1% | 0.8% | 1.9% | 0.9% | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Forecast Rise Exclusive of Growth | 3.0% | 2.7% | 4.0% | 3.0% | 3.0% | 2.5% | 2.4% | 2.2% | 2.2% | 2.5% | 2.5% |
| Growth | 1.4% | 1.2% | 1.1% | 1.2% | 1.4% | 1.5% | 1.5% | 1.5% | 1.4% | 1.4% | 1.0% |
| Total Rise | 4.3% | 3.9% | 5.1% | 4.2% | 4.4% | 4.0% | 3.9% | 3.7% | 3.6% | 3.9% | 3.5% |
| Prev LTFP Rates Rise exclusive of Growth | | 2.5% | 4.1% | 4.1% | 2.6% | 2.7% | 2.6% | 2.4% | 2.5% | 2.7% | |
| Total Rate Rise Diff to Prev LTFP | | 0.2% | -0.1% | -1.1% | 0.4% | -0.2% | -0.2% | -0.2% | -0.3% | -0.2% | |
| | 2017 | | | | | | | | | | |
| | Estimate | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) |
| Indicator 1 - Operating Surplus / (Deficit) - \$(000) | 3,858 | 1,540 | 752 | 1,739 | 1,206 | 2,013 | 1,588 | 1,680 | 1,134 | 179 | 2,117 |
| Indicator 2 - Operating Surplus Ratio - % | 3.8% | 1.5% | 0.7% | 1.5% | 1.0% | 1.6% | 1.2% | 1.3% | 0.8% | 0.1% | 1.4% |
| Indicator 3 - Net Financial Liabilities Ratio - % | 37.1% | 55.5% | 62.9% | 60.6% | 58.8% | 54.0% | 47.7% | 36.5% | 28.7% | 19.6% | 11.3% |
| Indicator 4 - Asset Sustainability Ratio - % | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Indicator 5 - Interest Cover Ratio - % | 1.15% | 1.75% | 1.64% | 2.23% | 2.18% | 2.03% | 1.85% | 1.68% | 1.20% | 0.79% | 0.43% |
| Net Loans | 28,568 | 49,231 | 63,361 | 65,457 | 68,518 | 64,543 | 61,030 | 44,977 | 30,884 | 17,248 | 5,000 |
| Net Loans as a Percentage of Operating Revenue | 24.9% | 42.3% | 51.9% | 51.5% | 51.7% | 46.9% | 42.7% | 30.3% | 20.1% | 10.8% | 3.0% |
| Capital Program | | | | | | | | | | | |
| Renewal & Replacement | 26,559 | 26,324 | 26,671 | 25,764 | 28,083 | 25,024 | 27,549 | 25,863 | 28,171 | 27,522 | 27,292 |
| New & Upgrade | 14,616 | 33,842 | 24,493 | 5,692 | 5,291 | 6,824 | 3,584 | 3,712 | 3,391 | 3,712 | 6,372 |
| Flood Mitigation & Major Stormwater Projects | | 10,626 | 4,911 | 5,535 | 6,000 | 5,000 | 5,250 | 250 | 5,000 | 5,000 | 5,000 |
| Less Amounts Specifically for New & Uograded Assets | - 4,561 | - 17,919 | - 9,319 | | | | | | | | |
| Total Net Capital Spend | 36,614 | 52,873 | 46,755 | 36,991 | 39,374 | 36,848 | 36,383 | 29,825 | 36,562 | 36,234 | 38,664 |
| Annual Operating Projects | 2,353 | 2,100 | 2,163 | 2,208 | 2,263 | 2,322 | 2,381 | 2,436 | 2,490 | 2,553 | 2,618 |

NOTE : this adopted LTFP provided the basis for development of the annual budget and high level parameters, noting that the final budget for 2017/18 was adopted following consultation feedback and finalisation of actual inputs for recurrent budget and level of capital and annual operating projects.

Schedule C – Budget Principle **Honest and Accountable**

We will be honest and accountable in all aspects of the budget process, meeting the community's expectations of transparency and openness with a reporting framework that supports and enhances this.

Strategic Approach

We will maintain a strategic approach to the delivery of all council services and capital works programmes. All expenditure decisions will align with the City of Charles Sturt theme areas and objectives:

- 1. *OUR COMMUNITY – A Strong and Connected Community***
- 2. *OUR LIVEABILITY – A Liveable City of Great Places.***
- 3. *OUR ENVIRONMENT – An Environmentally Responsible and Sustainable City.***
- 4. *OUR ECONOMY – An Economically Thriving City***
- 5. *OUR LEADERSHIP – A Leading and Transformational Local Government Organisation***

Forward Financial Planning

A 10 year long term financial plan will reinforce the delivery and achievement of Council's long term strategic objectives in a sustainable manner. All programmes will be regularly reviewed to ensure they fit within the Council's financial framework and key performance targets for financial sustainability

Realistic Budgeting

All budget figures will be realistic, based on the best available information and utilise a zero based budgeting approach.

Meet Long Term Liabilities

Each budget will be fully funded and reconciled on an accrual and cash basis. Councils total indebtedness will be considered within the constraints of a net financial liabilities ratio of less than 100%. Adequate provisions will be made to meet Council's long term liabilities. Council will seek to ensure a sustainable operating surplus.

Affordable Rates

Rates will be set at an affordable level having regard to the City's strategic directions and its social and economic objectives balanced against the community's ability to pay. Sustainable rate increases are defined as total rate revenue increases without an annual increase in total rate revenue after growth for 3 or more consecutive years which is double the annual increase in CPI assuming a **no** policy change in council direction.

Avoid Cost Shifting

We will resist pressure to accept cost shifting from other levels of government.

New Initiatives

All new initiatives will be evaluated in terms of meeting Council's strategic directions and incorporate a cost benefit analysis which includes whole of life costing.

Asset Sales and Debt

The operational budget will be structured such that there is no reliance on asset sales to fund core services. Debt will be regarded as a tool to be used in a strategic perspective to achieve the provision of services to the community. Debt will be considered:

- In the context of the strategic objectives of Council
- In the context of long term financial forecasts and objectives
- As funding for long term infrastructure asset creation
- As a means of spreading the cost of infrastructure over the ratepayers who use it
- As a mechanism to fund temporary cash shortfalls.

A ratio of total debt (net financial liabilities) less than 100% of Council's operating revenue is considered an acceptable benchmark.

Financial Control

We commit to ensuring that financial and other resources under our control will be used only for approved purposes and within Council's strategic framework and that all risks to Council's finances are properly managed.

Attachment B - City of Charles Sturt Core Operational Services

Below is a comprehensive listing of our core operational services as at June 2016.

| Core Business | Key Outputs |
|---|--|
| <i>Community Services</i> | |
| <ul style="list-style-type: none"> • Community Development | <ul style="list-style-type: none"> – Work with disadvantaged communities and other partners to provide support and to facilitate the coordination of services. – Manage the Community Benefit Donation Scheme – Assist community groups to seek out grant funding |
| <ul style="list-style-type: none"> • Youth Services | <ul style="list-style-type: none"> – Provide support to the Youth Advisory Committee – Implement Council's Youth Policy and Action Plan |
| <ul style="list-style-type: none"> • Crime Prevention | <ul style="list-style-type: none"> – Implement the Crime Prevention Through Environmental Design principles |
| <ul style="list-style-type: none"> • Graffiti | <ul style="list-style-type: none"> – Remove 15,600 square metres of graffiti from private property and bus shelters within 5 working days |
| <ul style="list-style-type: none"> • Community Centres | <ul style="list-style-type: none"> – Provide support staff in Community Centres at Findon, Cheltenham, Henley & Grange, Bower Cottages and West Lakes; with 85,000 participants supported by 25,600 volunteer hours – Implement and deliver on actions in the 'People, Programs, Partnerships and Places Strategy' |
| <ul style="list-style-type: none"> • Community Care – Transport | <ul style="list-style-type: none"> – Assist 700 clients with transport. Provide 9,500 return trips to local shopping centres and social programs |
| <ul style="list-style-type: none"> • Community Care – Volunteers | <ul style="list-style-type: none"> – Coordinate the efforts of approximately 550 volunteers supporting various community service programs and donating around 46,000 hours per year |

Core Business**Key Outputs****Community Services (cont.)**

- Community Care – Aged & Disability Services
 - Implement Council’s ‘Ageing in Charles Sturt’ action plan
 - Assist approximately 500 residents with 8,000 hours of domestic assistance.
 - Provide 250 residents with 30,000 hours of social support and activities
- Home Maintenance & Security
 - Provide 3,500 hours of home maintenance and security to approximately 1,700 clients

Contracted Services

- Cleaning Council Property
 - Manage the contract for the cleaning of Council property, Halls etc.
- Graffiti
 - Manage the contract for the removal of Graffiti from Council owned property
- Herbicide & Pesticide Spaying
 - Manage the contract for spraying of weeds by Contractors
- Kerb and Gutter replacement
 - Assist Engineering & Construction to manage the contract for kerb and gutter replacement work in conjunction with the Road Reseal Backlog program
- Litter Bins
 - Manage the contract for emptying the Street/Reserves/Foreshore litter bins, including bins on jetties
- Playground Maintenance
 - Manage the contract for maintenance of Council playgrounds
- Road Reseal Backlog Program
 - Assist Engineering & Construction to manage the contract for road reseal works
- Segmental Paved Footpaths
 - Assist Engineering & Construction to manage the contract for the installation of segmental paved footpaths
- Verge Mowing
 - Manage the contract for verge mowing which provides for mowing of verges on local roads up to 4 times per year and those on main roads up to 8 times per year.
- Waste Management
 - Manage the contract for waste management which provides for a weekly domestic waste collection, fortnightly recycling, fortnightly green waste service and an annual collection of hard waste.

Core Business***Admin/Governance***

- | Core Business | Key Outputs |
|---|---|
| <ul style="list-style-type: none"> • Research & Analysis | <ul style="list-style-type: none"> – Provide coordinated research and business analysis support to all business units – Provides leadership/management of demographics information, provides research and analysis for major projects and customer service management |
| <ul style="list-style-type: none"> • Information Systems | <ul style="list-style-type: none"> – Establish, maintain and support all of Council's IT and administrative systems – Maintain base property, street numbering and electoral roll information – Deliver property certification for land transfers and sales – Provide record management services for all administrative processes |
| <ul style="list-style-type: none"> • Financial Services | <ul style="list-style-type: none"> – Manage Council's requirements for financial reporting, processing and internal controls. – Manage administration of rates assessment book and collection of rates income – Manage Council's loan portfolio |
| <ul style="list-style-type: none"> • Governance & Risk | <ul style="list-style-type: none"> – Provide risk management advice and services in relation to Council's operations, goods and services – Ensure Council operates in line with good governance practices, legislative requirements and Council procedures – Manage Council's fleet requirements – Provide procurement services, including tender preparation and evaluation – Provide support to Council Members – Manages the Work Health and Safety of our employees |
| <ul style="list-style-type: none"> • Human Resource Management | <ul style="list-style-type: none"> – Supports and guides organisational development that meets both the human resource needs of the organisation and the satisfaction and development needs of staff – Ensure staff are paid accurately and on time – Manages Workers Compensation claims and employee rehabilitation programs |

Core Business***Admin/Governance (cont.)***

- Asset Management

- Sustainability Programs

Key Outputs

- Development of strategic asset management plans for all assets including identification of demand for services and the lifestyle costs for each asset

- Coordinate Council's environmental response by developing and implementing our environmental plan 'Towards One Planet Living: Greening the Western Suburbs'

- Coordinate programs to reduce negative environmental impacts from Council operations. Coordinate programs to promote and facilitate environmental improvements by, and on behalf of, our community

- Liaise with State and Federal Government representatives to ensure optimum access to funding and other assistance for environmental reforms

- Provide educational and professional development opportunities for staff and Elected Members, to increase Council's capacity to implement environmental reforms over time

Customer Relations

- Corporate Promotions

- Communications

- Continue to develop the relationship between Council and our community

- Communicate and promote Council's programs, events and activities

- Manage Council's communication activities including media liaison

- Provide 4 Council newsletters 'Kaleidoscope'

- Manage community events

- Assist business units with undertaking effective community consultation

- Management of Council's website and digital mediums

Core Business

- Customer Services

Key Outputs

- Process approximately 34,000 transaction per year and provide general information to the community on both Council and community issues
- Manage Council's call centre operations fielding approximately 128,000 calls per year within an average of 21 seconds
- Monitor customer perceptions and satisfaction levels
- Process 9,000 customer requests for service

Engineering

- Road Maintenance

- Manage and maintain 557 kms of sealed local roads and associated infrastructure, including kerb and gutter
- Deliver projects in line with the approved Road Reseal/Reconstruction programs

- Footpath Maintenance

- Manage and maintain 940 kms of concrete, paved or asphalt footpaths
- Deliver projects in line with the approved New Footpath and Footpath Reconstruction programs
- Manage and maintain 337 kms of unsurfaced footpaths

- Drainage Maintenance

- Manage and maintain 7,000 side entry pits, 2,300 junction boxes and Council's stormwater drainage system
- Deliver projects in line with the approved Stormwater Management program
- Deliver projects in line with the approved Box Culvert Replacement program
- Deliver projects in line with the approved Pump Station Upgrade program
- Continue with the development of the Urban Stormwater Master Plan across the remainder of the City

- Foreshore Maintenance

- Manage and maintain 11.5 kms of foreshore

- Street Sweeping

- Main roads swept weekly, residential roads every 6 weeks, with additional autumn and coastal sweepings done weekly

Core Business

- Traffic Management

- Public Lighting

- Recycled water

Library Services

- Library Service

Open Space and Recreation

- Arboriculture

- Parks & Reserves Maintenance

- Open Space Planning
-
- Sporting Club Support

- Urban design Projects

Key Outputs

- Effectively respond to the community regarding the management of traffic and transport across the City

- Deliver projects in line with the approved Traffic Management program

- Effectively respond to the community regarding the provision of public lighting along Council managed roads, reserves and walkways.

- Maintain and operate councils recycled water system and wetlands

- Deliver a range of library products and services including access to print and audio visual collections and resources, community language collections, community information, internet and wireless service access, literacy programs, lifelong learning programs and recreational programs

- Service a membership of over 50,000 people, over 500,000 visits and 1 million loans annually

- Provide 5 branch libraries across the City plus a mobile library and home service

- Provide services and programs to Culturally and Linguistically Diverse Communities

- Deliver a selection of Council Customer Services, including a rate payment service

- Maintain Council's trees (street trees & reserves) including pruning 44,000 street trees once every two years

- Maintain 345 hectares of parks and reserves and council properties

- Natural Resource Management

- Environmental Management

- Maximise the use of Council's 70 sporting facilities and 4 clubrooms

- Provide support to around 65 sporting clubs operating on community land in the City

- Design and deliver endorsed open space landscape and public place projects

Core Business**Key Outputs*****Planning & Development***

- Development Assessment
 - Provide pre-lodgement advice and process Development Applications for approximately 4,000 projects per year
- Development Control
 - Inspect approximately 40% of approvals per year to ensure compliance with the Building Code of Australia and conditions of approval
- Development Compliance
 - Respond to complaints and identify illegal activity related to land use and planning conditions
- Planning Policy
 - Formulate planning policy that reflects the needs of the community and the State Planning Strategy and ensure Council's Development Plan is relevant and up to date

Property Services

- Property Management
 - Manage over 300 Council properties including commercial, community and residential properties. Manage the acquisition and disposal process of properties. Manages the upgrades of Council owned buildings
- Property Maintenance
 - Maintain and repair Council property including bus shelters, public toilets, playgrounds and administration, recreation and sporting facilities
- Rapid Response
 - Attend to over 5,000 customer requests per year to make the roads and footpaths safe for residents, undertake minor pruning of street trees and collect dumped litter and waste
- After Hours Callout
 - Attends customer requests afterhours between the hours of 4.00pm and 7.00 am 7 days a week

Core Business

Public Health & Safety

- Compliance

- Animal Management

Key Outputs

- Respond to approximately 5,800 complaints regarding parking, dogs, Local Government Act, Metropolitan Fire Services Act and general by-law issues
- Respond to approximately 1,000 complaints in relation to trees overhanging footpaths, overgrown grass, rubbish dumped on Council land and illegal backyard burning
- Respond to approximately 1,100 abandoned vehicle complaints and make arrangements for approximately 100 vehicles to be towed away
- Undertake School Safety Program to address safety related parking offences around 58 schools within the City
- Implement Council's by-laws and administer various legislation through education, encouragement and enforcement
- Undertake enforcement patrols throughout the city in relation to illegal parking
- Ensure compliance with the Dog & Cat Management Act, by handling complaints regarding barking dogs, wandering at large, dog attacks and other dog related complaints
- Maximising dog registration - register 16,000 dogs per year
- Implement the Urban Animal Management Plan
- Impound approximately 900 dogs
- Investigate approximately 150 dog attacks
- Investigate approximately 50 barking dog complaints
- Receive 220 barking dog enquiries
- Respond to approximately 1,000 dogs wandering at large complaints
- Respond to approximately 550 other complaints relating to dogs
- Conduct compliance patrols for dog related issues particularly in high usage areas such as the foreshore and Linear Park

- Environmental Health
 - Undertake inspections of approximately 750 food premises in line with the Australian Food Safety Assessment system
 - Inspect and audit approx 44 cooling towers
 - Inspect and undertake water quality analysis of 20 public swimming pools and spa facilities
 - Provide education material to 110 hairdressing and beauty salons
 - Respond to approximately 350 public health complaints
 - Respond to approximately 50 food complaints
 - Provide rat bait for approximately 1,000 households
 - Destroy approximately 200 European Wasp Nests
- Immunisation
 - Administer approximately 6,500 vaccines to clients attending 140 public clinics, 10 High School clinics
- Environmental Management
 - Investigate approximately 50 incidents of stormwater pollution
 - Assist in the development and implementation of Council's water strategy with a particular focus on water quality and community education initiatives

Urban Projects

- Cultural Development
 - Deliver cultural projects and promote the value of built heritage
 - Support community and cultural groups to preserve and build cultural identity
 - Advocate for inclusion and recognition of Kurna heritage and role of Kurna Meyunna as the custodians of the City of Charles Sturt
- Economic Development
 - Support the growth of local employment and export opportunities by engaging with major local businesses through the Western Business Leaders group and facilitating programs and initiatives.
 - Work collaboratively with the Western Region Councils through the Western Alliance to promote and facilitate economic development outcomes and grow local employment

- Major Projects
 - Facilitate Council’s response to major projects and identify value adding opportunities to optimise outcomes
 - Identify and promote economic development opportunities through major urban development projects

Attachment C – Budgeted Financial Statements for 2017/18

Schedule 1: Statement of Comprehensive Income

| | 2018 | 2017 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Revenue | | |
| Rates | 103,392 | 100,448 |
| Statutory Charges | 4,130 | 3,750 |
| User Charges | 2,620 | 2,597 |
| Grants, Subsidies and Contributions | 8,462 | 9,002 |
| Investment Income | 140 | 164 |
| Reimbursements | 551 | 109 |
| Other revenues | 149 | 48 |
| Total Revenues | 119,444 | 116,118 |
| Expenses | | |
| Employee Costs | 41,386 | 40,356 |
| Materials, Contracts and Other | 43,775 | 42,957 |
| Finance Costs | 2,000 | 1,770 |
| Depreciation, Amortisation and Impairment | 29,139 | 27,580 |
| Total Expenses | 116,300 | 112,663 |
| Operating Surplus/(Deficit) | 3,144 | 3,455 |
| Capital Amounts | | |
| Physical resources received free of charge | 200 | 200 |
| Amounts specifically for new or upgraded asset | 23,773 | 4,561 |
| | 23,973 | 4,761 |
| Net Surplus/(Deficit) | 27,117 | 8,216 |
| Other Comprehensive income | 0 | 0 |
| Total Comprehensive Income | 27,117 | 8,216 |

Schedule 2: Cashflow Statement

| | 2018 | 2017 |
|---|--------------------------|--------------------------|
| | \$ | \$ |
| | Inflows(outflows) | Inflows(outflows) |
| | \$'000 | \$'000 |
| Cash Flows from Operating Activities | | |
| Operating Receipts | 119,304 | 115,954 |
| Investment receipts | 140 | 164 |
| Operating Payments to suppliers and employees | (85,161) | (83,313) |
| Finance payments | (2,000) | (1,770) |
| Net Cash Flows provided by (used in) Operating Activities | 32,283 | 31,035 |
| Cash Flows from Financing Activities | | |
| Receipts | | |
| Proceeds from Borrowings | 22,745 | 6,700 |
| Proceeds from Aged care Facility deposits | 0 | 0 |
| Payments | | |
| Repayments of Borrowings | (837) | (840) |
| Repayment of Aged care Facility Deposits | (0) | (0) |
| Net Cash provided for (used in) Financing Activities | 21,908 | 5,860 |
| Cash Flows from Investing Activities | | |
| Receipts | | |
| Sale of replaced assets | 766 | 692 |
| Grants specifically for new of upgraded assets | 23,773 | 4,561 |
| | 24,539 | 5,253 |
| Payments | | |
| Expenditure on renewal/replacement of assets | (30,035) | (27,451) |
| Expenditure on new/upgraded assets | (48,695) | (14,615) |
| | (78,730) | (42,066) |
| Net Cash used in Investment Activities | (54,191) | (36,813) |
| Net Increase (Decrease) in Cash Held | 0 | 82 |
| Cash and cash equivalents at Beginning of Reporting Period | 636 | 2,100 |
| Cash and cash equivalents at End of Reporting Period | 636 | 2,182 |

Schedule 3: Balance Sheet

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$'000 | \$'000 |
| ASSETS | | |
| Current Assets | | |
| Cash and Cash equivalents | 636 | 2,182 |
| Trade and Other receivables | 6,571 | 7,900 |
| Inventories | 65 | 65 |
| Total Current Assets | 7,272 | 10,147 |
| Non Current Assets | | |
| Equity accounted investments in council business | 100 | 120 |
| Infrastructure, Property, plant and equipment | 1,160,162 | 1,129,823 |
| Other non current assets | 9,905 | 5,000 |
| Total Non Current assets | 1,170,167 | 1,134,943 |
| TOTAL ASSETS | 1,177,439 | 1,145,090 |
| LIABILITES | | |
| Current Liabilities | | |
| Trade and Other Payables | 25,228 | 22,250 |
| Borrowings | 500 | 500 |
| Provisions | 9,218 | 7,210 |
| Total Current Liabilities | 34,946 | 29,960 |
| Non Current Liabilities | | |
| Long Term Borrowings | 37,408 | 34,830 |
| Long Term Provisions | 2,185 | 2,180 |
| Trade and Other Payables | 0 | 0 |
| Total Non Current liabilities | 39,593 | 37,010 |
| TOTAL LIABILITES | 74,539 | 66,970 |
| Net Assets | 1,102,900 | 1,078,120 |
| EQUITY | | |
| Accumulated Surplus | 477,145 | 447,492 |
| Reserves | 625,755 | 630,628 |
| TOTAL EQUITY | 1,102,900 | 1,078,120 |

Schedule 4: Statement of Changes in Equity**2018**

| | Accumulated Surplus \$'000 | Asset revaluation reserve \$'000 | Total Equity \$'000 |
|---|---|---|------------------------------------|
| Accumulated Surplus | | | |
| Balance at end of previous reporting period | 450,028 | 625,755 | 1,075,783 |
| Net Result for year | 27,117 | | 27,117 |
| Other Comprehensive income | | 0 | 0 |
| Balance at end of period | 477,145 | 625,755 | 1,102,900 |

2017

| | Accumulated Surplus \$'000 | Asset revaluation reserve \$'000 | Total Equity \$'000 |
|---|---|---|------------------------------------|
| Accumulated Surplus | | | |
| Balance at end of previous reporting period | 439,276 | 630,628 | 1,069,904 |
| Net Result for year | 8,216 | | 8,216 |
| Other Comprehensive income | | 0 | 0 |
| Balance at end of period | 447,492 | 630,628 | 1,078,120 |

Schedule 5: Summary of Operating and Capital Investment Activities

| | | 2018 | 2017 |
|---------------|---|-----------------|----------------|
| | | \$ | \$ |
| | Operating Revenue | 119,444 | 116,118 |
| | Less Operating Expenses | (116,300) | (112,663) |
| | Operating Surplus/(Deficit) before Capital Amounts | 3,144 | 3,455 |
| Less | Net Outlays on Existing Assets | | |
| | Capital expenditure on renewal and replacement of existing assets | 30,035 | 27,451 |
| | Less Depreciation, Amortisation and Impairment | (29,139) | (27,580) |
| | Less proceeds from sale of Replaced Assets | (766) | (692) |
| | | 130 | (821) |
| Less | Net Outlays on new and Upgraded Asses | | |
| | Capital expenditure on New and Upgraded assets | 48,695 | 14,615 |
| | Less amounts received specifically for New and Upgraded assets | (23,773) | (4,561) |
| | Less proceeds from Sale of Surplus Assets | 0 | 0 |
| | | 24,922 | 10,054 |
| Equals | Net Lending / (Borrowing) for Financial year | (21,908) | (5,778) |

Schedule 6: Statement of Financial Indicators**Key Financial Indicators**

| | 2018 | 2017 |
|---|-------------|-------------|
| Operating surplus/deficit - \$'000 | 3,144 | 3,455 |
| Operating surplus ratio | 2.6% | 3.0% |
| Net Financial Liabilities - \$'000 | 67,332 | 56,888 |
| Net Financial Liabilities ratio | 56.4% | 50.1% |
| Interest cover ratio | 1.6% | 1.4% |
| Asset sustainability ratio (AMP) | 114.1% | 109.6% |



Attachment D - Rating Policy

Rating Policy

| | |
|---|---|
| Reference Number: | 4.24 |
| Type: | Council |
| Category: | Finance Policy |
| Relevant Community Plan Outcome: | <ul style="list-style-type: none"> • Adaptive and sustainable management of the City's finances • Practise transparent and accountable governance |
| Responsible Officer(s): | Manager Financial Services |
| First Issued/Approved: | June 2001 |
| Minutes Reference: | CI 26/6/2017 Item 6.68 |
| Last Reviewed: | June 2017 |
| Next Review Due: | June 2018 |
| Applicable Legislation: | Local Government Act 1999 Local Government (Financial Management) Regulations 2011 |
| Related Policies: | Nil |
| Related Procedures: | Nil |

1. Purpose

This document sets out the policy of the City of Charles Sturt for setting and collecting rates from its community. The policy covers:

- the method used to value land
- adoption of valuations
- business impact statement
- Council's revenue raising powers
- differential general rates
- minimum rate
- Natural Resources Management (NRM) levy (the Council's collection role)
- pensioner concessions
- unemployed persons concessions
- self-funded retirees concession
- payment of rates
- rebate of rates
- rate capping
- remission of rates
- postponement of rates
- late payment of rates
- sale of land for non-payment of rates
- changes to assessment record
- disclaimer

2. Scope

Strategic Focus

In setting its rates for the 2017/18 financial year Council has considered the following:

- its Community Plan 2016-2027 Charles Sturt – A Leading, Liveable City;
- its Long Term Financial Plan Estimates 2017-2028;
- its Budget Principles;
- the current economic climate;
- the specific issues faced by our community;
- the Annual Business Plan and Budget for the 2017/2018 financial year;
- the impact of rates on the community;
- the impact of rates on businesses;
- the relationship between Council objectives and rating strategy;
- Council's debt strategy;
- required funding for future asset replacement;
- the impact of differential changes in property valuations across the City;
- as may be relevant, issues of consistency and comparability across Council areas in the imposition of rates on sectors of the community such as business; and
- issues of equity arising from circumstances where ratepayers provide or maintain infrastructure that might otherwise be provided or maintained by Council and whether discretionary rebates will be granted.

Copies of Council's Community Plan and Annual Business Plan and Budget are available for inspection at the Charles Sturt Civic Centre, 72 Woodville Road, Woodville or on our website at www.charlessturt.sa.gov.au

3. Policy Statement

COMMUNICATION OF THE POLICY

Section 123 of the Local Government Act 1999 requires a Council to prepare an Annual Business Plan and Budget. As per Section 123 (2) (d) the annual plan must set out the rates structure and policies for the financial year. A summary of the Annual Business Plan must be included with the first rates notice.

METHOD USED TO VALUE LAND

Councils may adopt one of three valuation methodologies to value the properties in their areas. They are:

- *Capital Value* – the value of the land and all the improvements on the land.
- *Site Value* – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but **excluding** the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property.

The City of Charles Sturt has decided to continue to use Capital Value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers because property value is considered a reasonable indicator of income and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

ADOPTION OF VALUATIONS

A Council may employ or engage a valuer to value the land in the area or it may use the valuations provided by the Valuer-General, or it may use a combination of both subject to certain restrictions. The Valuer-General is a statutory officer appointed by the Governor.

The City of Charles Sturt has adopted the most recent valuations made by the Valuer-General. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

- (a) previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- (b) previously had an objection to the valuation considered by the Valuer-General.

It is to be noted, however that regardless of the 60 day limitation period before lodging an objection to the valuation the Valuer-General may, for good reason, determine to accept an objection lodged outside this time period.

OBJECTION TO VALUATION

A person may object to a valuation of the Valuer-General by notice in writing, setting out the reasons for the objections, and the Valuer-General must consider the objection. If the person then remains dissatisfied with the valuation the person has a right to a review. Applications must be made within 21 days of receipt of the notice of the decision (in relation to the objection) from the Valuer-General. A payment of the prescribed fee for the review to be undertaken together with the review application must be lodged in the State Valuation Office, who will then refer the matter to an independent Valuer. If the person remains dissatisfied with the valuation then they have a right of appeal to the Land and Valuation Court (Section 24, 25A, 25B & 25C of the Valuation of Land Act 1971).

The address of the State Valuation Office is 101 Grenfell Street, Adelaide SA 5000 (GPO Box 1354, Adelaide SA 5001) and the telephone number is 1300 653 346 (general enquiries) 1300 653 345 (objections enquiries).

Note: Council has no role in the process of considering an objection to a valuation.

It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

NOTIONAL VALUES

Certain properties may be eligible for a notional value, where the property is the principal place of residence of a ratepayer, under the Valuation of Land Act 1971. This relates to some primary production land or where there is State heritage recognition.

Any owner that believes that they are entitled to a 'notional value' must apply in writing to the State Valuation Office.

BUSINESS IMPACT STATEMENT

The Council has considered the impact of rates on businesses in the Council area, including primary production. In considering the impact, Council assessed the following matters:

- those elements of the Council's strategic management plans relating to business development;
- the current and forecast economic climate as identified in Council's environmental scan;
- operating and capital projects for the coming year that will principally benefit industry and business development within the City;
- movement in the Consumer Price Index (CPI) and other relevant indices such as the Local Government Price Index (LGPI) ; and
- valuation changes in commercial and industrial properties across the City as compared with valuation changes in residential properties across the City.

COUNCIL'S REVENUE RAISING POWERS

All land within a Council area, except for land specifically exempt (eg Crown land, Council occupied land and other land prescribed in the Local Government Act – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Charles Sturt Civic Centre, 72 Woodville Road, Woodville or on our website at www.charlessturt.sa.gov.au. A Goods and Services Tax at a rate determined under the Goods and Services Tax Act 1999 will be charged on those fees not given exemption under the Act.

DIFFERENTIAL GENERAL RATES

At its meeting on 26 June 2017 Council decided to raise rate revenue of \$103,134,000 in a total operating revenue budget of \$119,443,900. The Council has set the following differential general rates.

- (a) 0.266315000 cents in the dollar on rateable land of category 1 (residential) use;
- (b) 0.84250866 cents in the dollar on rateable land of categories 2, 3 and 4 (Commercial shop, commercial office or commercial other) use;
- (c) 1.0912851520 cents in the dollar on rateable land of categories 5 and 6 (industrial light & industrial other) use;
- (d) 0.4863603300 cents in the dollar on rateable land of category 7 (primary production) use;
- (e) 0.911933850 cents in the dollar on rateable land of category 8 (vacant land) use;1
- (f) 0.478340000 cents in the dollar on rateable land of category 9 (other) use.

Land use is a factor to levy differential rates. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then the ratepayer may object to that land use (to the Council) within 60 days of being notified. The objection must set out the basis for the objection and details of the land use that, in the opinion of the ratepayer, should be attributed to that property. The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court.

Objections to Council's land use decision may be lodged with the City of Charles Sturt, 72 Woodville Road, Woodville. A ratepayer may discuss the matter with one of Council's Customer Service Officers on phone number 8408 1228 in the first instance. The Council will provide, on request, a copy of Section 156 of the Local Government Act 1999 which sets out the rights and obligations of ratepayers in respect of objections to a land use.

Note: Lodgement of an objection does not change the due date for the payment of rates.

MINIMUM RATE

A Council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. Where two or more adjoining properties have the same owner **and** are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

The Council has decided to impose a minimum rate of \$1,060. The reason for imposing a minimum rate is to ensure that all residents contribute towards the provision of basic services at a reasonable level.

NATURAL RESOURCES MANAGEMENT (NRM) LEVY

The City of Charles Sturt is within the area covered by the Adelaide & Mt Lofty Ranges Natural Resources Management Board and is required under the Natural Resources Management Act 2004 to fund the operations of the Board. It does so by imposing a separate rate against rateable properties within its area of 0.00961033 cents in the dollar, based on the Capital Value of rateable land within the City.

The City of Charles Sturt is operating as a revenue collector for the Adelaide & Mt Lofty Ranges Natural Resources Management Board in this regard. Revenue from this levy is not retained by the Council, nor does the Council determine how the revenue is spent.

PENSIONER CONCESSIONS

If you are an eligible pensioner you may be entitled to a cost of living concession up to \$200. This concession is paid directly into the individual's bank account and can be used towards either electricity, gas, water bills or council rates.

Application forms are available by contacting the Concession Hotline on 1800 307 758.

Applications are administered by the State Government. Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates.

CONCESSIONS FOR SELF-FUNDED RETIREES

The State Government has determined that self-funded retirees meeting certain conditions may also be entitled to cost of living concession up to \$100. This concession is paid directly into the individual's bank account and can be used towards either electricity, gas, water bills or council rates.

Application forms are available by contacting the Concession Hotline on 1800 307 758.

Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates.

PAYMENT OF RATES

As required by Section 181 (1) of the Local Government Act 1999, ratepayers may pay their rates in four approximately equal instalments, payable in the months of September, December, March and June of the financial year for which the rates are declared.

In cases where the initial account requiring payment of rates is not sent at least 30 days prior to this date, or an amended account is required to be sent, the Chief Executive has the authority to fix the date by which rates must be paid for these assessments.

The Chief Executive also has the authority to enter into agreements with principal ratepayers relating to the payment of rates in any case where he considers it necessary or desirable to do so.

Rates may be paid by cheque, money order, cash, EFTPOS or credit card (except Diners Card and American Express):

Personally at the following Council Service Centres:

- Charles Sturt Civic Centre, 72 Woodville Road, Woodville
- 378 Seaview Road (cnr North Street), Henley Beach*
- West Lakes Library, cnr Brebner Drive and West Lakes Boulevard, West Lakes*
- Hindmarsh Library, 149 Port Road, Hindmarsh*
- Findon Library, Cnr Grange and Findon Roads
- or at
- any **Australia Post** outlet

* **Note:** For security reasons cash payments are only accepted at the Charles Sturt Civic Centre and Australia Post outlets.

By telephone using:

- B-pay and Bpay view through your participating bank
- National Australia Bank phone 1300 609 653

By mail:

- Addressed to City of Charles Sturt, PO Box 1 Woodville SA 5011

By internet:

- Through Council's website at www.charlessturt.sa.gov.au
- or Australia Post at www.postbillpay.com.au

By Direct Debit:

- Quarterly.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Council's Rate Enquiries on 8408 1222, 8408 1229 or 8408 1228 to discuss alternative payment arrangements. Such enquiries are treated confidentially by the Council.

Note: Late payment fines and interest may still apply.

LATE PAYMENT OF RATES / DEBT RECOVERY

The Local Government Act provides that Councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Interest charged on late payments is charged on both the amount of the rate arrears and any interest that has previously been imposed. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to

recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may incur because it has not received the rates on time.

The prescribed interest rate for the 2017/18 financial year has not yet been declared. When the interest rate is declared the Council will publish the rate in its regular column in the Messenger Press.

The City of Charles Sturt imposes late payment penalties strictly in accordance with the Local Government Act. The ability to remit penalties in whole or part is a power vested in Council. At the City of Charles Sturt each case will be considered on its merit based on the information provided.

DEBT RECOVERY

The Council will apply prudent debt collection practices in the recovery of outstanding rates in compliance with the Local Government Act 1999 and following an ongoing assessment of arrears and systematic approach to debt recovery.

Rates which are not paid by the due date as specified on the council rates notice will be subject to the following recovery procedure

1. fines and interest as provided by the Act will be added;
2. an overdue notice will be forwarded within 7 days of the imposition of a late payment penalty;
3. the debt will be placed in the hands of a debt collector if payment or arrangement for payment is not made within 7 days. A notice of intention to issue a claim will be forwarded by the debt collector; and
4. court proceedings will be instigated if the payment is still overdue after 21 days.

All fees and court costs are recoverable from the ratepayer.

When Council receives a payment in respect of overdue rates the Council applies the money received as follows:

- firstly – to satisfy any costs awarded in connection with court proceedings;
- secondly – to satisfy any interest costs;
- thirdly – in payment of any fines imposed; and
- fourthly – in payment of rates, in date order of their imposition (starting with the oldest account first).

REBATE OF RATES

Under the Act

The Local Government Act requires Council to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. These rebates vary from 25% to 100% and will be applied upon application and or verification of existing status.

Discretionary

Discretionary rebates of up to 100% may be applied by the Council under Section 166 of the Act. However as per Councils rate rebate policy it is recognised that Council has a requirement to balance the benefits of supporting community organisations, with the impact that such rebates have on our overall rating income. To promote the transparency of this process, Council has adopted a Rates Rebate Policy. A copy of this policy is available at the Charles Sturt Civic Centre or on Council's website at www.charlessturt.sa.gov.au

These rebates will be applied upon application.

Residential Construction

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a rebate of general rates for the 2017/18 financial year will be granted in respect of an Assessment classed as vacant land in the Council's Assessment Book where the land is in a Residential Zone or a Residential Historic (Conservation) Zone in the Development Plan, or any replacement zone created by the authorisation of a Plan Amendment Report applicable to the Council's area:

- (a) if the Principal Ratepayer of the Assessment applies to the Council for the rebate prior to 30 June 2018; and
- (b) a dwelling has been substantially commenced on the property by 30 June 2018, and
- (c) the Council is satisfied that the intention of the Principal Ratepayer is to reside in that dwelling upon completion for at least 1 year.

The amount of the rebate is determined based on the timing of the pouring of the footings. If the footings are poured prior to 31 December 2017 a full rebate will be given but if the footings are poured after 31 December 2017 a 50% rebate will be given with the rebate being the difference in monetary terms between the rates that would have been paid in respect of the Assessment if it had been used at the date of declaration of the rates for residential purposes and the actual amount paid after deducting any other rebate granted within the rating period.

Rate Capping

To provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation, a rebate of general rates for the 2017/18 financial year will be granted to the Principal Ratepayer of an Assessment under Section 166 (1) (l) of the Act, either by the Council of its own initiative where the Council is in possession of sufficient information to determine the entitlement to the rebate or otherwise on application to the Council, where the amount of any increase in rates in respect of that Assessment in monetary terms between the amount of general rates payable for the 2016/17 financial year (after any rebate was applied) and the amount of general rates imposed for the 2017/18 financial year, is greater than 12.5%. The amount of the rebate will be the difference between the amount of general rates in monetary terms imposed for the 2017/18 financial year and the amount of general rates in monetary terms payable for the 2016/17 financial year (after any rebate was applied but prior to deducting any concessions) plus 12.5% of that amount.

The rebate will not apply where:

- (a) any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$20,000, or
- (b) any such increase is applicable to the use of land being the categories of commercial, industrial, primary production, vacant land and other.
- (c) any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the 2017/18 financial year than on the date the Council declared its general rates for the 2016/17 financial year, or
- (d) the ownership of the rateable property has changed since 1 July 2016.

Remission – Minimum Rate

Under Section 182 (1) of the Act Council may remit all or part of the rates if it is satisfied that the payment of these rates would cause hardship. Council has agreed to remit a portion of the rates up to \$39 payable by the Principal Ratepayer of an Assessment, either by the Council of its own initiative where the Council is in possession of sufficient information to determine the entitlement to the rebate or otherwise on application to the Council, where the payment of those rates is deemed to cause hardship. To be deemed to cause hardship and for this remission to apply, the Assessment must be subject to the minimum rate for the 2017/18 financial year and:

- (a) the property is the principal residence of the ratepayer and is the only property owned by the ratepayer;
- (b) the ratepayer is able to produce one of the following identification cards:
 - Pensioner Concession Card – Centrelink
 - Pensioner Concession Card – Veteran Affairs
 - T.P.I. Card – Veteran Affairs;or can demonstrate to Council that they are a self-funded retiree.

If the ratepayer received a remission on the minimum rate applicable for the 2016/17 financial year of \$41 they will be eligible for a remission of \$39 on the minimum rate applicable for 2017/18 year.

If the ratepayer received a remission on the minimum rate applicable for the 2016/17 financial year of \$18 they will be eligible for a remission of \$16 on the minimum rate applicable for 2017/18 year.

Postponement of Rates for Seniors

Under Section 182 A of the Act a postponement of rates may be granted to persons meeting the requirements of Section 182A (1). A 'senior' for these purposes is a person who holds a current State Seniors Card issued by the State Government or who has the qualifications to hold such and has applied for the card but is yet to be issued with it. A postponement is available to a 'senior' (or the spouse of a senior) in respect of all rates payable on the principal place of residence that is owned only by the senior or the senior and his/her spouse. A postponement for these purposes must be applied for (to the Council) and where the above criteria are met will result in all rates over \$500 being postponed. The postponed amount will incur interest. For further information about this scheme go to www.localgovt.sa.gov.au/seniors.

Applications

All applications for rebates, remissions or postponements must be in writing, addressed to the Chief Executive, City of Charles Sturt, 72 Woodville Road, Woodville SA 5011 and include sufficient details to identify the relevant property and support the application.

Application forms are available from council's website at www.charlessturt.sa.gov.au.

Further information on rebates is available from a Customer Services Officer at the Council Offices, 72 Woodville Road, Woodville or on telephone 08 8408 1111 .

SALE OF LAND FOR NON-PAYMENT OF RATES

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month. The City of Charles Sturt enforces the sale of land for non-payment of rates after 3 years or more in accordance with the provisions of the Act.

Land which is exempted for non-payment of rates as per Section 185 of the Local Government Act 1999 Charles Sturt enforces its application as part of its policy.

CHANGES TO ASSESSMENT RECORDS

All changes to postal address or name of a ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing; letter, fax or email.

DISCLAIMER

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact a Customer Service Officer at the Council Offices or on telephone 8408 1111 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive, City of Charles Sturt, 72 Woodville Road, Woodville SA 5011 (email: council@charlessturt.sa.gov.au) explaining the nature of their concern.

APPENDIX A

Summary of legal position relating to the setting and collection of rates

Local Government Act 1999

A Council may impose general rates, separate rates, service rates and service charges on land in its area (Section 146). Generally, all land within a Council area is rateable unless it is specifically exempt by section 147 of the Act. Such exemptions include crown land, land used for public educational purposes and Council occupied land. A Council must adopt an annual business plan each year which amongst other things sets out the Council's objectives for the year and the broad rates structure and policy framework within which the Council rates its area. A summary of the Annual Business Plan must accompany the first rates notice.

A rate is to be based on the value of the land multiplied by a 'rate in the dollar' set each year by the Council. The basis of valuation is to be capital value, site value or annual value (Section 151). Land must be valued by either the Valuer-General or a valuer engaged or employed by the Council (Section 167). Objections may be lodged against a valuation made by a valuer engaged or employed by the Council (Section 169) or by the Valuer-General (Valuation of Land Act). Differential general rates can be declared for land according to the location or the specific use (eg residential) of the land.

As part of the general rate a fixed charge may apply which means that the same amount is payable irrespective of the value, use or location of the property. The fixed charge may only be imposed against the whole of an allotment and only one fixed charge may be imposed against two or more pieces of contiguous land owned by the same owner and occupied by the same occupier or a single farm enterprise (Sections 148 & 152).

A Council may fix a minimum amount payable by way of rates or it may alter the amount to be paid by properties within a specific range of values, but may not do so if it has imposed a fixed charge. The minimum rate may only be imposed against the whole of an allotment (which can include land under a separate lease or license) and only one minimum rate is payable by two or more pieces of contiguous land owned by the same owner and occupied by the same occupier. The minimum rate must not be applied to supported accommodation or independent living units within the same group or complex of units. The minimum rate and altered rates must not apply to more than 35% of the properties in a Council area (Section 158).

A Council may declare either a general rate or differential general rates based on the use of the land, the locality of the land, the locality and the use of the land or (where particular circumstances apply) some other basis determined by the Council (Sections 153 & 156). A Council may declare a separate rate (or differential separate rates) on rateable land where a specific project is being undertaken to benefit the land or the occupiers of the land, which can be only a portion of the land in a Council area (Section 154). A Council may impose service rates and/or charges against land for any prescribed service it provides or makes available to the land.

A service charge is also payable in relation to non-rateable land. Prescribed services are the treatment or provision of water, the collection, treatment or disposal (including by recycling) of waste and television transmission (or retransmission) services (Section 155).

Rates are a charge against the land (Section 177). The owner of the land (unless the Council is advised otherwise) is the principal ratepayer and rates may be recovered as a debt against the principal ratepayer. In certain cases the occupier of the land may be classed as the principal ratepayer.

All ratepayers may pay rates in four quarterly instalments and a Council may grant discounts or incentives to encourage early or prompt payment of rates (Section 181). A Council may also make arrangements with ratepayers for other instalment provisions to apply (Section 181). If an instalment of rates is not paid by the due date then the Act provides for a Council to impose a fine of 2% on the unpaid instalment and, if the instalment continues to be unpaid, to charge a prescribed interest rate (set each year by a formula in the Act) on the unpaid instalment (including interest previously charged), on a monthly basis. The Council may remit such penalties in whole or in part (Section 181). Where rates become unpaid for a period of more than three years a Council may sell the land to recover the unpaid rates (Section 184).

A Council may remit or postpone the payment of rates, on the application of the ratepayer, if the payment of the rates would impose hardship on the ratepayer (Section 182).

A Council must rebate the payment of rates for land used for various purposes – health services, community services, religious purposes, public cemeteries, the Royal Zoological Society, educational institutions – as provided in Sections 159 to 165 of the Act. A Council may also provide discretionary rebates on the payment of rates (up to 100% of the rate for a period of up to ten years) on land used for a range of purposes, including for the securing the proper development of the land, for the preservation of buildings or places of historic interest, for the provision of facilities or services for children or young persons and for the provision of accommodation for the aged or disabled (Section 166).

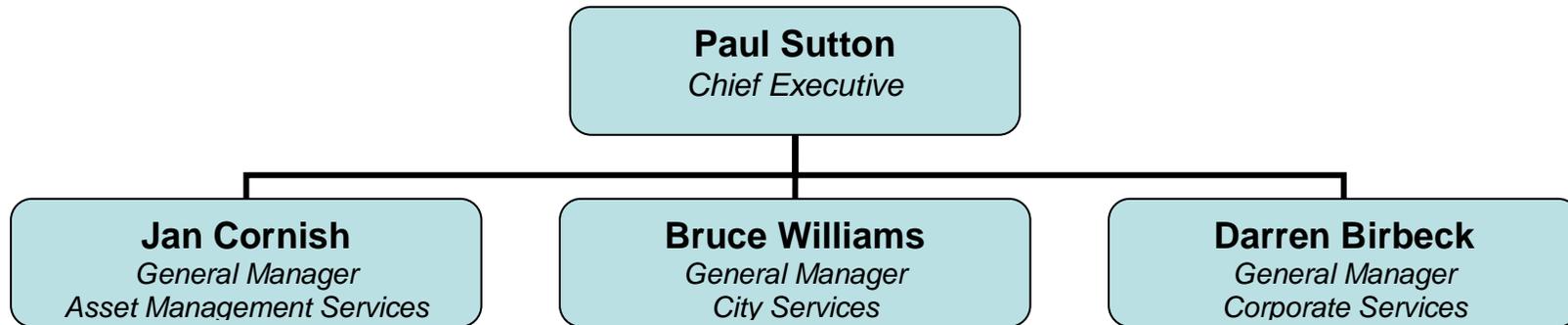
A Council must also postpone all rates over \$500, on application by a 'senior' who satisfies the various criteria set out at Section 182A of the Act.

Note: A copy of the Local Government Act 1999 is available for inspection at the Charles Sturt Civic Centre, 72 Woodville Road, Woodville or on the SA State Government website at www.legislation.sa.gov.au

Attachment E – Council Organisational Chart and Divisional Functions

[Attachment E consists of 3 pages.]

Council Organisational Chart



Council Divisional Functions

| Chief Executive | Asset Management Services | City Services | Corporate Services |
|--|--|---|--|
| <ul style="list-style-type: none"> • Chief Executive's Office • Mayor's office | <ul style="list-style-type: none"> • Engineering & Construction <ul style="list-style-type: none"> - Road Maintenance and Construction - Urban Design - Weed Control - Footpaths - Stormwater and Water infrastructure - Waste Management - Street lighting - Traffic Management • Open Space and Recreation <ul style="list-style-type: none"> - Coastal - Arboriculture (Trees) - Parks and Gardens - Open Space Planning - Horticultural Maintenance - Recreational Management • Property Management, Maintenance & RRT <ul style="list-style-type: none"> - Property Maintenance - Property Management - Rapid Response Team • Environmental management <ul style="list-style-type: none"> - Coordination of 'Towards One Planet Living: Greening the Western Suburbs' strategies • Asset management <ul style="list-style-type: none"> - Asset management planning | <ul style="list-style-type: none"> • Libraries • Customer Contact <ul style="list-style-type: none"> - Facility bookings - Customer Service • Community Services <ul style="list-style-type: none"> - Community Care - Community Development - Youth Services - Crime Prevention - Community Centres - Graffiti removal - Volunteers • Public Health & Safety <ul style="list-style-type: none"> - Environmental Health - Animal Management - Parking - Permits - Licences - Immunisation • Planning & Development <ul style="list-style-type: none"> - Development Assessment - Development Control • Urban Planning <ul style="list-style-type: none"> - Planning Policy - Economic development - Cultural development | <ul style="list-style-type: none"> • Information Systems <ul style="list-style-type: none"> - Records Management - Information Technology - GIS • Financial Services <ul style="list-style-type: none"> - Rates - Accounting services - Budget Development & Management • Governance & Operational Support <ul style="list-style-type: none"> - Council Member Support - Security - Procurement - Fleet - Risk Management - Contract Management - Work Health and Safety • People and Culture <ul style="list-style-type: none"> - Organisational Culture - Recruitment - Staff Training Needs - Payroll - Industrial Relations • Marketing and Communications <ul style="list-style-type: none"> - Marketing - Graphic Design - Communications • Water business unit operations <ul style="list-style-type: none"> - Sale of recycled water |

Attachment F – Capital Projects for renewal of council’s existing assets for 2017/18

| Bid number | Bid Name | Bid description | Nature of works | Income | Expenditure | Net Budget |
|-------------------|---|--|------------------------|---------------|--------------------|-------------------|
| PBB-00000279 | Morehun Reserve - Demolish existing and install a new automated public toilet | Demolish the existing public toilet and install a new automated public toilet. The existing public toilet block is in poor condition, The new section of the coast path will be constructed which will run past this reserve and new toilet facilities would enhance this development | Renewal | - | 195,000 | 195,000 |
| PBB-00000280 | Council Building - Civic Centre Air Conditioning Renewal 2017/2018 | Stage 3 of a 3 stage project to replace the Air conditioning plant at the Civic Centre and the Civic Library, The existing units are at the end of their useful life and the refrigerant gas is being phased out over the next 4 years. Stage 3 cost to replace the units \$215,480.00, The building costs associated with the project is approx \$30,000.00. Total project cost \$245,480.00 | Renewal | - | 245,480 | 245,480 |

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|--------------|--|--|---------|---|---------|---------|
| PBB-00000281 | Year 2 Toogood Avenue Brick kilns - Stabilisation and Interpretive works | Stabilisation and Interpretive works at the Toogood Avenue Brick Kilns, A Heritage and Conservation plan has been completed by Heritage Architects in 2004 and it has identified various conservation works to be undertaken to preserve the structure as per the heritage act. AMP endorsement was 25 May 2015 - Agenda Item 3.57 | Renewal | - | 250,000 | 250,000 |
| PBB-00000284 | Council Operated Buildings - Office Furniture Replacement 2017/2018 | Ongoing WH&S requirement to update office furniture in council operated properties, These properties include Community Centres, Libraries, Beverley Centre, Civic Centre and other council occupied facilities. | Renewal | - | 45,000 | 45,000 |

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| PBB-00000294 | Road Rehabilitation Program of Works 2017/18 | Undertake works to extend the useful life of road pavements by using the following rehabilitation treatments: 1.Road reseal treatment 2. Kerb & Gutter renewal 3. Crack sealing treatment 4. Road Preservation & Rejuvenation treatments The proposed Road Rehabilitation Program is included in TRIM reference 16/386979. | Renewal | - | 3,781,917 | 3,781,917 |
| PBB-00000296 | Road Reconstruction Program of Works 2017/18 | The reconstruction of road pavements and associated kerb and gutters that have reached the end of their useful life and/or due to poor pavement condition it cannot be rehabilitated. This bid includes \$400k of required stormwater works associated with the road reconstruction projects (identified in Stormwater AMP). | Renewal | - | 6,900,000 | 6,900,000 |
| PBB-00000298 | Bridge Renewal - Bridge 42 - Point Malcolm Boardwalk | Design and construction of new boardwalk deck, repair of | Renewal | - | 250,000 | 250,000 |

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| | | handrails, posts and support structure. | | | | |
| PBB-00000300 | Car Park Renewal Program of Works 2017/18 | Renewal of Car Parks in accordance with the Asset Management Plan renewal program forecast. | Renewal | - | 300,045 | 300,045 |
| PBB-00000308 | Road Renewal - Large Asphalt Renewal 2017/18 | The program commenced in 2008/09 and involves the replacement and renewal of large sections of failed, cracked and deformed asphalt areas within roads and footpaths, in particular at vehicle turning points and roundabouts throughout the City. The aim of the program is to improve road safety and extend the life of the pavement at these locations until such time reseal works are programmed for the road segment. | Renewal | - | 165,000 | 165,000 |
| PBB-00000309 | Pathways to Prosperity - Year 2 | Continue to address a backlog of customer requests for footpath trip steps and kerb and gutter defects and once completed to undertake work on Condition 3 paths to | Renewal | 200,000.00 | 1,000,000 | 800,000 |

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| | | improve condition and extend useful life, while at the same time employing the nine previously unemployed local people thereby creating job opportunity. | | | | |
| PBB-0000310 | Large Concrete Footpath and Kerb and Gutter Renewal - 2017/18 | Renewal of sections of existing concrete footpaths and kerb and gutter as identified by CRM's and risk management audits. Reduction of trip hazards throughout the city caused by raised, cracking and deteriorating concrete footpaths. This project will improve pedestrian safety, reduce Council's liability and increase the useful life of the footpath. | Renewal | - | 900,000 | 900,000 |
| PBB-0000311 | Kerb Ramp Renewal - DDA Compliance - 2017/18 | To replace kerb ramps throughout the city so that they comply with DDA specifications with the renewal works to be undertaken with one of the internal concrete teams as determined by the whole of city footpath | Renewal | - | 481,000 | 481,000 |

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| | | audit. | | | | |
| PBB-00000312 | Footpath Renewal - Block Paved Path Large Area Renewal - 2017/18 | This capital bid is for continued funding of an internal paving crew for the renewal of paved footpaths throughout the city. The renewal work undertaken by this paving crew extends the life of these paved assets. The project will continue to address the backlog of CRM's and high risk trip steps in paved footpaths and will include labour, materials and equipment. | Renewal | - | 418,000 | 418,000 |
| PBB-00000327 | Audio Visual Refresh for Meeting Rooms | Renewal of 5 audio visual facilities used in meeting rooms located at Beverley and Civic Centre which are at the end of their useful life. | Renewal | - | 32,000 | 32,000 |
| PBB-00000334 | Council Intranet Software Upgrade | This Budget Bid is to upgrade Council's Intranet and the Council Member Extranet. The current version of Intranet [The Mine] and Extranet [Council Member Portal] was installed in 2007 and is | Renewal | - | 52,000 | 52,000 |

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| | | <p>no longer supported by Microsoft.</p> <p>The current functionality in the software is limited preventing on-going improvements and enhancements, including participating in wider Council to Council collaboration projects</p> | | | | |
| PBB-00000336 | Rebuild of West Beach Rock Wall and Associated Infrastructure | <p>The project will see the rebuild of 400 metres of rock wall (extending from slightly north of the West Beach Surf Life Saving Club in a southerly direction to Adelaide Shores) that was undermined and damaged during severe storms and periods of high tides between 2014-2016.</p> <p>The Project will include rebuild of the associated infrastructure including storm water drainage, the Chetwynd Street staircase access way and the damaged section of Coast Park Shared - Use path.</p> | Renewal | 1,400,000 | 2,700,000 | 1,300,000 |

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| PBB-00000356 | AMP Reserve & Street Furniture | To renew existing reserve and street furniture as identified in the Open Space & Recreation Asset Management Plan (AMP). Renewal priorities are based on condition ratings and where maintenance can no longer return the asset to an acceptable level of service. | Renewal | - | 245,534 | 245,534 |
| PBB-00000357 | Decomission - Electronic Traffic Control Renewal - Valetta Road adjacent Kooralla Grove | Decommissioning of the Pedestrian Activated Signal Crossing (PAC) at Valetta Road adjacent Kooralla Grove. In July 2015 Council endorsed a report to decommission the crossing as it is no longer used and no longer services a local school. | Renewal | - | 25,000 | 25,000 |
| PBB-00000358 | AMP - Fences, Walls & Bollards | To renew assets in line with the Open Space & Recreation Asset Management Plan for fences, walls and bollards based on condition rating, risk and remaining useful life | Renewal | - | 235,283 | 235,283 |
| PBB-00000361 | AMP - Irrigation system renewal | To renew existing irrigation systems and | Renewal | - | 560,520 | 560,520 |

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| | | <p>controllers to ensure that the system is working effectively for efficient use of our water resource in line with the Irrigated Public Open Space Code of Practice and requirements set by SA Water.</p> <p>Locations where renewals are planned include Collin Sellars, Dame Pattie, Hero, Sunningdale, Eildon, Frome, Bentley, Samoa, Lakeview, Wastell, Silver and Gordon Reserves.</p> | | | | |
| PBB-00000363 | AMP - Sporting Accessories | To renew sporting accessory assets as identified in line with Council Open Space and Recreation Asset Management Plan. Such assets include; community courts and cricket practice facilities. | Renewal | - | 78,220 | 78,220 |
| PBB-00000372 | AMP - Playground Renewals | To renew playgrounds throughout the City as identified in line with the Open Space and Recreation Asset Management Plan. Reserves | Renewal | - | 335,000 | 335,000 |

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| | | planned for renewal include; Dampier Reserve, Bunker Reserve, Mooloola Reserve, Parfitt Square, Rowley Park Reserve and Valentine Reserve. | | | | |
| PBB-00000377 | Desktop PC Replacement Program | This is the annual program to renew #150 Council PC's including staff, community centre and library PC's. Preference will be given to allocation of VDI units as the most cost effective solution. | Renewal | - | 135,000 | 135,000 |
| PBB-00000379 | Renew Computer Room Uninterrupted Power Supplies | To renew #2 Uninterrupted Power Supplies (UPS) in the Civic computer room. | Renewal | - | 30,000 | 30,000 |
| PBB-00000380 | Renew Data Backup Appliances | To renew a mixture of data backup appliances; used in either disk-to-disk or disk-to-tape data backup processes integrated with the Storage Area Network (SAN). | Renewal | - | 45,000 | 45,000 |
| PBB-00000381 | Renew Remote Site Communications Cabinets | To renew #17 remote site communications cabinets located at Community Centres, Libraries and Works depots. | Renewal | - | 35,000 | 35,000 |

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| PBB-00000382 | Renew Network Infrastructure Appliances | Renew #3 Network infrastructure servers which support the connectivity, monitoring, quality and redundancy of the core communications network. Appliances are due for renewal as per life cycle and infrastructure asset management requirements. | Renewal | - | 24,000 | 24,000 |
| PBB-00000383 | Renew Storage Area Network Member | Renewal of a Storage Area Network (SAN) modular member as per life cycle requirements. | Renewal | - | 35,000 | 35,000 |
| PBB-00000398 | Box Culvert Replacement 2017/18 | Replace Box Culvert in Griffiths Street Henley Beach. Survey & Design future Box Culvert replacements - Burford Road, Henley Beach or other priority locations | Renewal | - | 500,000 | 500,000 |
| PBB-00000404 | Path Renewal 2017/18 | Renew Paths in condition 4 and 3 in accordance with Path Asset Management Plan. Most paths will be renewed with fibre reinforced except in special areas where other materials may be used | Renewal | - | 5,075,000 | 5,075,000 |

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| PBB-00000408 | Asset Contingency Building Works 2017/18 | This project is for contingency funding across all Property Services assets for emergency breakdowns including hot water services, electric and gas stoves, whitegoods, switchboards and air conditioners. It also allows for emergency building works, building stormwater services, sewer and minor building works, in 5 aged care complexes (91 Units), 50 Sporting Clubs, Commercial Properties, Civic and Admin buildings, Community Centre and Libraries, Community Halls and Toilet Facilities. | Renewal | - | 130,000 | 130,000 |
| PBB-00000409 | Bus Stop Renewal 2017/18 | Renew existing bus stops as they reach the end of their useful life and to make compliant with Disability Discrimination Act requirements | Renewal | - | 400,000 | 400,000 |

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| PBB-00000449 | Major Heavy Plant Replacement | Major Heavy Plant Replacement program to Replace Council Major Plant in accordance with the asset Management Plan and Long Term Financial Plan, Emission, fit for purpose and cost effective replacement. This years schedule is higher than subsequent year due to a number of major plant items coming to the end of life, including - Jetvac - 4 Wood Chippers - Road Sweeper - 4 Trucks | Renewal | 481,181 | 3,292,642 | 2,811,461 |
| PBB-00000450 | Light Fleet Replacement | Light Fleet Replacement program to Replace Council Light Fleet in accordance with the asset Management Plan and Long Term Financial Plan, Emission, fit for purpose and cost effective replacement. | Renewal | 284,814 | 621,380 | 336,566 |

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| PBB-00000465 | Council Building Renewals 2017/2018 | Various Council Building Renewal works that have been identified by the renewal schedule and inspected by council staff and the Asset Management Plan which is aligned to the Long Term Financial Plan. Includes Seaton Ramblers - Pedlar Reserve - Roof renewal work, carpet replacement, gas heater and air conditioning renewal and Minor building works | Renewal | - | 227,279 | 227,279 |
| PBB-00000474 | Irrigation Renewal - Krista Reserve | To renew existing irrigation systems at Krista Reserve so that the system works effectively for efficient use of water resources as per IPOS Code of Practice and legislative requirements. | Renewal | - | 40,120 | 40,120 |
| PBB-00000487 | Valetta Reserve Irrigation Upgrade | Valetta Reserve is located next to shops (including a café and Kumon learning centre) on Valetta Road. It is largely undeveloped and the irrigation is non functional having been turned off | Renewal | - | 50,000 | 50,000 |

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| | | during the drought. budget bid is for renewal of irrigation on the site. | | | | |
| PBB-00000494 | Public Lighting Renewal - Various Projects | Renewal of lighting in the following areas with energy efficient LED Lighting, including all wiring, poles and light fittings: Scullers Reserve Pine Lodge Reserve Entry statement lights at 6 locations within West Lakes/ replace with solar lights as original ones fail. | Renewal | - | 200,000 | 200,000 |