

Audit Committee Agenda & Reports

24 May 2021

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
Norwood
Payneham
& St Peters

20 May 2021

To all Members of the Audit Committee

Committee Members

- Mayor Robert Bria
- Cr John Minney (Presiding Member)
- Cr Mike Stock
- Ms Sandra Di Blasio (Independent Member)
- Ms Brigid O'Neill (Independent Member)

Staff

- Mario Barone (Chief Executive Officer)
- Sharon Perkins (General Manager, Corporate Services)
- Andrew Alderson (Financial Services Manager)

NOTICE OF MEETING

I wish to advise that pursuant to Sections 87 and 88 of the *Local Government Act 1999*, the next Ordinary Meeting of the Audit Committee, will be held in the Mayors Parlour, Norwood Town Hall, 175 The Parade, Norwood, on:

Monday 24 May 2021, commencing at 7.00pm

Please advise Sharon Perkins on 83664585 or email sperkins@npsp.sa.gov.au, if you are unable to attend this meeting or will be late.

Yours faithfully



Mario Barone
CHIEF EXECUTIVE OFFICER

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
**Norwood
Payneham
& St Peters**

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VENUE Mayors Parlour, Norwood Town Hall

HOUR

PRESENT

Committee Members

Staff

APOLOGIES

ABSENT

TERMS OF REFERENCE:

The Audit Committee is responsible to facilitate:

- *the enhancement of the credibility and objectivity of internal and external financial reporting;*
- *propose and provide information relevant to a review of the Council's Strategic Management Plans and Annual Business Plan;*
- *the review and reporting on any matter relating to financial management or the efficiency and economy with which the Council manages its resources;*
- *effective management of financial and other risks and the protection of the Council's assets;*
- *compliance with laws and regulations related to financial and risk management as well as use of best practice guidelines;*
- *the provision of an effective means of communication between the external auditor, management and the Council;*
- *proposing and reviewing the exercise of powers under Section 130A of the Local Government Act 1999;*
- *review Annual Financial Statements to ensure that they present fairly the state of affairs of the Council;*
- *liaising with the Council's Auditor; and*
- *reviewing the adequacy of accounting, internal control reporting and other financial management systems and practices of the Council on a regular basis.*

1. **CONFIRMATION OF MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 22 FEBRUARY 2021**
2. **PRESIDING MEMBER'S COMMUNICATION**
3. **QUESTIONS WITHOUT NOTICE**
4. **QUESTIONS WITH NOTICE**
Nil
5. **WRITTEN NOTICES OF MOTION**
Nil
6. **STAFF REPORTS**

6.1 2021-2022 DRAFT ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: Financial Services Manager
GENERAL MANAGER: General Manager Corporate Service
CONTACT NUMBER: 83664585
FILE REFERENCE: qA63320 A157646
ATTACHMENTS: A - B

PURPOSE OF REPORT

The purpose of this report is to present to the Audit Committee for its information, the Draft 2021 -2022 Annual Business Plan, the Draft 2021-2022 Budget and Draft Rating Policy, which have been approved by the Council and released for community consultation.

BACKGROUND

Pursuant to the provisions contained in Chapters 8, 9 and 10 of the *Local Government Act 1999* (the Act), the Council is required to adopt for each Financial Year, an Annual Business Plan (ABP) and Budget after 31 May and before 31 August.

Part 2 of the Act, “*Annual Business Plans and Budgets*”, requires the Council to consider its budget in conjunction with the Council’s Annual Business Plan and adopt the Budget following adoption of the Annual Business Plan.

Pursuant to Section 123 (3) of the Act, before the Council adopts an Annual Business Plan, the Council must prepare a Draft ABP and release the ABP for community consultation.

At its ordinary Council Meeting held on 3 May 2021, the Council endorsed the Draft 2021-2022 Annual Business Plan and Budget, as contained in **Attachment B**, be released for public consultation.

RELEVANT POLICIES & STRATEGIC DIRECTIONS

The Council’s Long Term Strategic directions are outlined in the Council’s Strategic Plan, *City Plan 2030 – Shaping our Future*. The Draft 2020-2021 Annual Business Plan and supporting Draft Budget, sets out the proposed services and programs and initiatives for the 2020-2021 Financial Year and explains how the Council intends to finance its continuing services, programs and initiatives which are to be undertaken during the financial year.

The Council’s Long Term Financial Plan (LTFP), is a key document in the Councils Planning Framework. It is the primary financial management tool which links the Councils Strategic Plan, *City Plan 2030 – Shaping our Future*, Whole-of-Life Assets Management Plans, the Annual Business Plan and Budget.

Financial sustainability underpins the Council’s Financial Goals and Outcomes, which are set out in the Long Term Financial Plan. In general terms, financial sustainability is ensuring that the Council has the financial resources to meet the long term service and infrastructure needs of the community, without any sharp increases in rate revenue or cuts in service provision and standards.

The Draft 2021-2022 Annual Business Plan and Budget is developed on the basis of ensuring that it will assist in delivering on the Councils Long Term Strategic direction set out in the Councils Strategic Plan, *City Plan 2030 – Shaping our Future*, meets the Council’s Asset Management principles set out in the respective *Infrastructure and Assets Management Plans* and financial objectives set out in the *LTFP*.

FINANCIAL AND BUDGET IMPLICATIONS

The 'in-principle' adoption of the Draft 2021-2022 Budget, as presented (based on a 4.35% Rate Revenue increase inclusive of valuation growth 1.95%), will result in an Operating Surplus of \$425,000 (2020-2021: Net Operating Deficit of \$798,000) and a Net Surplus (after Capital Income) of \$4.641 million (2020-2021: \$1.074 million).

It should be noted that the Draft 2021-2022 Budget includes Carried Forwards of \$203,000 for 2020-2021 Operating Projects which are not anticipated to be completed by 30 June 2021 (which will be funded from cash reserves) and the Council's share of the net loss from Joint Ventures of \$201,000. Taking Carry Forward Projects and Joint Ventures into account, the projected underlying Operating Surplus for 2021-2022, based on a 4.35% revenue increase is \$829,000.

SOCIAL ISSUES

Nil.

CULTURAL ISSUES

Nil.

ENVIRONMENTAL ISSUES

Nil.

RESOURCE ISSUES

Nil.

RISK MANAGEMENT

The Draft 2021-2022 Budget will be impacted upon by the decisions made by both the Federal and State Governments in handing down their respective budgets. The Federal Government Budget is scheduled to be handed down on 11 May 2021, with the State Budget scheduled to be handed down in June. At the time of writing this report, the date the State Budget is scheduled to be delivered is yet to be confirmed.

The Draft 2021-2022 Budget as presented in this report, is based on the following assumptions:

- that the Financial Assistance Grants, comprising of the General Assistance Grant and the Road Funding Grant, will be provided based on the current funding arrangements of four (4) quarterly instalments, with the value of funding being indexed by 2%;
- Supplementary Road funding to South Australia will not be re-instated;
- State Government Charges, which are set by Legislation, are yet to be indexed;
- no further increase in the Solid Waste Levy beyond the current fee of \$145 per tonnes; and
- no new fees and charges will be introduced.

Any adjustments to the Council's draft Budget arising from either the Federal or State Budgets will be incorporated when the details of these budgets becomes available. Should these assumptions and other decisions upon which the Draft 2021-2022 Budget is based, not eventuate, there is a possibility that the Council will not be in a position to deliver its proposed budgeted Operating result.

Notwithstanding this, the preparation of the Draft 2021-2022 Annual Business Plan and Budget has been prepared to ensure that the Council meets its legislative responsibilities in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

COVID-19 IMPLICATIONS

As part of the economic recovery from the COVID-19 pandemic, the State Government released a number of funding programs aimed at stimulating the economy through infrastructure spend. The Council has submitted a number of grant applications to the State Governments *Open Space and People for Places Grant Funding Programs* and *Grassroots Facilities Program*.

The grant funding applications which have been submitted include funding applications for projects that have been endorsed 'in-principle' by the Council and with the project expenditure being included in the draft 2021-2022 Annual Business Plan and Budget, plus funding applications for a number of projects which have not been included within the draft 2021-2022 Annual Business Plan and Budget, as these project will only be undertaken should the grant funding applications be successful.

The value of projects where grant funding applications have been submitted is in the order of \$9.775 million, with \$4.7 million of funding being sought. These projects have been determined based on the potential projects which have been identified in future years of the long Term Financial Plan and Infrastructure and Asset Management Plans. Given the nature of the projects, it is anticipated that project delivery will be undertaken across two (2) financial years, therefore should the Council be successful in securing grant funding for these applications, the net increase to the Councils Draft Capital Program would be between \$2.5 million and \$4.7million.

CONSULTATION

- **Committee Members**

Mayor Bria, Cr Minney and Cr Stock, have been involved throughout the Budget preparation process and have considered the various components of the Draft Budget and made decisions as appropriate.

- **Community**

The community through community consultation process on the Annual Business Plan will have input into the final form of the Draft Budget. The community consultation period commenced on 10 May 2021 and concludes on 2 June 2021. In addition to written submissions, the community can attend a public meeting which is being held on 2 June 2021, commencing at 7 pm.

- **Staff**

The review of the Operating Expenditure and Special Projects and the Draft Annual Business Plan process has been completed with the involvement of the Chief Executive Officer, General Managers and the various Responsible Officers.

- **Other Agencies**

Nil.

DISCUSSION

As the State undertakes its economic recovery from the COVID-19 pandemic, the focus in developing the Draft 2021-2022 Annual Business Plan and Budget, has been on ensuring that the Council maintains the service standards for its existing range of services which are aimed at supporting the delivery of the Strategic Objectives outlined in the Councils' Strategic Management Plan *CityPlan 2030* and that those services receive appropriate funding. The Draft 2021-2022 Annual Business Plan and Budget also reflects the principles of the recently adopted *Asset Management Plans* and the *2021-2031 Long Term Financial Plan*.

In addition, as the third tier of government, the Council is supporting the economic recovery by proposing a number of large scale infrastructure projects, which are aimed to be delivered over the next two (2) financial years.

The Draft 2021-2022 Annual Business Plan and Budget is strategically focused, financially responsible and targeted at ensuring that the Council's priorities and operations are appropriately resourced balanced with ensuring that the increases in the annual rates contribution is fair and reasonable given the service level provided.

Budget Overview

Table 1 below sets out the proposed Operating Surplus of \$425,080, based on a Recurrent Operating Surplus of \$968,054, an Operating Deficit relating to Operating Projects (including 2020-2021 Carry Forwards) of \$482,974 and an additional \$60,000 for additional finance costs associated with borrowings which are required to deliver the strategic projects included within the draft Capital Projects Budget. It should be noted that the Operating Deficit relating to 2021-2022 Projects, incorporates \$362,298 from the Federal Government Roads-to-Recovery Program. While this funding will be utilised to fund a Capital Project, this funding is required to be included when determining the Council's Operating Surplus.

TABLE 1: 2021-2022 PROPOSED STATEMENT OF COMPREHENSIVE INCOME

	Recurrent Operating 2021-2022	Carry Forward s 2020- 2021	Operating Projects 2021-2022	Capital Projects 2021-2022	Proposed 2021-2022
	\$	\$	\$	\$	\$
INCOME					
Rates	38,000,567	-	-	-	38,000,567
Statutory charges	1,865,875	-	-	-	1,865,875
User charges	3,910,411	-	-	-	3,910,411
Grants, subsidies and contributions	2,340,869	-	362,298	-	2,703,167
Investment income	110,500	-	-	-	110,500
Other income	497,940	-	-	-	497,940
Net loss joint ventures & associates	2,288	-	-	-	2,288
Total Income	46,728,450	-	362,298	-	47,090,748
EXPENSES					
Employee costs	16,115,712	-	-	-	16,115,712
Materials, contracts & other expenses	18,131,374	203,272	642,000	-	18,953,374
Finance costs	670,000	-	-	60,000	730,000
Depreciation & amortisation	10,640,005	-	-	-	10,640,005
Net loss Joint Ventures & Associates	203,305	-	-	-	200,000
Total Expenses	45,760,396	203,272	642,000	60,000	46,665,668
OPERATING SURPLUS / (DEFICIT)	968,054	(203,272)	(279,702)	(60,000)	425,080
Net gain (loss) on disposal or revaluation of assets	-	-	-	25,000	25,000
Amounts specifically for new or upgraded assets	-	-	-	4,190,707	4,190,707
NET SURPLUS (DEFICIT)	968,054	(203,272)	(279,702)	4,155,707	4,640,787
OTHER COMPREHENSIVE INCOME					
Change in revaluation surplus- infrastructure, property, plant & equipment	-	-	-	2,000,000	2,000,000
Total Other Comprehensive Income	-	-	-	2,000,000	2,000,000
TOTAL COMPREHENSIVE INCOME	968,054	(203,272)	(279,702)	6,155,707	6,640,787

Financial sustainability underpins the Council's Financial Goals and Outcomes which are set out in the Councils LTFFP. In general terms, financial sustainability is ensuring that the Council has the financial resources to meet the long term service and infrastructure needs of the community, without any large rate revenue increases or cuts in service provision and/or standards.

From an operational perspective, financial sustainability is being able to manage the balance between keeping rate revenues increases to a minimum, maintaining existing service standards and expenditure on appropriate new services and necessary major capital investments and initiatives.

To be truly financially sustainable, the Council needs to generate sufficient cash flow from its recurrent operations to meet existing principal loan repayments, spending on renewal works, while having the future financial capacity (i.e. cash reserves to meet future loan servicing) to undertake new investments in the Councils Infrastructure, services and activities.

Pursuant to Section 123 (10) (b) of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, Part 2 Financial Accountability, the budget is required to contain:

- a) a budgeted income statement, balance sheet, statement of changes in equity and statement of cash flows, presented in a manner consistent with the Model Financial Statements; and
- b) a statement as to whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year; and
- c) a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and
- d) estimates with regard to the Council's Operating Surplus ratio, Asset Sustainability ratio and Net Financial Liabilities ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

The Financial Statements contained in **Attachment A**, are presented as prescribed in the Model Financial Statements and are based on a 4.35% increase in rate revenue. The Financial Statements also provide comparisons with the 2020-2021 Forecast and the Audited Financial Statements for the past three (3) years. Together, these Statements provide a complete picture of the Councils budgeted financial position for the 2021-2022 Financial year.

Budgeted Capital Projects

the Draft 2021-2022 Capital Budget ("Draft Capital Budget") and resolved to endorse "in-principle", a Draft Capital Budget, which incorporates Capital Projects to the value of \$20.126m million, exclusive of the expenditure required to finalise the 2020-2021 Capital Projects (\$4.9 million) which are not anticipated to be completed by 30 June 2021 and staff costs of \$1.035 million which are capitalised and included in the final asset cost). The Draft Capital Budget expenditure is offset by Capital Funding which incorporates Grant and Other Revenues to the value of \$4.156 million, which will result in a net cost to the Council of \$15.971 million.

The endorsed Capital Projects for 2021-2022 have been broken down into a number of categories as detailed in Table 2 below:

TABLE 2: CAPITAL PROJECT CATEGORIES

Capital Project Category	2020-2021 Endorsed Capital Projects \$'000	2020-2021 Grant Funding and Other Revenues \$'000	2020-2021 Net Cost \$'000
Whole-of-Life Capital Works Program (<i>Infrastructure Renewal</i>)			
• Road Resealing	3,762	-	3,762
• Footpath Reconstruction	800	-	800
• Kerbing Reconstruction	1,439	-	1,439
• Traffic Control Devices, Off street Carpark & Paths	709	-	709
• Stormwater Drainage Program	2,646	-	2,646
• Recreation and Open Space Program	1,033	-	1,033
• Building Works Program	1,033	-	1,033
Sub-total	11,422	-	11,422
Recurring Projects	644	145	499
New Capital Projects	8,061	4,071	3,991
2020-2021 New Projects	20,127	4,216	15,911
Carry Forward Projects	4,761	-	4,761
Capitalisation of Salaries	1,035	-	1,035
Total Capital Projects Expenditure	25,920	4,216	21,707

Details of the 2021-2022 New Projects are set out in *Appendix One Key Initiatives & Projects* of the Annual Business Plan which is contained in **Attachment B**.

Borrowings

Proposed net capital expenditure (exclusive of carry forwards), as detailed in **Attachment B**, is \$16.946 million (inclusive of Roads-to-Recovery project) is proposed to be funded as follows:

- Use of depreciation recovered through rate revenue \$10.525 million
- Roads to Recovery Funding \$ 0.362 million
- Long Term Borrowings \$ 6.060 million

Capital Projects approved as part of the 2020-2021 Budget that are due to be completed during the 2021-2022 Financial year (i.e. Carry Forward Capital expenditure), will be funded through a combination of cash reserves and previously approved undrawn borrowings.

In determining the level of borrowings required to fund the capital program, consideration has been given to the cashflow requirements and to intergenerational equity between current and future users. Whilst these considerations have formed part of the budget model they will be reviewed and reconsidered before the decision to commit to any borrowings.

Rating Strategy

The Council's LTFP is based on a series of financial outcomes, with one being Rate Stability, with the overall objective being that *"annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term"*. The LTFP has set the target of Rate Revenue increases to be between 3% and 6% each year.

Rate revenue increases need to be reflective of the service level increase to ensure that the Council remains financially sustainable. In considering the increase in service level, the Council needs to take into account not only the increase in operating programs and services but also the increase in service level that emanates from past and proposed capital investment.

To maintain financial sustainability, the Council endorsed, in its *Long Term Financial Plan*, a rate revenue increase, which was based on;

- indexation based on the 10 year average of the LGPI;
- new assessment growth;
- factor for increase in service level from capital investment

Applying these principles, the rate revenue increase for 2021-2022 has been set at 4.35%, and is the basis for the budget set out in Appendix 3 of the Annual Business Plan which is contained in **Attachment B**.

The breakdown of the proposed rate revenue increase is detailed in Table 3 below.

TABLE 3: BREAKDOWN OF RATE REVENUE INCREASE

2021-2022 Rating Strategy	
<i>Proposed Rate Revenue Increases</i>	4.35%
New Development Growth	0.6%
<i>Revenue due to New Development</i>	<i>\$219,000</i>
General Valuation Growth	1.35%
<i>Revenue due to General Valuation Growth</i>	<i>\$483,000</i>
Rate Revenue Indexation/Service Level	2.4%
<i>Revenue due to rate revenue indexation</i>	<i>\$855,000</i>
Increase in Rate Revenue	\$1,557,000

A rate revenue increase of 4.35%, as proposed within the Draft Budget, will result in the average rate revenue increase over the past 5 years of 2.75%, which is at the lower end of the Rate Revenue targets set out in the Councils Long Term Financial Plan. For the same period, based on valuation information received to date, the average residential rate increase was 1.87%, with the average Commercial Rate increase of 0.56%.

The average residential property value has increased by 1.2%, to \$682,000 which when compared to the average residential property from 2020-2021, which had a value of \$674,00, this means, based on a rate revenue increase of 4.35%, an average residential rate payer will have an increase of \$54 (3.56%) in the amount of rates payable. The average commercial property value has remained stable at 0.93% to \$968,000. An average commercial property owners will have a \$58 (2.24%) increase in the amount of rates payable for 2021–2022.

As such, from a financial management perspective, the Council has clearly delivered on its financial objective.

Rating Policy

A review of the Councils' Rating Policy has been undertaken, with particular focus on the eligibility criteria for Rate Capping Rebates. Pursuant to Section 166(1)(l)(ii) of the Act, the Council grants a rebate of General Rates, subject to certain eligibility criteria, to the principal ratepayer of a residential assessment, where that property is the principal place of residence and that the increase in the rates levied is a result of a rapid change in the property value.

For eligible residential ratepayers, the increase in general rates (excluding the Regional Landscape Levy) will be capped at two (2) times the rate revenue increase, subject to certain conditions.

The current eligibility criteria for the automatic rebate is any such increase in property value, in whole or part is not result of:

- (a) development greater than \$30,000 undertaken on the property, or
- (b) a change in land use for rating purposes on the date the Council declared its general rates; or
- (c) a change in the zoning of the land; or
- (d) a change in the ownership of the property since 1 January 2020.

This means that the maximum increase in rates payable will be 8.7% for residential properties where there has been no transfer in ownership or no development in excess of \$30,000.

Draft Annual Business Plan

To fulfil the requirements of the *Local Government Act 1999* and therefore provide citizens with the opportunity to review and comment on the Council's proposed activities for the 2019-2020 Financial Year and the proposed funding of those activities, the Draft 2021-2022 Annual Business Plan has been prepared and is included in **Attachment B**.

The Draft Annual Business Plan incorporates all of the assumptions detailed within this report and for illustrative purposes only, has factored in an increase in rate revenue of 4.35%. Upon finalisation of the Draft Budget through its "endorsement in principle," the Draft Annual Business Plan was made available for citizens from 10 May 2021.

Following consideration of the submissions by the Council on 16 June 2021, the final 2021-2022 Annual Business Plan will be put forward for adoption, followed by the 2021-2022 Annual Budget at the Council Meeting to be held on 5 July 2021.

OPTIONS

Nil

CONCLUSION

Through the adoption of the Long Term Financial Plan, the Council has committed to the attainment of Financial Sustainability. The development of the Annual Budget with reference to the financial targets and outcomes outlined in the LTFP will ensure that the Council continues to move in the right direction to achieve its ultimate goal of Financial Sustainability.

The Draft 2021-2022 Annual Business Plan and Budget as presented in **Attachment B**, will deliver an Operating Surplus of \$425,000 based on a 4.35% increase in Rate Revenue, however, the underlying Operating Result, which excludes 2021-2022 Operating Project carry forwards and Joint ventures, for the provision of the Council's continuing services and programs and new initiatives, is an Operating Deficit of \$829,000.

The Councils financial capacity and its ability to withstand ongoing low rate revenue increases has been reduced by the zero rate increase (excluding new development) in the 2020-2021 financial year and the proposed expanded capital works program in 2021-2022, decisions made by the Council to support the community and the wider economy as it recovers from the COVID-19 pandemic. Decisions regarding the rate increase will have future impacts on the Council's ability to deliver on the financial objectives and targets set out in its Long Term Financial Plan and while the Draft Budget as presented in this report is forecasting an Operating Surplus, the draft Budget, as presented is forecast to deliver a cash deficit of \$1.1million.

The proposed Rating Strategy and the Draft Budget as presented in this report, is based on sound financial management principles, which will deliver the Council's Strategic Outcomes in a sustainable and equitable manner, for both today's and future ratepayers.

COMMENTS

If Committee Members have any questions or require clarification in relation to specific budget items, and/or any issues raised in this report, do not hesitate to contact the General Manager, Corporate Services, Sharon Perkins on 8366 4585, prior to the meeting.

RECOMMENDATION

It is recommended that the report be received and noted.

Attachment A

2021-2022 Draft Annual Business Plan and Budget

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
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2021-2022 Financial Statements



City of
Norwood
Payneham
& St Peters

Statement of Comprehensive Income for the year ended 30 June 2022

	Proposed 2021-2022	Forecast 2020-2021	Actual 2019-2020	Actual 2018-2019	Actual 2017-2018	Actual 2016-2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Rates	38,001	36,278	36,181	34,845	33,947	33,185
Statutory charges	1,866	1,547	1,595	1,760	1,819	1,712
User charges	3,910	3,608	3,408	3,701	3,443	3,540
Grants, subsidies and contributions	2,703	2,921	2,959	3,152	3,198	3,470
Investment income	111	65	88	206	251	148
Other income	498	702	1,527	1,013	1,072	1,068
Net loss joint ventures & associates	2	-	28	35	42	238
Total Income	47,091	45,121	45,786	44,711	43,772	43,359
Expenses						
Employee costs	16,116	15,698	14,050	13,739	13,074	12,461
Materials, contracts & other expenses	18,953	19,271	18,937	18,774	17,527	17,639
Finance costs	730	750	405	489	600	724
Depreciation, amortisation & impairment	10,640	9,734	9,503	8,984	8,285	8,111
Net loss Joint Ventures & Associates	200	197	515	346	193	203
Total Expenses	46,639	45,651	43,411	42,331	39,680	39,137
Operating Surplus (Deficit)	452	(530)	2,375	2,380	4,092	4,222
Net gain (loss) on disposal or revaluation of assets	25	27	(1,529)	(1,207)	(910)	(486)
Amounts specifically for new or upgraded assets	4,191	2,581	744	1,131	1,741	165
Physical resources received free of charge	-	-	-	24	-	-
Non Operating Items - Joint Venture and Associates	-	-	-	-	-	2,498
Net Surplus (Deficit) transferred to Equity Statement	4,667	2,078	1,590	2,327	4,923	6,399
Other Comprehensive Income						
Changes in revaluation Surplus- infrastructure, property, plant & equipment	2,000	2,000	3,542	32,993	(150,421)	12,806
Share of Other comprehensive Income - joint ventures and associates	-	-	13	9	(12)	3
Total Other Comprehensive Income	2,000	2,000	3,555	33,001	(150,433)	12,810
Total comprehensive Income	6,667	4,078	5,145	35,329	(145,510)	19,209

Pursuant to S123 (10)(b) of the *Local Government Act 1999* and Clause 7 of the *Local Government (Financial Management) Regulations 2011*, as detailed in the Statement of Comprehensive Income, the projected Operating Income (\$47.088m) is sufficient to meet the projected Operating Expenditure (\$46.439m) for the 2021-2022 Financial Year.

2021-2022 Financial Statements



City of
Norwood
Payneham
& St Peters

Statement of Financial Position as at 30 June 2022

	Proposed 2021-2022 \$'000	Forecast 2020-2021 \$'000	Actual 2019-2020 \$'000	Actual 2018-2019 \$'000	Actual 2017-2018 \$'000	Actual 2016-2017 \$'000
Assets						
Current Assets						
Cash and cash equivalents	770	1,519	9,177	12,152	15,812	9,953
Trade & other receivables	2,800	2,619	2,889	2,945	2,475	3,074
Total Current Assets	3,571	4,138	12,067	15,097	18,287	13,027
Non-current Assets						
Financial Assets	105	105	105	136	159	105
Equity accounted investments in Council	2,566	2,558	2,463	2,890	3,196	3,259
Infrastructure, Property, Plant & Equipment	520,958	509,162	476,469	473,423	437,409	591,000
Other Non-current Assets	-	-	17,891	6,119	3,715	1,271
Total Non-current Assets	523,628	511,825	496,929	482,569	444,478	595,635
Total Assets	527,199	515,962	508,995	497,666	462,765	608,662
Liabilities						
Current Liabilities						
Trade & Other Payables	5,833	6,378	7,310	6,272	5,462	3,743
Borrowings	931	1,547	1,651	1,781	1,858	2,045
Short-term Provisions	2,843	2,801	3,135	2,752	2,761	2,769
Total Current Liabilities	9,607	10,726	12,095	10,805	10,081	8,557
Non-current Liabilities						
Long-term Borrowings	19,911	14,420	10,357	5,388	6,513	8,371
Long-term Provisions	1,161	1,163	1,160	1,203	1,129	1,148
Liability - Equity accounted Council Businesses	1,789	1,589	1,397	1,429	1,529	1,562
Total Non-current Liabilities	22,860	17,172	12,913	8,020	9,171	11,082
Total Liabilities	32,467	27,898	25,008	18,825	19,252	19,639
Net Assets	494,732	488,065	483,987	478,842	443,513	589,023
Equity						
Accumulated Surplus	63,570	58,903	56,825	55,222	52,886	47,975
Asset Revaluation Reserve	431,162	429,162	427,162	423,620	390,627	541,048
Total Equity	494,732	488,065	483,987	478,842	443,513	589,023

2021-2022 Financial Statements



City of
Norwood
Payneham
& St Peters

Statement of Changes in Equity for the year ended 30 June 2022

	Proposed 2021-2022 \$'000	Forecast 2020-2021 \$'000	Actual 2019-2020 \$'000	Actual 2018-2019 \$'000	Actual 2017-2018 \$'000	Actual 2016-2017 \$'000
Accumulated Surplus						
Balance at end of previous reporting period	58,903	56,825	55,222	52,886	47,975	41,574
Net Surplus/ (Deficit) for year	4,667	2,078	1,590	2,327	4,923	6,399
Other comprehensive Income	-	-	-	9	(12)	2
Balance at end of period	63,570	58,903	56,812	55,222	52,886	47,975
Asset Revaluation Reserve						
Balance at end of previous reporting period	429,162	427,162	423,620	390,627	541,048	528,241
Gain on revaluation of infrastructure, property, plant & equipment	2,000	2,000	3,542	32,993	(150,421)	12,806
Balance at end of period	431,162	429,163	427,162	423,619	390,627	541,048
Total Equity at end of reporting period	494,732	488,066	483,974	478,841	443,513	589,023

Statement of Cash Flow for the year ended 30 June 2022

	Proposed 2021-2022 \$'000	Forecast 2020-2021 \$'000	Actual 2019-2020 \$'000	Actual 2018-2019 \$'000	Actual 2017-2018 \$'000	Actual 2016-2017 \$'000
Cash Flow from Operating Activities						
<u>Receipts</u>						
Rates - general & other	37,819	36,549	36,107	34,696	33,670	32,946
Fees & other charges	1,866	1,547	1,646	1,694	1,786	1,678
User Charges	3,910	3,608	3,297	4,014	4,542	2,403
Investment receipts	2,703	2,921	88	204	252	152
Grants utilised for operating purposes	111	65	3,677	2,744	2,835	3,425
Other Income	500	702	1,474	1,244	1,324	1,070
<u>Payments</u>						
Employee Costs	(15,873)	(15,795)	(13,486)	(14,322)	(13,668)	(13,111)
Contractual services & materials	(19,498)	(20,248)	(19,030)	(17,593)	(15,381)	(18,123)
Finance payments	(730)	(750)	(407)	(489)	(615)	(737)
Net Cash provided by (or used in) Operating	10,808	8,598	13,368	12,191	14,746	9,702
Cash flow from Investing Activities						
<u>Receipts</u>						
Amounts specifically for new or upgraded assets	4,191	2,581	1,165	1,049	1,742	1,165
Sale of replaced assets	25	27	58	9	790	30
Repayments of loans by community groups	-	-	43	13	21	8
Capital Distributions from associated entities	-	-	-	-	-	-
<u>Payments</u>						
Expenditure on renewal/replacement of assets	(15,323)	(12,893)	(8,919)	(9,009)	(6,589)	(3,318)
Expenditure on new/upgraded assets	(5,839)	(9,935)	(13,175)	(6,615)	(2,673)	(884)
Loans made to community groups	-	-	-	-	-	-
Capital contributed to associated entities	(100)	(100)	(81)	(96)	(132)	(119)
Net Cash provided by (or used in) Investing	(17,047)	(20,320)	(20,909)	(14,649)	(6,841)	(3,118)
Cash Flow from Financing Activities						
<u>Receipts</u>						
Proceeds from Borrowings	6,422	5,871	6,500	-	-	-
<u>Payments</u>						
Repayments of Borrowings	(931)	(1,807)	(1,934)	(1,202)	(2,045)	(1,923)
Net Cash provided by (or used in) Financing	5,491	4,063	4,566	(1,202)	(2,045)	(1,923)
Net Increase (Decrease) in cash held	(748)	(7,659)	(2,975)	(3,660)	5,860	4,662
Cash & cash equivalents at beginning of period	1,519	9,177	12,152	15,812	9,953	5,291
Cash & cash equivalents at end of period	770	1,519	9,177	12,152	15,812	9,953

2021-2022 Financial Statements



City of
Norwood
Payneham
& St Peters

Uniform Presentation of Finances for year ended 30 June 2021

	Proposed 2021-2022 \$'000	Forecast 2020-2021 \$'000	Actual 2019-2020 \$'000	Actual 2018-2019 \$'000	Actual 2017-2018 \$'000	Actual 2016-2017 \$'000
Income	47,091	45,121	45,786	44,711	43,772	43,359
less Expenses	(46,639)	(45,651)	(43,411)	(42,331)	(39,680)	(39,137)
Operating Surplus (Deficit)	452	(530)	2,375	2,380	4,092	4,222
less Net Outlays on Existing Assets						
Capital Expenditure on renewal and replacement of Existing Assets	15,323	12,893	8,919	15,624	9,262	3,318
Depreciation, Amortisation and Impairment	(10,640)	(9,734)	(9,503)	(8,984)	(8,285)	(8,111)
Proceeds from Sale of Replaced Assets	(25)	(27)	(58)	(9)	(790)	(30)
	4,658	3,132	(642)	6,631	186	(4,823)
less Net Outlays on New and Upgraded Assets						
Capital Expenditure on New and Upgraded Assets (including investment property & real estate)	5,839	9,935	13,175	6,615	2,673	884
Amounts received specifically for New and Upgraded Assets	(871)	(2,581)	(1,165)	(1,049)	(1,742)	(1,165)
Asset Received Free of Charge	-	-	-	(24)	-	-
	4,968	7,354	12,010	5,542	931	(281)
Net Lending / (Borrowing) for Financial Year	(9,175)	(11,016)	(8,993)	(9,793)	2,975	9,326

Financial Indicators

	Proposed 2021-2022	Proposed 2021-2022	Forecast 2020-2021	Actual 2019-2020	Actual 2018-2019	Actual 2017-2018	Actual 2016-2017
Required by Local Government (Financial Management) Regulations 1999 Section 5B(d)							
	\$						
Operating Surplus Ratio							
Operating Surplus/(Deficit)	<u>451,657</u>	1.0%	-1.2%	5.2%	5.3%	9.3%	9.7%
Operating Revenue	<u>47,090,748</u>						
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>							
Net Financial Liabilities Ratio							
Net Financial Liabilities	<u>28,791,564</u>	61.1%	52.4%	28.0%	8.0%	1.8%	15.0%
Total Operating Revenue	<u>47,090,748</u>						
<i>This ratio expresses the extent of Operating Revenue required to meet all monies owed by the Council Net financial liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).</i>							
Asset Sustainability Ratio							
Net Asset Renewals	<u>15,323,366</u>	112%	106%	99%	109%	79%	64%
Asset Management Plan	<u>13,724,228</u>						
<i>This ratio measure the extent existing assets are being renewed compared to the Infrastructure & Asset Management Plan Net asset renewals is defined as capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets</i>							
Rolling three-year average		102.4%	94.7%	90.4%	86.7%	89.6%	105.0%
Requested by Council							
Debt to Total Income Ratio							
Debt Servicing	<u>1,661,098</u>	4.5%	7.3%	6.7%	5.0%	8.1%	8.3%
Rate Revenue less NRM Levy	<u>36,635,567</u>						
<i>The Debt to Rate Revenue Ratio measures the extent of rate revenue covers the loan repayments (interest and principal)</i>							

Attachment B

2021-2022 Draft Annual Business Plan and Budget

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
Norwood
Payneham
& St Peters



Draft Annual Business Plan

2021–2022



City of
Norwood
Payneham
& St Peters

2021–2022

Draft Annual Business Plan

The City of Norwood Payneham & St Peters 2021–2022 Annual Business Plan and Budget sets out the Council’s proposed projects, services and programs for the 2021–2022 financial year.

This Annual Business Plan has been prepared in accordance with the *Local Government Act 1999*.

Further information

For more information about the City of Norwood Payneham & St Peters 2021–2022 Annual Business Plan and Budget, please contact the Council’s General Manager, Corporate Services, on 8366 4585 or email townhall@npsp.sa.gov.au

For further information, visit www.npsp.sa.gov.au

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Jazz in the Park - February 2020

Mayor's Message

The City of Norwood Payneham & St Peters remains focused on financial sustainability by maintaining modest rate increases during what have been difficult times for our community. This focus is balanced against the need to generate sufficient revenue to meet the demands for services and improvements to infrastructure - as well as the repayment of loan borrowings, in order to fund capital works, while, at the same time, focusing on the recovery of our community from the COVID-19 pandemic.



The City of Norwood Payneham & St Peters 2021–2022 Annual Business Plan, contains a Budget which highlights the Council's strong financial position and its ability to deal with the challenges and opportunities of the future.

In preparing this year's Budget, the Council has taken into account the current economic environment as the State recovers from the economic impacts of the COVID-19 pandemic.

The Council continues to strive to achieve a balance between providing value for money in the high standard of services which are expected by our community, whilst ensuring that the rate increase is commensurable to the service standards provided.

As a level of Government, the Council is conscious of its role in the economic recovery from the COVID-19 pandemic. As such, the 2021–2022 Annual Business Plan and Budget, commits to a number of large scale infrastructure projects, which create jobs for the local economy, as well as enhance the well-being for our community.

This year's Annual Business Plan continues its focus on a number of footpath and street tree issues that have been raised by the community. Our citizens can be confident that their rates are being spent to improve amenities and quality of life in our City.

In this regard, the Council believes that a \$56 increase a year in the average residential rate is a reasonable response to the level of investment being made to improve the amenity of the City and takes into account the recovery phase of our economy.

Commercial property owners will also experience an average rate increase in the order of \$58 a year.

The projected Operating Surplus of \$425,000 continues the Council's recent record of surpluses—money which is used to repay loan borrowings, which are required for improvements to the City's much valued infrastructure, and in doing so reduces the future debt burden on ratepayers.

This year, the Council will invest \$21.8 million in its projects budget, which includes a number of new initiatives.

The Council was fortunate to receive \$5.6 million from the State Government to assist with the redevelopment of the Payneham Memorial Swimming Centre, with works commencing during the 2021–2022 financial year. Other major projects include the St Peters Street Streetscape Upgrade and Burchell Reserve upgrade, which includes flood mitigation works to prevent downstream flooding through the use of on-site stormwater detention, cleaning and reuse.

The Council's Whole-of-Life Capital Works Program includes \$11.1 million to provide for the renewal of the City's stormwater drainage system, footpaths, kerbing, and resealing of roads.

I encourage you to read the Council's Annual Business Plan and Budget and the details of the projects to be undertaken during 2021–2022.

**Robert Bria
Mayor**

Introduction



The City of Norwood Payneham & St Peters' Annual Business Plan is a key document in the Council's overall Planning Framework. It sets out the Council's proposed projects, services and programs for the 2021–2022 financial year.

The Annual Business Plan supports the Council's long-term strategic directions, which are outlined in the Council's strategic management plan: *CityPlan 2030: Shaping Our Future*, as well as the Long-term Financial Plan and Whole of Life Infrastructure and Asset Management Plans.

First endorsed by the Council in 2008, *CityPlan 2030 Shaping Our Future*, focuses on developing the things which the community love, changing the things the community don't and creating the things our community wants in order to achieve a preferred future of our City.

As reflected in *CityPlan 2030: Shaping Our Future* the future can be shaped, modelled and influenced by our actions today, for both the benefit of our community today and future generations.

In 2020, a mid-term review of *CityPlan 2030* was undertaken to ensure that it continues to capture the community's aspirations for the City. This assists the Council to establish directions which shape the City's future with the overall aim of achieving Community Well-being.

The vision for the City continues to be underpinned by the four outcomes of Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability. These four Outcomes are the foundation upon which *CityPlan 2030: Shaping Our Future* is based and this approach is referred to as "Quadruple Bottom Line"

Quadruple Bottom Line is a management tool which ensures that the Council's sustainability principles are embedded across all of its operations, projects and undertakings.

In line with *CityPlan 2030* and in developing this Annual Business Plan, the Council continues to work towards these Outcomes, through the delivery of the programs, services, projects and initiatives set out within the Plan. The accompanying Budget details the Council's revenue and how it proposes to finance the programs, services, projects and initiatives which it intends to provide to the community during the 2021–2022 financial year.

Diagram 1. 'Quadruple Bottom Line' Framework for Community Well-being.



Our Vision

A City which values its heritage, cultural diversity, sense of place and natural environment.

A progressive City which is prosperous, with a strong community spirit.

37,056[#] residents

4,103 children (0-11) **16,828** adults (25-59)

5,552 young people (12-24) **8,879** older people (60+)

48% males **52%** females

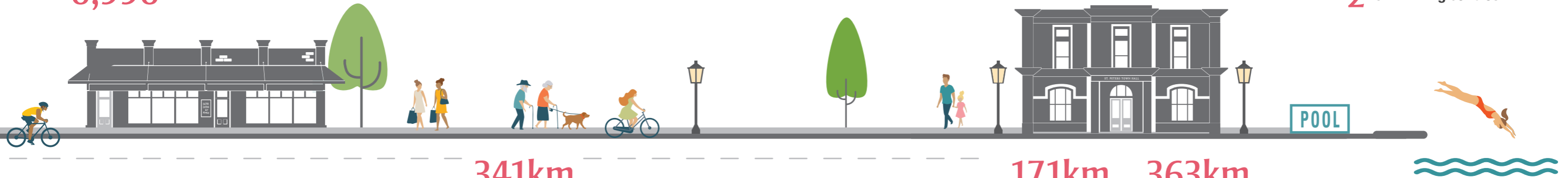
30.2% of the population born overseas

Top 5 birthplaces in the City	64.7%	4.8%
Australia		United Kingdom
4.3%	4.0%	2.6%
Italy	China	India

120 ethnicities

- 3** libraries
- 16** schools
- 2** swimming centres

6,996 local businesses



341km of footpaths

171km of roads **363km** of kerbing

More than **23,000** street trees

29 playgrounds

72 parks and reserves

180 ha open space

City Snapshot

The City of Norwood Payneham & St Peters enjoys a reputation as one of Adelaide's most desirable places to live, work and visit.

*Information collected in 2016 by Profile ID (<https://profile.id.com.au/npspl/language>).
Source: Australian Bureau of Statistics 2019 Estimated Resident Population

Strategic Direction

The City of Norwood Payneham & St Peters' strategic management plan, *CityPlan 2030: Shaping Our Future*, provides the strategic framework and directions which guide the Council's decision making towards achieving the overall aim of Community Well-being.

All programs, projects and services delivered by the Council fall under four outcome areas: Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability. These outcome areas uphold and work towards Community Well-being.

The mid-term review of *CityPlan 2030* was undertaken in 2020.



St Peters Billabong



Outcome 1 Social Equity

An inclusive, connected, accessible and friendly community.

Objectives

1. Convenient and accessible services, information and facilities.
2. A people friendly, integrated and sustainable transport network.
3. An engaged and participating community.
4. A strong, healthy resilient and inclusive community.



Outcome 2 Cultural Vitality

A culturally rich and diverse City, with a strong identity, history and sense of place.

Objectives

1. An artistic, creative, cultural and visually interesting City.
2. A community embracing and celebrating its social and cultural diversity.
3. A City which values and promotes its rich cultural and built heritage.
4. Pleasant, well designed, and sustainable urban environments.
5. Dynamic community life in public spaces and precincts.



Outcome 3 Economic Prosperity

A dynamic and thriving centre for business and services.

Objectives

1. A diverse range of businesses and services.
2. Cosmopolitan business precincts contributing to the prosperity of the City.
3. Attract new enterprises and local employment opportunities to our City.
4. A leading centre for creative industries.
5. A local economy supporting and supported by its community.



Outcome 4 Environmental Sustainability

A leader in environmental sustainability.

Objectives

1. Sustainable and efficient management of resource.
2. Sustainable streets and open spaces.
3. Thriving and healthy habitats for native flora and fauna.
4. Mitigating and adapting to the impacts of a changing climate.

Strategic Planning Framework

In working towards our vision, all of the programs, projects and services which the Council delivers are structured into four key outcome areas, referred to as the ‘Four Pillars’ of Community Well-being.



Objectives and Key Initiatives

In preparing the 2021–2022 Annual Business Plan and Budget, the Council has considered the strategic directions set out in *CityPlan 2030: Shaping Our Future* and has determined to undertake initiatives which respond to the Council’s vision and contribute to the overall well-being of our City and its community.



The projects, programs and initiatives which the Council proposes to undertake during 2021–2022, must meet the objectives of at least one of the four key outcome areas of *CityPlan 2030*: social equity, cultural vitality, economic prosperity and environmental sustainability. In some cases, projects and initiatives may contribute towards more than one outcome. Projects and initiatives have been listed against the Outcome with which it has the strongest alignment.

Other priorities which have influenced the preparation of the 2021–2022 Annual Business Plan and Budget include:

- An increase in operating expenditure in line with the Local Government Price Index;
- Ensuring the maintenance and renewal program for existing infrastructure assets, including roads, footpaths, Council owned properties and open spaces, are consistent with the Whole of Life Infrastructure and Asset Management Plans;
- Consideration of financial commitment to major projects which span more than one financial year; and
- Sensible and prudent financial management to ensure financial sustainability for our City.

Major Projects



Payneham Memorial Swimming Centre Redevelopment



The full redevelopment of the Payneham Memorial Swimming Centre - as per the Council's Swimming Centres Strategy and endorsed Concept Plans - includes the following proposed key features:

- Refurbishment of the main 50 metre Pool - in its current location, with provision for a roof to be constructed at a later date;
- Replacement of the existing gravity fed sand filtrations system, with a new Neptune Defender Filtration System;
- New plant room to service the 50m Pool, new 25m Pool and the Aquatic Recreational Equipment and Facilities;
- New semi-enclosed eight lane, 25 metre outdoor Lap Pool and Learn to Swim Pool with an all-weather lid;
- New two story Sports and Leisure Centre providing pool facilities, administration facilities, and café, gym/dry pool training space, clubrooms and multi-use function areas,
- New leisure Pools with interactive water play and high platform water slides integrated with the building; zero depth splash pad;
- The installation of shade, barbeques and picnic facilities on a grassed embankment.

The Council has secured \$5.6 million in grant funds from the State Government's Local Government's Infrastructure Partnership Program to assist in funding the water elements of the project.

The complete redevelopment is estimated to cost \$24 million, with the project being delivered over two financial years, with the estimated spend being incurred as follows:

- 2021–2022 - \$3.0 million
- 2022–2023 - \$21.0 million

St Peters Street Streetscape Upgrade



The St Peters Street Streetscape Upgrade builds on the recent upgrades to the St Peters Precinct, which included Linde Reserve-Dunstone Grove, the St Peters Town Hall Complex and the Avenue of Honor from Payneham Road to Second Avenue. Once completed, St Peters Street will provide improved amenity and connection between the River Torrens Linear Park and other major focal points within the Precinct. The key features proposed include:

- a reduction in the overall paved road width;
- improved amenity and accessibility for pedestrians and cyclists;
- wider footpaths;
- new tree planting and landscaping, including Water Sensitive Urban Design (WSUD) elements;
- revitalised central median;
- improved local stormwater management, with seasonal detention at Cliff Goodwin Reserve; and
- improved access and amenity of the open space adjacent to Eighth Avenue and the St Peters Billabong.

The estimated project cost is \$4.5 million, which includes civil infrastructure renewal works and stormwater drainage works to the value of \$1.5 million. These elements have been accounted for in the recently adopted Infrastructure & Asset Management Plans.

The Project is scheduled to be delivered over two financial years, with the estimated spend being incurred as follows:

- 2021–2022 - \$2.470 million
- 2022–2023 - \$2.030 million

The Council has secured \$1.270 million as part of the Federal Government's Local Government and Community Infrastructure Program Extension.

Burchell Reserve Upgrade



The redeveloped Burchell Reserve will establish a contemporary setting, whilst improving the amenity of the Reserve through new community tennis courts, seating, refurbished toilets and landscaping that would create a gathering point for the community and encourage social interaction.

The key features proposed include:

- A multipurpose court featuring two community tennis courts, basketball and netball rings;
- New toilets, shelter, barbeque and picnic facilities;
- Play-space improvements and new equipment;
- New furniture, lighting and fencing;
- A ramp access to/from Sixth Avenue and internal paths;
- New tree planting and landscaping, including WSUD elements; and
- On-site stormwater detention, cleaning and reuse.

The upgrade will be delivered over two financial years, with the total project costs estimated to be \$2.6 million





- 2021–2022 - \$2.026 million
- 2022–2023 - \$0.574 million



Outcome 1 Social Equity

An inclusive, connected, accessible and friendly community.

2020–2021 achievements

-  Completed the mid-term review of *CityPlan 2030: Shaping Our Future* to confirm the ongoing relevance of our strategic directions.
-  Completed the annual Capital Works Program, which includes upgrades to civil infrastructure (roads, footpaths and kerbing), buildings and open space assets.
-  Converted Charlotte Lane to a public road in accordance with the Council's Private Laneway Policy.
-  Completed the two year footpath defect rectification program.

Annual Business Plan Objectives

- Deliver services which are relevant, citizen focused and cost effective.
- Continue the maintenance and renewal of infrastructure assets in line with the Council's whole-of-life framework for infrastructure.
- Deliver programs and activities which engage our young people in the City's future.
- Provide a variety of events and programs that engage all citizens regardless of age, ability, race, gender or background.
- Ensure fair and equitable rates for all ratepayers.

Proposed key initiatives for 2021–2022:

- Deliver the annual Capital Works Program in accordance with the respective infrastructure and asset management plans, including civil infrastructure (roads, footpaths and kerbing), buildings and open space assets.
- Purchase books and other resources to replenish library collections at the Council's three libraries.
- Commence the re-development of the Payneham Memorial Swimming Centres, in line with the Swimming Centres Strategy.
- Continue the implementation of the 15 year Stormwater Drainage Program.
- Continue the implementation of the Council's Private Laneway Policy with the conversion of endorsed private laneways into public roads.
- Commence the upgrade of Burchell Reserve.



Outcome 2 Cultural Vitality

A culturally rich and diverse city, with a strong identity, history and sense of place.

2020–2021 achievements

-  Hosted Movie on the Oval as part of Christmas in NPSP.
-  Hosted Canvas Youth Arts + Design Exhibition
-  Hosted Art on Parade
-  Hosted Concerts in the Park series

Annual Business Plan Objectives

- Promote our cultural diversity through the use of public art and events that complement the City's cultural heritage and enhance its sense of place.
- Provide opportunities for the community to contribute to the social and creative life of the City through events, activities, arts and cultural initiatives.
- Provide a variety of events and programs which engage all citizens, regardless of age, ability, race, gender or background.

Proposed key initiatives for 2021–2022:

- Deliver a number of programs and activities which are focused on achieving the objectives set out in the Council's Youth Strategy.
- Host an art exhibition which showcases work created by the City's young people aged 10–18 years as part of the Canvas Youth Arts program.
- Host Art On Parade.
- Concerts in the Park series.



Outcome 3 Economic Prosperity

A dynamic and thriving centre for business and services.

2020–2021 achievements



Hosted Raising the Bar Adelaide events across the City.



Promoted local fashion retailers and designers by hosting A Day of Fashion on The Parade, Norwood.



Hosted the Eastside Business Awards to recognise the best small businesses in the City, as voted by the public.



Outcome 4 Cultural Vitality

A leader in environmental sustainability.

2020–2021 achievements



Completed year three of the Street Tree Planting Program, which will see 300 additional trees planted over a three year period.



Endorsed the Greenhouse Gas Emissions Reduction Plan, which is aimed at ensuring the Council can achieve its 2030 target of zero corporate carbon emissions.

Annual Business Plan Objectives

- Support the development of a prosperous local economy.

Proposed key initiatives for 2021–2022:

- Host the Eastside Business Awards to recognise the best small businesses, including retailers, restaurants, cafes, bars, venues and boutiques in the City of Norwood Payneham & St Peters, as voted by the public.
- Host Raising the Bar in venues across the City to promote education as part of the City's popular culture by fusing learning and discussion with a fun night out.
- Continue offering support for local businesses by hosting networking functions.

Annual Business Plan Objectives

- Ensure any urban development that is undertaken enhances the environmental, social and cultural character of the City.
- Maximise use of the City's open space by providing a range of active and passive open space recreation opportunities.
- Promote recycling and environmentally sustainable practices throughout the City.

Proposed key initiatives for 2021–2022:

- Increase the Council's Street Tree Planting Program from 300 street trees to 500 street trees per year.
- Continued support of the Resilient East project which aims to strengthen the resilience of the Council and its community in respect to the impacts of climate change.
- Implement an Urban Green Trial Program, aimed at encouraging the planting of trees and natives on private land.
- Commence the upgrade of St Peters Street to improve connection to key places of of the River Torrens and upgrade existing infrastructure.

Services

For every \$100 paid in rates, the breakdown in Council expenditure is as follows:



\$36.67

Infrastructure Management

- Asset management
- Strategic projects
- Civil infrastructure maintenance
- Streetscape maintenance
- Public lighting
- Stormwater drainage network
- Traffic Management



\$12.35

Waste & Recycling Services

- Kerbside collection of
 - Household waste
 - Recyclables
 - Green organics
- Hard waste collection and disposal
- Public litter bins
- Illegal dumping



\$2.91

Community, Health, Aged & Youth Services

- Environmental health and services
- Community programs
- Home care assist
- Youth services
- St Peters Child Care Centre & Pre-school
- Volunteer



\$ 7.20

Libraries & Community Facilities

- Library services
- Lifelong Learning Programs
- Facility hire (casual and long term)
- Norwood Concert Hall



\$14.62

Trees, Parks, Sport & Recreation

- Reserve maintenance
- Sports and recreational facilities
- Street trees
- Swimming centres



\$5.45

Economic Development, Regulatory Services, Environment & Planning

- City planning
- Building inspections
- Parking management
- Animal management
- Abandoned vehicles
- Business precinct management
- Economic development
- Environmental sustainability initiatives



\$2.61

Community Events, Arts & Heritage

- Community events
- Community arts
- Cultural heritage



\$18.19

Governance, Communications & Administration

- Corporate governance
- Financial management and services
- Information management and services
- Customer services
- People and organisational development
- Internal and external communications
- Media liaison
- Marketing

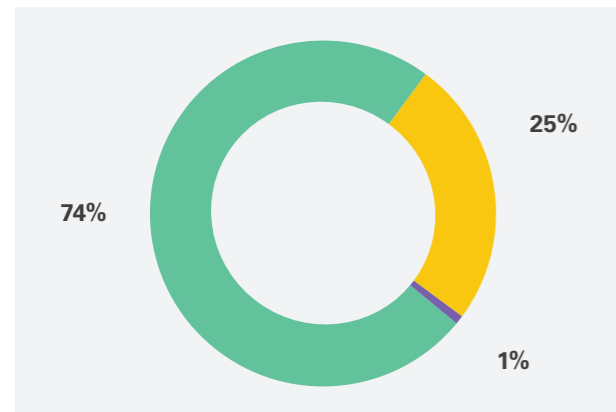


Infrastructure Management



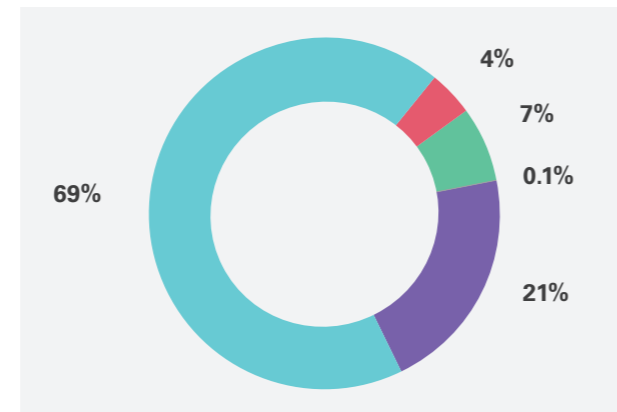
2021–2022 Budget \$19.265 million*

Where it is spent



Recurring expenditure	\$4,673,881
Service initiatives	\$185,000
Capital expenditure	\$14,081,853

Source of funds



Operating Grant Funding	\$727,298
Rates	\$13,258,506
Capital Grant Funding	\$1,270,347
Other capital funding	\$18,000
Borrowings	\$3,991,654

Services Provided

- **Asset management**, which provides project management services for capital works program, which includes:
 - Road reseals;
 - Footpath;
 - Kerbing and watertable; and
 - Stormwater network system.
- **Civil infrastructure maintenance** which includes programmed and responsive maintenance of the Council's civil infrastructure assets
- **Road and traffic management**
- **Public lighting**
- **Streetscape maintenance**

Projects and Service Initiatives

- **Civil Infrastructure and Drainage Capital Works Program**
- **Private Laneways Project** which involves the transfer of ownership of private laneway to public laneways
- **Replacement of small plant and equipment used in maintenance activities**
- **Rectification of footpath defects**
- **Street lighting renewal and upgrade**
- **Improvements to the Second Creek Stormwater Outlet**

Further details are provided in Appendix 1.

Infrastructure Maintenance

Infrastructure Maintenance is responsible for the administration for both the programmed and responsive maintenance of the Council's civil infrastructure assets, to maintain infrastructure to the required standard.

Also included, is the management of the City-wide Street Cleansing and the Norwood Parade Footpath Sweeping Program.

Services undertaken by Civil Infrastructure Maintenance also includes:

- **Footpath, Kerb & Watertable**

Income	-
Expenditure	\$1,045,571
Net Cost/(Net Contribution)	\$1,045,571

- **Road & Traffic Management**

Income	\$365,000
Expenditure	\$885,185
Net Cost/(Net Contribution)	\$520,185

- **Stormwater Network**

Income	-
Expenditure	\$160,325
Net Cost/(Net Contribution)	\$160,325

- **Streetscape maintenance**

Income	-
Expenditure	\$1,058,369
Net Cost/(Net Contribution)	\$1,058,369

- **Management of the Council's public lighting**

Income	-
Expenditure	\$595,000
Net Cost/(Net Contribution)	\$595,000

Asset Management

The Council's strategic asset management staff are responsible for the maintenance, construction, renewal and disposal of Council's facilities and assets, including the preparation of the Capital Works Program. This unit is responsible for the expenditure of external infrastructure grants such as the Roads to Recovery Program and project specific grants.

Specific areas covered by Asset Management include:

- **Capital project services** – This area provides project management services for capital works; construction and contract management associated with Council assets, in particular the delivery of road, kerb, footpath, water table and stormwater drainage capital works renewal projects. Staff also oversee external contracts for the provision of building maintenance services for Council buildings including cleaning, plumbing, carpentry, electrical, air conditioning, painting, general maintenance and renewal.
- **Open space planning and delivery** – Staff in this area develop and implement open space policies and strategies; develop the public open space asset renewal and improvements program; undertake project management for capital works relating to open space improvements; provides internal technical advice and provide assistance to local community groups.
- **Assets and special projects** – Staff in this area maintain the Council's Whole-of-Life Asset Management Plans and prepares scope of works for major capital works projects.

Income	-
Expenditure	\$560,982
Net Cost/(Net Contribution)	\$560,982

*Excludes carry forward projects



The Council's staff undertaking hazardous disposal tasks at the Glynde Depot.



Waste & Recycling Services



2021–2022 Budget \$4.508 million*

Where it is spent



● Recurring expenditure \$4,400,346

Source of funds



● User fees and charges \$43,000
● Rates \$4,465,603

This area oversees external contracts responsible for kerbside rubbish collection, illegally dumped rubbish, hard and green waste collection, street and parks rubbish bin collection.

*Excludes carry forward projects

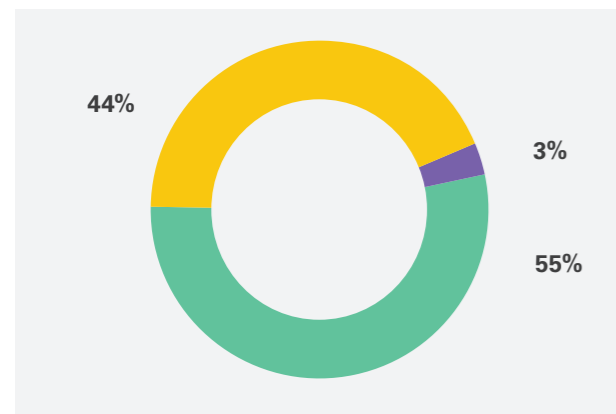


Trees, Parks, Sport & Recreation



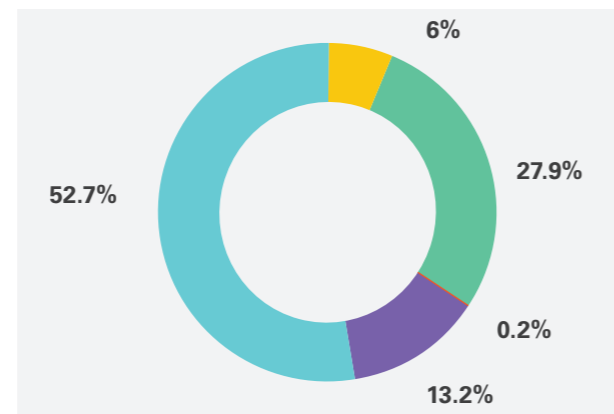
2021–2022 Budget \$10.033 million*

Where it is spent



Recurring expenditure	\$4,310,574
Service initiatives	\$260,000
Capital expenditure	\$5,334,932

Source of funds



User fees and charges	\$600,732
Rates	\$5,285,423
Other income	\$21,550
Capital Grant Funding	\$2,800,000
Borrowings	\$1,325,932

Services Provided

- Reserve maintenance includes parks, gardens and reserves
- Sporting and recreational facilities include recreational and sporting facilities such as sporting fields and tennis courts
- Street trees include the strategic management of the Council's 23,000 street trees
- Swimming centres include Norwood Swimming Centre and Payneham Memorial Swimming Centre

Projects and Service Initiatives

- Recreation and Open Space Works Program
- Additional street tree planting
- Commencement of the redevelopment of Payneham Memorial Swimming Centre
- Commence Burchell Reserve Upgrade

Further details are provided in Appendix 1.

Reserve Maintenance

The Council has more than 180 hectares of reserves, parks gardens. This area is responsible for the ongoing maintenance of the Council's reserves, parks and gardens.

Income	-
Expenditure	\$2,017,215
Net Cost/(Net Contribution)	\$2,017,215

Sporting and Recreational Facilities

The Council provides a wide variety of recreational and sporting facilities such as sporting fields and tennis/netball courts, which are available for either casual hire or seasonal hire or leased to home sporting clubs within the City. This also includes administration of the hire of the Council's sporting facilities, as well as manages the ongoing maintenance of the open space and associated infrastructure provided at these facilities.

Income	\$95,450
Expenditure	\$479,486
Net Cost/(Net Contribution)	\$384,036

Street Trees

Approximately 23,000 street trees are located throughout the City with several thousand more trees located on reserves. This area is responsible for the management of the Council's street trees, which includes inspection, condition assessment and ongoing maintenance such as watering, pruning, planting and removal.

Income	-
Expenditure	\$1,318,968
Net Cost/(Net Contribution)	\$1,318,968

Swimming Centres

The Council owns and operates two swimming centres, the Norwood Swimming Centre and Payneham Memorial Swimming Centre. Both centres provide for lap swimming, swimming lessons and general recreational swimming.

Income	\$526,832
Expenditure	\$1,014,082
Net Cost/(Net Contribution)	\$487,250

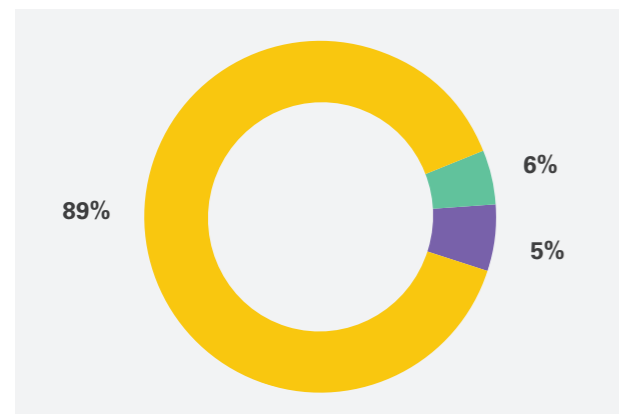
*Excludes carry forward projects

Economic Development, Regulatory Services, Environment & Planning



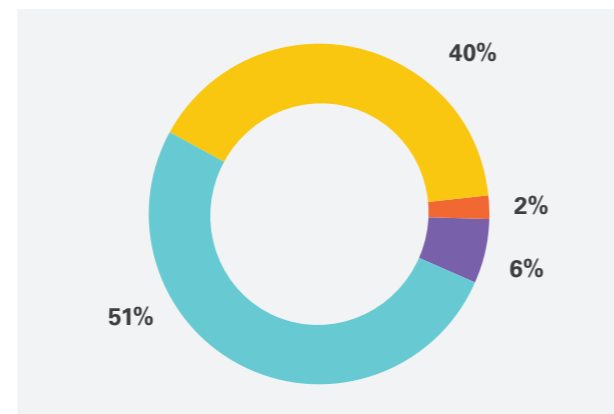
2021–2022 Budget \$4.305 million*

Where it is spent



Recurring expenditure	\$3,789,815
Service initiatives	\$192,500
Capital expenditure	\$275,000

Source of funds



User fees and charges	\$1,750,875
Rates	\$2,183,665
Other income	\$95,500
Borrowings	\$275,000

Services Provided

- Networking events
- Marketing The Parade and other business precincts throughout the City
- Food Secrets of Glynde and Stepney Tours
- Promotion of the Eastside Wine & Ale Trail
- City planning
- Regulatory services
- Environmental management

Projects and Service Initiatives

- **Eastside Business Awards** – is an awards program that recognises the best small business, retailers, restaurants, cafes bars, venues and boutiques within the City.
- **Raising the Bar** – activates venues with the City as they are transformed into relaxed learning environments with the aim of making education part of popular culture.
- **Urban Greening Program**
- **Borthwick Park Creek Improvements**
- **Implementation of Year 1 priority item** - set out in the Smart City Plan
- **Dog & Cat Management Plan education campaign**

Futher details are provided in Appendix 1.

City Planning

Responsible for the development of strategic policy and planning across the City, this area issues planning permits, controls the use and development of land, land divisions, liquor licenses, administers heritage controls and advice, and sustainable urban design advice.

Income	\$371,500
Expenditure	\$1,674,845
Net Cost/(Net Contribution)	\$1,303,345

Building Inspections

This area issues building permits and administers and enforces building regulations, siting provisions and legal requirements concerning building safety.

Income	\$26,000
Expenditure	\$243,934
Net Cost/(Net Contribution)	\$217,934

Economic Development

Provision of services and events which facilitate economic growth in the retail and commercial precincts throughout the City.

Income	\$349,875
Expenditure	\$818,261
Net Cost/(Net Contribution)	\$468,386

Environmental Management

This area leads the delivery of projects aimed at achieving a sustainable environment for the City and the organisation. This incorporates the support of a range of programs and events designed to engage the community to take action on climate change and includes strategic planning in the areas of water, greenhouse emissions and climate change adaptation and sustainable transport.

Environmental Management also includes the management of Second, Third and Fourth Creeks; and environmental pests such as European wasps and noxious weeds.

Income	\$51,500
Expenditure	\$379,386
Net Cost/(Net Contribution)	\$327,886

Regulatory Services

This area is responsible for administration of the Council's by-laws, policies and other legislation which the Council is charged with administering. Specific areas covered by Regulatory Services include:

- **Animal Management** – With more than 3,000 dogs residing in our Council, it is important that certain provisions surrounding their care and control are applied. Regulatory Services staff administer the provisions of the *Dog & Cat Management Act 1995* which includes annual dog registration, managing barking and noise complaints, and ensuring dogs are not found wandering at large where they pose a significant threat to their own safety, as well as to that of other members of our community who may not be familiar with the best way to handle a distressed or wandering dog.
- **On-street Parking Management** – The Council is responsible for ensuring that the parking provisions (Part 12) of the Australian Road Rules as well as the *Private Parking Areas Act 1986* are observed by motorists. In addition this area leads the management of resident parking permits in line with the Council's Resident Parking Permit Policy.

Regulatory Services is also responsible for the management of abandoned vehicles and the investigation and enforcement of alleged breaches of Council's local laws including issues associated with building site management, kerbside trading, amenity and litter control and flammable growth.

Income	\$1,262,500
Expenditure	\$673,389
Net Cost/(Net Contribution)	(\$589,111)

*Excludes carry forward projects



Community, Health, Aged & Youth Services



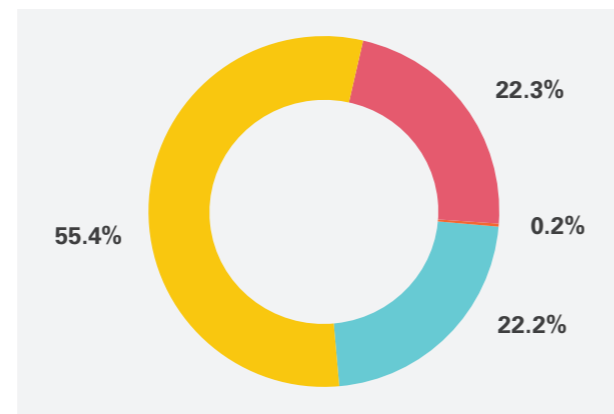
2021–2022 Budget \$7.748 million*

Where it is spent



● Recurring expenditure	\$4,683,752
● Service initiatives	\$39,000

Source of funds



● User fees and charges	\$2,551,402
● Rates	\$2,628,309
● Other income	\$10,000
● Grant funding	\$1,057,869

Services Provided

- St Peters Child Care Centre & Preschool
- Home and community care
- Domestic care
- Home modifications
- Personal care
- Transport
- Health and fitness programs
- Social inclusion programs
- Youth programs
- Immunisations
- Environmental health inspections
- Volunteer services
- Community Visitors Scheme

Projects and Service Initiatives

- Canvas Youth Art and Events Project – is a youth art program which provides young people with the opportunity to work alongside industry professionals in visual art, photography and film.
- Youth Development Strategy - a program of events which include:
 - Sport Week;
 - Community Cooking;
 - Skills Development; and
 - Wheel Park.

Community Programs

Community programs offered by the Council include the Community Visitors Scheme that provides Volunteer visitors to socially or culturally isolated residents living in Federal Government subsidised aged care homes. Community Visitors are Council Volunteers who visit on a one-to-one basis.

Other programs provided include:

- Health and fitness programs; and
- A range of social support activities designed to improve social connectedness and quality of life.

Income	\$78,500
Expenditure	\$112,188
Net Cost/(Net Contribution)	\$33,688

Home and Community Care Programs

The Council's Home and Community Care (HACC) Program is jointly funded by the Federal and State Government to provide community care services for our City's frail aged and younger disabled residents and their carers.

The program is designed to prevent social isolation, and provides individuals with assistance to maintain their independence and remain in their own homes for as long as possible. The range of services - which are available to help the frail and aged, people with a disability and their carers, who live within the community - include:

- Home maintenance and safety and security assistance;
- Personal care and cleaning; and
- Transport services.

Income	\$1,127,369
Expenditure	\$1,216,875
Net Cost/(Net Contribution)	\$89,506

Youth Development

The Council is committed to providing opportunities for young people aged 12–25 years to be visible, valued and involved in shaping the current and future direction of the community. Services and programs delivered include Youth FM, Young Achievers Program, and Eastern Region Youth Projects.

Income	-
Expenditure	\$159,086
Net Cost/(Net Contribution)	\$159,086

Volunteer Services

Volunteers play a vital role in ensuring that the Council can deliver a range of important services to our community. Volunteer services is responsible for the development and promotion of volunteering opportunities across the Council's full range of services and activities, including the recruitment, recognition and training of Council Volunteers.

Income	-
Expenditure	\$153,898
Net Cost/(Net Contribution)	\$153,898

St Peters Child Care Centre & Preschool

The Council owns and operates the St Peters child Care Centre and Preschool community based child care centre and preschool. The Centre is licensed to provide child care and preschool services for 105 children between the ages of six weeks and five years of age. The St Peters Child Care Centre & Preschool provides a preschool program under the Government's Universal Access Program.

Income	\$2,490,309
Expenditure	\$2,469,705
Net Cost/(Net Contribution)	(\$20,604)

Environmental Health Services

The area aims to enhance public health by managing the registration of all premises as required under the *South Australian Public Health Act 2011* along with the City's immunisation program. These services are provided on behalf of the Council by the Eastern Health Authority.

Expenditure	\$572,000
Net Cost/(Net Contribution)	(\$572,000)

*Excludes carry forward projects

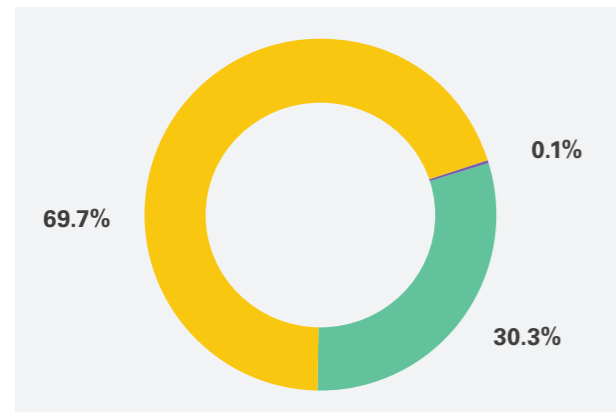


Libraries & Community Facilities



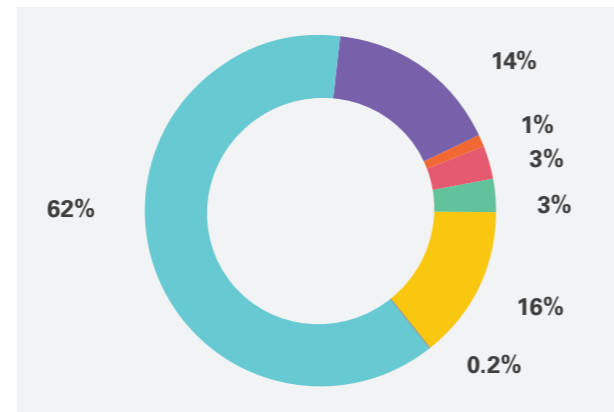
2021–2022 Budget \$4.165 million*

Where it is spent



Recurring expenditure	\$2,858,544
Service initiatives	\$2,500
Projects	\$1,241,513

Source of funds



User fees and charges	\$670,570
Rates	\$2,601,247
Other income	\$43,440
Grant funding	\$123,000
Capital Grant funding	\$123,000
Borrowings	\$600,000
Other capital funding	\$7,000

Services Provided

- **Libraries** – Library services are provided by the Council across three locations and include:
 - Free use of computers and internet;
 - Training programs;
 - Home Library;
 - Infant and children programs; and
 - Book groups.
- **Norwood Concert Hall** is a versatile event space that is available for hire for musical theatre production and functions such as balls.
- **Community Facilities** – are provided by the Council and are available to hire — from rooms to entire buildings, on a casual basis or under a long-term lease. From rooms for hire to entire buildings which can be hired on a casual basis or under a long-term lease.

Projects and Service Initiatives

- **Council Building Works Program**
- **Acquisition of Library resources** such as books, DVDs and other resources
- **Children’s’ Book Week** activities for local school students

Further details are provided in Appendix 1.

Libraries

The Council operates three Libraries, located at Norwood, St Peters and Payneham. The services provided include free access to educational and recreational resources including books, magazines, DVDs and CDs; online databases; public internet access; programs and events; local history services; and inter-library loans.

Income	\$148,000
Expenditure	\$1,772,213
Net Cost/(Net Contribution)	\$1,624,213

Community Facilities

The Council has a number of buildings and facilities available for casual hire or long-term lease. This area is responsible for the management of these facilities.

Income	\$313,410
Expenditure	\$747,807
Net Cost/(Net Contribution)	\$434,397

Norwood Concert Hall

The Norwood Concert Hall caters for events of all sizes, including Adelaide Festival productions, international acts, product launches, school concerts, cabaret acts, grand balls and weddings.

Income	\$375,600
Expenditure	\$338,524
Net Cost/(Net Contribution)	(\$37,076)

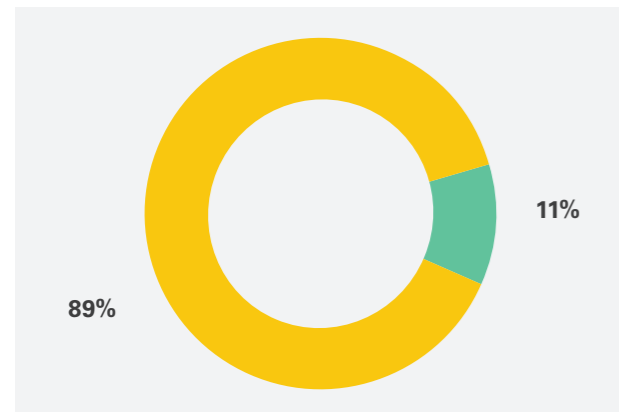
*Excludes carry forward projects

Community Events, Arts & Heritage



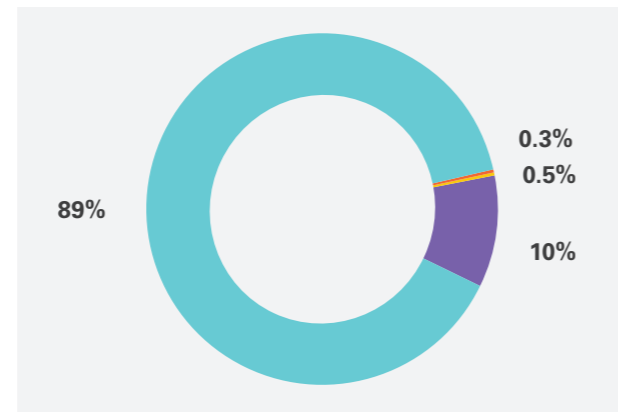
2021–2022 Budget \$1.063 million*

Where it is spent



● Recurring expenditure	\$930,139
● Projects	\$110,620

Source of funds



● User fees and charges	\$2,800
● Rates	\$945,049
● Other income	\$5,200
● Borrowings	\$110,620

Services Provided

- **Community Events** – are hosted by the Council across a diverse range of areas including festivals, concerts, performances and activities.
- **Community Arts** – initiatives are delivered in accordance with the Council's Public Art Policy and Program, which includes:
 - Art on the Parade;
 - Public art throughout the City; and
 - Support of local artists through SALA Festival; and
 - Exhibitions in the Norwood Town Hall
- **Cultural Heritage** activities and services which recognise the heritage of the City, including:
 - Cultural Heritage Centre;
 - SA History Festival Program of events; and
 - Cultural Heritage signs, walks and trails.

Projects and Service Initiatives

- Concerts in the Park
- Annual allocation to Major Public Art Funding Program

Futher details are provided in Appendix 1.

Community Events

This area coordinates and delivers a number of events held by the Council which cater to the wide demographic of our community. Events include:

- Norwood Christmas Pageant;
- Twilight Carols and Christmas Market;
- St Peters Fair;
- A Day of Fashion;
- Concerts in the Park series of outdoor live music events;
- Australia Day Celebrations;
- Citizenship Ceremonies; and
- Tour Down Under.

Income	\$3,000
Expenditure	\$592,551
Net Cost/(Net Contribution)	\$589,551

Community Arts

As a culturally rich and socially diverse community, the City of Norwood Payneham & St Peters has a long tradition of valuing creativity and artistic expression. This area supports the Council's Public and Community Arts Programs which are informed by the Thinking through the City Minor Public Artworks Strategic Plan 2009–2019 and the Council's Public Art Policy.

Income	\$5,000
Expenditure	\$170,573
Net Cost/(Net Contribution)	\$165,573

Cultural Heritage

The Council's Cultural Heritage Program assists the community to understand, celebrate and benefit from the City's rich and distinctive history through the provision of a number of specialist historical services and activities.

Income	-
Expenditure	\$167,015
Net Cost/(Net Contribution)	\$167,015

*Excludes carry forward projects

Governance, Communications & Administration



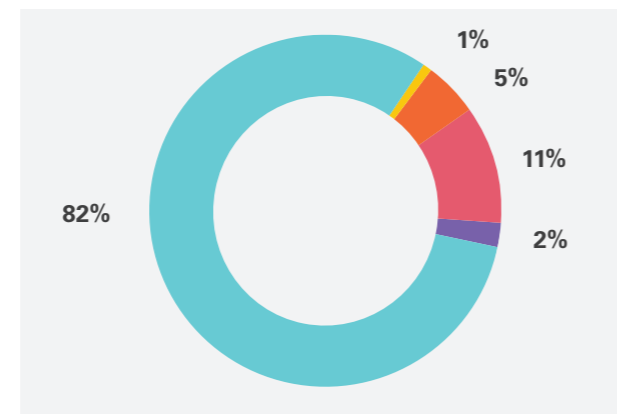
2021–2022 Budget \$7.257 million*

Where it is spent



● Recurring expenditure	\$6,817,157
● Service initiatives	\$63,000
● Projects	\$118,440

Source of funds



● User fees and charges	\$80,000
● Rates	\$5,939,904
● Other income	\$329,250
● Grant funding	\$790,000
● Borrowings	\$118,440

Services Provided

- Financial management and services
- Customer service
- Human resources and employee services
- Communications and public relations
- Information management
- Rates administration
- Governance
- Elected Members
- Risk management

Projects and Service Initiatives

- Upgrades to the Council's Electronic Document Management System
- Website upgrades and refresh
- Audio Visual Upgrade of Council meeting rooms and Council Chamber

Further details are provided in Appendix 1.

*Excludes carry forward projects

Governance

Corporate Governance supports the Council's decision-making processes, compliance with legislation and minimisation of risk to enable the Council to meet community needs and legislative requirements transparently.

This area provides administrative support and assistance to the Mayor and Elected Members, and handles enquiries and complaints from the public. Corporate Governance also includes the Chief Executive's Office which provides executive leadership through the coordination of policy development, communication of strategic directions and performance monitoring.

Income	\$300,000
Expenditure	\$2,174,691
Net Cost/(Net Contribution)	\$1,874,691

Communications

The Communications team manages the Council's internal and external communications including public relations, social media, and various publications.

Income	\$20,000
Expenditure	\$655,682
Net Cost/(Net Contribution)	\$635,682

Council Administration

Financial Management and Services

Financial Management and Services ensure the effective management and control of the Council's financial resources.

Financial management includes the provision of strategic financial management and leadership, budgeting and financial performance monitoring, preparation of annual financial statements and treasury management. Financial management also includes the Council's annual business planning, provision of project management support and advice and undertakes long-term financial planning, performance monitoring and reporting.

Financial Services incorporates the provision of financial activities to the Council, including:

- Cost effective and efficient accounts payable and accounts receivable services;
- Monitoring the application of financial internal controls;
- Cost effective and efficient payroll services whilst contributing to the maintenance and development of the Council's Human Resource Information System;
- Administration of the Council's insurance program;
- Administration the Council's leased vehicle fleet; and
- Asset reporting.

Income	\$790,000
Expenditure	\$911,216
Net Cost/(Net Contribution)	\$121,216

Rates

The Rates area maintains the Council's property rating database, facilitates the collection of rates and charges from the residents and ratepayers of the Council and provides property information to the general public.

Income	\$127,500
Expenditure	\$123,805
Net Cost/(Net Contribution)	(\$3,695)

Customer Service

Customer Service is the primary interface between the Council, the community and the delivery of services. Customer Service staff provide information to the City's citizens via direct telephone, service desk and online request services, and provides over the counter payment options for the payment of rates and other fees and charges for Council services and administers the Council's electronic payment options.

Income	\$1,750
Expenditure	\$509,306
Net Cost/(Net Contribution)	\$507,556

Information Management and Services

This area provides support to deliver on organisational priorities and improved service delivery to the community through information and communication technology. Information management incorporates the maintenance of the Council's corporate records.

Income	-
Expenditure	\$1,705,578
Net Cost/(Net Contribution)	\$1,705,578

Organisational Development and Work Health and Safety

Organisational Development supports the Council's management and staff by providing advice in the areas of human resources and organisational development.

Services provided include industrial advice and human resources, recruitment support and training and development programs. Organisational Development staff also manage the business excellence program and the Council's work health and safety program.

Income	-
Expenditure	\$736,878
Net Cost/(Net Contribution)	\$736,878

Long-term Financial Plan

Overview

Financial sustainability is a key objective of the Council, as a sound financial base is essential to delivering on the strategic directions contained in *CityPlan 2030: Shaping Our Future* and the delivery of programs and services set out in the Annual Business Plan.

The Council's Long-term Financial Plan supports the Council to achieve financial sustainability, particularly in the face of the significant challenge of being expected to deliver more with minimal increases in rate revenue. The Plan sets out the Council's financial strategies and commitment over the long-term to ensure that as a Council, we can meet this challenge. The Plan is driven by the need to deliver enhanced and improved services to our ratepayers and residents, by the most efficient and effective means possible.

The Council's long-term financial sustainability is dependent on ensuring that, on average over time, the Council's income can cover the cost of its operational expenses and generate sufficient cash flows to meet loan servicing requirements.

The Council's Operating Result, as shown in Graph 1, demonstrates how the Council has been able to achieve financial sustainability with sustained operating surpluses.

The Long-term Financial Plan provides a high level framework to guide the preparation of the Annual Business Plan and Budget, so that the Council understands the impact of decisions that are made today, have on the future, so we can be over the long-term.

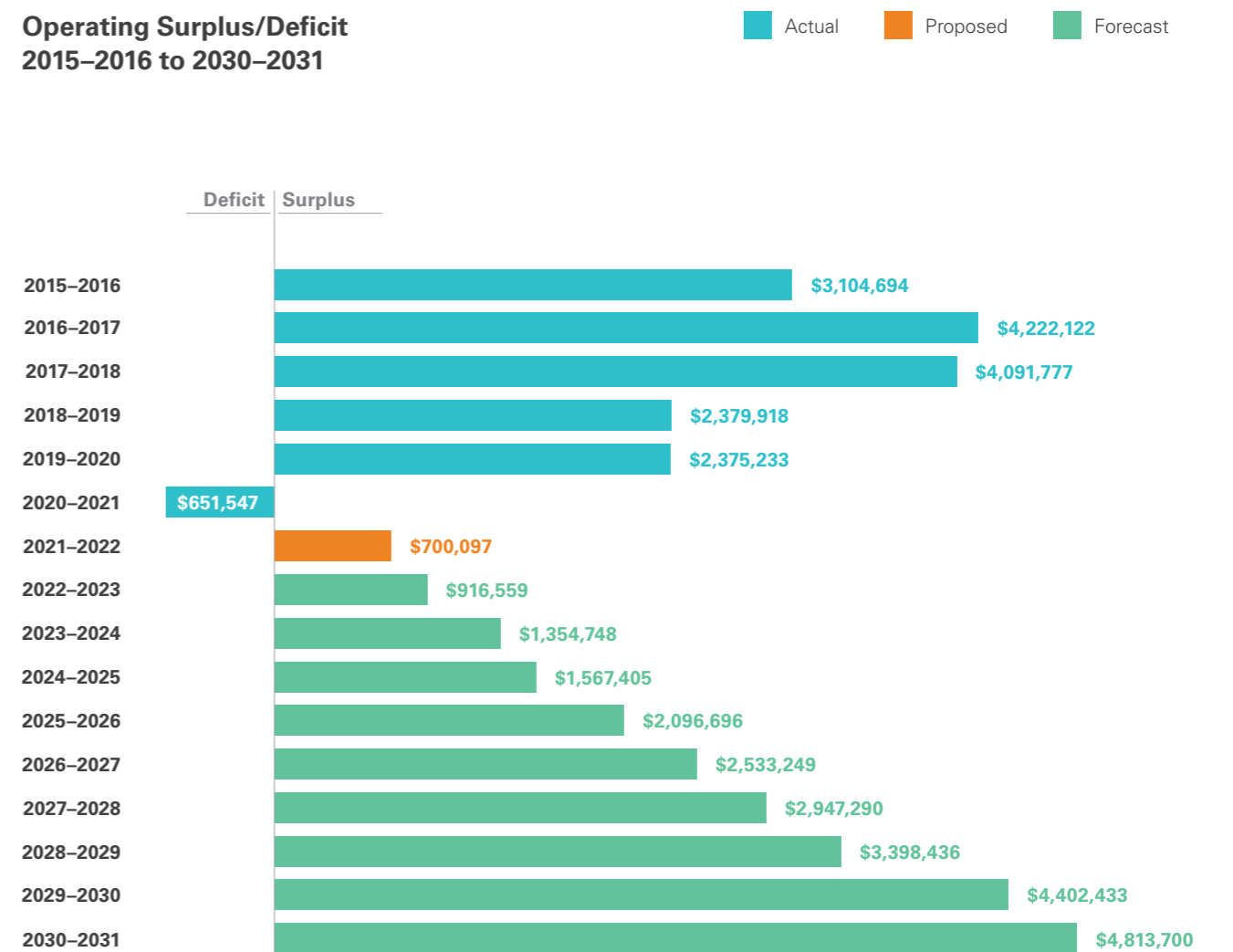
The 2020–2021 Budget included a Financial Support Package aimed at minimising the financial impact of the pandemic on members of our City. The Council's response to the pandemic has had future impacts on the Council's future forecasts.

The Council reviewed its Long-term Financial Plan during 2020, with the current plan being endorsed by the Council in January 2021.

A copy of the Council's Long-term Financial Plan is available at www.npsp.sa.gov.au

Graph 1

Operating Surplus/Deficit 2015–2016 to 2030–2031



Rates

Council rates are a form of property taxation and are the main source of income which the Council uses to fund the planned projects, programs and services detailed in this Annual Business Plan, on behalf of the City.



For the 2021–2022 financial year, the Council has increased its total rate revenue by 2.40% plus growth or \$1.507m, with the increase in rate revenue being driven by general property valuation increases (\$452,000, or 1.3%), new properties and development (\$218,000, or 0.6%) and cost and service level increases (\$837,000 or 2.4%). The average residential property value has increased by 1.0%, to \$683,000, which when compared to the average residential property from 2020–2021, with a value of \$673,000 means an increase of \$14 per quarter on the amount of rates payable. The average commercial property value remained stable, with an average property value of \$967,000, the average commercial property owners will have a \$58 increase a year in the amount of rates payable for 2021–2022.

3.71%
Average Residential Rate Increase 2021–2022

= \$56/year increase based on a valuation of \$683,000

2.24%
Average Commercial Rate Increase 2021–2022

= \$58/year increase on a valuation of \$967,000

In setting its rates for 2021–2022, the Council has taken into account its strategic management plan CityPlan 2030: Shaping Our Future, the current economic climate post the known impacts of COVID-19, legislative changes, the need to maintain and improve the Council’s infrastructure and enhance Community Well-being through services, programs and facilities.

The fundamental principle of ensuring equity across the community and an assessment of the impact of rates, have also been taken into consideration.

Having determined the total budget in terms of expenditure and the consequent impact on revenue, the Council divides the portion of the budget to be raised from rates, by the total of all individual property values, to determine the ‘rate-in-the-dollar’ figure. The ‘rate-in-the-dollar’ is then applied to individual property values to determine the rates for each property.

In preparing the Annual Business Plan and Budget, one of the key objectives for the Council is to ensure that rates revenue is kept to a responsible level and ensure that rates are applied across the community as fairly and equitably as possible.

This year, the Council has budgeted for a 2.4% rate revenue increase, plus growth. In line with the principles set out in the Long-term Financial Plan, the proposed rate increase is reflective of anticipated input cost increases to deliver existing services, programs, and activities, new development growth and increase in life-cycle costs arising from increased service level from new and upgraded assets.

Rates are the main source of funding for the activities which are undertaken by the Council. Representing 81% of total revenue, a total of \$36.4 million will be collected through rates this year to fund essential services such

as waste collection, management of infrastructure, public health and safety, as well as major capital projects and the provision of community programs, events and festivals.

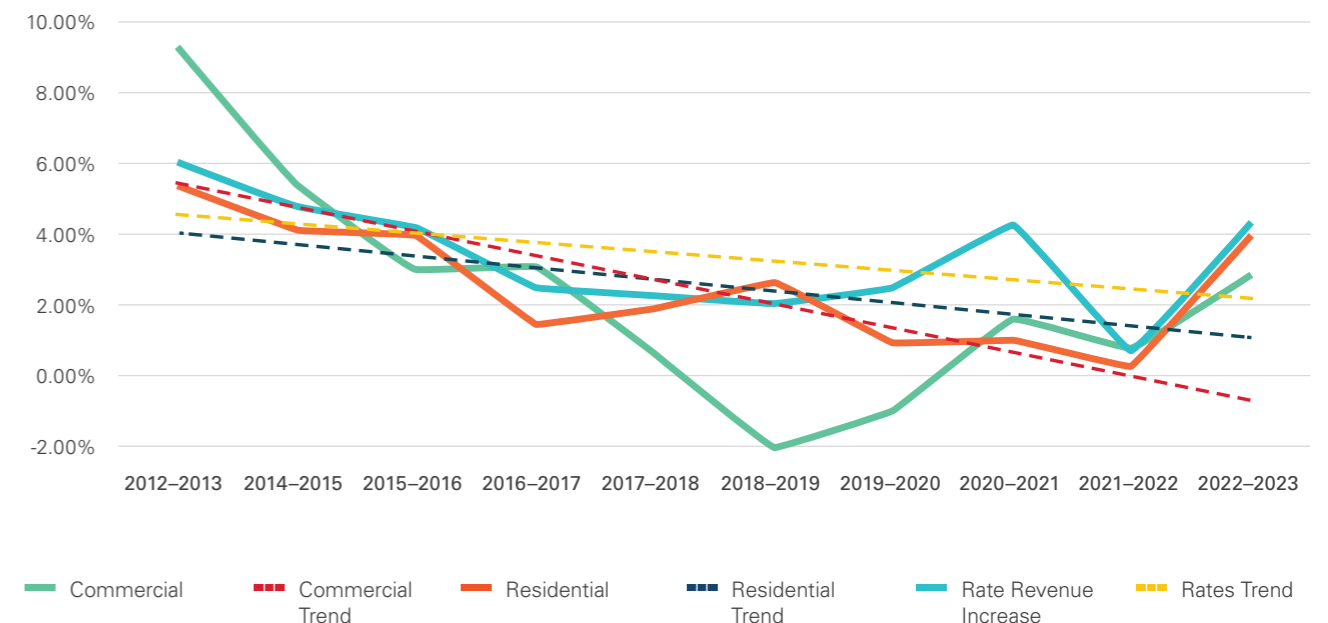
The Council supplements rates revenue with funding from other sources, such as fees and charges, State and Federal Government grants, investment incomes and loan borrowings.

Details of the Council’s Rating Policy is included in Appendix 4 of this document with the complete policy available at www.npsp.sa.gov.au

As illustrated in Graph 2, the average rate has been trending down for both residential and commercial ratepayers in our City, and this meets the Council’s objective of keeping rates at a responsible level.

Graph 2

Impacts of Council's Rating Policy



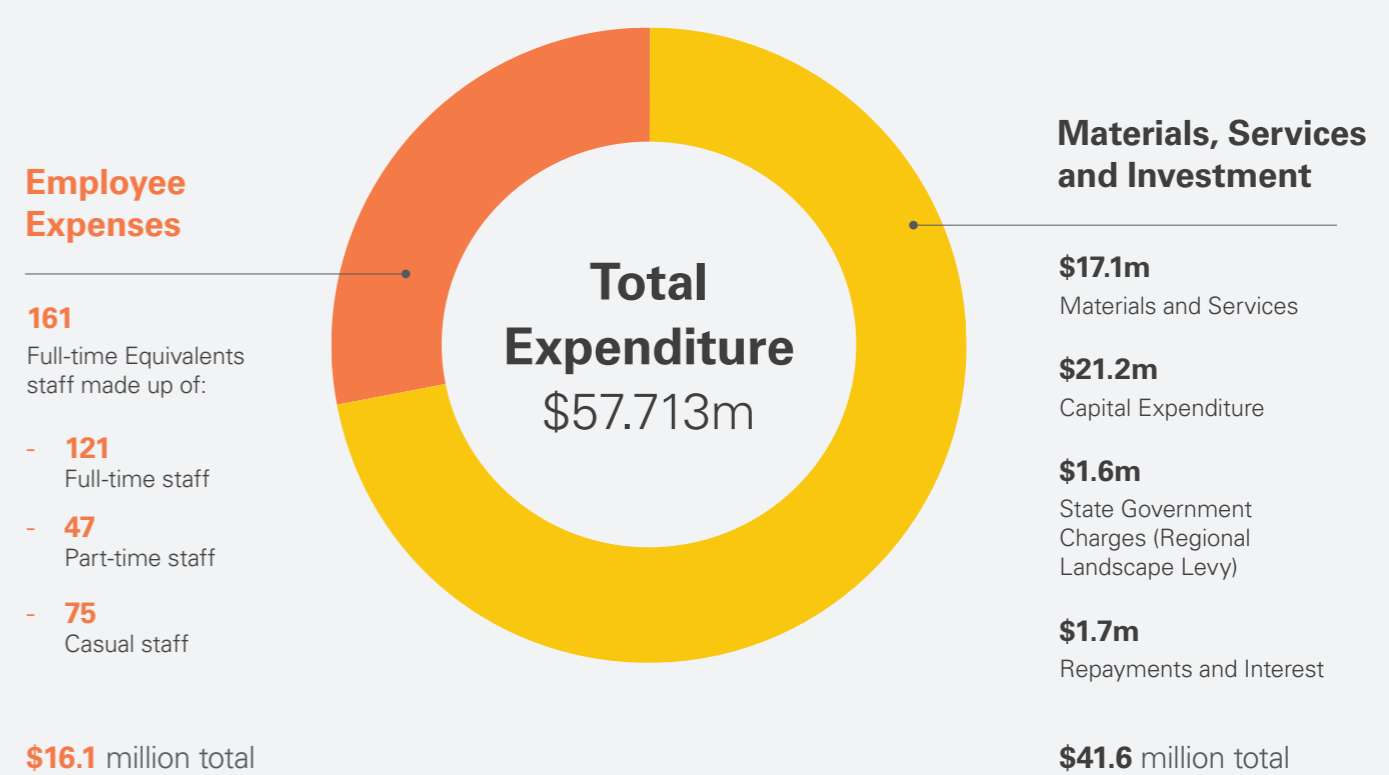
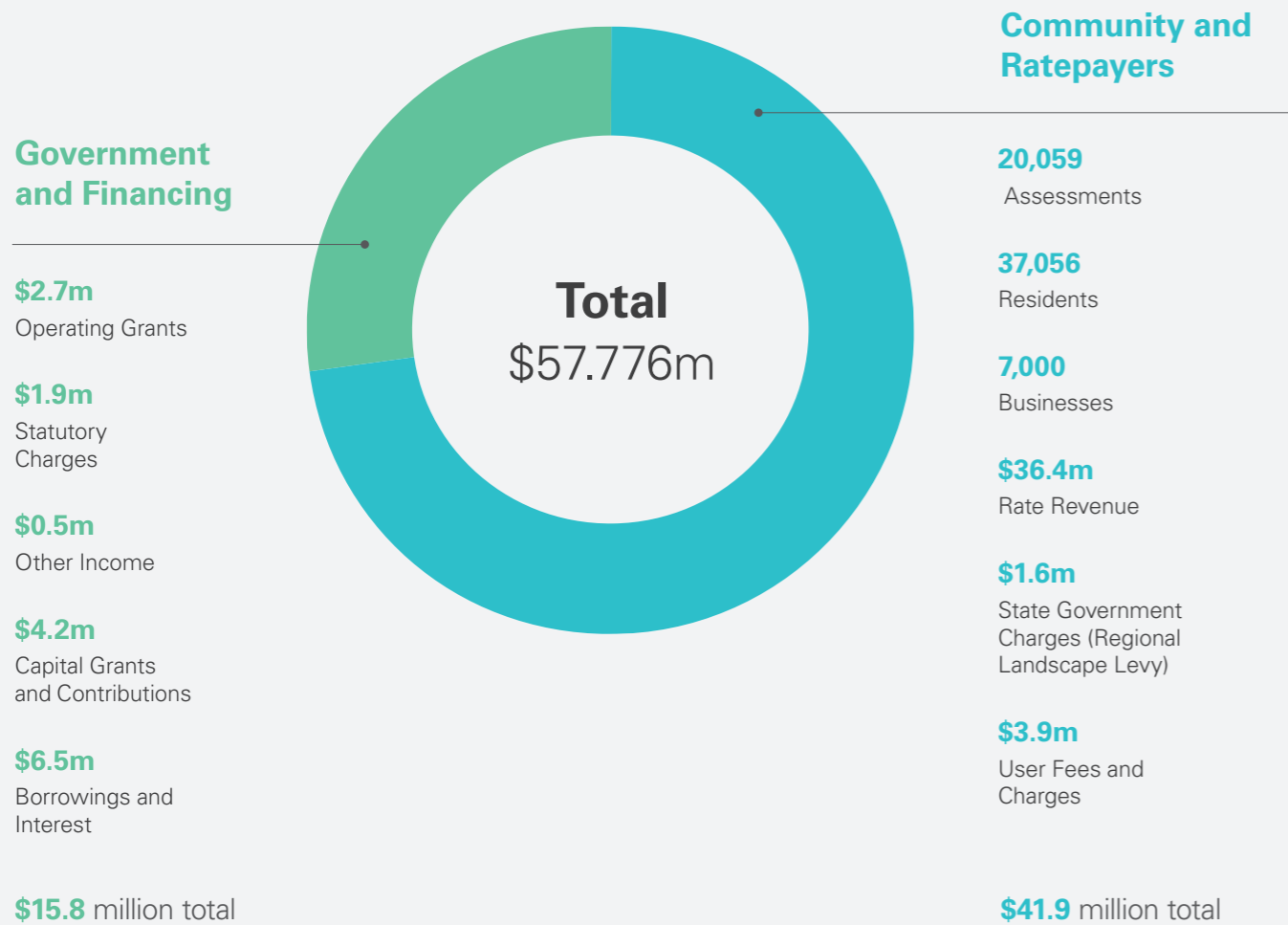
Budget Overview

2021–2022

The Budget shapes the projects, services and events held each year. The revenue from the community, government and financing allows the Council to deliver more than 40 services, programs and events and will enable the delivery of 70 special projects.

Income and Funding

Expenditure and Investment



Budget Overview

2021–2022

Our financial goal is to be a Council which delivers on its Strategic Outcomes by managing our financial resources in a sustainable and equitable manner.

The 2021–2022 Budget has been developed within the Council’s planning framework and sets the strategic directions over the medium and long term, converting these into annual actions and outputs.

The development of the Budget has been undertaken in consultation and review by Elected Members and Council staff and in consultation with the community

As the State undertakes the economic recovery from the COVID-19 pandemic, the focus in developing the 2021–2022 Annual Business Plan and Budget, has been on ensuring the Council maintains the standards for its existing range of services which are aimed at supporting the delivery of the Strategic Objectives outlined in the Councils’ Strategic Management Plan *CityPlan 2030: Shaping Our Future*, and that those services receive appropriate funding.

The Budget reflects decisions which have assumed that the social distancing and mass gathering restrictions - which were in place during 2020–2021 - have been relaxed, with the provision of services, programs and activities being delivered in a post COVID-19 safe manner.

In addition, as the third tier of government, the Council is supporting the economic recovery by proposing a number of large scale infrastructure projects, which are aimed to be delivered over the next two financial years.

The 2021-2022 Budget remains focussed on the future and aims to ensure that the Council’s emerging and continuing priorities are appropriately resourced and to this end, the Budget is built upon the strategic outcomes set out in the Councils’ Asset Management Plans and its Long Term Financial Plan.

The key driver is to ensure that the Budget priorities not only contribute to the Council’s broader strategic objectives, but also the Council’s long term financial objective of managing its financial resources in a sustainable and equitable manner.

The focus continues to be on initiatives which have been identified to support the delivery of the strategic objectives outlined in *CityPlan 2030: Shaping Our Future* and to ensure that our services are delivered in the most efficient and effective manner, thereby satisfying community needs and expectations.

The 2021–2022 Budget builds on the principle of financial sustainability. This is demonstrated by adherence, over the term of the Plan, to the overarching principles that require the Council to:

- achieve long term income, expenditure and cash flow neutrality while keeping rates growth within the average for the sector.
- ensure the Council’s long term Capital Works Program fully funds asset renewal requirements.

A number of significant factors have influenced the preparation of the 2021–2022 Budget, namely;

- impact of the Consumer Price Index (CPI) and the Local Government Price Index increases on relevant inputs of the Budget;
- maintenance and renewal program for existing infrastructure assets, including roads, footpaths, Council owned properties and open spaces (parks and reserves);
- Enterprise Bargaining Agreements, which provide for employee wage and salary increases of 2.0% and
- commitment to major projects which span more than one year.

Table 3 provides a comparison of the financial targets included in the Council’s Long Term Financial Plan and how they are met by the 2021–2022 Budget

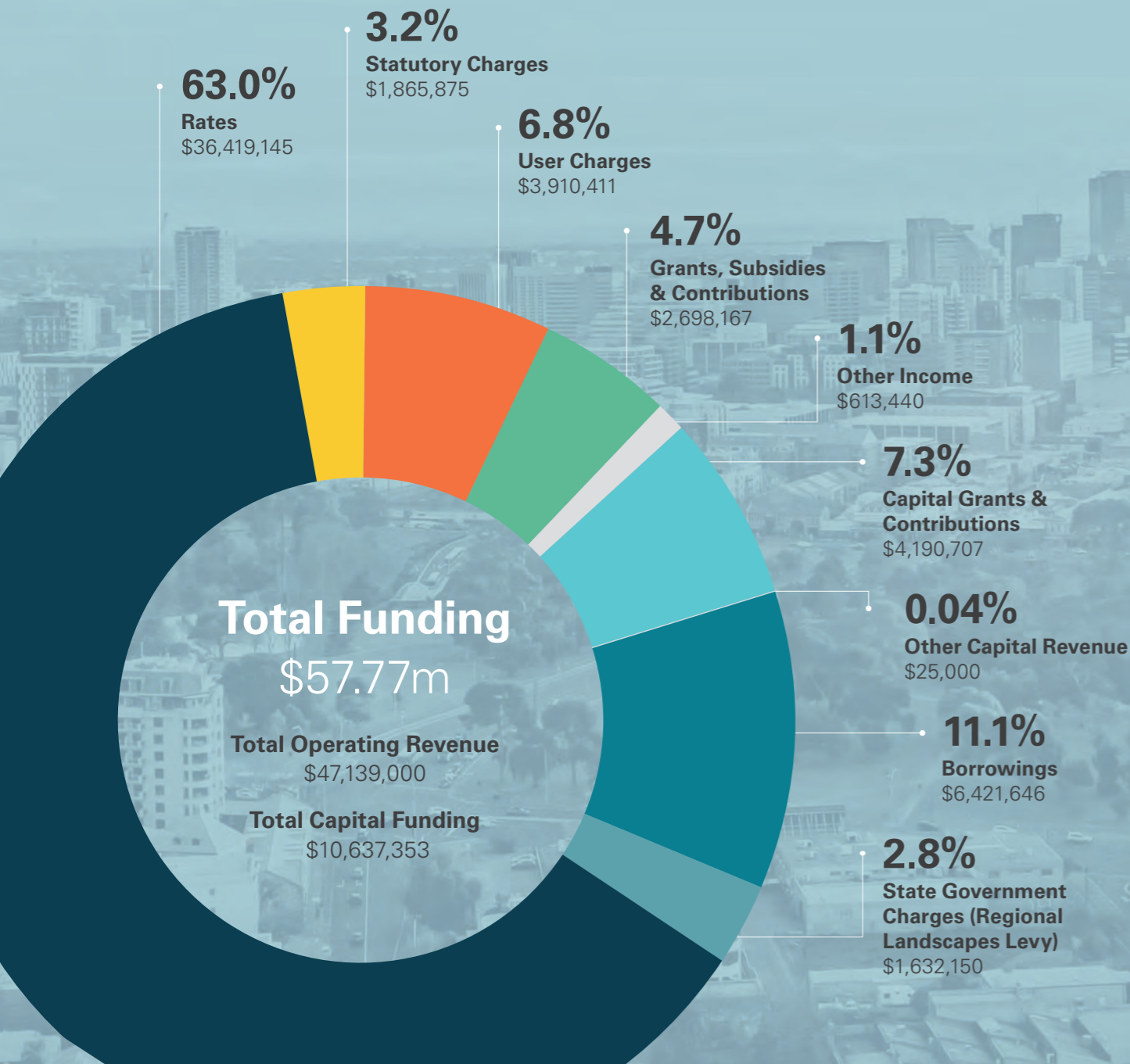
Table 3

Outcome	Indicator	LTFP Target	Target Met
A balanced budget	Operating Surplus	\$0	✓
	Operating Ratio	0–10%	✓
Rate stability	Annual Rate revenue increases	Between 3%–6%	✓
Infrastructure and Asset Management	Asset Sustainability Ratio	Between 90%–110% on a rolling three year average	✓
Debt Management	Net Financial Liabilities	≤ 75%	✓

Revenue & Expenditure

The 2021–2022 Annual Business Plan and Budget focuses on ensuring that the Council can maintain and improve its existing service standards while appropriately funding new projects and initiatives in a sustainable way.

How Council services are funded

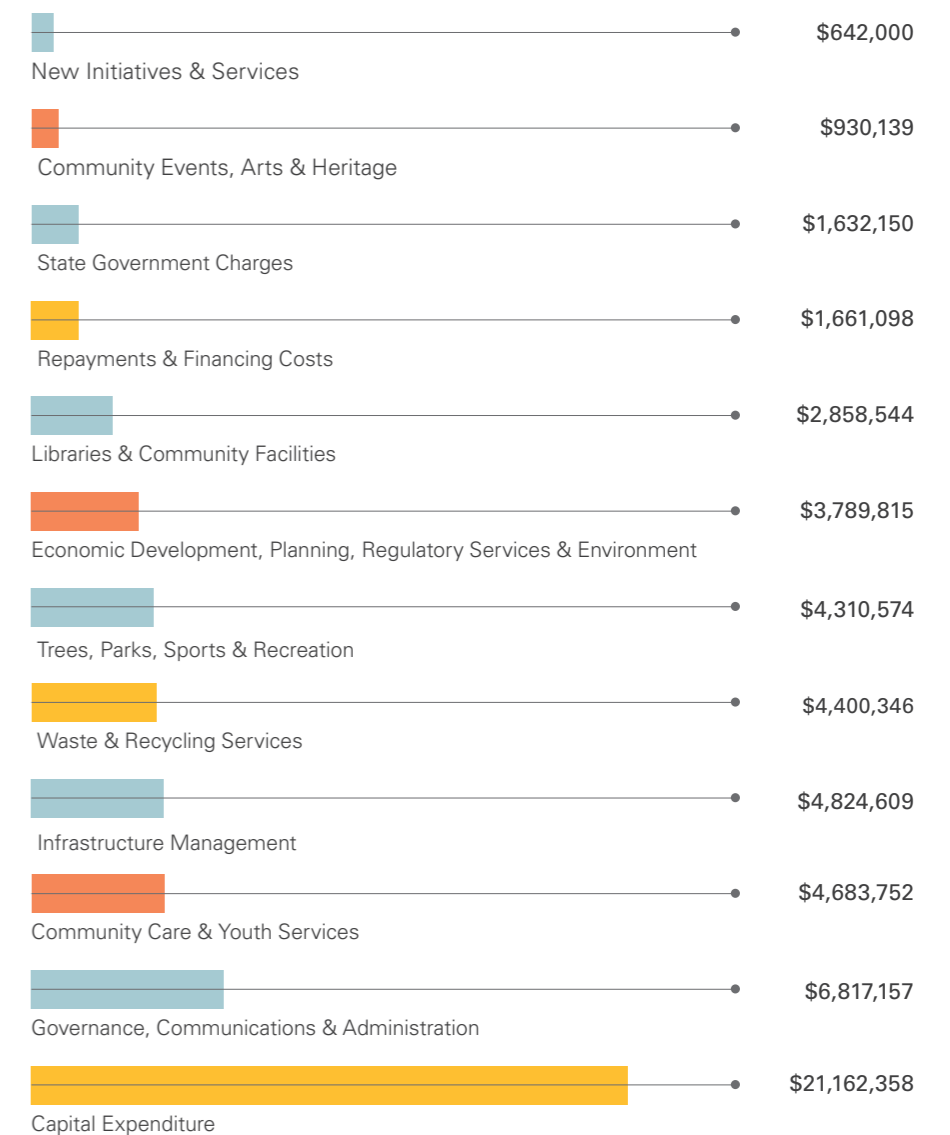


How the funds are spent

Total Expenditure \$57.713m

Total Operating Expenditure \$35,619,086

Total Capital Expenditure \$22,093,456



Appendix 1

2021–2022

Key Initiatives & Projects

CityPlan 2030 Outcome	Project Name	Project Description	Funded by			
			Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Infrastructure Management						
* ● ● ●	St Peters Street Streetscape Upgrade	<p>This project builds on the recent upgrades to the St Peters Precinct, which included Linde Reserve–Dunstone Grove, the St Peters Town Hall Complex and the Avenue of Honor from Payneham Road to Second Avenue. Once completed, St Peters Street will provide improved amenity and connection between the River Torrens Linear Park and other major focal points within the Precinct. The key features proposed include:</p> <ul style="list-style-type: none"> • A reduction in the overall paved road width; • Improved amenity and accessibility for pedestrians and cyclists; • Wider footpaths; • New tree planting and landscaping, including Water Sensitive Urban Design (WSUD) elements • Revitalised central median • Improved local storm water management, with seasonal storm water detention at Cliff Goodwin Reserve; and • Improved access and amenity of the open space adjacent to Eighth Avenue and the St Peters Billabong. <p>The estimated project cost is \$4.5 million, which includes civil infrastructure renewal works and storm water drainage works to the value of \$1.5 million. These elements have been accounted for in the recently adopted Infrastructure & Asset Management Plans.</p> <p>The Project is scheduled to be delivered over two financial years, with the estimated spend being incurred as follows:</p> <ul style="list-style-type: none"> • 2021-2022 - \$2.470 million • 2022-2023 - \$2.030 million <p>The Council has secured \$1.270 million as part of the Federal Governments Local Government and Community Infrastructure Program Extension.</p>	2,470,000	1,270,347	-	1,199,653

CityPlan 2030 Outcome	Project Name	Project Description	Funded by			
			Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Infrastructure Management						
* ● ● ●	Civil Infrastructure Capital Works Program	Delivery of the 2021–2022 Civil Infrastructure Capital Works Program which encompasses the replacement and upgrade of selected segments of roads, footpaths and kerbs, in accordance with the “Whole-of-Life” allocation set out in the Council’s Roads, Footpaths & Kerbs Infrastructure & Asset Management Plan (2020).	6,713,957	362,298	5,621,343	730,316
* ● ● ●	Stormwater Drainage Program	Delivery of the 2021–2022 Stormwater Drainage Program which involves enhancement of the Council’s drainage network. The Program includes the design and upgrade of the Council’s trunk storm water drainage network as directed by the City Wide Floodplain Mapping project. The Program has been developed in accordance with the objectives and goals contained in the Council’s Storm water Drainage Infrastructure & Asset Management Plan (2020)	2,646,000	-	2,646,000	-
+ ● ● ●	Street Lighting Renewal and Upgrade	In response to street lighting non-compliances identified through a street lighting audit as well as resident complaints regarding inadequate street lighting, the Council will undertake design and construction works to ensure that non-compliant and inadequate street lighting within the City’s streets are renewed or upgraded.	40,000	-	40,000	-
* ● ● ●	Plant Replacement	Replacement of plant and vehicles utilised by City Services Field staff in the delivery of maintenance services associated with Council’s assets.	105,000	-	87,000	18,000
+ ● ● ●	40 kph Speed Limit Norwood and Kent Town	Subject to the community support which is currently being undertaken, the Council plans to implement a 40km/h speed limit are in Norwood and Kent Town. The proposed area excludes The Parade, The Parade West and Osmond Terrace.	25,000	-	25,000	-

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Infrastructure Management Continued						
* ●	Private Laneways Conversion Project	<p>To convert and upgrade two (2) private laneways per year to public roads in accordance with the Council’s Private Laneways Policy.</p> <p>Each Laneway conversion is undertaken over two (2) years, with Stage 1 being the Public Road Conversion and Design and Stage 2 being the Capital Upgrade Works once the laneway has been converted to a public road.</p> <p>During the 2021–2022, Rosemont Lane, Norwood will be upgraded following the supported conversion to a Public Road in 2020–2021.</p> <p>Subject to property owners’ support, the conversion of Salisbury Lane, Royston Park and Kingsborough Lane Norwood, to a Public Road and subsequent design of upgrade works will also be undertaken.</p>	210,100	-	-	210,100
+	Footpath Rectification Program	The project objectives is to address all currently identified defects within the footpath network, ensuring efficient and effective use of resources to complete the tasks to the desired outcomes and standards.	100,000	-	100,000	-
* ●	Traffic Study	<p>To ensure that the Council appropriately addresses resident concerns regarding traffic speeds and volumes, a traffic study is planned for the suburbs of Glynde, Payneham, Payneham South, and Trinity Gardens & St Morris - the area bound by Payneham Road, Glynburn Road, Portrush Road and Magill Road.</p> <p>The proposed traffic study would consider neighborhood traffic-related problems in the context of the local area as opposed to isolated locations as they arise.</p>	15,000	-	15,000	-

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Infrastructure Management Continued						
* ●	Cycling Plan 2021–2026 Year 1 Implementation	<p>The Council’s Citywide Cycling Action Plan was updated in 2021 with a list of priority actions to implement high priority cycling projects between 2021 and 2026. The delivery of the priority actions are based on:</p> <ul style="list-style-type: none"> The completion of cycling routes partially established throughout the City; Critical safety issues and gaps in the cycling network; Works to be undertaken can be integrated into existing Capital Works Programs; and Encourage and promote people to cycle more frequently. <p>During 2021-2022, the Council will upgrade the Marden Bikeway by improving the connection between Beasley Street Marden and the off-road path through Marden Senior Collage. Works will include the installation of a cyclist ramp on Beasley Street and the widening of the path from Beasley Street through to the pedestrian crossing on Lower Portrush Road.</p> <p>In addition, the Council will deliver a Cyclist Education and Promotion campaign, which includes promotion of Ride to Work day, bike maintenance workshops and improved bike parking across the City.</p>	25,000	-	5,000	20,000

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Trees Parks, Sport & Recreation						
* ● ● ●	Payneham Swimming Centre Redevelopment	<p>The full redevelopment of the Payneham Memorial Swimming Centre, as per the Council's Swimming Centres Strategy and endorsed Concept Plans. The key features proposed include:</p> <ul style="list-style-type: none"> • Refurbishment of the main 50 metre pool in its current location with provision for a roof to be constructed at a later date; • Replacement of the existing gravity fed sand filtrations system, with a new Neptune Defender Filtration System; • New Plant Room to service the 50m Pool, new 25m Pool and the Aquatic Recreational Equipment and Facilities; • New semi-enclosed eight lane 25 metre outdoor Lap Pool and Learn to Swim Pool with all-weather lid; • New two (2) story sports and leisure centre providing pool facilities, administration, and café, gym/dry pool training space, clubrooms and multi-use function areas, • New leisure pools with interactive water play and high platform water slides integrated with the building; zero depth splash pad; • The installation of shade, barbeques and picnic facilities on grassed embankment. <p>The Council has secured \$5.6 million in grant funds from the State Governments Local Government Infrastructure Partnership Program to assist in funding the water elements of the project.</p> <p>The complete redevelopment is estimated to cost \$24 million, with project being delivered over two financial years, with the estimated spend being incurred as follows:</p> <ul style="list-style-type: none"> • 2021-2022 - \$ 3.0 million • 2022-2023 - \$21.0 million 	3,000,000	2,800,000	-	200,000
* ● ● ●	Recreation and Open Space Works Program	To deliver the Recreation & Open Space Works Program 2021-20212 ("the Program") which will see the replacement and upgrade of various assets as identified and as allowed for in the Council's Recreation & Open Space Infrastructure & Asset Management Plan (2020)..	1,033,000	-	1,033,000	-

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Trees Parks, Sport & Recreation Continued						
* ● ● ●	Burchell Reserve Upgrade	<p>The redeveloped Burchell Reserve will establish a contemporary setting, whilst improving the amenity of the Reserve through new community tennis courts, seating, refurbished toilets and landscaping that would create a gathering point for the community and encourage social interaction.</p> <p>The key features proposed include:</p> <ul style="list-style-type: none"> • A multipurpose court featuring two (2) community tennis courts, basketball and netball rings • New toilets, shelter, barbeque and picnic facilities; • Play-space improvements and new equipment; • New furniture, lighting and fencing; • A ramp access to/from Sixth Avenue and internal paths; • New tree planting and landscaping, including WSUD elements; and • On-site storm water detention, cleaning and reuse. <p>The upgrade will be delivered over two financial years, with the total project costs estimated to be \$2.6 million</p> <ul style="list-style-type: none"> • 2021-2022 - \$2.026 million • 2022-2023 - \$0.574 million 	2,026,000	-	-	2,026,000
+ ● ● ●	Street Tree Planting	Increase the Council's Street Tree Planting program from 300 street trees to 500 street trees per annum	240,000	-	100,000	140,000
	Willow Bend Lighting Upgrade	The installation of thirteen (13) Solar powered bollard path lights at Willow Bend Reserve.	17,000	-	-	17,000

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	
Trees Parks, Sport & Recreation Continued							
	● Open Space Asset Condition Assessment	To undertake condition assessment of Council's recreation and open space infrastructure in accordance with the necessary and required financial and asset management principles.	50,000	-	50,000	-	
●	● Tree Management Software	To ensure the City's tree stock being managed strategically to industry standard, specifically with regards to the efficient documentation and scheduling of audit, and inspection of high risk/high value trees, the Council will implement public tree management software to assist the Council to effectively and efficiently managing its existing and future Tree Stock.	10,000	-	10,000	-	
Economic Development, Regulatory Services, Environment & Planning							
* ● ●	Eastside Business Awards	To recognise the best small businesses – retailers, restaurants, cafes, bars, venues and boutiques within the City of Norwood Payneham & St Peters	37,000	-	37,000	-	
+	● ●	Raising The Bar Adelaide	The event is aimed at making education a part of the City's popular culture by simply mixing learning and debate into a fun-night out.	35,000	-	35,000	-
* ●	Extension of Reclaimed Water Scheme	To undertake the design and specification to extend the distribution network of the existing reclaimed water projects (ERA Water and Linde Reserve ASR) to enable more reserves to be irrigated with reclaimed water and reduce Council's use of potable water.	175,000	-	-	175,000	
+	● Dog & Cat Management Plan - Year 3 Implementation	To implement an education campaign as required by the Council's 2019–2024 Dog & Cat Management Plan. The campaign will be implemented over the five (5) -year life of the Plan, with 2021–2022 being the year 3 of the implementation plan. The purpose of the education campaign is to educate the community in relation to: <ul style="list-style-type: none"> The new legislative requirements relating to microchipping and desexing of dogs and cats; and The general principles of responsible dog and cat ownership. This year's program includes the Dogs Day Out event, which was deferred due to COVID-19.	30,000	-	30,000	-	

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	
Economic Development, Regulatory Services, Environment & Planning Continued							
+	● ● ● ●	Borthwick Park Creek Improvements	Second Creek is a major creek which traverses the City of Norwood Payneham & St Peters, and more specifically, a small section of Borthwick Park. It enters the City in the suburb of Marryatville, and runs through Kensington, Norwood, Stepney and St Peters before entering the River Torrens just downstream of the St Peters Billabong. For the most part, Second Creek has been channelised or placed into underground pipes and culverts. During 2019-2020, the Council developed a Concept Plan to improve the section of Second creek that passes through Borthwick Park. The delivery of the proposed improvements are aimed at improving water quality and creek accessibility from within Borthwick Park.	100,000	-	-	100,000
+	●	Energy and Water Audits	To undertake energy and water audits of the Council's top four (4) energy consuming facilities, which include Payneham Libraries & Community Facilities, St Peters Library, Works Depot, and the Payneham Community Centre to understanding the energy and water efficiencies that could be gained.	11,000	-	11,000	-
+	● ●	Greening the Verges Program	In line with changes the Council's Verge Policy, the Greening of Verges is a trial program, where the Council will assist residents with approved Verge applications (subject to meeting eligibility criteria) by covering the cost of excavating compacted materials and supply and spread loam .	25,000	-	25,000	-
* ●	Urban Greening Program	A trial Program, which is aimed at encouraging residents to plant trees plant trees and natives within private land that increases, enhances and adds value to the City green cover including canopy and increases biodiversity and habitat. The project includes: <ul style="list-style-type: none"> The implementation of a Tree Incentive to citizens by giving vouchers towards purchasing a tree; A Native Plant Giveaway by giving a native plant pack (six seedlings/tube stock) to citizens on private property. 	12,500	-	12,500	-	

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Economic Development, Regulatory Services, Environment & Planning Continued						
+ ●	● Resilient East Project	The Council's contribution to Resilient East, a regional partnership to strengthen the resilience of Councils and their communities to climate change impacts and demonstrates that the financial and legal risks of climate change are understood and managed.	7,000	-	7,000	-
+	● Transition to the SA Planning Portal	The Planning, Development and Infrastructure Act 2016 (the Act) requires the Department of Planning, Transport and Infrastructure (DPTI) to establish and maintain the SA Planning Portal website as part of new planning system, which came into effect on 19 March 2021. As part of the transition to the new system, the Council will undertake an audit of the Council's core development assessment process, delegations and approach to the assessment of Development Applications to ensure that the Council complies with the new planning system.	20,000	-	20,000	-
+ ●	● Smart City Plan - Year 1 Implementation	In December 2020, the Council endorsed a Smart City Plan and a Priority Action Plan. Implementation of the Smart City Plan objectives will commence in 2021–2022, with the delivery of the Year 1 Priority Actions, which are set out in the Smart City Plan, available at www.npsp.sa.gov.au	15,000	-	15,000	-
Libraries & Community Facilities						
*	● Buildings Capital Works Program	To deliver the 2021–2022 Buildings Works Program for the upgrade of various Council building components, in meeting the strategies and objectives of the Council's Community Buildings Infrastructure & Asset Management Plan (2020).	1,032,500	-	1,032,500	-
	● Annual Acquisition of Library Stock	The Annual acquisition of Library stock through the State Government Materials Grant Funding in order to replenish Library Service collections across the three Council Libraries.	209,013	120,360	81,653	7,000
+	● Children's Book Week	To deliver a program of events with local school students and families to celebrate Children's Book Week in August 2020.	2,500	-	2,500	-

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Community Services, Health, Aged & Youth Services						
+	● Youth Development Strategy	<p>A program of events and activities that will deliver the Council's Youth Development Strategy. Programs for 2021-2022 include:</p> <ul style="list-style-type: none"> Sports Week: A week long program incorporating a come and try focus on a range of sport options (i.e. basketball, netball, soccer, cricket) including some which may not be considered mainstream sports such as dodgeball, water polo, and bouldering (a form of rock climbing). Each activity will run a come and try for a group of young people with the intention to encourage on-going participation. Youth Community Cooking: This program aims to provide young people with cooking skills, social interaction and a sense of community. Meals will be provided to those in need through the already established food drive with a not-for-profit community group. Wheel Park: Host Wheel Park Events three (3) times per year during the January, April and October school holiday periods. Each event will have workshops for young people to participate in, as well as the opportunity to practice their riding skills on a flat, sealed surface. Youth Skill Development: Three (3) new programs focused on skill development and being able to apply for work. These programs include a Work Experience, Job Ready and School Advisory program. 	39,000	-	39,000	-

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Community Events, Arts & Heritage						
* ●	Major Public Art Funding Program	The Council's Public Art Policy states the Council will ensure the adequate and on-going funding of public art through the creation of a reserve fund where the equivalent of 1% of the Capital Works Budget (Civil Infrastructure Capital Works Program and Drainage Infrastructure Works Program) or \$50,000, whichever is the greater amount, is set aside annually for the purpose of funding a commissioned art work during the term of each Council, Year three (3) contribution to the Council's fourth quadrennial public art project which will be installed in July 2022.	110,620	-	-	110,620
Governance Communications & Administration						
* ●	Biennial Community Survey	The Council commissions the survey every two years to measure community well-being and the level of community satisfaction with Council Services and facilities. The data collected also measures the Council's progress on achieving a number of the CityPlan 2030 Targets.	30,000	-	30,000	-
* ●	Annual Website Upgrades and Improvements	Annual upgrades and improvements to the City of Norwood Payneham & St Peters website, which focus on increasing responsive online tools and services to better service and engage with citizens, business and visitors.	10,000	-	10,000	-
+ ●	Culture and Business Excellence Development Program	Implementation of a number of key initiatives to drive continuous improvement and to improve the performance of the organisation.	13,000	-	13,000	-
+ ●	Digitisation of Council's Civil and Building Plans	To index, scan, uniquely identify and electronically store all the Councils' civil and building plans to ensure that they are easily retrievable electronically, with the hard copied plan subsequently being stored off-site and retained in accordance to the State Records Act and the Local Government General Disposal Schedule	20,000	-	20,000	-
+ ●	Electronic Document Management System Upgrade	To upgrade the Council's Electronic Document Management System to the latest release, to take advantage of product improvements and bug fixes.	60,000	-	-	60,000

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Governance Communications & Administration Continued						
+ ●	Meeting Room Audio Visual Upgrade	Upgrade the Council's meeting rooms to: <ul style="list-style-type: none"> • Include a 65" mobile interaction panel for use in all meeting rooms; • Replace the white board and projector with a wall mounted interactive panel and install a webcam and ceiling microphones in the main meeting room; and • Enable live streaming of Council meetings and participants to join remotely for the Council chambers. 	48,440	-	-	48,440

2021–2022 Civil Whole-of-Life Infrastructure Renewal Program

Suburb	Street	From	To
Felixstow			
Road Re-sealing	Pembury Grove	The Bend	Cardigan Avenue
Firle			
Footpaths	Glynburn Road	Seventh Avenue	Marian Road
Glynde			
Road Re-sealing	Davis Court	Davis Road	Davis Court - End
	Stempel Street	Edward Street	Glenora Court
	Sunbeam Road	Provident Avenue	Lewis Road
	Lewis Road	Avenue Road	Barnes Road
Kerb & Water Table	Barnes Road	Sunbeam Road	Lewis Road
Footpaths	Penna Avenue	Barnett Avenue	Glynburn Road
	Provident Avenue	Sunbeam Road	Barnett Avenue
	Provident Avenue	Barnett Avenue	Glynburn Road
Hackney			
Kerb & Water Table	Richmond Street	Hatswell Street	Torrens Street
Footpaths	Richmond Street	Hatswell Street	Torrens Street
Kensington			
Road Re-Sealing	Shipsters Road	Kensington Road	The Parade
	The Parade	Portrush Road	Shipsters Road
	Bishops Place	Regent Street	Shipsters Road
Kerb & Water Table	Bishops Place	Regent Street	Shipsters Road
Marden			
Road Re-sealing	Anne Street	Marden Road	Wear Avenue
	Buik Crescent	Tippett Avenue	Addison Avenue
	Tippett Avenue	River Street	Addison Avenue
	Wear Avenue	Payneham Road	Kent Street
	Addison Avenue	Broad Street	Battams Road
	Kent Street	Marden Road	OG Road

Suburb	Street	From	To
Marden Continued			
Kerb & Water Table	Addison Avenue	Broad Street	Battams Road
	Anne Street	Marden Road	Wear Avenue
	Buik Crescent	Tippet Avenue	Addison Avenue
	Kent Street	Marden Road	OG Road
	Tippett Avenue	River Street	Addison Avenue
Footpaths	Wear Avenue	Payneham Road	Kent Street
	Battams Road	Second Avenue	Addison Avenue
	Lower Portrush Road	Beasley Street	Council Boundary
Maylands			
Road Re-sealing	Stacey Court	South End	Janet Street
Norwood			
Road Re-sealing	Boswell Place	Brown Street	End
	Threlfall Avenue	Charles Street	Northern End of break
	Threlfall Avenue	Southern End of Break	Charles Street
Kerb & Water Table	Threlfall Avenue	Southern End of Break	Charles Street
Payneham			
Road Re-sealing	Arthur Street	Henry Street	Payneham Road
	Arthur Street	Marian Road	Rosella Street
	Henry Street	Arthur Street	Ashbrook Avenue
	Henry Street	Edward Street	Barnes Road
	Marian Road	Arthur Street	Ashbrook Avenue
	Kerb & Water Table	Arthur Street	Henry Street
	Arthur Street	Marian Road	Rosella Street
	Henry Street	Arthur Street	Ashbrook Avenue
	Henry Street	Edward Street	Barnes Road
	Marian Road	Arthur Street	Ashbrook Avenue

Suburb	Street	From	To
Royston Park			
Road Re-sealing	Battams Road	Second Avenue	Addison Avenue
Kerb & Water Table	Battams Road	Second Avenue	Addison Avenue
Footpath	Battams Road	Second Avenue	Addison Avenue
St Morris			
Road Re-sealing	Gage Street	Seventh Avenue	Gwynne Street
	Second Avenue	Gage Street	Green Street
Kerb & Water Table	Gage Street	Seventh Avenue	Gwynne Street
	Second Avenue	Gage Street	Green Street
St Peters			
Road Re-sealing	Fourth Avenue	Stephen Terrace	Winchester Street
	St Peters Street	Second Avenue	Eighth Avenue
	Sixth Avenue	Suburb Boundary	Lambert Road
Kerb & Water Table	Fourth Avenue	Stephen Terrace	Winchester Street
	St Peters Street	Second Avenue	Eighth Avenue
	Stephen Terrace	Payneham Road	First Avenue
Footpaths	Harrow Road	Second Avenue	Third Avenue
	St Peters Street	Second Avenue	Eighth Avenue
	Stephen Terrace	Payneham Road	First Avenue
Stepney			
Road Re-sealing	Henry Street	Stepney Street	Nelson Street
	Ann Street	Henry Street	Payneham Road
Kerb & Water Table	Ann Street	Henry Street	Payneham Road
	Henry Street	Stepney Street	Nelson Street
	Henry Street	The Bend	George Street

Suburb	Street	From	To
Stepney Continued			
Footpaths	Henry Street	Stepney Street	Nelson Street
	Henry Street	The Bend	George Street
	Union Street	Stepney Street	Nelson Street
Trinity Gardens			
Road Re-sealing	Canterbury Avenue	Albermarle Avenue	Lechfield Crescent
Kerb & Water Table	Canterbury Avenue	Albermarle Avenue	Lechfield Crescent

2021-2022 Stormwater Drainage Whole-of-Life Infrastructure Renewal Program

Location	Nature of Works	From	To
Trinity Valley	Stormwater Capacity upgrade	Linde Reserve, Stepney	Clifton Street, Maylands
Marryatville	Overland Flow Path and First Creek pedestrian bridge	The Crescent	Dean Grove
St Peters	Stephen Terrace Flow diversion	Stephen Terrace	
Various	Minor Drainage Designs		

Appendix 2

Measures of Success

Measures of Success

The measure of the Council's success is driven by the achievement of the objectives outlined in *CityPlan 2030*.

A set of performance indicators have been developed to monitor our progress against these objectives and are reported on in our Annual Report. In addition to the *CityPlan 2030* indicators, the Council also measures its achievements through the following non-financial and financial Indicators;

Non-Financial Indicators

Program Delivery

To ensure that the Council delivers on the Strategic Objectives set out in the *CityPlan 2030*, various projects and initiatives must be delivered. During 2020–2021, the Council approved 22 Capital Projects and 21 Service Initiatives. The Council's performance against the 2020–2021 programs is detailed on the following page.

For 2021–2022, the Council has proposed 14 Capital Projects and 19 Service Initiatives projects. Progress on these projects will be reported in the 2021–2022 Annual Report and 2022–2023 Annual Business Plan.

Financial Indicators

When evaluating activities undertaken during any given financial year, the Council considers a number of factors, one being the future financial sustainability of the Council.

A series of financial indicators have been developed by local government to assist in determining whether a council is financially sustainable or moving to a position of financial sustainability.

Financial indicators which are used by the Council to measure performance and financial sustainability are;

Operating Surplus/(Deficit) Ratio

The Council's long term sustainability is dependent upon ensuring that, on average over time, the operating expenses are less than the associated revenues.

As the major source of income for the Council is rates revenue, Operating Surplus ratio measures operating surplus/ (deficit) as a percentage of total operating revenue. This indicator represents the percentage by which the major controllable income source varies from the day to day operating expenditure.

In 2021–2022, the forecast operating surplus is \$425,000, resulting in an Operating Surplus ratio of 0.9%.

Net Financial Liabilities Ratio

A Council's indebtedness must be managed to ensure its liabilities and associated costs are met without impinging on the financial sustainability of the Council.

Net Financial Liabilities ratio measures the extent of what is owed by the Council less any liquid assets (i.e. cash or receivables) of the Council are met by its operating revenue.

Where the ratio is increasing, it indicates a greater amount of the Council's operating revenues is required to service its financial obligations. For 2021–2022, it is anticipated the net Financial Liabilities ratio of the Council will be 61.1%.

Debt Servicing Ratio

Debt servicing ratio measures the extent Council's commitment to interest expense and loan repayments is met by general rate revenue. For 2021–2022, it is anticipated that 4.5% of the Council's general rate revenue will be committed to service the interest and principal repayments on its borrowings.

Asset Sustainability Ratio

Asset Sustainability Ratio measures whether the Council is renewing or replacing existing physical assets (roads, footpaths, buildings etc.) at the same rate the stock of assets is wearing out. The ratio is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the planned expenditure outlined in the Council's Asset Management Plans.

In 2021–2022, the Council has planned to spend \$16.7 million on asset renewal compared to the Asset Management Plan spend of \$13.7 million.

The Council can accelerate or reduce asset expenditure over time to compensate for prior events, or invest in assets by spending more now so that it costs less in the future to maintain. On a three (3) year rolling average, the asset sustainability ratio of 99.6%.

Non-Financial Indicators 2020–2021 Program Delivery

CityPlan 2030 Outcome	Project Description	Status
Infrastructure Management		
* ●	Civil Infrastructure Capital Works Program	✓
* ●	Drainage Program	✓
* ●	Payneham Oval Precinct Parking	✓
+ ●	Street Lighting Renewal and Upgrade	✓
* ●	Private Laneways Conversion Project	✓
* ●	Plant Replacement Program	✓
+ ●	Rectification of Footpath Defect	✓
* ● ●	Stephen Street, Norwood Streetscape Upgrade	–
* ● ●	St Peters Street Upgrade	✓
+ ● ●	Condition Assessment of Storm water Drainage Infrastructure / Irrigation System / Linear Park Cliff Face	✓
Trees, Parks, Sport & Recreation		
* ●	Recreation and Open Space Works Program	✓
* ● ●	Hannaford Reserve Masterplan	●
* ●	Payneham Memorial Swimming Centre Main Pool Covers	✓
+ ●	Street Tree Planting	✓
Economic Development, Regulatory Services Environment & Planning		
+ ●	Dog & Cat Management Plan Education Campaign	✓
+ ●	Business Readiness for New Planning System	✓
+ ●	Traffic & Integrated Transport Investigations and Initiatives	✓
* ●	Second Creek Outlet Upgrade	–
* ● ●	Borthwick Park Creek Improvements Detail Design and Construction	–
* ● ● ●	George Street Upgrade	●
* ● ● ●	The Parade Masterplan Detail Design	–
+ ●	Resilient East Implementation	✓
+ ●	Sustainable Garden Awards Program 2020	✓
+ ●	Emissions Reduction Plan	✓
+ ● ●	Raising The Bar Adelaide	✓
+ ● ●	Eastside Business Awards	✓

✓ Completed – In Progress ● Not Yet Started
 ● Social Equity ● Cultural Vitality ● Economic Prosperity ● Environmental Sustainability
 * Assets – New, Upgrades and Renewal + New Service and Program Initiatives

CityPlan 2030 Outcome	Project Description	Status
Community, Health, Aged & Youth Services		
+ ● ●	Age Friendly Wayfinding Walking Route Pilot	–
+ ● ●	Canvas Youth Art Exhibition	✓
Libraries & Community Facilities		
* ●	Buildings Capital Works Program	✓
* ● ●	Annual Acquisition of Library Stock	✓
+ ● ●	Children's Book Week	✓
* ● ● ●	Don Pyatt Community Hall Chairs	–
* ● ●	Norwood Library Strategic Review and Concept Plan	–
Community Events, Arts & Heritage		
* ● ●	Major Public Art Funding Program	✓
* ●	Permanent Signage for Promotion of Council Events and Consultations	✓
+ ● ●	2021 Tour Down Under and Community Event (cancelled due to COVID-19)	●
+ ●	Christmas Movie on the Oval	✓
+ ●	Concerts in the Park	✓
Governance, Communications & Administration		
+ ●	Authority Content Migration to Councils EDMS, Objective ECM	–
+ ●	Objective ECM Consulting Services Program (CSP)	✓
* ●	Corporate Uniform	✓
* ●	Organisational Culture Survey (Human Synergistic)	✓
* ●	Annual Website Upgrades and Improvements	✓
* ●	Civica Authority BIS Upgrade	✓

✓ Completed – In Progress ● Not Yet Started
 ● Social Equity ● Cultural Vitality ● Economic Prosperity ● Environmental Sustainability
 * Assets – New, Upgrades and Renewal + New Service and Program Initiatives

Financial Ratios

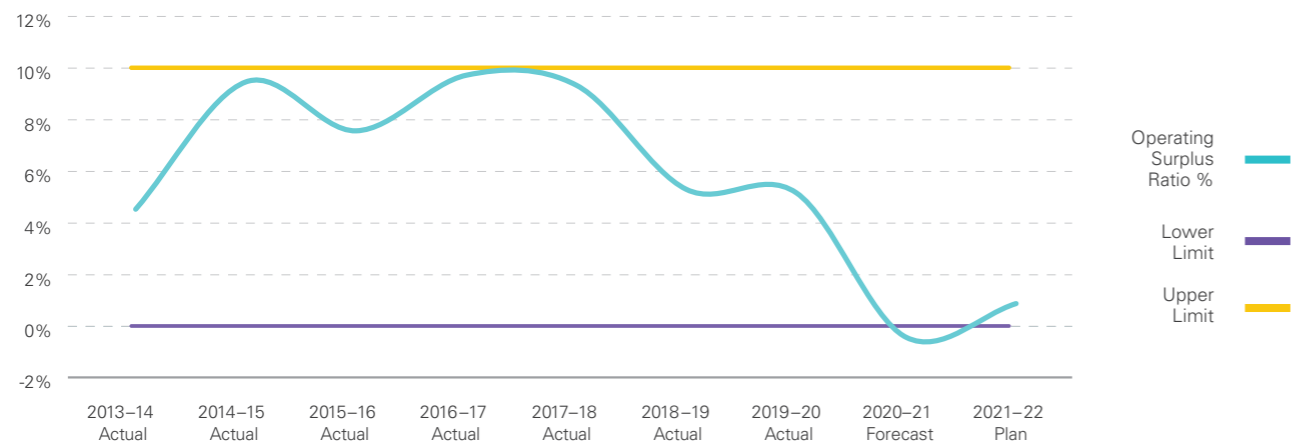
To ensure that it delivers on its financial goals, the Council has committed to achieving a number of financial outcomes.

The Council's performance against these outcomes are detailed below.

Outcome 1: A balanced budget

The Council's services and programs, including depreciation of infrastructure and assets, are fully funded and the costs are shared equitably between current and future ratepayers.

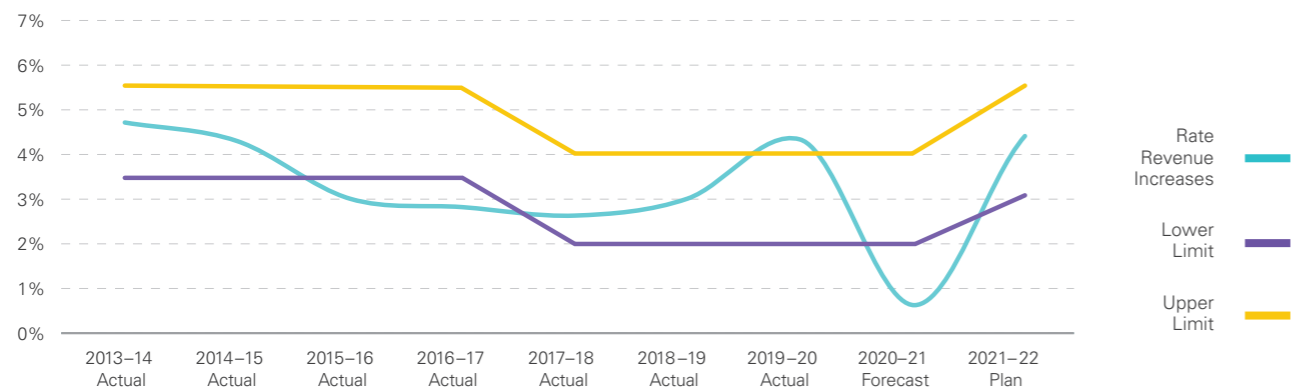
Operating Surplus Ratio %



Outcome 2: Rate Stability

Annual rate collections are fair and equitable for residents and ratepayers with the aim to keep rate revenue increases stable over the medium term.

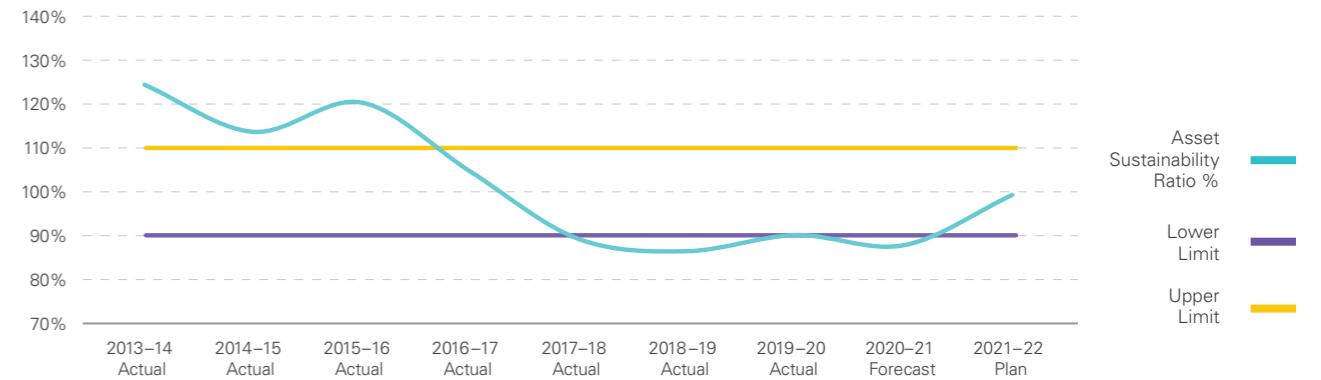
Rate Revenue Increase



Outcome 3: Infrastructure and Asset Management

Maintain infrastructure and assets in line with the Council's Whole-of-Life Infrastructure Framework to achieve the outcomes and objectives, as set out in *CityPlan 2030*.

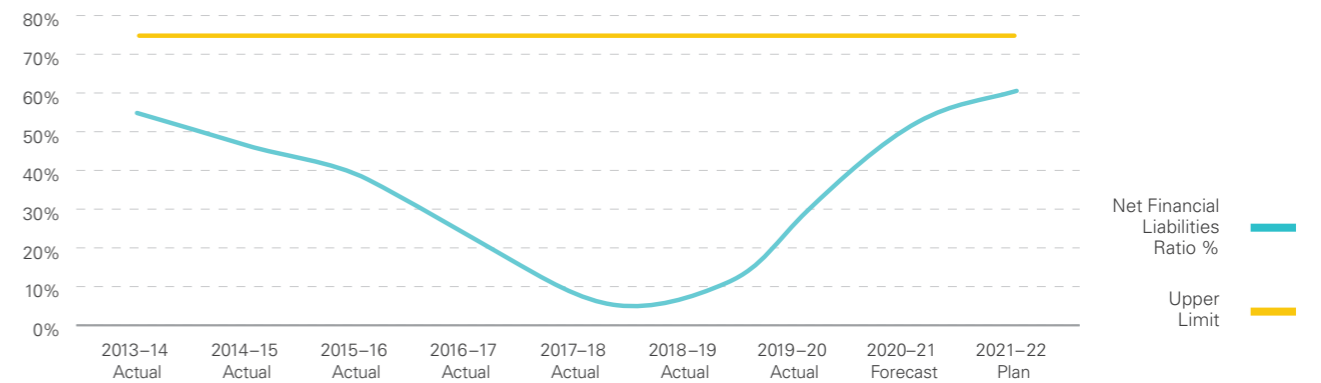
Asset Sustainability Ratio %



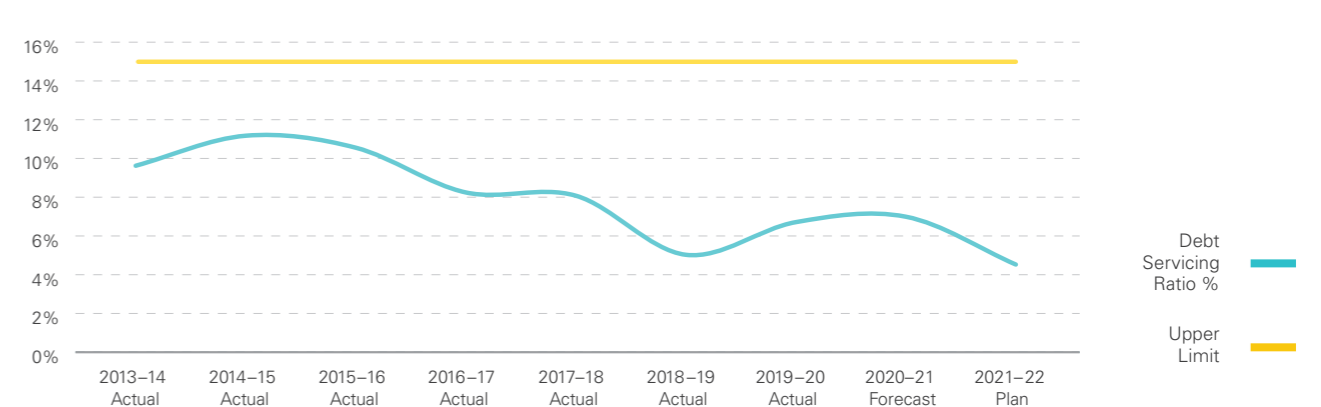
Outcome 4: Debt Management

Prudent use of debt to invest in new long term assets, to ensure intergenerational equity between current and future users.

Net Financial Liabilities Ratio %



Debt Servicing Ratio %



Appendix 3

Financial Statements

Statement of Comprehensive Income for the year ended 30 June 2022	Proposed 2021-2022	Forecast 2020–2021	Actual 2019–2020	Actual 2018–2019	Actual 2017–2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Rates	38,001	36,278	36,181	34,845	33,947
Statutory charges	1,866	1,547	1,595	1,760	1,819
User charges	3,910	3,608	3,408	3,701	3,443
Grants, subsidies and contributions	2,703	2,921	2,959	3,152	3,198
Investment income	111	65	88	206	251
Other income	498	702	1,527	1,013	1,072
Net loss joint ventures and associates	2	-	28	35	42
Total Income	47,091	45,121	45,786	44,711	43,772
Expenses					
Employee costs	16,116	15,498	14,050	13,739	13,074
Materials, contracts and other expenses	18,977	19,118	18,937	18,774	17,527
Finance costs	730	620	405	489	600
Depreciation, amortisation and impairment	10,640	9,734	9,503	8,984	8,285
Net loss joint ventures and associates	203	319	515	346	193
Total Expenses	46,666	45,290	43,411	42,331	39,680
Operating Surplus (Deficit)	425	(169)	2,375	2,380	4,092
Net gain (loss) on disposal or revaluation of assets	25	27	(1,529)	(1,207)	(910)
Amounts specifically for new or upgraded assets	4,191	2,581	744	1,131	1,741
Physical resources received free of charge	-	-	-	24	-
Net Surplus (Deficit) transferred to Equity	4,641	2,439	1,590	2,327	4,923
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant and equipment	2,000	2,000	3,542	32,993	(150,421)
Share of other comprehensive Income - joint ventures and associates	-	-	13	9	(12)
Total Other Comprehensive Income	2,000	2,000	3,555	33,001	(150,433)
Total Comprehensive Income	6,641	4,439	5,145	35,329	(145,510)

Pursuant to S123(10)(b) of the Local Government Act 1999 and Clause 7 of the Local Government (Financial Management) Regulations 2011, as detailed in the Statement of Comprehensive Income, the projected Operating Income (\$47.088m) is sufficient to meet the projected Operating Expenditure (\$46.463m) for the 2021–2022 Financial Year.

Statement of Financial Position for the year ended 30 June 2022	Proposed 2021-2022	Forecast 2020-2021	Actual 2019-2020	Actual 2018-2019	Actual 2017-2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Current Assets					
Cash and cash equivalents	1,253	6,928	9,177	12,152	15,812
Trade and other receivables	2,800	2,619	2,889	2,945	2,475
Total Current Assets	4,053	9,547	12,067	15,097	18,287
Non-current Assets					
Financial Assets	105	105	105	136	159
Equity accounted investments in Council businesses	2,546	2,437	2,463	2,890	3,196
Infrastructure, property, plant and equipment	520,833	504,235	476,469	473,423	437,409
Other non-current Assets	-	-	17,891	6,119	3,715
Total Non-current Assets	523,484	506,776	496,929	482,569	444,478
Total Assets	527,537	516,323	508,995	497,666	462,765
Liabilities					
Current Liabilities					
Trade and other payables	5,833	6,378	7,310	6,272	5,462
Borrowings	931	1,547	1,651	1,781	1,858
Short-term provisions	2,843	2,801	3,135	2,752	2,761
Total Current Liabilities	9,607	10,726	12,095	10,805	10,081
Non-current Liabilities					
Long-term borrowings	19,911	14,420	10,357	5,388	6,513
Long-term provisions	1,161	1,163	1,160	1,203	1,129
Liability - equity accounted Council businesses	1,792	1,589	1,397	1,429	1,529
Total Non-current Liabilities	22,863	17,172	12,913	8,020	9,171
Total Liabilities	32,471	27,898	25,008	18,825	19,252
Net Assets	495,067	488,426	483,987	478,842	443,513
Equity					
Accumulated Surplus	63,905	59,264	56,825	55,222	52,886
Asset Revaluation Reserve	431,162	429,162	427,162	423,620	390,627
Total Equity	495,067	488,426	483,987	478,842	443,513

Statement of Cash Flows for the year ended 30 June 2022	Proposed 2021-2022	Forecast 2020-2021	Actual 2019-2020	Actual 2018-2019	Actual 2017-2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Receipts					
Rates - general and other	37,819	36,549	36,107	34,696	33,670
Fees and other charges	1,866	1,547	1,646	1,694	1,786
User charges	3,910	3,608	3,297	4,014	4,542
Investment receipts	2,703	2,921	88	204	252
Grants utilised for operating purposes	111	65	3,677	2,744	2,835
Other income	498	702	1,474	1,244	1,324
Payments					
Employee costs	(15,870)	(15,795)	(13,486)	(14,322)	(13,668)
Contractual services and materials	(19,521)	(19,895)	(19,030)	(17,593)	(15,381)
Finance payments	(730)	(620)	(407)	(489)	(615)
Net Cash provided by (or used in) Operating Activities	10,788	9,081	13,368	12,191	14,746
Cash Flows from Investing Activities					
Receipts					
Amounts specifically for new or upgraded assets	4,191	2,581	1,165	1,049	1,742
Sale of replaced assets	25	27	58	9	790
Repayments of loans by community groups	-	-	43	13	21
Capital distribution from associated entities	-	-	-	-	-
Payments					
Expenditure on renewal/replacement of assets	(16,742)	(11,474)	(8,919)	(9,009)	(6,589)
Expenditure on new/upgraded assets	(9,347)	(6,427)	(13,175)	(6,615)	(2,673)
Capital contributed to associated entities	(81)	(100)	(81)	(96)	(132)
Net Cash provided by (or used in) Investing Activities	(21,954)	(15,394)	(20,909)	(14,649)	(6,841)
Cash Flow from Financing Activities					
Receipts					
Proceeds from Borrowings	6,422	5,871	6,500	-	-
Payments					
Repayments of Borrowings	(931)	(1,807)	(1,934)	(1,202)	(2,045)
Net Cash provided by (or used in) Financing Activities	5,491	4,063	4,566	(1,202)	(2,045)
Net Increase (Decrease) in cash held	(5,675)	(2,249)	(2,975)	(3,660)	5,860
Cash and cash equivalents at beginning of period	(6,928)	9,177	12,152	15,812	9,953
Cash and cash equivalents at end of period	1,253	6,928	9,177	12,152	15,812

Statement of Changes in Equity for the year ended 30 June 2022	Proposed 2021-2022	Forecast 2020–2021	Actual 2019–2020	Actual 2018–2019	Actual 2017–2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated Surplus					
Balance at end of previous reporting period	59,264	56,825	55,222	52,886	47,975
Net Surplus/(Deficit) for year	4,641	2,439	1,590	2,327	4,923
Share of other comprehensive income	-	-	-	-	(12)
Balance at end of period	63,905	59,264	56,812	55,213	52,886
Asset Revaluation Reserve					
Balance at end of previous reporting period	429,162	427,162	423,620	390,627	541,048
Gain on revaluation of infrastructure, property, plant and equipment	2,000	2,000	3,542	32,993	(150,421)
Balance at end of period	431,162	429,163	427,162	423,619	390,627
Total Equity at end of reporting period	495,067	488,427	483,974	478,842	443,513

Uniform Presentation of Finances for the year ended 30 June 2020	Proposed 2021-2022	Forecast 2020–2021	Actual 2019–2020	Actual 2018–2019	Actual 2017–2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Income	47,091	45,121	45,786	44,711	43,772
less Expenses	(46,666)	(45,290)	(43,411)	(42,331)	(39,680)
Operating Surplus(Deficit)	425	(169)	2,375	2,380	4,092
less Net Outlays on Existing Assets					
Capital expenditure on renewal and replacement of existing assets	18,831	11,474	8,919	15,624	9,262
Depreciation, amortisation and impairment	(10,640)	(9,734)	(9,503)	(8,984)	(8,285)
Proceeds from sale of replaced assets	(25)	(27)	(57)	(9)	(790)
	8,166	1,713	(641)	6,631	186
less Net Outlays on New and Upgraded Assets					
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	7,258	6,427	13,174	6,615	2,673
Amounts received specifically for new and upgraded assets	(871)	(2,581)	(1,165)	(1,049)	(1,742)
Asset Received Free of Charge	-	-	-	(24)	-
	6,387	3,846	12,009	5,542	931
Net Lending/(Borrowing) for Financial Year	(14,128)	(5,728)	(8,992)	(9,793)	2,975

Statement of Comprehensive Income for the year ended 30 June 2022	Proposed 2021-2022	Forecast 2021–2022	Forecast 2020–2021	Actual 2019–2020	Actual 2018–2019	Actual 2017–2018
	\$'000	Indicator	Indicator	Indicator	Indicator	Indicator
Operating Surplus Ratio						
Operating Surplus	425	0.9%	(0.4%)	5.2%	5.3%	9.3%
Total Operating Revenue	47,091					

This ratio expresses the Operating Surplus as a percentage of total Operating Revenue.

Net Financial Liabilities Ratio	Proposed 2021-2022	Forecast 2021–2022	Forecast 2020–2021	Actual 2019–2020	Actual 2018–2019	Actual 2017–2018
	\$'000	Indicator	Indicator	Indicator	Indicator	Indicator
Net Financial Liabilities	28,313	60.1%	40.4%	28.0%	8.0%	1.8%
Total Operating Revenue	47,091					

This ratio expresses the extent of Operating Revenue required to meet all monies owed by the Council Net financial liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).

Asset Sustainability Ratio	Proposed 2021-2022	Forecast 2021–2022	Forecast 2020–2021	Actual 2019–2020	Actual 2018–2019	Actual 2017–2018
	\$'000	Indicator	Indicator	Indicator	Indicator	Indicator
Net Asset Renewals	16,742	122%	82%	99%	109%	79%
Infrastructure & Asset Management Plan required expenditure	13,724					

This ratio measure the extent existing assets are being renewed compared to the Infrastructure & Asset Management Plan Net asset renewals is defined as capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets

Rolling three-year average	99.6%	88.1%	90.4%	86.7%	89.6%
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Appendix 4

Rating Policy

Rating Policy

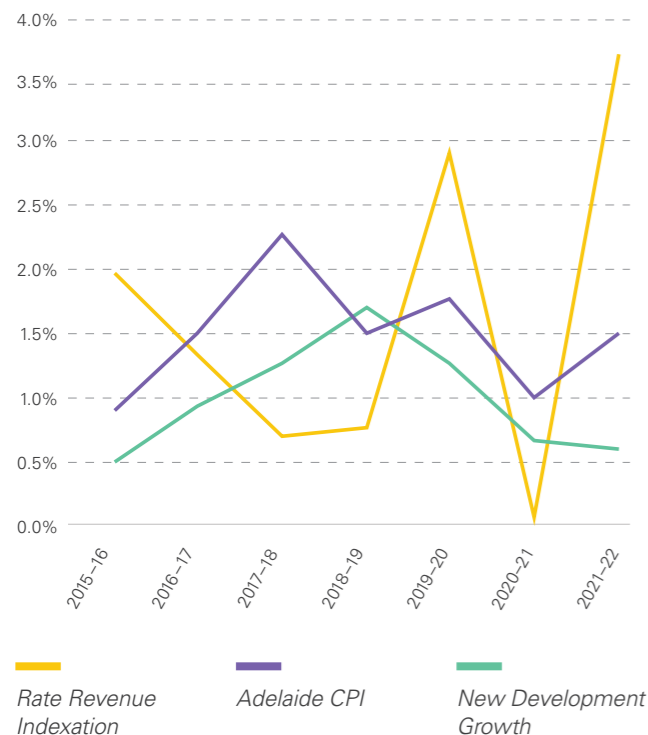
Method Used to Value Land

The Council has continued to use Capital Value as the basis for valuing land within the City of Norwood Payneham & St Peters. It is considered that this method of valuing land provides the fairest method of distributing the rates across all ratepayers on the following basis:

- Property value is a good indicator of wealth and Capital Value, which closely approximates the market value of a property, provides the best indicator of overall property value;
- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth; and
- The distribution of property values throughout the City of Norwood Payneham & St Peters is such that only just over one third of residential ratepayers will pay more than the average rate per property.

Information received from the Valuer General indicates a number of changes in the City’s property values to date. 0.6% of the increase can be attributed to growth related to new development within the City to date.

Graph 3
Rate Revenue Increase



Differential General Rates

The *Local Government Act 1999* allows council's to apply differential rates based on the use of the land, the locality of the land or the use and locality of the land. The City of Norwood Payneham & St Peters applies differential rates on the basis of land use.

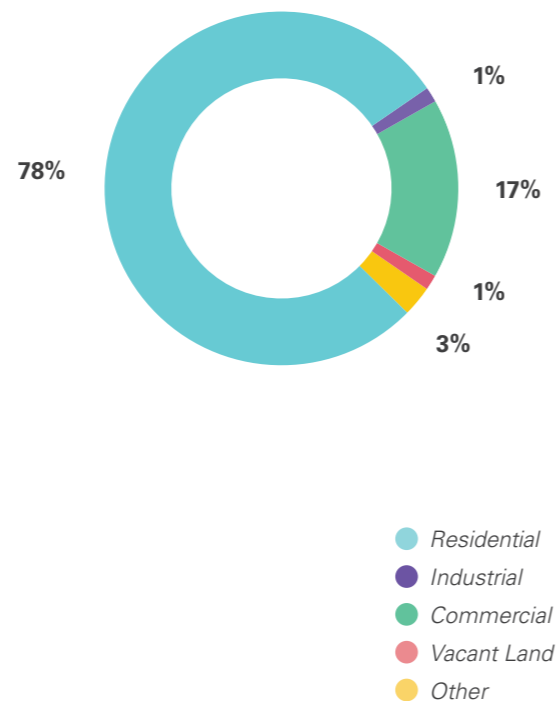
Definitions of land use are prescribed by regulation and are categorised as follows for rating purposes:

- Residential
- Commercial – Shops
- Commercial – Office
- Commercial – Other
- Industrial – Light
- Industrial – Other
- Primary Production
- Vacant Land; and
- Other

The City of Norwood Payneham & St Peters applies differential rates on the basis of land use whereby non-residential properties have an increased rate-in-the-dollar of an additional 20% of the rate-in-the-dollar which is applied to residential properties.

Based on information provided by the Valuer General to date, the payment of rates will be distributed across the difference categories as detailed in Graph 4 below.

Graph 4



Minimum Rate

Pursuant to the *Local Government Act 1999*, a council may impose a minimum amount which is payable by way of rates. 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 set a minimum rate of \$1,068. The minimum rate will be applied to 6,003 (29.93%) of all rateable properties.

In determining the minimum rates, the Council is ensuring that all rateable properties make a base level contribution to the costs of:

- Administering the Council’s activities;
- The provision of the physical infrastructure that supports each property and is available for use by all ratepayers; and
- Services provided that are available for use by all ratepayers (e.g. Libraries, parks and gardens).

The Parade Precinct Separate Rate (TBC)

The Council has determined to raise a Separate Rate, for the purposes of promoting and enhancing business viability and employment generation within The Parade Precinct. The Parade Precinct Separate Rate is levied against all commercial properties located along The Parade between Fullarton Road and Portrush Road, and the revenue raised will only be used for this purpose.

Proposed Rate Increases for 2021–2022

To fund the activities proposed within the 2021–2022 Annual Business Plan and to ensure that the Council continues to provide the level of services required and expected by the community, the Council estimates that it will require an additional \$1.507 million (tbc) in general rate income.

Based on the initial valuations which have been received from the Valuer-General, this will result in an increase in the “cents-in- the-dollar”.

The average residential property will be required to pay \$1,561 (tbc) and the average commercial property will be required to pay \$2,655 (tbc).

Regional Landscape Levy

Pursuant to the *Landscape South Australia Act 2019*, the Council is required to collect funds on behalf of the State Government, for the operations of the Green Adelaide Board.

The Council collects the funds through a separate rate levied as the Regional Landscape Levy and is applicable to land within its area of the Green Adelaide Region.

In 2021-2022, the Council will collect \$1.386 million (tbc) for the payment of the Regional Landscape Levy. The Council is acting as a revenue collector and as such does not retain this revenue, but simply forwards it through to the Green Adelaide Board.

Rate Capping

Rate Capping is provided in the form of a Rebate or Remission of Rates above an approved threshold. In the 2020–2021 Budget, the Council has determined that rates will be capped (subject to certain conditions) at two times the rate revenue increase in set in the Annual Budget. This means that the maximum increase in rates for individual properties will be 8.7% for the 2021–2022 Financial Year.

Remission and Postponement of Rates

Section 182A of the *Local Government Act 1999*, provides the option for South Australian Senior Card Holders to apply to postpone part of their council rates on a long-term basis. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the disposal or sale of the property.

For complete details on these items and additional information please refer to the Rating Policy and Rebate Policy which is available online at www.npsp.sa.gov.au.

Council Facilities**The Council's Principal Office is located at:**

Norwood Town Hall
175 The Parade, Norwood

Additional sites of operation include:

Council Works Depot
Davis Road, Glynde

Norwood Library
110 The Parade, Norwood

St Peters Library
101 Payneham Road, St Peters

Payneham Library & Community
Facilities Complex (Tirkandi)
2 Turner Street, Felixstow

Payneham Community Centre
374 Payneham Road, Payneham

Cultural Heritage Centre
101 Payneham Road, St Peters

Norwood Swimming Centre
Phillips Street, Kensington

Payneham Memorial Swimming Centre
OG Road, Felixstow

The Council also operates two unique entities:



St Peters Child Care Centre
42–44 Henry Street, Stepney

Norwood Concert Hall
175 The Parade, Norwood

Additional Copies

The 2021–2022 Annual Business Plan can be viewed online
at www.npsp.sa.gov.au

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City of
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6.2 2020-2021 THIRD BUDGET REVIEW

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FILE REFERENCE: q63320/A155827
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to provide the Audit Committee with a summary of the forecast Budget position for the year ended 30 June 2021, following the Third Budget Review. The forecast is based on the year-to-date February 2021 results.

BACKGROUND

Pursuant to Section 123 (13) of the *Local Government Act 1999*, the Council must, as required by the Regulations reconsider its annual business plan or its budget during the course of a financial year and, if necessary or appropriate, make any revisions.

The Budget Reporting Framework set out in Regulation 9 of the *Local Government (Financial Management) Regulations 2011* ("the Regulations") comprises two (2) types of reports, namely:

1. the Budget Update; and
2. the Mid-year Budget Review.

Budget Update

The Budget Update Report sets out the revised forecast of the Council's Operating and Capital investment activities compared with the estimates for those activities set out in the Adopted Budget. The Budget Update is required to be presented in a manner consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*.

The Budget Update Report must be considered by the Council at least twice per year between 30 September and 31 May (both dates inclusive) in the relevant financial year, with at least one (1) Budget Update Report being considered by the Council prior to consideration of the Mid-Year Budget Review Report.

The Regulations requires a Budget Update Report to include a revised forecast of the Council's operating and capital investment activities compared with estimates set out in the Adopted Budget, however it is recommended by the Local Government Association that the Budget Update Report should also include at a summary level:

- the year-to- date result;
- any variances sought to the Adopted Budget or the most recent Revised Budget for the financial year; and
- a revised end of year forecast for the financial year.

Mid-Year Review

The Mid-Year Budget Review must be considered by the Council between 30 November and 15 March (inclusive) in the relevant financial year. The Mid-Year Budget Review Report sets out a revised forecast of each item shown in its Budgeted Financial Statements compared with estimates set out in the Adopted Budget presented in a manner consistent with the Model Financial Statements. The Mid-Year Budget Review Report must also include revised forecasts for the relevant financial year of the Council's Operating Surplus Ratio, Net Financial Liabilities Ratio and Asset Sustainability Ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled

Financial Indicators.

The Mid-year Budget Review is a comprehensive review of the Council's Budget and includes the four principal financial statements, as required by the Model Financial Statement, detailing:

- the year to date result;
- any variances sought to the Adopted Budget; and
- a revised full year forecast of each item in the budgeted financial statements compared with estimates set out in the Adopted budget.

The Mid-year Budget Review Report should also include information detailing the revised forecasts of financial indicators compared with targets established in the Adopted Budget and a summary report of operating and capital activities consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's Long Term Strategic directions are set out in *City Plan 2030 – Shaping our Future*. The Council's Long Term Financial Plan (LTFP), is a key document in the Councils Planning Framework. It is the primary financial management tool which links the Council's Strategic Plan, *City Plan 2030 – Shaping our Future*, Whole-of-Life Assets Management Plans, the Annual Business Plan and Budget.

The *2020-2021 Annual Business Plan* and Budget, sets out the proposed services, programs and initiatives for the 2020-2021 Financial Year and explains how the Council intends to finance its continuing services, programs and initiatives which are to be undertaken during the financial year. The 2020-2021 Adopted Budget estimated an Operating Deficit of \$798,455. The Operating Deficit was decreased as part of the Mid-Year Budget Review to \$651,547.

FINANCIAL AND BUDGET IMPLICATIONS

The Third Budget Review, provides the opportunity to reflect any changes in projections based on the actual year-to-date results to February 2021 and forecast the 2020-2021 Operating result.

Details of material movements in the forecast from the Adopted Budget are contained in the Discussion section of this Report.

EXTERNAL ECONOMIC IMPLICATIONS

This report provides information on the planned financial performance of the Council for the year ended 30 June 2021 and has no direct external economic impacts.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

There are no risk management issues arising from this issue. All documents have been prepared in accordance with the statutory requirements.

COVID-19 IMPLICATIONS

As Committee Members are aware, the development of the 2020-2021 Budget, was undertaken during an unprecedented time where the on-going health, social and economic impacts of the COVID-19 Pandemic were relatively unknown and the future impacts of the physical distancing measures introduced to address the health impacts remained uncertain and were changing rapidly.

For the period ended March 2021, the Council has spent \$185,000 on its response to the COVID-19 pandemic. This covers additional cleaning services across all Council facilities and the purchase of materials to ensure that appropriate physical distancing and other protective measure are in place to assure both staff and users of Council Services.

CONSULTATION

- **Committee Members**
Mayor Bria, Cr Minney and Cr Stock, as Elected Members, have considered the issues at the Council Meeting held on 3 May 2021, when the Council endorsed the Third Budget Update.
- **Community**
Not Applicable.
- **Staff**
Responsible Officers and General Managers.
- **Other Agencies**
Not Applicable.

DISCUSSION

Budget Review

The 2020-2021 Adopted Operating Budget, projected an Operating Deficit of \$798,455. At the Council meeting held on 1 March 2021, the Council endorsed the Mid-Year Budget Update, which reported a forecast Operating Deficit of \$651,547.

Following the Third Budget Review, the Operating Deficit has decreased to \$168,575.

The material movements in the components that make up the Operating Surplus following the Third Budget Review are detailed below.

A. Recurrent Operating Budget

As a result of the Third Budget Update, the Recurrent Operating Surplus is increased to \$781,609, an increase of \$279,700 on the Recurrent Operating Budget Surplus of \$501,909 reported at the Mid-Year Budget Review.

The major reasons for the movement in Operating Surplus are detailed in Table 1.

TABLE 1: MAJOR VARIANCES IN RECURRENT OPERATING BUDGET – THIRD BUDGET REVIEW

	Favourable/ (Unfavourable) \$
Employee expenses has been reduced to reflect the vacant positions that are not anticipated to be filled by 30 June 2021.	200,000
Following a review of the cash position, it is anticipated that no new long term borrowings will be drawn down prior to 30 June 2021, therefore, finance cost has been reduced to reflect interest payable on existing loans.	130,000
To date, there are a number of minor favourable variances across a broad range of account lines. The year-to-date variances have been taken as a permanent savings.	100,000
An increase in legal expenses to reflect the actual spend on legal proceedings relating to the scramble crossing at the intersection of the Parade and George Street, Norwood.	(150,000)
<p>This spend, to the end of March 2021, is split between the Chapley's and 166 The Parade (Coles) Judicial Review against the Council and the Department of Infrastructure & Transport (\$112,500) and the Councils Judicial Review (\$35,000).</p>	

B. Operating Projects

The Adopted Budget includes an estimate of operating project expenditure for the year under review and;

- previously approved and carried forward projects from the prior budget years; less
- an allowance for current year approved projects projected to be carried forward to subsequent budget years.

Carried Forward estimates (from prior financial years) are reviewed upon finalisation of the Annual Financial Statements. Additional expenditure required for non-completed Operating Projects at the end of the Financial Year, is incorporated in the Budget as part of First Budget Update.

Taking into account the Carried Forward Operating Project expenditure and new projects which have been endorsed by the Council, the 2020-2021 Adopted Operating Projects Budget forecast a cost to the Council of \$1.597 million.

Carried Forward Operating Project Expenditure was estimated as part of the Adopted Budget to be \$0.338 million. Following the First Budget Update, the value of carried forward expenditure is \$0.604 million. The increase in the Carried Forward Budget, is due to projects not progressing as anticipated or the commencement of some projects being deferred.

The Mid-Year Budget Update forecast the cost of Operating Projects to be \$1.737 million. The Third Budget Update is estimating that the cost of Operating Projects to be \$1.533 million, with a decrease of \$0.203 million. The reduction reflects the operating projects not expected to be finalised by 30 June 2021.

The Operating Projects, and expenditure not expected to be incurred in the 2020-2021 is detailed in Table 2 below.

TABLE 2: OPERATING PROJECTS NOT EXPECTED TO BE COMPLETED IN 2020-2021

SERVICE INITIATIVE	\$
<i>The Parade & George Street Scramble Crossing</i> is currently suspended due to legal proceedings.	83,272
Feasibility Assessment of Additional Level on the Webbe Street Parking.	50,000
Development of the <i>Tree Management Policy & Strategy</i> and the <i>People Place & Activity Strategy</i> has commenced, however community consultation is not anticipated to be finalised by 30 June 2021. Budget allocation relates to cost associate with consultation, and documentation finalisation.	50,000
The project of <i>Age Friendly Wayfinding Strategy</i> has commenced, however the installation of signage may be delayed to early 2021-2020 Financial Year	20,000
TOTAL OPERATING PROJECTS NOT EXPECTED TO BE INCURRED IN THE 2020-2021	203,272

C. Capital Projects

The Council adopted a Capital Budget of \$19.936 million for 2020-2021, which comprised funding allocations for New Capital Projects involving new or the upgrading of existing assets (\$4.127 million), the renewal/replacement of existing assets (\$10.146 million) and Carried Forward Projects from 2019-2020 (\$5.457million).

The Mid-Year Budget Update forecast the cost of Capital Projects to be \$22.787 million. Following the Third Budget Update, the Capital Project expenditure is forecast to decrease to \$17,861 million, a reduction of \$4.927 million. The budget variations identified in the Third Budget Review are detailed in Table 3 below:

TABLE 3: MAJOR VARIANCES IN CAPITAL PROJECT BUDGET – THIRD BUDGET REVIEW

Capital Project	Increase/ (Decrease) \$
The reconstruction of Dequetteville Terrace Footpath, which was scheduled to be undertaken this financial year, has been deferred 2023 due to a multi-story development proposed by Chasescrown to be undertaken at this location. Works will be undertaken following the completion of the property redevelopment and in line with the <i>Kent Town Design Framework</i> .	(165,000)
A number of Capital Projects are not anticipated to be completed by June 30 2021 and are required to be carried forward to 2021-2022. The full list of projects being carried forward are detailed in Table 4.	(4,761,407)

TABLE 4: CAPITAL PROJECTS NOT EXPECTED TO BE COMPLETED IN 2020-2021

Capital Project	\$
The construction of Second Creek Outlet Upgrade has commenced, with works expected to be completed by September 2021.	950,000
George Street Upgrade and Scramble Crossing has been deferred due to the legal proceedings associated with the scramble crossing at the intersection of The Parade and George Street. Notwithstanding this, the preparation of detail design and construction documentation will commence in the next few weeks.	810,000
The drainage works on the Third Creek require the Council to establish an easement across private properties. The works will not commence until negotiations with the impacted property owners is finalised.	700,000
Drainage Infrastructure Works:	718,862
<ul style="list-style-type: none"> • Trinity Valley Drainage Design (\$418,682) – the project was delayed due to the Melbourne COVID-19 lockdown; • The Parade West (\$300,000) – the location of works is adjacent to Prince Alfred College and to minimise the impact on the school traffic the work is scheduled to be undertaken during July school holidays 	
Works has commenced on the detailed design for the following projects however, the documentation is not anticipated to be finalised prior to 30 June 2021:	335,000
<ul style="list-style-type: none"> • \$150,000 for the Parade Master Plan; • \$150,000 for Burchell Reserve Upgrade; • \$35,000 for St Peters Street Upgrade 	
The Parade Median Streetscape Upgrade –works are being aligned with The Parade Master Plan and DIT works.	300,000
Stephen Street (Norwood) Improvements – commencement of works is dependent on the completion of the private development (Norwood Green).	250,000
The Parade West Streetscape Upgrade Kent Town – this project has been adversely impacted due to unforeseen stormwater drainage works which are required to be completed prior to the streetscape works.	163,000
Major Public Art Funding Program –the artwork scheduled to be installed during the 2021-2022 Financial Year	146,762
Norwood Library Strategic Review & Concept Plan – preliminary investigation has commenced, however final concepts are not anticipated to be delivered prior to 30 June 2021 as these concepts are now integrated with the proposed upgrade of the Norwood Concert Hall.	100,000
Commencement of the following two (2) Master Plans have been deferred to 2021 – 2022 Financial Year, as the projects have been reprioritised as part of the recently endorsed Long Term Financial Plan:	85,000
<ul style="list-style-type: none"> • \$50,000 for Adey Reserve Master Plan; • \$35,000 for Hannaford Reserve Master Plan. 	
Recreation & Open Space Infrastructure Work:	81,548
<ul style="list-style-type: none"> • \$55,000 for Osmond Terrace Median Landscaping (Cannon); • \$26,548 for Protuberance Garden Beds along Osmond Terrace footpaths (Irrigation). 	
Standby Power for St Peters Library, has been deferred as solar options are now being investigated.	78,550
Private Laneway:	30,650
<ul style="list-style-type: none"> • \$15,050 for Rosemont Lane Design; • \$15,600 for Salisbury Design. 	
Authority Version Upgrade –Online Leave Work Patterns.	12,035
TOTAL CAPITAL PROJECTS NOT EXPECTED TO BE INCURRED IN THE 2020-2021	4,761,407

The revised Budgeted Financial Statements and Financial Indicators as a result of the Third Budget Update are included in **Attachment A**.

OPTIONS

Not Applicable.

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

That the Third Budget Update Report be received and noted.

Attachment A

2020-2021 Third Budget Review

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STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2021

Actual 2018-2019	Actual 2019-2020		Adopted Budget 2020-2021	Revised Budget 2020-2021	Variance	Actual YTD February 2021
\$	\$		\$			
		INCOME				
34,844,776	36,181,201	Rates	36,278,453	36,278,453	-	24,173,237
1,760,245	1,595,430	Statutory charges	1,509,000	1,547,000	38,000	1,081,477
3,700,927	3,408,253	User charges	3,332,384	3,607,774	275,390	2,359,671
3,152,098	2,958,655	Grants, subsidies and contributions	2,700,843	2,921,363	220,520	1,415,347
205,545	87,981	Investment income	64,500	64,500	-	13,574
1,012,572	1,526,956	Other revenues	574,703	701,848	127,145	574,110
34,887	27,605	Net gain - joint ventures & associates	-	-		
44,711,050	45,786,081	Total Revenues	44,459,883	45,120,938	661,055	29,617,416
		EXPENSES				
13,738,897	14,050,351	Employee costs	15,653,541	15,497,841	(155,700)	10,550,265
18,773,524	18,936,897	Materials, contracts & other expenses	18,878,304	19,118,449	240,145	11,434,485
488,826	404,968	Finance costs	800,000	620,000	(180,000)	369,340
8,984,395	9,503,233	Depreciation, amortisation & impairment	9,734,338	9,734,338	-	4,867,170
345,790	515,399	Net loss joint ventures and associates	192,158	318,888	126,730	-
42,331,432	43,410,847	Total Expenses	45,258,341	45,289,516	31,175	27,221,260
2,379,618	2,375,234	OPERATING SURPLUS / (DEFICIT)	(798,458)	(168,578)	629,880	2,396,156
(1,207,316)	(1,529,255)	Net gain (loss) on disposal or revaluation of assets	27,000	27,000	-	-
-	-	Non-operating items - joint ventures and associates	-	-	-	-
1,131,089	744,208	Amounts specifically for new or upgraded assets	1,845,360	2,580,570	735,210	-
24,000	-	Physical resources received free of charge	-	-	-	-
2,327,391	1,590,187	NET SURPLUS (DEFICIT)	1,073,902	2,438,992	1,365,090	2,396,156
32,992,649	3,542,270	Changes in revaluation Surplus- infrastructure, property, plant & equipment	2,000,000	2,000,000	-	-
8,809	12,526	Share of Other comprehensive Income - joint ventures and associates	-	-	-	-
33,001,458	3,554,796	TOTAL OTHER COMPREHENSIVE INCOME	2,000,000	2,000,000	-	-
35,328,849	5,144,982	TOTAL COMPREHENSIVE INCOME	3,073,902	4,438,992	1,365,090	2,396,156



City of
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STATEMENT OF FINANCIAL POSITION
as at 30 June 2020

Actual 2018-2019	Actual 2019-2020		Adopted Budget 2020-2021	Revised Budget 2020-2021	Variance	Actual YTD February 2021
\$	\$		\$	\$		
		ASSETS				
		Current Assets				
12,152,115	9,177,369	Cash and cash equivalents	360,902	6,928,149	6,567,247	6,357,990
2,945,277	2,889,164	Trade & other receivables	4,619,051	2,619,051	(2,000,000)	13,304,831
15,097,392	12,066,533	Total Current Assets	4,979,954	9,547,201	4,567,247	19,662,821
		Non-current Assets				
136,305	104,780	Financial Assets	104,780	104,780	-	104,780
2,890,415	2,463,297	Equity accounted investments in Council businesses	2,563,297	2,436,567	(126,730)	2,503,654
473,423,465	476,469,020	Infrastructure, Property, Plant & Equipment	506,310,374	504,234,948	(2,075,426)	471,573,873
6,118,903	17,891,485	Other Non-current Assets	-	-	-	25,367,833
482,569,088	496,928,582	Total Non-current Assets	508,978,451	506,776,295	(2,202,156)	499,550,140
497,666,480	508,995,115	Total Assets	513,958,405	516,323,496	2,365,091	519,212,961
		LIABILITIES				
		Current Liabilities				
6,271,814	7,309,501	Trade & Other Payables	5,377,572	6,377,572	1,000,000	15,998,046
1,781,492	1,651,032	Borrowings	1,547,467	1,547,467	-	650,523
2,751,650	3,134,785	Short-term Provisions	2,800,910	2,800,910	-	3,308,796
10,804,956	12,095,318	Total Current Liabilities	9,725,949	10,725,949	1,000,000	19,957,365
		Non-current Liabilities				
5,387,783	10,356,769	Long-term Borrowings	14,420,133	14,420,133	-	10,356,769
1,202,865	1,159,734	Long-term Provisions	1,162,968	1,162,968	-	1,159,734
1,429,064	1,396,501	Liability - Equity accounted Council businesses	1,588,659	1,588,659	-	1,356,144
8,019,712	12,913,004	Total Non-current Liabilities	17,171,760	17,171,760	-	12,872,647
18,824,668	25,008,322	Total Liabilities	26,897,709	27,897,709	1,000,000	32,830,012
478,841,812	483,986,793	NET ASSETS	487,060,696	488,425,787	1,365,091	486,382,949
		EQUITY				
55,222,301	56,825,014	Accumulated Surplus	57,898,915	59,264,007	1,365,092	59,221,170
423,619,511	427,161,779	Asset Revaluation Reserve	429,161,781	429,161,780	-	427,161,779
478,841,812	483,986,793	TOTAL EQUITY	487,060,696	488,425,787	1,365,092	486,382,949



City of
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& St Peters

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2021

Actual 2018-2019	Actual 2019-2020		Adopted Budget 2020-2021	Revised Budget 2020-2021	Variance	Actual YTD February 2021
\$	\$			\$		
ACCUMULATED SURPLUS						
52,886,101	55,222,301	Balance at end of previous reporting period	56,825,013	56,825,014	-	56,825,014
2,327,391	1,590,187	Net Result for Year	1,073,902	2,438,992	1,365,090	2,396,156
-	-	Other Comprehensive Income	-	-	-	-
8,809	12,526	Share of other Comprehensive income - joint ventures and associates	-	-	-	-
55,222,301	56,825,014	Balance at end of period	57,898,915	59,264,006	1,365,090	59,221,170
ASSET REVALUATION RESERVE						
390,626,862	423,619,509	Balance at end of previous reporting period	427,161,781	427,161,780	-	427,161,779
32,992,649	3,542,270	Gain on revaluation of infrastructure, property, plant & equipment	2,000,000	2,000,000	-	-
423,619,511	427,161,779	Balance at end of period	429,161,781	429,161,780	-	427,161,779
478,841,812	483,986,793	TOTAL EQUITY AT END OF REPORTING PERIOD	487,060,696	488,425,786	1,365,090	486,382,949



STATEMENT OF CASH FLOWS
for the year ended 30 June 2021

Actual 2018-2019	Actual 2019-2020		Adopted Budget 2020-2021	Revised Budget 2020-2021	Variance	Actual YTD February 2021
		CASH FLOWS FROM OPERATING ACTIVITIES				
		<u>Receipts</u>				
44,391,495	46,202,352	Operating receipts	42,665,496	45,326,551	2,661,055	29,603,842
203,603	87,981	Investment receipts	64,500	64,500	-	13,574
		<u>Payments</u>				
(31,915,698)	(32,515,736)	Operating payments to suppliers & employees	(36,605,491)	(35,689,936)	915,555	(23,469,528)
(488,826)	(406,609)	Finance Payments	(800,000)	(620,000)	180,000	(369,340)
12,190,574	13,367,988	Net Cash provided by (or used in) Operating Activities	5,324,505	9,081,115	3,756,610	5,778,548
		CASH FLOWS FROM INVESTING ACTIVITIES				
		<u>Receipts</u>				
1,049,079	1,164,734	Grants specifically for new or upgraded assets	1,845,360	2,580,570	735,210	-
4,896	50,739	Sale of replaced assets	27,000	27,000	-	-
13,462	43,077	Repayments of loans by community groups	-	-	-	-
4,160	7,179	Capital contributed to associated entities	-	-	-	-
		<u>Payments</u>				
(9,009,191)	(8,919,370)	Expenditure on renewal/replacement of assets	(11,645,452)	(11,474,412)	171,040	(4,277,104)
(6,614,928)	(13,174,690)	Expenditure on new/upgraded assets	(8,331,243)	(6,426,856)	1,904,387	(3,239,601)
-	-	Loans made to community groups	-	-	-	-
(96,453)	(80,714)	Capital contributed to associated entities	(100,000)	(100,000)	-	(80,714)
(14,648,975)	(20,909,045)	Net Cash provided by (or used in) Investing Activities	(18,204,335)	(15,393,698)	2,810,637	(7,597,419)
		CASH FLOWS FROM FINANCING ACTIVITIES				
		<u>Receipts</u>				
-	6,500,000	Proceeds from Borrowings	5,870,831	5,870,831	-	-
		<u>Payments</u>				
(1,201,875)	(1,933,691)	Repayments of Borrowings	(1,807,467)	(1,807,467)	-	(1,000,509)
(1,201,875)	4,566,309	Net Cash provided by (or used in) Financing Activities	4,063,364	4,063,364	-	(1,000,509)
(3,660,276)	(2,974,748)	Net Increase (Decrease) in cash held	(8,816,466)	(2,249,219)	6,567,247	(2,819,380)
15,812,394	12,152,118	Cash & cash equivalents at beginning of period	9,177,369	9,177,369	-	9,177,369
12,152,118	9,177,370	Cash & cash equivalents at end of period	360,903	6,928,149	6,567,247	6,357,989



City of
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UNIFORM PRESENTATION OF FINANCES

for the year ended 30 June 2021

Actual 2018-2019	Actual 2019-2020		Adopted Budget 2020-2021	Revised Budget 2020-2021	Variance	Actual YTD February 2021
44,711,050	45,786,081	Income	44,459,883	45,120,938	661,055	29,617,416
(42,331,432)	(43,410,847)	less Expenses	(45,258,341)	(45,289,516)	(31,175)	(27,221,260)
2,379,618	2,375,234	Operating Surplus / (Deficit)	(798,458)	(168,578)	629,880	2,396,156
		<i>less Net Outlays on Existing Assets</i>				
9,009,191	8,919,370	Capital Expenditure on renewal and replacement of Existing Assets	11,645,452	11,474,412	(171,040)	4,277,104
(8,984,395)	(9,503,233)	less Depreciation, Amortisation and Impairment	(9,734,338)	(9,734,338)	-	(4,867,170)
(4,896)	(50,739)	less Proceeds from Sale of Replaced Assets	(27,000)	(27,000)	-	-
19,900	(634,602)		1,884,114	1,713,074	(171,040)	(590,066)
		<i>less Net Outlays on New and Upgraded Assets</i>				
6,614,928	13,174,690	Capital Expenditure on New and Upgraded Assets	8,331,243	6,426,856	(1,904,387)	3,239,601
(1,049,079)	(1,164,734)	less Amounts received specifically for New and Upgraded Assets	(1,845,360)	(2,580,570)	(735,210)	-
(4,160)	(7,179)	Proceeds from Sale of Surplus Assets				
5,561,689	12,002,777		6,485,883	3,846,286	(2,639,597)	3,239,601
(3,201,971)	(8,992,942)	Net Lending / (Borrowing) for Financial Year	(9,168,455)	(5,727,938)	3,440,517	(253,379)



FINANCIAL RATIOS
for the year ended 30 June 2021

Actual 2018-2019	Actual 2019-2020		Adopted Budget 2020-2021	Revised Budget 2020-2021	Actual YTD February 2021
Operating Ratio					
5%	5%	<u>Operating Result</u>	(2%)	(0%)	8%
		Total Operating Revenue			
Net Financial Liabilities Ratio					
8%	28%	<u>Net Financial Liabilities</u>	49%	40%	44%
		Total Operating Revenue			
Asset Sustainability Ratio					
130%	130%	<u>Net Asset Renewals</u>	140%	138%	na
		Infrastructure & Asset Management Plan required expenditure			
		<i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets,</i>			
Recommended for disclosure by Local Government Association					
2,379,618	2,375,234	Operating Surplus/(Deficit)	(798,458)	(168,578)	2,396,156
		<i>Being the operating surplus (deficit) before capital amounts .</i>			
3,590,971	12,837,009	Net Financial Liabilities	21,812,975	18,245,729	13,062,411
		<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in</i>			
Interest Cover Ratio					
1%	1%	<u>Net Interest Expense</u>	2%	1%	1%
		Total Operating Revenue less Investment Income			
Asset Consumption Ratio					
53%	61%	<u>Carrying value of depreciable assets</u>	57%	57%	52%
		Gross value of depreciable assets			
		<i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before</i>			
Requested by Council					
Debt Repayment to Rate Revenue Ratio					
5%	7%	<u>Debt Servicing</u>	7%	7%	6%
		Rate Revenue			

6.3 BORROWING & INVESTMENT PERFORMANCE FORECAST FOR YEAR ENDED 30 JUNE 2021

REPORT AUTHOR: Accountant
GENERAL MANAGER: General Manager, Corporate Services
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA155792
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to provide the Audit Committee with information on the management of the Councils' borrowings and investment performance, for the year ended 30 June 2021.

BACKGROUND

Pursuant to Section 140 of the *Local Government Act 1999* (the Act), the Council is required, at least once in each year, to review the performance (individually and as a whole) of its investments.

This report provides a summary of the outstanding debenture loans as at 30 June 2021, together with the outcome of the Councils investment performance.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's *Treasury Management Policy* which was adopted by the Council on 2 March 2020, requires a Treasury Management performance report to be presented to the Audit Committee, at least annually.

FINANCIAL AND BUDGET IMPLICATIONS

The financial implications arising from this report, relate to the Councils ability to meet loan instalment payments inclusive of interest when they fall due.

Through its annual budget process, the Council ensures that sufficient cash flow is maintained to service its financing obligations.

EXTERNAL ECONOMIC IMPLICATIONS

Nil.

SOCIAL ISSUES

Nil.

CULTURAL ISSUES

Nil.

ENVIRONMENTAL ISSUES

Nil.

RESOURCE ISSUES

Nil.

RISK MANAGEMENT

The risk management issues relate to the Councils ability to meet loan instalment payments when they fall due. This risk is minimised by the Annual Budget process which recognises the timing of cash requirements and the revenue required to manage the Councils operations.

CONSULTATION

- **Committee Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Nil.
- **Other Agencies**
Not Applicable.

DISCUSSION

Borrowings

Pursuant to Section 134 of the *Local Government Act 1999*, the Council can enter into financial arrangements as deemed appropriate by the Council, to borrow monies to fund recurrent operations and capital expenditure requirements.

The Council's policy is to borrow on a fixed interest basis for the term of the loan to fund Capital Projects. To minimise future financing costs, the current funding strategy is to utilise surplus funds in the first instance, with short-term funding needs being met through the utilisation of the Cash Advance Drawdown (CAD) facility held with the Local Government Financing Authority (LGFA).

As at 30 June 2021, the balance of outstanding borrowings is forecast to be \$10.3 million. The balance comprises five (5) active fixed interest rate loans. The Council has approved loan borrowings to the value of \$20.4 million which are yet to be drawn down. In addition, the Council has two (2) Cash Advance Drawdown (CAD) variable rate facility, held with the Local Government Financing Authority. Due to Covid-19, LGFA offered the Council a discounted convertible cash advance debenture loan facility where the interest rate is 0.75% off of the current standard variable interest rate of 2.05%. This discounted facility is a completely new facility and is effective for three (3) years from the date of drawdown. This facility will expire by 17 August 2023.

The active fixed interest loans have been provided by the Local Government Financing Authority. The loan terms range from fifteen (15) years to twenty (20) years, with the respective interest rates varying between 2.4% pa and 6.77% pa.

A listing of the Council's active loans is contained in **Attachment A**.

From 1 May 2020 to 30 April 2021, there was one (1) finalised loans. Debenture 17 matured on 15 November 2020 and was taken out in 2005 for the purposes of undertake 2010-2011 Infrastructure Work. The total principal payments and interest payments were \$3 million and \$1.117 million respectively. Debenture 13, which was taken out to fund 2005-2006 infrastructure works is due to mature on 15 June 2021. The total principal payments and interest payments were \$4.185 million and \$2.526million respectively.

Given the current cash reserves and projected timing of the capital expenditure, it is not anticipated that other Long Term Borrowings will be required before 30 June 2021, however there may be a need to draw down on the CAD facility to cover cash needs between June 2021 and the first quarter rates payments, which are due in September 2021.

Principal repayments made on long term active loans for the year to 30 June 2021, are forecast to be \$1.5 million.

The details of the movement in the loan balances are contained in **Attachment A**.

Investments

Pursuant to Section 139 of the *Local Government Act 1999*, the Council can invest monies under its control.

The Council's *Treasury Management Policy* allows for surplus funds which cannot be applied to reduce existing borrowings to be invested. Surplus funds are to be invested either:

- a. "At Call" with the Local Government Finance Authority; or
- b. fixed term investment products, where the term of the investment does not exceed a point in time where the funds could be applied to defer new borrowings or reduce existing borrowings.

For the 2020-2021 financial year, surplus funds are invested "At Call" with the Local Government Finance Authority. The balance of funds invested at 30 April 2021 was \$4.159 million. Interest earned on funds which have been invested, was \$17,092.

In addition to the 'At Call' account, the Council manages the 'St Peters RSL Trust Account'. The balance of Trust Account at 30 April 2021 was \$42,495. Interest earned to 30 April 2021 was \$156.

OPTIONS

Not Applicable.

CONCLUSION

Nil.

COMMENTS

Nil.

RECOMMENDATION

That Borrowing and Investment Report be recommended to the Council for endorsement.

Attachment A

Borrowing & Investment Performance Forecast for Year Ended 30 June 2021

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
Norwood
Payneham
& St Peters



City of
Norwood
Payneham
& St Peters

SCHEDULE OF BORROWINGS AS AT 30 JUNE 2021

FIXED RATE BORROWINGS

Loan Number	Purpose	Loan Type	Term of Loan	Principal Amount	Maturity Date	Interest Rate	Repayment Frequency	Principal Loan Balance Outstanding
Debenture No. 14	2004-2005 Infrastructure Works	Fixed Rate Reducing Balance	15 years	500,000	15/09/2021	6.77%	Bi-annual. (Principal and Interest)	25,918
Debenture No. 18	St Peters Town Hall Redevelopment	Fixed Rate Reducing Balance	15 years	4,000,000	15/02/2027	5.85%	Bi-annual. (Principal and Interest)	2,020,776
Debenture No. 19	St Peters Town Hall Redevelopment	Fixed Rate Reducing Balance	15 years	3,000,000	16/04/2027	6.10%	Bi-annual. (Principal and Interest)	1,528,834
Debenture No. 28	Purchase the Land for Hannaford Reserve	Fixed Rate Reducing Balance	20 years	656,000	15/03/2039	4.20%	Bi-annual. (Principal and Interest)	612,134
Debenture No. 29	Norowood Oval Members Facilities	Fixed Rate Reducing Balance	15 years	6,500,000	15/05/2035	2.40%	Bi-annual. (Principal and Interest)	6,135,254
Total				8,156,000				10,322,916

VARIABLE RATE BORROWINGS

Loan Number	Lending Institution	Loan Type	Expiry Date of Facility	Facility Limit	Amount Drawdown	Available Facility	Interest Rate	Interest Payment Frequency
NorwCA02	Local Government Financing Authority	Cash Advance Drawdown Facility	17/06/2028	6,000,000	-	6,000,000	Variable	Quarterly
NorwCA03	Local Government Financing Authority	Covid-19 Cash Advance Drawdown Facility	17/08/2023	4,500,000		4,500,000	0.75% off of CA02 Interest Rate	Quarterly
Total				6,000,000	-	6,000,000		



Movement in Loan Balance

Opening Balance \$ 11,863,945

FINALISED LOANS - From 30/06/2020 to 30/06/2021

Loan Number	Lending Institution	Loan Type	Term of Loan	Principal Amount Repaid	Repayment Date	Interest Rate	Interest Paid
Debenture 13	Local Government Financing Authority	Fixed Rate Reducing Balance	15 Years	4,185,200	15/06/2021	6.73%	2,526,470
Debenture 17	Local Government Financing Authority	Fixed Rate Reducing Balance	10 Years	3,000,000	15/11/2020	6.45%	1,117,302
Total				7,185,200			

NEW LOANS - FINANCIAL YEAR 2019-2020 (to 30 JUNE 2020)

Loan Number	Lending Institution	Loan Type	Term of Loan	Principal Amount	Maturity Date	Interest Rate	Purpose
	Local Government Financing Authority	Fixed Rate Reducing Balance					
Total				-			

Principal Repayments & New Loans

Fixed Term Loans	1,541,028
CAD Facility	
Total	1,541,028

Closing Balance \$ 10,322,917

Schedule of Investment as at 30 April 2020

DEPOSIT

Deposit	Investment Institution	Investment Type	Rate	Current Principal
Norwood 09 St Peters RSL T/Fund	Local Government Financing Authority	Fixed term	0.30%	40,000
Norwood 09 St Peters RSL T/Fund	Local Government Financing Authority	24HR	0.30%	2,495
Norwood General	Local Government Financing Authority	24HR	0.30%	4,159,734

6.4 GOVERNANCE ARRANGEMENTS – REGIONAL SUBSIDIARIES

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA63320
ATTACHMENTS: A - D

PURPOSE OF REPORT

The purpose of this report is to provide the Audit Committee with a record of information which has been provided to the Council since the last meeting.

BACKGROUND

At the Audit Committee meeting held on 21 January 2010, it was resolved:

“That reports be prepared by the General Managers responsible for each Regional Subsidiary on any matters of concern within the Subsidiary, for consideration by the Audit Committee in lieu of the distribution of minutes etc.”

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The emphasis of this report is to provide the Audit Committee an overview of the Draft 2021-2022 Budgets of the Council’s Regional subsidiaries which have been considered the Council.

The Councils Draft 2021-2022 Budget includes the respective cost of services which are delivered on behalf of the Council by the respective Regional Subsidiary and the Council’s share of the respective Regional Subsidiary operating result.

The Budget implications are discussed in the Discussion section of this report

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

There are no resource issues arising from this report.

RISK MANAGEMENT

There are no risk management issues arising from this report.

CONSULTATION

- **Committee Members**
Cr Minney is a Board member of ERA Water and Highbury Landfill Authority. Cr Mike Stock is a Board member of East Waste. Ms Brigid O'Neill is a member of the Audit Committee of ERA Water. Ms Sandra DiBlasio is a member of the Audit Committee of East Waste.
- **Community**
Not applicable.
- **Staff**
Chief Executive Officer
General Manager, Urban Services.
General Manager, Urban Planning and Environment.
- **Other Agencies**
Not Applicable.

DISCUSSION

Eastern Health Authority (EHA)

EHA have advised that the key priorities for the Authority for the 2021-2022 Financial year include:

- implementation of the Regional Public Health Plan, '*Better Living, Better Health*' as it applies to EHA;
- continuing to undertake the necessary public health functions on behalf of Constituent Councils to protect the health and well-being of the community during the COVID-19 Pandemic. Other COVID-19 priorities include:
 - the participation in Local Government COVID-19 meetings and forums to ensure consistency of approach in relation to public health and operational matters;
 - review of the Business Continuity Plan in light of the COVID-19 Pandemic; and
 - ensure operational activities (inspections, investigations, immunisation services etc.) are undertaken in line with required social distancing and hygiene measures to protect EHA employees and the community.
- promotion of EHA's online immunisation appointment booking system;
- conduct immunisation surveys to gain client feedback for use in development of the 2021 Clinic Immunisation Timetable;
- implement improvements to the recalls and reminders for overdue immunisation clients; and
- undertake the organisation service review which considers the current scope and delivery of public and environmental health services by EHA to its Constituent Councils.

While the Authority's Charter does not require the Constituent Councils to endorse the Draft Budget, by virtue of the endorsement of the Business Plan, the Council is also ostensibly endorsing the EHA Draft Budget.

EHA's main source of income to fund its operations is contributions from its Constituent Councils. To deliver the Annual Business Plan, EHA requires contributions of \$1,828,263 (which equates to a 2.1% or \$33,589 increase on 2020-2021) to fund the operational expenditure, with the respective Councils contribution being based on the weighted activities across nine (9) categories which are detailed in **Table 1** below.

TABLE 1: ACTIVITY WEIGHTING

Activity Description	Activity Weighting	NPSP Share
Administration	12.5%	2.5%
Number of Food Premises	35.00%	13.08%
Swimming Pools	2.00%	0.60%
Cooling Towers	6.50%	2.24%
Supported Residential Facilities	6.50%	1.30%
Environmental Health Complaints	7.00%	2.08%
Hairdresser/Beauty	6.50%	2.44%
Year 8/10/11 Enrolments (Vaccinations)	15.00%	4.68%
Average Number of Clients Receiving Vaccinations	15.00%	4.60%

It should be noted that the Council's ownership share of EHA has decreased from 32.74% to 31.27%, a decrease of 2.48%, driven by a reduction in proportion of environmental health complaints and school enrolment numbers.

As a receiver of services from EHA, the Council's Draft 2021-2022 Budget includes a funding allocation for the provision of environmental health services of \$571,786 for its share the operational service review. Given that EHA are forecasting a break even operating result, the Council's draft 2021-2022 Budget does not need to be adjusted to include this Council's share of the EHA Operating result. A copy of the Authority's draft Annual Business Plan and Budget is contained in **Attachment A**.

East Waste

The East Waste Draft 2020-2021 Budget has been developed based on a Common Fleet Costing methodology, with Common Fleet Costs, which predominately relate to collection costs, being charged to Constituent Councils based on the cost to undertake the collection of each Council's waste streams. The allocation of the Common Fleet Costs is based on the GPS System utilised by East Waste.

In addition, where Constituent Councils utilise East Waste for other services such as Contract Management Services (Disposal and Resource processing) and Waste Bin Maintenance, these services are on charged to Councils at cost.

The Draft 2021-2022 Budget is reporting an Operating Surplus of \$16,000. The Council's share of the draft Operating Surplus is \$2,288, which is based on an ownership share of the Authority of 14.3%.

The Authority's collection costs have increased by 2.35% on the 2020-2021 Budget, however for this Council, the collection cost has increased by 7.8%, which is significantly higher than the overall increase in the East Waste collection costs. East Waste have advised that the higher than average increase for our Council is due to two key factors, these being:

- A new charge for the collection of waste bins in narrow streets (\$60,000). East Waste has advised that without permanent parking controls within the narrow streets which allow ease of access for the Waste Collection trucks it is no longer feasible, logistically or reputationally, to continue with the existing collection practices. However, it should be noted that to date, East Waste has yet to articulate the basis upon which the new charge has been calculated.
- An increase in Organics collections, which has contributed to an increase in the common fleet collection percentage, from 16.52% to 16.93% for the current financial year.

The Council's Draft Waste Management Budget, reflects a proposed Common Fleet fee of \$2.204 million (2020-2021 \$2.098 million) to be charged for the collection of this Councils waste streams, which include Domestic waste, Green Organics, Recyclables, Public Litter Bins, Illegal Dumping and pre-booked Hard Rubbish Collection. The year-on-year increase in the Common Fleet Cost is 5.42%, which is made up of the Council share of the increased common fleet costs (\$44,880), offset by a slight reduction in the Council's share of Common Fleet Costs from 16.6% to 16.5% (\$46,302)

While the East Waste Budget includes income from disposal costs, the disposal charges are a “pass through” cost from East Waste to each Constituent Council; as such the Council’s proposed budget for the disposal of the Council’s streams is based on the Council’s estimate of waste which is collected and processed as opposed to the East Waste estimates.

The East Waste Draft 2021-2022 Annual Plan is contained in **Attachment B**.

ERA Water

The Draft Budget assumes that 305ML of water will be sold in the 2020-2021 Financial year, with the first 205ML of the available water, being sold to the Constituents Councils on a take or pay basis and the balance (91.5ML) being made available for third parties. The water sold to Constituent Councils will be priced at the SA Water price, which is forecast at \$2.85/kl. Forecast income from Constituent Councils is in the order of \$594,000. It should be noted that due to the take or pay basis, Constituent Council pre-pay their respective water allocations in July.

The third party water sales, are assumed to be made at 85% of the SA Water price, with the income forecast at \$261,000 and represent 30% of total water sales for 2021-2022.

Operating costs are forecast to be \$642,000 which includes Employee Expenses of \$250,000. Fixed Operating costs of \$123,000 and other variable operating costs of \$269,000 to operate and maintain the Scheme. The Scheme’s operational costs include mechanical and electrical operations and maintenance support provided by an external contractor, licence fees, water testing, utilities costs and administration costs such as insurances, audit fees and general administrative costs.

The ERA Water Draft 2021-2022 Budget includes Capital Expenditure of \$150,000, which includes \$100,000 to support additional connections to external customers, and \$50,000 as a general provision for capital works.

The Draft 2021-2022 Budget is forecasting an Operating Deficit of \$600,000. This Councils share of the Operating Deficit, which will be required to be included in the Councils 2021-2022 Budget is \$200,000. While ERA Water is budgeting for an Operating Deficit, ERA Water has sufficient access to cash to fund the expenditure shortfall and therefore, there will be no capital contributions required to be made by the Constituent Councils.

The Draft Budget includes water sales to this Council of \$217,440, which is based on water consumption of 76.67ML. The Council’s Draft 2021-2022 Budget include a budget estimate of \$366,000, which includes water sourced from SA Water and ERA Water for the Councils reserves, parks, medians and sporting grounds.

A copy of the Draft Budget is contained in **Attachment C**.

Highbury Landfill Authority

The Draft Budget includes expenditure items associated with the post-closure requirements which include:

- monthly monitoring of landfill gas and annual monitoring of ground water across the landfill site;
- site maintenance, which includes ongoing maintenance for fire control, fencing and access track maintenance; and
- administration costs such as insurance, utilities, Council rates and general administration of the Authority.

The Authority is required to oversee the management of the site until a steady state of conditions in respect to the gas emissions is maintained, which could be more than 25 years.

The Post Closure Provision, relates to anticipated future liability to manage the post closure of the landfill.

The Authority will require a Capital Contribution of \$200,000 from the Constituent Councils to fund the Post-Closure Provision expenditure, which includes monitoring and site maintenance costs. This Council's share of the Capital Contribution is \$80,714.

The Council's Draft Budget will also incorporate the Councils Share (40.4%) of the Authority's projected Operating Deficit of \$8,264 with this Council's share of the deficit being \$3,305.

A copy of the Draft Budget is contained in **Attachment D**.

OPTIONS

Nil.

CONCLUSION

Nil.

COMMENTS

Nil.

RECOMMENDATION

That the report be received and noted.

Attachment A

Governance Arrangements - Regional Subsidiaries

Eastern Health Authority Draft 2021-2022 Annual Business Plan

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
Norwood
Payneham
& St Peters



Annual Business Plan 2021/22



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Activities for 2021-2022

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The Eastern Health Authority (EHA) Charter requires an Annual Business Plan to support and inform its Annual Budget which:

- includes an outline of:
 - (i) EHA's objectives for the financial year
 - (ii) the activities that EHA intends to undertake to achieve those objectives
 - (iii) the measures (financial and non-financial) which EHA intends to use to assess its performance against its objectives over the financial year
- assesses the financial requirements of EHA for the financial year and taking those requirements into account, sets out a summary of its proposed operating expenditure, capital expenditure and sources of revenue
- sets out the structure for determining Constituent Council contributions for the financial year

The Budgeted Financial Statements can be found on pages XX and consist of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity.

This document presents the Annual Business Plan for EHA for the 2021-2022 financial year.



ABOUT EASTERN HEALTH AUTHORITY

Section 43 of the *Local Government Act 1999* enables two or more councils (known as Constituent Councils) to establish a regional subsidiary to perform a function of the council in a joint service delivery arrangement.

The Constituent Councils listed below established Eastern Health Authority in 1986 to discharge their respective environmental health responsibilities that are mandated in the *South Australian Public Health Act 2011, Food Act 2001 and Supported Residential Facilities Act, 1992*

- City of Burnside (Burnside)
- Campbelltown City Council (Campbelltown)
- City of Norwood Payneham and St Peters (NPSP)
- City of Prospect (Prospect)
- The Corporation of the Town of Walkerville (Walkerville)

EHA undertakes a wide range of functions on behalf of its Constituent Councils to protect the health and wellbeing of approximately 160,000 residents plus those people who visit the region. These functions include the provision of immunisation services, hygiene and sanitation control, licensing and monitoring of Supported Residential Facilities (SRFs) and surveillance of food premises.

The table below provides a snapshot of the environmental health services provided for each Constituent Council.

Table 1: Snapshot of the environmental health services provided for each Constituent Council

Activity Data	Burnside	C/Town	NPSP	Prospect	Walkerville	Total
No. of Food Premises	296	299	494	188	45	1,322
Swimming Pools	19	6	13	2	3	43
High Risk Manufactured Water Systems	9	8	10	2	0	29
Supported Residential Facilities	1	2	1	1	0	5
Environmental Health Complaints	39	60	55	24	7	185
Hairdresser/Beauty Treatment Premises	71	64	108	33	12	288
Number of high school student enrolments	1,432	1,219	1,414	270	195	4,530
Average clients receiving vaccines at public clinics	916	1,166	1,152	295	228	3,757

OVERVIEW OF THE BUSINESS PLAN

EHA develops an Annual Business Plan for the purposes of translating strategic directions into actions, outputs and outcomes for the relevant financial year.

EHA has set the following priorities as part of the 2021-2022 Annual Business Plan:

Priorities

- Implement the elements of the Regional Public Health Plan, 'Better Living, Better Health' as they apply to EHA.
- Formally commence the SA Health Food Star (voluntary) Rating Scheme.
- Participate in Local Government COVID-19 meetings and forums to ensure consistency of approach in relation to public health and operational matters where applicable.
- Administer any required COVID-19 State Directions and undertake the required surveillance based on advice received from the LGFSG who are considered as our lead agency.
- Review of the EHA Business Continuity Plan considering COVID-19.
- Ensure operational activities (inspections, investigations, immunisation services etc) are undertaken in line with required physical distancing and hygiene measures to protect EHA employees and the community.
- Use advocacy of Adelaide PHN to encourage State and Federal Government to include EHA services for current / ongoing phases of COVID-19 vaccination.
- Promotion of online immunisation appointment system.
- Provision of School Based Immunisation Program to Year 8 and 10 students.
- Engagement with schools to provide immunisation information when requested.
- Continue the Adelaide PHN – Immunisation Community Engagement partnership project.
- Continue to develop the EHA Immunisation brand.
- Conduct immunisation surveys to gain client feedback for use in development of the 2022 Clinic Immunisation Timetable.
- Update and expand the current wastewater register to clearly identify systems installed in areas not connected to sewer system.
- Develop school temporary event fair/fete information pack.
- Undertake a service survey and investigate the feedback to identify areas of improvement and development of further educational materials within the food safety area.

FUNDING THE BUSINESS PLAN AND THE BUDGET

EHA bases its expenditure on the services required to ensure its Constituent Councils are meeting their wide range of legislative responsibilities which are mandated in a range of legislation including the *South Australian (SA) Public Health Act 2011*; *Food Act 2001*; *Supported Residential Facilities Act 1992* and the *Local Government Act 1999*.

The forecast for the 2021/2022 financial year is that EHA's operating result will be a breakeven result. To achieve this operating budget result, a total of \$1,828,263 will be raised through contributions from our Constituent Councils for operational expenditure.

Sources of revenue other than Constituent Council contributions which are utilised to fund the activities of EHA are listed on below.

Statutory Charges relate mainly to fees and fines levied in accordance with legislation and include food inspection fees, supported residential facility licences, and environmental health related fines.

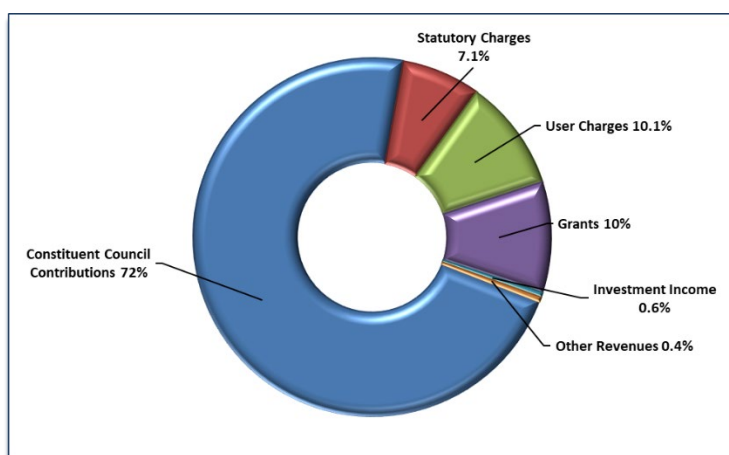
User Charges relate to the recovery of service delivery costs through the charging of fees to users of EHA's services. These include the provision of food safety audit services, workplace immunisation programs and fee vaccines at community immunisation clinics.

Grants which include monies received from State and Federal Governments for the purposes of funding the delivery of the programs such as immunisation services.

Investment income which includes interest on operating cash held with the Local Government Finance Authority.

Other Revenues relate to a range of unclassified items which do not fit within the main income categories.

Graph 1 – Funding Sources



FINANCIAL INDICATORS

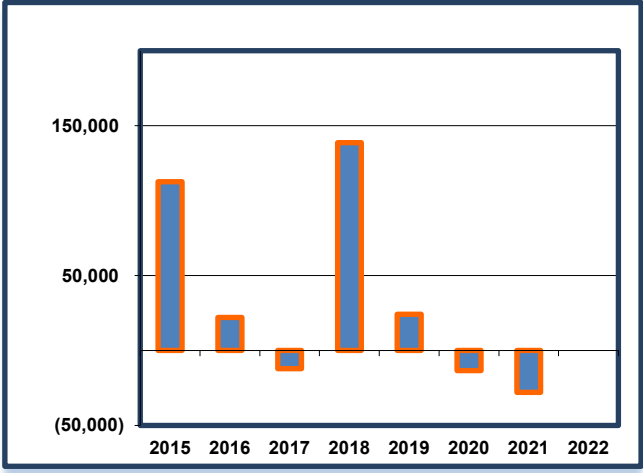
A series of financial indicators have been developed by local government to assist in determining whether a local government organisation is financially sustainable or moving to a position of financial sustainability. Indicators with relevance to EHA are set out below.

Operating Surplus (Deficit) indicates the difference between day-to-day income and expenses for the particular financial year.

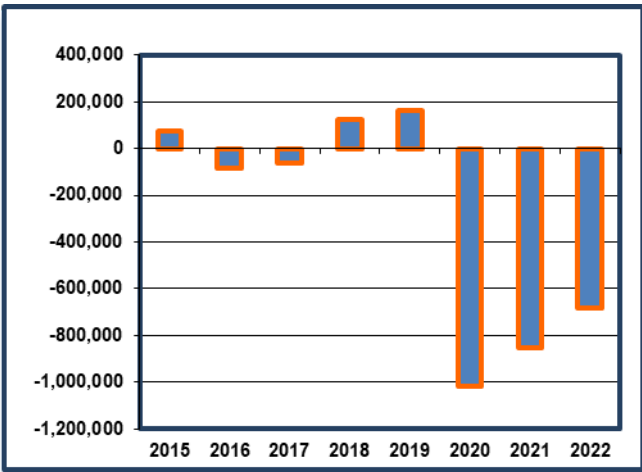
Net Financial Assets indicates the money held, invested or owed to EHA less money owed to others (including provisions for employee entitlements).

Net Financial Assets Ratio indicates the extent to which net financial assets of a subsidiary can meet its operating revenue.

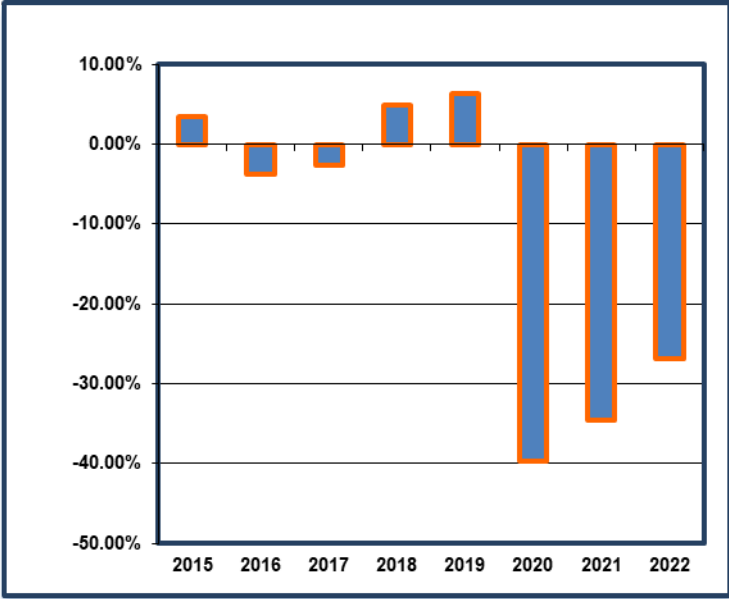
Graph 2: Operating Surplus / (Deficit)



Graph 3: Net Financial Assets



Graph 4: Net Financial Assets Ratio



Note – Net Financial Assets have been impacted by application of AASB Standard 16 Leases as they relate to building and vehicle leases.

Another useful financial indicator is the percentage of Constituent Council total expenditure used on Public Health services provided by EHA as seen in Table 2 below.

Table 2: Each Constituent Council’s expenditure on Public Health services provided by EHA

	Constituent Council Contribution 2020/2021	Operating Expenditure 2020/2021	EHA as % of Expenditure
Burnside	\$ 438,131	\$ 48,755,000	0.90%
Campbelltown	\$ 452,548	\$ 51,386,969	0.88%
NPSP	\$ 586,308	\$ 45,248,000	1.30%
Prospect	\$ 210,656	\$ 25,703,000	0.82%
Walkerville	\$ 103,032	\$ 10,196,985	1.01%
Total Constituent Council Expenditure	\$ 1,790,674	\$ 181,289,954	0.99%

ACTIVITIES FOR 2021-2022

The following information reflects the actions which will be performed to achieve the objectives for EHA over the next 12 months.

1.0 – Governance and Organisational Development

Background

Practices which ensure EHA conducts its business in an effective manner include the provision of appropriate support to the Board of Management, sound financial and human resource management and good governance and administration procedures.

Objective 1 Administration of legislative and corporate governance requirements

Actions	Performance Measures
1.1 Monitor the compliance of statutory requirements identified in the Charter.	Statutory requirements complied with as per Charter.
1.2 Properly convene Board meetings providing agendas and minutes.	5 meetings conducted. Appropriate notice given. Timeframe met.
1.3 Conduct election for Chair and Deputy Chair of Board of Management in February.	Election conducted at February meeting.
1.4 In accordance Clause 6.5 of EHA's Charter 2016, undertake the required strategies to attain any priority or goal which the Regional Public Health Plan, 'Better Living, Better Health' (the Plan) specified as EHA's responsibility.	As detailed in 'Better Health, Better Living' 'Protection for Health'.
1.5 Provide administrative assistance to the Public Health Plan Advisory Committee.	Meetings conducted as required.
1.6 Annual business plan to be developed with detailed objectives for the year in consultation with Constituent Councils.	Draft considered at April/May meeting and adopted at June meeting.
1.7 Develop budgeted financial statements to implement the Annual Business Plan of EHA. Draft Budgeted Financial Statements considered at April/May meeting. Budgeted Financial Statements adopted at June meeting.	Budget and Financial Statements adopted. Copy of budget provided to CEO of Constituent Councils within 5 days of adoption.
1.8 Keep proper books of account, regularly report on the financial position of EHA, and apply prudent financial management as required by the Charter.	Financial reports provided at each Board Meeting. Budget reviews presented at October, February and May meetings.

Actions	Performance Measures
1.9 Conduct Audit Committee meetings as required by Charter.	Audit committee meet minimum of two times per annum.
1.10 Ensure the financial statements are audited annually as per the requirements of the Charter.	Audited financial statements adopted at August/September meeting and provided to Constituent Councils within 5 days.
1.11 Monitor Long Term Financial Plan.	Plan reviewed annually as part of budget process.
1.12 Provide regular statistical reports to Board Members and Constituent Council.	Reports provided at scheduled Board meetings.
1.13 Conduct review of delegations as required. Lead Constituent Councils in process. Resolutions and Instruments of delegation provided to Constituent Councils.	Documents provided to Constituent Councils. Delegations from EHA to CEO reviewed as required.
1.14 Provide information to the Board of Management in relation to public health reforms and provide written responses on behalf of EHA and Constituent Councils to State Government.	Information reports provided to Board and distributed to Constituent Councils as required.
1.15 Compile annual report in relation to the operations of EHA as required by the charter.	Annual report provided to Constituent Councils by 30 September.
1.16 Compile report pursuant to the <i>South Australian Public Health, Act 2011</i> in relation to the operations of EHA as required by legislation.	Report adopted at relevant Board meeting and provided to Public Health Council.
1.17 Compile annual report pursuant to the <i>Food Act 2001</i> and <i>Safe Drinking Water Act, 2011</i> in relation to the operations of EHA as required by legislation.	Report adopted at August meeting and provided to SA Health.
1.18 Compare Annual Business Plan against performance measures.	Report presented to September meeting.
1.19 Convene meetings of Constituent Council nominated contacts. Work with contacts to actively promote EHA's services to the Constituent Councils.	4 meetings conducted per year.
1.20 Maintenance of electronic records management system to properly maintain records and reference documents of EHA.	System developed to ensure appropriate standards are being met.
1.21 Continually review the EHA website to improve the functionality and available information and educational material.	Improved website functionality and available information.

Actions	Performance Measures
1.22 Finalise the EHA Customer Service Public Health Enquiry Guidelines.	Document finalised.
1.23 Explore the potential for the expansion of service provision to areas outside of its current Constituent Council areas.	Report to Board on expansion opportunities.
1.24 Maintenance of Health Manager (electronic database) and Mobile Health (inspection App). Continue to expand Health Manager and Mobile Health internal and external functionality, to improve inspection, complaint and administrative efficiency and reporting capabilities.	Introduce new applications and reporting capabilities where required. Continue to liaise with Open Office to discuss new applications.
1.25 Participate in the Environmental Managers Forum to address environmental health issues and promote uniformity and professional consistency.	Management to attend and participate in the Environmental Managers Forum meetings.
1.26 Engage with LGA, non Government Organisations and state and local government authorities to review best practice standards and promote uniformity and professional consistency.	Engage and actively participate in opportunities to promote consistency.
1.27 Continue membership and actively participate in the Eastern Adelaide Zone Emergency Management Committee to develop and finalise the Eastern Zone Emergency Management Plan.	Attend the Eastern Adelaide Zone Emergency Management Committee and actively contribute towards the development of the Eastern Zone Emergency Management Plan.

Objective 1.1 Professional, skilled and committed staff providing valued services to the community

A work environment which helps to promote a dynamic and committed workforce is a priority for EHA. Organisational capacity is created through encouraging collaboration and peer support. Our staff who create and retain our Knowledge Capital are our most valuable asset.

Actions	Performance Measures
1.1.1 Ensure that EHA is properly staffed and resourced in order to carry out its responsibilities.	Continually review staff resources and report to Board if required.
1.1.2 Performance development framework used to support staff and link to day-to-day and long-term activities within the Annual Business Plan and Public Health Plan and to provide for an equitable workload.	Performance development framework and staff portfolios reviewed annually.
1.1.3 Provide continuing professional development opportunities through ongoing education and training which is relevant to roles within EHA.	Training and education opportunities provided to staff.
1.1.4 Continue to foster team cohesiveness and support effective teamwork.	Training and team building activities provided to staff.
1.1.5 Encourage staff to be members of their relevant professional organisation. Support participation and EHA representation at professional Special Interest Groups to promote uniformity, professional consistency and to discuss the latest information in relation to public health issues affecting local government.	Encourage membership and active participation.
1.1.6 Provide systems for a safe working environment with appropriate Work Health and Safety (WHS) practices in place.	WHS to be discussed at all team and general staff meetings. Provide appropriate training and equipment to new staff.
1.1.7 Review the Work Health Safety action plan outlining program of improvements required in EHA's WHS 3 Year Plan.	Action plan reviewed with input from staff.
1.1.8 Periodic review of EHA's induction program to ensure EHA staff are and familiar with EHA's methods of operation upon commencement of employment.	Periodic review and induction program updated.

2.0 – Public and Environmental Health

Background

Environmental Health is the branch of public health that focuses on the interrelationships between people and their environment, promotes human health and well-being, and fosters healthy and safe communities. website: NEHA

The *South Australian Public Health Act 2011* (the Act) and Regulations aims to provide a modernised, flexible, legislative framework to respond to both traditional and contemporary public health issues. The Act and Regulations are mechanisms employed by EHA to fulfil its duty of care on behalf of the Constituent Councils with the following public health issues:

- management of domestic squalor and hoarding
- clandestine drug laboratory
- vector control
- surveillance of swimming pool, spa pool, cooling tower and warm water system operations
- assessment of hairdressing salons, beauty salons, acupuncture clinics and tattoo parlours
- approval and inspection of waste control systems
- prevention and control of notifiable diseases
- discharge of waste to stormwater

Environmental health professionals also have a critical function in mitigating public health risks during a response to a disaster. An emergency management plan that integrates with the Eastern Regional Disaster Management Plan has been developed to ensure appropriate linkages are in place with emergency service agencies and the councils EHA serves.

An extension to public health is the licensing of Supported Residential Facilities (SRF's). SRF's provide accommodation to people in the community who require personal care and support. EHA is licensing authority of all SRF's within the Constituent Councils. The *SRF Act, 1992* ensures adequate standards of care and amenity are provided at these facilities to protect the health and wellbeing and rights of the residents.

To protect the health and well-being of the community during the COVID-19 crisis, it is imperative for EHA to continue to undertake the necessary functions on behalf of its Constituent Councils. These functions are controlled by the limitations set by the Federal

Government Restrictions and State Government Directions. The surveillance and investigation of the necessary environmental health provisions during the COVID-19 crisis will be modified to acknowledge the advice received from the LGFSG who are considered as our lead agency.

Where inspections and investigations are undertaken, the Environmental Health Officers ensure they practice the required physical distancing and hygiene measures to protect themselves and the community.

Objective 2 **Promote healthy communities by managing the risk from communicable and infectious disease and environmental impacts**

Actions	Performance Measures
<p>2.1 Maintain and update a register of applicable public health related premises. Public Health related premises are:</p> <ol style="list-style-type: none"> 1. premises with public swimming pools and spas 2. premises with cooling tower systems and warm water systems 3. personal care and body art 4. onsite wastewater management systems <p>Maintain and update a register of all public health related complaints.</p>	<p>Register maintained and updated as required.</p>
<p>2.2 Undertake assessments and investigate complaints to determine appropriate standards of public swimming pools and spas are maintained in accordance with the <i>South Australian Public Health (General) Regulations 2013</i>.</p> <p>Inspection frequency may change subject to compliance.</p>	<p>All indoor pools assessed twice a year and outdoor pools once a year. Investigate and respond to complaints in accordance with the customer service standards.</p>
<p>2.3 Undertake assessments and collect water samples for analysis to determine appropriate standards of cooling towers and warm water systems for the management of <i>Legionella</i> in accordance with <i>South Australian Public Health (Legionella) Regulations 2013</i>.</p>	<p>Assessments performed at least annually.</p>
<p>2.4 Investigate notifiable <i>Legionella</i> incidences and high <i>Legionella</i> counts in accordance with SA Health guidance and internal procedures.</p>	<p>Investigate incidences in accordance with EHA service standards and SA Health guidance.</p>
<p>2.5 Undertake assessments and investigate complaints to determine appropriate standards at personal care and body art premises are maintained in accordance with guidelines and legislation.</p>	<p>Assessments performed according to risk-based schedule. Investigate and respond to complaints in accordance with the customer service standards.</p>
<p>2.6 Assess applications and undertake the required inspections for the installation of on-site wastewater systems in accordance with <i>South Australian Public (Wastewater) Regulations 2013</i>, the On-site Wastewater System Code 2013 and AS 1547 internal procedures, and service standards.</p>	<p>Applications assessed and onsite inspections undertaken in accordance with the legislative requirements.</p>
<p>2.7 Monitor service reports for aerobic wastewater treatment systems to identify non-compliances. Ensure non-compliances are addressed in accordance with <i>South Australian Public (Wastewater) Regulations 2013</i>.</p>	<p>Monitor service reports for wastewater treatment systems to identify non-compliances.</p>

Actions	Performance Measures
<p>2.8 Update and expand the current wastewater register to clearly identify systems installed within the non-sewered Constituent Council areas.</p>	<p>Update and expand the current register.</p>
<p>2.9 Respond to public health enquiries/complaints within the built environment that give rise to a risk to health in relation to:</p> <ul style="list-style-type: none"> - hoarding and squalor - sanitation - vector control - hazardous and infectious substances <ul style="list-style-type: none"> clandestine Drug Laboratory asbestos syringes - on-site wastewater systems - notifiable diseases - refuse storage - COVID-19 (physical distancing) <p>Co-ordinate a multi-agency response where necessary.</p> <p>Undertake joint investigations with Constituent Councils where there may be an overlap relating to offences relating to <i>SA Public Health Act 2011, Environmental Protection (Water Quality) Policy 2015 and the Local Nuisance and Litter Control Act, 2017.</i></p>	<p>Enquiries/complaints are investigated in accordance with the customer service standards and Guidelines.</p> <p>Undertake joint investigations with Constituent Councils where required.</p>
<p>2.10 Administer the COVID-19 State Directions and undertake the required surveillance and report where required to SAPOL based on advice received from the Local Government Functional Support Group (LGFSG) who are considered as our lead agency.</p> <p>Continue to report COVID-19 physical distancing breaches on the LGA i-Responda Portal as advised and required by the LGA.</p>	<p>Surveillance and reporting as required by LGFSG.</p>
<p>2.11 Provide information to households informing them of localised pests/vector issues that can be minimised. Provide rodent bait to residents upon request.</p>	<p>Provide information and rodent bait to residents as required.</p>
<p>2.12 Undertake relevant notifiable disease investigations in collaboration with SA Health.</p>	<p>Respond to disease notifications in accordance with customer service standards and SA Health guidance.</p>
<p>2.13 Provide advice and information materials to residents about air quality concerns including the installation, operation and standards of solid fuel burning appliances.</p>	<p>Information available to community and via website as required.</p>
<p>2.14 Assist members of the community by offering approved sharps containers at cost price. Free disposal for residents of full and approved sharps containers delivered to EHA.</p>	<p>Provide sharps containers at cost price and free disposal service to residents as required.</p>

Actions	Performance Measures
2.15 Continue to co-ordinate and attend the Eastern Hoarding and Squalor Committee meetings to promote interagency management of residents affected by hoarding and squalor.	Coordinate and attend the Eastern Hoarding and Squalor meetings.
2.16 Participate in Metropolitan Fire Service fire risk notification system.	Notify MFS when required as per the notification process.
2.17 Respond to development application referrals from councils regarding public health related premises and activities.	Respond to all referrals in accordance with the customer service standards.
2.18 Monitor providers who supply water to the public under the <i>Safe Drinking Water Act 2012</i> to meet the requirements set out by the Act and <i>Safe Drinking Water Regulations 2012</i> .	Continue to monitor potential water providers to ensure compliance with the Act and associated regulations.

Objective 2.1 An innovative approach to public and environmental health through community and business education and interaction to increase awareness and understanding

Actions	Performance Measures
2.1.1 Develop and maintain a comprehensive range of health education and promotion material targeting public health issues incorporating the resources of other health related agencies.	Information resources updated as required.
2.1.2 Promote EHA services and educate the community on matters of public health in conjunction with Constituent Councils.	Provide information updates and articles to Constituent Councils as required.
2.1.3 Participate in State/National proactive educational initiatives that raise awareness of public health related issues amongst the community.	Number of proactive educational activities conducted each year.

Objective 2.2 Promote a safe and home-like environment for residents by ensuring quality of care in supported residential facilities

Actions	Performance Measures
2.2.1 Assess applications for new licences, licence renewals and transfer of licence with regard to SRF legislation and within legislative timeframes.	Applications processed within legislative timeframes.

	Actions	Performance Measures
2.2.2	Assess applications for manager and acting manager with regard to SRF legislation.	Applications processed in accordance with the customer service standards.
2.2.3	<p>Conduct relicensing audits of facilities with regard to SRF legislation.</p> <p>Incorporate appropriate annual fire safety requirements from the Constituent Councils Building Fire and Safety Officers.</p>	<p>Unannounced audits conducted at all facilities. Issue of licences annually with conditions where required.</p> <p>Fire safety advice obtained annually. If required, include as licence conditions as agreed between EHA and Constituent Councils.</p>
2.2.4	Conduct follow-up inspections to ensure facilities continue to operate at satisfactory standards in accordance with the legislation.	Unannounced inspections and follow-ups conducted at SRFs where required.
2.2.5	Respond to enquiries/complaints in relation to SRFs.	Respond to all enquiries and complaints in accordance with the customer service standards.
2.2.6	Liaise with service providers to ensure residents receive appropriate levels of care.	Liaise where required.
2.2.7	Liaise with Constituent Councils and other relevant stakeholders in relation to potential SRF closures and surrender of licence, strategic management options and appropriate alternative accommodation options.	Issues investigated and reported to Board of Management and relevant council as necessary.
2.2.8	Liaise with LGA and State Government to ensure legislation applicable to SRFs is appropriate and that local government receives appropriate support for its licensing role.	Continue discussion with LGA and State Government regarding these issues.
2.2.9	Ensure COVID-19 State Directions are administered as guided by the LGFSG and DHS to protect the health and well-being of the SRF residents.	Monitor communication from LGFSG and DHS and operating within the current Directions.

Objective 2.3 Minimise the public health consequences of emergencies through a planned and prepared response

Actions	Performance Measures
2.3.1 Liaise with the Constituent Councils and Eastern Adelaide Zone Emergency Management Committee to ensure integration of emergency management arrangements.	Attend and participate in committee meetings.
2.3.2 Conduct exercises with staff to test the Emergency Management Plan and Business Continuity Plan. Participate in any relevant exercises conducted by the Constituent Councils or by other organisations.	Conduct or participate in one exercise a year.
2.3.3 Conduct exercises with staff to test the Emergency Management Plan and Business Continuity Plan. Participate in any relevant exercises conducted within the region by other organisations.	Conduct or participate in one exercise a year.
2.3.4 Review and update emergency management information and proactively provide public health and food safety information to the community and businesses via the website or email.	Review and update as required.
2.3.5 Participate in the LGFSG and work with other agencies and councils in our emergency management zone regarding the coronavirus (COVID-19).	Participate when resources allow.
2.3.6 Review of Business Continuity Plan considering COVID-19.	Plan Finalised.
2.3.7 Emergency Management Plan strategies to be reflected in the Public Health Plan and Risk and Opportunity Management Policy and Framework to ensure consistency over the three strategic plans.	Emergency Management Plan incorporated in the Risk and Opportunity Management Policy and Framework. The Emergency Management Plan to be recognised during the public health planning process.

3.0 – Immunisation

Background

Immunisation is the most cost-effective public health initiative and saves millions of lives each year and is critical for the health of children and the wider community. Immunisation is a safe and effective way of protecting people against harmful diseases that can cause serious health problems.

The National Immunisation Program (NIP) Schedule is a series of immunisations given at specific periods for children, adolescents, and adults. The NIP provides free vaccines against 17 diseases (including shingles) for eligible people and EHA delivers these vaccinations at its public clinics and school visits. EHA also offers the Annual Influenza Vaccine at its public clinics and worksites to prevent the highly contagious respiratory illnesses caused by Influenza A and B.

Each school year vaccines are provided to adolescents through the NIP's consenting School Immunisation Program (SIP). The program currently includes Year 8 and Year 10 students with year 8s receiving with two doses of human papillomavirus (HPV) and one dose of diphtheria, tetanus and whooping cough vaccine (dTpa). Year 10 students receive two doses of the Meningococcal B vaccine and one dose of Meningococcal ACWY vaccine. EHA will undertake approximately 62 visits to 17 high schools offering vaccinations to 2,450 Year 8 students and 2,492 Year 10 students.

Workplace Immunisation programs are conducted on a fee for service basis. A total of 3,466 vaccinations were provided during 98 worksite visits to EHA clients in 2020. EHA actively account manages workplace clients to ensure return business and strives to provide a professional service. Where staffing resources allow, EHA continues to pursue new business opportunities, working to increase the number of vaccinations provided by promotion of its quality on-site service. EHA offers a convenient online quote and booking system on its website where businesses, government agencies, childcare centres, schools and aged care facilities can easily coordinate a program with minimal downtime for their staff.

An Immunisation Community Engagement Project funded by the Adelaide Public Health Network has been established. The project provides immunisation program support to community groups and immunisation providers within the eastern and north eastern metropolitan area of Adelaide. EHA's specialist immunisation nurses and customer service team are working to increase vaccine uptake, through raising community and provider awareness, knowledge and confidence in immunisation delivery.

The Commonwealth's current roll out of COVID-19 vaccinations has not included EHA services to date. EHA has been monitoring all available communications from Commonwealth Government and SA Health. EHA has been in regular contact with SA Health to enquire about future involvement in delivery of COVID-19 vaccine.

Actions	Performance Measures
<p>3.1</p> <p>Ensure effective governance and delivery of a public clinic immunisation program in accordance with:</p> <ul style="list-style-type: none"> • the current National Health and Medical Research Council (NHMRC) "Australian Immunisation Handbook" • National Vaccine Storage Guidelines 'Strive for 5, 2nd Edition • the <i>Controlled Substances Act 1984</i> and the <i>Controlled Substances (Poisons) Regulations 2011</i> • Vaccine Administration Code October 2018 v 1.7 • South Australia's Child Protection Legislation – Child Safe Environment Guidelines. • Immunisation Records and Inventory System (IRIS). <p>Immunisation Nurses are provided with opportunities to participate in appropriate professional development opportunities.</p>	<p>Annual clinical performance evaluation.</p> <p>Annual Cold Chain audit and pharmaceutical refrigerator maintenance.</p> <p>Annual review of Child Safe Environment Guidelines and Procedures.</p> <p>Review of Immunisation Nurses CPD annually.</p>
<p>3.2</p> <p>Promotion of EHA's public immunisation clinic program through channels identified in the EHA Marketing Plan. Build Social Media presence through Constituent Council platforms to promote immunisation clinics.</p> <p>EHA website used as a tool for communication of up-to-date information relating to immunisation.</p> <p>Provide Constituent Councils with educational and promotional materials relating to immunisation for circulation.</p> <p>Continue to develop the EHA Immunisation brand.</p>	<p>Increased number of clinic timetables required and distributed.</p> <p>Review Constituent Council website and social media platforms for updated EHA information.</p> <p>Regular updates of information provided in the home page on immunisation issues.</p> <p>Source and distribute to Constituent Councils promotional and educational materials on immunisation in conjunction with Constituent Councils.</p>

Actions	Performance Measures
<p>3.3</p> <p>Improve customer experience at EHA public immunisation clinics.</p> <p>Conduct an annual review of EHA's public clinic venues and timetable.</p> <p>Continual development and promotion of online immunisation appointment booking system.</p>	<p>Review and evaluate each public clinic venue and times offered.</p> <p>Clinic Timetable reviewed and published in November.</p> <p>Increase mailout of Clinic Timetable and provision of electronic copy to relevant sites completed in December / January. Report and expand website analytical tools to monitor usage.</p> <p>Improve the access and increase in use of Immunisation Online Booking System.</p> <p>Implement program of review and reminders for residents of overdue vaccinations.</p>
<p>3.4</p> <p>Deliver School Immunisation Program (SIP) in accordance with the SA Health Service Agreement contract.</p> <p>Liaise with school coordinators and SA Health regarding implementation and evaluation of program.</p> <p>Immunisation statistics submitted via IRIS to SA Health and the Australian Immunisation Register (AIR) in accordance with contractual arrangements.</p> <p>Community engagement with schools to provide support with all immunisation matters.</p>	<p>Statistics reported to AIR within 5 days of clinics.</p> <p>All students offered vaccinations. Those absent at school are invited to EHA public clinics to catch up.</p> <p>Statistics uploaded onto IRIS for the SIP within 10 days of school visit.</p> <p>Monitor and report on coverage data for the SIP compared to the SA Average. Delivery of SIP with ongoing improvement and evaluation of coverage data. Follow up of students who missed vaccination at school.</p> <p>Further promote EHA clinics and catch-up facilities offered in regular school newsletter updates and electronic reminders to parents.</p>

Actions	Performance Measures
<p>3.5 Promote and provide a professional and quality Workplace Immunisation Program on a fee for service basis.</p> <p>Continual development and promotion of online workplace immunisation appointment booking system.</p> <p>Account management: including launch of program bookings, account liaison, pre visit consultation and post visit follow up.</p>	<p>Target services to organisations whose staff are at high risk of acquiring vaccine preventable diseases.</p> <p>Generate new business and management of existing clients.</p> <p>Income generated and EHA brand awareness.</p> <p>Review program annually.</p>
<p>3.6 The CEO/Team Leader Immunisation lobby through LGA for appropriate funding for sustainability of local government delivery of immunisation services.</p>	<p>Meet with LGA and SA Health to discuss funding and support from governments.</p>
<p>3.7 Continue to facilitate the Community Engagement Project which forms part of a broader Adelaide PHN Immunisation Hub initiative.</p> <p>The initiative aims to increase immunisation coverage and reduce vaccine preventable illness in the Adelaide metropolitan region.</p> <p>Increase community awareness and knowledge of the benefits of childhood immunisation, increasing coverage within the eastern and inner northern suburbs of metropolitan Adelaide.</p> <p>Conduct on-site education and awareness raising sessions at participating childcare centres, schools and hospitals.</p> <p>Provide education and training on immunisation information and immunisation services for Health professionals.</p> <p>Use advocacy of Adelaide PHN to encourage State and Federal Government to include EHA services for current / ongoing phases of COVID-19 vaccination.</p>	<p>Comply with the Adelaide PHN project specific requirements, including submission of periodic reports as required.</p> <p>Meet with PHN periodically to monitor and review compliance against project Schedule.</p> <p>Monitor the increased rates of immunisation via catchups (overseas, adolescents, school absentees).</p> <p>Meet with PHN to discuss support for EHA involvement in COVID-19 vaccinations.</p>
<p>3.8 Provision of COVID-19 vaccination</p>	<p>Meet with SA Health, LGA & Adelaide PHN to advocate for local government immunisation services to be included in COVID-19 vaccination program.</p>

4.0 - Food Safety

Background

The *Food Act 2001* in conjunction with the Food Safety Standards (Chapter 3 of the Australia New Zealand Food Standards Code) aims to:

- ensure food for sale is both safe and suitable for human consumption
- prevent misleading conduct in connection with the sale of food
- provide for the application of the Food Standards Code

EHA is an enforcement agency under the *Food Act 2001* and is responsible for ensuring that appropriate food hygiene standards are maintained within its area and all food businesses meet their legislative obligations.

As consumers, we all have the right to expect that the food we eat is protected from microbiological contamination, foreign matter, poor hygiene and handling practices. While Australia has one of the safest food supplies in the world, the incidences of out two most prevalent foodborne diseases *Salmonella* and *Campylobacter* is on the increase. Illness caused by food is a significant public health problem and has major social and economic impacts.

Campylobacter is the most commonly notified cause of gastroenteritis in Australia and foodborne illness caused by *Salmonella* has been significantly increasing over the past 20 years and, compared to many similar countries, Australia has one of the highest rates.

To prevent food borne outbreaks and protect the health and well-being of the community during the COVID-19 crisis, it is imperative for EHA to continues to undertake the surveillance of food premises and investigations of food related complaints on behalf of its Constituent Councils.

The execution of these functions is controlled by limitations set by the Federal Government Restrictions and State Government Directions. Assessments undertaken will be modified to acknowledge the advice received the from the LGFSG who are considered as our lead agency.

Where inspections and investigations are undertaken, the Environmental Health Officers ensure they practice the required physical distancing and hygiene measures to protect themselves and the community.

Actions	Performance Measures
<p>4.1</p> <p>Ensure businesses provide notification of their business details.</p> <p>Monitor and maintain a register of all food businesses operating within EHA's jurisdiction.</p> <p>Continue to monitor businesses that have temporarily closed due to COVID-19.</p>	<p>Update within in accordance with the customer service policy.</p>
<p>4.2</p> <p>Assign and where required update food businesses risk classification in accordance with the SA Health Food Business Risk Classification framework</p>	<p>Apply relevant risk rating to new businesses and undertake assessments in accordance with the SA Health Food Business Risk Classification framework</p> <p>Monitor and identify new food processing practices during routine assessments. Update the risk classification to reflect the changes.</p>
<p>4.3</p> <p>Conduct routine food business assessments using an appropriate food safety rating tool to ensure compliance with the <i>Food Act 2001</i> and Food Safety Standards.</p> <p>Determine the frequency of routine assessments by the food business risk classification framework.</p>	<p>Assessments performed using the appropriate food safety rating tool.</p> <p>Assessments conducted in accordance with the assigned risk rating and frequency.</p>
<p>4.4</p> <p>Introduce and implement the voluntary SA Health Food Star Rating Scheme.</p>	<p>Assign food businesses a star rating following a routine inspection.</p>
<p>4.5</p> <p>Monitor food businesses during inspections to assess if they are captured by the Primary Production Standards.</p>	<p>Inform SA Health of new food businesses that may be captured under the Primary Production Standards as required.</p>
Actions	Performance Measures
<p>4.6</p> <p>Ensure appropriate enforcement action is taken in relation to breaches of the <i>Food Act 2001</i> and associated standards in accordance with EHA's enforcement policy.</p>	<p>Number of enforcement actions taken.</p>
<p>4.7</p> <p>Investigate food related complaints in relation to:</p> <ul style="list-style-type: none"> • alleged food poisoning • microbiological and chemical contamination • foreign matter found in food • poor personal hygiene and handling practices • unclean premises • vermin, insects and pest activity 	<p>Respond to complaints in accordance with customer service standards and where necessary SA Health guidance.</p>

	<ul style="list-style-type: none"> • refuse storage • wastewater disposal • allergens • COVID-19 (physical distancing) <p>Liaise with SA Health and other councils to ensure a consistent approach as required.</p> <p>Maintain and update a register of all food related complaints.</p>	
4.8	<p>Administer the COVID-19 State Directions and undertake the required surveillance during inspections based on advice received from the LGFSG who are considered as our lead agency.</p> <p>Continue to report COVID-19 physical distancing breaches on the LGA i-Responda Portal as advised and required by the LGFSG.</p>	Surveillance and reporting as required by LGFSG.
4.9	Respond to food recalls in accordance with SA Health recommendations.	Number of recalls actioned when required or based on SA Health directions.
4.10	Ensure all businesses servicing vulnerable populations within the Constituent Councils have their food safety plan audited in accordance with Food Safety Standard 3.2.1 and the <i>Food Act 2001</i> .	Number of audits conducted in accordance to audit frequency.
4.11	Provide professional auditing services to businesses servicing vulnerable populations outside of EHA's of Constituent Councils.	Number of audits conducted in accordance to audit frequency.
4.12	Review plans and liaise with the applicant regarding structural fit out of a food business.	Review plans and undertake onsite inspections as required.
4.13	Provide feedback to Constituent Councils when requested as per the Development Assessment sharing process.	Respond and provide feedback to Constituent Councils as required.
4.14	Provide new food businesses with a welcome pack to acknowledge their notification and to introduce EHA.	Information provided following receipt of notification.
	Actions	Performance Measures
4.15	<p>Manage temporary stall notification forms and ensure temporary food businesses are provided with adequate resources and information in safe food practices.</p> <p>Risk assess all event notifications to determine the requirement to inspect the specific events.</p> <p>Conduct food safety assessments of fairs and festivals and temporary events in collaboration with the Constituent Councils and relevant event co-ordinators. Provide written correspondence and feedback to all stall holders assessed at these events.</p>	<p>Food safety assessments are undertaken based on risk.</p> <p>Provide correspondence and feedback to stall holders where required.</p>

4.16	<p>Liaise with Constituent Council and relevant event coordinators to ensure all stall holders at fairs, festivals and temporary events are well informed of the legislative requirements.</p> <p>Conduct stall holder meetings and food safety training for stall holders upon request by the Constituent Councils and relevant event coordinators.</p> <p>Develop school temporary event fair/fete information pack</p>	<p>Liaise with Constituent Council, other councils and relevant event coordinators prior to the event.</p> <p>Provide stall holder presentations where required.</p> <p>Develop a school fair/fete information pack</p>
4.17	<p>Maintain and update a register of food stalls/Mobile food vehicles on Health Manager.</p> <p>Maintain the register of all events within the Constituent Council areas on Health Manager.</p>	<p>Update Health Manager as required</p>
4.18	<p>Following the assessment of food stalls at Constituent Councils special events, provide feedback to the relevant council on the food safety standards observed at the event.</p>	<p>Provide feedback to council where necessary.</p>
4.19	<p>Assessments, investigations and actions are updated in Health Manager to ensure effective reporting to the Board of Management, Constituent Councils and SA Health.</p>	<p>Update within in accordance with the customer service policy.</p>
4.20	<p>Provide information to the Board of Management in relation to food safety reforms and provide written responses on behalf of EHA and Constituent Councils to State Government.</p>	<p>Information reports provided to Board and distributed to Constituent Councils as required.</p>

Objective 4.1 An innovative approach to food safety through business and community education and interaction to increase awareness and understanding

Actions	Performance Measures
4.1.1 Continue to Provide the food safety training program for food businesses.	Provide food safety training.
4.1.2 Develop and maintain a comprehensive range of health education and promotion material targeting food related issues incorporating the resources of other health related agencies.	Information resources maintained.
4.1.3 Participate in State/National proactive educational initiatives that raise awareness of food related issues amongst the community.	Number of proactive educational activities conducted each year.
4.1.4 Undertake a service survey and investigate the feedback to identify areas of improvement and development of further educational materials within the food safety area.	Undertake a service feedback survey.

Budget Financial Statements 2021-2022

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2022		
REVISED BUDGET 2020/2021		DRAFT BUDGET 2021/2022
	INCOME	
1,782,674	Council Contributions	1,828,263
32,000	Public Health Plan / Service Review Contributions	-
180,500	Statutory Charges	181,500
272,000	User Charges	256,000
252,000	Grants, subsidies and contributions	254,000
15,000	Investment Income	10,000
7,000	Other Income	11,000
2,541,174	TOTAL INCOME	2,540,763
	EXPENSES	
1,762,000	Employee Costs	1,802,000
566,300	Materials, contracts and other expenses	526,000
47,874	Finance Charges	44,209
193,000	Depreciation	168,554
2,569,174	TOTAL EXPENSES	2,540,763
(28,000)	Operating Surplus/(Deficit)	-
	Net gain (loss) on disposal of assets	-
(28,000)	Net Surplus/(Deficit)	-
(28,000)	Total Comprehensive Income	-

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2022		
REVISED BUDGET 2020/2021		DRAFT BUDGET 2021/2022
	CASHFLOWS FROM OPERATING ACTIVITIES	
	Receipts	
1,822,674	Council Contributions	1,828,263
180,500	Fees & other charges	181,500
272,000	User Charges	256,000
15,000	Investment Receipts	10,000
252,000	Grants utilised for operating purposes	254,000
7,000	Other	11,000
	Payments	
(1,762,000)	Employee costs	(1,802,000)
(737,300)	Materials, contracts & other expenses	(652,166)
(7,874)	Finance Payments	(44,209)
42,000	Net Cash Provided/(Used) by Operating Activities	42,388
	CASH FLOWS FROM FINANCING ACTIVITIES	
	Loans Received	
-	Repayment of Borrowings	(76,131)
(69,090)	Repayment of Finance Lease Liabilities	-
(69,090)	Net Cash Provided/(Used) by Financing Activities	(76,131)
	CASH FLOWS FROM INVESTING ACTIVITIES	
	Receipts	
	Sale of Replaced Assets	
	Payments	
	Expenditure on renewal / replacements of assets	
	Expenditure on new / upgraded assets	
	Distributions paid to constituent Councils	
-	Net Cash Provided/(Used) by Investing Activities	-
(27,090)	NET INCREASE (DECREASE) IN CASH HELD	(33,743)
721,310	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	694,220
694,220	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	660,477

Budget Financial Statements 2021-2022 cont.

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDING 30 JUNE 2022		
REVISED BUDGET 2020/2021		DRAFT BUDGET 2021/2022
	CURRENT ASSETS	
694,220	Cash and Cash Equivalents	660,477
155,650	Trade & Other Receivables	155,650
849,870	TOTAL CURRENT ASSETS	816,127
	NON-CURRENT ASSETS	
1,298,511	Infrastructure, property, plant and equipment	1,129,957
1,298,511	TOTAL NON-CURRENT ASSETS	1,129,957
2,148,381	TOTAL ASSETS	1,946,084
	CURRENT LIABILITIES	
157,719	Trade & Other Payables	157,719
307,885	Provisions	307,885
74,131	Borrowings	38,391
539,735	TOTAL CURRENT LIABILITIES	503,995
	NON-CURRENT LIABILITIES	
22,268	Provisions	38,690
1,139,499	Borrowings	956,520
1,161,767	TOTAL NON-CURRENT LIABILITIES	995,210
1,701,502	TOTAL LIABILITIES	1,499,205
310,135	NET CURRENT ASSETS/(CURRENT LIABILITIES)	312,132
446,879	NET ASSETS	446,879
	EQUITY	
446,879	Accumulated Surplus/(Deficit)	446,879

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2022		
REVISED BUDGET 2020/2021		DRAFT BUDGET 2021/2022
	ACCUMULATED SURPLUS	
474,879	Balance at beginning of period	446,879
(28,000)	Net Surplus/(Deficit)	-
-	Distribution to Constituent Councils	-
446,879	BALANCE AT END OF PERIOD	446,879
	TOTAL EQUITY	
474,879	Balance at beginning of period	446,879
(28,000)	Net Surplus/(Deficit)	-
-	Distribution to Constituent Councils	-
446,879	BALANCE AT END OF PERIOD	446,879

Attachment B

Governance Arrangements - Regional Subsidiaries

East Waste Draft 2021-2022 Annual Plan

City of Norwood Payneham & St Peters
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City of
**Norwood
Payneham
& St Peters**

EastWaste



2021/22 Annual Plan

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VISION

The Destination

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services.

MISSION

The Vehicle

Delivering leading-edge solutions and services for a cleaner and sustainable future.

Introduction

East Waste is the trading name of Eastern Waste Management Authority, which was established in 1928. The Authority is a regional subsidiary of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Norwood, Payneham & St Peters, City of Mitcham, City of Prospect and Town of Walkerville.

Through the servicing of kerbside waste, recycling and organics bins and street and reserve litter bins, East Waste undertakes approximately 9 million bin lifts and 30,000 hard waste collections each year for the Member Councils. East Waste however is far more than a waste logistics Company and has been a driving force in the waste education space in recent years.

East Waste is governed by a Charter (the Charter) pursuant to *Section 43* of the *Local Government Act 1999* and administered by a Board, which includes a director appointed by each Council and an Independent Chair. Clause 51 of the Charter requires the Authority each year to have an Annual Plan which supports and informs the budget. Specifically, it is to include an outline of East Waste's objectives, the activities intended to be pursued, and the measurement tools defined to assess performance. It must also assess and summarise the financial requirements of East Waste and set out the proposals to recover overheads and costs from the Member Councils.

The *2021/22 Annual Plan* is the first Annual Plan developed under the *East Waste 2030 Strategic Plan* which was endorsed by the Board in September 2020. The *East Waste 2030 Strategic Plan* sets out a series of bold and ambitious targets (Key Performance Indicators) which we aspire to met through five Key Objectives and a series of Strategies. The Strategic Plan is summarised on the following page.

For full context this Plan should be read in conjunction with East Waste's broader strategic planning framework including the *Strategic Plan 2030*, Long-Term Financial Plan, and Risk Management Planning Framework.



As a regional subsidiary East Waste recognises that success from this Annual Plan is not possible without the continued support, integration and active working partnership of all our Member Councils and key Strategic Partners. As noted on page eight, East Waste is committed to developing and continuing partnerships which ultimately drive value back to the communities we serve.

East Waste Draft Strategic Plan Vision, Objectives & Strategies

VISION

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services to our Member Councils & their Communities.

OBJECTIVES

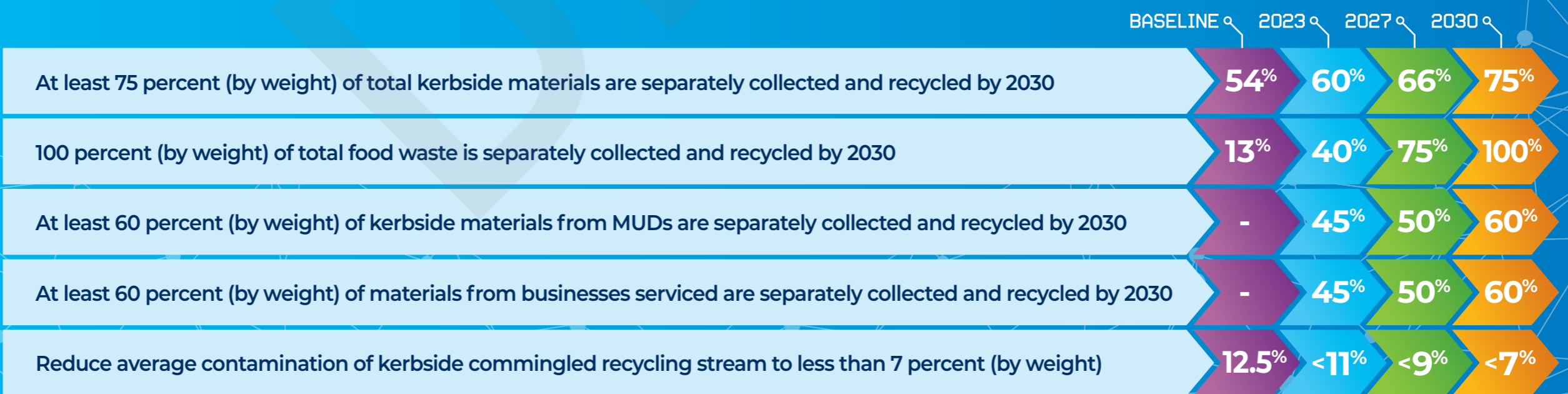
- 
1. Deliver cost-effective and efficient services facilities
- 
2. Maximise source separation and recycling
- 
3. Provide leading and innovative behaviour change and education
- 
4. Help develop a local circular economy
- 
5. Provide leadership

STRATEGIES

- | | | | | |
|--|---|--|--|--|
| <ul style="list-style-type: none"> 1.1 Attract additional services and/or new councils where further economies of-scale can be achieved 1.2 Offer a single contract for the management of the residual waste to all member councils 1.3 Partner with other councils and organisations to achieve greater synergies and economies of scale in service delivery 1.4 Investigate and implement collection technologies and innovation 1.5 Provide a consistently high standard of Customer Service | <ul style="list-style-type: none"> 2.1 Provide more service choice and flexibility to residents on kerbside services to support them to increase their recycling levels 2.2 Provide a tailored 3-stream service to Multi-Unit Dwellings (MUDs) to support waste reduction and increased recycling 2.3 Pilot a tailored service delivery model across a business precinct(s) to support waste reduction and increased recycling | <ul style="list-style-type: none"> 3.1 Engage in research and projects delivering evidence-based data which increases behaviour change decision making 3.2 Develop an integrated and tailored long-term community behaviour change and education program 3.3 Identify and trial behaviour change programs aimed at reducing contamination 3.4 Encourage and support councils to introduce an incentive(s) to households to reduce their landfill volumes 3.5 Engage schools in behaviour change & waste education | <ul style="list-style-type: none"> 4.1 Support local reprocessing and procurement of recycled content products 4.2 Encourage and support councils to procure and use recycled content products 4.3 Support councils to implement sharing economy and reuse initiatives 4.4 Investigate options to process and extract the highest value from collected resources | <ul style="list-style-type: none"> 5.1 Implement best practice safety standards 5.2 Advocate on behalf of our Member Councils 5.3 Invest in our people 5.4 Quality and transparent Corporate (Governance & Financial) Activities |
|--|---|--|--|--|

KPIs

We will measure our success in reaching our objectives through the following KPIs...



2021/22 Objectives & Activities

At a high level, progression towards the Vision and 2030 Key Performance Indicators will be the key Objective and sit behind all the activities that East Waste undertake.

While the following is not a prescriptive list the key projects East Waste intend to undertake over the 2021/22 year are detailed below. While these will be the key focus, East Waste will remain a fluent and adaptable Organisation that is able to pivot and respond as required to maximise funding, partnerships, opportunities and projects that will fast-track the pursuit of our KPIs.

ANNUAL PLAN 2021/22 DELIVERY SCHEDULE

NO.	ACTIVITY/PROJECT	OVERVIEW	STRATEGY	MAIN KPI TARGET
DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES				
1	Continue & Expand Core services	East Waste optimisation will come from providing a full suite of services to Member Councils. Where this doesn't occur, East Waste will work with the respective Councils in a bid to secure these services.	1.1	Vision Target
2	Investigate opportunities outside of existing Member Councils.	East Waste will actively pursue service provision to non-member Councils where value to existing Members can be realised.	1.3	Vision Target
3	Upgrade to Waste Trak II	East Waste utilises a high-quality software system known as Waste Track to manage all elements of collections. An upgraded package is available which will streamline several workflows and improve data reporting, among several other operational benefits. To utilise the system the collection vehicles, require an upgrade of 'in cab' hardware. This will be undertaken in conjunction with the Fleet Replacement Program.	1.4	Vision Target
MAXIMISE SOURCE SEPARATION & RECYCLING				
4	Investigate a broadscale 'Choice & Flexibility model.'	Some small positive steps have been taken across metropolitan Adelaide in recent times to investigate alternate collection options. This program will draw together the latest research and findings to develop an "off-the-shelf" framework which will drive reduced material to landfill, particularly food waste.	2.1	At least 75% of kerbside material separately collected & recycled 100% of food waste separately collected and recycled.

PROVIDE LEADING AND INNOVATIVE BEHAVIOUR CHANGE AND EDUCATION

5	Undertake Audits of businesses and Multi Unit Dwellings to provide baseline data	Business waste serviced by our Member Councils and Multi Unit Dwellings contribute to the total tonnes collected, yet little is known about the make- up of the waste. The audit will identify this and provide baseline diversion targets for the Strategic Plan	2.1	60% by weight of kerbside waste is separately collected and recycled 60% of of materials from businesses serviced are separately collected and recycled
6	Undertake the biennial East Waste kerbside bin audit.	Undertake an East Waste-wide audit, to understand up-to-date disposal behaviours and progress towards targets	2.1	At least 75% of kerbside material separately collected & recycled 100% of food waste separately collected and recycled. Reduce average contamination of kerbside commingled recycling to less than 7%.
7	Delivery of the “Why Waste It?” behaviour change program and associated social media.	Utilising the results of the reviews and audits undertaken over the past 12 months, refine and deliver the ongoing successful “Why Waste It?” program.	3.2	Continue to develop long term integrated education and behaviour change programs.

HELP DRIVE A LOCAL CIRCULAR ECONOMY

8	Identify opportunities amongst Member Councils for the uptake of crushed glass.	A feature by our current recycling provider is the possibility of separating glass fines from the Material Recovery Facility waste stream, for reuse rather than the current practice of landfilling. Should this materialise, East Waste will work with the required parties to provide and encourage Member Councils to utilise this material in asset renewal programs.	4.2	Encourage & support Councils to procure and use recycled content products.
---	---	--	-----	--

9	Hard waste Reuse trial	<p>East Waste currently diverts over 95% of all material collected through our hard waste service away from landfill by sending the material to ResourceCo (Wingfield) who transform it into Process Engineered Fuel (PEF).</p> <p>A strategic principle of East Waste is to ensure where possible that collected material is retained/processed at its highest value. Referring to the waste hierarchy, Reuse sits higher than Waste to Energy and as such East Waste will investigate solutions and implement trials where possible for increasing the life (reuse) of the many items currently presented for hard waste collection.</p>	4.4	Investigate options to process and extract the highest value from collected resources
---	------------------------	--	-----	---

PROVIDE LEADERSHIP

10	Fleet Replacement	In line with the Long Term Financial Plan, undertake the replacement of five (5) collection vehicles.	5.4	Quality & transparent Corporate Activities.
11	IT and Cyber Security Enhancement	<p>The reports of Cyber Security attacks across all levels of government and private enterprise over the past 12 months has heightened the awareness of the local government sector and its response to it. Identified as a possible risk, East Waste has commenced actions and tasks to strengthen its protection against a potential cyber security attack. In response, East Waste is moving to hosting its IT requirements on an external server, which provides for enhanced protection of our systems and data. In support of this, staff will all be undertaking cyber security training and East Waste's recently upgraded records management system also provides greater security and protection of all East Waste data.</p>	5.1	Risk mitigation is integrated into all activities.

“ We will continue to work closely with our member Councils, Government Agencies and like-minded organisations to ultimately drive value back to the communities we serve.

I encourage you to engage in conversation with us if you see opportunity for partnership. ”

Fraser Bell
East Waste Chair 2020

Budget Management

East Waste operates almost entirely on a Common Fleet Costing methodology, whereby Member Councils are charged directly against the time it takes to undertake their services. This is achieved through the utilisation of a specialised, highly accurate and powerful cloud-based, real-time GPS based system, supported by detailed reporting capabilities. As a result of this minor variations in the common fleet percentages (and therefore apportioning of Common Fleet costs) occur from year to year in response to efficiencies and increased collection costs (e.g. increase in developments, Fire Ban days and events). Specific costs (and rebates where applicable) such as waste disposal and resource processing are directly on-charged, to Member Councils.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2020/21 Financial Papers (refer Attachment 1 – 5).

EAST WASTE**PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET)**

for the Financial Year Ending 30 June 2022

FY2020		FY2021	FY2022
Audited Actuals		Proposed Budget (BR2)	Proposed Budget
\$'000		\$'000	\$'000
	INCOME		
16,756	User Charges	17,655	18,241
21	Investment income	3	2
-	Grants, subsidies and contributions	-	-
677	Other	788	1,171
17,454	TOTAL INCOME	18,446	19,414
	EXPENSES		
5,851	Employee Costs	6,130	5,730
9,120	Materials, contracts & other expenses	9,865	11,265
2,069	Depreciation, amortisation & impairment	2,009	2,122
281	Finance costs	275	281
17,321	TOTAL EXPENSES	18,279	19,398
133	OPERATING SURPLUS / (DEFICIT)	167	16
60	Asset disposals & fair value adjustments	125	115
193	NET SURPLUS / (DEFICIT)	292	131
-	Other Comprehensive Income	-	-
193	TOTAL COMPREHENSIVE INCOME	292	131

EAST WASTE**PROJECTED BALANCE SHEET (BUDGET)**

for the Financial Year Ending 30 June 2022

FY2020		FY2021	FY2022
Audited Actuals		Proposed Budget (BR2)	Proposed Budget
\$'000		\$'000	\$'000
ASSETS			
CURRENT ASSETS			
2,322	Cash & Cash Equivalents	2,232	2,231
1,019	Trade & Other Receivables	1,019	1,019
-	Other Financial Assets	-	-
3,341	TOTAL CURRENT ASSETS	3,251	3,250
NON-CURRENT ASSETS			
7,652	Infrastructure, Property, Plant & Equipment	8,317	8,576
7,652	TOTAL NON-CURRENT ASSETS	8,317	8,576
10,993	TOTAL ASSETS	11,568	11,825
LIABILITIES			
CURRENT LIABILITIES			
1,205	Trade & Other Payables	1,224	1,224
1,929	Borrowings	2,287	2,176
597	Provisions	642	642
3,731	TOTAL CURRENT LIABILITIES	4,153	4,042
NON-CURRENT LIABILITIES			
6,221	Borrowings	6,037	6,273
77	Provisions	122	123
6,298	TOTAL NON-CURRENT LIABILITIES	6,159	6,396
10,029	TOTAL LIABILITIES	10,312	10,438
964	NET ASSETS	1,256	1,387
EQUITY			
964	Accumulated Surplus	1,256	1,387
964	TOTAL EQUITY	1,256	1,387

EAST WASTE**PROJECTED STATEMENT OF CASH FLOWS (BUDGET)**

for the Financial Year Ending 30 June 2022

FY2020		FY2021	FY2022
Audited Actuals		Proposed Budget (BR2)	Proposed Budget
\$'000		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
17,136	Operating Receipts	18,444	19,412
16	Investment Receipts	3	2
PAYMENTS			
(5,795)	Employee costs	(6,040)	(5,730)
(8,677)	Materials, contracts & other expenses	(9,865)	(11,265)
(291)	Interest Payments	(275)	(281)
2,389	NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	2,267	2,138
CASH FLOWS FROM INVESTING ACTIVITIES			
RECEIPTS			
81	Sale of Replaced Assets	145	115
PAYMENTS			
(2,297)	Expenditure on Renewal/Replaced Assets	(2,675)	(2,381)
-	Expenditure of New/Upgraded Assets	-	-
(2,216)	NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(2,530)	(2,266)
CASH FLOWS FROM FINANCING ACTIVITIES			
RECEIPTS			
65	Capital Contributed by Member Councils	-	-
2,171	Proceeds from Borrowings	2,284	2,200
PAYMENTS			
(1,834)	Repayment of Borrowings	(1,845)	(1,810)
(220)	Repayment of Lease Liability	(265)	(265)
-	Distribution - Member Councils	-	-
182	NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	174	125
355	NET INCREASE (DECREASE) IN CASH HELD	(89)	(2)
1,967	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,322	2,233
2,322	CASH & CASH EQUIVALENTS AT END OF PERIOD	2,233	2,231

EAST WASTE**PROJECTED STATEMENT OF CHANGES IN EQUITY (BUDGET)**

for the Financial Year Ending 30 June 2022

FY2020		FY2021	FY2022
Audited Actuals		Proposed Budget (BR2)	Proposed Budget
\$		\$'000	\$'000
706	BALANCE AT END OF PREVIOUS REPORTING PERIOD	964	1,256
193	Net Surplus / (Deficit) for Year	292	131
65	Contributed Equity	-	-
-	Distribution to Councils	-	-
964	BALANCE AT END OF REPORTING PERIOD	1,256	1,387

EAST WASTE**PROJECTED UNIFORM PRESENTATION OF FINANCES STATEMENT (BUDGET)**

for the Financial Year Ending 30 June 2022

FY2020		FY2021	FY2022
Audited Actuals		Proposed Budget (BR2)	Proposed Budget
\$'000		\$'000	\$'000
17,454	Income	18,446	19,414
(17,321)	Expenses	(18,279)	(19,398)
133	Operating Surplus / (Deficit)	167	16
Net Outlays on Existing Assets			
(2,297)	Capital Expenditure on Renewal and Replacement of Existing Assets	(2,675)	(2,381)
2,069	Depreciation, Amortisation and Impairment	2,009	2,122
81	Proceeds from Sale of Replaced Assets	145	115
(147)		(521)	(144)
Net Outlays on New and Upgraded Assets			
-	Capital Expenditure on New and Upgraded Assets	-	-
-	Amounts Specifically for New and Upgraded Assets	-	-
-	Proceeds from Sale of Surplus Assets	-	-
-		-	-
(14)	Net Lending / (Borrowing) for Financial Year	(354)	(127)

Attachment C

Governance Arrangements - Regional Subsidiaries

ERA Water Draft 2021-2022 Budget

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
**Norwood
Payneham
& St Peters**

FY2022 Budget for Constituent Council Endorsement

1. INTRODUCTION

This budget had been prepared to meet the specific requirements of the ERA Water Charter which requires ERA Water to prepare and submit a draft budget to the Constituent Councils for the ensuing financial year by no later than 31 March.

A budget must be adopted by 30 June of each year by unanimous approval of the Constituent Councils.

This document sets out the range of assumptions that have informed the budget with the resulting budgeted financial statements shown in Attachment A.

2. WATER SUPPLY AND DEMAND ASSUMPTIONS

2.1 Water Supply

2.1.1 With five of the six injection bores connected, the injection capacity of the Scheme is approximately 66l/s compared to a design capacity of 80l/s (approximately 85%).

2.1.2 The amount of water that can be captured during a season is dependent on:

2.1.2.1 the injection capacity (currently 85% of full design);

2.1.2.2 the number of flow days (dependent on climatic conditions); and

2.1.2.3 the average number of hours per day of operation during flow days ranging from a lower bound of 14.5 hours per day to an upper bound of 22.5 hours per day which is dependent on the reliability and efficiency of the scheme.

2.1.3 The budget assumes that 440ML of new water will be captured and available for sale in FY2022 based on the current 66 l/s injection capacity, an average number of flow days for the year and 18.5 average hours per day of operating time during each flow day which is the midpoint of the upper and lower estimate.

2.1.4 At a recovery efficiency of 70%, this will result in an additional 308ML of new water being available for sale in FY2022. The 70% assumed recovery efficiency is based on the scheme design assumptions and is yet to be proven based on actual performance of the aquifer.

2.1.5 Based on engineering estimates, the opening volume of water that is assumed to be available in the aquifer at the start of the FY2022 irrigation season is expected to be between 20 and 70ML. For budgeting purposes we have assumed the midpoint of this range as the opening balance of water (45ML). The actual balance of water available will be dependent on climatic conditions and Constituent Council usage for the remainder of the 2020/21 extraction season.

- 2.1.6 The total water that is assumed that can be supplied during the 2022 irrigation season is therefore assumed to be between 328ML and 388ML.

2.2 Water Demand

- 2.2.1 Constituent Councils have entered into 'take or pay' water supply arrangements with ERA Water based on the following volumes.

City of Burnside	100 ML
City of Norwood Payneham & St Peters	76.67 ML
Town of Walkerville	28 ML
Total volume sold to ERA Water Councils	204.67 ML

- 2.2.2 ERA Water has also connected two external customers to the network with a total anticipated demand of 47ML per annum.

- 2.2.3 Total connected demand is therefore 251.67ML.

- 2.2.4 ERA Water is currently investigating opportunities to connect additional Constituent Council reserves and new external customers to the ERA Water scheme.

- 2.2.5 The budget assumes an additional 53ML worth of external or additional Constituent Council reserves are connected and supplied during the 2021 extraction season.

- 2.2.6 The ability to do so will be highly dependent on pushing negotiations with existing identified customers, particularly the Department of Education and the ability of the General Manager to secure new sales contracts in a timely fashion to allow for connection before the start of the 2021/22 irrigation season.

2.3 Climatic conditions

- 2.3.1 Based on the latest weather outlook dated 18 March 2021, there is a 50% chance of Adelaide exceeding the mean rainfall between April to June and between May to July.

- 2.3.2 We have interpreted this to mean that there is an expectation of average rainfall for the start of the 2021 injection season.

2.4 Scenario analysis

- 2.4.1 Scenario analysis has been undertaken based on an upper and lower limit of water supply due both to dry climatic conditions and lower and upper bound injection assumptions based on average hours of operation each day.

2.4.2 Table 1 shows the estimate lower and upper bound of injection in the 2021/22 season based on the various scenarios described.

TABLE 1: Scenario Analysis

Rainfall Conditions	Lower Bound Injection Volume (ML)	Upper Bound Injection Volume (ML)	Estimated Supply Lower Bound Injection (ML)	Estimated Supply Upper Bound Injection (ML)
Dry Year	234.27	363.53	164.00	254.47
Average	344.52	534.60	241.16	374.22
Wet Year	465.10	721.71	325.57	505.20

2.4.3 The analysis shows that under a Dry Year and Lower Bound injection scenario, annual injection volumes could be as low as 164.00ML. Conversely, under a Wet Year and Upper Bound Injection Scenario, annual injection volumes could be as high as 505.20ML.

2.4.4 Total supply volumes will be a function of annual injection and the amount of water remaining in the aquifer at the end of the 2020/21 irrigation season (estimated to be between 20ML and 70ML).

2.4.5 If the 2021 injection season is a 'Dry Year' ERA Water may not have sufficient water to be able to supply new customers who may be connected to the network during the 2021/22 extraction season.

3. INCOME

3.1 Water pricing

The price of water is tied to the lower of the SA Water Price and the price calculated under the principles of 'full cost recovery'. ERA Water is not expected to achieve full cost recovery at a water price which is less than SA Water in FY2022.

As of 1 July 2020, SA Water reduced its water price by 18.6% on account of a review of its regulated asset base and reduction in its cost of capital for the period between 1 July 2020 and 30 June 2024.

Our budget assumes that the water price is based on the new SA Water price, increasing by CPI in FY2022.

The budget assumes that Constituent Councils are charged the full SA Water price and that external customers are charged a discounted rate of 85% of the SA Water price as mechanism to encourage external connections to the scheme.

3.2 Water Supply Charge

A supply charge of \$277.37 per constituent council connection per annum has been included in the budget which is based on the current SA Water connection charge inflated by 2.20%.

Due to the uncertainty surrounding the number of external connections and whether a supply charge should be levied on those connections, no water supply charge has been included in the budget in relation to external customers.

3.3 Grants and Investments

There is no forecast income expected from either grants or investments for FY2021.

ERA Water may receive a member distribution from the LGFA or LGA Mutual Liability Scheme however such as distribution has not been budgeted.

3.4 Income summary

The forecast income from water sales is shown below in Table 2.

TABLE 2: INCOME FROM WATER SALES

Constituent Council	Revenue
City of Norwood, Payneham & St Peters	\$217,440
Town of Walkerville	\$79,409
City of Burnside	\$283,605
Constituent Council Supply charge	\$13,882
Sales to external customers	\$260,910
Total Income	\$855,246

Water sales to Constituent Councils are assumed to be pre-paid in the first month of the financial year.

4. EXPENSES

4.1 Employee Costs

Table 3: Employee Costs

ITEM	AMOUNT	KEY ASSUMPTIONS
General Manager	\$100,000	Cost for the position of General Manager on a part time basis.
Principal Operator	\$150,000	Contracted cost for Principal Operator
Admin and Board Secretarial Support	\$nil	Assumes no paid support for the GM.
Total Employee Costs	\$250,000	

4.2 Materials, Contract & Other Expenses

Table 4: Fixed operating Expenses

ITEM	AMOUNT	KEY ASSUMPTIONS
Audit and Accounting	\$18,000	\$5,000 for external auditing of ERA Water's accounts for FY2021. \$13,000 payment to City of Burnside to partially subsidise accounting and bookkeeping services being provided.
Governance	\$16,000	Chairman \$12,000 plus \$4,000 provision for two independent audit committee members.
Bank Charges	\$500	Provision for bank charges.
ICT	\$2,500	Provision for miscellaneous IT and software costs.
Insurances	\$40,000	Based on FY2020 actual costs with an allowance for inflation.
Office Expenses	\$1,000	Provision
Premises	\$0	NPSP providing premises to ERA Water for \$nil.
Professional Services	\$40,000	Financial and strategic management support - \$15,000 Provision for legal services in relation to external customer sales contracts and other matters - \$15,000 Other professional services - \$10,000 Excludes advice on potential divestment process.
Staff Amenities and Development	\$2,500	Provision
General Expenses	\$2,500	Provision

ITEM	AMOUNT	KEY ASSUMPTIONS
Total Fixed Operating Expenses	\$123,000	

TABLE 5: Operating Expenses

ITEM	AMOUNT	KEY ASSUMPTIONS
Engineering and support services	\$60,000	Technical support to the GM and Principal Operator
Scheme maintenance and landscaping	\$25,000	Support to the Principal Operator to allow for maintenance tasks requiring 3 rd party contractors.
General maintenance	\$25,000	Provision for unexpected maintenance issues.
Electricity	\$125,000	Assumption is that electricity consumption will be broadly in line with current year with a small allowance for additional activity.
Licensing and testing	\$15,000	\$4,000 provision for EPA Licence and \$11,000 for development of MARART and other licensing and testing requirements.
Telecoms & SCADA	\$19,000	Assumption based on FY2020 Telstra charges.
Total Operating Expenses	\$269,000	

4.3 Depreciation and Amortisation

4.3.1 Depreciation for FY2021 has been calculated at \$466,415 with reference to the useful life estimates by asset class shown in Table 5.

TABLE 5: Asset Useful Lives

Asset Class	Sub Asset Class	Years	Depn Rate
Civil Assets	CA - Biofilters and Wetlands	50	2.0%
	CA - Bores (excluding pumps)	70	1.4%
	CA - Buildings (including foundations)	50	2.0%
	CA - Earthworks	70	1.4%
	CA - Fencing	30	3.3%
	CA - Landscaping and Plantings	10	10.0%
	CA - Pipelines and Pipework	70	1.4%
	CA - Roadways and Paving	50	2.0%
	CA - Stormwater Structures	50	2.0%
	CA - Tanks / Chambers / Manholes	50	2.0%
Electrical Assets	EA - Electrical conduits / cables / pits	70	1.4%
	EA - Switchboards and Transformers	25	4.0%
Instrumentation and Control Assets	IA - Flow Meters and Water meters	15	6.7%
	IA - Online instrumentation	15	6.7%
	IA - SCADA System and PLC's	15	6.7%
	IA - Security and fire detection equipment	15	6.7%
	IA - Telemetry equipment	15	6.7%
ICT Assets	IT - Computer Hardware	5	20.0%
	IT - Computer Software	5	20.0%
Mechanical Assets	MA - Pumps and pump sets	20	5.0%
	MA - Valves	20	5.0%
Sunk Costs	SC - Sunk Costs	70	1.4%
Specialised Water Treatment Equipment	WT - UV disinfection systems	20	5.0%

4.4 Finance Costs

Interest expense is forecast to be \$355,058. This is calculated using the following assumptions:

4.4.1 \$5.0 million fixed rate facility at 2.9% per annum (maturing July 2024);

4.4.2 \$3.0 million fixed rate facility at 1.3% per annum (maturing Jan 2022);

4.4.3 Remaining debt facilities at the current CAD rate of 2.05%

5. CASH AND CAPITAL

5.1 Capital Expenditure

5.1.1 A capital provision of \$100k has been included to support the cost of external customer connections. Where possible, ERA Water will seek to on charge the cost of connections to new customers either in the form of upfront payments or increased water prices.

5.1.2 A \$50k general capital provision has been included for unforeseen system upgrades.

5.2 Cash Position

- 5.2.1 Net cash from operating activities is forecast to be a (\$133,729) cash operating deficit.
- 5.2.2 Net cash from investing activities is forecast to be (\$150,000) on account of budgeted capital expenditure.
- 5.2.3 Net cash from financial activities is forecast to be \$288,000 to finance the capital expenditure.
- 5.2.4 The forecast closing debt level is \$15.25 million which is \$0.05 million below the existing debt cap of \$15.300 million.
- 5.2.5 Table 6 shows the forecast monthly closing cash position based on the budget.

TABLE 6: Monthly closing cash position

\$	Jul-21 Budget Mnth 13	Aug-21 Budget Mnth 14	Sep-21 Budget Mnth 15	Oct-21 Budget Mnth 16	Nov-21 Budget Mnth 17	Dec-21 Budget Mnth 18	Jan-22 Budget Mnth 19	Feb-22 Budget Mnth 20	Mar-22 Budget Mnth 21	Apr-22 Budget Mnth 22	May-22 Budget Mnth 23	Jun-22 Budget Mnth 24
Non-current Liabilities												
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	15,045,603	14,533,603	14,695,603	14,765,603	14,797,603	14,881,603	14,887,603	14,893,603	15,004,603	15,036,603	15,094,603	15,250,603
Total Non-current Liabilities	15,045,603	14,533,603	14,695,603	14,765,603	14,797,603	14,881,603	14,887,603	14,893,603	15,004,603	15,036,603	15,094,603	15,250,603

- 5.2.6 Depending on the future performance, ERA Water may exceed its existing debt cap towards the end of FY2022.

5.3 Equity

Historical accumulated surpluses have been derived from the grant funding received from the Federal Government to fund the construction of the scheme. Net Surplus / Deficit represents the movement in the Operating Statement for the budget year.

ATTACHMENT A: Financial Statements**Statement of Comprehensive Income****ERA Water LTFP | Alert in Borrowings**

\$	Jun-21 BR2 Yr 1	Jun-22 Budget Yr 2
All error checks		OK
Income		
User Charges		
Water Sales ERA Councils	581,529	594,336
Water Sales ERA Councils - Annual True-Up	-	-
Net Water Sales ERA Councils	581,529	594,336
Water Sales Other Customers	31,136	260,910
Grants, Subsidies and Contributions	-	-
Investment Income	-	-
Total Income	612,665	855,246
Expenses		
Employee Costs	189,500	250,000
Materials, Contracts & Other Expenses	594,461	392,000
Depreciation & Amortisation	461,483	466,534
Finance Costs	355,058	346,975
Total Expenses	1,600,502	1,455,509
Operating Surplus / (Deficit)	(987,837)	(600,262)
Amounts Received Specifically for New or Upgraded Assets	-	-
Net Surplus / (Deficit)	(987,837)	(600,262)
Other Comprehensive Income		
Amounts which will not be reclassified to operating result	-	-
Impairment expense	-	-
Total Comprehensive Income	(987,837)	(600,262)

Balance Sheet

ERA Water LTFP | Alert in Borrowings

\$	Jun-21 BR2 Yr 1	Jun-22 Budget Yr 2
Assets		
Current Assets		
Cash & cash equivalents	151,815	156,086
Trade & Other Receivables	-	-
Total Current Assets	151,815	156,086
Non-current Assets		
Financial assets	-	-
Infrastructure, property, plant & equipment	20,598,168	20,281,634
Total Non-current Assets	20,598,168	20,281,634
Total Assets	20,749,983	20,437,720
Liabilities		
Current Liabilities		
Trade & Other Payables	240,479	240,479
Provisions	755	755
Borrowings	-	-
Total Current Liabilities	241,234	241,234
Non-current Liabilities		
Trade & Other Payables	-	-
Borrowings	14,962,603	15,250,603
Total Non-current Liabilities	14,962,603	15,250,603
Total Liabilities	15,203,837	15,491,837
NET ASSETS	5,546,146	4,945,883
Equity		
Accumulated Surplus	5,729,393	5,134,660
Net Surplus (Deficit)	(183,248)	(188,777)
Asset Revaluation Reserves	-	-
TOTAL EQUITY	5,546,146	4,945,883
Net Debt	14,810,788	15,094,517

Statement of Cash Flows

ERA Water LTFP | Alert in Borrowings

\$	Jun-21 BR2	Jun-22 Budget
Cash Flows from Operating Activities		
Receipts		
Water Sales ERA Councils	581,529	594,336
Water Sales ERA Councils - Annual True-Up	-	-
Net Water Sales ERA Councils	581,529	594,336
Water Sales Other Customers	78,437	260,910
Other receipts	-	-
Investment Income	-	-
Payments		
Employee costs	(189,500)	(250,000)
Materials, contracts & other expenses		
Fixed Operating Costs	(137,000)	(123,000)
Operational Costs	(457,461)	(269,000)
Finance Payments	(355,058)	(346,975)
Net cash provided by (or used in) Operating Activities	(479,053)	(133,729)
Cash Flows from Investing Activities		
Receipts		
Amounts Received Specifically for New Assets	-	-
Payments		
Expenditure on new/upgraded Assets	(415,000)	(150,000)
Net cash provided by (or used in) Investing Activities	(415,000)	(150,000)
Cash Flows from Financing Activities		
Receipts		
Proceeds from Borrowings	899,000	288,000
Payments		
Repayment of borrowings	-	-
Net cash provided by (or used in) Financing Activities	899,000	288,000
Net Increase (Decrease) in cash held	4,947	4,271
Cash and cash equivalents at beginning of period	146,868	151,815
Cash and cash equivalents at end of period	151,815	156,086

Attachment D

Governance Arrangements - Regional Subsidiaries

Highbury Landfill Authority Draft 2021-2022 Budget

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
**Norwood
Payneham
& St Peters**

Memorandum

To: CEOs of HLA Member Councils
Chris Cowley
Mario Barone
Kiki Magro

CC: Board of HLA
John Minney
Ben Clark

From: Trevor Hockley, Executive Officer

Date: 16 April 2021

RE: Draft Budget 2021/ 2022

The Board of HLA has reviewed the draft Budget 2021/2022 and agreed to refer it to Member Councils for their approval pursuant to Clause 4.4 of the HLA Charter.

Member Councils are required to approve the draft Budget prior to the Board formally adopting the Budget by the 30th June 2021. The draft Budget is attached at Appendix 1 and for your information I provide a brief outline of the expenditure included in the budget and annual plan.

The Future of the Highbury Landfill

The Board still wishes to pursue the feasibility of a solar project on the site and authorised the Executive Officer (EO) to work with Suez Recycling to evaluate whether it was possible to combine both the Suez landfill and our adjacent Highbury landfill into a viable project for both entities. Unfortunately, Suez Recycling has undergone a significant management restructure and is now the subject of a takeover by Veolia which has stalled any progress on this project.

The new State manager for Suez Recycling has expressed a wish to continue the project and HLA will work with the new management to progress this project. The budget allows for further work to provide advice to the Board and Member Councils on whether this project can proceed.

Provision

The 25 year forward projections that make up the calculation for the provision in the Balance Sheet for HLA is provided with the draft Budget. The provision has been calculated as per the provision calculation spreadsheet used for the 2019/20 Financial Statements and the draft budget is exactly as the projected expenditure in this provision. The audit committee has recommended that the assumptions contained in the provision spreadsheet should be independently reviewed every 3 years and this will occur as part of the audit process for the HLA financial statements to June 2021.

This work will also include a review of the risk management plan for HLA and an assessment of when the current flare will have insufficient landfill gas to work efficiently. The original prediction in the

spreadsheet was some time in the 2023 year. Based on current quality and quantity of landfill gas it is highly likely that the flare will continue to work past this timeframe and the provision will be varied based on expert advice to finalise the 20/21 financial statements. The draft budget provides for this work.

Member Councils currently fund the provision each year in their equity proportions and based on the projected expenditure and cash at hand the 2021/21 contributions have remained the same as last year and are:

Burnside:	\$100,812
Norwood, Payneham & St Peters	\$80,714
Walkerville	\$18,474

To allow Member Councils the opportunity to better manage their cash flow in the coming financial year these contributions will again be invoiced in 4 instalments during the financial year.

Expenditure allowed for in the Budget

Landfill Gas Management

McMahon Services continues to manage the gasfield under contract with HLA. This contract is now on a casual basis and tenders will be called after further expert advice is received regarding when there needs to be a change in managing the gasfield based on the yield of landfill gas and its quality. As stated previously the prediction made 11 years ago allowed \$300,000 in capital expenditure to construct a biomass filter to treat the collected landfill gas when it could no longer be combusted by a flare. This means that the draft budget includes a current liability for that expenditure which will be reviewed as part of the preparation of the 20/21 financial statements.

The Highbury Landfill continues to monitor landfill gas over the site. The budget includes expenditure for groundwater monitoring and landfill gas monitoring.

Site Maintenance.

The site requires ongoing maintenance for fire control, weeds, fencing and access track maintenance. An allowance is also be made to improve the compound area to make it more secure and remove redundant infrastructure.

Management and Administration

The existing management and administration model is maintained. Costs such as insurance, Council rates, SA Water, Power etc. are also budgeted.

Should you require any further information then do not hesitate to contact the undersigned. I look forward to your Council approving the draft Budget in time to allow the board of HLA to adopt the budget prior to 30 June 2021.

Regards,

Trevor Hockley
Executive Officer

UNIFORM PRESENTATION OF FINANCE JULY - MARCH 2021

	July - March 2021	Projected June 2021	Budget 2021	Variance	Comments	Budget 2022
OPERATING ACTIVITIES:	\$	\$	\$	\$		\$
Operating Income	3	20,010	20,070	- 60		20,050
less Operating Expenses	132,812	- 140,327	1,038	- 141,365		28,314
Operating Surplus / (Deficit)	- 132,809	160,337	19,032	- 141,365		8,264
CAPITAL ACTIVITIES:						
Net Outlay on Existing Assets						
Capital Expenditure on renewal & replacement of Existing Assets						
less Depreciation, Amortisation & Impairment	18,914	25,218	25,218	-		25,218
less Proceeds from Sale of Replaced Assets						
Net Outlay on Existing Assets	18,914	25,218	25,218	-		25,218
Net Outlay on New & Upgraded Assets						
Capital Expenditure on New & Upgraded Assets	-	-	-	-		-
less Amounts received specifically for New & Upgraded Assets	-	-	-	-		-
less Proceeds from Sale of Surplus Assets	-	-	-	-		-
Net Outlay on New & Upgraded Assets	-	-	-	-		-
Net Lending / (Borrowing)	- 151,722	135,119	6,186	141,305		33,482

INCOME STATEMENT BUDGET REVIEW JULY - MARCH 2021

	July - March 2021	Projected June 2021	Budget 2021	Variance	Comments	Budget 2022
	\$	\$	\$	\$		\$
INCOME						
Sundry Income	-	20,000	20,000	-		20,000
LGFA Bonus Received				-		
Interest Received	3	10	70	(60)		50
Total Revenues	3	20,010	20,070	(60)		20,050
EXPENSES						
Depreciation	18,914	25,218	25,218	-		25,218
Movement in Provision	113,898	- 165,545	- 24,180	(141,365)	Movements to the provision are recorded at year-end only. The movement as at 31.03.21 accounts for expenditure to date with no provision adjustment made.	3,096
Total Expenses	132,812	(140,327)	1,038	(141,365)		28,314
NET SURPLUS/(DEFICIT)	(132,809)	160,337	19,032	141,305		(8,264)

FY 2021 provision was calculated using a projected closing FY2020 provision and adjusted for budgeted expenditure using the RBA rates available at the time. The projected FY2021 provision is calculated with RBA rates remaining unchanged as at 30.06.2020.

The variances are reconciled below:

	PROJECTED	BUDGETED	VARIANCE
Projected FY2020 Provision used to Budget provision calculation 2021		3,387,750	
Actual FY2020 Provision as per Financial Statements	3,522,699		
Budgeted FY2021 expenditure		204,060	
Projected FY2021 expenditure as at 31.03.2021	204,005		
Budgeted FY2021 Provision required		3,159,510	
Projected FY 2021 Provision required	3,153,149		
Movement in Provision	<u>165,545</u>	<u>24,180</u>	<u>- 141,365</u>

BALANCE SHEET BUDGET REVIEW JULY - MARCH 2021

	July - March 2021	Projected June 2021	Budget 2021	Variance	Comments	Budget 2022
	\$	\$	\$	\$		\$
ASSETS						
Current Assets						
Cash and Cash Equivalents	86,421	86,825	69,372	17,453		51,115
Trade and Other Receivables	29,729	5,000	5,000	-		5,000
Total Current Assets	116,149	91,825	74,372	17,453		56,115
Non-Current Assets						
Monitoring Stations & Flare	137,054	130,750	136,295	(5,545)		105,532
Total Non-Current Assets	137,054	130,750	136,295	(5,545)		105,532
Total Assets	253,203	222,575	210,667	11,908		161,647
LIABILITIES						
Current Liabilities						
Trade and other payables	5,504	14,188	15,000	(812)		15,000
LGFA Loan	12,909	26,549	26,549	-		27,554
Provision for Closure Costs	203,471	207,846	515,530	(307,684)	Provision as at 30.09.20 is kept inline with financial statement 30.06.20 as no adjustment is made until year end.	515,112
Total Current Liabilities	221,883	248,583	557,079	- 308,496		557,666
Non-Current Liabilities						
LGFA Loan	159,015	132,467	132,467	-		104,913
Provision for Closure Costs	3,319,228	2,945,303	2,643,980	301,323		2,430,191
Total Non-Current Liabilities	3,478,243	3,077,770	2,776,447	301,323		2,535,104
Total Liabilities	3,700,127	3,326,353	3,333,526	(7,173)		3,092,770
NET ASSETS	(3,446,924)	(3,103,778)	(3,122,859)	19,081		(2,931,123)
EQUITY						
Accumulated surplus	(3,446,923)	(3,103,778)	(3,122,859)	19,081		- 2,931,123
Total Equity	(3,446,923)	(3,103,778)	(3,122,859)	19,081		(2,931,123)

STATEMENT OF CHANGES IN EQUITY BUDGET REVIEW JULY - MARCH 2021

	Projected June 2021	Budget 2021	Variance	Comments	Budget 2022
	\$	\$	\$		\$
ACCUMULATED SURPLUS					
Balance at beginning of the year	(3,464,115)	(3,341,891)	(122,224)	Opening balance as per Financial Statements	(3,122,859)
Change in financial position resulting from operations	160,337	19,032	141,305	Budget 2021 is based on the projected closing balance 2020	(8,264)
Funds from Member Councils	200,000	200,000	-		200,000
TOTAL EQUITY	(3,103,778)	(3,122,859)	19,081		(2,931,123)

STATEMENT OF CASH FLOWS BUDGET REVIEW JULY - MARCH 2021

	July - March 2021	Projected June 2021	Budget 2021	Variance	Comments	Budget 2022
	\$	\$	\$	\$		\$
CASH FLOWS FROM OPERATING ACTIVITIES						
<u>Receipts</u>						
Bank Interest & Sundry	32,545	32,940	20,000	12,940	Bank Interest & Suez ATO reimbursements	20,000
Other Revenue	9,316	15,000	15,000			15,000
<u>Payments</u>						
Finance payments	(19,594)	(25,580)	(25,580)			(26,549)
Net Cash provided by (or used in) Operating Activities	22,268	22,360	9,420	12,940		8,451
CASH FLOWS FROM INVESTING ACTIVITIES						
Flare	-	-				
Payments from Provision	(125,890)	(200,781)	(212,512)	(11,731)		(244,162)
Net Cash paid for Investing Activities	(125,890)	(200,781)	(212,512)	11,731		(244,162)
CASH FLOWS FROM FINANCING ACTIVITIES						
LGFA Loan	-	-				
Funds paid by Member Councils	124,797	200,000	200,000			200,000
Net Cash provided by (or used in) Financing Activities	124,797	200,000	200,000	-		200,000
Net Increase (Decrease) in cash held	21,174	21,579	(3,092)	24,671		(35,711)
Cash and cash equivalents at beginning of period	65,246	65,246	72,463	(7,217)	Projected closing balance FY2020 used for Budget 2021, and projected closing FY2021 is used for Budget 2022	86,825
Cash and cash equivalents at end of period	86,421	86,825	69,371	17,454		51,115
Total Cash and cash equivalents at end of period	86,421	86,825	69,371	17,454		51,115

Workpaper: Provision Calculation & Review using June rates
 Period Ending: 30.06.2019
 Prepared by: LMKB

Inflation Rate 2.00%

KEY	
PY	Agreed to Prior Year Audited Financial Statements
P&L	Expenses agreed to Income Statement (excl. Depreciation)
CAL	As per Calculation
T	Totals Checked and Correct

PROVISION CALCULATION	Year 2021	June, 2021	June, 2022	June, 2023	June, 2024	June, 2025	June, 2026	June, 2027	June, 2028	June, 2029	June, 2030	June, 2031	June, 2032	June, 2033	June, 2034	June, 2035	Totals
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Com bond rates		0.95%	0.96%	0.97%	1.02%	1.06%	1.16%	1.23%	1.30%	1.32%	1.35%	1.40%	1.40%	1.43%	1.45%	1.48%	
HLA Post-Closure Management Costs																	
Administration of Regional Subsidiary		60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	1,020.00
Environmental Monitoring																	
Landfill Gas		15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	270.00
Groundwater		25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	430.00
Administration - Other/Loan repayment		30.00	30.00	30.00	30.00	30.00	30.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	360.00
Site Maintenance		10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	170.00
Communications strategy/EOI																	
Total		140.00	140.00	140.00	140.00	140.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	2,250.00
Cashflows with inflation		140.00	142.80	145.66	148.57	151.54	138.01	140.77	143.59	146.46	149.39	152.37	155.42	158.53	161.70	164.93	2,539.74
Net Present Value at 10yr CWB rate		1,896.81	141.45	142.89	144.14	145.11	130.31	130.85	131.22	131.87	132.46	132.60	133.38	133.46	134.19	132.89	2,336.81
Variation to Capping and Earthworks Contract																	
Review of Charter																	
Upgrade of access tracks																	
Groundwater risk assessment																	
Mulching																	
Revegetation																	
Loan Repayment Interest		6.68	5.72	4.71	3.67	2.59	1.46	0.30	-	-	-	-	-	-	-	-	
New or Replacement Expenditure (Capital In Nature)				300.00	-	-	-	-	-	-	-	-	-	-	-	-	300.00
Bio Filter																	
Total		6.68	5.72	304.71	3.67	2.59	1.46	0.30	-	-	-	-	-	-	-	-	325.13
Cashflows with inflation		6.68	5.83	317.02	3.89	2.80	1.62	0.33	-	-	-	-	-	-	-	-	338.18
Net Present Value at 10yr CWB rate		323.90	5.78	310.99	3.34	2.29	1.25	0.25	-	-	-	-	-	-	-	-	330.58
Landfill Gas Operation and Management																	
Operation and Monitoring of Landfill Gas Field		60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	1,020.00
Replacement and Maintenance of Landfill Gas Field					50.00	-	-	-	-	-	-	-	-	-	-	-	60.00
Wells and Pipework																	
Total		60.00	60.00	60.00	110.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	1,080.00
Cashflows with inflation		60.00	61.20	62.42	116.73	64.95	66.24	67.57	68.92	70.30	71.71	73.14	74.60	76.09	77.62	79.17	1,220.67
Net Present Value at 10yr CWB rate		932.45	60.62	61.24	113.25	62.19	62.55	62.81	62.98	63.30	63.58	63.65	64.02	64.06	64.41	63.79	1,122.45
Total of Net Present Values		3,153.15															3,655.13

RATES AS PER RBA	
Calculated	
Date	Rate
30/06/2018	1.500%
30/06/2019	1.035%
30/06/2020	1.035%
30/06/2021	0.980%
30/06/2022	0.965%
30/06/2023	0.965%
30/06/2024	1.015%
30/06/2025	1.090%
30/06/2026	1.155%
30/06/2027	1.225%
30/06/2028	1.295%
30/06/2029	1.320%
30/06/2030	1.345%
30/06/2031	1.400%
30/06/2032	1.400%
30/06/2033	1.445%
30/06/2034	1.445%
30/06/2035	1.555%

All figures are in units of 1,000, ie. 1 = 1,000.
 All cost estimates are based on EO's knowledge and actual costs will only be determined at tender.
 Detailed cost analysis and investigation has not been undertaken.
 The timing and sequencing of events are assumed and will depend on actual events and monitoring results.
 • No allowance has been made for the introduction of CPRS
 • All costs are present value

SHORT TERM

207.85	515.11	260.73	209.58	194.11	193.91	194.20	195.17	196.04	196.24	197.40	197.52	198.60	196.68
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

PROJECTED 2021 RECONCILIATION	\$
Opening as per FY20	3,522,699
FY2021 expenditure	204,005
Remaining Provision	3,318,694
Provision required	3,153,149
Movement	165,545

Based on projections as at 31.03.2021 from P&L

Short Term	207,846
Long Term	2,945,303
Total Provision for FY2020 based on RBA rates as at 30.06.2020	3,153,149

BUDGET 2022 CALCULATION

PROJECTED YE PROVISION 2021, AND OPENING PROVISION 2022	3,153,149
FY2022 EXPENDITURE	204,750
CLOSING PROVISION REMAINING	2,948,399
PROVISION REQUIRED	2,945,303
MOVEMENT	3,096

Short Term	515,112
Long Term	2,430,191

6.5 CYBER SECURITY REVIEW

REPORT AUTHOR: Project Manager, ICT Solutions
GENERAL MANAGER: General Manager, Corporate Service
CONTACT NUMBER: 8366 4510
FILE REFERENCE: qA69707/A121719
ATTACHMENTS: Nil

PURPOSE OF REPORT

The purpose of this report is to provide the Audit Committee with the requests of a review which examined the arrangements established by the Council to manage cyber security.

BACKGROUND

Information and Communications Technology (ICT) systems play an important role in the day-to-day operations of a Council. Cyber security is the practice of protecting networks, computer systems and data from unauthorised access or malicious attack.

Due to the operational and personal nature of the information collected and controlled by the Council, cyber security is an important inherent risk that must be effectively managed. Robust cyber security controls are critical for Councils in the delivery of its commitment to protect its community, employees and operations from cyber threats.

Avoiding disruption to operations from security threats such as ransomware, maintaining the integrity of operational ICT systems and protecting personal information and commercial data are vital to the Council in delivering its services securely and maintaining the public's trust. As the community demands greater connectivity and more personalised interactions, cyber security is no longer just nice to have – it is expected.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The opportunities for improvements recommended within in this report may have financial and budget implications, which will be assessed as part of the implementation of the proposed solution. Where additional funding is required, the request for funds will be presented as part of the standard budget reviews.

EXTERNAL ECONOMIC IMPLICATIONS

Nil.

SOCIAL ISSUES

Nil.

CULTURAL ISSUES

Nil.

ENVIRONMENTAL ISSUES

Nil.

RESOURCE ISSUES

Implementation of recommended improvements is managed by existing staff.

RISK MANAGEMENT

Nil

CONSULTATION

- **Committee Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Manager, Information Services.
- **Other Agencies**
Not Applicable.

DISCUSSION

The Auditor-Generals Department (AGD) recently undertook an 'Examination of Cyber Security' at the City of Prospect, the Port Augusta City Council and the City of Port Adelaide Enfield. The objective of the examination was to assess the effectiveness of the respective Councils' Cyber Security environment.

In each review, the Auditor General sought to understand the cyber maturity of the Council's ICT environment and to examine whether it effectively managed its ICT resources through appropriate internal controls. These controls are needed to mitigate the cyber security and technology risks within the Council.

Local Government does not have in place any mandatory cyber security arrangements, such as ICT Control Frameworks or Standards, however as best practice, individual Councils should develop and have in place ICT control policies and procedures outlining the minimum controls.

The AGD consider key references for examining the effectiveness of cyber security are:

- the South Australian Cyber Security Framework; and
- guides developed by the Commonwealth Government's Australian Signals Directorate (ASD).

The review undertaken examined whether each Council had established and adhered to appropriate processes and structures for managing cyber security across the four (4) key areas, these being:

- security governance;
- system security;
- change management; and
- back-up operations and disaster recovery.

The AGD review also involved a vulnerability assessment of the Council's external facing website and any associated webserver(s).

At each Council that was examined, the AGD concluded that '*important control elements to mitigate cyber security and technology risks were not operating effectively*'.

While the findings were specific to the individual Councils that were examined, the following items were found to be common to all three (3) Councils:

- gaps in or insufficient coverage of cyber security related policies, procedures and standards;
- no formal ICT risk register or appropriate reporting on risks;
- insufficient management of risks and contracts over third party service providers;
- weaknesses in password controls and privileged access management practices;
- insufficient user access management practices or reviews;
- lack of or gaps in cyber security user awareness training;
- gaps in or insufficient change management controls;
- insufficient security patches and overall patch management;
- unsupported software still in use (i.e. older operating systems or software components); and
- no ongoing review or assurance over ICT controls.

Other significant findings, included:

- insufficient end user device security;
- gaps in, or no evidence of back-up and disaster recovery plans and associated testing of such plans;
- web applications using vulnerable software libraries;
- some web based documents require greater security controls; and
- information security incident response plans not established.

Following the release of the Auditor-General's report and using the combined reports as a guide, the Council's Manager, Information Services and the Project Manager, ICT Solutions, undertook a self-assessment of the Council's own effectiveness in mitigating cyber security and technology risks.

The review focussed on the following practices, broken down into the same four key areas used in the AGD reports. Where a practice should be improved further details are provided in the Improvements section.

Security Governance

- Cyber Security Policy

The Council does have in place Information Management policies and guidelines which address IT security however, the Council does not have a specific Cyber Security policy or strategy.

- ICT Risk Register

While the Council has in place an Information Security Committee (ISC) which reviews information security incidents and recommend improvements to mitigate against future incidents are tracked, there is no formal ICT risk register monitored by the ISC.

- Maintaining Information Security Awareness

Security Awareness training has been undertaken and participation tracked in the past, however this is not part of a regular Corporate Training or refresher Program. Cyber Security awareness is however, included as part of the IT induction program for new employees. One-on-one training has been undertaken in response to individual user actions where successful spear-phishing attacks have resulted in compromised Council network credentials.

- Third party service providers risk assessment

The Council's utilises Software as a Service (i.e. third party service providers) in very limited situations, as such are not considered high risk, therefore security performance reviews of third party service providers, to date have not been undertaken.

- Vulnerability assessments

Vulnerability assessments are only conducted following high risk or significant changes to edge devices, specifically Firewall appliances. If a change does not occur for a significant period of time the associated assessment also does not take place.

System Security

- System patching

Network device updates and critical security patching occur on an ad-hoc basis. When applied, updates are applied manually, outside of core business hours.

Awareness of new and to what degree critical and important security updates are required varies significantly across Council devices (i.e. some devices will provide alerts advising of an update) where as for other devices, staff need to actively seek out information pertaining to security updates.

- Application whitelisting

Application whitelisting (ie a list of approved software applications or executable files that are permitted to be present and active on a computer system) technology is used consistently across the Councils virtual desktop environment providing a strong defence against malicious attacks from Malware and Ransomware.

- Password controls

Existing controls for “on premise services” is considered sufficient and include forced password changes every 90 days, good password length and character mixes. Remote access requires two (2) factor authentication (2FA).

For off-premise services (i.e. cloud based services), password controls vary significantly and depend on the service provider. Staff are required to maintain additional and separate passwords for software provided as a Service (SAAS), which increase the chance of password re-use and therefore exposure. A register of staff SAAS passwords is not kept and Single Sign on (SSO) features are not utilised.

Privileged accounts for administrator staff follow best practice with system accounts being stored in a central password management system and are separate from the staff’s respective standard user accounts. Standard user accounts provide system access based on their day-to-day operational role.

- System access

User access to Council systems is not periodically reviewed or audited and as such, exposing sensitive systems to anonymous access. Users are given access to core systems through role based privileges. User accounts may be left with elevated access and/or general access after contract termination, conclusion of back fill arrangement during periods of absences (i.e. annual leave or staff vacancies) or role changes, if the Information Services staff are not notified.

End-user device security for Council supplied devices allows for remote distribution, forced PIN access, remote wipe and location tracking. Council devices are managed with mixed levels of effectiveness and are updated in an ad-hoc manner. (i.e. when returned by the user rather than on a known schedule)

- Change Management

Patching too often or too early, without good reason, can create system outages and/or impact on IT services. Apple IOS and Windows desktop updates are known to significantly change or deprecate features that users rely upon.

There is no formal approval process for changes on critical systems including the Firewalls and other critical devices, most changes are approved verbally. Changes are stored as helpdesk support tickets and not as change requests.

- Backup operations, disaster recovery and incident response

The Council has both a *Business Continuity Plan* and an *IT Disaster Recovery Plan* in place, which includes specific Disaster Recovery action and testing plans. Evidence of testing walk-throughs is also apparent. The last Disaster Recovery Test was performed in May 2018, following a major IT environment upgrade.

- Vulnerability assessment

The Council completed an independent vulnerability assessment on 20 July 2020. All critical and high issues were reviewed and have been addressed. Reported security incidents have highlighted other significant vulnerabilities where documents were found on the Council website without sufficient security controls and a number of out-of-support devices were found operating against a Council legacy system, including an old parking ticket management system.

Opportunities for Improvements

In response to the self-assessment of the Councils IT environment, a number of opportunities for improvements have been identified and are set out below:

Security Governance

- Develop a Cyber Security policy to complement the Council's existing Information Management Policies and Guidelines.
- Implement an ICT Risk Register with risks periodically reviewed and reported to the ISC and Audit Committee.
- Formalise an ongoing Cyber Security user awareness program, which may include employee participation tracking, phishing campaigns and policy awareness.
- When implementing or purchasing Software as a Service products, the procurement process to include, as part of the evaluation criteria, an assessment of new vendors against the cyber security risk it presents and if security performance reviews should be undertaken. The IT risk assessment should be based on the nature of the service, the extent of exposure and level of risk presented to the Council.
- Introduce regular independent vulnerability assessments, taking into account planned significant changes using a, whichever comes first, model.
- Develop an IT Asset Management Plan which identifies the different device and system types, the IT risk exposure and the change/update principles for each device and system.

System Security

- Introduce new or maintain existing tools to help identify current patch levels and apply updates systematically.
- Review current Single Sign-On strategy to move to an External Identity Provider model, allowing staff to re-use existing login credentials. Where possible, Single Sign-On should be applied to all Council approved systems.
- Where SAAS systems do not allow or support Single Sign-On, maintain a register of SAAS systems and users to ensure that logins are disabled as part of the Termination protocols. Include the service on the IT risk register.
- Introduce 2FA on all SAAS Council services, where applicable. Where unavailable, include the service on the IT risk register.
- Consider introducing manual audits or tools to assist in the review of privileged access accounts/groups.
- For mobile fleet devices, introduce a schedule of change. Which at a minimum identifies a configuration standard and push to ensure all devices are returned to site to achieve this standard. The ultimate aim should be full remote configuration of all Council mobile devices.

Change Management

- Introduce a Patch Management calendar, adopting a risk based approach. Patch management process should include;
 - documentation of patching decisions, such as when to patch or not to patch and why;
 - details of business systems that require critical updates within a specific period;
 - timeframes in which the patches should be applied; and
 - testing and end-user acceptance protocols.
- If patching, where possible, evaluate changes and patches released by vendors in separate environments prior to applying the patch to the production environment.
- Consider introducing an update calendar for IOS and other similar devices. Ring-fence specific users to receive feature updates ahead of all users as part of a user acceptance phase.
- Define change types based on risk. For larger changes introduce formal acceptance windows and/or approval workflows, especially for core systems effecting a large user base (ie Authority, Objective) or with significant impact (ie Windows 10).
- High risk or significant changes should be approved and where possible, the person implementing the change should be separate from the approver (ie Windows images, Firewall changes, etc).

OPTIONS

Nil.

CONCLUSION

While the review which has been undertaken is an internal self-assessment, an independent review of the Council's IT environment was undertaken in August 2017, with the findings of that review assessing the IT controls and environment being Majority Effective. Notwithstanding this, it is acknowledged that the Council does have room for improvement to ensure that it is protected against cyber threats and attacks. The opportunities for improvements identified within this report will be implemented by the Information Services team in the coming months.

COMMENTS

Full details of the findings can be found in the published Auditor-General Department reports available at www.audit.sa.gov.au/publications/2021.

RECOMMENDATION

That the proposed improvements as set out in this report be endorsed and recommended to the Council for approval and implementation.

6.6 FINANCE POLICIES

REPORT AUTHOR: Accountant
GENERAL MANAGER: General Manager, Corporate Services
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA63320/A157317
ATTACHMENTS: A - C

PURPOSE OF REPORT

The purpose of this report is to present finance related policies which have been reviewed to the Audit Committee, for consideration and endorsement prior to being presented to the Council for adoption.

BACKGROUND

Pursuant to Section 125 of the *Local Government Act 1999*, the Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets, and to secure (as far as possible) the accuracy and reliability of the Council's records.

The 2020-2021 Audit Committee Work Program requires the Audit Committee to review the appropriateness of the range and content of the Council's financial policies and practices.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable

SOCIAL ISSUES

Not Applicable

CULTURAL ISSUES

Not Applicable

ENVIRONMENTAL ISSUES

Not Applicable

RESOURCE ISSUES

Not Applicable

RISK MANAGEMENT

Documentation of policies relating to the Council's financial transactions improves transparency and ensures consistent treatment over subsequent reporting periods unless Accounting Standards or legislation changes.

CONSULTATION

- **Committee Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Nil
- **Other Agencies**
Not Applicable.

DISCUSSION

In accordance with the Finance Policy Timetable, a review a number of policies, as contained in **Attachment A** to **C**, has been undertaken. Following the review, the amendments to the policies, as detailed in Table 1 below, are presented to the Committee for consideration and recommendation to the Council for adoption, subject to any amendment which may be considered appropriate by the Audit Committee.

TABLE 1: PROPOSED POLICY AMMENDMENTS

Policy	Details of Proposed Amendment
Credit Policy (Attachment A)	No changes recommended.
Expenditure Policy (Attachment B)	It is recommended that the delegation of authority for the Manager, Economic Development & Strategic Projects is moved from Managers Level 2 to Managers Level 1 due to the large scale of capital projects managed by the Manager, Economic Development & Strategic Projects.
Rating Policy (Attachment C)	Rate Capping to be set at two (2) times the rate revenue increase. Rate Capping to apply to residential properties only.

OPTIONS

The Policies can be recommended to the Council for adoption with or without amendment.

CONCLUSION

To ensure compliance with Section 125 of the Act, the Council must have in place appropriate policies, practices and procedures which assist the Council to carry out its activities in an efficient and orderly manner. It is important to ensure that the policies adopted by the Council are regularly reviewed to ensure that they reflect the current operating environment and continue to meet the Council's overall objectives.

COMMENTS

Nil

RECOMMENDATION

1. That the Audit Committee notes that the following policies have been reviewed and notes that no amendments are recommended:
 - Credit Policy;
 - Expenditure Policy & Delegation of Authority;
 - Rating Policy.
2. That the Audit Committee notes that the Public Liability Insurance for Community Groups when Hiring Council Owned Facilities Policy has been reviewed and notes that minor amendments are recommended.
3. That the Audit Committee recommends to the Council that the following policies be adopted:
 - Credit Policy (**Attachment A**);
 - Expenditure Policy & Delegation of Authority (**Attachment B**); and
 - Rating Policy (**Attachment C**).

Attachment A

Finance Policies

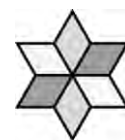
Credit Policy

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**



NAME OF POLICY: Credit Policy

POLICY MANUAL: Finance

BACKGROUND

Each transaction involving the supply of goods and/or services to an (external) individual organisation or other parties, will give rise to a debt. This Policy sets out the Council's principles in respect to the provision of credit and the management of related debt.

This Policy relates to the credit and related debt management arrangements that apply to a comprehensive range of services provided by the City of Norwood Payneham & St Peters and purchased by a wide range of individuals and organisations.

KEY PRINCIPLES

Accountability and Transparency

The Council's practices and decisions are underpinned by accountability and transparency and must accord with the requirements and intent of relevant legislation and accepted conventions.

Fairness and Equity

The Council will ensure that credit (and related debts) are managed fairly and equitably. This Policy maintains that parties who incur sundry debts, do so in full expectation of meeting the prescribed repayment terms.

The Council also acknowledges that organisational and individual financial circumstances can change. If difficulties are anticipated, individuals and organisations must promptly initiate discussions seeking alternative payment arrangements.

Responsibilities

Prime responsibility for managing credit and related debt will lie with the Council's Finance Section.

Risk Management

Risk Management principles will underpin decisions made in relation to credit and related debt management.

POLICY

Credit Management

- The Chief Executive Officer and/or the General Manager, Corporate Services may, within their delegated authority, establish credit accounts for individuals and organisations in accordance with Councils business requirements.
- Commercial credit risk assessment practices will be applied. Where appropriate, prepayment, bonds and deposits will be required.
- Standard Credit terms are 30 days from the date of the Invoice.

Debt Management

The management and recovery of outstanding revenue is an important aspect of the Council's financial management function. The principles that will apply in the management of and recovery of debt are as follows:

- The Council has a responsibility to recover monies owing to it in a timely and efficient manner to finance its operations and ensure effective cash flow management.
- The Council will operate effective billing and debt collection processes.
- The Council aims to minimise the amount of outstanding monies that is owed to the Council.
- Debtors are expected to take responsibility for their debt obligations to the Council and to organise their affairs in such a way as to be able to discharge these obligations when required.
- If a debtor cannot meet their obligations by the due date, the debtor should contact the Council at the earliest opportunity to make appropriate arrangements to address the debt.
- The Council will explain the debtor's rights and obligations in relation to any action that the Council might take to recover debt.
- The Council will not issue a letter of demand to a debtor without taking all reasonable steps to establish a payment arrangement or negotiate settlement of the outstanding debt.
- Once a letter of demand has been issued and payment still has not been received, legal action will proceed and any settlement negotiations will be made on a "without prejudice" basis so that the legal right to collect the debt is not compromised.

Debt Recovery – Rates

The Council's Rates staff is responsible for debt management and initiating the debt recovery process.

The following debt collection practices will be applied:

- Following an unpaid quarterly instalment, a Reminder Notice will be issued within 14 days of the due date.
- Arrears balances of greater than \$3,000 or which have been overdue for a period of over 18 months will be reviewed annually and the following will be taken into account as part of the review;
 - If the owner has not made contact with the Council, staff will attempt to contact the property owner to establish the reasons for the arrears balance and establish a payment arrangement to prevent further debt collection action; and,

- If the property owner has advised staff of a circumstance for Debt Collection Exemption Criteria, staff will review the payment arrangement to ensure the agreed arrangement is being adhered to prior to further debt collection action being taken.
- Where no contact has been established with the property owner or the property owner fails to adhere to the payment arrangements formal Debt Collection process will commence.

DEBT COLLECTION EXEMPTION CRITERIA

Criteria	Action
Postponed rates	No action required
Payment arrangement	Review adherence to payment arrangement to ensure compliance
Health/social issues	Review on a case-by-case basis. Documentary evidence to support claim and a payment arrangement established.
Financial Distress	Requests must be lodged in writing. All requests must attach supporting documentation from a financial counsellor and have a payment arrangement established.
Awaiting Sale or Settlement of property	Review on a case-by-case basis. Evidence of impending sale to be provided.

Debt Recovery – General Debts

The Council's Finance team is responsible for debt management and initiating the debt recovery process.

In consultation with the Responsible Officer initiating the debt, negotiated exemptions may be provided depending on the nature of the debt and risk of the debtor, for example community groups or welfare recipients.

The following debt collection practices will be applied:

- When an account is thirty (30) Days overdue; a statement will be issued with an overdue notification requesting payment within seven (7) days.
- When an account is forty five (45) days overdue and no response has been received from the initial request, a reminder letter will be forwarded, requesting payment within fourteen (14) days or for contact to be made with Council to enter into an alternative payment arrangements.
- When an account is sixty (60) days overdue and no responses have been received to prior requests, a telephone call or second reminder letter will be forwarded requesting payment within fourteen (14) days or to contact the Council to enter into an alternative payment arrangement.
- When an account is ninety (90) days overdue and where no response has been received, a letter will be forwarded to the individual or organisation concerned informing them that legal action will be pursued if the matter cannot be urgently resolved. Where no response is been received within fourteen (14) days, the outstanding debt will be forwarded to the Council's debt recovery agency.

Provision for Doubtful Debts

Aged debts greater than one hundred and fifty (150) days, a provision for the doubtful debt should be provided for according to an assessment which has regard for –

- (a) the size and nature of the debt
- (b) the debtor in question

A provision for doubtful debts may be provided for aged debts less than one hundred and fifty (150) days if the recovery of the debt is known to be unlikely.

Any adjustments to the provision shall be made annually and will be charged as an expense to the responsible department.

Write Offs

Where debts are considered unrecoverable, or where the cost of recovery is uneconomic, the debt shall be written off against the Provision (if applicable) in accordance with the Bad Debt Write Off Policy.

REVIEW PROCESS

The Council will review this Policy within 24 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's General Manager, Corporate Services, telephone 8366 4585

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 25 October 2010.
This Policy was adopted by Council on 6 December 2010.
This Policy was endorsed by the Audit Committee on 25 February 2013.
This Policy was adopted by the Council on 4 March 2013.
This Policy was endorsed by the Audit Committee on 26 October 2015.
This Policy was adopted by the Council on 2 November 2015.
This Policy was endorsed by the Audit Committee on 23 October 2017.
This Policy was adopted by the Council on 6 November 2017.
This Policy was endorsed by the Audit Committee on 27 May 2019.
This Policy was adopted by the Council on 3 June 2019
This Policy was endorsed by the Audit Committee on 24 May 2021.
This Policy was adopted by the Council on 7 June 2021

TO BE REVIEWED

May 2023

Attachment B

Finance Policies

Expenditure Policy

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**



NAME OF POLICY: Expenditure

POLICY MANUAL: Finance

BACKGROUND

Section 44 (2) of the *Local Government Act 1999*, provides that delegations may be made to:

- an employee of the Council; or
- the employee of the Council for the time being occupying a particular office or position.

In respect to approval of expenditure, the delegation is limited to the expenditure of money on works, services and operations which are contained in the Annual Budget Plan as adopted by the Council. Expenditure in excess of the approved budget, are to be authorised in line with the Council Budget Review Policy and Guidelines.

DISCUSSION

The City of Norwood Payneham & St Peters operates in an environment which is subject to public scrutiny and legislative requirements. The Council is required to ensure that financial resources are allocated in an effective and efficient manner to ensure that “best value” is achieved and the continuation of service provision to the City in the most efficient and cost effective manner.

When purchasing goods and services to support the operations of the Council, consideration is required to be given to;

- obtaining value for money consistent with specified standards of quality and service;
- minimising risks to the Council and Staff; and
- ensuring transparency in all decision making.

KEY PRINCIPLES

This Policy applies to all expenditure which is incurred by the Council. Expenditure must be properly authorised before the Council is to be committed to the expenditure.

The general guidelines to be followed for all expenditure, which should be paid for only after:

- the purchase of goods and/or services has been properly authorised;
- the services provided and or a goods received, have been checked for quality, quantity and performance criteria agreed at the time the purchase was approved; and
- the invoice details have been verified;
 - against purchase requisition / order / approval;
 - to evidence receipt of goods / services;
 - for correct pricing, extensions and additions; and
 - to ensure all available discounts and incentives have been availed.

The Delegation of Authority sets out a list of staff with the authority to approve the purchase of goods and services. The Delegation level is based on the position and the value of the purchase.

At the time of expenditure commitment, authorised signatories must satisfy themselves that the general guidelines have been followed.

POLICY

All invoices and commitment of expenditure must be authorised for payment in line with the Delegation of Authority listed in;

Schedule 1: Delegation of Authority; and
Schedule 2: Delegation of Authority – Specified Transactions.

If repairs associated with Work Health, Safety or Security are required to be attended to after normal working hours, the Responsible Officer is authorised to purchase whatever goods or services are required to carry out the repair or secure the situation until the next working day. However, the Responsible Officer is required to use discretion regarding the level of repair affected.

REVIEW PROCESS

This Policy will be reviewed within 12 months of the adoption of the Policy.

INFORMATION

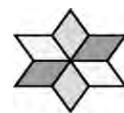
The Contact Officer for further information at the City of Norwood Payneham & St Peters is Council's Financial Services Manager, telephone 8366 4548.

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 26 March 2012.
This Policy was adopted by the Council on 2 April 2012.
This Policy was endorsed by the Audit Committee on 25 February 2013.
This Policy was adopted by the Council on 4 March 2013.
This Policy was endorsed by the Audit Committee on 24 February 2014.
This Policy was adopted by the Council on 3 March 2014.
This Policy was endorsed by the Audit Committee on 25 May 2015.
This Policy was adopted by the Council on 1 June 2015.
This Policy was endorsed by the Audit Committee on 29 February 2016.
This Policy was adopted by the Council on 7 March 2016.
This Policy was endorsed by the Audit Committee on 27 February 2017.
This Policy was adopted by the Council on 6 March 2017.
This Policy was endorsed by the Audit Committee on 26 February 2018.
This Policy was adopted by the Council on 5 March 2018.
This Policy was endorsed by the Audit Committee on 25 February 2019.
This Policy was adopted by the Council on 6 March 2019.
This Policy was endorsed by the Audit Committee on 24 February 2020
This Policy was adopted by the Council on 2 March 2020
This Policy was endorsed by the Audit Committee on 25 May 2020
This Policy was adopted by the Council on 1 June 2020
This Policy was endorsed by the Audit Committee on 24 May 2021
This Policy was adopted by the Council on 7 June 2021

SCHEDULE 1: DELEGATION OF AUTHORITY

<u>Nature & Level</u>		Limits (per transaction)	
All Invoices within adopted budget (excludes Specified Transactions)			
Chief Executive Officer		As per Council Delegation	
General Managers		\$100,000	
Managers – Level 1		\$50,000	
Manager – Level 2		\$20,000	
Responsible officers – Level 1		\$10,000	
Responsible officers – Level 2		\$5,000	
Other Specified Positions			
▪ Building Maintenance Officer		\$5,000	
▪ Senior Mechanic		\$5,000	
▪ Clerical Officer – City Services		\$5,000	
▪ Executive Assistants to General Managers and CEO & Mayor		\$2,500	
▪ Corporate Card holders (not Responsible Officers)		\$2,500	
▪ Planning Assistants		\$5,000	
▪ Admin Assistant – Child Care Centre		\$2,500	
▪ Assistant Manager - Swim Centre		\$2,000	
▪ Cook - Child Care Centre		\$1,000	
Managers Level 1	Managers Level 2	Responsible Officers Level 1	Responsible Officers Level 2
Manager, City Assets	Manager, Community Care Services	Team Leader, Customer & Regulatory Services	Co-ordinator, Volunteer Services
Manager, City Services	Manager, Information Systems	Assets and Special Projects Manager	Youth Development Officer
Manager, Economic Development & Strategic Projects	Manager, Development Assessment	Project Manager, Civil	Event Co-ordinator
	Manager, Urban Planning & Sustainability	Project Manager, Buildings	Community Art Officer
	Manager, Library Services and Lifelong Learning	Works Co-ordinator - Civil	City Arborist
	Manager, Organisational Development	Works Co-ordinator – Parks & Garden	Corporate Records Co-ordinator
	Financial Services Manager	Technical Officer Field Services	Economic Development Co-ordinator
	Manager, Economic Development & Strategic Projects	Manager, Norwood Concert Hall	Collections Development Team Leader
		Director, Child Care Centre	Lifelong Learning Team Leader
		Manager, Swimming Centres	Manager, WHS & Risk
		Communications Officer	Manager, Governance, Legal and Property
		Manager, Traffic & Integrated Transport	
Standing Delegations			
Where the relevant General Manager/Department Manager is not available, other General Managers, Department Managers and Chief Executive Officer can authorise invoices for payment in their absences, up to their respective delegation.			


SCHEDULE 2: DELEGATION OF AUTHORITY – SPECIFIED TRANSACTIONS

<u>Nature & Level</u>	<u>Limits (per transaction)</u>
Contract Purchases	As per the Tenders & Contracts Policy
Contracted Purchase/Lease Agreements (once negotiated)	Relevant General Manager (as per contracted amounts only) Manager, City Services (consumable/stores purchases) <\$100,000
Project Approval	Council >\$250,000 Chief Executive Officer <\$250,000
Project Spend (approved project)	Relevant General Manager <\$250,000 Project Manager Capital <\$25,000 Operating Projects <\$10,000
IT Hardware & Software & Maintenance	Manager, Information Systems
Communications Equipment	Manager, Information Systems
Payroll (including employee deductions)	General Manager, Corporate Services
Encashment of Leave Entitlements	Manager, Organisational Development
Recruitment (placing of advertisement etc)	Human Resource Officer < \$5,000
<u>Facility Hire Related Transactions</u>	<u>Communities Facility Officer <\$750</u>
Taxation related payments (GST,FBT,PAYG etc)	Financial Services Manager
Reimbursement of personal expenditure - General Manager - Other employees	Chief Executive Officer Immediate Manager
Insurance Renewals	Chief Executive Officer General Manager, Corporate Services <\$50,000
Insurance Claim Settlements	Chief Executive Officer >\$5,000 General Manager, Corporate Services <\$5,000
Rates Related Transactions	General Manager, Corporate Services >\$5,000 Rate & Revenue Officer <\$5,000
Corporate Stationary	Team Leader, Customer & Regulatory Services <\$5,000
Provision for Doubtful Debts	Council >\$5,000 Chief Executive Officer <\$5,000
Write off bad debt against provision	Chief Executive Officer <\$5,000
Asset sales & write offs	Council >\$250,000 Chief Executive Officer <\$250,000
Initiate, settle or abandon any legal action in Council name	Council All action
Salary Increases - General Managers - GM Direct Reports - Other employees	Chief Executive Officer In line with re-classification policy In line with re-classification policy
Standing Delegations	

Where the relevant General Manager/Department Manager is not available, other General Managers, Department Managers and Chief Executive Officer can authorise invoices for payment in their absences, up to their respective delegation.

Attachment C

Finance Policies

Rating Policy

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
Norwood
Payneham
& St Peters



City of
Norwood
Payneham
& St Peters

NAME OF POLICY:	Rating Policy
POLICY MANUAL:	Governance

BACKGROUND

Section 123 of the *Local Government Act 1999* (The Act) requires Councils, as part of the Annual Business Plan, to have a rating policy which must be prepared and adopted each financial year in conjunction with the declaration of rates. The Council's power to raise rates and the framework within which the Council must operate is outlined in Chapter 10 of the Act.

Scope

The purpose of the Policy is to outline the Council's approach to determining and collecting rates from the community. In determining the Policy, the Council is committed to the principles that apply to the imposition of taxes on the community.

Equity: Ratepayers with the same property value should pay the same level of tax.

Benefit: Ratepayers should receive some benefit from the tax paid, but not necessarily to the extent of tax paid. Rates are not a fee-for-service.

Simplicity: The tax must be understandable and easy to collect.

Consistent: Taxes should be internally consistent, based on transparent and predictable rules.

Economic Efficiency: The tax imposed should not distort economic behaviour. For example, a tax which is designed to change behaviour, and that behaviour changes, then the tax is considered efficient.

These principles may be in conflict with each other, therefore the Council must strike a balance between the:

- application of the principles of taxation;
- policy objective of levying rates;
- need to raise revenue; and
- the effect of the tax on the community.

The Council has considered each principle when determining its Rating Policy.

POLICY

Strategic Focus

The Council must balance its service levels, the needs and expectations of the community and the levying of rates to ensure it is adequately resourced to fulfil its roles and responsibilities. In determining rates for the financial year, the Council gives primary consideration to strategic directions, budget considerations, the current economic climate and the likely impacts on the community.

The resources required to successfully achieve this outcome are documented in the Annual Business Plan and Annual Budget. The Annual Budget directly supports and reflects the delivery of the Council's Strategic Plan, *City Plan 2030*.

The Council's major source of revenue is Rates Revenue, derived as a tax on land within the Council area. Rate levels are determined after consideration of expenditure priorities in relation to the Council's Strategic

Plan *City Plan 2030*, the Long Term Financial Plan, Asset Management Plans, the Annual Business Plan, ongoing service delivery requirements and community needs.

The Council recognises the importance of supporting and encouraging a diverse and healthy commercial sector and this is reflected in its strategic plans. As a result, specific business development initiatives are being introduced to support and attempt to broaden the City's economic base. Strategic and Business Planning for various precincts are an example of the work being progressed in this area.

Given the economic and social impacts of the COVID-19 Pandemic, the Council has considered the current and future impacts on the community during the recovery phase and has determined for the 2020-2021 financial year, that it will forgo planned rate revenue increases, which have been set out in the Long Term Financial Plan and base the Rating Policy on a zero (0%) increase in rate revenue, except where the rate increase is a result of new development, property improvements, a change in land use or zoning or a result of a sale.

Rating Structure

All land within a Council area is rateable, except for land specifically exempted under Section 147(2) of the Act. This includes:

- unalienated Crown land;
- land used or held by the Crown or an instrumentality of the Crown for a public purpose (including an educational purpose), except any such land—
 - that is held or occupied by the Crown or instrumentality under a lease or licence; or
 - that constitutes domestic premises;
- land (not including domestic or residential premises) occupied by a university established by statute;
- land that is exempt from rates or taxes by virtue of the *Recreation Grounds Rates and Taxes Exemption Act 1981*;
- land occupied or held by the council, except any such land held from a council under a lease or licence;
- land occupied by a subsidiary where the land is situated in the area of the council that established the subsidiary or a constituent council (as the case may be);
- land occupied or held by an emergency services organisation under the *Fire and Emergency Services Act 2005*;
- land that is exempt from council rates under or by virtue of another Act.

Method Used to Value Land

Pursuant to Section 151 of the Act, the Council may adopt one of three valuation methodologies to value the properties. The valuation methodologies are:

Capital Value – The value of the land and all of the improvements on the land.

Site Value – The value of the land and any improvements which permanently affect the amenity of use of land such as drainage works, but excluding the value of buildings and other improvements.

Annual Value – The valuation of the rental potential of the property.

The Council adopts Capital Value as the basis for valuing land within the Council area. The Council considers the Capital Value method of valuing land, is the fairest method of distributing the rate burden across all ratepayers, on the following basis:

- property value is a good indicator of wealth. Capital Value, which closely approximates the market value of a property, provides the best indicator of overall property value;
- the equity principle of taxation requires taxpayers of similar wealth pay similar taxes, so taxpayers of greater wealth pay more tax than taxpayers of lesser wealth;
- the distribution of property values throughout the Council area is such that just over one third of residential ratepayers will pay more than the average rate levied per property.

Adoption of Valuations

The Council adopts the Capital Valuations as assessed by the State Valuation Office, effective at 1 July as the Capital Value of each property.

If a ratepayer is dissatisfied with the valuation made by the State Valuation Office, the ratepayer may object to the State Valuation Office in writing, within sixty (60) days of receiving the first notice of the valuation, explaining the basis for the objection provided the ratepayer has not:

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

Note: The sixty (60) day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause. Contact details to lodge an objection are included on the Rates Notice sent by the Council.

The Council has no role in the assessment of objections. It is important to note that the lodgement of an objection does not alter the due date for the payment of rates. Rates must be paid in accordance with the Rate Notice unless otherwise notified by the Council.

Differential General Rates

Pursuant to Section 153 of the Act, the Council can impose a general rate on all rateable land/or a differential rate based on location of land and/or the use to which the land is put. In applying the equity and benefit principles, the Council will apply a differential rate based on the use of the land.

Definitions of land use are prescribed by regulation and are categorised as follows for rating purposes:

- Residential;
- Commercial – Shop;
- Commercial – Office;
- Commercial – Other;
- Industrial – Light;
- Industrial – Other;
- Primary Production;
- Vacant Land; and,
- Other

If a ratepayer believes a particular property has been incorrectly classified as to its land use, then an objection may be made to the Council within sixty (60) days of being notified of the land use classification. It is important to note that the lodgement of an objection does not alter the due date for the payment of rates. Rates must be paid in accordance with the Rate Notice unless otherwise notified by the Council.

For the 2020-2021 financial year, the Council has determined that the following differential rates will be applied to all of its rateable assessments:

Land Use	Differential Rate Cents-in-the-Dollar	% of Rate Revenue
Residential	0. 22336 <u>22842</u>	78. 43 %
Commercial	0. 26803 <u>27320</u>	16. 55 %
Industrial	0. 27320 <u>26803</u>	4.00 <u>9</u> %
Primary Production	0. 27320 <u>26803</u>	0.01%
Vacant Land	0. 27320 <u>26803</u>	1. 56 %
Other	0. 27320 <u>26803</u>	2. 76 %

Minimum Rate

A Council may impose a minimum rate to properties within the Council area in accordance with Section 158 of the Act.

The minimum rate is imposed so that all rateable properties make a base level contribution to the costs of:

- administering the Council's activities;
- the provision of the physical infrastructure that supports each property and is available for use by all ratepayers;
- services provided that are available for use by all ratepayers e.g. Library and Parks and Gardens.

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.

The minimum rate will increase at the same percentage increase in general rate revenue. Pursuant to Section 158(2) (d), the minimum rate will not be applied to more than 35% of properties in the Council area.

For 2020-2021 financial year, the minimum rate is set at \$1,0231,068 (tbc). The minimum rate has been applied to 6,0856,025 assessments or 29.9429.98% of all rateable properties within the Council area.

The Parade Separate Rate

For the purposes of promotion, enhancing business viability and profitability of the businesses and traders along The Parade, pursuant to Section 154 of the Act, the Council has previously declared The Parade Separate Rate. The revenue raised from The Parade Separate Rate may only be used for the purpose of promotion and enhancing business viability along The Parade Precinct.

~~Due to the COVID-19 Pandemic, the Council has resolved not to declare The Parade Separate Rate for the 2020-2021 financial year.~~

~~The Council declared a differential separate rate of 0.0056 (tbc) cents-in-the-dollar will be levied against all properties which fall within The Parade Precinct with a land use classified as Category 2 – Commercial Shop or Category 3 – Commercial Office or Category 4 – Commercial Other or Category 5 - Industrial Light.~~

~~Pursuant to Section 166(1)(a) of the Act, the Council will grant a discretionary rebate of 50% of the Parade Separate Rate to all properties that fall within the geographical boundary described above and which have a land use of Category 3 – Commercial Office and Category 4 – Commercial Other land use classified as Professional Services.~~

Regional Landscape Levy

The Regional Landscape Levy is a State Government tax which the Council is required to collect under the *Landscape South Australia Act 2019*, in order to make a specified contribution to the funding of the operations of the Green Adelaide Board. Revenue collected from this levy is not retained by the Council and the Council does not determine how the revenue raised is allocated by the State Government.

The Council's contribution to the Green Adelaide Board is collected from property owners through a separate rate, the Regional Landscape Levy, based on Capital Value. The rate is fixed and calculated to raise the equivalent amount as Council's share to be contributed to the Green Adelaide Board, taking into account any rebates/remissions under Section 159-166 of the Act. The Regional Landscape Levy is separate to the General Rates levied by the Council.

For the ~~2020-2021~~2021-2022 Financial year, the Council will collect \$~~1.365m~~1.386 million for the payment of the State Government Regional Landscape Levy. The Regional Landscape Levy has been set at ~~0.0098~~0094 cents-in-the-dollar against all rateable properties.

Private Laneways Separate Rate

Within the the City of Norwood Payneham & St Peters, there are a number of Private Laneways which provide pedestrian and vehicular access to residential properties and businesses, and access routes to adjoining roads and destinations. The Council recognises the difficulties that face residents and businesses that rely upon Private Laneways for access to their properties, and acknowledges that the Council is often the only authority which has the capacity to provide a solution. As such, the Council has determined to progressively assume responsibility for selected Private Laneways within the City, through implementation of the statutory process set out in Section 210 of the *Local Government Act 1999* (the Act), to convert Private Laneways to Public Roads, whereby its ownership will vest in the Council.

For the purposes of recovering the cost of converting a Private Laneway to a Public Road, the Council may delcalre a Separate Rate over the relevant part of the Council area amounting to a rates liability against each Adjoining Allotment to the laneway.

Pursuant to Section 154 of the Local Government Act, the Council has declared a Separate Rate of a fixed charge of ~~\$223.30~~\$98.91 against the properties adjoining ~~Post Office~~Charlotte Lane for the ~~2020~~2021-2024 ~~2022~~ Financial year.

Payment of Rates

Council rates will be due in four instalments in the months of September, December, March and June. The exact date that rates fall due are detailed on the Rates Notice. The total outstanding balance of rates may be paid in full at any time.

In addition, regular pre-payments of Council Rates are allowed of \$30 or more at any time and can be made at any Council office, via BPay, via Australia Post BillPay or by the Council website.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard arrangements should contact the Council's Rates Officer on 8366 4554 to discuss alternative payment arrangements. Such enquiries are treated confidentially by the Council.

The council provides various methods to enable the payment of rates. Payment methods are detailed on the rates notice.

Late Payment of Rates

The Council has determined that penalties for late payments will be imposed in accordance with the provisions of Section 181(8) of the Act and relevant Council procedures.

Late payment fines are levied in accordance with the provisions of Section 181(8) of the Act.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalments and due dates can contact the Council to discuss alternative payment arrangements. Fines and interest are still levied in accordance with the Act while there is an arrears balance.

The Council will consider applications for remissions of fines in certain extenuating circumstances. A request for waiver of fines should be made in writing, setting out detailed reasons why a fine remission has been requested, or may be submitted on the Application for Remission of Rates and/or Fines Form.

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

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed;
- Fourth – in payment of rates, in chronological order (starting with the oldest account first).

Recovery of Rates

The Council will issue one (1) Reminder Notice for payment of rates when rates remain unpaid by the due date.

Rates, which remain in arrears for a period exceeding 30 days, will be subject to recovery action in accordance with the Council's Credit Policy.

Sale of Land for Non-payment of Rates

Section 184 of the Act provides that a Council may sell any property where the rates have been in arrears for three (3) years or more. Before a Council sells land in pursuance of this section, it must send a notice to the principal ratepayer at the address appearing in the assessment record stating;-

- a) the period for which the rates have been in arrears; and
- b) the amount of the total liability for rates presently outstanding in relation to the land; and
- c) that if that amount is not paid in full within one (1) month of service of the notice (or such longer time as the Council may allow), the Council intends to sell the land for non-payment of rates.

Except in extraordinary circumstances, the Council will enforce the sale of land for arrears of rates.

Remission and Postponement of Rates

Application for remission of rates and charges or postponement of rates will be considered under the discretionary provisions of Sections 181 and 182 of the Act.

Requests must be lodged in writing or may be submitted on the Application for Remission or Postponement of Rates and/or Fines form. All requests must provide evidence of financial hardship. Monthly interest at the prescribed rate will be applied to rates postponed under the Section 182.

Such enquiries are treated confidentially by the Council.

Postponement of Rates for Seniors

Section 182A of the Act sets out the criteria that applies for a senior ratepayer to be eligible for the postponement of payment of rates.

Applications must be lodged in writing and must provide evidence of eligibility plus other evidence as required. Requests must be lodged on the Application Form for Postponement of Rates. Monthly interest at the prescribed rate will be applied to rates postponed under Section 182A.

Where an application for postponement under Section 182A is granted, a presumption of ongoing annual postponement will be assumed. If an entitlement of postponement ceases to exist, the owner of the land must inform the Council in writing of that fact.

Ratepayers requesting postponement of rates will initially be referred to the availability of reverse mortgage loans through financial institutions. Seniors granted postponement of rates are required to pay a minimum of \$500 of rates and charges levied in each financial year in compliance with the Local Government (General) Regulations.

Such enquiries are treated confidentially by the Council.

Rebate of Rates

Rebates of rates will be only granted when the applicant satisfies the requirements for Mandatory Rebates pursuant to Section 159 to Section 165 of the Act.

Applications for discretionary rebates lodged under Section 166 of the Act, will be considered under Council's Rate Rebate Policy.

Rate Capping Rebate

Pursuant to Sections 153(3) and 153(4) of the Act, the Council will grant a rebate of General Rates to the principal ratepayer of a residential assessment where there is a significant increase in the rates payable as a result of a rapid change in the property value, and where that property is their principal place of residence.

For the ~~2020-2021~~2021-2022 financial year, the rebate will be automatically applied where the increase in rates payable from one financial year to the next financial year is greater than ~~4.08~~7%.

Where this rebate is not automatically applied, ratepayers who consider they are eligible for the Rate Cap Rebate may lodge an application form, which will be assessed against the eligibility criteria. The application must be lodged by 30 June in the financial year that the rates are declared.

The rebate will not apply where:

- (a) any such increase is due in whole or in part to an increase in valuation of the land because of improvements made to it are worth more than \$30,000, or
- (b) any such increase is due in full or part to the use of the land for rating purposes on the date the Council declared its general rates for the ~~2020-2021~~2021-2022 financial year being different than the land use on the date the Council declared its general rates for the ~~2019-2020~~2020-2021 financial year, or
- (c) any such increase is in whole or part because of a change in the zoning of the land; or
- (d) the ownership of the property has changed since 1 January ~~2019~~2020.

~~Pursuant to Section 166 (1)(ii) of the Local Government Act 1999, the Council will grant a rebate of General Rates to the principal ratepayer of a commercial assessment where there is a significant increase in the rates payable as a result of a rapid change in the property value~~

~~For the 2020-2021 Financial year, the rebate will be automatically applied where the increase in rates payable from one financial year to the next financial year is greater than 1.0%.~~

~~The rebate will not apply where:~~

- ~~(e) any such increase is due in whole or in part to an increase in valuation of the land because of improvements made to it are worth more than \$30,000, or~~
- ~~(f) any such increase is due in full or part to the use of the land for rating purposes on the date the Council declared its general rates for the 2020-2021 financial year being different than the land use on the date the Council declared its general rates for the 2019-2020 financial year, or~~
- ~~(g) any such increase is in whole or part because of a change in the zoning of the land; or~~
- ~~(h) the ownership of the property has changed since 1 January 2019.~~

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 the Rates and Revenue Officer on 8366 4554 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied, they should write to the Chief Executive Officer.

REVIEW PROCESS

The Council will review this Policy within 12 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's Rates and Revenue Officer, telephone 8366 4554.

ADOPTION OF THE POLICY

This Policy was reviewed by the Audit Committee on ~~25 May 2020~~24 May 2021.
The Rating Policy was adopted by Council on ~~6 July 2020~~.

TO BE REVIEWED

May 2024²

7. CONFIDENTIAL REPORTS
Nil

8. OTHER BUSINESS
(Of an urgent nature only)

9. NEXT MEETING
Monday 26 July 2021

10. CLOSURE