

# Special Council Meeting Agenda & Reports

**9 May 2022**

## **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

Telephone 8366 4555  
Facsimile 8332 6338  
Email [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au)  
Website [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)



City of  
Norwood  
Payneham  
& St Peters

5 May 2022

## To all Members of the Council

### NOTICE OF SPECIAL MEETING OF COUNCIL

I wish to advise that pursuant to Section 83 of the *Local Government Act 1999*, the next Special Meeting of the Norwood Payneham & St Peters Council, will be held in the Council Chambers, Norwood Town Hall, 175 The Parade, Norwood, on:

**Monday 9 May 2022, commencing at 7.00pm.**

Please advise Tina Zullo on 8366 4545 or email [tzullo@npsp.sa.gov.au](mailto:tzullo@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

Telephone 8366 4555  
Facsimile 8332 6338  
Email [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au)  
Website [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)



City of  
**Norwood  
Payneham  
& St Peters**

Page No.

1.	CONFIRMATION OF THE MINUTES OF THE COUNCIL MEETING HELD ON 2 MAY 2022 .....	1
2.	STAFF REPORTS.....	1
2.1	2022-2023 DRAFT ANNUAL BUSINESS PLAN AND BUDGET .....	2
3.	CLOSURE .....	16

**VENUE** Council Chambers, Norwood Town Hall

**HOUR**

**PRESENT**

**Council Members**

**Staff**

**APOLOGIES** Cr Connie Granzio, Cr Sue Whittington

**ABSENT**

1. **CONFIRMATION OF THE MINUTES OF THE COUNCIL MEETING HELD ON 2 MAY 2022**

2. **STAFF REPORTS**

## 2.1 2022-2023 DRAFT ANNUAL BUSINESS PLAN AND BUDGET

---

**REPORT AUTHOR:** General Manager, Corporate Services  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 83664585  
**FILE REFERENCE:** qA83739/A383939  
**ATTACHMENTS:** A - D

---

### PURPOSE OF REPORT

The purpose of this report is to provide for the Council's consideration and "in principle" endorsement, the Draft 2022-2023 Annual Business Plan, the Draft 2022-2023 Budget and the Draft Rating Policy for public 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 (Draft Budget) after 31 May and except in a case involving extraordinary administrative difficulties before 15 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 make it available for public consultation.

At the Special Council meeting held on 13 April 2022, the Council considered the Draft 2022-2023 Budget, which incorporates the draft 2022-2023 Recurrent Budget and the Draft 2022-2023 Operating and Capital Projects Budget (Draft Budget), which projected an Operating Surplus of \$1.086 million based on a rate revenue increase of 6%, prior to the inclusion of the Operating results from Regional Subsidiaries.

### RELEVANT POLICIES & STRATEGIC DIRECTIONS

The Council's Long Term Strategic directions are outlined in *City Plan 2030 – Shaping our Future*. The Draft 2022-2023 Annual Business Plan and supporting Draft Budget, sets out the proposed services and programs and initiatives for the 2022-2023 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 Asset 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 2022-2023 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 2022-2023 Budget, as presented (based on a 6% Rate Revenue increase inclusive of new development growth 0.5%), will result in an Operating Surplus of \$961,000 (2021-2022: Net Operating Surplus of \$471,000) and a Net Surplus (after Capital Income) of \$11.012 million (2021-2022: \$4.641 million).

It should be noted that the Draft 2022- Budget includes carried forwards of \$393,000 for 2021-2022 Operating Projects which are not anticipated to be completed by 30 June 2022 which will be funded from cash reserves. Taking Carry Forward Projects and net loss from Regional Subsidiaries into account, the projected underlying Operating Surplus for 2022-2023, based on a 6% revenue increase is \$1.515 million.

## **SOCIAL ISSUES**

Nil.

## **CULTURAL ISSUES**

Nil.

## **ENVIRONMENTAL ISSUES**

Nil.

## **RESOURCE ISSUES**

Nil.

## **RISK MANAGEMENT**

At the time of writing this report, the State Government is yet to hand down its 2022-2023 Budget. The Draft 2022-2023 Budget may be impacted upon by the decisions of the State Government.

The Draft 2022-2023 Budget as presented in this report, is based on the following assumptions:

- 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 \$146 per tonnes; and
- no new fees and charges will be introduced.

Any adjustments to the draft Budget arising from State Budget will be incorporated when the details become available.

As part of the 2022-2023 Federal Budget, the Federal Government advanced 75% of the 2022-2023 Financial Assistances Grants to the Council in April 2022. The cash advance is aimed at providing Councils immediate access to funds to help manage the cumulative impacts of floods and the COVID-19 pandemic. While this decision implies that the Council will only receive one (1) quarter of the Financial Assistance Grant in 2022-2023, past practice indicates that advance payments will continue, as such the Draft Budget has been prepared on the assumption that the equivalent of four (4) quarterly payments will be received. However, if the past practice of advancing Financial Assistance Grants does not continue, the Council will be at risk of being unable to deliver its budgeted Operating Surplus. If the Federal Government does not advance Financial Assistance Grants payments from the 2023-2024 funding allocation, the Operating Surplus will be reduced by \$1.071 million, with a corresponding increase in the cash deficit of \$1.071 million. Since the commencement of advancing Financial Assistance Grant Funding in 2008 (in response Global Financial Crisis), with the exception of the 2015-2016 financial year, the Federal Government has made advance payments, however it is considered unlikely that the advance of three (3) quarters will continue and that the advance payments will return to two (2) quarters, which if this does eventuate, the Operating surplus will be reduced by \$435,000 and the cash deficit will increase by the corresponding amount.

Should the assumptions and other decisions upon which the Draft 2022-2023 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 2022-2023 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**

The focus in developing the Draft 2022-2023 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*. As such, the Draft Budget has been prepared on the premise that the programs, services and activities that were suspended or cancelled over the last two (2) years will be delivered.

The Draft Budget does not provide for the continuation of COVID-19 financial relief, as provided in the previous two (2) financial years. The Council's *Financial Hardship Policy* provides options for ratepayers with respect to the payment of rates.

### **CONSULTATION**

- **Elected Members**

Elected Members have been involved throughout the Budget preparation process and have considered the various components of the Draft Annual Business Plan & 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, which is scheduled from Monday 9 May 2022 through to 1 June 2022.

- **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 continues the economic recovery from the COVID-19 pandemic, in developing the Draft 2022-2023 Annual Business Plan and Budget, the focus 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 2022-2023 Annual Business Plan and Budget also reflects the principles set out in the *Infrastructure & Asset Management Plans* and the *2021-2031 Long Term Financial Plan*.

The draft Budget reflects decisions which have assumed that the restrictions which were in place during 2021-2022 have been relaxed, with the provision of services, programs and activities being delivered in a post COVID-19 safe manner.

The Draft Annual Business Plan & Budget supports the economic recovery by continuing its commitment to a number of large-scale infrastructure projects, which were commenced in 2021-2022, with the aim to be delivered this financial year.

The key driver is to ensure that the Annual Business Plan and 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 and to this end the 2022-2023 Budget should remain focused on the future to ensure that the Council's emerging and continuing priorities are appropriately resourced.

The draft Annual Business Plan and Budget as contained in **Attachment B** reflects the new service initiatives and programs, the Whole-of Life asset renewal programs which is reflected in the Councils *Asset Management Plans*, the continuation of major infrastructure projects, which commenced in 2021-2022, as the Councils response to supporting the local economy as it recovers from the COVID-19 pandemic and the Draft Budget, adjusted for the net loss from the Council's Regional Subsidiaries, that was endorsed "in principle" by the Council at its meeting held on 13 April 2022.

### Budget Overview

Table 1 below sets out the proposed Operating Surplus of \$961,000, based on a Recurrent Operating Surplus of \$2.662 million, an Operating Deficit relating to Operating Projects (including 2020-2021 Carry Forwards) of \$1.343 million and an additional \$357,000 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 2022-2023 Operating 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: 2022-2023 PROPOSED STATEMENT OF COMPREHENSIVE INCOME**

	Recurrent Operating 2022-2023	Carry Forwards 2022-2023	Operating Projects 2022-2023	Capital Projects 2022-2023	Proposed 2022-2023
	\$	\$	\$	\$	\$
<b>INCOME</b>					
Rates	39,973,082	-	-	-	39,973,082
Statutory charges	2,006,750	-	-	-	2,006,750
User charges	3,737,711	-	-	-	3,737,711
Grants, subsidies and contributions	2,515,869	-	492,298	-	3,008,167
Investment income	45,500	-	-	-	45,500
Other income	517,740	-	-	-	517,740
Net loss joint ventures & associates	15,444	-	-	-	15,444
<b>Total Income</b>	<b>48,812,096</b>	<b>-</b>	<b>492,298</b>	<b>-</b>	<b>49,304,394</b>
<b>EXPENSES</b>					
Employee costs	15,974,750	-	108,000	-	16,082,750
Materials, contracts & other expenses	18,326,188	393,238	1,334,000	-	20,089,426
Finance costs	515,000	-	-	357,424	872,424
Depreciation & amortisation	11,158,733	-	-	-	11,158,733
Net loss Joint Ventures & Associates	175,360	-	-	-	175,360
<b>Total Expenses</b>	<b>46,150,031</b>	<b>393,238</b>	<b>1,442,000</b>	<b>357,424</b>	<b>48,342,693</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>2,662,064</b>	<b>(393,238)</b>	<b>(949,702)</b>	<b>(357,424)</b>	<b>961,701</b>
Net gain (loss) on disposal or revaluation of assets	-	-	-	25,000	25,000
Amounts specifically for new or upgraded assets	-	-	-	10,024,823	10,024,823
<b>NET SURPLUS (DEFICIT)</b>	<b>2,662,065</b>	<b>(393,238)</b>	<b>(949,702)</b>	<b>9,692,399</b>	<b>11,011,524</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Change in revaluation surplus- infrastructure, property, plant & equipment	-	-	-	2,000,000	2,000,000
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2,662,065</b>	<b>(393,238)</b>	<b>(949,702)</b>	<b>11,692,399</b>	<b>13,011,524</b>



It should be noted that at the time of writing this report, the Council is yet to receive the draft budget from the Highbury Landfill Authority. The Council is required to report the Council's share of the Regional Subsidiaries operating results and while this will have an impact on the Council's reported Operating Result, this is a non-cash transaction that does not have an impact on the Council's cash position. The underlying Operating Surplus (adjusted for Regional Subsidiaries) is \$1.122 million.

The Draft Budget, set out in Table 1, incorporates a funding allocation for service initiatives (Operating Projects) to the value of \$1.835 million (inclusive of projects which commenced in 2021-2022 however they will not be completed by 30 June 2022). Operating Project expenditure is offset by income of \$130,000 resulting in a net cost to the Council of \$1.705 million. As Elected Members are aware, Roads-to-Recovery Funding, which is required to be accounted for as operating income, is utilised to fund the Civil Infrastructure Renewal Program.

The proposed Operating Projects for 2022-2023 have been broken down into a number of categories as detailed in Table 2:

**TABLE 2: OPERATING PROJECT CATEGORIES**

Operating Project Category	2022-2023 Proposed Operating Projects \$	2021-2022 Carry Forward Operating Projects \$	Grant Funding \$	Net Cost \$
Proposed New Projects arising from				
• Proposals submitted by Elected Members	36,000	-	-	36,000
• Events & Awards	218,000	-	-	218,000
• Traffic Management Initiatives	381,000	-	115,000	266,000
• Environmental Initiatives	52,000	13,000		65,000
• Council Operational Plans <i>Tree Strategy, Emission Reduction, Open Space &amp; Playground Strategy etc.</i>	170,000	208,870	-	378,870
• Corporate & Governance	375,000	68,794	15,000	428,794
• Other	210,000	102,574	-	312,574
<b>Total Operating Projects Expenditure</b>	<b>1,442,000</b>	<b>429,238</b>	<b>130,000</b>	<b>1,705,238</b>

### Budgeted Capital Projects

At the Special Council Meeting held on 13 April 2022, the Council resolved to endorse "in-principle", a Draft Capital Budget, which incorporates Capital Projects to the value of \$52.2 million, inclusive of the expenditure required to finalise the 2021-2022 Capital Projects (\$11.6 million) which are not anticipated or planned to be completed by 30 June 2022 and staff costs of \$1.280 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 \$10.4 million (inclusive of Roads to Recovery funding), which will result in a net cost to the Council of \$41.8 million, which will be funded via cash borrowings, depreciation (via Rate revenue) or cash reserves.

The endorsed Capital Projects for 2022-2023 have been broken down into a number of categories as detailed in Table 3 below:

**TABLE 3: CAPITAL PROJECT CATEGORIES**

Capital Project category	2022-2023 Proposed Capital Projects \$	2021-2022 Carry Forward	2022-2023 Grant Funding and Other Revenues \$'000	2022-2023 Net Cost \$'000
Whole-of-Life Capital Works Program				
* Road Resealing	4,591,018	-	532,298	4,058,720
* Footpath Reconstruction	897,338	-	-	897,338
* Kerb Reconstruction	1,779,290	-	-	1,779,290
* Stormwater Drainage Program	7,584,205	1,950,000	3,635,823	5,898,382
Other Infrastructure Asset Renewal	2,196,000	520,000	18,000	2,698,000
Major Projects				
* Linear Park Path Upgrade				
- Commenced in 2021-2022				
- Total Project cost of \$2.975 million.	825,918	1,945,000	1,350,000	1,420,918
- Grant Funding of \$1.350 million				
* St Peters Street Streetscape				
- Commenced in 2021-2022				
- Total Project cost of \$4.5million.	2,376,042	700,000	200,000	2,876,042
- Grant Funding of \$1.470million				
* The Parade Master Plan	1,172,000	889,000	-	2,061,000
* Burchell Reserve Upgrade				
- Commenced in 2021-2022				
- Total Project cost of \$3.2 million	994,000	2,026,000	420,000	2,600,000
- Grant Funding of \$420,000				
* Dunstan Adventure Playground Redevelopment				
- Commenced in 2021-2022				
- Total Project cost of \$1 million	900,000	-	450,000	450,000
- Grant Funding of \$450,000				
* Payneham Swimming Centre				
- Commenced in 2021-2022				
- Total Project cost of \$24 million	14,000,000	2,500,000	2,800,000	13,700,000
- Grant Funding of \$5.6 million				
* Cruickshank Reserve Facility Upgrade	889,000	-	889,000	-
Quadrennial Art Project	112,000	146,762	-	258,762
Non-Infrastructure Renewal	348,000	-	117,000	231,000
New IT Projects	174,400	-	-	174,400
Minor projects carried forward	-	1,396,645	-	1,403,645
Capitalisation of Salaries (existing staff)	1,280,124	-	-	1,280,124
<b>Total Capital Projects Expenditure</b>	<b>40,119,335</b>	<b>12,073,407</b>	<b>10,412,121</b>	<b>41,780,621</b>

On a full accrual basis, the capital expenditure will not affect the operating result before capital revenues, except through future years' depreciation and financing costs on any associated loan borrowings. Grant income which has been received and which relates to Capital Projects, will however, be included as Capital Income within the Budgeted Income Statement, after the Operating Surplus/ (Deficit) as required by the Model Financial Statements prescribed by the Local Government Act 1999.

Details of the Capital and Operating Projects endorsed as part of the Draft 2022-2023 Annual Business Plan and Budget is contained in *Appendix One: Key Initiatives & Projects* of **Attachment B**.

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. While the Draft Budget, as contained in **Attachment A**, is reporting a cash surplus from operating activities, the proposed renewal expenditure on existing civil infrastructure and stormwater drainage assets is in excess of the depreciation charge and the Draft Budget is reporting a cash deficit of \$1.548 million.

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 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
- a statement as to whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year; and
- 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
- 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 6% increase in rate revenue. The Financial Statements also provide comparisons with the 2021-2022 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 2022-2023 Financial year.

The Financial Statements will be updated following the Council's decision on the various components of the budget, if the proposed outcome is varied.

## **Borrowings**

The Council must manage its indebtedness to ensure its liabilities and associated costs are met without impinging on the Councils financial sustainability. To monitor its performance in the use of debt, the Council uses the Net Financial Liabilities Ratio and the Debt Servicing Ratio. 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.

Net financial liabilities is a broader and more appropriate measure of indebtedness than the level of borrowings, because it includes items such as employee long-service leave entitlements and other amounts payable in future as well as taking account of a Council's cash holdings and invested monies.

The target set in the Long-term Financial Plan is for the Net Financial Liabilities to be less than or equal to 75% of operating revenues.

To fund the proposed net capital expenditure (inclusive of carry forwards) \$51.6 million, the Council will be required to borrow in the order of \$31.2 million to fund the program and achieve a minor cash surplus. The significant increase in borrowings will result in a Net Financial Liabilities ratio of 86.7% which is in-excess of the financial target set in the Long-term Financial Plan. Given the significant increase in borrowings and the future capital expenditure set out in the Council's *Infrastructure and Asset Management Plans* and the *Long-term Financial Plan*, the Council will continue to exceed the financial target set for Net Financial Liabilities over the life of the current Long-term Financial Plan, with the Net Financial Liabilities projected to exceed 100% by the 2026-2027 financial year.

While the ideal is that the Net Financial Liabilities ratio not exceed 100% of operating income, subject to the Council's ability to service its financial obligations, the indebtedness can exceed 100% in order to provide additional services to its community through acquisition of additional assets, however the extension of the Net Financial Liabilities greater than 100%, together with an increasing Debt Servicing Ratio for an extended period of time, is not the desired result. As such the Council does need to be aware that sustained levels of new capital investment, together with associated borrowings, will impact on the Council's ability to maintain its financial sustainability into the future.

### Rates Modelling

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.

Whist Rate Stability is a key objective which requires annual rate collections to be fair and equitable, it also requires that increases in Rate Revenue be stable over the medium term. To ensure this objective is met, the Council must make decisions in respect to rate revenue (or decreases in expenditure) with the future in mind, as any significant decrease in rate revenue in one year may result in sharp rate revenue increases in the future.

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.

Through the adoption of the LTFP, the Council has endorsed the following principle in determining annual rate revenue increase:

- a Rate Revenue indexation factor, to fund the cost increases in normal operations; plus
- an indexation factor resulting from new assessments; plus
- an indexation factor to account for the future renewal and servicing costs of major capital works.

Applying the endorsed principle, the rate revenue increase should be 7.1%, comprising:

- a Rate Revenue indexation factor of 5.1% (based on March CPI);
- new assessment growth of 0.5%; and
- an indexation factor to account for the future renewal and servicing costs of major capital works of 1.5%.

However, the LTFP sets a maximum rate revenue increase of 6%. In line with the Council's decision, the Rating Strategy, as detailed in Table 4, is based on the Draft Budget, which endorsed "in principle" by the Council based on a Rate Revenue increase of 6%. Rates modelling based on alternative Rate Revenue Increases is contained in **Attachment C**.

The rate modelling information which forms part of the Draft Annual Business Plan and Budget for public consultation is based on valuations at 13 April 2022, with the rate-in-the-dollar declared by the Council will be based on valuations for the week ended 18 June 2022.

**TABLE 4: RATING STRATEGY**

	<b>2021-2022</b>	<b>2022-2023</b>
<b>Proposed Rate Revenue Increases</b>	<b>4.35%</b>	<b>6%</b>
		<b>\$'000</b>
Gross General Rate Revenue ( <b>\$'000</b> )	\$37,239	39,569
Net Increase on Previous Year ( <b>\$'000</b> )	\$1,566	2,240
<b>Operating Surplus/(Deficit) after rate revenue increases (\$'000)</b>	<b>471</b>	<b>961</b>
<b>Residential Rate</b>		
Average Rate	\$1,563	\$1,679
Average Rate Difference	\$54	\$116
Increase from previous year	3.57%	7.44%
<b>Rate-in-the-Dollar</b>	<b>0.002278</b>	<b>0.001939</b>
Change from previous year	1.98%	(14.9%)
<b>Commercial Rate</b>		
Average Rate (inclusive of new development)	\$2,649	\$2,515
Average Rate Difference	\$53	(\$133)
Increase from previous year	2.02%	(5.07%)
<b>Rate-in-the-Dollar</b>	<b>0.0027332</b>	<b>0.002327</b>
Change from previous year	1.98%	(14.9%)
<b>Minimum Rate</b>	<b>\$1,068</b>	<b>\$1,132</b>
<b>Percentage of Assessments on Minimum Rate</b>	<b>29.8%</b>	<b>32.85%</b>

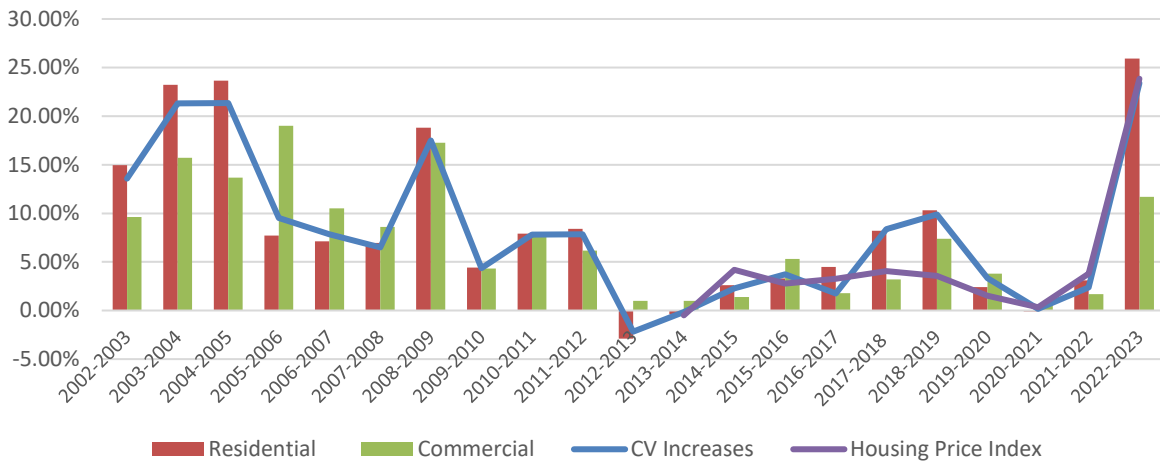
The average rate has traditionally been calculated by obtaining the average property value and multiplying it by the rate-in-the dollar.

The increase in the average residential rate is affected by three (3) items:

- growth associated with new property development;
- the change in the residential proportion of the overall total valuation amount; and
- the proposed increase in rate revenue.

For 2022-2023, the Capital Values have increased (as advised by the Valuer-General) across the City of Norwood, Payneham & St Peters by 23.4%, which is predominately driven by the increase in the Capital Value of residential properties by 27.2%. The Capital Value increase for commercial properties is 11.7%. As detailed in the figure 1 below, the variation in the Capital value movement between the Residential and Commercial land uses, is un precedented. The impact of the difference in the movement of capital values, has resulted in a residential rate increase in excess of the overall rate revenue increase of 6%, due a 1.9% (\$707,000) increase in the rates revenue being collected from the residential sector.

**FIGURE 1: MOVEMENT IN CAPITAL VALUE - RESIDENTIAL V COMMERCIAL**



For the 2022-2023 financial year, the “average residential property” is valued at \$866,00, compared to the 2021-2022 “average residential property” value of \$686,000, an increase of 26.2%. Given the increase in property values, the Council is budgeting for a decrease in the rate-in-the-dollar of 14.9%, which for the “average residential property” results in a decrease of \$294 per annum, however with the increase in rates payable resulting from the 26.2% increase in capital value, being \$404 per annum increase, the net increase in rates payable for properties which have experienced a 26.2% increase in capital values, is \$116 or 7.4%.

While the rate modelling, as presented in the report is based on the ‘average residential property’, due to commencement of the second transitional stage of the *Statutes Amendment (Local Government Review) Act 2021*, pursuant to Regulation 6 (ec) of the *Local Government (Financial Management Regulations) 2011*, the Council is now required to include in the Annual Business Plan a *statement on the average change in the expected rates for the financial year (expressed as a whole number of dollars) for each land use category declared, as a permissible differentiating factor, compared to the expected rates for each category for the previous financial year as set out in the annual business plan for that previous financial year as opposed to the change in the rate for the ‘average residential property’.*

Applying the new methodology, the Average Rate for Residential Land use is \$1,793; which is an increase of \$144 per annum or 8.7% on 2021-2022. The Average Rate for each land use is detailed in Table 5 below.

Going forward, the impact of the valuation growth, either through a general valuation increase or new development, is excluded from the determination of the average rate increase, however the rate increase does take into account the increase in assessment (i.e. new properties). As such, the average rate increase will closer reflect the endorsed rate revenue increase, adjusted for the change in the number of assessments.

Valuation growth, will however, continue to influence the distribution of the rate revenue collected across the different land uses and Capital Value will continue to be used to distribute the rate burden across property owners.

**TABLE 5: AVERAGE RATE PER LAND USE**

Land Use	2022-2023			2021-2022			Average Rate	
	Revenue (net of rebates)	Revenue %	Average Rate	Revenue (net of rebates)	Revenue %	Average Rate	Increase Decrease	% change
Residential	31,098,817	80.61%	1,793	28,551,709	78.61%	1,649	144	8.7%
Exempt -Residential	466,678	1.21%	9,929	547,264	1.51%	11,169	-1,239	(11.10%)
Commercial	5,858,510	15.19%	2,626	6,092,723	16.77%	2,732	-106	(3.89%)
Industrial	317,199	0.82%	2,218	345,086	0.95%	2,348	-129	(5.51%)
Vacant Land	519,721	1.35%	1,704	468,870	1.29%	1,717	-13	(0.78%)
Other	316,061	0.82%	3,633	313,048	0.86%	3,440	193	5.60%
Primary Production	1,679	0.00%	1,679	1,759	0.00%	1,759	-80	(4.55%)
<b>Total</b>	<b>38,578,665</b>		<b>1,914</b>	<b>36,320,459</b>		<b>1,807</b>	<b>107</b>	<b>5.9%</b>

For the Draft Annual Business Plan and Budget, as presented in this report, the Average Rate (across all properties) is \$1,914, an increase of \$107 or 5.9%. The Average Rate for the Residential Sector is \$1,793, an increase of \$144 or 8.7%. The Average Rate for the Non-Residential Sector is \$2,658, a decrease of \$125 or 7.6%.

The Average Rate for the Residential Sector is significantly higher than the rate increases that have been adopted in the past. To reduce the extent of the increase, the Council can either:

1. increase the non-residential differential rate, to counter the shift of the revenue burden from the residential sector. Given the economic impact, resulting from the COVID-19 pandemic, on the commercial sector over the last two years, an increase in the differential rate is not recommended; or
2. decrease the rate revenue increase. A one percent (1%) reduction in Rate revenue will result in a revenue loss of \$373,000 and without any operational savings or reduction in the Capital Projects Budget, will further increase the budgeted cash deficit. A one percent (1%) reduction in rate revenue will result in a Residential Average Rate of \$1,776 (7.7%), a reduction of \$17 (or 1.0%). Should the Council wish to reduce the rate revenue increase, to counter the revenue loss, it is recommended that the Council look to reduce both operating and capital expenditure.

The Council's Long Term Financial Plan, sets out the Councils Financial Goal, which is to be *a City which delivers on our Strategic Outcomes by managing our financial resources in a sustainable and equitable manner*. To achieve this, a number of Financial Outcomes and financial targets have been established, one being Rate Stability. The Council has defined Rate Stability to mean *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*.

Assuming a Rate Revenue increase of 6%, as proposed within the Draft Budget, the average rate revenue increase over the past 5 years is 3.55%, which is at the lower end of the Rate Revenue target, set out in the Councils Long Term Financial Plan. For the same period, applying the new methodology to report rate increases, the average residential rate increase is 3.65%, with the average commercial rate increase being 0.45%, with the overall average rate increase being 3 %.

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

### The Minimum Rate

Pursuant to S158 of the Act, the Council can fix the minimum rate payable. The purpose of fixing a minimum rate is to ensure that all property owners 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 minimum rate is capped at 35% of the total number of properties.

The Minimum Rate is recommended to be increased at \$1,132, which is in line with the 6% rate revenue increase. Table 6 below details the impact of the proposed rating strategy on the Minimum Rate.

**TABLE 6: IMPACT OF RATING STRATEGY ON MINIMUM RATE**

	2021-2022	2022-2023
<b><i>Proposed Rate Revenue Increase</i></b>	4.35%	<b>6.00%</b>
Minimum Rate	\$1,068	<b>\$1,132</b>
\$Difference from prior year	\$ 45	<b>\$ 64</b>
No. of assessments	6,003	<b>6,715</b>
% of assessments on Minimum Rate	29.93%	<b>32.83%</b>

As detailed in Table 5, the number of properties that are subject to the minimum rate is edging towards the maximum cap of 35% of the total number of properties. In the past, the percentage increase in the number of properties subject to the minimum rate has been between 0.1% and 0.6%. Given the extent of the increase for 2022-2023, the Council will need to be cognisant of this for future years.

### 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 upper rate revenue increase target as set out in the LTFP or the rate revenue increase, whichever is the greater, 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 2021.

For the 2022-2023, for eligible residential ratepayers, the increase in rates payable will be capped at 12%. Given the extent of the Capital Value increase for the residential properties it is estimated Rate Capping Rebates will be in the order of \$350,000.



## Draft Annual Business Plan

To fulfil the requirements of the Act and therefore provide citizens with the opportunity to review and comment on the Council's proposed activities for the 2022-2023 Financial Year and the proposed funding of those activities, the Draft 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 6%. Upon finalisation of the Draft Budget through its "endorsement in principle," the Draft Annual Business Plan will be made available for citizens from 16 May 2022. Submissions will be sought with interested citizens providing comments prior to or at the Public Meeting scheduled for 8 June 2022.

Following consideration of the submissions by the Council on 15 June 2022, the final 2022-2023 Annual Business Plan will be presented to the Council for adoption, followed by the 2022-2023 Annual Budget at the Council Meeting to be held on 4 July 2022.

It should be noted that pursuant to S123 (6a), should the Council amend the Annual Business Plan and Budget following public consultation, the Annual Business Plan must now include details, including the reasons, of the amendments made.

## OPTIONS

The Council can endorse the 2022-2023 Draft Annual Business Plan and Budget as presented in this report or can choose to amend 2022-2023 Draft Annual Business Plan and Budget by either:

- increasing or reducing Operating Projects; and/or
- increasing or decreasing rate revenue: and/or
- revisiting recurrent operating expenditure; or
- increasing or reducing the Capital Projects.

As previously advised, for the Council to decrease the Average Rate, the Council will need to endorse a rate revenue increase less than 6%. For each 1% reduction, the Council will reduce its cashflow by \$373,000, which without a corresponding reduction in the Operating Budget or Capital Budget will result in a reduction in the Budgeted Operating Surplus and an increase in the budgeted Cash Deficit. Given the recommendation from the Audit Committee, it is recommended that should the Council reduce the proposed Rate Revenue increase, that the loss in income be offset by operational savings and reductions in its Capital Projects Budget.

A review of both the Draft Operating Budget and the Draft Capital Budget has been undertaken by staff, with particular focus being on carry forward Operating and Capital projects and the Whole-of-Life Asset Management Works Programs. The impact of the proposed amendments on the Operating Surplus, Cash Position and the Average Rate are detailed in **Attachment D**.

## 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 'in-principle' adoption of the Draft 2022-2023 Annual Business Plan and Budget as presented in **Attachment B**, will deliver an Operating Surplus of \$961,000 based on a 6% increase in Rate Revenue, however, the underlying Operating Result, which excludes 2022-2023 Operating Project carry forwards and the share of Regional Subsidiaries, for the provision of the Council's continuing services and programs and new initiatives, is an Operating Surplus of \$1.515 million.

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 \$1.548 million.

Notwithstanding this, the 'in-principle' adoption of the Draft 2022-2023 Annual Business Plan and Budget, will contribute to the Council achieving its goals and objectives as set out in the suite of Strategic Planning documents.

## COMMENTS

If Elected 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

That subject to further consideration of the 2022-2023 Budget by the Council following the receipt and consideration of any public submissions in respect to the 2022-2023 Annual Business Plan:

- a) That a Rate Revenue increase, of \_\_%, be endorsed "in principle", subject to further consideration of the Budget by the Council following receipt and consideration of any submissions in respect of to the Annual Business Plan.
- b) That an average residential rate of \$\_\_\_\_, an increase of \_\_%, be endorsed "in principle".
- c) That an average commercial rate of \$\_\_\_\_, a decrease of \_\_% be endorsed "in principle".
- d) That an average industrial rate of \$\_\_\_\_, a decrease of \_\_% be endorsed "in principle".
- e) That an average vacant land rate of \$\_\_\_\_, a decrease of \_\_% be endorsed "in principle".
- f) That an average other rate of \$\_\_\_\_, an increase of \_\_% be endorsed "in principle".
- g) That an average primary production rate of \$\_\_\_\_, a decrease of \_\_\_%% be endorsed "in principle".
- h) That rate cap on residential properties of two (2) times the rate revenue increase of \_\_% be adopted 'in principle' for the 2022-2023 Financial Year and be applied to all eligible assessments without the requirement for an application to be made and approved by the Council for the rebate.
- i) That the Council endorses "in principle" Loan Borrowings for the 2022-2023 Financial Year up to a maximum of \$\_\_\_ million for the purposes of capital expenditure funding.
- j) That the Draft 2022-2023 Annual Business Plan as contained within **Attachment B** be approved for release for public consultation subject to incorporation of any amendments which may be determined by the Council.
- k) That the Chief Executive Officer be authorised to make editorial changes to the Draft 2022-2023 Annual Business Plan, as contained within **Attachment B**, prior to it being released for public consultation.
- l) A further report in respect to the adoption of the Draft 2022-2023 Annual Business Plan and Budget is prepared for the Council's consideration.

# Attachment A

## 2022-2023 Draft Annual Business Plan and Budget

---

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

Telephone 8366 4555  
Facsimile 8332 6338  
Email [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au)  
Website [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)



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

Statement of Comprehensive Income for the year ended 30 June 2023	Proposed 2022-2023 \$'000	Forecast 2021-2022 \$'000	Actual 2020-2021 \$'000	Actual 2019-2020 \$'000	Actual 2018-2019 \$'000
<b>Income</b>					
Rates	39,973	37,866	36,288	36,181	34,845
Statutory charges	2,007	1,774	1,751	1,595	1,760
User charges	3,738	3,465	3,506	3,408	3,701
Grants, subsidies and contributions	3,008	2,981	2,921	2,959	3,152
Investment income	46	20	19	88	206
Other income	518	615	771	1,527	1,013
Net loss joint ventures & associates	15	-	217	28	35
<b>Total Income</b>	<b>49,304</b>	<b>46,720</b>	<b>45,473</b>	<b>45,786</b>	<b>44,711</b>
<b>Expenses</b>					
Employee costs	16,083	15,254	14,448	14,050	13,739
Materials, contracts & other expenses	20,053	19,140	19,165	18,937	18,774
Finance costs	872	450	454	405	489
Depreciation, amortisation & impairment	11,159	10,640	9,968	9,503	8,984
Net loss Joint Ventures & Associates	175	272	327	515	346
<b>Total Expenses</b>	<b>48,343</b>	<b>45,757</b>	<b>44,363</b>	<b>43,411</b>	<b>42,331</b>
<b>Operating Surplus (Deficit)</b>	<b>962</b>	<b>963</b>	<b>1,110</b>	<b>2,375</b>	<b>2,380</b>
Net gain (loss) on disposal or revaluation of assets	25	25	(1,145)	(1,529)	(1,207)
Amounts specifically for new or upgraded assets	10,025	2,045	3,303	744	1,131
Physical resources received free of charge	-	-	-	-	24
<b>Net Surplus (Deficit) transferred to Equity Statement</b>	<b>11,012</b>	<b>3,033</b>	<b>3,268</b>	<b>1,590</b>	<b>2,327</b>
<b>Other Comprehensive Income</b>					
Changes in revaluation Surplus - infrastructure, property, plant & equipment	2,000	2,000	12,046	3,542	32,993
Share of Other comprehensive Income - joint ventures and associates	-	-	5	13	9
<b>Total Other Comprehensive Income</b>	<b>2,000</b>	<b>2,000</b>	<b>12,051</b>	<b>3,555</b>	<b>33,001</b>
<b>Total Comprehensive Income</b>	<b>13,012</b>	<b>5,033</b>	<b>15,320</b>	<b>5,145</b>	<b>35,329</b>

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 proposed Operating Income (\$48.754m) is sufficient to meet the proposed Operating Expenditure (\$48.395m) for the 2022-2023 Financial Year.

Statement of Financial Position  
as at 30 June 2023

	Proposed 2022-2023 \$'000	Forecast 2021-2022 \$'000	Actual 2020-2021 \$'000	Actual 2019-2020 \$'000	Actual 2018-2019 \$'000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4,550	6,098	7,071	9,177	12,152
Trade & other receivables	2,961	2,799	3,699	2,889	2,945
<b>Total Current Assets</b>	<b>7,512</b>	<b>8,897</b>	<b>10,770</b>	<b>12,067</b>	<b>15,097</b>
<b>Non-current Assets</b>					
Financial Assets	104	104	104	105	136
Investments -Equity accounted Council businesses	3,384	2,288	2,207	2,463	2,890
Infrastructure, Property, Plant & Equipment	556,822	513,774	507,904	476,469	473,423
Other Non-current Assets	-	-	2,509	17,891	6,119
<b>Total Non-current Assets</b>	<b>560,309</b>	<b>516,165</b>	<b>512,725</b>	<b>496,929</b>	<b>482,569</b>
<b>Total Assets</b>	<b>567,821</b>	<b>525,062</b>	<b>523,495</b>	<b>508,995</b>	<b>497,666</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade & Other Payables	6,573	5,816	8,006	7,310	6,272
Borrowings	946	931	972	1,651	1,781
Short-term Provisions	2,972	2,888	3,326	3,135	2,752
<b>Total Current Liabilities</b>	<b>10,491</b>	<b>9,635</b>	<b>12,304</b>	<b>12,095</b>	<b>10,805</b>
<b>Non-current Liabilities</b>					
Long-term Borrowings	37,165	8,461	9,392	10,357	5,388
Long-term Provisions	1,202	1,191	1,328	1,160	1,203
Liability - Equity accounted Council Businesses	1,612	1,437	1,164	1,397	1,429
<b>Total Non-current Liabilities</b>	<b>39,979</b>	<b>11,088</b>	<b>11,884</b>	<b>12,913</b>	<b>8,020</b>
<b>Total Liabilities</b>	<b>50,470</b>	<b>20,723</b>	<b>24,188</b>	<b>25,008</b>	<b>18,825</b>
<b>Net Assets</b>	<b>517,351</b>	<b>504,339</b>	<b>499,306</b>	<b>483,987</b>	<b>478,842</b>
<b>Equity</b>					
Accumulated Surplus	74,143	63,132	60,099	56,825	55,222
Asset Revaluation Reserve	443,208	441,208	439,208	427,162	423,620
<b>Total Equity</b>	<b>517,351</b>	<b>504,339</b>	<b>499,306</b>	<b>483,987</b>	<b>478,842</b>

**Statement of Cash Flow  
for the year ended 30 June 2023**
**Proposed  
2022-2023  
\$'000**
**Forecast  
2021-2022  
\$'000**
**Actual  
2020-2021  
\$'000**
**Actual  
2019-2020  
\$'000**
**Actual  
2018-2019  
\$'000**
**Cash Flows from Operating Activities**
**Receipts**

Rates - general & other	39,811	38,465	36,672	36,107	34,696
Fees & other charges	2,007	1,774	1,613	1,646	1,694
User Charges	3,738	3,465	3,113	3,297	4,014
Investment receipts	46	20	19	88	204
Grants utilised for operating purposes	3,008	2,981	2,756	3,677	2,744
Other Income	518	615	998	1,474	1,244

**Payments**

Employee Costs	(15,987)	(15,282)	(14,547)	(13,486)	(14,322)
Contractual services & materials	(19,296)	(17,422)	(18,074)	(19,030)	(17,593)
Finance payments	(872)	(450)	(447)	(407)	(489)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>12,971</b>	<b>14,167</b>	<b>12,102</b>	<b>13,368</b>	<b>12,191</b>

**Cash Flows from Investing Activities**
**Receipts**

Amounts specifically for new or upgraded assets	10,025	2,045	2,626	1,165	1,049
Sale of replaced assets	25	25	47	58	9
Repayments of loans by community groups	-	-	11	43	13

**Payments**

Expenditure on renewal/replacement of assets	(22,543)	(13,661)	(9,652)	(8,919)	(9,009)
Expenditure on new/upgraded assets	(29,650)	(2,536)	(5,508)	(13,175)	(6,615)
Capital contributed to associated entities	(1,081)	(81)	(81)	(81)	(96)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(43,224)</b>	<b>(14,208)</b>	<b>(12,556)</b>	<b>(20,909)</b>	<b>(14,649)</b>

**Cash Flow from Financing Activities**
**Receipts**

Proceeds from Borrowings	29,650	-	-	6,500	
--------------------------	--------	---	---	-------	--

**Payments**

Repayments of Borrowings	(945)	(931)	(1,653)	(1,934)	(1,202)
--------------------------	-------	-------	---------	---------	---------

<b>Net Cash provided by (or used in) Financing Activities</b>	<b>28,705</b>	<b>(931)</b>	<b>(1,653)</b>	<b>4,566</b>	<b>(1,202)</b>
---	---------------	--------------	----------------	--------------	----------------

<b>Net Increase (Decrease) in cash held</b>	<b>(1,548)</b>	<b>(973)</b>	<b>(2,107)</b>	<b>(2,975)</b>	<b>(3,660)</b>
---	----------------	--------------	----------------	----------------	----------------

Cash & cash equivalents at beginning of period	6,098	7,071	9,177	12,152	15,812
--	-------	-------	-------	--------	--------

<b>Cash &amp; cash equivalents at end of period</b>	<b>4,550</b>	<b>6,098</b>	<b>7,071</b>	<b>9,177</b>	<b>12,152</b>
---	--------------	--------------	--------------	--------------	---------------

**Statement of Changes in Equity  
for the year ended 30 June 2023**

	<b>Proposed 2022-2023 \$'000</b>	<b>Forecast 2021-2022 \$'000</b>	<b>Actual 2020-2021 \$'000</b>	<b>Actual 2019-2020 \$'000</b>	<b>Actual 2018-2019 \$'000</b>
<b>Accumulated Surplus</b>					
Balance at end of previous reporting period	63,132	60,099	56,825	55,222	52,886
Net Surplus/ (Deficit) for year	11,012	3,033	3,268	1,590	2,327
<b>Balance at end of period</b>	<b>74,143</b>	<b>63,132</b>	<b>60,093</b>	<b>56,812</b>	<b>55,213</b>
<b>Asset Revaluation Reserve</b>					
Balance at end of previous reporting period	441,208	439,208	427,162	423,620	390,627
Gain on revaluation of infrastructure, property, plant & equipment	2,000	2,000	12,046	3,542	32,993
<b>Balance at end of period</b>	<b>443,208</b>	<b>441,209</b>	<b>439,210</b>	<b>427,162</b>	<b>423,619</b>
<b>Total Equity at end of reporting period</b>	<b>517,351</b>	<b>504,340</b>	<b>499,303</b>	<b>483,974</b>	<b>478,842</b>

**Uniform Presentation of Finances  
for the year ended 30 June 2022**

	<b>Proposed 2022-2023 \$'000</b>	<b>Forecast 2021-2022 \$'000</b>	<b>Actual 2020-2021 \$'000</b>	<b>Actual 2019-2020 \$'000</b>	<b>Actual 2018-2019 \$'000</b>
Income	49,304	46,720	45,473	45,786	44,711
<i>less Expenses</i>	(48,343)	(45,757)	(44,363)	(43,411)	(42,331)
<b>Operating Surplus (Deficit)</b>	<b>962</b>	<b>963</b>	<b>1,110</b>	<b>2,375</b>	<b>2,380</b>
<b>less Net Outlays on Existing Assets</b>					
Capital Expenditure on renewal and replacement of Existing Assets	22,543	13,661	9,652	8,919	15,624
Depreciation, Amortisation and Impairment	(11,159)	(10,640)	(9,968)	(9,503)	(8,984)
Proceeds from Sale of Replaced Assets	(25)	(25)	(47)	(58)	(9)
	<b>11,359</b>	<b>2,996</b>	<b>(363)</b>	<b>(642)</b>	<b>6,631</b>
<b>less Net Outlays on New &amp; Upgraded Assets</b>					
Capital Expenditure on New & Upgraded Assets	29,650	2,536	5,508	13,175	6,615
Amounts received specifically for New & Upgraded Assets	(10,025)	(2,045)	(2,626)	(1,165)	(1,049)
Asset Received Free of Charge	-	-	-	-	(24)
	<b>19,625</b>	<b>491</b>	<b>2,882</b>	<b>12,010</b>	<b>5,542</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(30,022)</b>	<b>(2,525)</b>	<b>(1,408)</b>	<b>(8,993)</b>	<b>(9,793)</b>

Financial Indicators for the year ended 30 June 2023	Proposed 2022-2023	Proposed 2022-2023	Forecast 2021-2022	Actual 2020-2021	Actual 2019-2020	Actual 2018-2019
	\$'000	Indicator	Indicator	Indicator	Indicator	Indicator

#### Operating Surplus / (Deficit) Ratio

<b>Operating Surplus/(Deficit)</b>	<b>962</b>	<b>2.0%</b>	2.1%	2.4%	5.2%	5.3%
<i>Total Operating Revenue</i>	<b>49,304</b>					

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

#### Net Financial Liabilities Ratio

<b>Net Financial Liabilities</b>	<b>42,855</b>	<b>86.9%</b>	25.1%	29.3%	28.0%	8.0%
<i>Total Operating Revenue</i>	<b>49,304</b>					

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

<b>Net Asset Renewals</b>	<b>22,542</b>	<b>184%</b>	110%	91%	99%	109%
Infrastructure & Asset Management Plan required expenditure	<b>12,220</b>					

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*

<b>Rolling three-year average</b>		<b>121.6%</b>	98.4%	90.5%	96.1%	94.8%
-----------------------------------	--	---------------	-------	-------	-------	-------



# Attachment B

## 2022-2023 Draft Annual Business Plan and Budget

---

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

Telephone 8366 4555  
Facsimile 8332 6338  
Email [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au)  
Website [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)



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



# Annual Business Plan

2022–2023



City of  
Norwood  
Payneham  
& St Peters



# 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.





# Contents

Mayor's Message	3
Introduction	5
Our Vision	6
City Snapshot	7
Strategic Direction	9
Strategic Planning Framework	10
Objectives & Key Initiatives	11
Major Projects	12
Outcomes	15
Services	19
<i>Infrastructure Management</i>	21
<i>Waste &amp; Recycling Services</i>	23
<i>Trees, Parks, Sport &amp; Recreation</i>	25
<i>Economic Development, Regulatory Services, Environment &amp; Planning</i>	27
<i>Community, Health, Aged &amp; Youth Services</i>	29
<i>Libraries &amp; Community Facilities</i>	31
<i>Community Events, Arts &amp; Heritage</i>	33
<i>Governance, Communications &amp; Administration</i>	35
Long-term Financial Plan Overview	37
Rates	39
Budget Overview	41
Appendices	47







# Mayor's Message

The City of Norwood Payneham & St Peters remains focused on financial sustainability, as we continue to recover from the impacts of the COVID-19 pandemic. This focus is balanced against the need to generate sufficient revenue to meet the demands for services and improvements to infrastructure, as well as repayment of loan borrowings, in order to fund capital works.



**The City of Norwood Payneham & St Peters' 2022–2023 Annual Business Plan, contains a Budget which highlights the Council's resilient financial position.**

Like other Local Government Areas around Australia, the City of Norwood Payneham & St Peters has not been immune from a range of factors impacting the economy, particularly those resulting from the COVID-19 pandemic.

Against this backdrop, the City of Norwood Payneham & St Peters also experienced an extraordinary increase in property values over the past 12 months—an average of 25 per cent growth for all properties.

These increases have shaped the development of the 2022–2023 Annual Business Plan and Budget in terms of their affect on rates.

In this regard, the combination of these increases in property values with the current inflation rate of 5.1 per cent, has resulted in an average rate increase of 5.9 per cent, which is required to continue funding essential services, as well as the Council's comprehensive program of capital works and major projects.

Consistent with all previous Budgets, the Council has again strived to provide value for money with regard to expenditure whilst ensuring that the rate increase is commensurable to the standards of services and infrastructure provided.

The 2022–2023 Annual Business Plan and Budget continues its commitment to a number of major infrastructure projects that started in 2021–2022, which are all aimed at improving the well-being and quality of life of our community and helping to create local jobs.

This year, the Council will invest \$52 million in its projects budget, which includes a number of new initiatives. To find out more about some of our major projects—including the Payneham Memorial Swimming Centre

redevelopment, the Parade Masterplan and upgrades to the Dunstan Adventure Playground, please see page 13.

The Council's Whole-of-life Capital Works Program includes \$13 million to provide for the renewal of the City's stormwater drainage system, footpaths, kerbs and water tables, and resealing of roads.

The projected operating surplus of \$961,000 continues the Council's recent record of surpluses, money which is used to repay loan borrowings, thereby reducing the future debt burden on ratepayers.

I encourage you to read the Council's 2022–2023 Annual Business Plan and Budget and the details of the projects planned for the coming year.

**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 2022–2023 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*, 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 for our City.

As reflected in *CityPlan 2030* the future can be shaped, modelled and influenced by our actions today, for both the benefit of our community now 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* 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 2022–2023 financial year.

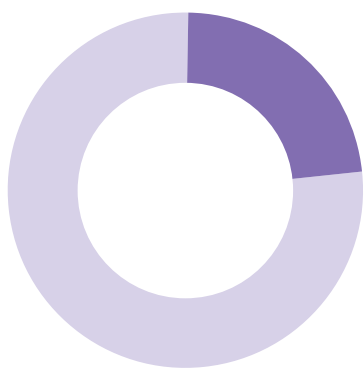
Diagram 1. 'Quadruple Bottom Line' Framework for Community Well-being.





# 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.

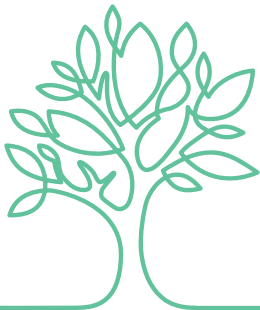


## 30.2%

of people in City of Norwood Payneham & St Peters were born overseas including 120 ethnicities, compared with 26.3% in Greater Adelaide.

**341km**  
of footpaths

**363km**  
of kerbing



**local businesses**

# 6,991

Our business community values the City's unique and diverse business mix with strong connections and ability to work together.

**171km** of roads

**23,000+** street trees



**2 swimming centres**

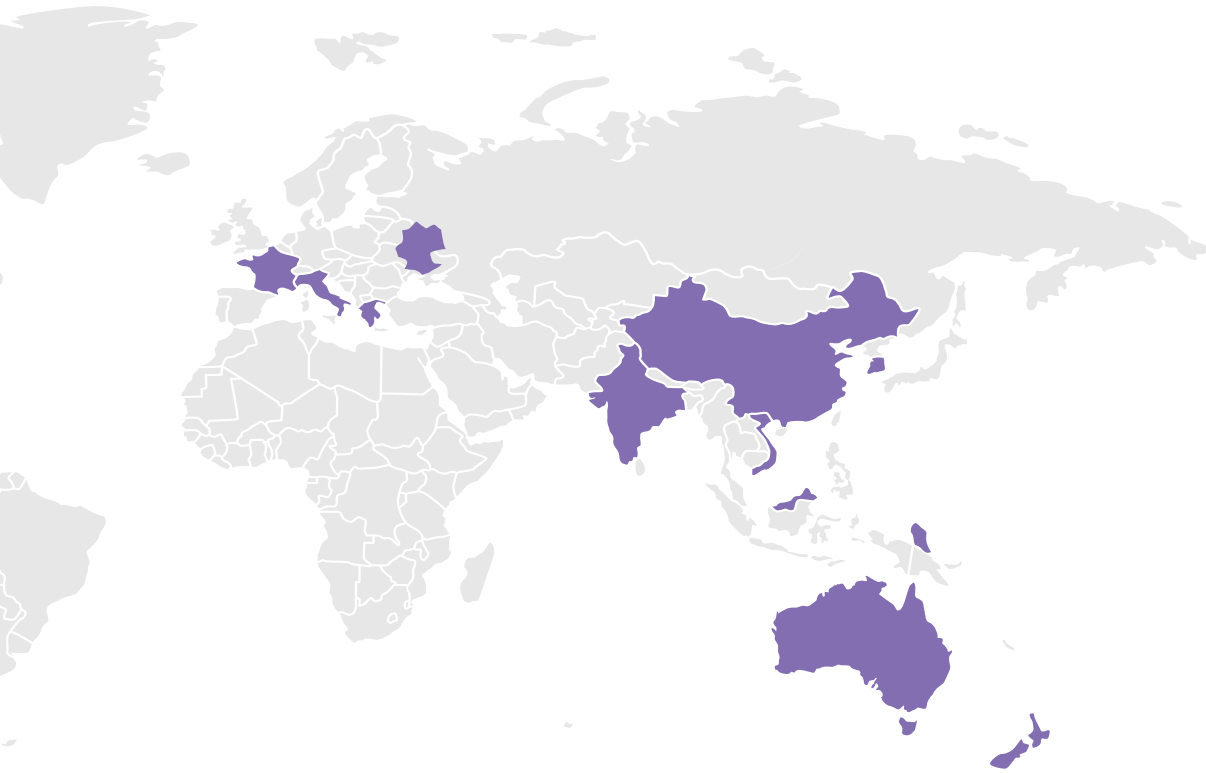


**3 libraries**



**16 schools**

# Source: Australian Bureau of Statistics 2019 Estimated Resident Population



**Top 5 origins of birth in the City**

**64.7%**  
Australia

**4.8%**  
United Kingdom

**4.3%**  
Italy

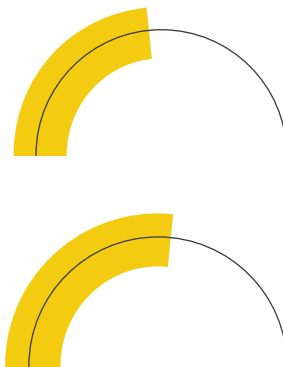
**4.0%**  
China

**2.6%**  
India

**residents**

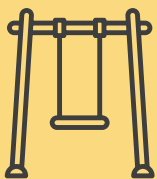
**37,056<sup>#</sup>**

The median age of people is 40 years.  
Children aged 0–14 years make up 14.3% of the population and people aged over 65 years make up 19.6%



**48%** males

**52%** females



**29 playgrounds**



**72 parks and reserves**



**180 hectares of open space**

# 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.



## 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.



*Linde Reserve, Stepney*



## 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 2022–2023 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.



Kent Town

The projects, programs and initiatives which the Council proposes to undertake during 2022–2023, 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 2022–2023 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 Concept*

## *Payneham Memorial Swimming Centre Redevelopment*



The Payneham Memorial Swimming Centre will be transformed into an exciting water park—delighting swimmers, families and the wider community.

The Council will be investing \$16.5 million in 2022–2023. This is in addition to \$500,000 last financial year and a \$5.6 million State Government contribution.

Due to be completed next financial year. Once completed the total investment of the state-of-the-art facility will be in the order of \$24 million.

Work includes:

- two new pools (including an all season 25 metre pool);
- high platform waterslides;
- water play areas; and
- disability access ramps to facilitate the increased use of the existing facilities as well as support greater independence for all patrons.

The redevelopment will also boost the local economy by creating jobs and a direct spend on construction.

The redevelopment was outlined in the Payneham Memorial Swimming Centre Strategy which was endorsed by Council in 2017.

The Swimming Centre is one of the last metropolitan swimming centres to undergo a major redevelopment.



## Dunstan Adventure Playground Upgrade



Local residents and the wider community will benefit greatly from major upgrades to the Dunstan Adventure Playground.

In 2022–2023, the total investment to redevelop the Playground will be \$1.3 million, which includes \$450,000 from the State Government with the remainder being funded by the Council.

The much-loved Dunstan Adventure Playground, at St Peters, has several pieces of outdated play equipment requiring regular maintenance.

The redevelopment will include:

- the installation of new adventure themed play equipment (and the removal of old equipment)
- carpark and entry improvements
- new public toilets
- a new shade structure
- lighting
- better path integration with the River Torrens Linear Park.

The Playground was constructed in the 1980s and although it is still very popular, this funding boost will ensure it stays appealing, safe and practical for many years to come.

The redevelopment will commence in October 2022.

To see the concept design and images you can visit the Council's website [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au).

## The Parade Masterplan



The Parade Masterplan forms part of the long-term strategic framework for the planning, redevelopment and activation of The Parade.

The Masterplan focuses on protecting the identity and appeal of Adelaide's premier mainstreet and how this significant economic, social and cultural asset can enhance the experience of people who choose to live, work and play on The Parade.

A prioritisation on pedestrian safety and movement is a key objective of The Masterplan. Other changes include:

- Wider footpaths along the full length of The Parade;
- Removal of on-street car parking between Edward and George Street;
- Additional street trees and landscaping;
- New pedestrian crossings;
- New street furniture; and
- Public art and lighting.

The next steps towards the delivery of The Parade Masterplan are detailed design, followed by construction.

The Council is currently in the process of selecting an experienced and qualified consultant team to commence detail design.

The total cost allocated in the 2022–2023 budget is 2 million, this includes the construction of George Street Upgrade plus funding for the detailed design of the Parade between Fullarton Road and Portrush Road.

The upgrade to The Parade is currently planned to be built over four years commencing in 2024.





# Outcome 1 Social Equity

An inclusive, connected, accessible and friendly community.

## 2021–2022 achievements

### Capital Works Program

Completed the annual Capital Works Program, which includes upgrades to civil infrastructure (roads, footpaths Stormwater Drainage and kerbing), buildings and open space assets.

### Community Survey

Completed the 2021 Community Survey. The biennial survey involved 601 face to face interviews with residents and/or business operators.

### New Digital Look East

Launched a digital and interactive edition of the Council's community publication, Look East, and increased its production from twice a year to four times a year.

### Zest for Life

Hosted Zest for Life – a program of events that encourage positive and active ageing and promote Community Well-being.

## Annual Business Plan Objectives

- Deliver services which are relevant, citizen focussed 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 that 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.
- Ensure fair and equitable rates for all ratepayers.

## Proposed key initiatives for 2022–2023

- 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.
- Commence construction of the state-of-the-art Payneham Memorial Swimming Centre
- Continue the implementation of the 15 year Stormwater Drainage Program.
- Complete the upgrade of Burchell Reserve
- Complete Stage 2 of the River Torrens Linear Park Shared Path Upgrade Project.



## Outcome 2 Cultural Vitality

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

### 2021–2022 achievements

#### Youth Development Strategy

Completed the Council's 2022–2025 Youth Development Strategy and hosted various events for young people.

#### Hosted Popular Events

Art on Parade  
Movie in the Park  
Twilight Carols  
St Peter's Fair  
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, gender or cultural background.

#### Proposed key initiatives for 2022–2023

- Deliver a number of programs and activities which are focussed on achieving the objectives set out in the Council's Youth Strategy.
- Installation of the Council's fourth Major Quadrennial Public Artwork.
- Host the Concerts in the Park series.
- Further explore heritage protection opportunities through the Council's Built Heritage Strategy Action Plan.
- Host a Stage of the Tour Down Under which returns to South Australia in 2023





## Outcome 3 Economic Prosperity

A dynamic and thriving centre for business and services.

### 2021–2022 achievements

#### Raising the Bar

Hosted Raising the Bar Adelaide and Eastside Happy Hour events across the City.

#### Business Initiatives and Competitions

Supported local businesses through a range of initiatives and competitions such as Win a Fiat on The Parade and Book a Holiday – Win a Holiday.

#### Eastside Business Awards

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

#### Financial Support Package

Provided the third financial support package to local businesses impacted by State Government density restrictions.

### Annual Business Plan Objectives

- Support the development of a prosperous local economy.
- Continue to engage with local businesses.

### Proposed key initiatives for 2022–2023

- Launch the Eastside Design for Living.
- Host the sixth Eastside Business Awards to recognise the best small businesses, including retailers, restaurants, cafes, bars, venues, cultural experiences and entertainment venues in the City.
- 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.
- Commence detailed design of The Parade Masterplan



## Outcome 4 Environmental Sustainability

A leader in environmental sustainability.

### 2021–2022 achievements

#### W Tree Strategy

Developed the Tree Strategy 2022–2027.

#### E-scooter

Implemented e-scooter trials across the City.

#### Corporate Emissions Strategy

Commenced implementation of the Corporate Emissions Reduction Strategy actions.

#### Urban Greening

Implemented a range of urban greening initiatives.

#### Smart City Plan

Commenced implementation of the Smart City Plan actions.

### 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.

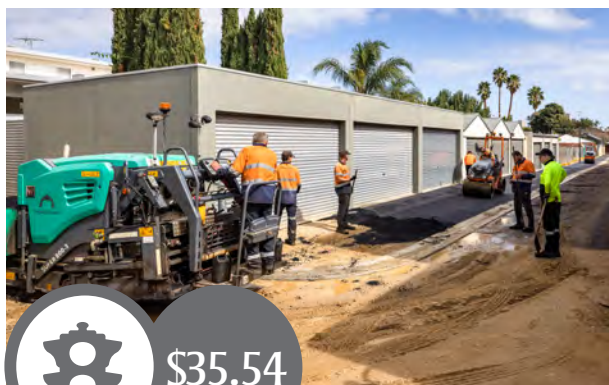
### Proposed key initiatives for 2022–2023

- 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.
- Finalise St Peter's Street Upgrade to improve connection with the River Torrens and upgrade existing infrastructure.
- Following a successful trial, continuation of the Urban Greening Program.
- Education program to encourage the community to adopt a tree.
- Install electric vehicle charging stations across the City.



# Services

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



## Infrastructure Management

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



## Waste & Recycling Services

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



## Trees, Parks, Sport & Recreation

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



## Economic Development, Regulatory Services, Environment & Planning

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



### Community, Health, Aged & Youth Services

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



### Libraries & Community Facilities

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



### Community Events, Arts & Heritage

- Community events
- Community arts
- Cultural heritage



### 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

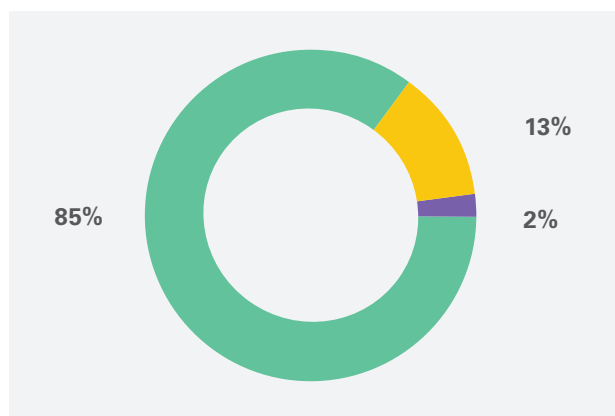


# Infrastructure Management



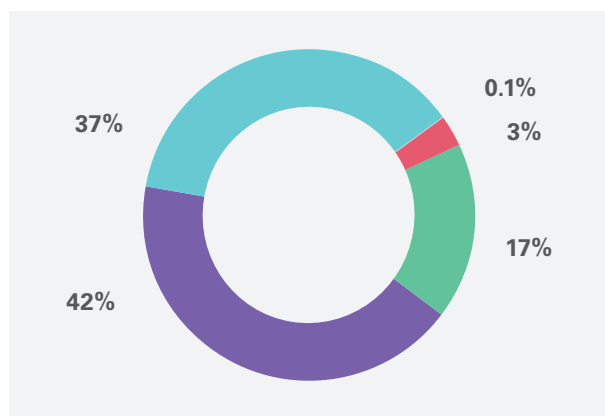
## 2022–2023 Budget \$31.712 million\*

### Where it is spent



Recurring expenditure	\$4,234,802
Service initiatives	\$506,000
Capital expenditure	\$26,972,056

### Source of funds



Operating Grant Funding	\$1,022,298
Rates	\$11,721,344
Capital Grant Funding	\$5,355,823
Other capital funding	\$18,000
Borrowings	\$13,145,415

### 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 Capital Works Program**
- **Trinity Valley Drainage Upgrade** which involves stormwater drainage works to protect from downstream flooding to be delivered over the next three years commencing in 2022–2023.
- **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**
- **Street lighting renewal and upgrade**

Further details are provided in Appendix 1.

\*Excludes carry forward projects

## 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	\$925,961
Net Cost/(Net Contribution)	\$925,961

- **Road & Traffic Management**

Income	\$660,000
Expenditure	\$1,467,137
Net Cost/(Net Contribution)	\$807,137

- **Stormwater Network**

Income	-
Expenditure	\$280,587
Net Cost/(Net Contribution)	\$280,587

- **Streetscape maintenance**

Income	-
Expenditure	\$1,109,433
Net Cost/(Net Contribution)	\$1,109,433

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

Income	-
Expenditure	\$618,500
Net Cost/(Net Contribution)	\$618,500

## 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	\$362,298
Expenditure	\$339,184
Net Cost/(Net Contribution)	(\$23,114)





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



# Waste & Recycling Services



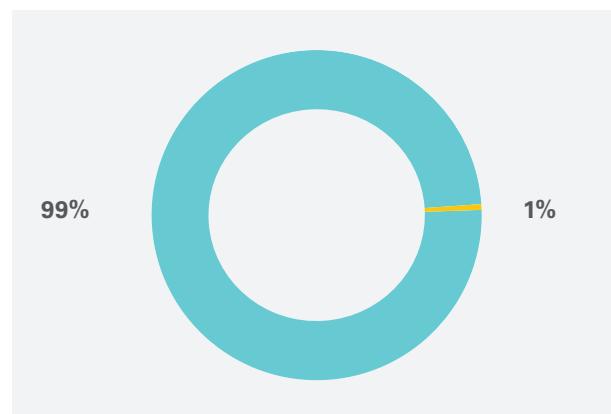
## 2022–2023 Budget \$4.536 million\*

### Where it is spent



● Recurring expenditure \$4,536,706

### Source of funds



● User fees and charges \$43,000  
● Rates \$4,631,813

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

\*Excludes carry forward projects

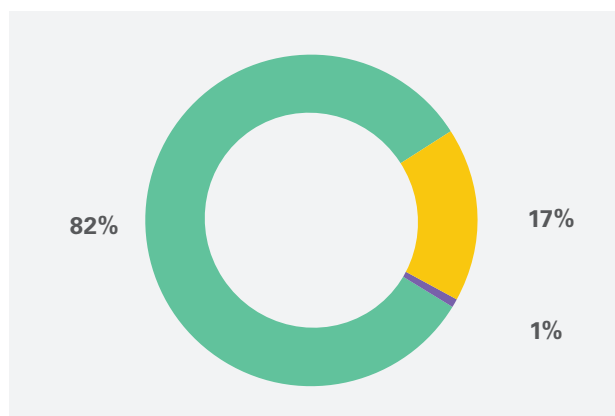


# Trees, Parks, Sport & Recreation



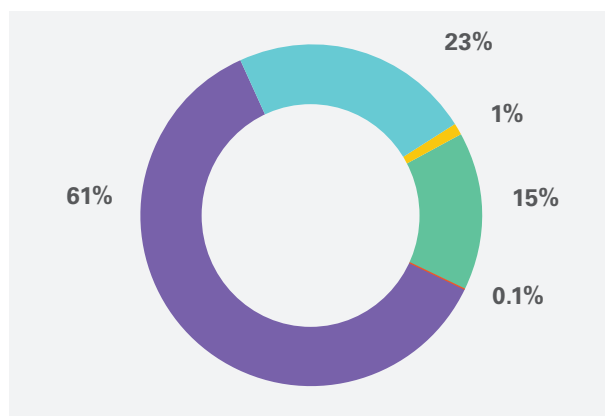
## 2022–2023 Budget \$27.056 million\*

### Where it is spent



● Recurring expenditure	\$4,668,126
● Service initiatives	\$162,000
● Capital expenditure	\$22,226,075

### Source of funds



● User fees and charges	\$309,041
● Rates	\$6,183,787
● Other income	\$21,550
● Capital Grant Funding	\$4,139,000
● Borrowings	\$16,549,862

### 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
- Commence redevelopment of Dunstan Adventure Playground

Further details are provided in Appendix 1.

\*Excludes carry forward projects

## 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	\$2,374,427
Net Cost/(Net Contribution)	\$2,374,427

## 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 managing the ongoing maintenance of the open space and associated infrastructure provided at these facilities.

Income	\$95,450
Expenditure	\$532,747
Net Cost/(Net Contribution)	\$437,297

## 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	\$1,363,471
Net Cost/(Net Contribution)	\$1,363,471

## 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	\$235,141
Expenditure	\$559,481
Net Cost/(Net Contribution)	\$324,340

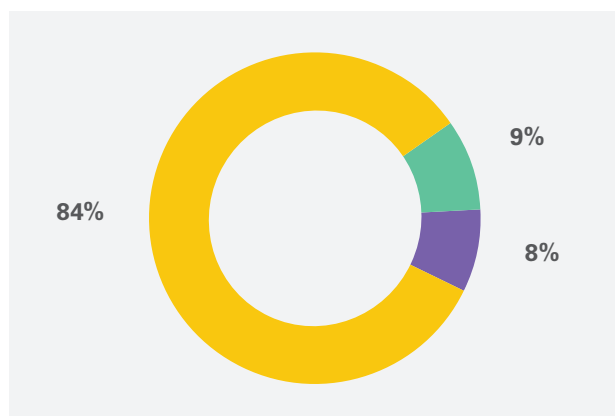


# Economic Development, Regulatory Services, Environment & Planning



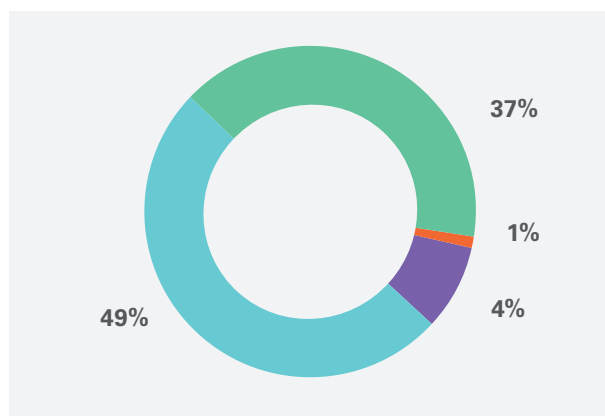
## 2022–2023 Budget \$4.680 million\*

### Where it is spent



Recurring expenditure	\$3,924,919
Service initiatives	\$355,870
Capital expenditure	\$400,000

### Source of funds



Statutory fees	\$1,873,750
Rates	\$2,467,355
Other income	\$70,000
Borrowings	\$400,000

### 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 within 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**
- **Dog & Cat Management Plan education campaign**

Futher details are provided in Appendix 1.

\*Excludes carry forward projects

## 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	\$398,500
Expenditure	\$1,697,586
Net Cost/(Net Contribution)	\$1,299,086

## Building Inspections

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

Income	\$100,000
Expenditure	\$249,803
Net Cost/(Net Contribution)	\$149,803

## Economic Development

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

Income	\$343,500
Expenditure	\$995,078
Net Cost/(Net Contribution)	\$651,578

## 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	\$54,000
Expenditure	\$467,491
Net Cost/(Net Contribution)	\$413,491

## 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	\$1,262,750
Expenditure	\$870,831
Net Cost/(Net Contribution)	(\$391,919)

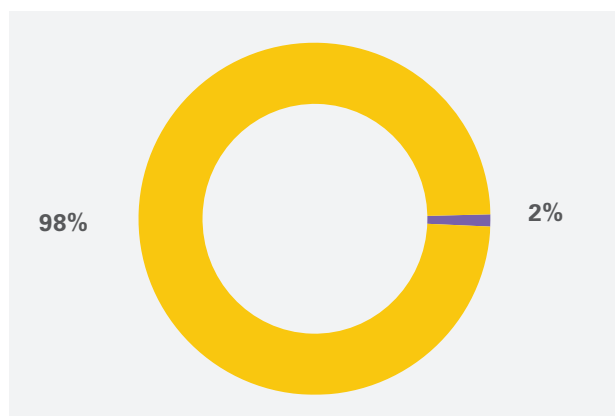


# Community, Health, Aged & Youth Services



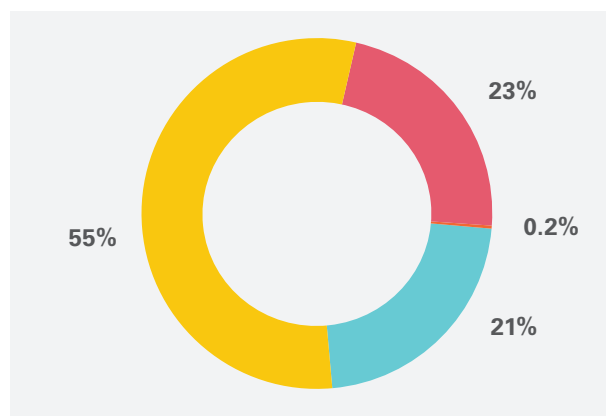
## 2022–2023 Budget \$4.806 million\*

### Where it is spent



● Recurring expenditure	\$4,721,115
● Service initiatives	\$85,000

### Source of funds



● User fees and charges	\$2,746,220
● Rates	\$1,138,254
● Other income	\$18,080
● 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

- Review of Access and Inclusion Strategy
- 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.

\*Excludes carry forward projects

## 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	\$116,372
Net Cost/(Net Contribution)	\$37,872

## Home and Community Care Programs

The Council's Home and Community Care (HACC) Program is funded by the Federal and State Government to provide community care services for our City's frail aged and younger residents with a disability 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	\$1,127,169
Expenditure	\$1,245,856
Net Cost/(Net Contribution)	\$118,687

## 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	\$197,053
Net Cost/(Net Contribution)	\$197,053

## 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	\$148,046
Net Cost/(Net Contribution)	\$148,046

## 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	\$2,608,500
Expenditure	\$2,496,788
Net Cost/(Net Contribution)	(\$111,712)

## 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.

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



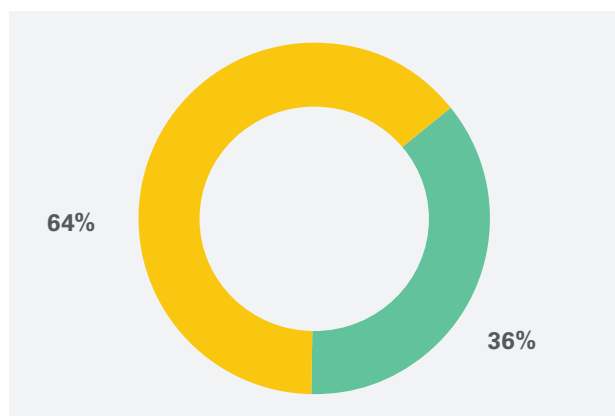


# Libraries & Community Facilities



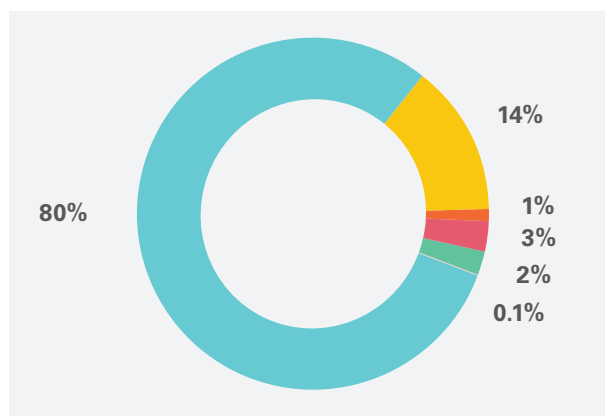
## 2022–2023 Budget \$4.570 million\*

### Where it is spent



● Recurring expenditure	\$2,922,251
● Capital expenditure	\$1,648,000

### Source of funds



● User fees and charges	\$679,650
● Rates	\$3,813,401
● Other income	\$43,160
● Grant funding	\$123,000
● Capital Grant funding	\$110,000
● 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.

\*Excludes carry forward projects

## 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	\$1,798,834
Net Cost/(Net Contribution)	\$1,650,834

## 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	\$322,210
Expenditure	\$784,893
Net Cost/(Net Contribution)	\$462,683

## 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 )

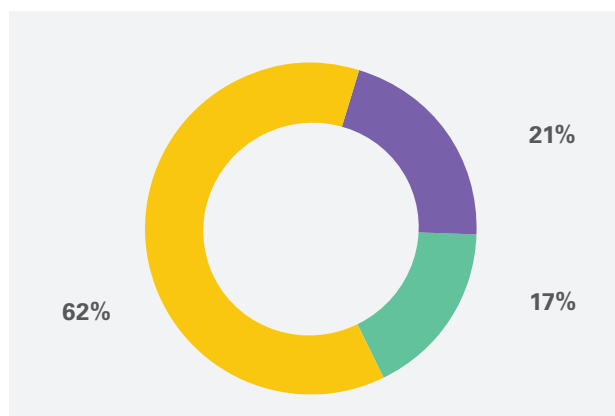


# Community Events, Arts & Heritage



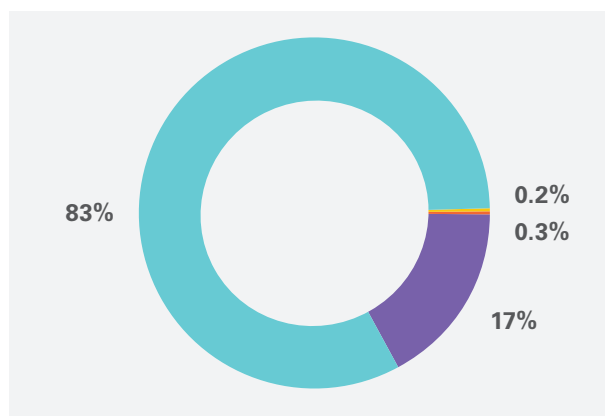
## 2022–2023 Budget \$1.502 million\*

### Where it is spent



● Recurring expenditure	\$925,209
● Service initiatives	\$318,574
● Capital expenditure	\$258,762

### Source of funds



● User fees and charges	\$2,800
● Rates	\$1,273,846
● Other income	\$5,000
● Borrowing	\$258,762

### 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;
  - 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

- Tour Down Under 2023
- New Concerts series in Norwood Concert Hall

Futher details are provided in Appendix 1.

\*Excludes carry forward projects

## 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	\$2,800
Expenditure	\$730,548
Net Cost/(Net Contribution)	\$727,748

## 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	\$203,296
Net Cost/(Net Contribution)	\$198,296

## 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	\$309,939
Net Cost/(Net Contribution)	\$309,939

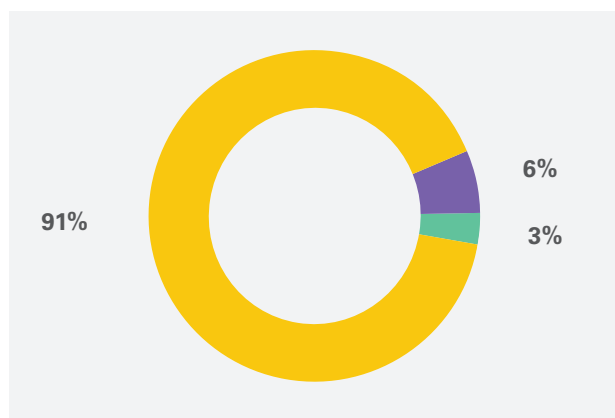


# Governance, Communications & Administration



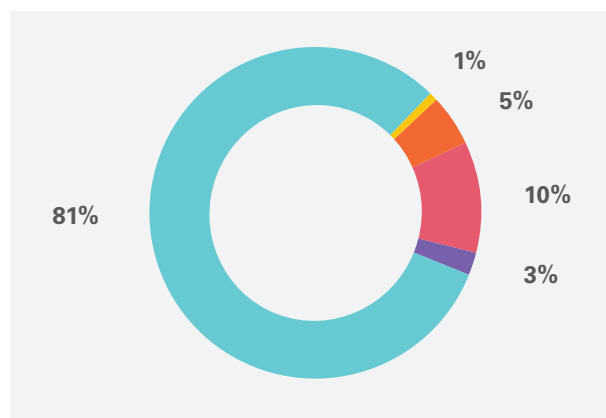
## 2022–2023 Budget \$7.703 million\*

### Where it is spent



● Recurring expenditure	\$6,991,457
● Service initiatives	\$443,794
● Projects	\$267,850

### Source of funds



● User fees and charges	\$90,000
● Rates	\$6,511,646
● Other income	\$369,950
● Grant funding	\$805,000
● Borrowings	\$267,850

### 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

- Local Government Elections
- Upgrades to the Council’s Business Systems
- Website upgrades and refresh

Further details are provided in Appendix 1.

### 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	\$340,000
Expenditure	\$2,241,262
Net Cost/(Net Contribution)	\$1,901,262

\*Excludes carry forward projects

## Communications

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

Income	\$20,000
Expenditure	\$590,268
Net Cost/(Net Contribution)	\$570,268

## 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	\$805,000
Expenditure	\$1,471,839
Net Cost/(Net Contribution)	\$666,839

### 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	\$97,700
Expenditure	\$387,005
Net Cost/(Net Contribution)	\$289,305

### 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	\$2,250
Expenditure	\$460,575
Net Cost/(Net Contribution)	\$458,325

### 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	\$1,615,500
Net Cost/(Net Contribution)	\$1,615,500

### 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	\$668,802
Net Cost/(Net Contribution)	\$668,802

# 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.

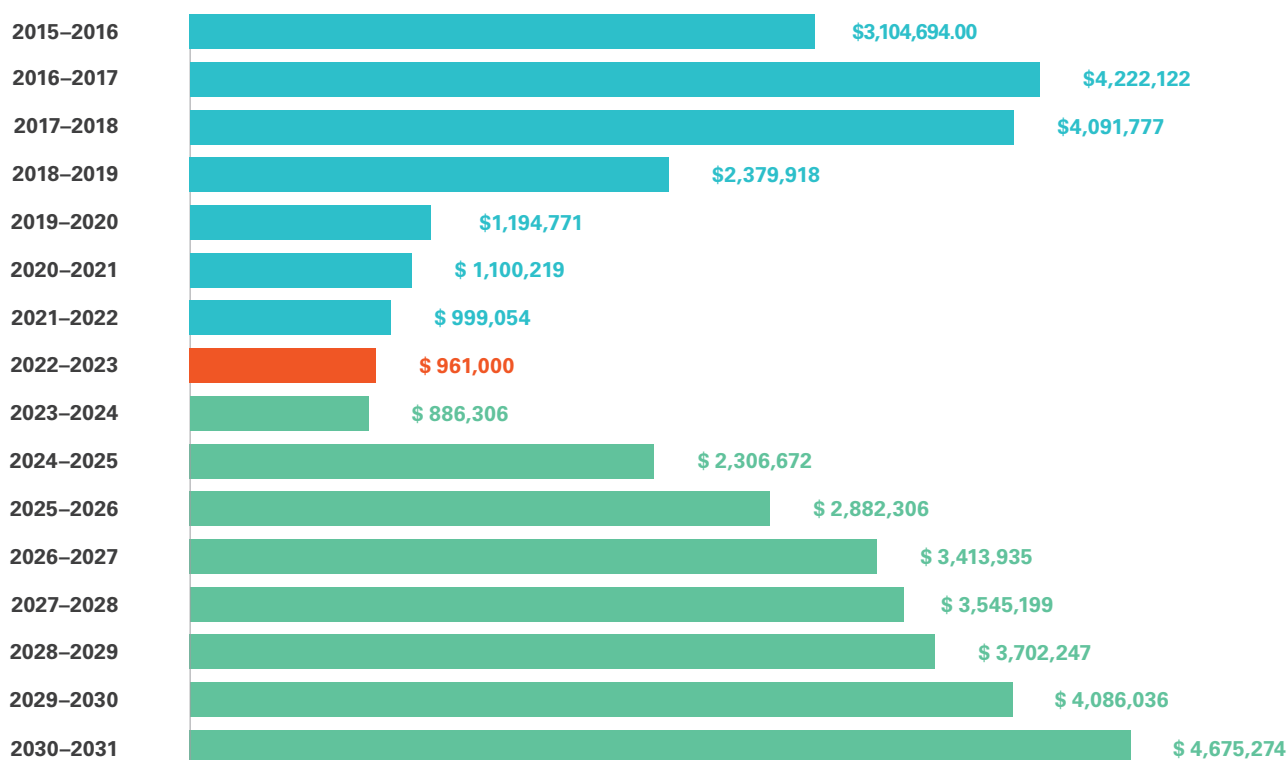
The Council undertakes an annual review of the Long-term Financial Plan and updates the financial estimates set out in the plan based on the decisions made in developing the 2022–2023 Annual Business Plan and Budget to ensure it is continuing to deliver on the outcomes set out in the Plan

A copy of the Council's Long-term Financial Plan is available at [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)

Graph 1

**Operating Surplus**  
**2015–2016 to 2030–2031**

Actual Proposed Forecast





# 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.

**Like all Local Government areas around the nation, the City of Norwood Payneham & St Peters has not been immune from various and unpredictable economic impacts, particularly as a result of the COVID-19 pandemic.**

Rates are the main source of income for the Council and they fund essential services such as management of infrastructure, public health and safety, as well as major capital projects, the provision of community programs, events and festivals.

Over the 12 months to the March 2022 quarter, the Consumer Price Index rose 5.1% — the highest reading since the introduction of the Goods and Services Tax in the early 2000s.

The increasing cost of goods and services has an immediate and direct effect on the Council's core activities and the cost of the delivery of major projects, which ultimately affects Council rates.

Coupled with increasing costs and to deliver services, and upgrading our infrastructure and other community assets, the City has seen a steep increase in property values—an average of 25 per cent growth of all properties across the City—which needs to be taken into account when setting rates.

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

In the past financial year, the State Government made amendments to the Local Government Act which ensured consistency across all Councils in South Australia when it comes to informing ratepayers about annual changes to their rates.

For the 2022–2023 financial year, a total of \$38.4 million will be collected through general rates, an increase of 6% or \$2.173 million on 2021–2022.

Applying the new State Government's methodology for reporting the change in the average rate, rates collected from residential properties, have on average, increased by \$144 per property on 2021–2022, whereas rates collected from commercial and industrial properties have, on average, decreased by \$107 and \$125 respectively. Rates collected from other land uses have, on average, decreased by \$260 per property.

This year to counteract the steep increase in property values, which have experienced across the City, the Council has budgeted for an 14.9% rate-in-the-dollar decrease. The change in the rate-in-the dollar increase takes into account general property valuation increases, new development, cost increases and changes in service levels.

The general rate revenue is collected from property owners by applying a rate-in-the-dollar to the capital value of individual properties.

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.

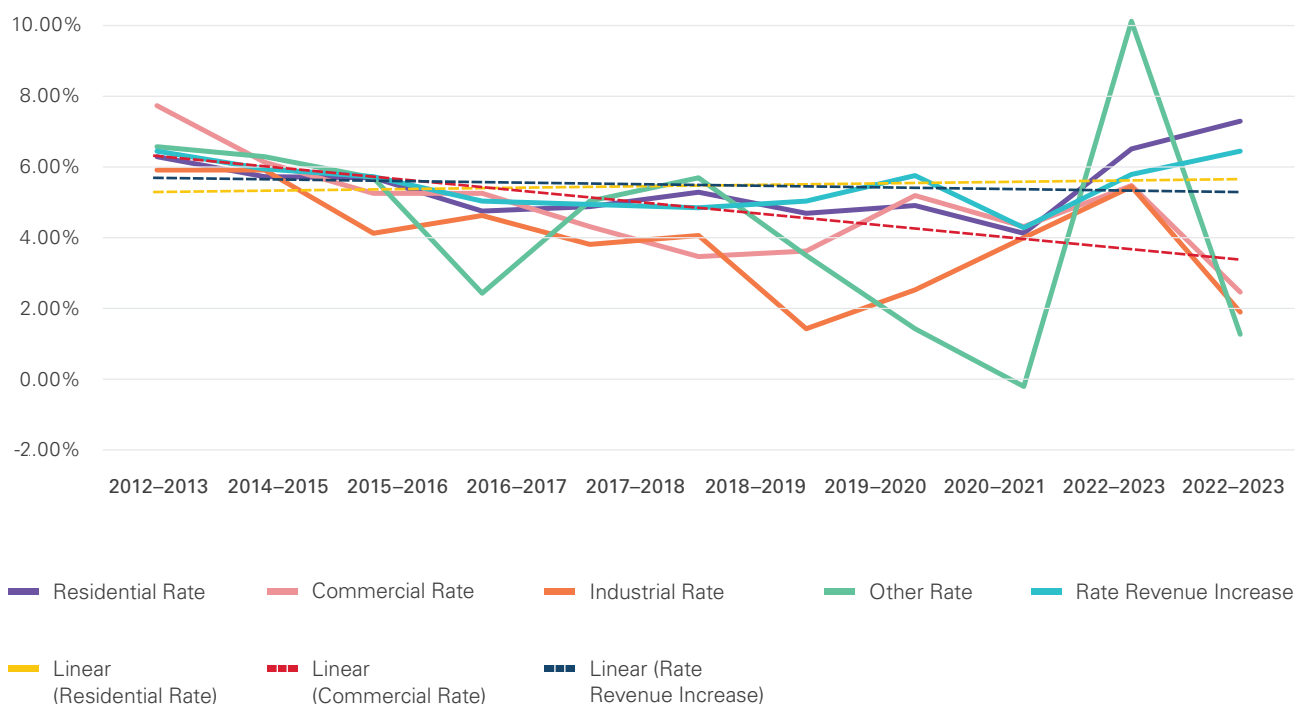
Details of the Council's Rating Policy is included in Appendix 4 of this document with the complete policy available at [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)

For 2022–2023, the 'average residential property' is valued at \$866,000, with the rates payable being \$1,678, which is a decrease of \$294 in rates payable for a property of the same value in 2021–2022. The value of the 'average residential property' has seen a 26.2% increase in capital value from 2021–2022, taking into account the capital value movement, the total increase in rates payable for the 'average residential property' will be \$116 (or 7.4%).

The 'average commercial property' is valued at \$1,018,000, with the rates payable being \$2,515, which is a decrease of \$441 in rates payable for a property of the same value in 2021–2022. The value of the 'average commercial property' has seen a 11.6% increase in capital value from 2021–2022, taking into account the capital value movement, the total decrease in rates payable for the 'average commercial property' will be \$134 (or 5.1%).

Graph 2

### Impacts of Council's Rating Policy



# Budget Overview

## 2022–2023

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 2022–2023 Budget has been developed within the Council’s planning framework and sets the strategic direction 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 the Council’s Elected Members, Council staff and in consultation with the community.

As the South Australia undertakes economic recovery from the COVID-19 pandemic, the focus in developing the 2022–2023 Annual Business Plan and Budget, has been on ensuring the Council maintains standards for its existing range of services which are aimed at supporting the delivery of the Strategic Objectives outlined in the Council’s Strategic Management Plan *CityPlan 2030: Shaping Our Future*, and that those services receive the appropriate funding.

The Budget reflects decisions which have assumed that the restrictions—which were in place by the State Government during 2021–2022—have been relaxed, with the provision of services, programs and activities being delivered in a post COVID-19 safe manner.

The Council is supporting the economic recovery by continuing its commitment to a number of largescale infrastructure projects, which commenced in 2021–2022, with the aim to be delivered this financial year.

The 2022–2023 Budget remains focused 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 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 2022–2023 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; and
- 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 2022–2023 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 2022–2023 Budget.**

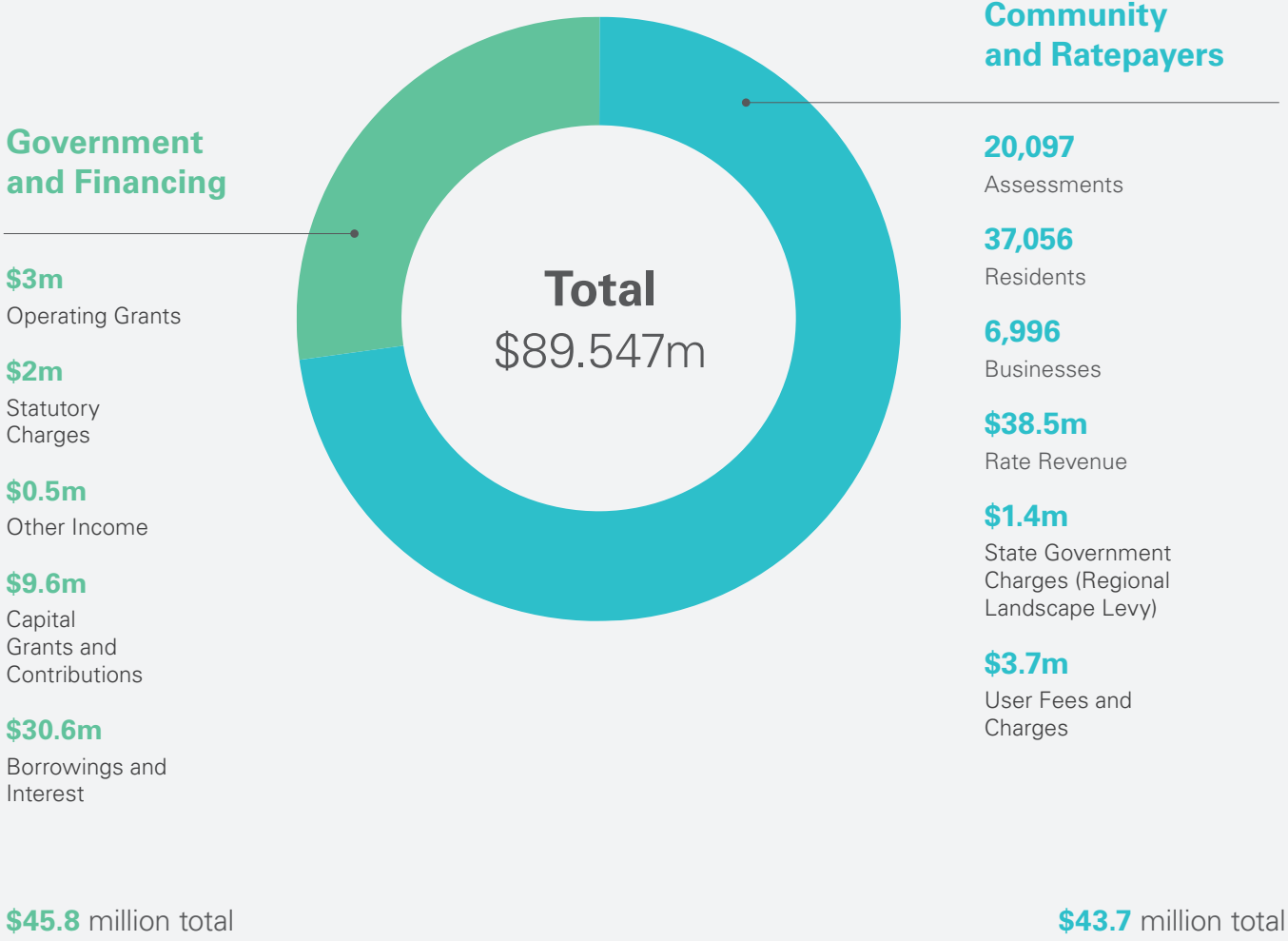
*Table 3*

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%	✓

# Budget Overview

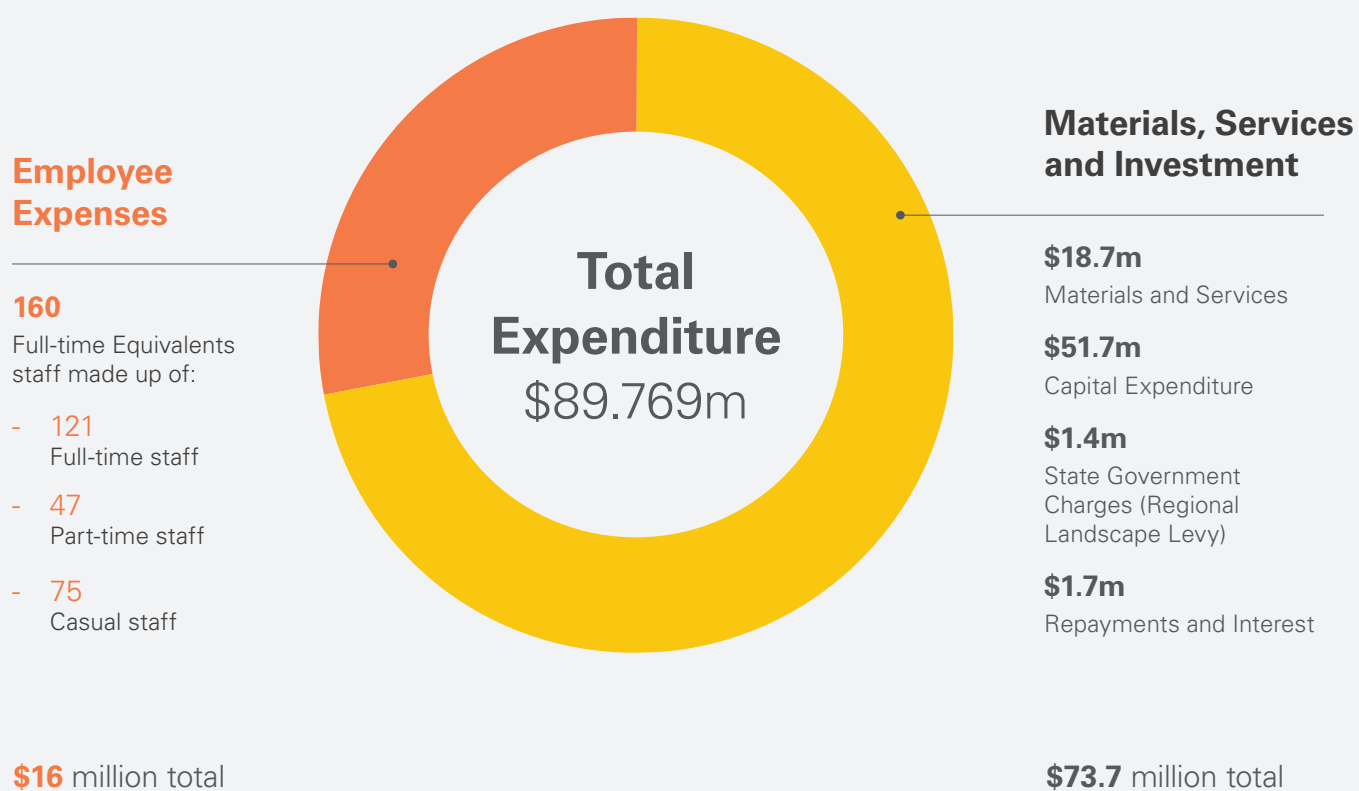
## 2022–2023

### Income and Funding



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 42 special projects.

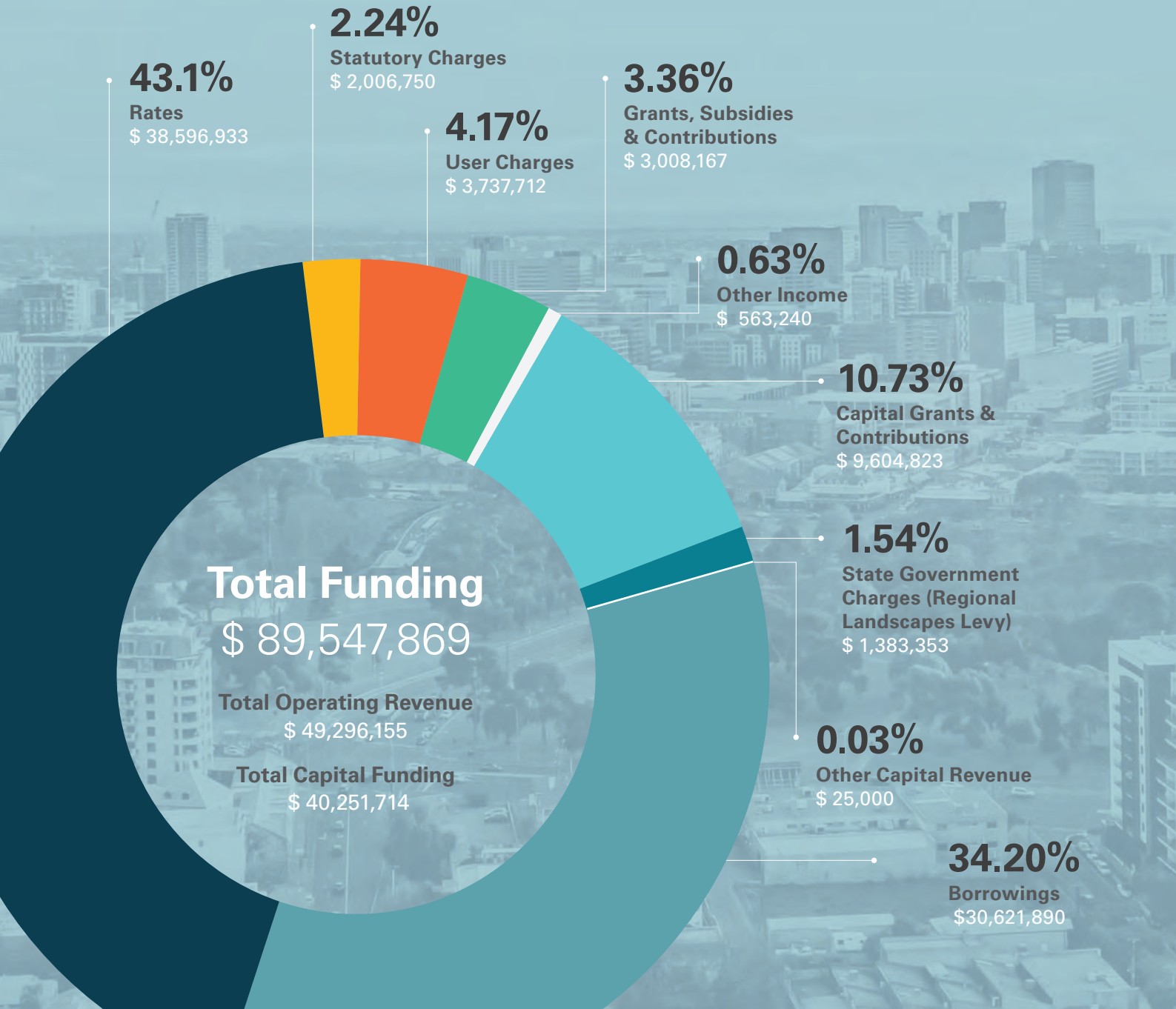
## Expenditure and Investment



# Revenue & Expenditure

The 2022–2023 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

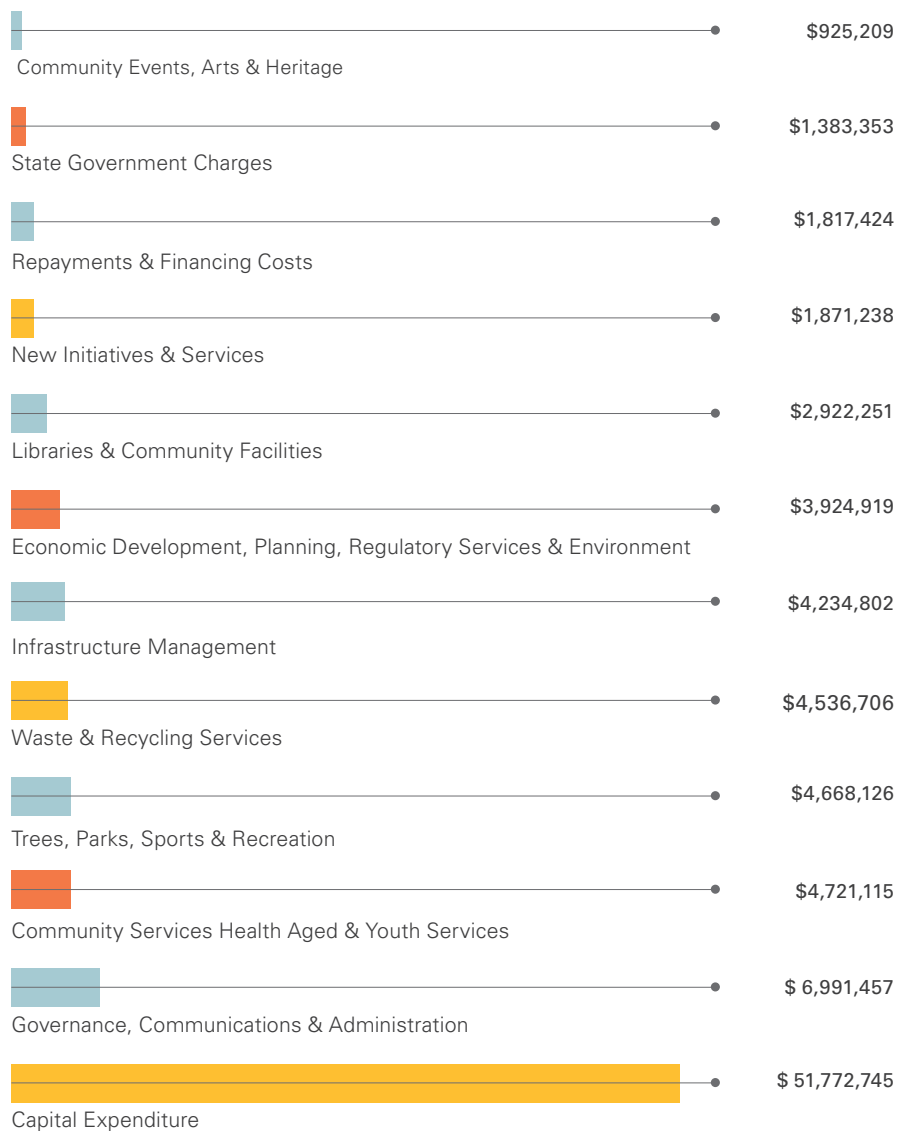


## How the funds are spent

**Total Expenditure** \$ 89,769,346

**Total Operating Expenditure** \$ 37,051,605

**Total Capital Expenditure** \$ 52,717,745





*2022-2023 Key Initiatives &  
Projects*

Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	Carry forward \$
<b>Infrastructure Management</b>						
C Capital Work Program Traffic Control	To deliver the 2022-2023 Civil Infrastructure Capital Works Program ("the Capital Works Program") for 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).	180,001	-	180,001	-	-
C Capital Works Program Footpath		897,338	-	897,338	-	-
C Capital Works Program Kerb		1,779,290	-	1,779,290	-	-
C Capital Works Program Road Resealing		4,591,018	532,298	4,058,720	-	-
C Drainage Program <i>Includes carry forward funding</i>	To deliver the 2022-2023 Stormwater Drainage Program which involves enhancement of the Council's drainage network. The Program includes the design and upgrade of the Council's trunk stormwater 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 Stormwater Drainage Infrastructure & Asset Management Plan (2020)	9,534,205	3,635,823	-	5,898,382	1,950,000
C Linear Park Path Upgrade <i>Includes carry forward funding</i>	The reconstruction of the shared path along the River Torrens Linear Park between the intersection of Battams Road/Ninth Street Royston Park and Twelftree Reserve, Collage Park, encompassing a section of the path that passes through Dunstan Adventure Playground. Once completed, pedestrian and cyclist capacity will be increase whilst improving safety and accessibility for all ages and abilities. This is a continuation of Stage 1 of the River Torrens Shared Path enhancement Project which was completed in 2019. The upgrade will be delivered over two financial years, with the total project cost estimated to be \$2.975 million  2021-2022 - \$204,000 2022-2023 - \$2.771 million  The Council secured \$1.350 million as part of the State Governments Open Space & Places for People Program	2,770,918	1,350,000	623,300	797,618	1,945,000
C Plant Replacement	Replacement of plant and vehicles utilised by City Services Field staff in the delivery of maintenance services associated with Council's assets.	136,000	18,000	118,000	-	-

Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	Carry forward \$
C St Peters Street Streetscape <i>Includes carry forward funding</i>	<p>Delivers of the Concept Plan endorsed by the Council in 2019-2020, which was designed to enhance St Peters Street and 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 along St Peters Street to Second Avenue.</p> <p>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 &amp; Asset Management Plans.</p> <p>The Project was scheduled to be delivered over two financial years, with the estimated spend being incurred as follows:</p> <ul style="list-style-type: none"> <li>• 2021-2022 - \$1.270 million</li> <li>• 2022-2023 - \$3.076 million</li> </ul> <p>The Council secured \$1.270 million as part of the Federal Governments Local Government and Community Infrastructure Program Extension.</p>	3,076,042	200,000	1,500,000	1,376,042	700,000
C The Parade Master Plan <i>Includes carry forward funding</i>	The Parade Masterplan was endorsed by the Council in May 2019. Stage 2 encompasses the design development for the Parade between Fullarton Road and Portrush road, and detail design and construction documentation for George Street between the intersection of The Parade and Webbe Street.	2,061,000	-	-	2,061,000	889,000
O 40 kph Speed Limit Implementation – Norwood & Kent Town <i>Includes carry forward funding</i>	To undertake associated works to implement an area speed limit of 40km/h in Norwood & Kent Town (except The Parade, The Parade West and Osmond Terrace)	25,000	-	25,000	-	-
O Street Lighting Renewal & Upgrade	Delivery of minor street lighting upgrades for streets which have non-compliant street lighting	40,000	-	40,000	-	-
O Sydneham Road Street Lighting Upgrade	Delivery of street lighting upgrades along the length of Sydenham Road, Norwood	60,000	-	60,000	-	-
O Signalised Pedestrian Crossing – Magill Road	To install a pedestrian crossing on Magill Road between Trinity Gardens and Beulah Park. The City of Burnside will co-fund the installation.	230,000	115,000	115,000	-	-
O Traffic Engineer	Employment of a Traffic Engineer with a fixed term three-year contact to assist the Manager, Traffic & Integrated Transport to manage and deliver the Council's traffic management function in an efficient and effective manner.	101,000	-	101,000	-	-

Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	Carry forward \$
O Evaluation of 40kph – Stephney & Maylands	To evaluate the outcomes of the implementation a 40 km/h area-wide speed limit in Stepney, Maylands and Evandale in 2019. The funding is requested to outsource the evaluation study to a suitable qualified Traffic Engineering Consultancy.	25,000	-	25,000	-	-
<b>Trees Parks Sport &amp; Recreation</b>						
C Burchell Reserve Upgrade <i>Includes carry forward funding</i>	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.	2,600,000	-	388,000	2,212,000	2,026,000
C Dunstan Adventure Playground Redevelopment	The Dunstan Adventure Playground is identified in a number of the Council's strategic documents as one of four Regional Level Playgrounds within the City of Norwood Payneham & St Peters. The intent of the Project is to construct a new Playground, whilst maintaining some of the key elements that are well loved by the broader Adelaide community.	900,000	450,000	-	450,000	-
C Payneham Swimming Centre <i>Includes carry forward funding</i>	The full redevelopment of the Payneham Memorial Swimming Centre, as per the Council's Swimming Centres Strategy and endorsed concept plans	16,500,000	2,800,000	-	13,700,000	2,500,000
C Recreation & Open Space Infrastructure Works Program	To deliver the Recreation & Open Space Works Program 2022-2023 ("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).	1,190,000	-	1,190,000	-	-
C Cruickshank Reserve Facility Upgrade	Cruickshank Reserve, located in Maylands, contains the 'Maylands Sports Centre' comprising tennis and netball playing courts, a small building (31 sqm) with a clubroom/kitchen area and toilets, a veranda and storage shed. The Project proposes the demolition of the existing building, veranda and storage shed and the construction of a new multipurpose building to support tennis, netball and other recreation activities at the Reserve.	889,000	889,000	-	-	-
O Street Tree Planting <i>Includes carry forward funding</i>	To increase the minimum street tree planting to 500 trees per financial year, from the current minimum 300.	100,000	-	50,000	-	50,000

Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	Carry forward \$
O Tree Management Policy and Strategy <i>Includes carry forward funding</i>	The 2022-2027 Tree Strategy which guides the management, financial planning, planting and maintenance of all trees within the City (with a particular focus on street trees). The Strategy sets out a number of actions to be taken over the life of the plan to ensure the delivery of the strategy. Year one implementation includes the development of Guidelines aim to provide staff with a 'one stop shop' for all things relating to Council owned three plantings and maintenance requirements.	45,000	--	25,000	-	20,000
O Adopt a Tree	The program aims to educate the community about the importance of trees and encourage the retention of trees	2,000	-	2,000	-	
O Open Space and Playground Strategy	The Open Space and Playgrounds Strategy will result in a new and more holistic and integrated approach to the City's open space assets (physical and natural) and how they are maintained and developed. This project presents the opportunity to integrate a number of existing strategies into a single strategic document, which represent the multitude of uses and fulfil the multiple functions which are required of the contemporary urban environment.	15,000	-	15,000	-	
<b>Economic Development, Regulatory Services, Environment &amp; Planning</b>						
O Eastside Business Awards	To recognise the best small businesses – retailers, restaurants, cafes, venues, professional services and food and beverage manufacturers within the City of Norwood Payneham & St Peters	40,000	-	40,000	-	-
O Dog & Cat Management Plan Education Campaign	To implement an education campaign as required by the Council's 2019-2024 Dog & Cat Management Plan. The purpose of the education campaign is to educate the community in relation to: - the new legislative requirements relating to microchipping and desexing of dogs and cats; and - the general principles of responsible dog and cat ownership.	20,000	-	20,000	-	-
O Greening of Verges Program	The funding is requested to cover the cost of excavating compacted materials and supplying and spreading loam for approved applications to green verges on a 'first come first served' basis, subject to such applications meeting eligibility criteria.	25,000	-	25,000	-	-
O 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.	37,000	-	37,000	-	-

Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	Carry forward \$
O Sustainable Garden Awards	To host a series of free sustainable gardening events to encourage the community to adopt sustainable gardening practices with long term environmental benefits.	11,000	-	11,000	-	-
O Urban Greening Program 2021	To encourage the City of Norwood Payneham & St Peters community to 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: - via the implementation of a Tree Incentive to citizens by giving vouchers towards purchasing a tree; - via a Native Plant Giveaway by giving a native plant pack (six seedlings/tube stock) to citizens	25,000	-	25,000	-	-
O Marryatville Precinct Master Plan	In partnership with the City of Burnside, to deliver a Masterplan for Marryatville Precinct, which contains a clear vision and design framework for the future development and activation of the Precinct, as well as set out opportunities for improved greening, landscaping, streetscape work, traffic management, and people movement to support the diverse social, business and cultural heritage of the area.	40,000	-	40,000	-	-
<b>Community Events, Arts and Heritage</b>						
C Quadrennial Art Project Includes carry forward	Installation of the Major artwork. 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. For 2022-2023 Financial Year, the allocation to the quadrennial art project is \$112,000.	258,762	-		258,762	146,762
O Tour Down Under	Subject to the Council's Expression of Interest being successful, host a Stage of the 2023 Tour Down Under.	55,000	-	55,000	-	-
O Concert Series	To host a three (3) Concert Series in the Norwood Concert Hall	36,000	-	36,000	-	-
O Spring Fest	Sponsorship of the Spring Fest Event which is scheduled to be held in the Concert Hall in October	75,000		75,000		



O – New Service and Program Initiatives



C – Assets – New, Upgrades and Renewal



Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	Carry forward \$
O Heritage Protection Opportunities	Undertaken an assessment to identify key risks and opportunities for the Council in regards to its unprotected built heritage, to investigate and prepare a proposal to initiate a new Code Amendment to extend heritage and/or historic area protections.	70,000	-	70,000	-	-
<b>Community, Health Aged &amp; Youth Services</b>						
O Access & Inclusion Plan	The Council's Access & Inclusion Strategy is due for review in 2022. Pursuant to the South Australian Disability Inclusion Act (2018), the Strategy is a requirement for all State and Local Government entities.	10,000	-	10,000	-	-
O Youth Strategy	<p>A program of events and activities that will deliver the Council's Youth Development Strategy. Programs for 2022-2023 include:</p> <p><b>Sports Week:</b> A week long program incorporating a come and try focus on a range 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.</p> <p><b>Sport Vouchers Program:</b> To facilitate connections between local young people and recreation groups and clubs by providing up to \$100 toward sport and recreation club registration and associated fees to eligible young people.</p> <p><b>Youth Community Cooking:</b> The 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.</p> <p><b>Youth Skill Development:</b> To create three (3) new Council youth programs focused on skill development and being able to apply for work. These programs include a Work Experience, Life Skills and School Advisory program.</p> <p><b>Wheel Park:</b> The project aims to host the 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 have the opportunity to practice their riding skills on a flat, sealed surface.</p>	45,000	-	45,000	-	-

Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	Carry forward \$
O Regional Public Health & Wellbeing Plan	To progress the actions identified in the Regional Health and Wellbeing Plan	10,000	-	10,000	-	-
<b>Libraries &amp; Community Facilities</b>						
C Annual Acquisition of Library Books	The Annual acquisition of Library stock, in order to replenish Library Service collections across the three Library sites	202,000	110,000	85,000	7,000	-
C Building Works Program	To deliver the 2022-2023 Buildings Works Program (Capital) ("the 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).	826,000	-	826,000	-	-
<b>Governance, Communication and Administration</b>						
C Electronic Document Management System	To upgrade the Council's electronic document management system	123,000	-	-	123,000	-
C Website Development	to deliver annual upgrades and improvements to the City of Norwood Payneham & St Peters website	10,000	-	10,000	-	-
C iPad Refresh for Elected Members	To replace 19 iPad and 16 Logitech keyboard cases. The iPad refresh will reduce the risk of equipment failure, allow the latest IOS to be run and reduce the Council to any cyber attacks	18,400	-	18,400	-	-
C Wi-Fi Refresh	To upgrade the Wi-Fi equipment and future proof the Wi-Fi solution for existing users and to enable guest Wi-Fi at Council offices.	26,000	-	26,000	-	-
C IPAD for Field Staff	To procure an additional eight Ipad's for the City Services, Civil Maintenance and Parks & Gardens Teams. Annual data cost and ongoing management cost for new iPad purchased for City Services	13,000	-	6,000	7,000	-
O Local Government Elections	The Local Government Election will be held in November 2022 and funding is required to conduct the election.	200,000	-	200,000	-	-
O Service Reviews	To engage suitably qualified consultants to undertake reviews of key Council services and processes to ensure they are provided in an efficient and effective manner.	100,000	-	100,000	-	-



Project Name	Project Description	Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	Carry forward \$
O Land & Building Valuation	To undertake the five (5) year independent valuation of Council building and other structures and to upload Building assets to Conquest to enable effective asset management plans and maintenance programs to be developed based on asset condition.	75,000	15,000	60,000	-	-

## 2022 – 2023 Civil Whole-of-Life Infrastructure Renewal Program

Suburb	Street	From	To
<b>College Park</b>			
Road Re-sealing	Goss Court	Harrow Road	End
Kerb & Water Table	Goss Court	Harrow Road	End
Footpaths	Harrow Road (LHS)	Third Avenue	Fourth Avenue
	Harrow Road (LHS)	Fourth Avenue	College Street
	Magdalen Street (RHS)	Torrens Street	Harrow Road
	Marlborough Street (LHS)	Rugby Street	College Street
<b>Evandale</b>			
Footpaths	Portrush Road (LHS)	Janet Street	Edward Street
	Portrush Road (LHS)	Edward Street	Bakewell Road
	Portrush Road (LHS)	Bakewell Road	Suburb Boundary
<b>Felixstow</b>			
Road Re-sealing	Hilltop Avenue	95m (N) of Payneham Road	Fisher Street
	Hilltop Avenue	Payneham Road	95m (N) of Payneham Road
	Laver Terrace	Fisher Street	Torrens Avenue
	Cadna Avenue	Laver Terrace	Wicks Avenue
Kerb & Water Table	Hilltop Avenue	95m (N) of Payneham Road	Fisher Street
	Hilltop Avenue	Payneham Road	95m (N) of Payneham Road
	Laver Terrace	Fisher Street	Torrens Avenue
	Cadna Avenue	Laver Terrace	Wicks Avenue
Footpaths	Payneham Road (LHS)	Briar Rd	Shirley Avenue
	Payneham Road (LHS)	Shirley Avenue	Ashleigh Ave

Suburb	Street	From	To
<b>Firle</b>			
Road Re-sealing	Arnold Avenue	Gage Street	Hampden Street
	Gage Street	Gwynne Street	Shelley Street
	Gage Street	Shelley Street	Ryan Avenue
	Hampden Street	Shelley Street	Margaret Street
	Hampden Street	Margaret Street	Arnold Avenue
	Hampden Street	Arnold Avenue	Marian Road
	Margaret Street	Hampden Street	Glynburn Road
	May Street	Arnold Avenue	End (S)
<b>Kerb &amp; Water Table</b>			
	Arnold Avenue	Gage Street	Hampden Street
	Gage Street	Gwynne Street	Shelley Street
	Gage Street	Shelley Street	Ryan Avenue
	Hampden Street	Shelley Street	Margaret Street
	Hampden Street	Margaret Street	Arnold Avenue
	Hampden Street	Arnold Avenue	Marian Road
	Margaret Street	Hampden Street	Glynburn Road
	Marian Road	Portrush Road	Arthur Street
	Marian Road	Avenue Road	Gage Street
	Marian Road	Gage Street	Glynburn Road
	May Street	Arnold Avenue	End (S)
<b>Footpaths</b>			
	Gage Street (RHS)	Gwynne Street	Shelley Street
	Shelley Street (RHS)	Gage Street	John Street
	Shelley Street (RHS)	John Street	Hampden Street
	Shelley Street (RHS)	Hampden Street	Glynburn Road

Suburb	Street	From	To
<b>Glynde</b>			
Road Re-sealing	Marian Road	Avenue Road	Gage Street
Footpaths	Marian Road	Gage Street	Glynburn Road
	Glynburn Road (LHS)	Lewis Road	Alford Road
	Glynburn Road (LHS)	Penna Avenue	Lewis Road
	Glynburn Road (LHS)	Hectorville Road	Penna Avenue
	Glynburn Road (LHS)	Davis Road	Hectorville Road
	Glynburn Road (LHS)	Janet Avenue	Davis Road
Glynburn Road (LHS)	Marian Road	Janet Avenue	
<b>Hackney</b>			
Kerb & Water Table	Cambridge Street	Hackney Road	Hatswell Road
Footpaths	Cambridge Street (LHS)	Hackney Road	Hatswell Road
	Hatswell Street (LHS)	South End	Bertram Street
<b>Kent Town</b>			
Road Re-sealing	Little Angas Street	Dequetteville Terrace	Fullarton Road
	Little Grenfell Street	College Road	Fullarton Road
Footpaths	Fullarton Rd / North Terrace corner (LHS)	Fullarton Road	North Terrace
<b>Maylands</b>			
Kerb & Water Table	Dover Street	Morcombe Street	Frederick Street
Footpaths	Dover Street (RHS)	Morcombe Street	Frederick Street
<b>Norwood</b>			
Road Re-sealing	Gloucester Terrace	Elizabeth Street	Osmond Terrace
	William Street	Roundabout	Charles Street
	William Street	Charles Street	Sydenham Road
	William Street	Roundabout	Sydenham Road
	William Street	Sydenham Road	Elizabeth Street

Suburb	Street	From	To
<b>Norwood continued</b>			
Road Re-sealing	William Street	Roundabout	Elizabeth Street
	William Street	Elizabeth Street	Osmond Terrace
	William Street	Fullarton Road	Charles Street
Kerb & Water Table	Gloucester Terrace	Elizabeth Street	Osmond Terrace
	William Street	Charles Street	Sydenham Road
	William Street	Sydenham Road	Elizabeth Street
	William Street	Elizabeth Street	Osmond Terrace
	William Street	Fullarton Road	Charles Street
<b>Payneham</b>			
Road Re-sealing	Marian Road	Portrush Road	Arthur Street
	Marian Road	Arthur Street	Ashbrook Avenue
<b>Payneham South</b>			
Road Re-sealing	Avonmore Avenue	Aberdare Avenue	Devitt Avenue
Kerb & Water Table	Avonmore Avenue	Aberdare Avenue	Devitt Avenue
Footpaths	Aberdare Avenue (LHS)	Aveland Avenue	Ashbrook Avenue
<b>St Peters</b>			
Road Re-sealing	Eighth Avenue	River Street	Stephen Terrace
	First Lane	Stephen Terrace	Westminster Street
	River Street	End (W)	First Bend
	River Street	First Bend	Tenth Avenue
	River Street	Tenth Avenue	Eighth Avenue
	Seventh Lane	Winchester Street	End
	Fourth Lane	Stephen Terrace	Winchester Street
	Second Lane	Winchester Street	Suburb Boundary
Kerb & Water Table	Eighth Avenue	River Street	Stephen Terrace
	Fourth Lane	Stephen Terrace	Winchester Street



Suburb	Street	From	To
<b>St Peters continued</b>			
Kerb & Water Table	River Street	End (W)	First Bend
	River Street	First Bend	Tenth Avenue
	River Street	Tenth Avenue	Eighth Avenue
	Second Lane	Winchester Street	Suburb Boundary
	Seventh Lane	Winchester Street	End
Footpaths	Stephen Terrace (RHS)	Payneham Road	First Avenue
	Winchester Street (LHS)	First Avenue	Second Avenue
	Winchester Street (LHS)	Fourth Avenue	Fifth Avenue
	Winchester Street (RHS)	Fourth Avenue	Fifth Avenue
	Winchester Street (LHS)	Fifth Avenue	Sixth Avenue
	Winchester Street (LHS)	Seventh Avenue	Eighth Avenue
	Winchester Street (LHS)	Eighth Avenue	Ninth Avenue
	Winchester Street (LHS)	Ninth Avenue	Tenth Avenue
<b>Stepney</b>			
Kerb & Water Table	Battams Street	Loch Street	Olive Road
Footpaths	Battams Street (RHS)	Loch Street	Olive Road
	Henry Street (LHS)	Ann Street	Bend # 2
	Henry Street (LHS)	Bend # 2	Frederick Street
	Nelson Street (LHS)	Magill Road	Lindas Lane
	Nelson Street (LHS)	Lindas Lane	Henry Street
	Nelson Street (RHS)	Alfred Street	Payneham Road

2022-2023 Storm-water Drainage Whole-of-Life Infrastructure Renewal Program

Location	Nature of Works	From	To
Trinity Valley	Stormwater Capacity upgrade		
St Peters	Stephen Terrace Flow diversion *	Stephen Terrace	
Joslin	Joslin Valley Design		

\*works to be undertaken with the Burchell Reserve Upgrade Project



Social Equity



Cultural Vitality



Economic Prosperity



Environmental Sustainability

# 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 series 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 2021-2022, the Council approved 14 Capital Projects and 19 Service Initiatives. The Council's performance against the 2021-2022 programs is detailed on the following page.

For 2022-2023, the Council has proposed 14 Capital Projects and 19 Service Initiatives projects. Progress on these projects will be reported in the 2022-2023 Annual Report and 2023-2024 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 2022-2023, the forecast operating surplus is \$961,000, resulting in an Operating Surplus ratio of 2.0%

#### **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 2022-2023, it is anticipated the net Financial Liabilities ratio of the Council will be 86.7%.

#### **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 2022-2023, it is anticipated that 4.7% 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 2022-2023, the Council has planned to spend \$22 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 122%.

## Non-Financial Indicators 2021-2022 Program Delivery

City Plan 2030 Outcome	Project Description	Status
<b>Infrastructure Management</b>		
*	 Civil Infrastructure Capital Works Program	√
* 	 Storm water Drainage Program	√
* 	 River Torrens Linear Park Shared Path Upgrade – stage 2	-
+ 	 Street Lighting Renewal & Upgrade	√
*	 Private Laneways Conversion Project	-
*	 Plant Replacement Program	√
+	 Rectification of Footpath Defect	√
+	 40 kph Speed Limit Norwood & Kent Town	√
* 	 St Peters Street Streetscape Upgrade	-
+	 Traffic Study - area bound by Payneham Road, Glynburn Road, Portrush Road and Magill Road	√
+ 	 Cycling Plan 2021-2026 Year 1 Implementation	√
<b>Trees, Parks, Sport &amp; Recreation</b>		
*	 Recreation & Open Space Works Program	√
* 	  Burchell Reserve Upgrade	-
* 	  Payneham Memorial Swimming Centre Redevelopment	-
* 	  Dunstan Adventure Playground Upgrade	-
+ 	 Street Tree Planting	√
* 	 Tree Management Software	•
*	 Willow Bend Lighting Upgrade	√
+	 Open Space Asset Condition Audit	√
<b>Economic Development, Regulatory Services Environment &amp; Planning</b>		
+	 Dog & Cat Management Plan – Year 3 Implementation	√
+ 	Energy and Water Audits	√
+ 	 Smart City Plan - Year 1 Implementation	√
+	 Transition to the SA Planning Portal	√
	 <b>Social Equity</b>	
	 <b>Cultural Vitality</b>	
	 <b>Economic Prosperity</b>	
	 <b>Environmental Sustainability</b>	
 Assets – New, Upgrades and Renewal		 New Service and Program Initiatives
√ Completed	- In Progress	• Not Yet Started



City Plan 2030 Outcome	Project Description	Status
*   	Borthwick Park Creek Improvements	-
+  	Greening Verges Program	√
+ 	Urban Greening Program	√
+ 	Resilient East	√
+  	Raising The Bar Adelaide	√
+  	Eastside Business Awards	√
<b>Community, Health, Aged &amp; Youth Services</b>		
+  	Youth Strategy Programs	√
<b>Libraries &amp; Community Facilities</b>		
* 	Buildings Capital Works Program	√
*  	Annual Acquisition of Library Stock	√
+  	Children's Book Week	√
<b>Community Events, Arts &amp; Heritage</b>		
+  	2022 Tour Down Under & Community Event (cancelled due to COVID-19)	•
<b>Governance, Communications &amp; Administration</b>		
+ 	Biennial Community Survey	√
* 	Annual Website Upgrades and Improvements	√
+ 	Digitisation of Council's Civil and Building Plans	√
+ 	Organisational Culture Survey (Human Synergistic)	√
* 	Electronic Document Management System Upgrade	√
* 	Meeting Room Audio Visual Upgrade	-

 Social Equity

 Cultural Vitality

 Economic Prosperity

 Environmental Sustainability

⌘ Assets – New, Upgrades and Renewal  
√ Completed

- In Progress

⚡ New Service and Program Initiatives  
• Not Yet Started

# Financial Ratios

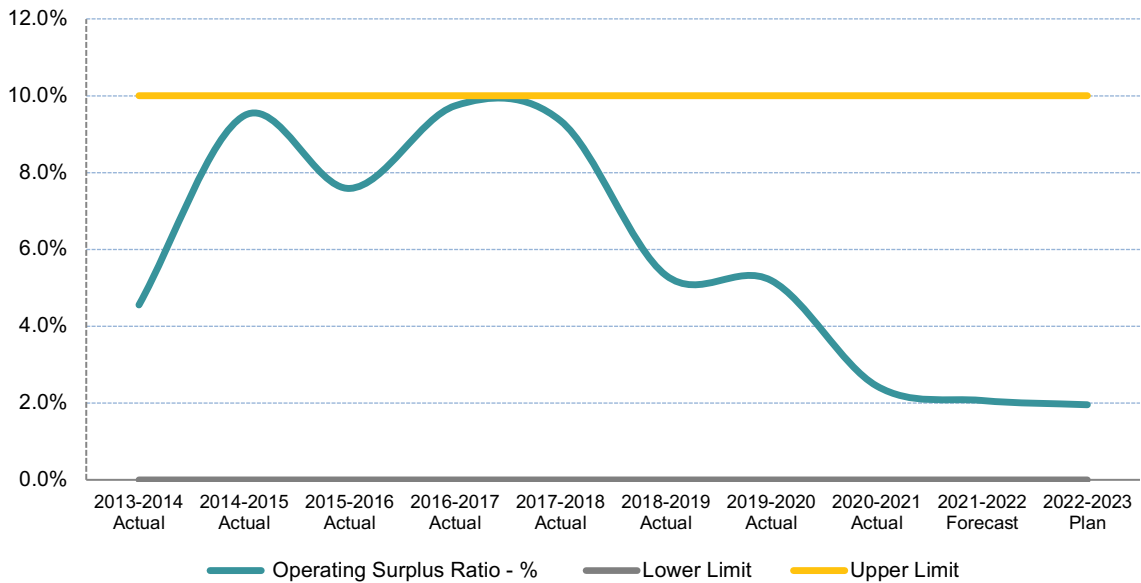
To ensure that it delivers on its financial goals, the Council has committed to achieving a number of financial outcomes.

The Council's performance against these outcomes over the last two terms of Council is 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.

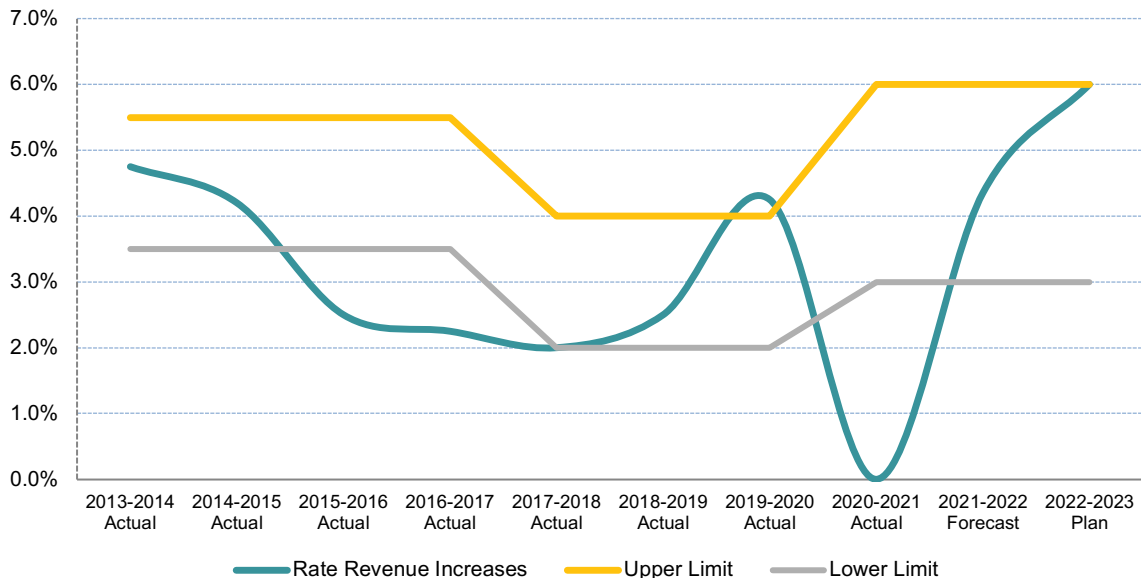
### Operating Surplus Ratio - %



## 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.

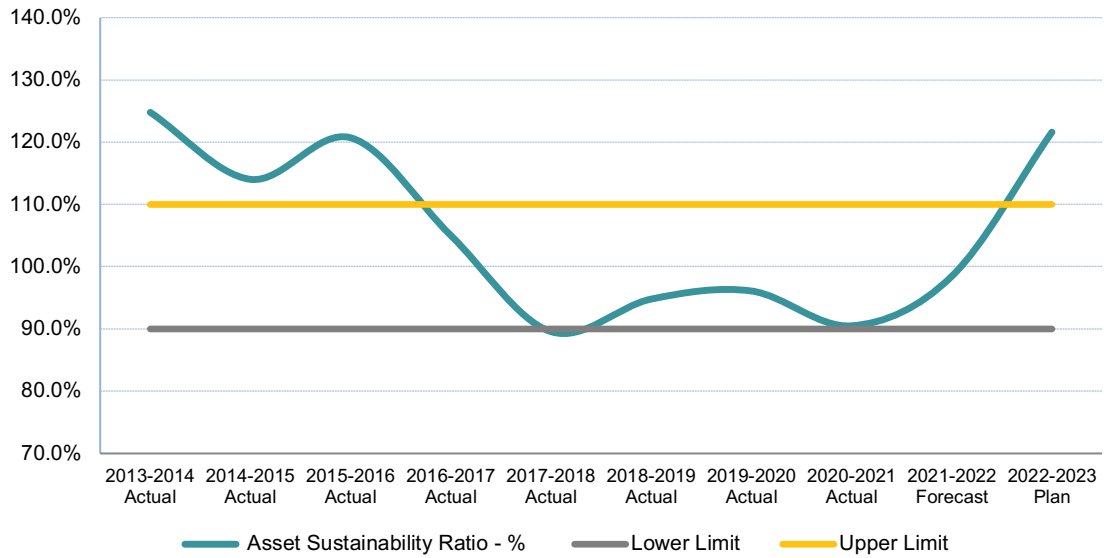
### Rate Revenue Increase



**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*.

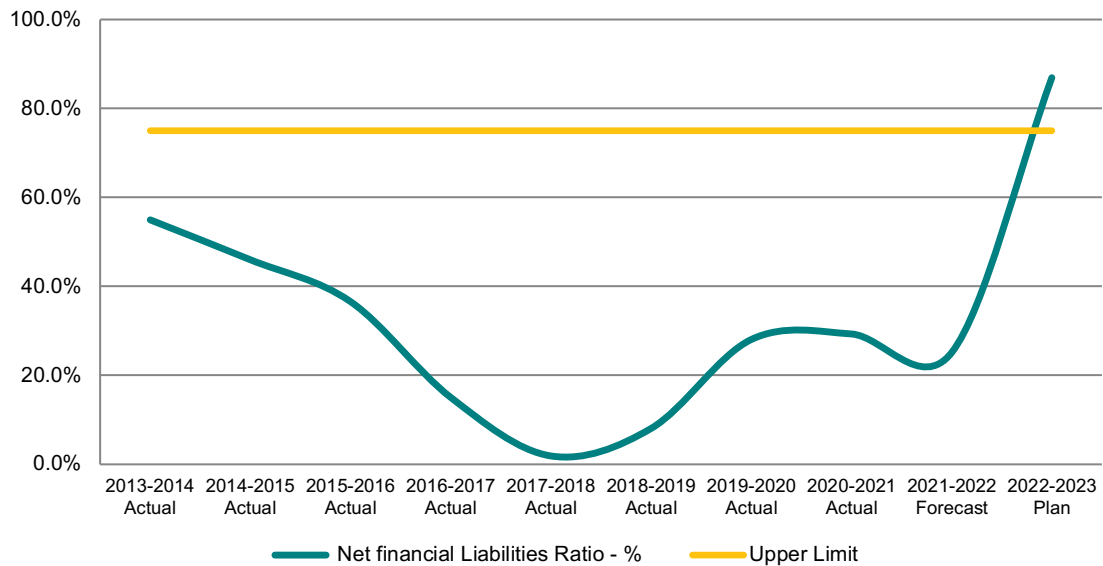
**Asset Sustainability Ratio %**



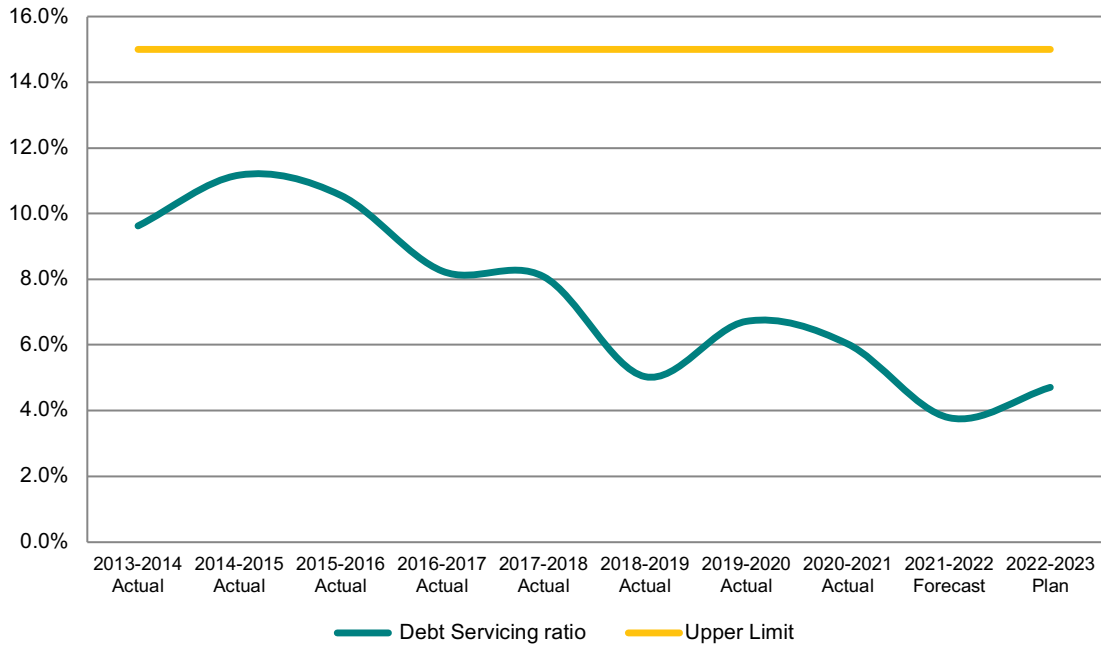
**Outcome 4: Debt Management**

Prudent use of debt to invest in new long term assets, that ensures 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 2023	Proposed 2022-2023 \$'000	Forecast 2021-2022 \$'000	Actual 2020-2021 \$'000	Actual 2019-2020 \$'000	Actual 2018-2019 \$'000
<b>Income</b>					
Rates	39,973	37,866	36,288	36,181	34,845
Statutory charges	2,007	1,774	1,751	1,595	1,760
User charges	3,738	3,465	3,506	3,408	3,701
Grants, subsidies and contributions	3,008	2,981	2,921	2,959	3,152
Investment income	46	20	19	88	206
Other income	518	615	771	1,527	1,013
Net loss joint ventures & associates	15	-	217	28	35
<b>Total Income</b>	<b>49,304</b>	<b>46,720</b>	<b>45,473</b>	<b>45,786</b>	<b>44,711</b>
<b>Expenses</b>					
Employee costs	16,083	15,254	14,448	14,050	13,739
Materials, contracts & other expenses	20,053	19,140	19,165	18,937	18,774
Finance costs	872	450	454	405	489
Depreciation, amortisation & impairment	11,159	10,640	9,968	9,503	8,984
Net loss Joint Ventures & Associates	175	272	327	515	346
<b>Total Expenses</b>	<b>48,343</b>	<b>45,757</b>	<b>44,363</b>	<b>43,411</b>	<b>42,331</b>
<b>Operating Surplus (Deficit)</b>	<b>962</b>	<b>963</b>	<b>1,110</b>	<b>2,375</b>	<b>2,380</b>
Net gain (loss) on disposal or revaluation of assets	25	25	(1,145)	(1,529)	(1,207)
Amounts specifically for new or upgraded assets	10,025	2,045	3,303	744	1,131
Physical resources received free of charge	-	-	-	-	24
<b>Net Surplus (Deficit) transferred to Equity Statement</b>	<b>11,012</b>	<b>3,033</b>	<b>3,268</b>	<b>1,590</b>	<b>2,327</b>
<b>Other Comprehensive Income</b>					
Changes in revaluation Surplus - infrastructure, property, plant & equipment	2,000	2,000	12,046	3,542	32,993
Share of Other comprehensive Income - joint ventures and associates	-	-	5	13	9
<b>Total Other Comprehensive Income</b>	<b>2,000</b>	<b>2,000</b>	<b>12,051</b>	<b>3,555</b>	<b>33,001</b>
<b>Total Comprehensive Income</b>	<b>13,012</b>	<b>5,033</b>	<b>15,320</b>	<b>5,145</b>	<b>35,329</b>

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 proposed Operating Income (\$48.754m) is sufficient to meet the proposed Operating Expenditure (\$48.395m) for the 2022-2023 Financial Year.

Statement of Financial Position  
as at 30 June 2023

	Proposed 2022-2023 \$'000	Forecast 2021-2022 \$'000	Actual 2020-2021 \$'000	Actual 2019-2020 \$'000	Actual 2018-2019 \$'000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4,550	6,098	7,071	9,177	12,152
Trade & other receivables	2,961	2,799	3,699	2,889	2,945
<b>Total Current Assets</b>	<b>7,512</b>	<b>8,897</b>	<b>10,770</b>	<b>12,067</b>	<b>15,097</b>
<b>Non-current Assets</b>					
Financial Assets	104	104	104	105	136
Investments -Equity accounted Council businesses	3,384	2,288	2,207	2,463	2,890
Infrastructure, Property, Plant & Equipment	556,822	513,774	507,904	476,469	473,423
Other Non-current Assets	-	-	2,509	17,891	6,119
<b>Total Non-current Assets</b>	<b>560,309</b>	<b>516,165</b>	<b>512,725</b>	<b>496,929</b>	<b>482,569</b>
<b>Total Assets</b>	<b>567,821</b>	<b>525,062</b>	<b>523,495</b>	<b>508,995</b>	<b>497,666</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade & Other Payables	6,573	5,816	8,006	7,310	6,272
Borrowings	946	931	972	1,651	1,781
Short-term Provisions	2,972	2,888	3,326	3,135	2,752
<b>Total Current Liabilities</b>	<b>10,491</b>	<b>9,635</b>	<b>12,304</b>	<b>12,095</b>	<b>10,805</b>
<b>Non-current Liabilities</b>					
Long-term Borrowings	37,165	8,461	9,392	10,357	5,388
Long-term Provisions	1,202	1,191	1,328	1,160	1,203
Liability - Equity accounted Council Businesses	1,612	1,437	1,164	1,397	1,429
<b>Total Non-current Liabilities</b>	<b>39,979</b>	<b>11,088</b>	<b>11,884</b>	<b>12,913</b>	<b>8,020</b>
<b>Total Liabilities</b>	<b>50,470</b>	<b>20,723</b>	<b>24,188</b>	<b>25,008</b>	<b>18,825</b>
<b>Net Assets</b>	<b>517,351</b>	<b>504,339</b>	<b>499,306</b>	<b>483,987</b>	<b>478,842</b>
<b>Equity</b>					
Accumulated Surplus	74,143	63,132	60,099	56,825	55,222
Asset Revaluation Reserve	443,208	441,208	439,208	427,162	423,620
<b>Total Equity</b>	<b>517,351</b>	<b>504,339</b>	<b>499,306</b>	<b>483,987</b>	<b>478,842</b>

**Statement of Cash Flow  
for the year ended 30 June 2023**

Proposed 2022-2023 \$'000	Forecast 2021-2022 \$'000	Actual 2020-2021 \$'000	Actual 2019-2020 \$'000	Actual 2018-2019 \$'000
---------------------------------	---------------------------------	-------------------------------	-------------------------------	-------------------------------

**Cash Flows from Operating Activities**
**Receipts**

Rates - general & other	39,811	38,465	36,672	36,107	34,696
Fees & other charges	2,007	1,774	1,613	1,646	1,694
User Charges	3,738	3,465	3,113	3,297	4,014
Investment receipts	46	20	19	88	204
Grants utilised for operating purposes	3,008	2,981	2,756	3,677	2,744
Other Income	518	615	998	1,474	1,244

**Payments**

Employee Costs	(15,987)	(15,282)	(14,547)	(13,486)	(14,322)
Contractual services & materials	(19,296)	(17,422)	(18,074)	(19,030)	(17,593)
Finance payments	(872)	(450)	(447)	(407)	(489)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>12,971</b>	<b>14,167</b>	<b>12,102</b>	<b>13,368</b>	<b>12,191</b>

**Cash Flows from Investing Activities**
**Receipts**

Amounts specifically for new or upgraded assets	10,025	2,045	2,626	1,165	1,049
Sale of replaced assets	25	25	47	58	9
Repayments of loans by community groups	-	-	11	43	13

**Payments**

Expenditure on renewal/replacement of assets	(22,543)	(13,661)	(9,652)	(8,919)	(9,009)
Expenditure on new/upgraded assets	(29,650)	(2,536)	(5,508)	(13,175)	(6,615)
Capital contributed to associated entities	(1,081)	(81)	(81)	(81)	(96)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(43,224)</b>	<b>(14,208)</b>	<b>(12,556)</b>	<b>(20,909)</b>	<b>(14,649)</b>

**Cash Flow from Financing Activities**
**Receipts**

Proceeds from Borrowings	29,650	-	-	6,500	
--------------------------	--------	---	---	-------	--

**Payments**

Repayments of Borrowings	(945)	(931)	(1,653)	(1,934)	(1,202)
--------------------------	-------	-------	---------	---------	---------

<b>Net Cash provided by (or used in) Financing Activities</b>	<b>28,705</b>	<b>(931)</b>	<b>(1,653)</b>	<b>4,566</b>	<b>(1,202)</b>
---	---------------	--------------	----------------	--------------	----------------

<b>Net Increase (Decrease) in cash held</b>	<b>(1,548)</b>	<b>(973)</b>	<b>(2,107)</b>	<b>(2,975)</b>	<b>(3,660)</b>
---	----------------	--------------	----------------	----------------	----------------

Cash & cash equivalents at beginning of period	6,098	7,071	9,177	12,152	15,812
--	-------	-------	-------	--------	--------

<b>Cash &amp; cash equivalents at end of period</b>	<b>4,550</b>	<b>6,098</b>	<b>7,071</b>	<b>9,177</b>	<b>12,152</b>
---	--------------	--------------	--------------	--------------	---------------

**Statement of Changes in Equity  
for the year ended 30 June 2023**

	<b>Proposed 2022-2023 \$'000</b>	<b>Forecast 2021-2022 \$'000</b>	<b>Actual 2020-2021 \$'000</b>	<b>Actual 2019-2020 \$'000</b>	<b>Actual 2018-2019 \$'000</b>
<b>Accumulated Surplus</b>					
Balance at end of previous reporting period	63,132	60,099	56,825	55,222	52,886
Net Surplus/ (Deficit) for year	11,012	3,033	3,268	1,590	2,327
<b>Balance at end of period</b>	<b>74,143</b>	<b>63,132</b>	<b>60,093</b>	<b>56,812</b>	<b>55,213</b>
<b>Asset Revaluation Reserve</b>					
Balance at end of previous reporting period	441,208	439,208	427,162	423,620	390,627
Gain on revaluation of infrastructure, property, plant & equipment	2,000	2,000	12,046	3,542	32,993
<b>Balance at end of period</b>	<b>443,208</b>	<b>441,209</b>	<b>439,210</b>	<b>427,162</b>	<b>423,619</b>
<b>Total Equity at end of reporting period</b>	<b>517,351</b>	<b>504,340</b>	<b>499,303</b>	<b>483,974</b>	<b>478,842</b>

**Uniform Presentation of Finances  
for the year ended 30 June 2022**

	<b>Proposed 2022-2023 \$'000</b>	<b>Forecast 2021-2022 \$'000</b>	<b>Actual 2020-2021 \$'000</b>	<b>Actual 2019-2020 \$'000</b>	<b>Actual 2018-2019 \$'000</b>
Income	49,304	46,720	45,473	45,786	44,711
<i>less Expenses</i>	(48,343)	(45,757)	(44,363)	(43,411)	(42,331)
<b>Operating Surplus (Deficit)</b>	<b>962</b>	<b>963</b>	<b>1,110</b>	<b>2,375</b>	<b>2,380</b>
<b>less Net Outlays on Existing Assets</b>					
Capital Expenditure on renewal and replacement of Existing Assets	22,543	13,661	9,652	8,919	15,624
Depreciation, Amortisation and Impairment	(11,159)	(10,640)	(9,968)	(9,503)	(8,984)
Proceeds from Sale of Replaced Assets	(25)	(25)	(47)	(58)	(9)
	<b>11,359</b>	<b>2,996</b>	<b>(363)</b>	<b>(642)</b>	<b>6,631</b>
<b>less Net Outlays on New &amp; Upgraded Assets</b>					
Capital Expenditure on New & Upgraded Assets	29,650	2,536	5,508	13,175	6,615
Amounts received specifically for New & Upgraded Assets	(10,025)	(2,045)	(2,626)	(1,165)	(1,049)
Asset Received Free of Charge	-	-	-	-	(24)
	<b>19,625</b>	<b>491</b>	<b>2,882</b>	<b>12,010</b>	<b>5,542</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(30,022)</b>	<b>(2,525)</b>	<b>(1,408)</b>	<b>(8,993)</b>	<b>(9,793)</b>

Financial Indicators for the year ended 30 June 2023	Proposed 2022-2023	Proposed 2022-2023	Forecast 2021-2022	Actual 2020-2021	Actual 2019-2020	Actual 2018-2019
	\$'000	Indicator	Indicator	Indicator	Indicator	Indicator

#### Operating Surplus / (Deficit) Ratio

<b>Operating Surplus/(Deficit)</b>	<b>962</b>	<b>2.0%</b>	2.1%	2.4%	5.2%	5.3%
<i>Total Operating Revenue</i>	<b>49,304</b>					

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

#### Net Financial Liabilities Ratio

<b>Net Financial Liabilities</b>	<b>42,855</b>	<b>86.9%</b>	25.1%	29.3%	28.0%	8.0%
<i>Total Operating Revenue</i>	<b>49,304</b>					

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

<b>Net Asset Renewals</b>	<b>22,542</b>	<b>184%</b>	110%	91%	99%	109%
Infrastructure & Asset Management Plan required expenditure	<b>12,220</b>					

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*

<b>Rolling three-year average</b>		<b>121.6%</b>	98.4%	90.5%	96.1%	94.8%
-----------------------------------	--	---------------	-------	-------	-------	-------



# Appendix 4

## *Rating Policy*

# Rating Policy

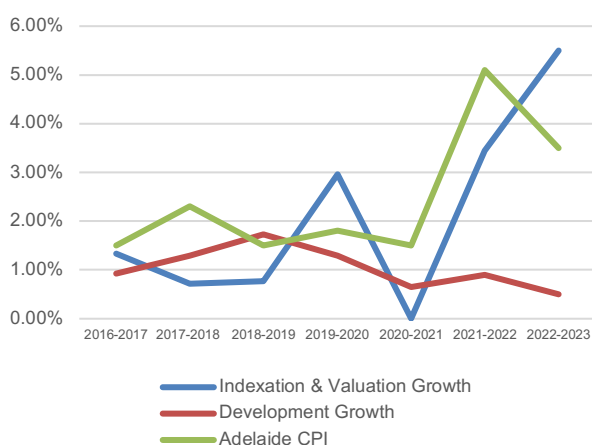
## Method Used to Value Land

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, therefore providing 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;
- 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. 0.5% of the increase can be attributed to growth related to new development within the City to date.

**Graph 1 Rate Revenue Increase**



## Differential General Rates

The Local Government Act 1999, allows Councils 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.

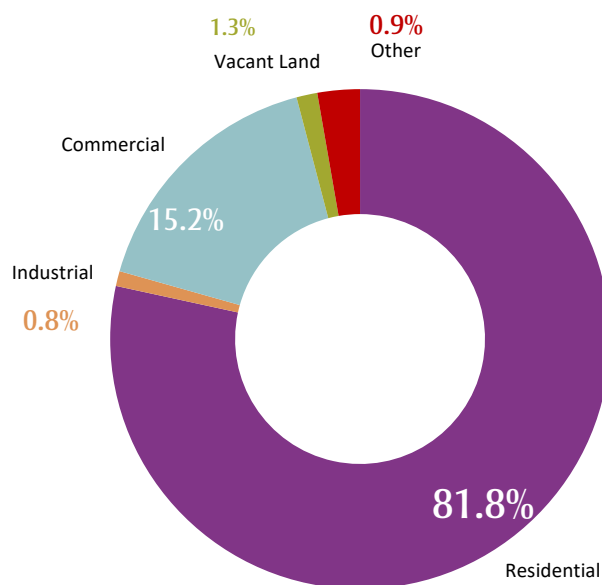
Definitions of land use are prescribed by regulation and are categorised as follows for rating purposes:

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

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 2 below:-

**Graph 2 Rate Revenue by Land Use**



### 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 \$1,132. The minimum rate will be applied to 6,706 (32.9%) of all ratable 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;
- services provided that are available for use by all ratepayers (e.g. Library and Parks and Gardens).

### The Parade Precinct Separate Rate

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 2022-2023

To fund the activities proposed within the 2022-2023 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 \$2.173 million or 6% in general rate income.

Based on the initial valuations which have been received from the Valuer-General, this will result in a 14.9% decrease in the "cents-in-the-dollar".

The average residential property will be required to pay \$1,679 and the average commercial property will be required to pay \$2,514.

For the 2022-2023 financial year, the average rate per property by land use is

Land Use	Average Rate \$	Increase (Decrease) \$	% Change on 2021-2022
Residential	1,793	144	8.7%
Exempt -Residential	9,929	(1,239)	(11.1%)
Commercial	2,626	(106)	(3.9%)
Industrial	2,218	(129)	(5.5%)
Vacant Land	1,704	(13)	(0.8%)
Other	3,633	193	5.6%
Primary Production	1,679	(80)	(4.5%)
<b>All properties</b>	<b>1,914</b>	<b>107</b>	<b>5.9%</b>

### State Government 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 2022-2023, the Council will collect \$1.383m 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 2022-2023 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 12% for the 2022-2023 Financial Year.

### Remission and Postponement of Rates

Section 182A of the *Local Government Act 1999*, provides the option for State 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](http://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 Street, 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 2022-2023 Annual Business Plan can be viewed online at [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)

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

Telephone 8366 4555  
Facsimile 8332 6338  
Email [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au)  
Website [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)



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

## 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 2022–2023 Annual Business Plan can be viewed online at [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)



### Further information

For more information about the City of Norwood Payneham & St Peter's 2022–2023 Annual Business Plan and Budget, please contact the Council's General Manager, Corporate Services, on 8366 4585 or email [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au)

For further information, visit [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)



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

**Telephone** 8366 4555  
**Email** [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au)  
**Website** [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)  
**Socials**  /cityofnpsp  @cityofnpsp



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

# Attachment C

## 2022-2023 Draft Annual Business Plan and Budget

---

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

Telephone 8366 4555  
Facsimile 8332 6338  
Email [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au)  
Website [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)



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

## RATE MODELLING

	2021-2022	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023
<b>Proposed Rate Revenue Increases</b>	<b>4.35%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>5.0%</b>	<b>4.0%</b>	<b>3.0%</b>
		<b>\$'000</b>				
Gross General Rate Revenue (\$'000)	\$37,239	\$39,569	\$39,382	\$39,196	\$38,823	\$38,449
Net Increase on Previous Year (\$'000)	\$1,566	\$2,330	\$2,143	\$1,957	\$1,584	\$1,210
<b>Operating Surplus/(Deficit) after rate revenue increases (\$'000)</b>	<b>471</b>	<b>962</b>	<b>788</b>	<b>607</b>	<b>245</b>	<b>(117)</b>
<b>Residential Rate</b>						
Average Rate	\$1,563	\$1,679	\$1,671	\$1,663	\$1,647	\$1,631
Average Rate Difference	\$54	\$116	\$108	\$100	\$84	\$68
Increase from previous year	3.57%	7.40%	6.89%	6.39%	5.37%	4.36%
<b>Rate-in-the-Dollar</b>	<b>0.0022780</b>	<b>0.0019384</b>	<b>0.0019291</b>	<b>0.0019203</b>	<b>0.0019017</b>	<b>0.0018835</b>
Change from previous year	1.98%	-14.91%	-15.31%	-15.70%	-16.52%	-17.32%
<b>Commercial Rate</b>						
Average Rate (inclusive of new development)	\$2,649	\$2,514	\$2,502	\$2,491	\$2,467	\$2,443
Average Rate Difference	\$53	-\$135	-\$147	-\$158	-\$182	-\$206
Increase from previous year	2.02%	-5.08%	-5.53%	-5.97%	-6.88%	-7.77%
<b>Rate-in-the-Dollar</b>	<b>0.0027332</b>	<b>0.0023261</b>	<b>0.0023150</b>	<b>0.0023043</b>	<b>0.0022820</b>	<b>0.0022602</b>
Change from previous year	1.98%	-14.89%	-15.30%	-15.69%	-16.51%	-17.30%
<b>Minimum Rate</b>	<b>\$1,068</b>	<b>\$1,132</b>	<b>\$1,127</b>	<b>\$1,121</b>	<b>\$1,111</b>	<b>\$1,100</b>
<b>Percentage of Assessment on Minimum Rate</b>	<b>29.80%</b>	<b>32.83%</b>	<b>32.83%</b>	<b>32.83%</b>	<b>32.83%</b>	<b>32.83%</b>

### Average Rate (as per Local Government (Financial Management) Regulations 2011)

<b>Average Rate</b>	<b>1,807</b>	<b>1,914</b>	<b>1,905</b>	<b>1,896</b>	<b>1,878</b>	<b>1,860</b>
Change		107	98	89	71	53
%Change		5.9%	5.4%	4.9%	3.9%	2.9%
<b>Average Rate - Residential</b>	<b>1,649</b>	<b>1,793</b>	<b>1,785</b>	<b>1,776</b>	<b>1,759</b>	<b>1,742</b>
Change		144	136	127	110	93
%Change		8.75%	8.24%	7.72%	6.69%	5.66%
<b>Average Rate - Non-Residential</b>	<b>2,784</b>	<b>2,658</b>	<b>2,645</b>	<b>2,633</b>	<b>2,608</b>	<b>2,583</b>
Change		(125)	(138)	(150)	(176)	(201)
%Change		(7.60%)	(8.37%)	(9.12%)	(10.65%)	(12.17%)

**AVERAGE RATE BY LAND USE**

(as per Local Government (Financial Management) Regulations 2011)

Land Use	2022-2023			2021-2022			Average Rate	
	Revenue (net of rebates)	Revenue %	Average Rate	Revenue (net of rebates)	Revenue %	Average Rate	Increase Decrease	% change
Residential	31,098,817	80.61%	1,793	28,551,709	78.61%	1,649	144	8.7%
Exempt -Residential	466,678	1.21%	9,929	547,264	1.51%	11,169	-1,239	-11.1%
Commercial	5,858,510	15.19%	2,626	6,092,723	16.77%	2,732	-106	-3.9%
Industrial	317,199	0.82%	2,218	345,086	0.95%	2,348	-129	-5.5%
Vacant Land	519,721	1.35%	1,704	468,870	1.29%	1,717	-13	-0.8%
Other	316,061	0.82%	3,633	313,048	0.86%	3,440	193	5.6%
Primary Production	1,679	0.00%	1,679	1,759	0.00%	1,759	-80	-4.5%
<b>Total</b>	<b>38,578,665</b>		<b>1,914</b>	<b>36,320,459</b>		<b>1,807</b>	<b>107</b>	<b>5.9%</b>

# Attachment D

## 2022-2023 Draft Annual Business Plan and Budget

---

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

Telephone 8366 4555  
Facsimile 8332 6338  
Email [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au)  
Website [www.npsp.sa.gov.au](http://www.npsp.sa.gov.au)



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

## POTENTIAL SAVINGS

Project Name	Project Description	Comments	Savings
<b>Operational Savings</b>			
<b>Prior Year Carry Forwards</b>			
Authority Content Migration to Councils EDMS, Objective ECM	To ensure that all document content in Authority created before the Go-Live date is migrated into Objective ECM and to retain links with the Authority modules and registers.	From an operational perspective, the ideally all of the Council's electronic Corporate Records are maintained in the Council's Document Management system. As access to the Corporate Records are available through the Authority System, this project can be deferred.	\$58,400
Feasibility Investigation for additional level on Webbe Street Carpark	Investigate the feasibility of building an additional car parking level on the Webbe Street Carpark	Work has recently commenced and the anticipated cost of the feasibility investigation is \$25,000 as opposed to the \$50,000 originally allocated.	\$25,000
Ehive - Cultural Heritage Collections Project	Implementation of a new collections systems through digitisation components of the Council's civic collections to develop an integrated collections catalogue, online research service via an internet-based data system	The suitability of an alternative product to the EHIVE solution is being investigated. As such, this project is recommended to be deferred pending the investigation, with delivery proposed to be undertaken in 2023-2024	\$52,574
City Wide Parking Review	A City-wide review of On-street Parking and for the development of a City-wide On-Street Parking Strategy to manage current and future parking requirements within the City	The development of the City-wide Parking Policy was delivered under budget. Excess funds were carried forward. A review of how parking controls are enforced is being undertaken in-house. Any changes to the on-street parking controls will be funded from existing budgets.	\$43,870
			\$179,844
Operational Savings Target from Service Reviews	The 2022-2023 Operating Projects Budget includes a funding allocation of \$100,000 to undertake service reviews. The purpose of the Service Reviews are to undertake reviews of key Council services and processes to ensure they are provided in an efficient and effective manner.	Given that the Service Review Project will be undertaken across the year, a savings target of \$50,000 from the reviews is proposed for the 2022-2023 Financial year.	\$50,000
<b>Total Operational Savings</b>			<b>\$229,844</b>

<b>Project Name</b>	<b>Project Description</b>	<b>Comments</b>	<b>Savings</b>
<b>Capital Savings</b>			
<b>Prior Year Carry Forwards</b>			
Drainage Program - Trinity Valley Stage 1		Following a review of the Trinity Valley Drainage Program, construction works for Stage 1 have been deferred to the 2024-2025 Financial Year	\$1,950,000
Stephen Street (Norwood) Improvements		Following discussions with the developers, due to on-going construction and site access by heavy vehicles occurring via Stephen Street, works have been deferred to the 2024-2025 financial year.	\$223,570
Adey Reserve Master Plan	As per the Playground Whole of Life Implementation Plan, development of a Masterplan for the playground, taking into account the existing building and carpark access.	Works on Adey Reserve are not scheduled until 2032-2033 as per the LTFFP. Given the timespan between the development of the Masterplan and the delivery of works, to ensure that the proposed concept reflects current trends and delivers on the needs and expectation at the time of delivery, it is recommended that the preparation of the Masterplan be deferred.	\$50,000
Hannaford Reserve Master Plan	Development of a masterplan to integrate vacant land purchased in 2018 to improve the functionality of the reserve. Redevelopment includes a new playground, including a dedicated Dog Park.	Works on Hannaford Reserve are not scheduled until 2029-2030 as per the LTFFP. Given the timespan between the development of the Masterplan and the delivery of works, to ensure that the proposed concept reflects current trends and delivers on the needs and expectation at the time of delivery, it is recommended that the preparation of the Masterplan be deferred.	\$50,000
Concept Design for Norwood Swimming Centre	To develop the Masterplan for the Norwood Swimming Centre in line with the endorsed Swimming Centres Strategy	Works at the Norwood Swimming Centre are not scheduled until 2026-2027 as per the LTFFP. Given the timespan between the development of the Masterplan and the delivery of works, to ensure that the proposed concept reflects currently technologies and delivers on the needs and expectation at the time of delivery, it is recommended that the preparation of the Masterplan be deferred.	\$47,075



<b>Project Name</b>	<b>Project Description</b>	<b>Comments</b>	<b>Savings</b>
Norwood Library Strategic Review and Concept Plan	To undertake a detailed assessment of the Norwood Library and determine the best location and service offering/s.	Work has commenced to review the location of the Norwood Library to determine the best location to suit the agreed service offering. It is recommended that until the service offering and location is endorsed, the development of the concept plan be deferred. Works are scheduled in the LTFP to commence in the 2028-2029 Financial year.	\$50,000
Langman Grove Traffic Management Control	Design and construction of the traffic management devices along Langman Grove to resolve traffic management issues associated with Langman Grove, Briar Road and Turner Street, Felixstow, as per the recommendation from the Traffic Management Committee.	Review of potential solutions indicate a more low-cost solution is likely to be implemented	\$48,000
On-line Leave Work patterns	Installation of On-line Leave Work Patterns functionality within the Civica Authority payroll module, to ensure correct calculation of leave entitlements and taken for part-time staff and staff that work over a seven-day roster.	Work will be undertaken by in-house. If consulting hours are required to finalise the implementation, funds will be re-directed from the IT budget or implementation will be deferred	\$5,500
City Interactive Map	Development of City-wide outlining current programs, services, events and current and future projects.	The interactive Map has been developed for internal use. The second phase involved an investigation on surfacing the map on the Council's website. The scope of the second phase is more extensive than first anticipated, as such the carry forward funds are likely to be insufficient, to deliver the outcome, as such the funds could be forfeited, with a new funding submission being submitted once a value for money solution identified.	\$39,210
St Peters Child Care Centre PABX Upgrade	Implement a new Cisco VOIP PABX at the St Peters Child Care Centre, integrating the remote site with our current system.	While the St Peters Child Care Centre has been transferred to the Council VOIP system, the telephone system hardware is outdated and in need of replacement. The project delivery can be deferred twelve months without significant impact on operations	\$16,000
Review of Whole-of-Life Asset Renewal program			

<b>Project Name</b>	<b>Project Description</b>	<b>Comments</b>	<b>Savings</b>
• Road Reseals and associated kerb replacement	Gage Street, Firle and River Street, St Peters.	A review of the proposed road reseal program has identified a number of projects which could be deferred for 12 months without additional intervention treatment	\$263,000
• Road Reseals and associated kerb replacement	Arnold Avenue and May Street Firle	Due to a potential clash with SA Water Works, therefore it is proposed that works be deferred until the SA works have been completed.	\$174,000
• Road Reseals and associated kerb replacement	Goss Crt, College Park	Defer until River Torrens Linear Park Path upgrade completed as road used as construction access.	\$64,000
• Footpath	Replacement of Concrete Footpaths with Non-interlocked Paved surface	No immediate requirement for replacement, other than to meet service standard set out in Asset Management Plan	\$201,000
Recreation & Open Space Renewal Program	<u>Koster Reserve Playground Renewal</u> Undertake playground asset renewal. The whole playground will be renewed; however, the shade structure may remain (dependant on impact zone compliance).	Propose to defer however sofffall repairs will be required	\$245,000
	<u>Scott Street Reserve Playground renewal</u> Undertake playground asset renewal. The scope-of-works also includes the consolidation of the two playground areas and the installation of a new playground shade structure.	Additional allowance for fall zone top up will be required	\$100,000
Building Program	<u>George Street Façade</u> Replacement / upgrade of the existing canopy positioned above the stair on the George Street façade of the Norwood Town Hall		\$150,000
	<u>Norwood Town Hall Façade Painting</u> Repainting of Norwood Town Hall Façade, including clock tower, The Parade and George Street face.		\$250,000
<b>Additional 2021-2022 Carry Forwards not included in Draft Budget</b>			
Civil Works Programme 2021-2022	Road reseals, footpaths and Kerbs	Awaiting designs, which are subject to traffic review and drainage designs	(1,134,761)
Building Works Programme 2021-2022	Installation of solar panels at St Peters Library, St Peters Child care Centre & Pre-school and the Glynde Works Depot	Works have been tendered however installation will be undertaken in the first quarter of 2022-2023	(130,000)
Christmas Float	New float	Will be constructed ready for the 2022-2023 Pageant	(25,000)
<b>Total Capital</b>			<b>\$2,636,594</b>

**IMPACT OF POTENTIAL SAVINGS**

<b>Rate Revenue Increase</b>	<b>6%</b>	<b>5.50%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>
Average Rate - Average Residential Property	\$1,679	\$1,671	\$1,663	\$1,647	\$1,631
<i>Change in Average Rate</i>	\$116	\$108	\$100	\$84	\$68
<i>% Change</i>	7.40%	6.89%	6.39%	5.37%	4.36%
Average Rate - Residential	\$1,793	\$1,785	\$1,776	\$1,759	\$1,742
<i>Change in Average Rate</i>	\$144	\$136	\$127	\$110	\$93
<i>% Change</i>	8.75%	8.24%	7.72%	6.69%	5.66%
<b>Operating Surplus</b>	<b>\$961,701</b>	<b>\$787,854</b>	<b>\$606,807</b>	<b>\$244,713</b>	<b>(117,379)</b>
<b>Cash Deficit</b>	<b>(1,547,678)</b>	<b>(1,721,524)</b>	<b>(1,902,571)</b>	<b>(2,264,665)</b>	<b>(2,626,759)</b>
<b><i>Potential Savings</i></b>					
<i>Operational Savings</i>	\$229,844	\$229,844	\$229,844	\$229,844	\$229,844
<i>Capital Savings</i>	\$2,636,594	\$2,636,594	\$2,636,594	\$2,636,594	\$2,636,594
<b>Operating Surplus (after savings)</b>	<b>\$1,191,545</b>	<b>\$1,017,698</b>	<b>\$836,651</b>	<b>\$474,557</b>	<b>\$112,465</b>
<b>Cash Deficit (after savings)</b>	<b>\$1,318,261</b>	<b>\$1,144,415</b>	<b>\$963,368</b>	<b>\$601,274</b>	<b>\$239,180</b>

**3. CLOSURE**