



ANNUAL BUSINESS PLAN & BUDGET 2020/21

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A Guide to Reading and Using This Plan

1. Preamble

The introductory section of the 2020/21 Annual Business Plan and Budget sets out the statutory context for this document and the process followed in its preparation.

2. Introduction to the City of Charles Sturt

This section provides a summary of the key characteristics of the City.

3. Strategic Context

This section provides a diagrammatical representation of how Council's various plans fit together to produce priorities and actions and identifies the key strategic issues facing the City.

4. Strategic Priorities for Charles Sturt in 2020/21

This section of the Business Plan sets out an easy reference list of the Community Plan objectives which provide the framework for Council's short and medium term focus. Council initiatives to be implemented in 2020/21 are determined in direct response to achievement of each of the objectives over the life of the Corporate Plan.

5. Financial Strategy – Long Term Financial Plan

This section provides an overview of the Long Term Financial Plan endorsed by Council for the period 2020/21 until 2029/30. It explains the strategy and key indicators used to evaluate Council's financial position and performance in ensuring it is financially sustainable.

6. What Services will we deliver to the Community in 2020/21?

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

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

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

Expenditure proposed on renewal/replacement and new/upgraded assets is discussed in **Section 7.2 Capital Projects**.

7. Annual Operating and Capital projects

This section lists the annual operating projects and new/upgrade capital projects endorsed as part of the 2020/21 budget. Renewal capital projects derived from Council's adopted asset management plans are included in **Appendix G**.

8. How Does Council Propose to Fund its Programs?

This section identifies the anticipated revenue sources for 2020/21 excluding rates.

9. Annual Budget 2020/21

The parameters for the budget 2020/21, including forecasts for income, expenditure and rates, were developed using the framework of the tabled Long Term Financial Plan (LTFP).

This section provides commentary on significant influences and principles which impacted the development of the annual budget. **Sections 10, 11, and 12** provide an analysis of key financial parameters of the annual budget such as the Operating budget, the Cash Position and Financial Position with commentary on significant influences and reasons for variances between the endorsed budget for 2020/21 and 2019/20.

10. Analysis of Operating Budget

This section provides an analysis of the expected operating revenues and expenses of the Council for the 2020/21 year in comparison to the adopted budget for 2019/20.

11. Analysis of Cash Position

This section analyses the expected cash flows for 2020/21 compared to the adopted budget 2019/20.

12. Analysis of Budgeted Balance Sheet Position

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

13. What does it mean for Rates?

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

14. Borrowing Strategy

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

15. Infrastructure Strategy

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

16. Measuring Achievement of the 2020/21 Annual Business Plan

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

17. Attachments

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

- Commentary and detail of the Long Term Financial Plan
- Summary of Core Operational Services
- Budgeted Financial Statements
- Rating Policy for 2020/21
- COVID19 Hardship Policy
- Organisational Chart and Divisional Functions
- Capital Projects for renewal of council's existing assets for 2020/21.

1. Preamble

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

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

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

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

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

This document presents the finalised Annual Business Plan and Budget for the City of Charles Sturt for 2020/21 following a period of public consultation and receipt of submissions from the community on the Draft Annual Business Plan. This document has been developed in the context of Council's strategic planning framework including the Community and Corporate Plan. This Annual Business Plan and Budget 2020/21 was adopted by the Council of the City of Charles Sturt at its meeting on Monday, 10 August 2020.

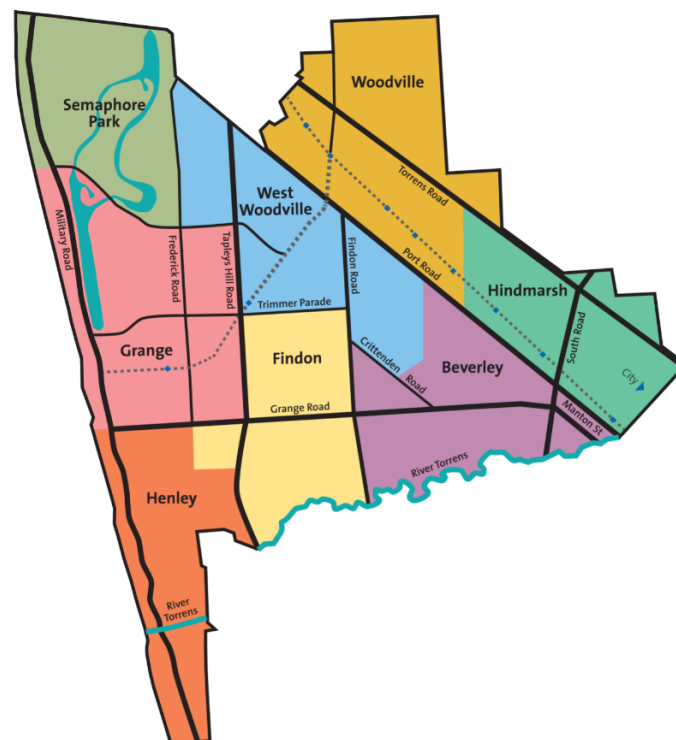
2. Introduction to the City of Charles Sturt

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

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

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

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



3. Strategic Context

The Annual Business Plan and Budget 2020/21 for the City of Charles Sturt has been developed within an overall planning framework which sets the strategic directions for the Council over the medium and long term and converts these into annual actions and outputs.

A 10 year Long Term Financial Plan summarises the financial impacts of Council's strategic directions and provides an indication of the sustainability of these plans. By evaluating our financial strategies over a planning horizon of 10 years we can determine how decisions we make now and for the 2020/21 budget will impact on future budgets and ensure the impact of rates is spread equitably across generations of ratepayers so that planned service standards over the long term and infrastructure levels can be met without unplanned and disruptive increases in rates or cuts to services.

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

Under legislative requirement, within two years of each new Council a review must be undertaken. The Community Plan 2020-2027 is currently under review and due for completion in November 2020.

The Corporate Plan is the next step in the delivery of that plan and details the strategies and actions that will deliver, over the next 4 years, the first stage of the Community Plan. Progress and achievements based on the Annual Business Plan will be reported each year through the Annual Report. In line with the Community Plan review, the review of the Corporate Plan will be undertaken and completed in November 2020.

As required by the Local Government Act, the Community Plan had been developed in the broader context of the State Strategic Plan and priorities.

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

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

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

CITY OF CHARLES STURT STRATEGIC PLANS & FRAMEWORKS - ALIGNMENT TO COMMUNITY PLAN PILLARS

OUR COMMUNITY

Public Health Plan
Animal Management Plan
Communications Plan
Community Connections Strategy*
Disability Access and Inclusion Plan*

OUR LIVEABILITY

Charles Sturt Development Plan
Community Land Management Plans
Place Making Framework
Asset Management Plans
Transport Plan
Open Space Strategy
Infrastructure Guidelines
Biodiversity Action Plan

OUR ENVIRONMENT

Living Green to 2020 Refresh
AdaptWest Climate Change Adaption Plan
AdaptWest in action
Net Zero: our map to net zero corporate emissions by 2025 *

OUR ECONOMY

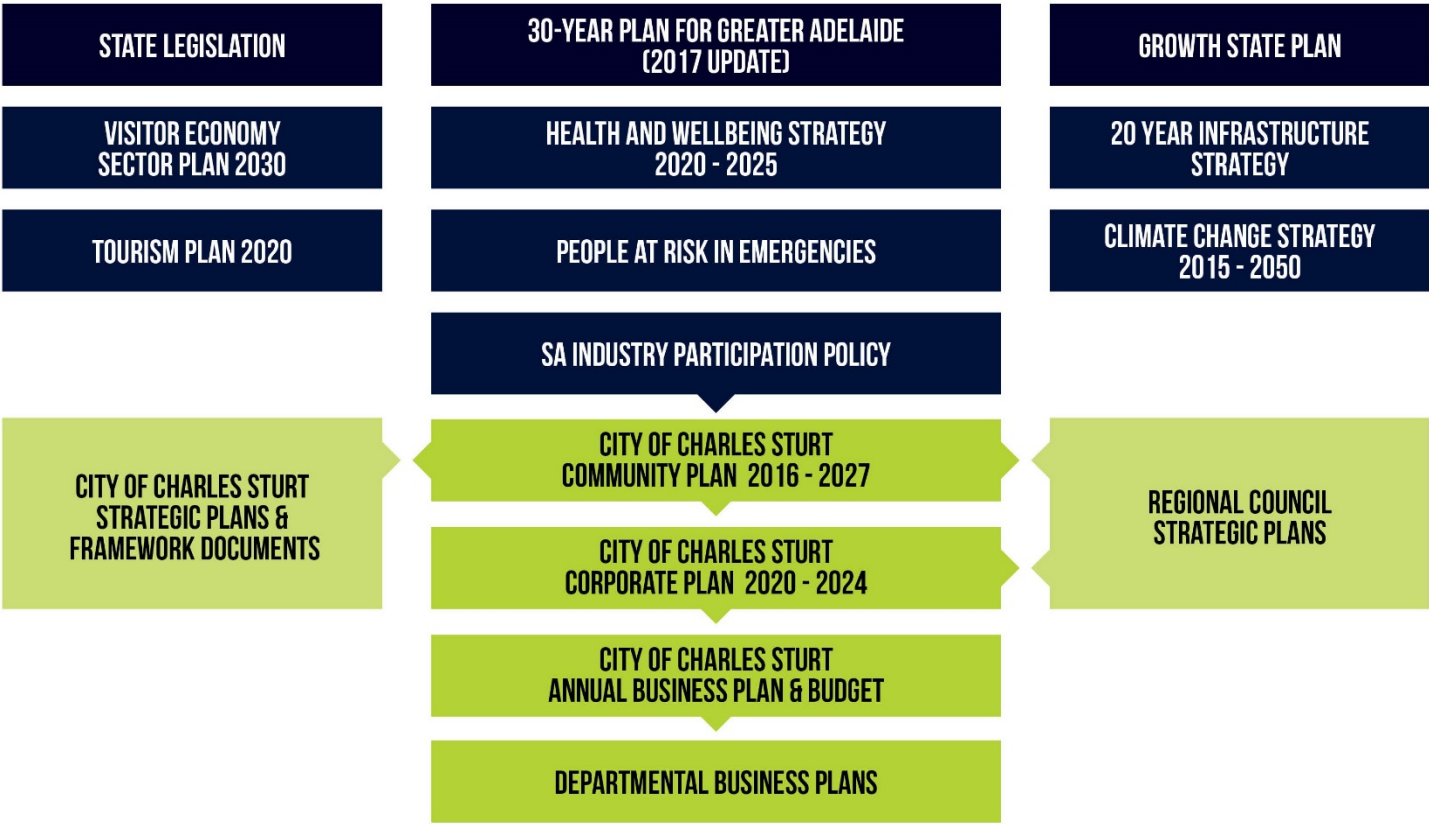
Economic Development Plan
Building Western Adelaide

OUR LEADERSHIP

Long Term Financial Plan
Annual Business Plan & Budget
Council Policy Framework
Customer Experience Strategy*
People & Culture Framework
City Survey
Smart City Plan

**Includes strategies that will be complete at finalisation of draft Community Plan*

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



3.1 A Vision for Charles Sturt

The ultimate role and responsibility of Council in all of its endeavours is to provide for and respond to the needs of its community. Our Community Plan documents the vision for our City. It has been developed and refined over many years with significant input from the Charles Sturt community. It is based upon five pillars that represent our City:

Our Community – A strong and connected community

Our Liveability – A liveable city of great places

Our Environment – An environmentally responsible and sustainable city

Our Economy – An economically thriving city

Our Leadership – A leading and progressive Local Government organisation.

These pillars shape who we are and guide how we work together as an organisation and community. Our Community Plan identifies the outcomes and aspirations for each of our pillars and how we will track and measure their success. Our plan creates opportunities for the City of Charles Sturt to grow, to connect, and to enhance the western region and greater Adelaide.

3.2 Key Strategic Issues for Charles Sturt

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

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

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

4. Strategic Priorities for Charles Sturt in 2020/21

The 5 theme areas for the City of Charles Sturt are listed below. Attached to each of these are a range of objectives and key strategies from which actions and key performance indicators (KPI's) are attributed. A range of key projects as detailed in the section on Annual Operating and Capital projects for the 2020/21 financial year align with the strategies. The detail of these key actions and KPI's which we will use to measure our success can also be found in the Charles Sturt Corporate Plan 2016 -2020 document.

4.1 Theme Areas and Objectives

1. OUR COMMUNITY – A Strong and Connected Community

Objective	Strategies
<i>Provide accessible social infrastructure and services that engage our diverse community</i>	<ul style="list-style-type: none"> • <i>Leverage, reposition and align Council's social infrastructure to maximise resources and diversify service offerings to the community.</i> • <i>Provide a range of inclusive and accessible programmes that build skills, capacities, confidence and networks.</i> • <i>Support community and sporting groups to be viable and grow by providing high quality, accessible facilities.</i> • <i>Develop digital technology to support inclusion and accessibility.</i> • <i>Support citizens to age in place and continue to participate in community life.</i> • <i>Provide opportunities for formal and informal recreation and leisure experiences.</i>

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

2. OUR LIVEABILITY – A Liveable City of Great places

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

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

3. OUR ENVIRONMENT – An Environmentally Responsible and Sustainable City

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

4. OUR ECONOMY – An Economically Thriving City

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

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

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

5. Financial Strategy – Long Term Financial Plan

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

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

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

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

Council Members were asked to review a LTFP scenario based on a standard number of base assumptions for the level of rates, debt and capital expenditure over the next 10 years. Following an analysis of key financial indicators and review of the impact on long term financial sustainability this scenario was adopted on 10 March 2020.

The scenario adopted identified the high level parameters for total rates, borrowings, level of capital expenditure, annual operating projects and recurrent budget forecasts for development of the annual budget for 2020/21. As the actual inputs were refined over the budget process a comparison to the LTFP high level parameters adopted determined any changes required to those high level parameters and a review of the impact on future financial forecasts.

Asset Management Plans (AMP) have been produced and reviewed regularly as required for asset renewal/replacement of each major asset category and which have been presented to Council for endorsement. These are used as the basis for predicting Council's ongoing commitment to infrastructure spending on asset renewal and replacement of its existing asset infrastructure based on assessments of useful life and condition. In 2020/21 the forecast renewal program is \$25.894m in 2020/21, increasing to \$28.291m in 2029/30.

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

Council staff have also been gathering financial forecast information on new/upgrade capital projects derived from existing strategic managements plans such the Open Space Strategy, Council resolutions supporting new projects and major project initiatives.

The projects included in the LTFP for new/upgrade capital were presented to Council at a workshop on 2 March 2020.

In 2020/21 Council's contribution to the level of new/upgrade works is \$7.122m and then increasing to \$16.379m in 2021/22, \$15.396m in 2022/23 and then decreasing to \$10.317m in 2029/30. The increase in upgrade capital works over 2021/23 is due to significant projects for Main Street/Military Road upgrade and Woodville Roads streetscape projects after which the program returns to a more "business as usual" program.

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

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

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

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

Rateable property growth or new properties from development is based on achieving a continuing trend of 1% and is verified by council's Planning and Development department annually.

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

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

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

The scenario modelled is based on maintaining existing council services over the 10 year period. It assumes forecast rates over the 10 years are equivalent to forecast CPI (Access Economics) plus growth. In 2020/21 a total rate rise of 1.94% plus projected property growth of 1.0% (new and developed properties) is assumed followed by increases of 2.17%, 2.33%, 2.38% and 2.21% plus growth of 1% annually.

For this level of projected rates income, annual operating projects or service level increases are forecast at \$2.381m, escalating by an approximation of CPI to \$2.928m per annum over 10 years.

In summary the high level parameters for 2020/21 which were used to **guide** the development of the budget were :

- Total rates increase of 1.94% plus assumed property growth of 1.0%
- Total annual operating projects \$2.381m
- Total capital (renewal) \$25.894m
- Total capital New/Upgrade \$7.122m
- Operating surplus \$1.751m
- New Borrowings \$nil (use existing CAD facilities, noting with current COVID 19 crisis this will need to be reviewed having regard to future cash flow forecasts and need to provide financial support to community)
- Operating surplus ratio 1.4%
- Net Financial Liabilities ratio 53.2%
- Asset renewal funding ratio 100%

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

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

- 1) operating revenues are sufficient to meet operating expenses such that ratepayers are paying for their consumption of resources in that year (**operating sustainability ratio >0% and <10%** calculated as operating surplus/deficit divided by total operating income)
- 2) that Council is ensuring it maintains the value of its asset stock by renewing or replacing council's assets such as buildings, footpaths, roads compared with what is needed to cost effectively maintain service levels in line with its asset management plans (**asset renewal funding ratio >80%** calculated as capital expenditure on renewal of existing assets divided by renewal expenditure from Asset Management Plans) and;
- 3) that it is managing the total indebtedness of the Council including borrowings to ensure its liabilities and associated costs can be met comfortably from council's operating revenues without the prospect of disruptive service cuts and/or excessive rate increases (**net financial liabilities ratio <100%** calculated as total liabilities less financial assets divided by total operating income)

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

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

City of Charles Sturt

10 Year Financial Plan for the Years ending 30 June 2030 - High level Summary

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
CPI Increase			1.94%	2.17%	2.33%	2.38%	2.21%	2.23%	2.50%	2.54%	2.37%	2.20%
Rates Growth			1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Total Rates Income Increase			2.94%	3.17%	3.33%	3.38%	3.21%	3.23%	3.50%	3.54%	3.37%	3.20%

Profit and Loss Statement

Rates	106,223	109,861	113,093	116,681	120,563	124,642	128,637	132,795	137,439	142,310	147,112	151,813
Employee Costs	41,807	43,634	45,047	46,367	48,067	49,717	51,380	53,170	54,996	56,899	58,698	60,351
Depreciation	28,859	31,730	33,593	34,758	36,004	37,508	38,909	40,467	42,460	43,916	45,747	47,780
Operating Surplus	6,797	5,028	1,751	6,974	1,440	1,490	1,154	964	608	947	811	802

Balance Sheet

Infrastructure PP&E	1,205,866	1,265,521	1,275,020	1,284,996	1,297,678	1,302,226	1,307,108	1,327,925	1,326,417	1,344,378	1,348,895	1,352,845
Borrowings	32,188	44,921	35,161	35,469	39,351	26,138	21,047	18,621	14,414	9,388	6,806	-

KPI Ratios

Operating Surplus Ratio	Traffic Light	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	
	Actual Ratio	4.0%	1.4%	5.0%	1.0%	1.0%	0.8%	0.6%	0.4%	0.6%	0.5%	0.5%
Net Financial Liabilities	Traffic Light	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
	Actual Ratio	58.4%	53.2%	50.2%	53.7%	43.1%	38.8%	36.4%	32.9%	29.1%	27.0%	19.7%
Asset Renewal Funding	Traffic Light	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
	Actual Ratio	103.4%	100.0%	100.0%	100.0%	100.0%	100.0%	102.0%	104.8%	107.0%	109.9%	112.7%
Interest Cover Ratio	Traffic Light	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
	Actual Ratio	1.4%	1.3%	1.3%	1.4%	1.1%	1.0%	0.9%	0.7%	0.6%	0.5%	0.3%

Annual Operating Projects	2,306	2,381	2,432	2,489	2,548	2,604	2,662	2,729	2,798	2,865	2,928
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Capital Program \$0,000 - Indexed after Yr5

Capital Renewal	27,604	25,894	23,374	26,377	22,224	23,772	27,211	26,359	28,769	28,390	28,291
Capital New	31,386	7,122	16,379	15,396	8,926	10,896	6,289	5,996	5,499	8,529	10,317
Capital Net	58,990	33,015	39,753	41,773	31,150	34,668	33,500	32,356	34,268	36,919	38,608

Capital Program \$0,000 - Unindexed

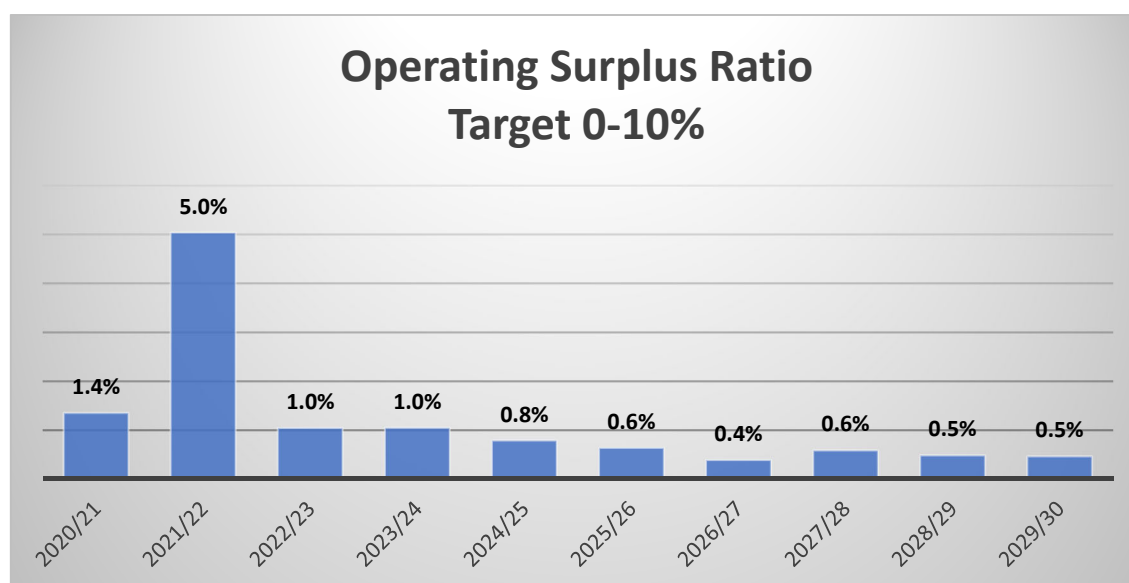
Capital Renewal	27,604	25,894	23,374	26,377	22,224	23,772	26,680	25,149	26,888	25,826	25,104
Capital New	31,386	7,122	16,379	15,396	8,926	10,896	6,046	5,596	4,946	7,846	9,446
Capital Net	58,990	33,015	39,753	41,773	31,150	34,668	32,726	30,745	31,834	33,672	34,550

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

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

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

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



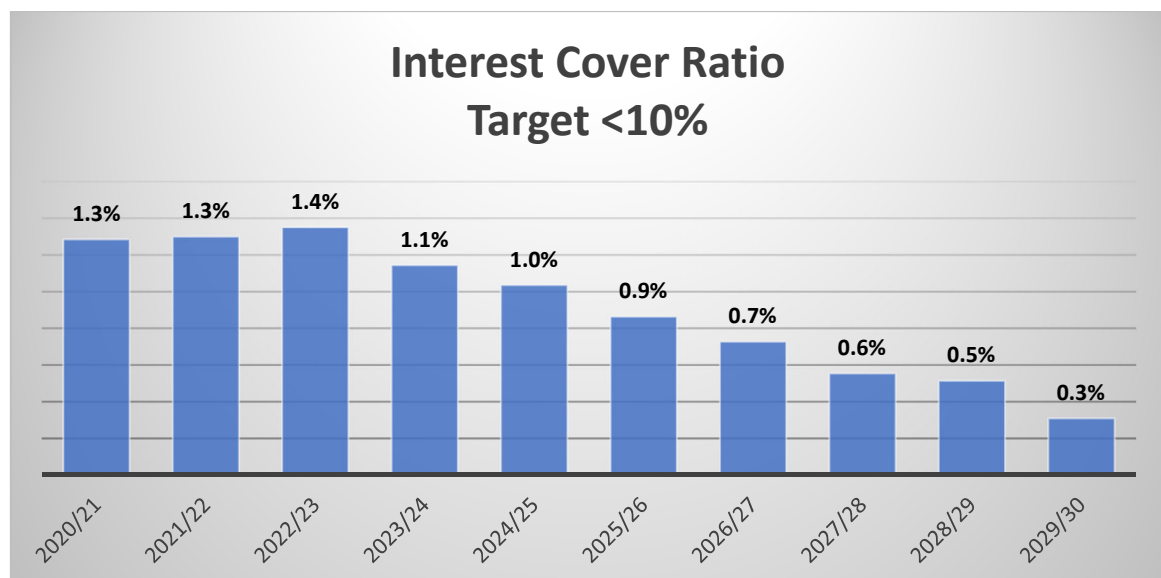
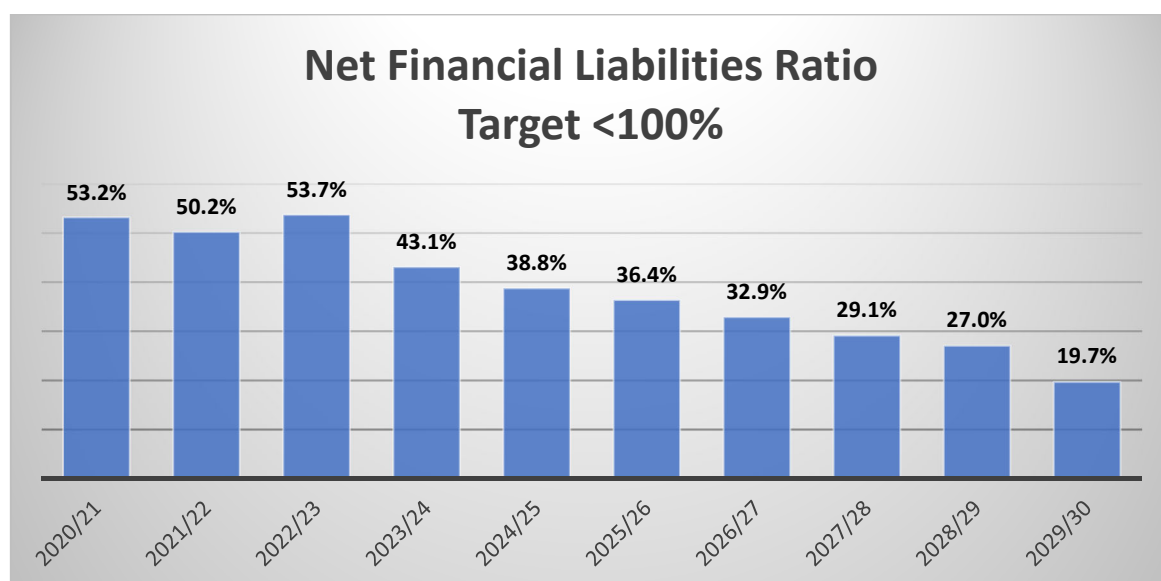
**5% Operating Surplus Ratio 2021/22 is in recognition of non-cash item to reflect Materials Recycling Facility (MRF) subsidiary.*

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

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

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

The preferred scenario delivers a net financial liabilities ratio with a peak at 53.7% and an interest cover ratio less than 1.5% over the 10-year forecast period, all well within acceptable benchmarks.

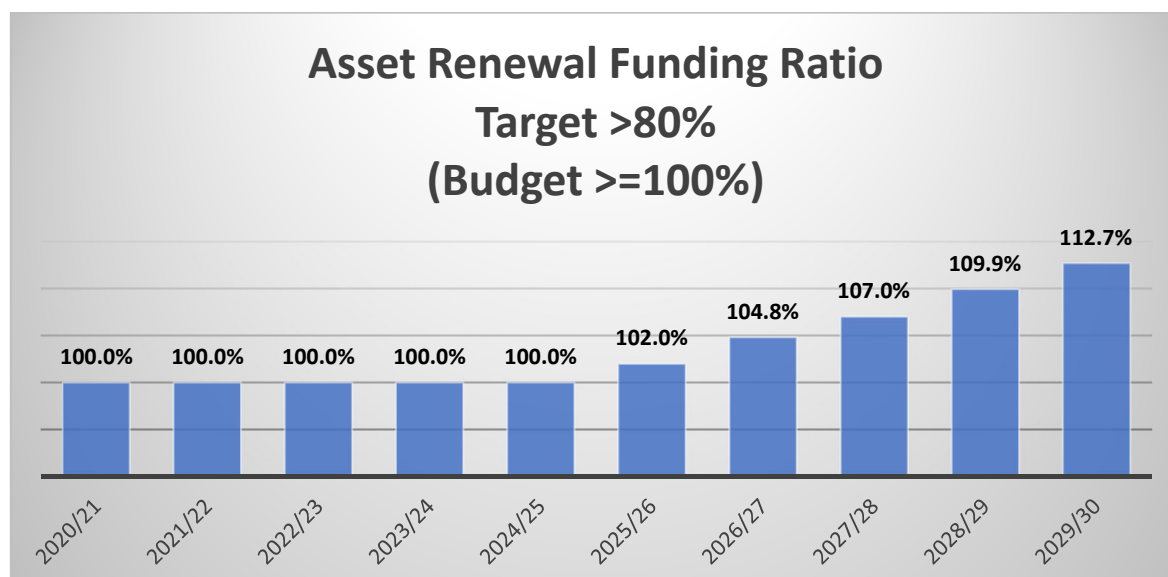


It should be noted that ideally renewal/replacement of existing infrastructure should be financed by current rate payers with any infrastructure backlog financed by an increase in debt to be repaid as quickly as possible by current ratepayers. New/upgrade capital expenditure should be financed by a long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

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

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

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



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

A full copy of the Long Term Financial Plan 2020-2030 is included as [Attachment A](#)

Year 1 of the adopted LTFP set the high level parameters for development of the Annual Budget for 2020/21. The Council consulted on these high level parameters and list of proposed projects and services. However, the Coronavirus (COVID19) pandemic was unfolding subsequent to the endorsement of the LTFP. Once feedback was received, Council then reviewed all its projects and priorities including its forecast rate increase in light of the financial impact and restrictions on business activity as a result of COVID19.

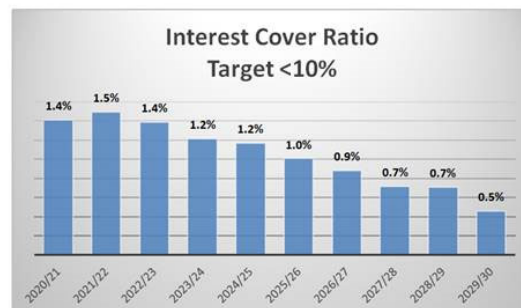
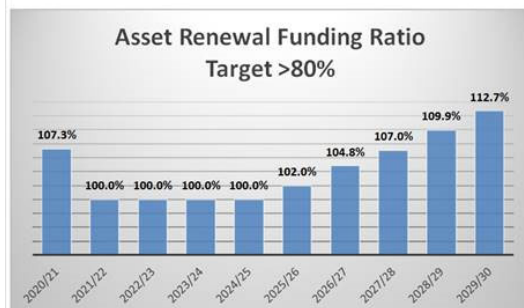
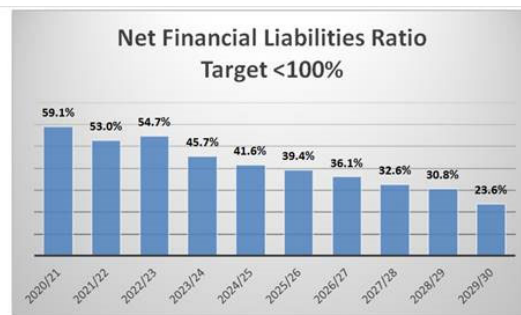
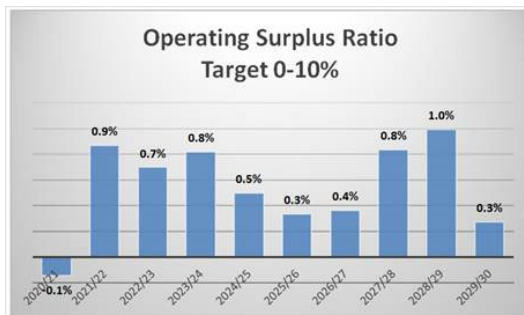
Further LTFP modelling was undertaken in exploring an overall 0% rate rise and general and targeted COVID19 hardship rebates in light of the impact on ongoing financial sustainability. All other assumptions regarding the level of capital projects and annual operating projects remained unchanged.

Following a number of elected member workshops Council decided to adopt an overall 1.84% rates increase comprising a forecast 0.84% overall increase plus 1% growth in new properties. In addition, it recommended to offer a waive of the first quarterly instalment based on a COVID19 hardship policy for an expected cost of \$1.5m in 2020/21. To ensure ongoing financial sustainability a 0.2% additional increase was required over the forecast CPI for 2 years.

A recast 10 year projection on Council's LTFP is as below. Although Council is projected to have a deficit in 2020/21, the ensuing years are in surplus and hence Council remains financially sustainable.

	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Rates	110,289	115,649	119,721	124,003	127,978	132,114	136,734	141,581	146,358	151,035
Statutory Charge	4,001	4,361	4,462	4,568	4,669	4,773	4,892	5,017	5,136	5,249
User Charges	2,968	3,514	3,596	3,681	3,762	3,846	3,942	4,043	4,139	4,230
Grants, Subsidies	7,889	8,445	8,642	8,848	8,800	8,996	9,221	9,455	9,680	9,892
Investment Income	79	65	67	69	70	72	73	75	77	79
Reimbursement	587	639	654	669	684	699	717	735	753	769
Other Income	72	80	82	84	85	87	90	92	94	96
Net gain - equity	-	-	-	-	-	-	-	-	50	100
Total Income	125,884	132,752	137,223	141,921	146,048	150,588	155,670	160,998	166,286	171,450
	-	-	-	-	-	-	-	-	-	-
Employee Costs	44,879	46,367	48,067	49,717	51,380	53,170	54,996	56,899	58,698	60,351
Materials, Contr	45,735	48,430	49,976	51,590	53,159	54,788	56,611	58,517	60,387	62,209
Depreciation, Ar	33,593	34,758	36,004	37,508	38,909	40,467	42,008	42,982	44,304	47,554
Finance Costs	1,853	2,044	1,969	1,794	1,775	1,587	1,444	1,232	1,250	869
Net loss - Equity	-	-	250	150	100	75	50	25	-	-
Total Expense	126,061	131,600	136,266	140,759	145,324	150,088	155,109	159,655	164,639	170,983
	-	-	-	-	-	-	-	-	-	-
Operating Surp	(177)	1,153	957	1,162	725	501	561	1,343	1,648	467

All key indicators remain favourable and in line with Council's adopted benchmarks.



6. What Services Will We Deliver to our Community in 2020/21?

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

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

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

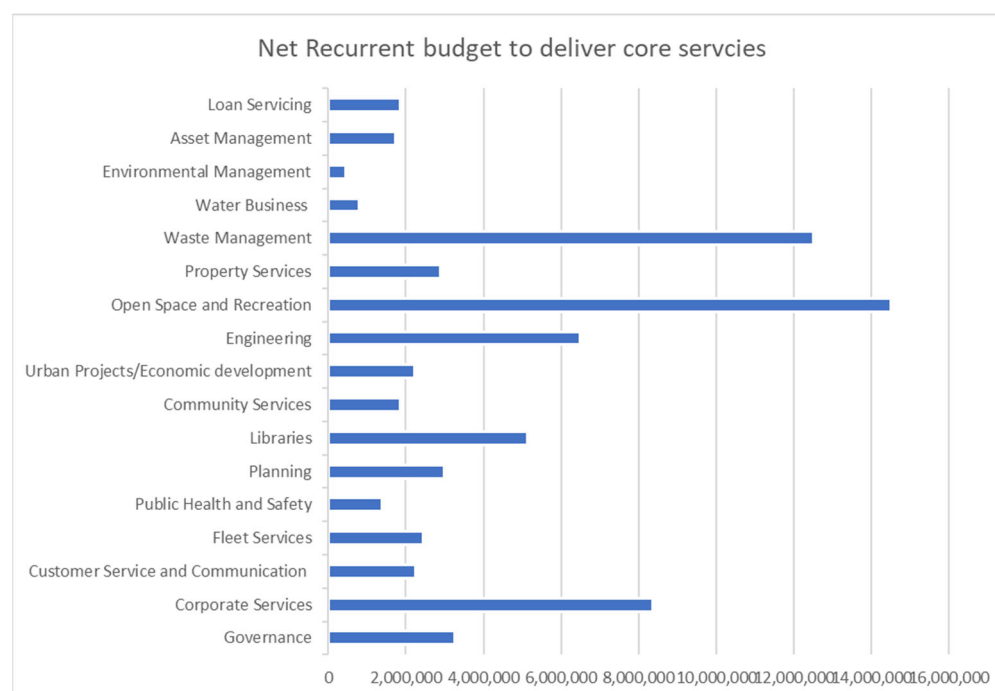
- Libraries
- Community centres
- Community programs
- On street parking management
- Dog and cat management, and
- Verge mowing.

Budget managers developed their budget requirements following a zero based approach and having regard to previous years trends. The actual recurrent operating budget surplus in 2020/21 to deliver core services including “rates income levied” of \$111.931m offset by rate relief and rebates of \$5.022m and including depreciation of \$33.593m is **\$2.216m**.

A comprehensive listing of our core operational services (recurrent budget) provided to the community as at June 2020 is included as [Attachment B](#). Details of Council’s organisational structure and the various functions and business activities undertaken by each Division to provide services are included in [Attachment F](#)

Recurrent Core Business Function	Operating Income \$	Operating expense \$	Net \$
Governance	-103,800	3,362,191	3,258,391
Corporate Services	-6,242,680	14,606,273	8,363,593
Customer Service and Communication	0	2,254,811	2,254,811
Fleet Services	-15,000	2,465,478	2,450,478
Public Health and Safety	-2,883,400	4,280,089	1,396,689
Planning	-1,317,000	4,296,428	2,979,428
Libraries	-918,800	6,046,274	5,127,474
Community Services	-1,915,600	3,772,294	1,856,694
Urban Projects/Economic development	-183,900	2,415,360	2,231,460
Engineering	-2,563,182	9,048,616	6,485,434
Open Space and Recreation	-136,400	14,647,939	14,511,539
Property Services	-1,239,525	4,120,401	2,880,876
Waste Management	-981,060	13,473,124	12,492,064
Water Business	-251,000	1,035,680	784,680
Environmental Management	0	442,764	442,764
Asset Management	0	1,729,927	1,729,927
Loan Servicing		1,853,226	1,853,226
Total excluding depreciation and rates	-18,751,347	89,850,877	71,099,530
Depreciation		33,593,000	33,593,000
Total including depreciation		123,443,877	104,692,529.64
Rates levied	-111,931,325		-111,931,325
Rate relief, rebates and remissions	5,022,200		5,022,200
Net rates	-106,909,125		-106,909,125
Total	-125,660,472	123,443,877	-2,216,595

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



7. Annual Operating and Capital Projects

In addition to Council's "core" activities for its recurrent budget monies are put aside for annual operating projects and capital projects.

7.1 Annual Operating Projects

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

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

In 2020/21 it is proposed to fund **\$2,391,779** in annual operating projects comprising \$225,000 in income and \$2,616,779 in expenditure.

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

Name	Budget Bid Description	Budget Bid Income \$ 2020/21	Budget Bid Expenses \$ 2020/21	Net Budget Bid \$ 2020/21
Whole Street Planting 2021 Bid ID PBB-00001004	As part of the Whole Street Planting Program, a number of residential streets will be planted with semi advanced trees. A whole street approach provides a number of benefits to the residents of the street, Council and the community at large, including a consistent uniform planting which in time creates an 'avenue effect' of trees of a similar size, shape and appearance. The selection of streets is primarily based on the absence of trees in the street, the overall condition of the existing trees being in decline, whether the existing species are appropriate for the location and alignment with strategic documents (i.e Open Space Strategy, iTree	\$0	\$200,000	\$200,000

	Canopy Assessment, Urban Heat Island and Climate Change Plans). An integration approach with Engineering construction projects (i.e. road reconstruction and footpath programs) may also provide opportunity for street selection.			
Planet Ark and Trees for the Future 2020/21 Bid ID PBB-00001005	Planet Ark: To accommodate community and local schools' requests to participate in the National Tree Planting Day by planting juvenile trees and shrubs on Council reserves. In addition, to provide donations of plants to schools who wish to participate in this event with a preference to plant trees on school grounds. Trees for the Future To plant primarily native tree species on our reserves for future generations and to 'green' the City.	\$0	\$40,000	\$40,000
Ibis Management Strategy Implementation Bid ID PBB-00001018	In 2019 Council endorsed the Ibis Management Strategy (IMS) 2019-2025 which identified and prioritised a set of actions to investigate in relation to managing white ibis numbers. Actions are intended for trial initially at Freshwater Lake, West Lakes, with successful actions then able to be implemented elsewhere in the Council area where white ibis are identified as being overabundant and/or creating significant issues.	\$0	\$15,000	\$15,000

<p>Tree Canopy Assessment - updated measure</p> <p>Bid ID PBB-00001021</p>	<p>In 2015 Council engaged a contractor to undertake i-Tree Canopy land cover assessments for the City of Charles Sturt. These assessments investigated land cover in the years 1998, 2008, and 2014, and land cover change trends between these years. Assessments were conducted for the whole of Council and each suburb; tenure trends at each of these scales was also investigated. It is intended that tree canopy land cover will be reassessed approximately every 5-6 years to allow for monitoring of tree planting and development objectives.</p> <p>The findings of this updated measure will be used to both engage with our community as well as inform Council's strategy to increasing tree cover across the City on public and private land to combat the urban heat island effect.</p>	\$0	\$14,000	\$14,000
<p>Biodiversity Action Plan Implementation - review of plant lists, management typologies and citizen science</p> <p>Bid ID PBB-00001022</p>	<p>The Biodiversity Action Plan 2017-2030 identifies three actions to be undertaken in FY 2020/21. This bid is to deliver those actions which are:</p> <p>1/ Review existing planting lists for the City to improve species diversity and climate change adaptability within open spaces and corridors.</p> <p>2/ Develop and undertake community biodiversity education events to inform and inspire community action - namely a tree tag program that identifies for a selected range of Council trees - the species, height, age, carbon storage and oxygen producing abilities on a tag hanging on the tree itself</p> <p>3/Develop new, and review existing, guidelines for open space design which identify different management</p>	\$0	\$43,500	\$43,500

	typologies, use appropriate plant species, and specifically aim to improve biodiversity benefits of plantings and design on both public and private land			
Verges Alive Bid ID PBB-00001025	The new Verge Guidelines have been developed to ease the permit process and encourage residents to maintain their verge. They include the installation of planter boxes in verges appropriate to this treatment and a variety of planting opportunities. A team of community members has been working with Council to develop a booklet of verge designs and planting plans for the use of residents, which will be accompanied by "10 for \$10" packs of verge plants available in addition to the standard '10 for \$10" programme.	\$0	\$10,000	\$10,000
Discretionary Ward Allowance for Council Members Bid ID PBB-00001028	To provide Council with discretionary funds to assist eligible, Not for Profit individuals, groups and organisations within the community who are seeking financial support for programs, projects, events and activities.	\$0	\$276,000	\$276,000
West Lakes Catchment SMP 2020-21 Bid ID PBB-00001046	West Lakes Catchment Stormwater Management Plan 2020-21	\$85,000	\$170,000	\$85,000
Adelaide FREE Bikes Bid ID PBB-00001054	Adelaide Free Bikes has been operating successfully in CCS since 2012. The program currently provides free bike hire at 4 locations across the city. This includes the Discovery Holiday Park in Semaphore, and 3 separate Council libraries at Henley Beach, Hindmarsh and West Lakes. The program encourages an active healthy lifestyle and provides both visitors and residents with the	\$0	\$20,000	\$20,000

	opportunity to access FREE bike hire to explore and enjoy the City and surrounds.			
Sand Drift Fencing 2020/2021 Bid ID PBB-00001056	Replacing Sand Drift Fencing at various locations along the foreshore to assist in sand erosion control. Locations correspond with the sand shifting program undertaken by the Coast Protection Board (CPB) and are negotiated annually with the Coast Protection Board.	\$0	\$25,000	\$25,000
Council Owned Bus Shelter Major Maintenance - 2020/21 Bid ID PBB-00001065	Bus Shelter Condition Audit Data has identified a large number of Council owned shelters that require immediate maintenance to ensure shelters are safe for users until they reach the end of their useful life. The audit has also identified 16 shelters have reached their useful life and are required to be removed and disposed of.	\$0	\$100,000	\$100,000
Replenishment Program - Administrative Traineeships Bid ID PBB-00001079	This bid is for the development of a trainee program, (for two administrative trainees), who during this period would complete a Certificate III in Business Administration and work in various business units across the organisation. As a large public organisation we have the resources and capabilities to provide opportunities for young local people in our community to gain work skills that should place them in a good position to gain meaningful future employment. As well the organisation will receive additional resources to undertake a range of activities to increase business performance. This program forms part of Council's Workforce Planning Strategy.	\$0	\$50,000	\$50,000

Heritage Recognition Markers Bid ID PBB-00001083	Installation of Heritage Recognition Markers for the City's Heritage listed Places. The Heritage Recognition Marker project commenced in 2014/15. To date, the project has resulted in 49 markers, on key heritage properties in Woodville, Hindmarsh, Henley, Grange and Kilkenny. A further 10 markers have been committed for additional Heritage Places for 2019/20 in Bowden and Brompton. The markers have been well received by property owners and the community as a valuable and effective means of educating and informing the public on significant sites.	\$0	\$13,000	\$13,000
Mural Painting for Beverley Recycling and Waste Centre Bid ID PBB-00001087	Engage Painter to paint a mural on the large concrete wall at the front of the Beverley Recycling and Waste Centre.	\$0	\$7,500	\$7,500
Representation Review Bid ID PBB-00001094	Under the Local Government Act 1999 ("the Act"), a Council must ensure that all aspects of the composition of the Council, and the issue of the division, or potential division, of the area of the Council into wards, are comprehensively reviewed under Section 12(4) of the Local Government Act 1999 at least once in each relevant period as prescribed by the regulations. Regulation 4 of the Local Government (General) Regulations 2013 states that for the purposes of Section 12(4) of the Act, the relevant period is the period determined by the Minister from time to time by notice published in the Gazette. On 1 August 2019, the Minister for Transport, Infrastructure and Local Government published a schedule for the next round of representation review relevant periods. The City of	\$0	\$15,000	\$15,000

	<p>Charles Sturt is in Tranche One June 2020 to June 2021</p> <p>A prescribed Representation Review must comprehensively examine all aspects of the composition of the Council and the division or potential division of the Council area into wards.</p> <p>The cost of this budget bid is to fund a consultant (selected through a competitive tender process) to undertake this work</p>			
<p>AdaptWest in Action - Climate Change Adaptation for Western Adelaide</p> <p>Bid ID PBB-00001095</p>	<p>To continue AdaptWest in Action - the regional climate change adaptation program that runs jointly between the 3 Councils in Adelaide's west (CCS, PAE and WTCC).</p> <p>In 2019, all three Councils approved the AdaptWest in Action Plan for 2019-2022 - this budget bid provides for the implementation of that plan.</p> <p>This bid covers year 3 of an overall 5 year program for AdaptWest delivery - the budget covers total expenditure across all 3 Councils, and income from WTCC and PAE for their share of costs.</p>	\$130,000	\$195,000	\$65,000
<p>Tennyson Dunes Reserve South Car Park Lock Up</p> <p>Bid ID PBB-00001103</p>	<p>To pay for contractors to open and close car park gates in the southern car park 7 days a week. Following the legal transfer of the care and control of the Tennyson Dunes Reserve car park to the City of Charles Sturt, CCS is now able to enforce the closure of the car park outside of designated opening hours. Both CCS staff and SAPOL have expiated a number of vehicles parked in the car park outside of opening times. SAPOL and NRM through the Tennyson Dunes Reserve Working Group, (TDRWG) have requested that Council now lock the gates outside of</p>	\$0	\$18,000	\$18,000

	<p>car park opening hours.</p> <p>SAPOL have provided advice that extra police have been working within the area and have conducted both Overt and Covert Operations and have made some impact.</p> <p>The ongoing illegal behaviour has been going on for many years, with one serious incident. Bio-hazard clean ups have been undertaken by volunteers of the Tennyson Dunes to clear the mess left behind from the illegal behaviour.</p> <p>There is a multi-faceted approach outlined in the Tennyson Dunes Management Plan (currently in draft form, awaiting the Minister's signature) to help curb illegal behaviour, which also includes the taking of wildlife (particularly lizards) from the Reserve for sale on the black market.</p>			
<p>Investigation of Traffic Operation at Key Intersections - Findon Road, Flinders Park and Kidman Park</p> <p>Bid ID PBB-00001104</p>	<p>Investigation of traffic demand and capacity at key intersections along Findon Road between Grange Road and Valetta Road to identify how these intersections are expected to function independent of DPA proposals in Findon Road and Grange Road to 2031 and identify whether upgrades may be required of DPTI to improve intersection capacity and safety, or whether these upgrades are regarded as the responsibility of the developers of DPA sites in this area.</p>	\$0	\$15,000	\$15,000

Compulsory By-Law Review 2021 Bid ID PBB-00001105	Review of the Charles Sturt By-Laws in accordance with the legislative requirements. By-laws have a maximum life of 7 years as per the Local Government Act, with the current By-laws effective 2014 - 2021. Section 249(4) of the Local Government Act requires legal practitioner certification of the proposed By-Laws, as such, the budget bid will largely cover legal fees and public consultation costs associated with the development of new By-laws for the City of Charles Sturt.	\$0	\$30,000	\$30,000
Woodville Town Hall - Annual Program of Events - 2020-21 Bid ID PBB-00001110	Run an annual program of live music and events in line with Woodville Town Hall Business Plan Goals and Objectives in addition to the recurrent budget (income & expenditure for venue hire). 2019/20 saw an increase in patronage of 50% from 24,000 to 37,000	\$10,000	\$106,000	\$96,000
West Lakes Boulevard Artwork Bid ID PBB-00001119	Continuation (stage 3) of the artwork along the rail corridor adjacent West Lakes Boulevard, Woodville West. This section is approximately 60 metres long and abuts the property owner at 2 Levi Street, Woodville West.	\$0	\$6,000	\$6,000
Heritage Conservation Grants Program Bid ID PBB-00001123	The Heritage Conservation Grants Program applies to property owners of local heritage places and contributory items as identified in Council's Development Plan and to owners of regulated and significant trees (as defined in the Development Act 1993) in the City of Charles Sturt. The Program provides financial assistance for conservation and restoration works to local heritage places and contributory items as well as to regulated and significant trees which require maintenance pruning.	\$0	\$15,000	\$15,000

	The Program has a recurrent budget of \$45,000 from last financial year. The additional operation budget of \$15,000 will provide additional funds to the Grant Program to service the increased demand in the Program.			
Short-term FTE increase - waste initiatives, climate emergency Bid ID PBB-00001125	Recycled waste and food waste initiatives, climate emergency and new suite of waste and recycling contracts (requiring implementation) have combined to substantially increase workload for the Waste and Sustainability Team. The level of effort required exceeds the team's standard 2.1 FTE allocation (shared across 3 part-time staff). The team has been temporarily increased from 2.1 FTEs to 3 FTEs until 30 June 2020. This project will extend that arrangement until 30 June 2021, at which time business needs will again be reviewed.	\$0	\$75,500	\$75,500
Jubilee Reserve Building & Sporting Facilities Feasibility Study Bid ID PBB-00001126	The preparation of a feasibility study to determine the need for additional facilities for Jubilee Reserve sporting clubs. Things to consider as part of the study will include participation trends within the relevant sports, demographic trends, design and preliminary costings, life cycle and maintenance costs of assets, other case studies and funding opportunities.	\$0	\$30,000	\$30,000

<p>Events and Festivals Sponsorship 2020/21</p> <p>Bid ID PBB-00001131</p>	<p>Festivals and events provide opportunities for social gatherings within our community to celebrate significant creative, cultural, food and sporting events. Events can be a very effective mechanism for promoting our brand and assets such as reserves, the coast and community and sporting facilities. Events can also be an effective tool to attract visitors to the City of Charles Sturt.</p> <p>Events encourage community participation and engagement, civic pride and ownership and can build social cohesion.</p> <p>This program will provide funding to events that can demonstrate key economic, social, cultural and environmental benefits to the city.</p>	\$0	\$95,000	\$95,000
<p>Customer Relationship Management System - Single View of the Customer</p> <p>Bid ID PBB-00001141</p>	<p>This project is to firstly scope and then implement additional elements to our Customer Request system by implementing a single view of the customer component, enabling staff and customers to view and action information, including requests, in one place. This is a collaborative project, undertaken jointly with PAE and CoM sharing the costs of implementing the same software and enhancing our customers experience when interacting with Council. This project will further enhance and modernise our Customer Relationship Management (CRM) System and enable the City of Charles Sturt to provide an improved and high standard of customer experience, enabling staff to access, view and track information about projects, work orders, requests for</p>	\$0	\$35,000	\$35,000

	<p>services, and customer information in a fast, seamless way.</p> <p>Providing a single view of the customer so staff are able to access all information in one place, respond to multiple issues and track requests. This will also provide the customer the opportunity to change and update information and details effectively and easily.</p> <p>Our understanding of the customer will increase and be comprehensive which will increase our ability to provide exemplary customer experience.</p>			
<p>Automating Records Management</p> <p>Bid ID PBB-00001144</p>	<p>This bid will automate repetitive and manual tasks associated with keeping records and managing organisational information using technology to identify, process, assign and access information from hard copy scanned records and digital records across the whole organisation, including invoices, planning documents and content management documents.</p>	\$0	\$58,500	\$58,500
<p>Implement an Online Recruitment Solution</p> <p>Bid ID PBB-00001148</p>	<p>This proposal is to procure an online recruitment solution that will manage the end-to-end process of recruiting staff at CCS from job requisition, candidate evaluation and selection, through to the hiring of an employee and their on-boarding replacing manual and disparate processes for P&C staff, admin professionals and panel members across the organisation.</p>	\$0	\$59,800	\$59,800
<p>Cross council collaboration and productivity tools</p> <p>Bid ID PBB-00001150</p>	<p>Design and implement the Office365 environment to seamlessly support cross council collaboration by staff and delivering training to enable effective use of tools such as team sites, shared</p>	\$0	\$10,000	\$10,000

	calendars, video-conferencing and instant messaging.			
Replacement Online Event Management Solution Bid ID PBB-00001151	Implement an online booking system for the public to book events and for staff to efficiently manage their program bookings, payments and reporting.	\$0	\$39,240	\$39,240
Online Room Hire and Facilities Booking Solution Bid ID PBB-00001152	Implement an online room hire and facilities booking solution for the public to view and book spaces and reserves within CCS and provide staff with an automated streamlined solution to manage the administration of booking requests.	\$0	\$41,540	\$41,540
Works, Assets and Fleet Management module migrations Bid ID PBB-00001153	Migrate from TechnologyOne Ci to Ci Anywhere for Works, Assets and Fleet Management modules in accordance with business readiness and priorities, technical and integration dependencies, and maturity of the vendor's Ci Anywhere roadmap. Ci is being depreciated by the vendor and Ci Anywhere is the fully supported replacement.	\$0	\$45,000	\$45,000
Cross Council - Business Intelligence & Analytics (BI&A) Bid ID PBB-00001154	Implement enterprise Business Intelligence and Analytics solution and capability to support reporting and analysis to better inform city planning, decision-making and productivity and performance management. This is a cross council initiative with the City of Marion and the City of Port Adelaide and Enfield. A cross council business case has been developed identifying key priorities, resources and costs for each council.	\$0	\$98,859	\$98,859
Cross council HR/Payroll module migrations Bid ID PBB-00001155	To progressively migrate from TechnologyOne Ci to Ci Anywhere HR/Payroll modules, in accordance with business readiness and priorities, technical and	\$0	\$167,480	\$167,480

	integration dependencies, and maturity of the vendor's Ci Anywhere roadmap. Includes electronic timesheeting. Ci is being depreciated by the vendor and CiA is the fully supported replacement.			
Cross council ePlanning portal (State Government) transition Bid ID PBB-00001156	Analysis and implementation of Council-specific requirements for transition of planning processes to the DPTI ePlanning portal and impact on Council's related functions, systems and reporting.	\$0	\$29,600	\$29,600
IT Server Room Consolidation - Civic and Beverley Centres Bid ID PBB-00001158	This project is to scale down and decommission some of the on-premise physical servers at both Beverley and Civic Centres. The cloud migration project is migrating all virtual machines to AWS, so the server room size can be reduced and the free space re-purposed.	\$0	\$68,100	\$68,100
Replacement Digital Asset Management Solution Bid ID PBB-00001161	Implement an enterprise Digital Asset Management Solution to store and search digital assets such as photos and images for CCS use in publication and materials. This will replace Cumulus our current solution that does not meet the current and emerging business and technical needs. Cumulus is an end of life product and is no longer technically supported and needs to be replaced.	\$0	\$44,160	\$44,160
Verge Mowing Service Level Increase 2020/21 Bid ID PBB-00001163	Currently the verge mowing budget allows for four cuts per year on local roads and eight per year on main roads. Additional funds are requested to enable one additional cut (from four to five) on local roads in 2020/21.	\$0	\$60,000	\$60,000
#shoplocal - We are Back in Business Bid ID PBB-00001173	New initiative as part of the economic support and stimulus package - Council Meeting 11/5/20 A range of customer attraction activities and	\$0	\$30,000	\$30,000

	events as restrictions ease and shops re-open or increase service offering. These activities will provide an opportunity for businesses to tell their customers they are back and bring life back to our main streets.			
Live and Local Bid ID PBB-00001174	New initiative as part of the economic support and stimulus package that was presented to Council on 11/5/20 Item 6.40 Run a 'Live and Local' program to support local musicians, arts industry and business through live events across the City of Charles Sturt.	\$0	\$50,000	\$50,000
Recovering Clubs from COVID-19 Program Bid ID PBB-00001175	New initiatives, as part of Council's Economic Support and Stimulus Package, to help support local sporting clubs recover from COVID-19.	\$0	\$50,000	\$50,000
Creative Cities Program Bid ID PBB-00001176	The Creative Cities Program will support local Artists (sole traders) & Arts Organisations affected by Covid-19 restrictions to develop initiatives, projects and artwork that connect and engage local audiences in new and different ways to the Arts. Offer a flexible and adaptive program that targets timely and appropriate creative & performing arts activities that aid community recovery and enhance community wellbeing after a significant disruption to our cultural life.	\$0	\$60,000	\$60,000
Business Support Program Bid ID PBB-00001177	As part of the City of Charles Sturt Business Support and Stimulus Package adopted by Council on 11 May 2020, Council resolved to establish a Business Support Program involved grants to approved businesses impacted by Covid to access free business advice by pre qualified business advisors.	\$0	\$65,000	\$65,000

Hindmarsh and Henley Main Street Marketing and Activation Program	This program is to fund the Main Street marketing and activation initiatives led by local traders. These initiatives include:	\$0	\$20,000	\$20,000
Bid ID PBB-00001178	Promotion and development of the Hindmarsh website Ongoing maintenance and hosting fees of the Hindmarsh and Henley websites Coordination fee to create content for social media sites Coordination of SALA Round the Square Other similar marketing and activation activities that promote Henley and Hindmarsh that may arise seasonally or connected to state wide or local events.			
Total		\$225,000	\$2,616,779	\$2,391,779

7.2 Capital Projects

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

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

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

The broad goals identified are as follows:

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

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

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

In 2020/21 it is proposed to fund a council contribution of **\$32,669,730** in a total capital program comprising \$3,007,353 in income and \$35,677,083 in total expenditure.

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

The capital program adopted comprises \$24,849,595 net in renewal capital projects with \$2,926,853 in income and 27,776,448 in expenditure based on adopted asset management plans and which are detailed in [Attachment G](#) and \$7,820,135 net in new/upgraded capital projects with \$80,500 in income and \$7,900,635 in expenditure which are listed below.

Name	Budget Bid Description	Budget Bid Income \$ 2020/21	Budget Bid Expenses \$ 2020/21	Net Budget Bid \$ 2020/21	Nature of Works
2020/21 - Community Connections - Brocas Carpark drainage and DDA Upgrade Bid ID PBB-00000981	Brocas Gravel Carpark - Excavate and shape entire car park for storm water drainage and allow disabled access throughout the carpark and access into all Community buildings onsite. At present the carpark floods during rain periods and does not allow disabled access.	\$0	\$45,000	\$45,000	Upgrade
New Paths Program 2020/21 Bid ID PBB-00000982	Design and construction of new paths on streets and reserves for the 2020/2021 financial year in response to community requests that have been assessed by staff as providing strategic benefit to the community. Design for 2021/2022 path projects.	\$0	\$500,000	\$500,000	New
Public Lighting - New 2020/21 Bid ID PBB-00000989	Design and installation of new LED public lighting on the following car parks, paths and reserves as identified or as requested by the Community. 1. Laneway - between Bartley Tce and Manly Crs 2. Carnegie Carpark 3. Nancy Fisher Reserve 4. Aquatic Reserve 5. Todd Place Reserve 6. Greenfield Reserve	\$0	\$310,000	\$310,000	New

<p>New Playground and Irrigation Renewal - Birkdale Reserve, West Lakes</p> <p>Bid ID PBB-00000995</p>	<p>At its meeting on 17 June 2019 (Item 3.52), the Asset Management Committee endorsed that an additional budget for the upgrade of Birkdale Reserve and landscaping at St Andrews Way Reserve, West Lakes, be considered as part of Council's 2020/21 budget preparations. This was then endorsed at the 24 June 2019 Full Council meeting. The playground at St Andrews Way Reserve is due for renewal in 2020/21. Following community consultation and a deputation to the Asset Management Committee, Council agreed to leave the existing playground at this reserve and reallocate funding to nearby Birkdale Reserve. This funding is in addition to existing AMP funding of \$133,400, and will provide landscaping, footpaths, fencing and furniture. The project total will therefore be \$320,400. Forecast renewal expenditure of \$96,000 for St Andrews Way Reserve playground has been transferred from the AMP playground renewals budget bid (PBB-00000966), to this bid for Birkdale Reserve upgrade, as per the Council resolution on 24 June 2019 (Item 3.52 of the Asset Management Committee meeting 17 June 2019).</p>	\$0	\$283,000	\$283,000	New
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Construction of new Dog Park at Semaphore Park Reserve Bid ID PBB-00001001	Construction of a new dog park at Semaphore Park Reserve, Semaphore Park, following community consultation and detailed design completed in 2019/20.	\$0	\$450,000	\$450,000	New
Construction of new Dog Park at Woodville West Reserve Bid ID PBB-00001002	Construction of a new dog park at Woodville West Reserve, Woodville West, following community consultation and detailed design completed in 2019/20.	\$0	\$100,000	\$100,000	New
Roof Height Safety - Civic centre & Grange Kiosk Bid ID PBB-00001006	An audit was undertaken of selected roof areas to ensure safe access to solar panels & air conditioning plant. The audit recommends additional height safety items to improve access to the Civic Centre & Grange Kiosk.	\$0	\$10,000	\$10,000	Upgrade
Cheltenham Community Centre – Acoustic Panel installation Bid ID PBB-00001008	Installation of acoustic panels to walls & ceiling in the main hall to address reverberation issues of the main hall. The removal of the suspended ceiling and replacement with a new raked ceiling in 18/19 exposing the original raked ceiling has affected the acoustics creating an echo in the main hall. The project will address this issue making the hall more attractive for hire.	\$0	\$39,000	\$39,000	New
Sporting Club Changeroom Upgrade - Fawk Reserve Bid ID PBB-00001015	Undertake upgrade works to existing change room facilities to ensure unisex change rooms are made available to the sporting club users and that Council as a building owner provides equity to male and female participants.	\$0	\$300,000	\$300,000	Upgrade

<p>Frederick Miller Community Garden</p> <p>Bid ID PBB-00001020</p>	<p>Provide the basic Infrastructure for the existing Frederick Miller Community Garden group to further develop the degraded Frederick Miller Reserve, situated between Third and Fourth Avenues, Semaphore Park, into a functioning, independent, open community garden. This Reserve has not been upgraded for many years and irrigation has not been recommissioned after the drought, Local residents have started developing the Reserve, planting fruit trees and irrigating plantings in an effort to improve the amenity of the site. Community and neighbourhood connections have grown and the group would like to formalise as a group and the site the site and create a formal Community Garden.</p>	\$0	\$20,000	\$20,000	New
<p>St Clair Community Garden</p> <p>Bid ID PBB-00001023</p>	<p>Provide the basic Infrastructure for the establishment of a Community Garden at St Clair. The St Clair community are asking for assistance in establishing a Community Garden, where they can "share and cooperate to create and sustain a healthy community by growing food and caring for nature within their urban environment" A petition will be presented to Council in March proposing that the garden be located at</p>	\$0	\$40,000	\$40,000	New

	the end of Crompton Drive, St Clair.				
Sporting Club Changeroom Upgrade - Woodville Oval Bowling and Tennis Club Bid ID PBB-00001026	Undertake upgrade works to existing change room facilities to ensure unisex change rooms are made available to the sporting club users and that Council as a building owner provides equity to male and female participants	\$0	\$300,000	\$300,000	Upgrade
Don Klaebe Reserve Clubrooms- Disability Toilet Bid ID PBB-00001027	The installation of a DDA complaint access toilet is required to comply with the Development Application for last financial years wet area renewal project.	\$0	\$150,000	\$150,000	New
Bartley Terrace Streetscape Upgrade - Detailed Design of Stage 2 & 3 Bid ID PBB-00001032	Complete consultation and detailed design of stages 2 & 3 of the Bartley Terrace Streetscape between West Lakes Boulevard and Greenfield Crescent.	\$0	\$50,000	\$50,000	Upgrade
Woodville Road Streetscape Upgrade - Detailed Design Bid ID PBB-00001034	Detailed Design of Woodville Road Streetscape Upgrade between Railway Line and Port Road.	\$0	\$150,000	\$150,000	Upgrade
Woodville Road - Undergrounding of Electrical Infrastructure Council Contribution Bid ID PBB-00001035	Contribution to SA Power Networks to undertake alterations to existing lighting infrastructure to facilitate underground installation along Woodville Road between Port Road and Norman Street.	\$0	\$380,000	\$380,000	Upgrade
Military Road and Main Street Henley Beach Streetscape - Under Grounding Power Lines Stage 1 - Council Contribution	This bid is Council's 1/3 contribution to stage 1 of the under grounding of power lines along Main Street Henley Beach and the section of Military Road between North Street and South Street, prior to the	\$0	\$208,000	\$208,000	Upgrade

Bid ID PBB-00001036	construction of the Military Road and Main Street streetscape project.				
Solar PV on Council Buildings - phase 2 Bid ID PBB-00001037	Solar energy systems on Council owned buildings helps Council reduce rates and reduces Council's greenhouse gas emissions. This project is phase 2 of the 2019/20 capital project Solar PV installations on Council buildings (3121). Phase 1 was for the tender, supply and installation of solar PV on 7 council buildings and phase 2 for supply and installation on the remaining 6 buildings. Phase 2 of the project will deliver electricity cost savings of \$15,000 per annum ongoing, and approximately 24% of the sites' combined electricity consumption. With an asset life of 25-30 years the project will have significant financial and environmental benefits.	\$0	\$145,000	\$145,000	New
Realignment of the Intersection at Dampier Avenue and Barker Avenue, Findon Bid ID PBB-00001038	Design and consultation on realignment of the intersection of Dampier Avenue and Barker Avenue in Findon with construction to occur in conjunction with future road works.	\$0	\$25,000	\$25,000	New
Pedestrian Safety Improvements - Hendon Primary School Bid ID PBB-00001040	Consultation and detailed design of an Emu (children's) crossing to be installed in Risely Avenue, Hendon to service Hendon Primary School.	\$0	\$25,000	\$25,000	New
Welland Avenue Welland - New Road Humps and Raised Intersection	Construction of 1 x Raised Intersection and 6 x road humps in Welland Avenue, between Port Road and	\$0	\$200,000	\$200,000	New

Bid ID PBB-00001041	Grange Road, in conjunction with the planned reconstruction of the road.				
Butler Ave Pennington - School Crossing Upgrade - Design and Construction Bid ID PBB-00001042	Design and Construction of an Upgrade of Existing School ("Emu") Crossing to a Wombat Crossing (raised pedestrian crossing) at Pennington Children's Centre - Butler Avenue Pennington. Works to occur in conjunction with road reconstruction project.	\$0	\$100,000	\$100,000	Upgrade
Design and Consultation for new Park - 1 Hurtle Street, Croydon Bid ID PBB-00001045	Design and Consultation for a new local park at 1 Hurtle Street, Croydon.	\$0	\$16,000	\$16,000	New
Sustainable Transport Infrastructure 2020/21 Bid ID PBB-00001052	Design and consultation of: (1) Grange Greenway - review of Frederick Road crossing location and identification of future connections to Grange Railway station and Grange Lakes path; (2) Grange Lakes and School Transport - new pedestrian crossing on Cudmore Terrace connecting Grange Lakes to St Michael's College (3) School Transport - new pedestrian crossing on Lawrie Street Henley Beach to improve walking and riding to St Michael's College (4) School Transport - new pedestrian crossing on West Street Semaphore Park to improve walking and riding to Westport Primary School.	\$30,500	\$91,500	\$61,000	New
Grange Lakes Stage 4B - Detailed Design Bid ID PBB-00001053	Detailed Design of Stage 4B of the Grange Lakes Corridor Shared Use Path	\$0	\$15,000	\$15,000	Upgrade

Woodville Road Streetscape Upgrade - Watermain alteration Bid ID PBB-00001055	Contribution to SA Water for alteration of water infrastructure in Woodville Road between Port Road to Railway line to facilitate future construction of central median islands and landscape plantings.	\$0	\$265,000	\$265,000	Upgrade
Stormwater Clovelly Avenue Lateral Upgrade Bid ID PBB-00001059	Upgrade stormwater network in Clovelly Avenue Royal Park in the Port Road stormwater catchment	\$0	\$2,000,000	\$2,000,000	Upgrade
LED Public Lighting Infill and Improvement Bid ID PBB-00001061	While undertaking the bulk LED street light program council undertook an audit of streets to identify where street lighting did not meet Australian Standard or community expectation. This project was included in the LED street light forward works program and LTFP. The project will prioritise those council streets where traffic control devices are not appropriately lit and those streets that depart furthest from Australian Standard AS/NZS 1158 road lighting standard.	\$0	\$867,915	\$867,915	New
Stormwater - WSUD - Tracey Avenue Catchment Raingardens Bid ID PBB-00001064	Construction of Thistle Avenue raingardens designed in 2019/20 as part of the Water Sensitive Urban Design water quality improvement strategy in the Tracey Avenue Catchment Area.	\$50,000	\$100,000	\$50,000	New
Woodville Oval Community Complex - Security Upgrade Bid ID PBB-00001068	A SAPOL audit identified a number of existing security items needed maintaining and/or upgraded to protect Council assets and the assets of the multiple	\$0	\$55,000	\$55,000	Upgrade

	clubs using the complex facilities.				
New Pitch Lighting - Woodville Croquet Club Bid ID PBB-00001075	To upgrade the existing pitch lighting at the Woodville Croquet Club.	\$0	\$16,100	\$16,100	Upgrade
Outer Harbor Greenway - Shared Street - Drayton Street Bowden/Brompton - Design Bid ID PBB-00001076	Partner with Renewal SA to design a shared street along the section of Drayton Street in Bowden which runs parallel to the railway line. This section of street forms part of the Outer Harbor Greenway which is a strategic walking and cycling corridor between the CBD and Outer Harbor.	\$0	\$20,000	\$20,000	Upgrade
Accommodation Costs - Creation of new meeting rooms and office desk space (1st Floor- Civic Offices) Bid ID PBB-00001077	Office accommodation (1st floor) redesign and fit out, due to availability of space now created by the removal of computer hardware, associated with the moving of infrastructure to the cloud project. It is expected that much needed additional meeting rooms, office desk spaces and new "hot desks", that will be shared by staff, will be created and various business units will be able relocate officers to better suit business requirements.	\$0	\$70,000	\$70,000	Upgrade
Pedestrian and Bicycle Link - Intersection of Cogle Street and Third Street Brompton - Design and Consultation Bid ID PBB-00001084	Design and Consultation for a Pedestrian and Bicycle Link - Intersection of Cogle Street and Third Street in Brompton	\$0	\$10,000	\$10,000	New

Consultation and Preliminary Design of Traffic Safety Improvements - Intersection of Frederick Street and Brand Avenue, Welland Bid ID PBB-00001086	Consultation and Preliminary Design of Traffic Safety Improvements at the Intersection of Frederick Street and Brand Avenue, Welland.	\$0	\$15,000	\$15,000	Upgrade
Pedestrian and Cyclist Safety Improvements - Murray Street Road Closure, Albert Park - Consultation and Preliminary Design Bid ID PBB-00001090	Consultation and Preliminary Design of improvements to Pedestrian and Cyclist Safety at the Murray Street Road Closure, Albert Park.	\$0	\$5,000	\$5,000	Upgrade
Cooke Reserve Car Park - Consultation, Design & Construction Bid ID PBB-00001091	Cooke Reserve Carpark (adjacent to Girl Guides Community Hall). - Consultation, Design & Construction	\$0	\$60,000	\$60,000	Upgrade
New shade structure at Parkway Reserve playground Bid ID PBB-00001099	Design and construction of new shade structure at Parkway Reserve playground, Fulham Gardens.	\$0	\$55,000	\$55,000	New
Shade options at Henley Square Bid ID PBB-00001107	Investigation of options to improve shade at Henley Square, including concept, consultation and design.	\$0	\$46,000	\$46,000	New
Investigate heat mitigation opportunities at Boucatt Reserve, Brompton Bid ID PBB-00001109	Investigation, design and consultation of heat mitigation opportunities at Boucatt Reserve, Brompton.	\$0	\$20,000	\$20,000	New
Additional play equipment at Rowley Reserve, Woodville	Consultation, design, procurement and installation of additional play equipment at Rowley Reserve, Woodville, to	\$0	\$30,000	\$30,000	New

Bid ID PBB-00001115	complement the existing equipment.				
New fitness equipment at MJ McInerney Reserve, Kilkenny Bid ID PBB-00001117	Design, consultation and installation of new fitness equipment and associated softfall and concrete edging at MJ McInerney Reserve, Kilkenny	\$0	\$86,000	\$86,000	New
New public toilet at Parfitt Square, Bowden Bid ID PBB-00001118	Construction, including design and consultation for a new toilet at Parfitt Square, Bowden.	\$0	\$10,000	\$10,000	New
Additional furniture at Greenfield Reserve, West Lakes Shore Bid ID PBB-00001120	Installation of additional park furniture at Greenfield Reserve, West Lakes Shore, to complement the renewal of irrigation and footpaths in 2019/20.	\$0	\$13,000	\$13,000	New
West Lakes Shore Oval - Viewing Deck Bid ID PBB-00001128	The need has been identified for a potential deck/viewing area at West Lakes Shore Oval between the club rooms and the oval. This platform installation will address DDA & safety concerns re: the various levels identified at the front of the club, as well as enhancing the viewing.	\$0	\$100,000	\$100,000	New
West Torrens District Cricket Club - Practice Facility Upgrade Bid ID PBB-00001133	West Torrens District Cricket Club are seeking to upgrade & expand their existing practice facility, to provide premier practice facilities for the club's growing participant base as well as the local community who use the facilities. The project is for a contribution only.	\$0	\$15,000	\$15,000	Upgrade
Concept Plan for Aquatic Reserve Building – Paddle SA	Paddle SA (and sub-licensee, Dragon Boats) have grown in size over the decades and need	\$0	\$15,000	\$15,000	Upgrade

Bid ID PBB-00001140	more boats and storage to facilitate/run training and regattas. The paddle clubs now have 1000 members and a cramped club house on Aquatic Reserve, West Lakes. Paddle SA now seek support for their future storage aspirations.				
Upgrade of Port Road median opposite Station Place, Hindmarsh Bid ID PBB-00001145	Upgrade of Port Road median opposite Station Place, Hindmarsh, including irrigated turf, post and rail fencing and an access gate.	\$0	\$34,000	\$34,000	Upgrade
Council Chamber Lighting Upgrade Bid ID PBB-00001147	Upgrade the existing lighting to LED lighting The Chamber was originally constructed in 1997. Since then, the chamber central lighting has deteriorated and has not been upgraded. A lighting level reading has been conducted and the Lux levels are not consistent throughout the space.	\$0	\$10,120	\$10,120	Upgrade
New audiovisual equipment at various Community Connection sites Bid ID PBB-00001167	New audiovisual equipment is required at Bower Cottages, Arch Paterson and Findon Library to support and provide community services delivery and to increase utilisation on the centres and library by being able to provide contemporary facilities	\$0	\$30,000	\$30,000	New
Total		\$80,500	\$7,900,635	\$7,820,135	

Summary of the total capital program:

	Income	Expenditure	Net
Renewal of existing assets	2,000,000 *	25,336,128	23,336,128
Sale of replaced assets	926,853	2,440,320	1,513,467
New/Upgrade assets	80,500	7,900,635	7,820,135
TOTAL	3,007,353	35,677,083	32,669,730

8. How Does Council Propose to Fund its Programs?

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

Statutory Charges

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

User Charges

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

Grants

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

Investment Income

Investment income includes interest on investments.

Reimbursements

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

Other Income

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

Amounts specifically for new and upgraded assets

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

Borrowings

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

Loan borrowings are considered an important source of financing for asset acquisition and renewal. Ideally infrastructure backlog should be financed in the short term by an increase in

debt to be repaid as soon as possible by current ratepayers. New capital expenditure should be financed by a long term increase in the volume of debt with the current generation only meeting interest payments on that debt.

Infrastructure renewal/replacement should be financed by rates with ratepayers in any year paying for the resources they consume.

Council uses cash advance debenture (CAD) facilities to fund temporary cash requirements due to delays in the timing of cash inflows. Council has put in place additional facilities should the COVID19 pandemic result in delays in expected cash inflows from rates levied.

Summary

Overall for 2020/21 net rates income is \$110,289,125 (rates levied of \$111,931,325 less rebates, remissions of \$5,022,200 plus rates interest and Adelaide Regional Landscape levy of \$3,380,000). Other operating income sources is \$15,371,347 which primarily includes Statutory fees charges; \$4,000,700, User charges; \$2,958,085, Operating grants; \$7,673,982 and Other revenues including Investment income of \$738,580.

Revenues associated with the total capital works program include \$3,007,353 which comprises \$2,080,500 for Amounts for New/Upgraded assets and \$926,853 is forecast from the Sale of Plant and Replaced Vehicles.

Revenues associated with annual operating initiatives include \$225,000 comprising \$10,000 in User charges and \$215,000 in Operating grants.

Any borrowings required will be a temporary use of cash advance debenture facilities for which any draw downs are expected to be repaid over the year.

Total Funding sources	"000"
Rates	\$110,289
Statutory charges	\$4,001
User Charges	\$2,968
Operating Grants	\$7,889
Investment Income	\$79
Other revenues	\$659
Amounts for new/upgraded assets	\$2081
Sale of replaced assets	\$927
Total	\$128,893

9. Corporate Budget 2020/21

9.1 Budget Context

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

This section examines the budget 2020/21 with the previously endorsed budget for 2019/20 for the following statements.

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

(Note: Although the analysis makes comparisons with the original endorsed budget for 2019/20 a revised forecast balance sheet and budget for 2019/20 has been used and reflected in Council approved budget reviews over the year and in the updated LTFP to analyse performance. The impact of potential revaluations is not included in any forecasts).

9.2 Significant Influences

9.2.1 External Influences

In preparing the 2020/21 budget a number of external influences have been taken into account because they are likely to impact significantly on the cost of services delivered by Council in the budget period. These include:

- The Consumer Price Index (CPI) All Groups Adelaide increase on goods and services of 2.4% for the 12 months ending 31 March 2020
- Forecast CPI using predictive information from Access Economics for the year ended June 2020 of 1.94%
- Local Government Price Index for 2020/21 of 2.1%
- The Coronavirus (COVID19) pandemic and financial hardship in the community due to loss of employment and/or reductions in business activity from restrictions imposed by the Federal or State Government.
- The impact of the economy on interest rates for the current loan portfolio and on interest earned on average cash balances

- Centralisation of dog and cat animal registrations via DACO and changes to fee structure and mandatory desexing and microchipping
- Increase in postage costs by 10%
- Removal of NRM levy collection and replacement with Regional Landscape levy which we must collect on behalf of the Green Adelaide Board
- Rising costs of waste disposal and zero waste levy

9.2.2 Internal Influences

As well as the external influences there were also a number of internal influences arising from the 2019/20 year which have had a significant impact on the setting of the recurrent budget for 2020/21. These include:

- The impact on salary and wage costs of potential Enterprise Bargaining Agreements (EBAs) for staff covered by the ASU and AWU
- Impact of paid maternity/paternity leave
- Council's decision to ensure maintenance of an operating break even position and ongoing financial sustainability
- Council's commitment to water business unit and water reuse strategies
- Increased IS services and Cloud migration
- Resourcing to generate greater usage of the Woodville Town Hall
- Additional staff and expenditure approved through adopted annual operating projects 2019/20 which impact recurrent budget 2020/21.
- Upgrade of St Clair Recreation centre and associated external management of the facility
- Ongoing rollout and transfer to LED lighting for public lighting
- Impact of operational efficiencies
- Collaboration projects with Marion and Port Adelaide Enfield councils

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

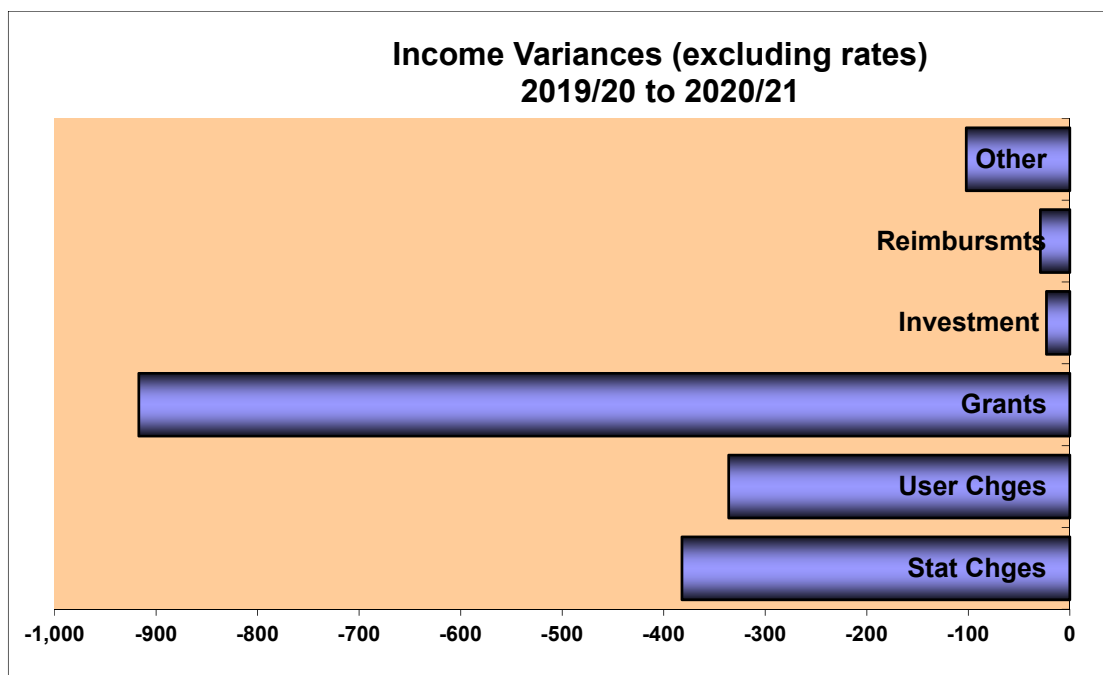
Budget guidelines were also distributed to all Council officers with budget responsibilities. These guidelines set out the principles upon which the officers were to prepare the budgets. These principles include:

- existing fees and charges to be increased in line with the revised fees and charges in Council's Fees & Charges Register. This excludes fees and charges set by regulation
- grants to be based on confirmed funding levels only
- service levels to be maintained at 2019/20 levels with the aim of using innovation and efficiency to further reduce costs (unless separate approval granted by Council)
- all new staffing proposals to be justified through a business case and an annual operating project bid approved through the budget process
- new initiatives or projects which are not cost neutral to be justified through a business case and included as an operating project
- All items of expenditure and income requested to be justified in complete detail by each budget manager starting from a zero-base rather than using the previous year budget as a starting point
- real savings in expenditure and increases in revenue identified in 2019/20 to be preserved, and
- operating revenues and expenses arising from completed 2019/20 capital projects and annual operating projects are to be included.

10. Operating Budget Analysis

10.1 Operating Revenue

	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Variance (decrease) \$'000
Rates	109,861	110,289	428
Statutory Changes	4,383	4,001	(382)
User Charges	3,304	2,968	(336)
Grants	8,806	7,889	(917)
Investment Income	102	79	(23)
Reimbursements	616	587	(29)
Other Income	174	72	(102)
Total Operating Revenue	127,246	125,885	(1,361)



10.1.1 Rates (\$427,825 increase)

It is expected that the total rate income levied will increase by 1.84% comprising 0.77% overall rates increase plus new property growth of 1.07% or \$2.082m over 2019/20. The Regional Landscape levy which replaces the Natural Resources Management (NRM) levy collected by councils on behalf of the newly established Green Adelaide Board will increase by 3% or \$88k over the budgeted estimates from 2019/20. This is based on advice received from the Board on amounts to be levied for 2020/21. Council rebates based on the current suite of Charles Sturt specific rebates and those legislated for community land are expected to increase by \$56.7k. In addition \$1.5m has been set aside for those ratepayers who meet the criteria for COVID19 hardship as per the COVID19 Hardship Policy and who are entitled to a waive of the first quarterly instalment of rates up to capping amounts. Rates fines and interest on rate arrears are forecast to reduce by \$125.9k as per Council meeting 11 May 2020, Item 6.4 where it was endorsed that fines and interest were to be waived until 31 October 2020 and for those who were impacted by COVID 19 and made a successful application with a payment arrangement, fines and interest would be waived until June 2021 on rates not paid by due dates.

Section 13. *What Does This Mean for Rates?* Includes a more detailed analysis of the rates and charges to be levied for 2020/21.

10.1.2 Statutory Charges (\$382,000 decrease)

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

Overall, statutory fees are forecast to decrease by 9% on 2019/20 as a result largely due to the economic stimulus package and income relief to support business as per CL report 11/5/2020 item 6.40 where it was endorsed that food inspection and auditing fees were to be waived for 6 months and outdoor dining fees and public occupation fees were to be waived for a total reduction in income of \$175,500.

Parking expiation income is forecast to reduce by \$170k on 2019/20 estimates based on current trends from 2019/20 and changes in behaviour. Bylaws expiation income is forecast to reduce by \$27k with \$15k loss of income from dog bylaws now that one off microchipping issues have been addressed and \$6k less income realised for Nuisance Act bylaws.

Offset against these decreases is a forecast increase in Development income of \$27k based on the assumption of a sustainable trend in income growth of at least CPI.

10.1.3 User Charges (\$335,849 decrease)

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

User Charges are projected to decrease by 10% on 2019/20 budget estimates and are based on the fees and charges endorsed by Council in the Fees and Charges Register which can be inspected at the Council offices or on Council's website.

The decrease is largely due to the waiving of rents and licence fees per Council meeting 11th May item 6.4 of \$71k, an expected decline in hall hire of \$19k and a forecast loss of income from St Clair Recreation centre based on Council's current contract of \$127.5k due to COVID 19 restrictions.

Other decreases include a \$214k reduction in income across successive years from annual operating projects and in particular Woodville Town Hall events.

Offset against this is an increase in income expected from the Waste centre at Toogood of \$34k and \$24k from charges for use of Sunningdale Reserve based on the current agreement.

10.1.4 Grants (\$916,518 decrease)

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

Overall the level of grants is expected to decrease by 10% on 2019/20 Budget estimates, largely as a result of the timing of recognition of supplementary road funding for 2020/21 which was received and accounted for in 2019/20.

Offset against this are CPI increases forecast for the Financial Assistance Grant (FAG), Urban Local Road funding, and CHSP of \$311k, noting that HACC state funding has ceased for \$82k.

Other reductions include one off grants of \$540k for the annual operating projects over successive years.

The following table summarises the significant movements in budgeted grant funding between 2019/20 and 2020/21.

	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Variance (decrease) \$'000
State Grants			
Financial Assistance Grants (FAG)	2,423.2	2,514.0	90.8
Home And Community Care (HACC)	82.0	0	(82.0)
Immunisation	146.2	105.5	(40.7)
Urban Local Road (ULR)	1,750.0	1,303.0	(447.0)
Median Maintenance	67.0	68.4	1.4
PLAIN Library	830.0	858.10	28.1
Pest Control	5.0	5.0	0.0
Revegetation maintenance	0.0	5.0	5.0
West Lakes Stormwater mgt plan (AOP)	155.0	85.0	(70.0)

	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Variance (decrease) \$'000
Capital Project renewal funding for Unisex changerooms for Sporting clubs	600.0	0	(600.0)
SUB TOTAL	6,058.4	4,944.0	(1114.4)
Commonwealth Grants			
Community Visitor Scheme	53.2	53.2	0.0
Immunisation	13.2	13.2	0.0
Roads to Recovery	1,214.0	1,215.2	1.2
CHSP	1,466.7	1,533.4	66.7
SUB TOTAL	2,747.1	2815.0	67.9
Local Government grants	0.0	130.0	130.0
Total	8,805.5	7,889.0	916.5

10.1.5 Investment Income (\$22,500 decrease)

Investment income includes interest on investments and rates in arrears. Interest on investments is forecast to decrease by \$22k based on expectations of forecast cash balances similar to 2019/20 where bank accounts are swept daily to pay off loan balances to ensure borrowings are kept to a minimum.

10.1.6 Reimbursements (\$29,520 decrease)

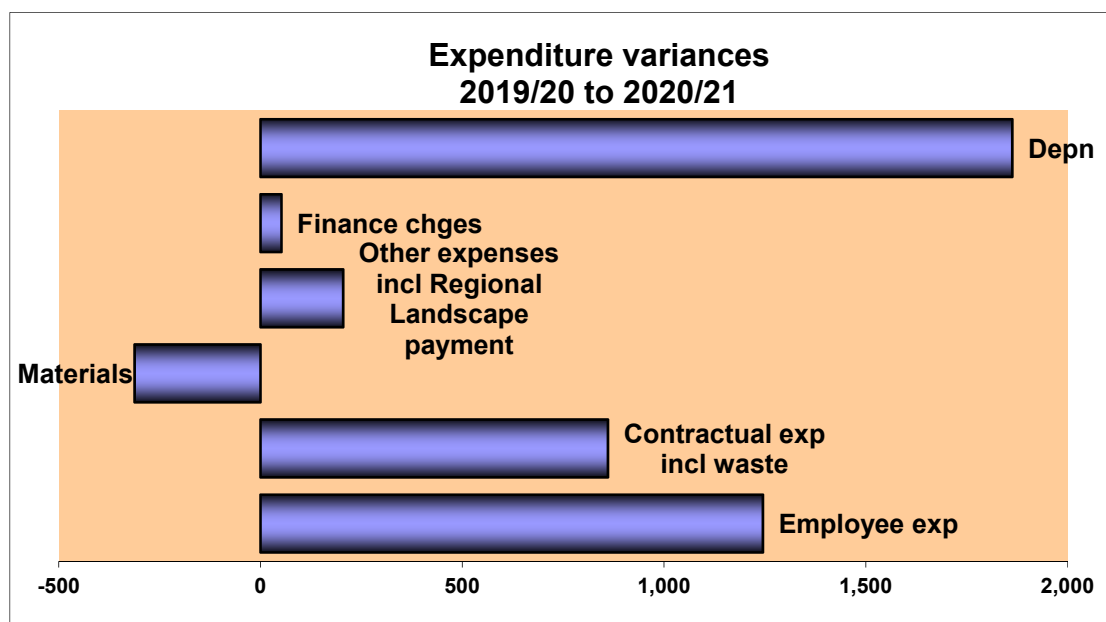
This includes income from recouping specific costs incurred for Council activities and private works. Reimbursement income is expected to decrease by 4% largely due to a reduction in the expected reimbursement from recyclables of \$60k offset by an increase in the Woodville Town hall reimbursement income of \$32.9k based on the adopted business plan endorsed by Council 23 March item 4.07

10.1.7 Other revenues (\$101,550 decrease)

Other Income relates to a range of unclassified items that do not fit within the main income categories. Other income is forecast to decrease by \$101k or 58% with a loss of income of \$104k for recyclables as a result of the new waste contract and impact of China sword.

10.2 Operating Expenditure

	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Variance (decrease) \$'000
Employee Expenses	43,634	44,879	1,245
Materials, Contracts, Other	44,981	45,735	754
Finance Charges	1,801	1,853	52
Depreciation	31,730	33,593	1,863
Total Operating Expenses	122,146	126,060	3,914



10.2.1 Employee Expenses (\$1,244,970 increase)

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

Employee costs are based on the current base FTE establishment, including grant funded positions and allowance for additional positions adopted as part of the budget 2019/20 from annual operating projects of 0.2FTE.

Employee costs are forecast to increase by 2.9% compared to 2019/20 budget due to the EB wages increase of approx. 2%, increments and allowance for items such as parental leave, long service leave and superannuation offset by a nil wage increase for the Management team.

To deliver annual operating projects in 2020/21 over 2019/20 projects adopted contributes a one off increase of \$160k in employee expenses.

10.2.2 *Materials, Contracts and Other Expenses (\$754,970 increase)*

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

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

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

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

Materials, Contractors and Other expenses are expected to increase by \$754k or 1.6%.

Contractual service costs are forecast to increase by 3% compared to the 2019/20 Budget.

The major increases in expenditure are due to increases in current contracts for domestic collection, playgrounds etc of \$189k, \$63k for the Woodville Town Hall business plan endorsed by Council 23 March item 4.07 and \$20k for the installation of smart sensors on reserve bins. Other increases include \$20k for our responsibility for removal of graffiti on the Linear Park bridges, \$302k for the cost of Cloud migration per business case and \$326k for waste dumping costs per the current contract and assuming 2 months at the contract expiration using the MRF based on the LTFP assumptions for tonnage and fees. Offset against these increases are savings of \$20k for the West Lakes Ranger service, a reduction on consultants of \$64k, fleet apprentices of \$31k based on their current rates and \$56k for savings on SAPN tariff charge including SLUOs.

Material costs are forecast to decrease by 3.9% overall, with material cost increases for water of \$36k, fleet maintenance spares of \$24k and \$20k for printing and communications for waste education on the new contract 1 May 2021 and potential change of collection days for some residents which is all offset by savings in electricity of \$168k and fuel of \$53k.

Other Expenses are forecast to increase by 1.8% compared to 2019/20 budget estimates.

Material increases included the \$88k or 3% for the payment of the Regional Landscape levy which is collected by Council on behalf of the new Green Adelaide Board, \$46.6k for marketing costs as per the endorsed Woodville Town Hall business plan per CL 23 March item 4.07 and insurance based on interim advice of \$134k, noting the 2019/20 budget was approximately \$88k underfunded. Other increases include \$74k for the share of forecast losses per St Clair Recreation centre contract and impact of COVID19, \$34k for

postage based on a 10% increase in costs for Australia Post and \$39k in FBT, partly offset by a reduction in budgeted wages to account for salary sacrifice. Offset against these increases are reductions in communication costs of \$34k.

Total annual operating projects adopted for 2020/21 as compared to 2019/20 also contributes approximately a reduction on expenditure of \$232,400 over the 2019/20 budget across Material, Contractual and Other expense categories.

10.2.3 Finance Charges (\$51,766 increase)

Finance charges relate to interest charged by financial institutions on borrowed funds. Borrowing costs have been based Council's expected loan portfolio including Council's capital new/upgrade program for 2020/21.

10.2.4 Depreciation (\$1,863,216 increase)

Depreciation recognises the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains, over the life of the assets. Estimates are based on capitalisation forecasts for Council's capital works program.

11. Analysis of Cash Position

This section of the report provides an analysis of the expected cash flows for the 2020/21 year. The analysis is based on 3 main categories of cash flow. In summary these are:

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

11.1 Budgeted Cashflow Statement

	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Variance (Outflow) \$'000
<i>Operating Activities</i>			
Receipts	127,162	125,885	(1,277)
Payments	85,724	92,467	6,743
Net cash inflow (outflow)	41,438	33,418	(8,020)
<i>Financing Activities</i>			
Receipts	15,114	500	(14,614)
Payments	1,457	1,445	(12)
Net cash inflow (outflow)	13,657	(945)	(14,602)
<i>Investing Activities</i>			
Receipts	3,895	3,008	(887)
Payments	58,990	35,677	(23,313)
Net cash inflow (outflow)	(55,095)	(32,669)	22,426
Net Increase (decrease) in cash held	0	(196)	(196)
Cash at beginning of year	1,610	4,000	2,390
Cash at end of year	1,610	3,804	2,194

11.1.1 Operating Activities (\$8.02m decrease)

The decrease in net cash inflows from operating activities is \$8.02m. This is largely due to a reduction in incomes as a result of COVID19 and increase in rate relief measures and reductions in fees for council services as a mechanism to reduce financial hardship in the community.

11.1.2 Financing Activities (\$14.602m decrease)

Financing activities includes the principal component of loan repayments for the year and new loans required. The levels of financing required in 2020/21 has reduced as the significant capital works program over the last 3 years decreases and hence less reliance on borrowings.

11.1.3 Investing Activities (\$22.426m decrease)

Investment in capital projects for the City has decreased by approximately \$23.3m consistent with the long term financial plan projections for capital expenditure following 3 successive years of a significant increase in capital expenditure for major projects such as St Clair recreation centre redevelopment, West Beach Rockwall and Port Road Drainage

11.1.4 Cash at End of the Year (\$2.194m increase)

Overall, cash at year end is forecast to increase by \$2.194 on 2019/20 forecast budget, reflective of the pattern in Council cash position at year end and in line with Councils revised position 2019/20 of \$4m , noting the net change in cash requirements over 2020/21 is nil.

12. Analysis of Budgeted Financial Position

This section of the budget report provides an analysis of the anticipated movements in assets, liabilities and equity between the adopted budget 2019/20 and forecast budget for 2020/21.

12.1 Budgeted Statement of Financial Position

	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Variance \$'000
Assets	11,987	13,213	1,226
Non-current assets	1,252,695	1,313,555	60,860
Total assets	1,264,682	1,326,768	62,086
Liabilities	31,699	34,917	3,218
Non-current liabilities	45,538	52,589	7,051
Total Liabilities	77,237	87,506	10,269
Net assets	1,187,445	1,239,262	51,817
Equity			
Accumulated surplus	502,910	498,566	(4,344)
Reserves	684,535	740,696	56,161
Total Equity	1,187,445	1,239,262	51,817

12.1.1 Current Assets (\$1.226m increase)

The increase in current assets on budget estimates for 2020/21 is mainly due to the increase in cash position at year and outstanding debtors including rates expected as a result of COVID19.

12.1.2 Non-current assets (\$60.860m increase)

The increase in non current assets is the net result of the forecast capital works program and impact of the revaluations of buildings and bridges in 2019/20 and footpaths in 2020/21.

12.1.3 Current Liabilities (\$3.218m increase)

Current liabilities, that is the obligations Council must pay within the next year, is forecast to increase on the 2019/20 forecasts by \$3.218m largely due to an expected increase in payables .

12.1.4 Non-Current Liabilities (\$7.051m increase)

Non current liabilities, that is the obligations Council must pay beyond the next year, is forecast to increase by \$7.015m. The increase largely reflects the recognition of the present value of lease liabilities as a result of changes in accounting standards for which there is an offset right of use asset of \$2.832m plus an increase in loans reflective of Council's increased capital works program in 2019/20 and of the impact of COVID19.

12.1.5 Equity (\$51.817m increase)

The increase in equity is the result of the capitalisation of assets expenditure, revaluations across successive years for buildings, bridges and footpaths plus forecast net surplus results.

13. What Does This Mean for Rates?

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

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

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

Local Government rates are based on:

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

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

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

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

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

Rates are a property tax that attempts to balance the 5 principles of taxation and which meets the essence of an ad valorem tax system. Property values provide an independent indication of the relative wealth of a ratepayer. The system of rate rebates, remissions and postponement is designed to enable issues of hardship and temporary incapacity to pay to be specifically targeted for special treatment amongst identified classes of ratepayer.

In determining how rates are applied and in determining the rate in the dollar Council's also have a number of options:

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

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

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

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

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

13.1 Rate Increase for 2020/21

To meet the requirements of Council's community plan, Long Term Financial Plan and Annual Business Plan and Budget for 2020/21, Council needs to levy rate income of \$111,931,325 (a total increase of 1.84% on 2019/20 rates levied equal to a final overall increase of 0.77% plus growth of new properties of 1.07%).

For 2020/21 \$5.022m has been allocated towards rate relief options including rebates, remissions and appeals for City of Charles Sturt ratepayers including targeted COVID19 rate relief and support which equates to approximately 4.49% of the total rates levied.

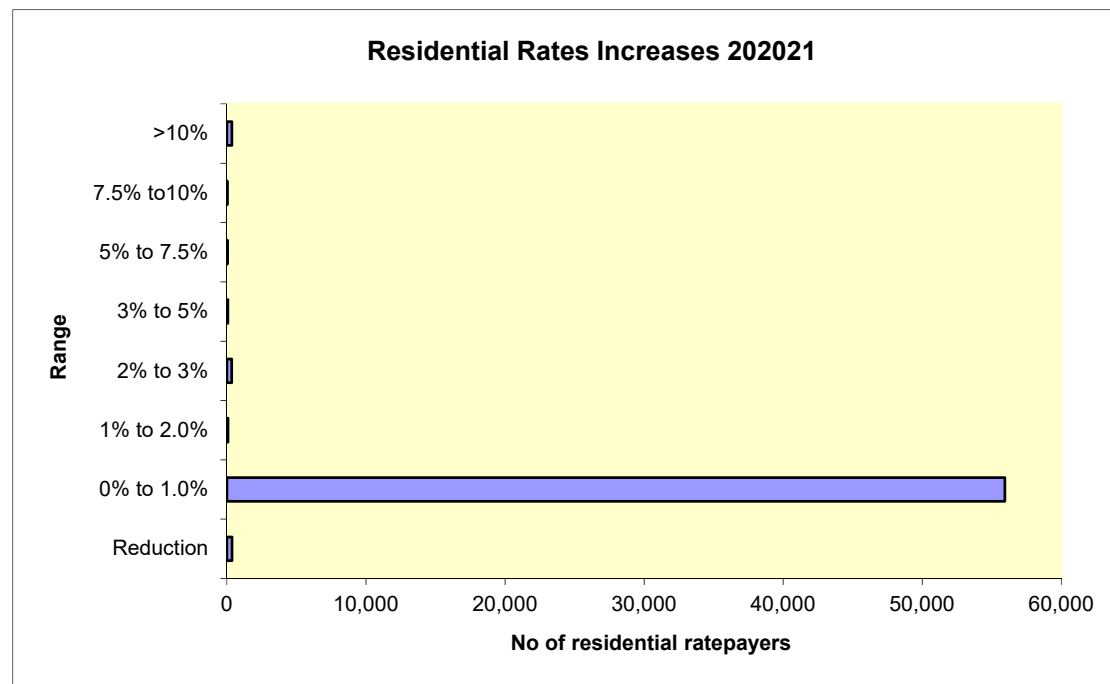
There are a number of issues that have been considered in developing Council's rating strategy for 2020/21:

- The latest reports from the Valuer General have indicated property valuations for residential have increased by an average of 0.27%, industrial by 0.62% with commercial values decreasing by 1.12% and vacant land by 5.6%
- As provided by the Valuer General, property growth (additional properties) is around 1.07% as against our latest LTFP prediction of 0.84% and reflects the continued property development throughout the City.
- The increase in CPI (All Groups Adelaide) for the twelve months to 31 March 2020 is 2.4% and for all capital cities 2.2%. This is against a forecast CPI for 2020/21 of 1.94% by Access Economics.
- The increase in the Local Government Price Index (LGPI) for 2020/21 is forecast at 2.1%. The LGPI is a useful reference regarding the inflationary effect of goods and services consumed by local government and is a better reflection of the changing cost of inputs used by councils to deliver services than CPI.
- The impact of the COVID19 pandemic which has resulted in financial hardship in the community with ratepayers losing employment and/or businesses forced to close or restrict activity.

In 2020/21 Council has adopted a strategy that will see Council deliver a minor operating deficit so as to provide targeted COVID19 rate and income relief to the community in addition to a minor rates increase in 2020/21 that will see it continue to be financially sustainable over the next 10 years. Mindful of expectations of low rate increases expected by the community, Council's strategy is to still maintain equity for average rates increases across all land use codes whilst still maintaining the minimum rate to ensure approximately 35% of ratepayers fall within the legislative threshold.

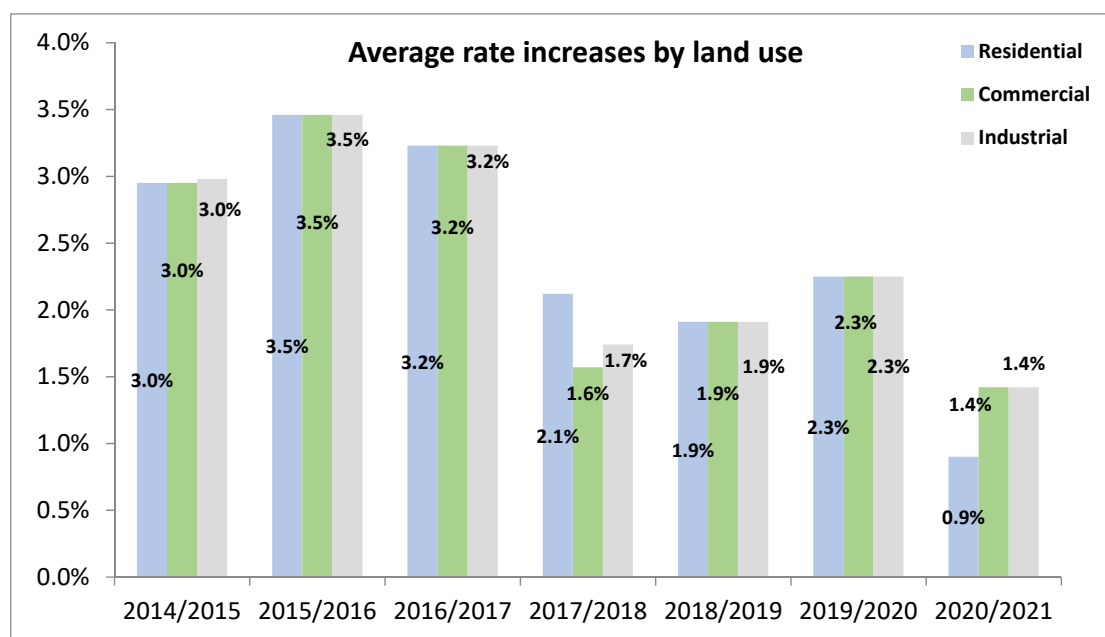
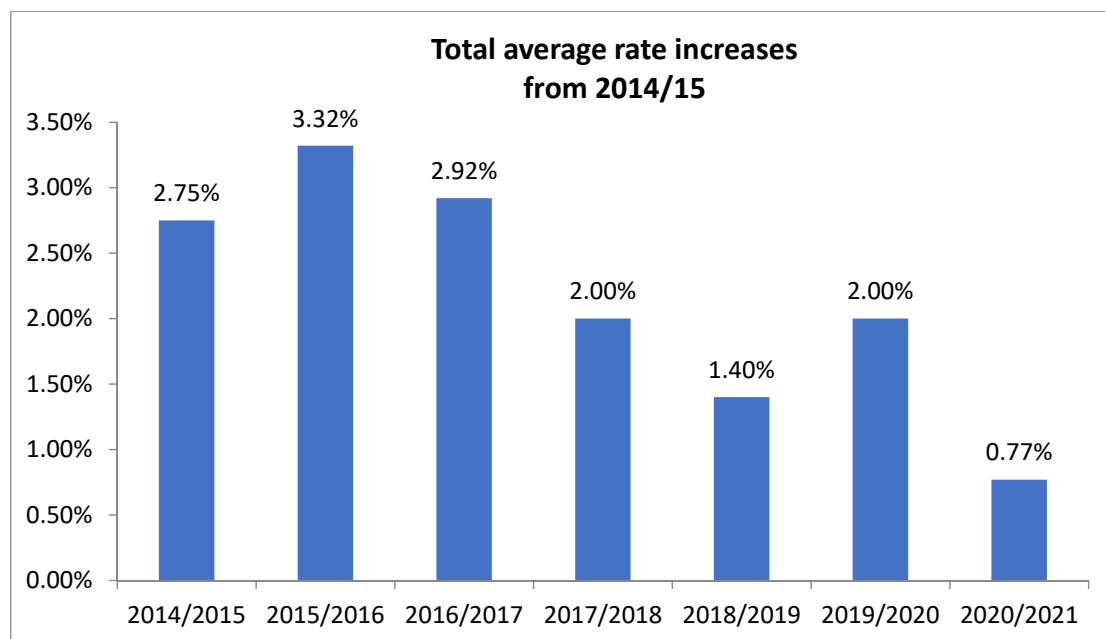
To maintain the number of ratepayers at the legislative minimum of 35% the minimum will be maintained at \$1,095 and therefore there is no increase for 2020/21 .

With final valuations received the “typical” residential ratepayer (with a property valued at \$516,221) will be paying approximately \$1,332 p.a. or \$3.65 per day to receive the services and infrastructure benefits laid down in the annual budget. The average increase in residential rates is 0.9% or for a typical ratepayer an extra 0.31c per week or \$16.32 per annum.



The above distribution of rates increases across the City shows 98% of residential ratepayers will have a rates increase of less than 1.0% with 35% of ratepayers having a nil rate increase

Overall the total average rates increase across the City is 0.77% (plus new property growth 1.07%).



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

From the rates modelling and an examination of the potential impact across the City on the distribution of residential rates, it is still considered necessary to provide tailored rebates and remissions to address any potential inequities. The impact of the Coronavirus (COVID19) pandemic and feedback from the community indicates there is financial hardship across the community and Council is receptive to these concerns.

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

- **Rate capping**

Limits the amount paid in rates in 2020/21 to a 12.5% increase on rates paid (excluding the Regional landscape levy and pensioner concessions) in 2020/21 for residential land use across the community. This capping would not apply where:

- the increase is due to an increase in valuation as a result of improvements greater than \$20,000
- the increase is a result of a change in land use or
- ownership of the property has changed since July 2019

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

- **Hardship**

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

- **COVID19 Hardship**

The COVID19 pandemic presents unique circumstances in the community and this rate relief was put in place as a temporary measure to specifically support ratepayers who have been adversely financially impacted by COVID19 and who meet specific criteria.

A COVID19 Hardship policy has been put in place for the 2020/21 year and where an applicant meets the criteria for specific hardship as outlined in the Policy they will be entitled to a waive of rates for the first instalment up to \$1k per property. A ratepayer is only entitled to put in a maximum of 3 applications where they own multiple properties in Charles Sturt, up to a maximum of \$5k in total rate relief.

Those considered applicable to COVID19 hardship relief include :

- owner /occupier of a residential property who is currently unemployed or underemployed and receiving either jobseeker or can provide a separation or stand down certificate from their employer as a direct result of their employment ceasing due to COVID-19 restrictions on their employer;
- owner/occupier of a commercial property and their business is experiencing financial hardship and forced to close or to limit trading due to restrictions by Federal or State Government COVID19 legislation for a period of at least 8 weeks between 1 March and 31 October 2020;
- the applicant having residential or commercial rental properties as a primary source of income providing evidence of a lease agreement or other written evidence of a tenant being entitled to rent relief between 1 March 2020 and 31 October 2020 for

a reduction in rent of at least 50%, due to COVID19 for a period of at least eight (8) weeks – (but not a deferral of rent);

- owner/occupier of a residential property who was employed by a business impacted by COVID 19 restrictions from 1 March to 31 October 2020 and are currently on jobkeeper.

All applicants must have had nil arrears as at 31 March 2020 and must put in a payment arrangement to pay the remaining rates for 2020/21 by 30 June 2021.

- **Residential Construction**

The vacant land rate in the dollar is usually three times higher than the residential rate in the dollar. For the purposes of securing the proper development of the area a rebate will be given to ratepayers who are assessed as vacant land as at 30 June 2020 but who will build their new family home on that land and can demonstrate that they will live in that home for at least 1 year.

If footings are poured prior to 31 December 2020 a full rebate will be given. If the footings are poured after 31 December 2020 a 50% rebate will be given. This rebate will effectively mean those ratepayers applicable will have their rates reassessed using the residential rate in the dollar as opposed to the vacant land rate.

This rebate is only applicable to those who intend to live in Charles Sturt as owner/occupiers and who are not building properties for investment purposes. It is the intention of this rebate to only apply to one dwelling and to the ratepayer who will reside in Charles Sturt and consequently where multiple dwellings are proposed on Land (with or without division of the land occurring) the rate rebate will apply to only one of the dwellings, on a pro-rata basis. If the principal ratepayer is a body corporate the rebate will only be applied if one of the directors or office holders will reside in the dwelling.

Residential construction rebates will be by application where eligible ratepayers will have until the 30 June 2021 to apply.

- **Postponement of Rates**

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

13.2 Rating Structure

Council has established the following rating structure for 2020/21:

Rate Type	2019/20 Cents in \$	2019/20 Ave Rate	2020/21 Cents in \$	2020/21 Ave Rate	2020/21 Ave % Increase	No of Rateabl e Props	No on Min Rate	Rate Income
Res'l - Charles Sturt	0.254811520	1,418.10	0.257272454	1,430.80	0.9%	54,354	20,164	77,769,500
Comm'l - Charles Sturt	0.8071194550	7,527.45	0.8278720620	7,634.41	1.42%	3,192	258	24,369,045
Industrial - Charles Sturt	1.1038159350	10,364.75	1.1125520240	10,511.47	1.42%	460	6	4,835,274
Primary Prod'n - Charles Sturt	0.2257939080	2,451.25	0.6273817034	2,486.00	1.42%	4		9,944
Vacant Land - Charles Sturt	0.861351782	3,498.67	0.924203242	3,548.28	1.42%	972	60	3,448,925
Other - Charles Sturt	0.4156516090	6,397.06	0.4072823630	6,487.61	1.42%	231	20	1,498,637
Overall Average	N/A	\$1,875.80		1,890.32	0.77%	59,213	20,508	111,931,325

	2018/19	2019/20	% Change
Minimum Rate - Charles Sturt	\$1,095.00	\$1,095.00	0.00%
% on Minimum	34.6%	34.6%	

13.3 Rating Policy

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

13.4 GIS Mapping of Rate Modelling

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

Maps are produced for Council Members to view at the Budget workshops which reflect the key issues and outcomes of the 2020/21 rating strategy adopted by the Council. The maps reflect the distribution of rates across the City and the impacts on various sectors of the community. This analysis enables the Council Members to evaluate the potential impact of the rates distribution across the City before finalising a strategy.

14. Borrowing Strategy

14.1 Strategy Development

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

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

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

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

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

Debt will be considered:

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

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

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

14.2 Current Year Borrowings

For the 2020/21 year, Council has decided to continue with its borrowing program and increase council's net debt position to fund any shortfall for new/upgraded capital expenditure from council's revenues, if required.

In the Long Term Financial Plan which has been used as the framework for developing the 2020/21 budget, debt is regarded as an appropriate mechanism for funding asset new and upgrade works within the constraints of a net financial liabilities ratio less than 100% of Council's operating revenue.

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

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

In pursuing this strategy over the last 10 years borrowings identified in the budget process have **only** been utilised if there has been inadequate cash to fund any requirements. Generally the cash advance facilities have been effective in meeting

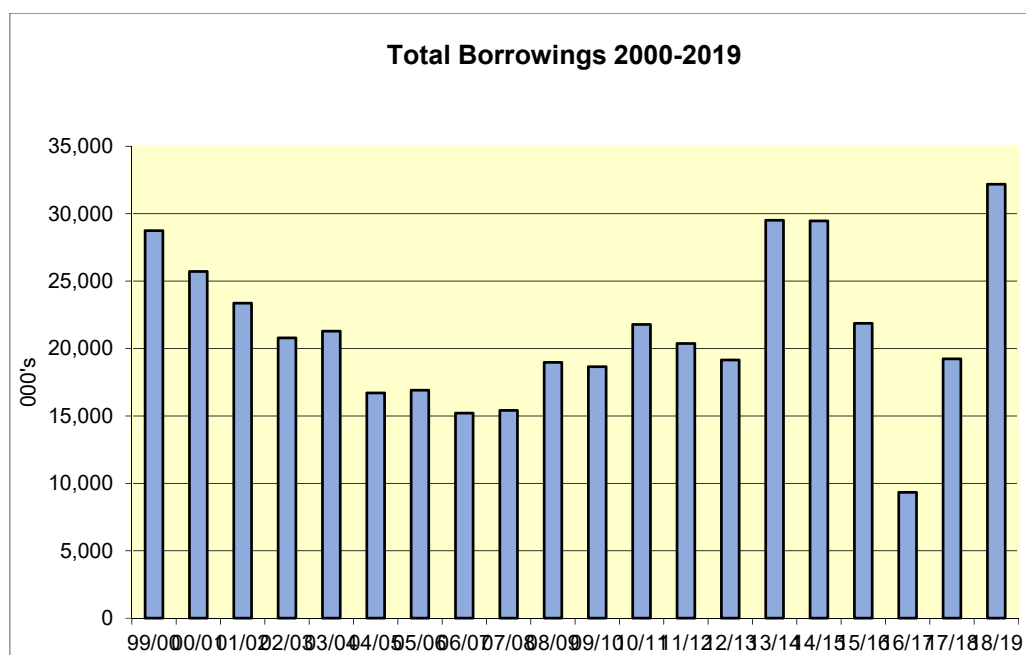
any short term cash requirements, repayable when surplus funds have been received. This has enabled council to reduce its budgeted interest costs over the years and resulted in an actual borrowings position far better than expectations. These facilities in particular will be used to address any impact that arises on council's cash position as a result of financial hardship in the community from the COVID19 pandemic.

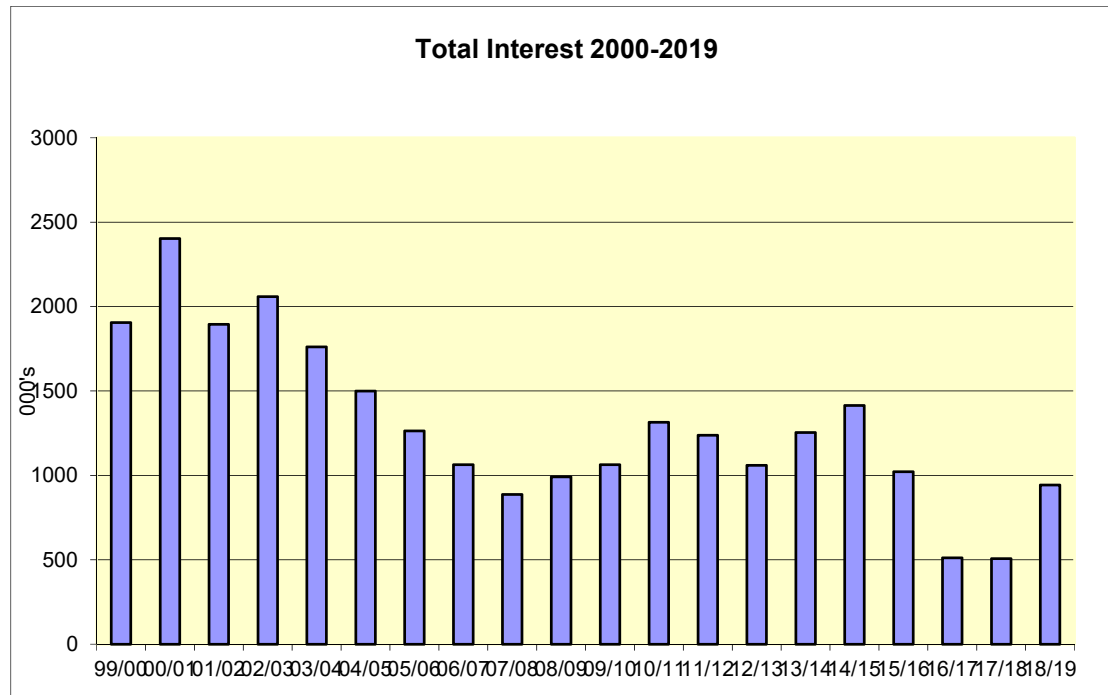
(Note: Council still determines its initial forecasts for borrowings for planning purposes without regard to the potential impact as a result of the timing of cash flows for capital works projects over successive years).

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

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

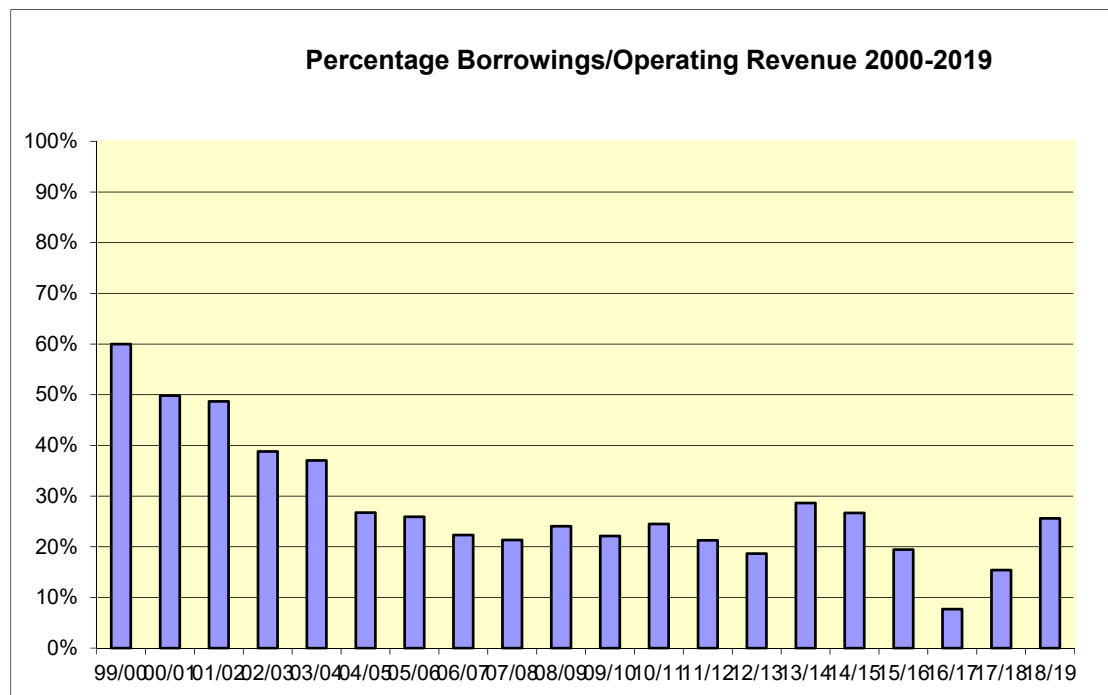
As at June 2019 the total loans outstanding was \$32.188m (June 2018 \$19.136m). This increase reflected the impact of the significant capital works program over the last 3 years.





For year ending June 2019 total interest on borrowings was \$943k (June 2018 \$507k).

Borrowings as a percentage of Councils operating revenue is graphed below, demonstrating the effectiveness of the treasury strategy and use of borrowings over time. As at June 2019 the percentage of Council's borrowings to operating revenue was 26% (June 2018 15%).

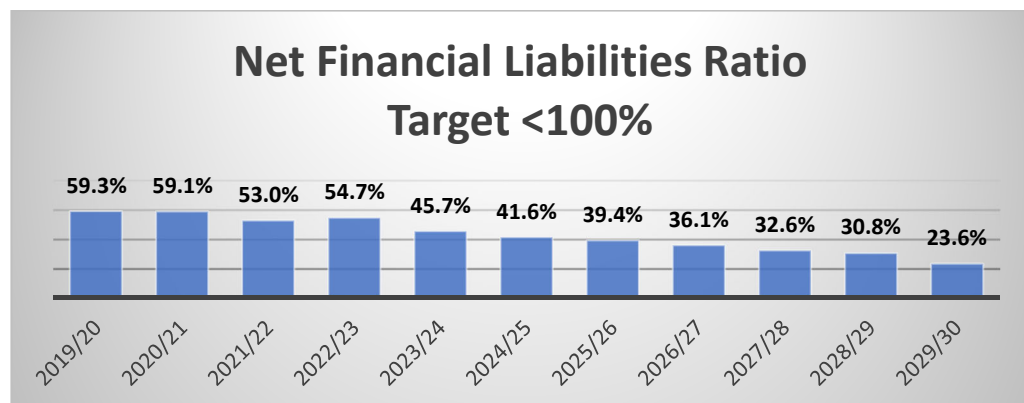


As at June 2020 borrowings are forecast at \$47.35m and therefore Council was expected to use only 50% of its available facilities.

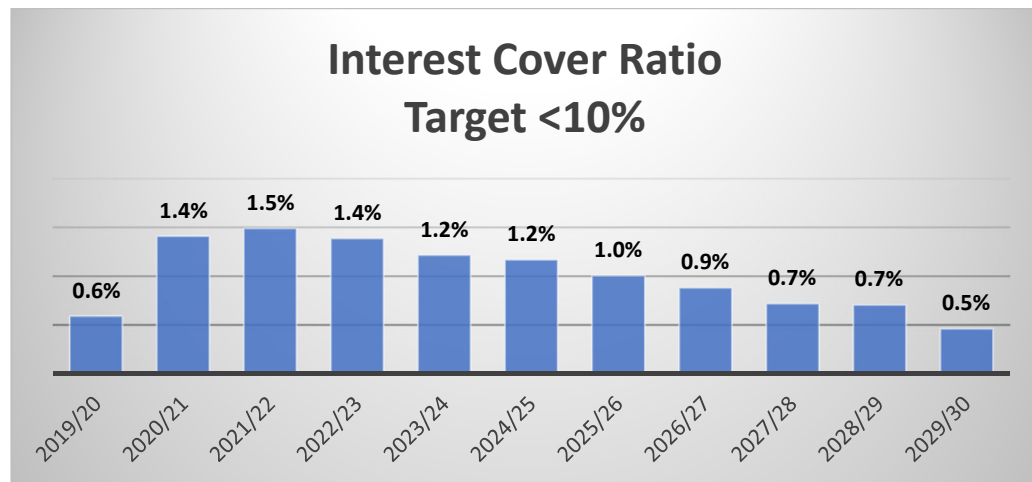
Over 2019/20 Council put in additional CAD facilities to counteract any impact of the COVID19 pandemic and currently Council has access to \$94.5m in CAD facilities.

Council uses a Net Financial Liabilities ratio as a measure of Council's ability to meet all of its liabilities which include borrowings as well as other liabilities including provisions for employee entitlements from its operating revenue. The forecast ratio for the 2020/21 is 59.1% and demonstrates Council can comfortably meet all of its existing liabilities from its operating revenue. (ie if Council had to pay out all its liabilities including all its staff from its revenue it could comfortably and then pay 59% of its revenue with the remaining 41% provided back to its residents as a dividend) Council has set a constraint on its borrowings threshold for funding asset new and upgrade works within the constraints of a net financial liabilities ratio of less than 100% of Council's operating revenue.

Over the forecast 10 year period Council's net financial liabilities ratio is well within the industry benchmark of 100%.



An interest cover ratio which measures the extent to which interest costs associated with borrowings can be met from its operating revenue is forecast at 1.4%, also well within the industry benchmark of 10%.



15. Infrastructure Strategy

15.1 Strategy

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

Our Vision:

CHARLES STURT – A LEADING, LIVEABLE CITY

Our Objective:

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

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

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

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

The infrastructure assets that Charles Sturt maintains on behalf of the Community totals in excess of \$1.9bn in replacement value. Due to the nature of services provided, the asset class mix is quite diverse. These can be broadly grouped as;

- Transport (roads including kerb & gutter, carparks, paths, lighting, traffic controls, bus stops, bridges)
- Water Infrastructure (recycled water supply & stormwater management)
- Council Owned Buildings
- Open Space & Recreation (reserves & other green spaces, playgrounds, furniture, fences & walls, sports accessories and irrigation).

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

together to capture asset information and use it to inform and plan Asset Renewal/Upgrade/Disposal through the Long Term Financial Planning process of Council.

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

This annual review cycle has commenced with the major revision of the Transport AMP, Water Infrastructure AMP & Lighting AMP currently underway.

Key Asset Management Planning achievements between July 2019 to June 2020 include:

Asset Management Strategy, Plans and Governance

- The Asset Management Services Management Team comprise multi-disciplinary representatives across Council who meet on a regular basis to ensure a coordinated approach to asset management planning.
- Continued the major review cycle of all Infrastructure Asset Management Plans for major asset classes triggered by the 2018 Council Elections.
- Conducted condition audits and revaluations on a rolling scheduler carried out to ensure requirements under Australian Accounting Standards are met into the future.

Asset Systems and Processes

- Continued implementation and refinement of the Strategic Asset Management module.
- Commenced the use and development of the Ci Anywhere module for Asset Lifecycle Management
- Continued to use the budget bid process to automatically generate work orders for capital works projects which capture activities and all associated costs against the project and assets in question.
- Promoted the use of geospatial systems for integrated planning and placemaking by leveraging asset information.
- Continued the asset data transition & migration to the One Council data structure.

A key focus for Asset Management in 2020/21 will be to:

- Continue to refine Integrated Asset Planning activities across all Divisions of Charles Sturt
- Continue to collaborate with other Councils & organisations to knowledge share & ensure best practice.
- Create better access to relevant asset data through the ALM system and geospatial tools available
- Continue the implementation and refinement of Strategic Asset Management modelling for all major asset classes.

- Continue the development of Ci Anywhere module for Asset Lifecycle Management.
- Continue the asset data transition & migration to the One Council data structure
- Increase the use of GIS tools to aid and benefit asset management planning and asset analysis
- Maintain a high confidence level in data accuracy across major infrastructure asset class assets
- Continue the internal review cycle of the Asset Management Plans for major asset classes per our review framework.

15.2 Roads

The past 12 months have seen an detailed audit of road kerb and gutter assets. The combined data will be loaded into the Strategic Asset Management solution to provide extensive analysis with the outcomes used to inform and update the new Transport Asset Management Plan.

This will result in a revision of the Transport Assets Management Plan in 2021.

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

15.3 Paths

The 2019/20 year has seen extensive analysis of path condition data to include the development and implementation of maintenance and intervention strategies to avoid full path replacement keeping the cost of path management within sustainable levels.

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

15.4 Water (including Stormwater and Recycled water)

A major revision has commenced of the Water Infrastructure Asset Management Plan which combines council owned Stormwater Infrastructure Assets with the Recycled Water Infrastructure assets constructed as part of Water Proofing the West such as pump stations, wetland basins, water bores, recycled water mains, valves, tanks and water meters.

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

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

Over the past year construction of the Port Road Stormwater Upgrade Stage 3 has continued and is due for completion in September 2020.

Design of the Clovelly Ave drainage upgrade has also been finalised with work currently underway.

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

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

Additionally, Council will be aiming to implement smaller scale Water Sensitive Urban Design treatments such as rain gardens to improve the quality of stormwater being discharged into the River Torrens and currently Council is working on the Tracey Ave Raingarden project.

15.5 Bridges

Charles Sturt currently has 68 bridges. Bridges have a long service life if maintained correctly. In the 2017 Bridge Asset Management Plan Charles Sturt established a planned bridge maintenance program to ensure maintenance work is completed to bridges on a cyclic basis.

A condition audit and valuation of bridge assets was undertaken in 2017/18 which has informed a revision of bridge assets which have now been incorporated into the Transport Asset Management Plan.

Bridge projects currently in progress include the Hindmarsh Cemetery RTLP path, the South Road Underpass and the Grange Jetty Square Boardwalk. In the next 24 months maintenance and renewal work is also planned for the Henley Square Boardwalk and Port Road Underpass.

15.6 Public Lighting

The Public lighting Asset Management plan is currently undergoing a major revision with Council completing an audit of lighting assets which will form the basis for improved information and better decision making on lighting assets and projects.

Council has now completed Stage 1 of the LED replacement program with Stage 2 due to commence and will continue to work with SAPN to complete a full replacement of SAPN owned and maintained lights.

New lighting work and renewal lighting work now essentially only uses LED lighting, except in special circumstances, such as sports field lighting and projects with existing lighting in good condition.

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

15.7 Land and Buildings

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

In 2019/20 clubroom redevelopments at Gleneagles Reserve Clubroom and new changerooms at Jubilee Reserve, St Clair Oval and West Lakes Shore Oval were completed. In addition upgrades to wet areas were undertaken at Henley Memorial Oval, roof renewal work at Don Klaebe Reserve, 56 Woodville Road and the Findon Community Centre, new ceiling insulation and fencing at Palm Grove retirement village and emergency repairs to roof trusses at Henley Library.

A number of minor capital works were also completed on various Council buildings including the Woodville and Henley Town Halls.

In 2020/21, besides minor capital works across numerous sites, Council will also commence work on the West Lakes Hub, finalise design of the Woodville Hockey Club Upgrade and construct new changeroom facilities at Flinders Park Club.

Major revision of the Buildings Asset Management Plan (AMP) was also completed in March 2020 which incorporated the findings of the recent building condition audit and revaluation. The AMP refines maintenance and intervention strategies for building assets and helps drive the future capital renewal and upgrade programmes.

15.8 Open Space and Recreation

The Open Space and Recreation Infrastructure Asset Management Plan underwent major revision in 2018/19 with a new plan adopted in June 2019. This plan informs the delivery of renewal works to open space assets through an integrated approach wherever possible.

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

In 2019/20 major works undertaken included completion of an upgrade of MJ McInerney Reserve and Stage 2 of the St Clair Recreation Precinct, which included the construction of six new tennis courts, regional playground and skate park. Landscaping works to support the drainage upgrades along Port Road also continued.

Other projects included a major upgrade at Inlet Reserve and playground renewals at Anglely, Matheson, Alton, Raymond and Cheltenham Reserves.

In 2020/21 Council will conduct an extensive audit of Open Space assets which will help improve data quality and inform the strategy and delivery for future works and services.

16. Measuring Achievement of the 2020/21 Business Plan

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

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

Our Corporate and Community plan is currently being reviewed and due for completion in November. As a result, some of our indicators may be subject to change and this will be reflected in our regular reporting.

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

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

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

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

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

We will know our community feels connected and supported by

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

Objective - Create opportunities for community leadership and civic participation.

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

- ❖ *The number of new Australian Citizens conferred in CCS.*
- ❖ *Number of people (or % of population) participating in consultation projects.*
- ❖ *% of sports clubs participating in Council's professional development program.*
- ❖ *Voter turnout: % of eligible population voting in Council elections.*
- ❖ *Number of people and projects supported through Young Changemakers program.*

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

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

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

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

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

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

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

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

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

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

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

We will know our city comprises vibrant and unique precinct by

- ❖ Number of collaborative partners involved in delivering events funded by the Strategic Events Partnerships budget.
- ❖ Average participation in business association meetings.
- ❖ Annual designated place community satisfaction survey.

Objective - Drive an integrated, responsive transport system and network

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

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

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

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

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

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

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

We will know our adaptation and resilience projects are progressing by

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

Objective - Enhance the state of the City's environment and biodiversity***We will know our biodiversity and tree canopy cover are improving by***

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

Objective - Lead and educate to reduce the City's impact on the Environment and build resilience.***We will know our environmental management and efficiency is improving by.....***

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

4. OUR ECONOMY – An Economically Thriving City**Objective - Lead regional collaboration to promote the western Adelaide economy*****We will know our strategic alliances are supporting the growth of our economy by***

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

Objective - Support and enable local business prosperity and growth***We will know our local businesses are growing by***

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

Objective - Facilitate an environment for a diversity of business and industry types.***We will know our industry sectors are diversifying by***

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

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

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

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

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

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

We will know our finances are sustainable by

- ❖ Operating surplus ratio is $\geq 0\%$ and $< 10\%$.
- ❖ Net financial liabilities ratio is $< 100\%$.
- ❖ Asset sustainability ratio is $> 80\%$.
- ❖ \$ value of grants and co-funding received.
- ❖ Resident acceptance of Council rates as value for money.

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

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

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

Objective - Practise transparent and accountable governance.

We will know our organisation is transparent and accountable by

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

17. Attachments

17.1 Overview to Attachments

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

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

The contents of the attachments are summarised below.

Attachment	Nature of Information
Attachment A	Commentary and detail of Long Term Financial Plan Includes: <ul style="list-style-type: none"> - Schedule A – Assumptions for LTFP - Schedule B – Forecast Financial Statements over planning period - Schedule C – Budget Principles
Attachment B	Core Operational Services
Attachment C	Budgeted Financial Statements for 2020/21 <ul style="list-style-type: none"> - Statement of Comprehensive Income - Cash flow Statement - Balance Sheet - Statement of Changes in Equity - Summary of operating and capital investment activities - Key Financial Indicators This section sets out the budgeted financial statements for 2020/21 as prescribed in the Local Government (Financial Management) Regulations 2011. This information is the basis of the disclosures and analysis of the annual budget in this report.
Attachment D	Rating Policy
Attachment E	COVID19 Hardship policy
Attachment F	Organisational Chart and Divisional Functions.
Attachment G	Capital Projects for renewal of council's existing assets for 2020/21.

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

Executive Summary

This document details the City of Charles Sturt's current financial position and outlook to 2029/30 as at January 2020 and was developed to guide the development of the annual budget. *Subsequently the COVID19 pandemic was unfolding. Council still resolved to ensure ongoing financial sustainability but put in one off measures in 2020/21 to address financial hardship in the community and inject economic stimulus measures within its high level budget level parameters. Through savings measures identified the overall rates increase was reduced by 1.1% on the LTFP forecast for 2020/21.*

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

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

The Long Term Financial Plan forecasts have been prepared using anticipated CPI movements over the outlook period based on forecasts provided by Deloitte Access Economics as at January 2020.

LTFP

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

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

These are detailed in [Schedule B](#)

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

Financial Indicators

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

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

Commentary

Long Term Financial Plan

The Statement of Comprehensive Income forecasts small operating surpluses over the forecast period (operating surplus ratio is 0% and <10%) as Council ensures it sustains its relative break even position.

Over the next 5 years total net rate increases (based on the assumptions detailed in **Schedule A**) and excluding growth estimates for new developments are projected to be commensurate with forecast CPI (as provided by Deloitte Access Economics) from 2020/21 at rate increases projected of 1.94%, 2.17%, 2.33%, 2.38%, and 2.21% until 2024/25.

Although the Local Government basket of goods and increasing cost pressures with imposed legislation, government levies, utilities, governance and infrastructure material costs has put pressure on Council's budget, through long term planning Council has been able to position itself to be able to meet these pressures coupled with effective cost control and quarantining of operational efficiencies.

The Balance Sheet forecasts an increase in total assets from \$1,301.6b in 2020/21 to \$1,379.5b in 2029/30. Over the planning period total liabilities are expected to decrease from \$75.8m in 2020/21 to \$47.9m in 2029/30 as the impact of borrowings reduces with the increasing ability of rates levied available to fund capital expenditure over and above depreciation without increasing Council's level of net financial liabilities or total debt.

Loan borrowings are forecast at \$35.161m in 2020/21 after an expected peak in 2019/20 following 3 years of a significant capital program and then decrease to nil in 2029/30.

Council's total equity or net assets is forecast to increase from \$1,225b in 2020/21 to \$1,331b in 2029/30.

Key Performance Indicators

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

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

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

The Net Financial Liabilities ratio decreases from 53.2% in 2020/21 to 19.7% in 2029/2030, well within the 100% ceiling. (This ratio effectively means if the Council had to pay out all of its liabilities in 2020/21 including all of its staff entitlements, borrowings etc it would only use 53.2% of its total income and 46.8% of its total income would then be available to be repaid to its ratepayers).

Of its total net financial liabilities, net borrowings as a percentage of income decreases from 27.2% in 2020/21 to nil% in 2029/30.

The interest cover ratio is also well within the accepted benchmark of 10% rising to a maximum ratio of 1.4% in 2022/23.

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

It should be noted that forecasts for capital are based on currently available information and recognise that staff planning is more accurate over the first 4 year planning period with the level of capital expenditure most difficult to predict especially for new/upgrade components. These estimates will continually be revisited based on competing priorities, however the forward plan demonstrates Council has an ability to meet any capital new/upgrade opportunities presented.

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

Long Term Financial Plan 2020-2030

Schedule A – Assumptions

General Assumption Drivers

The Long Term Financial Plan is prospective information. Actual results are likely to vary from the information presented and the variations are likely to be material. The delineation of the Long Term Financial Strategy is financial forecast information; consequently, the information presented is prepared on the basis of best estimate assumptions as to future events which Council expects are likely to take place. These estimates arise from information known as at 31 January 2020.

Rates income to Council is a product of price and quantity. The number of rateable properties has consistently risen by an average of 1.0% in the recent past. These growth forecasts are verified by council's Planning and Development department annually.

Salary and Wage forecasts for the next 10 years are based on an Enterprise Bargaining Agreement (EBA) where it exists, and a Wages Price Increase (WPI) based on Deloitte Access Economics SA average weekly earnings growth projections where it doesn't.

Cost price Index (CPI) Forecasts are the South Australian CPI projections. These indices are purchased from Deloitte Access Economics, experts in the field, providing a sound scale of increments that this LTFP model is based on.

LTFP Indices	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
CPI	1.94%	2.17%	2.33%	2.38%	2.21%	2.23%	2.50%	2.54%	2.37%	2.20%
Rates Growth	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Rate Revenue	2.94%	3.17%	3.33%	3.38%	3.21%	3.23%	3.50%	3.54%	3.37%	3.20%
Waste	4.44%	4.67%	4.83%	4.88%	4.71%	4.73%	5.00%	5.04%	4.87%	4.70%
Water	2.94%	3.17%	3.33%	3.38%	3.21%	3.23%	3.50%	3.54%	3.37%	3.20%
Maintenance	2.94%	3.17%	3.33%	3.38%	3.21%	3.23%	3.50%	3.54%	3.37%	3.20%
Electricity	2.47%	2.39%	2.79%	2.31%	2.21%	2.39%	2.46%	2.30%	2.03%	1.95%
Fuel	2.47%	2.39%	2.79%	2.31%	2.21%	2.39%	2.46%	2.30%	2.03%	1.95%

Where knowledge exists of a change in price or quantity of a revenue or expense that Council incurs in the provision of services to the community, that change is factored into the LTFP. Examples of these are:

- Landfill levy imposed by the Environmental Protection Agency (EPA) has risen from \$103 per tonne to \$140 per tonne in a staged increase since June 2019.
- Increasing recycling costs as a result of the China Sword issue. Recyclables (yellow top bins) must be clean and capable of being packaged into sellable commodities. Contaminated recyclables are buried as landfill which is significantly more expensive and environmentally unfriendly.
- Parking expiations are decreasing due to driver compliance with parking regulations.
- Postage is increasing from \$1.00 to \$1.10 (a 10% increase)
- Water usage is increasing in correlation with Adelaide's hotter, drier summers. There is also more grass cover to irrigate, like the turfed median strip in Port Road.
- The community's increasing use of kitchen caddies has resulted in more expense on compostable bags.

- 7,600 streetlights have been updated with new technology LED luminaires offering energy and tariff savings.
- An IT to cloud migration project will shift costs previously recorded as capital to operating expense.
- Council is collaborating with Port Adelaide Enfield with the construction of a Materials Recovery Facility MRF. The MRF will be its own business entity so will borrow to buy land and build the facility. Being a Joint Venture, Charles Sturt's share is 50% of the Net Assets of the business. This "equity" will be recognised as an investment asset to council, and any fluctuations in value will be recognised in Council's Profit and Loss Statement.
- A new accounting standard on Lease Accounting requires that previously recorded operating lease rentals are to be recognised on the Balance Sheet as a Right of Use Asset and corresponding Lease Liability. Both will decrease over the term of the lease.

Interest is calculated on loans outstanding. Council has one \$10m loan at fixed interest rate of 3.85% and the remainder of funding is achieved via an "overdraft" arrangement, Cash advance Debentures (CAD) at a competitive variable interest rate. Council's variable funding rate is the reserve Bank of Australia (RBA) cash rate plus a modest margin. Council is financed through the Local Government Finance Authority (LGFA).

Annual Operating projects of \$2.38m are planned for 2020/21, increasing by forecast CPI each year of the plan. Last year's projects (2019/20) undertaken by council has been factored into the recurrent headcount of staff by 1.2 Full Time Equivalent (FTE), included in this plan, at an estimate of \$120k.

Depreciation increases as brand new infrastructure is completed and also as the remainder is revalued to contemporary replacement cost. Depreciation is a non-cash-flow item that represents an allocation of historical costs over the useful lives of the assets. Depreciation isn't a proxy for future asset replacement costs, but rather asset management plans indicate future funding requirements.

Council's Budget Principles don't support the reliance on gains made from asset sales to fund core services.

Operating cash surpluses are used to fund Capital Expenditure on Renewal & Replacement and then New & Upgraded Assets. The balance of available surplus funds will be used to pay down debt or offset the use of new debt.

Capital expenditure for asset renewal is determined by Council's adopted Asset Management Plan (AMP). They are reviewed annually and presented to Council for review and endorsement. The planned amounts for Capital renewal have been indexed in the LTFP, leading to an Asset Funding Sustainability Ratio returning a reading of greater than 100% in 2020/21.

New and Upgrade forecasts are based on current Strategic Management Plans and Council in principle adopted projects. These projects will be presented to Council at the workshop in March 2020.

Capital Program \$0,000											
Capital Renewal	27,604	25,894	23,374	26,377	22,224	23,772	26,680	25,149	26,888	25,826	25,104
Capital New	31,386	7,122	16,379	15,396	8,926	10,896	6,046	5,596	4,946	7,846	9,446
Capital Net	58,990	33,015	39,753	41,773	31,150	34,668	32,726	30,745	31,834	33,672	34,550

In the model we have assumed indexation of the capital program after 5 years.

Capital Program \$0,000 - Indexed after Yr5											
Capital Renewal	27,604	25,894	23,374	26,377	22,224	23,772	27,211	26,359	28,769	28,390	28,291
Capital New	31,386	7,122	16,379	15,396	8,926	10,896	6,289	5,996	5,499	8,529	10,317
Capital Net	58,990	33,015	39,753	41,773	31,150	34,668	33,500	32,356	34,268	36,919	38,608

Loans outstanding are due to the level of new/upgrade capital expenditure. Recent large projects include the Port Road Flood Mitigation program, the St Clair recreation centre, West Beach Rockwall, SAPN lighting rollout and West Lakes Hub. Borrowings increased in 2019/20 as these projects were paid for. The LTFP now shows a reducing borrowings profile in correlation with the lower forecast capital expenditure on new infrastructure. In line with previous years' experience on project delivery a consistent amount of works in progress is assumed (20%) and reflected in level of borrowings forecast.

Key Outcomes

Importantly the current LTFP demonstrates that the Council is financially sustainable over the 10 year term of the LTFP, whilst achieving the objectives outlined in the Strategic Plan.

This includes:

- Implementation and funding of the appropriate level of maintenance and renewal of
- the portfolio of infrastructure assets
- Meeting the ongoing expectations of service delivery to our community
- Managing the impact of cost shifting from other levels of government
- The appropriate use of debt as a means of funding asset upgrade and renewal
- Ensuring the financial sustainability of Council's operations.

Financial sustainability has been demonstrated through adherence to the agreed target ranges in all of the following three key ratios:

- Operating Surplus Ratio, target range 0% to 10%
- Net Financial Liabilities Ratio, target range 0% to 100%
- Asset sustainability Ratio, target range 80% to 110%

KPI Ratios											
Operating Surplus Ratio	Traffic Light										
	Actual Ratio	4.0%	1.4%	5.0%	1.0%	1.0%	0.8%	0.6%	0.4%	0.6%	0.5%
Net Financial Liabilities Ratio	Traffic Light										
	Actual Ratio	58.4%	53.2%	50.2%	53.7%	43.1%	38.8%	36.4%	32.9%	29.1%	27.0%
Asset Renewal Funding Ratio	Traffic Light										
	Actual Ratio	103.4%	100.0%	100.0%	100.0%	100.0%	100.0%	102.0%	104.8%	107.0%	109.9%
Interest Cover Ratio	Traffic Light										
	Actual Ratio	1.4%	1.3%	1.3%	1.4%	1.1%	1.0%	0.9%	0.7%	0.6%	0.5%

Significant Assumption Risks:

Interest Rate Risk

Interest Rate Risk is significant when Financial Liabilities are approximately \$80 Million such that a 2.8% interest rate rise would require approximately an additional 1.0 % increase in rate revenue.

Wage Growth Index Forecast Risk

With employee costs comprising approximately 35% of total operating expenditure a 1% error in anticipated wage growth can result in a \$532k misstatement in the 2020/21 operating result and up to a \$573k misstatement in the 2029/30 year.

Please note the impact of COVID19 had not been factored into any long term planning at the time of adoption by Council.

However ,Council in assessing the impact of the COVID19 pandemic modelled a number of options to address financial hardship against the LTFP framework adopted with a focus on maintaining financial sustainability

City of Charles Sturt

10 Year Financial Plan for the Years ending 30 June 2030

INCOME STATEMENT - CITY OF CHARLES STURT

	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Income		3.43%	2.94%	3.17%	3.33%	3.38%	3.21%	3.23%	3.50%	3.54%	3.37%	3.20%
Rates	106,223	109,861	113,093	116,681	120,563	124,642	128,637	132,795	137,439	142,310	147,112	151,813
Statutory Charges	4,018	4,383	4,268	4,361	4,462	4,568	4,669	4,773	4,892	5,017	5,136	5,249
User Charges	2,881	3,304	2,981	3,046	3,117	3,191	3,261	3,334	3,417	3,504	3,588	3,666
Grants, Subsidies and Contributions	9,329	8,806	8,266	8,445	8,642	8,848	8,800	8,996	9,221	9,455	9,680	9,892
Investment Income	98	102	64	65	67	69	70	72	73	75	77	79
Reimbursements	2,947	616	625	639	654	669	684	699	717	735	753	769
Other Income	169	174	78	80	82	84	85	87	90	92	94	96
Net gain - equity accounted Council businesses	62	-	-	5,000	-	-	-	-	-	-	50	100
Total Income	125,727	127,246	129,375	138,316	137,586	142,070	146,207	150,757	155,849	161,189	166,489	171,665
Expenses			3.24%	2.93%	3.67%	3.43%	3.35%	3.48%	3.43%	3.46%	3.16%	2.82%
Employee Costs	41,807	43,634	45,047	46,367	48,067	49,717	51,380	53,170	54,996	56,899	58,698	60,351
Materials, Contracts & Other Expenses	47,321	44,982	47,259	48,356	49,900	51,512	53,080	54,708	56,529	58,434	60,302	62,123
Depreciation, Amortisation & Impairment	28,859	31,730	33,593	34,758	36,004	37,508	38,909	40,467	42,460	43,916	45,747	47,780
Finance Costs	943	1,872	1,725	1,861	1,925	1,692	1,583	1,373	1,206	968	932	609
Net loss - Equity Accounted Council Businesses	-	-	-	-	250	150	100	75	50	25	-	-
Total Expenses	118,930	122,218	127,624	131,342	136,146	140,580	145,052	149,793	155,241	160,242	165,678	170,863
Operating Surplus / (Deficit)	6,797	5,028	1,751	6,974	1,440	1,490	1,154	964	608	947	811	802
Asset Disposal & Fair Value Adjustments	(7,243)	-	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	13,160	2,950	1,585	1,410	100	100	100	100	100	100	100	100
Physical Resources Received Free of Charge	5,183	200	200	200	200	200	200	200	200	200	200	200
Net Surplus / (Deficit)	17,897	8,178	3,536	8,584	1,740	1,790	1,454	1,264	908	1,247	1,111	1,102
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	33,000	33,139	9,877	4,781	6,713	10,707	8,923	19,583	397	17,409	5,144	12,923
Total Other Comprehensive Income	33,000	33,139	9,877	4,781	6,713	10,707	8,923	19,583	397	17,409	5,144	12,923
Total Comprehensive Income	50,897	41,317	13,413	13,365	8,453	12,497	10,377	20,847	1,304	18,656	6,255	14,025

City of Charles Sturt 10 Year Financial Plan for the Years ending 30 June 2030 BALANCE SHEET - CITY OF CHARLES STURT												
	Actuals	Current Year	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	4,616	4,000	500	500	500	500	500	500	500	500	500	5,909
Trade & Other Receivables	5,294	6,654	6,496	6,655	6,790	6,986	7,127	7,321	7,541	7,770	7,994	8,210
Inventories	135	101	106	109	112	116	119	123	127	131	135	139
Total Current Assets	10,045	10,755	7,102	7,263	7,402	7,601	7,746	7,944	8,168	8,401	8,629	14,258
Non-Current Assets												
Equity Accounted Investments in Council Businesses	138	138	138	5,138	4,888	4,738	4,638	4,563	4,513	4,488	4,538	4,638
Infrastructure, Property, Plant & Equipment	1,205,866	1,265,521	1,275,020	1,284,996	1,297,678	1,302,226	1,307,108	1,327,925	1,326,417	1,344,378	1,348,895	1,352,845
Right of Use Asset ROUA		3,186	2,832	2,478	2,124	1,770	1,416	1,062	708	354	(0)	(0)
Other Non-Current Assets	20,319	17,697	16,508	15,901	16,709	12,460	13,867	12,450	12,107	8,854	8,984	7,722
Total Non-Current Assets	1,226,323	1,286,542	1,294,498	1,308,513	1,321,399	1,321,194	1,327,029	1,346,000	1,343,744	1,358,073	1,362,417	1,365,205
TOTAL ASSETS	1,236,368	1,297,297	1,301,600	1,315,776	1,328,801	1,328,795	1,334,775	1,353,944	1,351,912	1,366,475	1,371,046	1,379,463
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	25,264	38,953	30,187	31,528	36,483	24,385	20,451	18,621	14,414	9,388	6,806	-
Trade & Other Payables	17,232	20,738	21,505	22,074	22,778	23,507	24,222	24,967	25,792	26,656	27,501	28,321
Provisions	8,348	8,749	8,955	9,207	9,503	9,794	10,084	10,393	10,742	11,109	11,464	11,793
Total Current Liabilities	50,844	68,441	60,648	62,809	68,764	57,686	54,757	53,982	50,948	47,154	45,771	40,114
Non-Current Liabilities												
Trade & Other Payables	6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,057	6,057
Borrowings	6,924	5,968	4,973	3,941	2,868	1,754	596	-	-	-	-	-
Provisions	1,507	1,292	1,323	1,361	1,405	1,448	1,491	1,537	1,589	1,644	1,697	1,746
PV Lease Liabilities	-	3,186	2,832	2,478	2,124	1,770	1,416	1,062	708	354	(0)	(0)
Total Non-Current Liabilities	14,488	16,503	15,186	13,836	12,454	11,028	9,560	8,656	8,354	8,055	7,754	7,803
TOTAL LIABILITIES	65,332	84,943	75,833	76,646	81,217	68,714	64,317	62,639	59,302	55,208	53,524	47,917
Net Assets	1,171,036	1,212,353	1,225,766	1,239,131	1,247,584	1,260,081	1,270,458	1,291,305	1,292,610	1,311,266	1,317,522	1,331,546
EQUITY												
Accumulated Surplus	486,640	494,818	498,354	506,938	508,678	510,468	511,923	513,186	514,094	515,341	516,452	517,554
Asset Revaluation Reserves	684,396	717,535	727,412	732,193	738,906	749,613	758,536	778,119	778,516	795,925	801,069	813,992
Total Equity	1,171,036	1,212,353	1,225,766	1,239,131	1,247,584	1,260,081	1,270,458	1,291,305	1,292,610	1,311,266	1,317,522	1,331,546

City of Charles Sturt 10 Year Financial Plan for the Years ending 30 June 2030 CASH FLOW STATEMENT - CITY OF CHARLES STURT												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	106,197	109,592	113,023	116,603	120,479	124,553	128,550	132,704	137,338	142,204	147,008	151,711
Statutory Charges	4,018	4,129	4,290	4,342	4,442	4,547	4,649	4,753	4,869	4,992	5,113	5,227
User Charges	2,881	3,090	3,045	3,033	3,103	3,176	3,247	3,320	3,401	3,487	3,571	3,651
Grants, Subsidies and Contributions (operating purpose)	9,329	7,892	8,636	8,444	8,858	8,808	8,809	8,958	9,177	9,410	9,636	9,851
Investment Receipts	98	95	70	65	67	68	70	71	73	75	77	78
Reimbursements	2,820	829	624	637	651	667	682	697	714	732	750	766
Other	49	4,697	112	330	178	399	394	409	449	468	465	459
Payments:												
Payments to Employees	(41,192)	(43,460)	(44,740)	(46,013)	(47,641)	(49,301)	(50,964)	(52,725)	(54,505)	(56,382)	(58,201)	(59,891)
Payments for Materials, Contracts & Other Expenses	(49,672)	(43,245)	(45,645)	(47,545)	(50,420)	(48,963)	(54,195)	(52,988)	(55,846)	(54,826)	(60,084)	(60,521)
Finance Payments	(943)	(1,872)	(1,725)	(1,861)	(1,925)	(1,692)	(1,583)	(1,373)	(1,206)	(968)	(932)	(609)
Net Cash provided (or used in) Operating Activities	33,585	41,747	37,690	38,035	37,791	44,262	39,659	43,826	44,463	49,194	47,402	50,722
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	13,160	2,950	1,585	1,410	100	100	100	100	100	100	100	100
Sale of Replaced Assets	948	945	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	10	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Equity Accounted Council Businesses	62	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Expenditure on Renewal/Replacement of Assets	(22,574)	(27,604)	(25,894)	(23,374)	(26,377)	(22,224)	(23,772)	(27,211)	(26,359)	(28,769)	(28,390)	(28,291)
Expenditure on New/Upgraded Assets	(37,755)	(31,386)	(7,122)	(16,379)	(15,396)	(8,926)	(10,896)	(14,289)	(13,996)	(15,499)	(16,529)	(10,317)
Capital Contributed to Equity Accounted Council Businesses	(62)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(46,211)	(55,095)	(31,430)	(38,343)	(41,673)	(31,050)	(34,568)	(41,400)	(40,256)	(44,168)	(44,819)	(38,508)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from CAD	-	13,689	-	1,341	4,955	-	-	-	-	-	-	-
Proceeds from Borrowings	13,052	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Aged Care Facility Deposits	1,140	500	-	-	-	-	-	-	-	-	-	-
Proceeds from Bonds & Deposits	438	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of CAD	-	-	(8,766)	-	-	(12,098)	(3,933)	(1,830)	(4,207)	(5,026)	(2,583)	(6,806)
Repayments of Borrowings	-	(956)	(994)	(1,033)	(1,073)	(1,115)	(1,158)	(596)	-	-	-	-
Repayment of Aged Care Facility Deposits	(371)	(500)	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	14,259	12,733	(9,760)	308	3,882	(13,212)	(5,091)	(2,426)	(4,207)	(5,026)	(2,583)	(6,806)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,633	(616)	(3,500)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	5,409
plus: Cash & Cash Equivalents - beginning of year	2,983	4,616	4,000	500	500	500	500	500	500	500	500	500
Cash & Cash Equivalents - end of the year	4,616	4,000	500	500	500	500	500	500	500	500	500	5,909
Cash & Cash Equivalents - end of the year	4,616	4,000	500	500	500	500	500	500	500	500	500	5,909
Investments - end of the year	-	-	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	4,616	4,000	500	500	500	500	500	500	500	500	500	5,909

City of Charles Sturt 10 Year Financial Plan for the Years ending 30 June 2030 EQUITY STATEMENT - CITY OF CHARLES STURT												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Opening Balance	1,120,139	1,171,036	1,212,353	1,225,766	1,239,131	1,247,584	1,260,081	1,270,458	1,291,305	1,292,610	1,311,266	1,317,522
Net Surplus / (Deficit) for Year	17,897	8,178	3,536	8,584	1,740	1,790	1,454	1,264	908	1,247	1,111	1,102
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	33,000	33,139	9,877	4,781	6,713	10,707	8,923	19,583	397	17,409	5,144	12,923
Other Comprehensive Income	33,000	33,139	9,877	4,781	6,713	10,707	8,923	19,583	397	17,409	5,144	12,923
Total Comprehensive Income	50,897	41,317	13,413	13,365	8,453	12,497	10,377	20,847	1,304	18,656	6,255	14,025
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	1,171,036	1,212,353	1,225,766	1,239,131	1,247,584	1,260,081	1,270,458	1,291,305	1,292,610	1,311,266	1,317,522	1,331,546

City of Charles Sturt 10 Year Financial Plan for the Years ending 30 June 2030 UNIFORM PRESENTATION OF FINANCES - CITY OF CHARLES STURT												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Operating Activities												
Income	125,727	127,246	129,375	138,316	137,586	142,070	146,207	150,757	155,849	161,189	166,489	171,665
less Expenses	(118,930)	(122,218)	(127,624)	(131,342)	(136,146)	(140,580)	(145,052)	(149,793)	(155,241)	(160,242)	(165,678)	(170,863)
Operating Surplus / (Deficit)	6,797	5,028	1,751	6,974	1,440	1,490	1,154	964	608	947	811	802
Capital Activities												
less (Net Outlays) on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(22,574)	(27,604)	(25,894)	(23,374)	(26,377)	(22,224)	(23,772)	(27,211)	(26,359)	(28,769)	(28,390)	(28,291)
add back Depreciation, Amortisation and Impairment	28,859	31,730	33,593	34,758	36,004	37,508	38,909	40,467	42,460	43,916	45,747	47,780
add back Proceeds from Sale of Replaced Assets	948	945	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on Existing Assets	7,233	5,070	7,700	11,384	9,627	15,285	15,137	13,256	16,101	15,147	17,357	19,489
less (Net Outlays) on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets												
(including Investment Property & Real Estate Developments)	(37,755)	(31,386)	(7,122)	(16,379)	(15,396)	(8,926)	(10,896)	(14,289)	(13,996)	(15,499)	(16,529)	(10,317)
add back Amounts Received Specifically for New and Upgraded Assets	13,160	2,950	1,585	1,410	100	100	100	100	100	100	100	100
add back Proceeds from Sale of Surplus Assets												
(including Investment Property & and Real Estate Developments)	10	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on New and Upgraded Assets	(24,585)	(28,436)	(5,537)	(14,969)	(15,296)	(8,826)	(10,796)	(14,189)	(13,896)	(15,399)	(16,429)	(10,217)
Net Lending / (Borrowing) for Financial Year	(10,555)	(18,338)	3,914	3,389	(4,229)	7,949	5,495	30	2,813	696	1,738	10,074

NOTE : this adopted LTFP provided the basis for development of the annual budget and high level parameters, noting that the final budget for 2020/21 was adopted following consultation feedback and finalisation of actual inputs for recurrent budget and level of capital and annual operating projects and which will be updated in the next LTFP iteration.

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

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

Strategic Approach

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

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

Forward Financial Planning

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

Realistic Budgeting

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

Meet Long Term Liabilities

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

Affordable Rates

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

Avoid Cost Shifting

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

New Initiatives

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

Asset Sales and Debt

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

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

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

Financial Control

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

Attachment B - City of Charles Sturt Core Operational Services

Below is a comprehensive listing of our core operational services as at June 2020.

Core Business

Key Outputs

Community Services

- | | |
|---|---|
| <ul style="list-style-type: none"> • Community Development | <ul style="list-style-type: none"> – Work with disadvantaged communities and other partners to provide support and to facilitate the coordination of services. – Assist community groups to seek out grant funding. |
| <ul style="list-style-type: none"> • Youth Services | <ul style="list-style-type: none"> – Provide support staff in The Brocas a community space for young people. – Implement Council's Youth Policy and Action Plan. |
| <ul style="list-style-type: none"> • Crime Prevention | <ul style="list-style-type: none"> – Implement the Crime Prevention Through Environmental Design principles. |
| <ul style="list-style-type: none"> • Graffiti | <ul style="list-style-type: none"> – Remove 15,600 square metres of graffiti from private property and bus shelters within 5 working days. |
| <ul style="list-style-type: none"> • Community Centres | <ul style="list-style-type: none"> – Provide support staff in Community Centres at Findon, Cheltenham, Henley & Grange, Bower Cottages, 19 On Green and West Lakes; with 95,000 participants supported by 15,799 volunteer hours. – Implement and deliver on actions in the Community Plan 2016-17. |
| <ul style="list-style-type: none"> • Community Care – Transport | <ul style="list-style-type: none"> – Assist 700 clients with transport. Provide 9,500 return trips to local shopping centres and social programs. |
| <ul style="list-style-type: none"> • Community Care – Volunteers | <ul style="list-style-type: none"> – Coordinate the efforts of approximately 550 volunteers supporting various community service programs and donating around 46,000 hours per year. |

Core Business

- Community Care – Aged & Disability Services
- Home Maintenance & Security

Contracted Services

- Cleaning Council Property
- Graffiti
- Herbicide & Pesticide Spraying
- Kerb and Gutter replacement
- Litter Bins
- Playground Maintenance
- Road Reseal Program
- Segmental Paved Footpaths
- Verge Mowing
- Waste Management

Key Outputs

- Implement Council's 'Ageing in Charles Sturt' action plan.
- Assist approximately 500 residents with 8,000 hours of domestic assistance.
- Provide 250 residents with 30,000 hours of social support and activities.
- Provide 3,500 hours of home maintenance and security to approximately 1,700 clients.
- Manage the contract for the cleaning of Council property, Halls etc.
- Manage the contract for the removal of Graffiti from Council owned property.
- Manage the contract for spraying of weeds by Contractors.
- Assist Engineering & Construction to manage the contract for kerb and gutter replacement work in conjunction with the Road Reseal Backlog program.
- Manage the contract for emptying the Street/Reserves/Foreshore litter bins, including bins on jetties
- Manage the contract for maintenance of Council playgrounds.
- Assist Engineering & Construction to manage the contract for road reseal works.
- Assist Engineering & Construction to manage the contract for the installation of segmental paved footpaths.
- Manage the contract for verge mowing which provides for mowing of verges on local roads up to 4 times per year and those on main roads up to 8 times per year.
- Manage the contract for waste management which provides for a weekly domestic waste collection, fortnightly recycling, fortnightly green waste service and an at call hard waste collection.

Core Business***Admin/Governance***

- Research & Analysis

- Provide coordinated research and business analysis support to all business units.
- Provides leadership/management of demographics information, provides research and analysis for major projects and customer service management.

- Information Services

- Establish, maintain and support all of Council's IT and administrative systems.
- Deliver property certification for land transfers and sales.
- Provide record management services for all administrative processes.

- Financial Services

- Manage Council's requirements for financial reporting, processing and internal controls.
- Manage administration of rates assessment book and collection of rates income.
- Manage Council's loan portfolio.
- Maintain base property and street numbering information.

- Governance & Risk

- Provide risk management advice and services in relation to Council's operations, goods and services.
- Ensure Council operates in line with good governance practices, legislative requirements and Council procedures.
- Manage Council's fleet requirements.
- Provide procurement services, including tender preparation and evaluation.
- Provide support to Council Members.
- Maintain electoral roll information.
- Manages the Work Health and Safety of our employees.
- Manages Workers Compensation claims and employee rehabilitation programs.

Core Business
Admin/Governance (cont.)

Key Outputs

- Human Resource Management
 - Supports and guides People and culture issues that meet both the human resource needs of the organisation and the satisfaction and development needs of staff.
 - Ensure staff are paid accurately and on time.
 - Manage employment records and documentation.
 - Manage and ensures compliance with the industrial instruments relating to employment conditions.
 - Manages non work related injuries and fit for work process for employees.
- Asset Management
 - Development of strategic asset management plans for all assets including identification of demand for services and the lifestyle costs for each asset.
- Waste & Environment Sustainability Programs
 - Coordinate Council's environmental response by developing and implementing our environmental plan 'Living Green to 2020'.
 - Implement the AdaptWest Climate Change Adaptation Program in partnership with the Cities of Port Adelaide Enfield and West Torrens, to identify and manage risks and opportunities presented by a changing climate.
 - Coordinate programs to reduce environmental impacts from Council operations.
 - Provide strategic direction/advice to Council Members on best practice waste and recycling services and environment sustainability issues and programs.
 - Coordinate programs to engage with the community for positive environmental outcomes.

Core Business

- Waste & Environment Sustainability Programs **continued**

Customer Relations

- Corporate Promotions
- Communications

Key Outputs

- Advocate and build partnerships with State and Federal Governments to secure funding and identify other opportunities.
- Provide opportunities to build capacity and understanding of current environmental issues and programs for staff and Elected Members to inform decision making.
- Continue to develop the relationship between Council and our community.
- Communicate and promote Council's programs, events and activities.
- Manage Council's communication activities including media liaison.
- Provide 4 Council newsletters 'Kaleidoscope' annually
- Manage community events.
- Assist business units with undertaking effective community consultation.
- Management of Council's website and digital mediums.

Core Business***Engineering***

- Road Maintenance
- Footpath Maintenance
- Drainage Maintenance
- Foreshore Maintenance
- Street Sweeping
- Traffic Management
- Public Lighting
- Recycled water
- Recycling and Waste Centre

Key Outputs

- Manage and maintain 604kms of sealed local roads and associated infrastructure, including kerb and gutter.
- Deliver projects in line with the approved Road Reseal/Reconstruction programs.
- Manage and maintain 1,012kms of concrete, paved and asphalt footpaths.
- Deliver projects in line with the approved New Footpath and Footpath Reconstruction programs.
- Manage and maintain 431kms of stormwater drainage as well as 14,936 stormwater pits. Deliver projects in line with the approved Stormwater Management program.
- Deliver projects in line with the approved Box Culvert Replacement program.
- Deliver projects in line with the approved Pump Station Upgrade program.
- Continue with the development of the Urban Stormwater Master Plan across the remainder of the City.
- Manage and maintain 11.5kms of foreshore.
- Main roads swept weekly, residential roads every 6 weeks, with additional autumn and coastal sweepings done weekly.
- Effectively respond to the community regarding the management of traffic and transport across the City.
- Deliver projects in line with the approved Traffic Management program.
- Effectively respond to the community regarding the provision of public lighting along Council managed roads, reserves and walkways.
- Maintain and operate councils recycled water system and wetlands.
- Receives and recycles waste from both internal and external customers.

Core Business***Library Services***

- Library Service

Key Outputs

- Deliver a range of library products and services including access to print and audio visual collections and resources, community language collections, community information, internet and wireless service access, literacy programs, lifelong learning programs and recreational programs.
- Service a membership of near 50,000 people, over 500,000 visits and 1 million loans annually.
- Provide 5 branch libraries across the City plus a mobile library and home service.
- Provide services and programs to Culturally and Linguistically Diverse Communities.
- Deliver a selection of Council Customer Services, including a rate payment service.

Open Space, Recreation & Property

- Arboriculture
- Open Space Planning
- Sporting Club Support
- Urban design Projects
- Property Management
- Property Maintenance

- Undertake tree assessments and inspections as required under Council Policy and The Local Government Act.
- Natural Resource Management.
- Environmental Management.
- Development of social connections through open space community initiatives.
- Maximise the use of Council's 70 sporting facilities and 49 clubrooms.
- Provide support to around 65 sporting clubs operating on community land in the City.
- Design and deliver endorsed open space landscape and public place projects.
- Manage over 300 Council properties including commercial, community and residential properties. Manage the acquisition and disposal process of properties. Management and maintain Council's Community Land Management Plan register. Manages the upgrades of Council owned buildings.
- Maintain and repair Council property including bus shelters, public toilets, playgrounds and administration, recreation and sporting facilities.

Core Business***Planning & Development***

- Development Assessment
- Development Control
- Development Compliance

Emergency & After Hours Response

- Rapid Response
- After Hours Callout

Public Health & Safety

- Customer Contact
- Community Safety

Key Outputs

- Provide pre-lodgement advice and process Development Applications for approximately 3500 projects per year.
- Inspect approximately 40% of approvals per year to ensure compliance with the Building Code of Australia and conditions of approval.
- Respond to complaints and identify illegal activity related to land use and planning conditions.
- Attend to over 5,000 customer requests per year to make the roads and footpaths safe for residents, undertake minor pruning of street trees and collect dumped litter and waste.
- Attends customer requests afterhours between the hours of 4.00pm and 7.00 am 7 days a week.
- Process approximately 34,000 transaction per year and provide general information to the community on both Council and community issues.
- Manage Council's call centre operations fielding approximately 128,000 calls per year within an average of 21 seconds.
- Monitor customer perceptions and satisfaction levels.
- Process 9,000 customer requests for service.
- Respond to approximately 8,000 complaints regarding parking, dogs, Local Government Act, Metropolitan Fire Services Act and general by-law issues.
- Respond to approximately 800 complaints in relation to trees overhanging footpaths, overgrown grass and illegal backyard burning.
- Attend to 2,000 reports of rubbish dumped on Council land.

Core Business (cont.)

- Community Safety

Key Outputs

- Respond to approximately 650 abandoned vehicle complaints and make arrangements for approximately 50 vehicles to be towed away.
- Respond to 450 requests for installation of parking controls and attend to 1700 requests regarding illegally parked vehicles in addition to proactive parking patrols of peak demand areas.
- Undertake School Safety Program to address safety related parking offences around 44 schools within the City.
- Implement Council's by-laws and administer various legislation through education, encouragement and enforcement.
- Respond to approximately 700 Local Nuisance Requests.

- Animal Management

- Ensure compliance with the Dog & Cat Management Act, by handling complaints regarding barking dogs, wandering at large, dog attacks and other dog related complaints.
- Maximising dog registration - register 16,000 dogs per year.
- Implement the Urban Animal Management Plan.
- Impound approximately 400 dogs.
- Investigate approximately 170 dog attacks.
- Investigate approximately 50 barking dog complaints.
- Receive 360 barking dog enquiries.
- Respond to approximately 1,000 dogs wandering at large complaints.
- Respond to approximately 500 other complaints relating to dogs and approximately 100 complaints regarding cats.
- Conduct compliance patrols for dog related issues particularly in high usage areas such as the foreshore and Linear Park.

Key Outputs

Core Business

- Environmental Health
 - Undertake inspections of approximately 750 food premises in line with the Australian Food Safety Assessment system.
 - Inspect and audit approximately 65 High Risk Manufactured Water Systems (Cooling towers and Warm Water Systems).
 - Inspect facilities and undertake water quality analysis of 23 public swimming pools and spas.
 - Provide education material (Newsletter) to approximately 800 Food Businesses.
 - Facilitate 160 self-audits for hairdressing and beauty salons and facilitate self-audits for 60 low risk food businesses (alternating years)
 - Audit approximately 20 skin penetration premises.
 - Investigate approximately 350 public health complaints.
 - Investigate approximately 60 food complaints.
 - Investigate approximately 150 vermin complaints.
- Immunisation
 - Administer approximately 13,400 vaccines to clients attending 140 public clinics, 10 High School clinics, 33 workplace visits. Plus 2700 throat swabs.
- Environmental Management
 - Investigate approximately 50 incidents of stormwater pollution.
 - Assist in the development and implementation of Council's water strategy with a particular focus on water quality and community education initiatives.

Urban Projects

- Cultural Development
 - Deliver cultural projects and promote the value of built heritage.
 - Support community and cultural groups to preserve and build cultural identity.
 - Advocate for inclusion and recognition of Kurna heritage and role of Kurna Meyunna as the custodians of the City of Charles Sturt.

Core Business

- Economic Development
- Major Projects
- Planning Policy
- Community Engagement
- Place Making

Key Outputs

- Support the growth of local employment and export opportunities by engaging with major local businesses through the Western Business Leaders group and facilitating programs and initiatives.
- Work collaboratively with the Western Region Councils through the Western Alliance to promote and facilitate economic development outcomes and grow local employment.
- Facilitate Council's response to major projects and identify value adding opportunities to optimise outcomes.
- Identify and promote economic development opportunities through major urban development projects.
- Formulate planning policy that reflects the needs of the community and the State Planning Strategy and ensure Council's Development Plan is relevant and up to date.
- Manage corporate community engagement policy and procedures, tools and initiatives.
- Conduct community engagement on key strategic project as determined.
- Provide a focused approach to enhancing the public realm in key locations across the city.
- Collaborate with businesses and communities to create social and economic opportunities through advice, marketing community engagement and funding.

Attachment C – Budgeted Financial Statements for 2020/2021

Schedule 1: Statement of Comprehensive Income

	2021	2020
	\$'000	\$'000
Revenue		
Rates	110,289	109,861
Statutory Charges	4,001	4,383
User Charges	2,968	3,304
Grants, Subsidies and Contributions	7,889	8,806
Investment Income	79	102
Reimbursements	587	616
Other revenues	72	174
Total Revenues	125,885	127,246
Expenses		
Employee Costs	44,879	43,634
Materials, Contracts and Other	45,735	44,981
Finance Costs	1,853	1,801
Depreciation, Amortisation and Impairment	33,593	31,730
Total Expenses	126,060	122,146
Operating Surplus/(Deficit)	(175)	5,100
Capital Amounts		
Physical resources received free of charge	200	200
Amounts specifically for new or upgraded asset	2,081	2,950
	2,281	3,150
Net Surplus/(Deficit)	2,106	8,250
Other Comprehensive income	0	0
Total Comprehensive Income	2,106	8,250

Schedule 2: Cashflow Statement

	2021	2020
	\$	\$
	Inflows(outflows)	Inflows(outflows)
	\$'000	\$'000
Cash Flows from Operating Activities		
Operating Receipts	125,806	127,050
Investment receipts	79	112
Operating Payments to suppliers and employees	(90,614)	(83,923)
Finance payments	(1,853)	(1,801)
Net Cash Flows provided by (used in) Operating Activities	33,418	41,438
Cash Flows from Financing Activities		
Receipts		
Proceeds from Borrowings	0	14,614
Proceeds from Aged care Facility deposits	500	500
Payments		
Repayments of Borrowings	(945)	(957)
Repayment of Aged care Facility Deposits	(500)	(500)
Net Cash provided for (used in) Financing Activities	(945)	13,657
Cash Flows from Investing Activities		
Receipts		
Sale of replaced assets	927	945
Grants specifically for new of upgraded assets	2,081	2,950
	3,008	3,895
Payments		
Expenditure on renewal/replacement of assets	(27,776)	(27,604)
Expenditure on new/upgraded assets	(7,901)	(31,386)
	(35,677)	(58,990)
Net Cash used in Investment Activities	(32,669)	(55,095)
Net Increase (Decrease) in Cash Held	(196)	0
Cash and cash equivalents at Beginning of Reporting Period	4,000	1,610
Cash and cash equivalents at End of Reporting Period	3,804	1,610

Schedule 3: Balance Sheet

	2021	2020
	\$'000	\$'000
ASSETS		
Current Assets		
Cash and Cash equivalents	3,804	1,610
Trade and Other receivables	9,306	10,294
Inventories	103	83
Total Current Assets	13,213	11,987
Non-Current Assets		
Equity accounted investments in council business	138	76
Infrastructure, Property, plant and equipment	1300,301	1,235,366
Right of use asset	2,832	
Other non-current assets	10,284	17,253
Total Non-Current assets	1,313,555	1,252,695
TOTAL ASSETS	1,326,768	1,264,682
LIABILITIES		
Current Liabilities		
Trade and Other Payables	20,989	17,634
Borrowings	4,973	5,868
Provisions	8,955	8,197
Total Current Liabilities	34,917	31,699
Non-Current Liabilities		
Long Term Borrowings	42,377	39,213
Long Term Provisions	1,323	1,408
Trade and Other Payables	6,057	4,917
PV lease liabilities	2,832	
Total Non-Current liabilities	52,589	45,538
TOTAL LIABILITIES	87,506	77,237
Net Assets	1,239,262	1,187,445
EQUITY		
Accumulated Surplus	498,566	502,910
Reserves	740,696	684,535
TOTAL EQUITY	1,239,262	1,187,445

Schedule 4: Statement of Changes in Equity**2021**

	Accumulated Surplus	Asset revaluation reserve	Total Equity
Accumulated Surplus			
Balance at end of previous reporting period	496,460	740,696	1,237,156
Net Result for year	2,106		2,106
Other Comprehensive income		0	0
Balance at end of period	498,566	740,696	1,239,262

2020

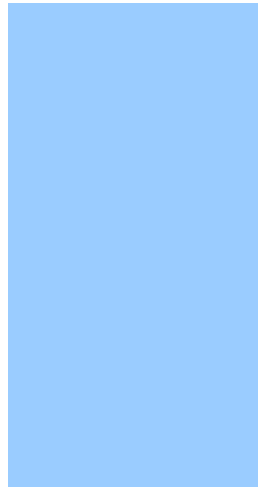
	Accumulated Surplus	Asset revaluation reserve	Total Equity
	\$'000	\$'000	\$'000
Accumulated Surplus			
Balance at end of previous reporting period	494,660	654,536	1,179,195
Net Result for year	8,250		8,250
Other Comprehensive income		0	0
	502,910	654,536	1,187,445

Schedule 5: Summary of Operating and Capital Investment Activities

		2021	2020
		\$	\$
	Operating Revenue	125,885	127,246
	Less Operating Expenses	(126,060)	(122,146)
	Operating Surplus/(Deficit) before Capital Amounts	(175)	5,100
Less	Net Outlays on Existing Assets		
	Capital expenditure on renewal and replacement of existing assets	27,776	27,604
	Less Depreciation, Amortisation and Impairment	(33,593)	(31,730)
	Less proceeds from sale of Replaced Assets	(927)	(945)
		(6,744)	(5,071)
Less	Net Outlays on new and Upgraded Asses		
	Capital expenditure on New and Upgraded assets	7,901	31,386
	Less amounts received specifically for New and Upgraded assets	(2,081)	(2,950)
	Less proceeds from Sale of Surplus Assets	0	0
		5,820	28,436
Equals	Net Lending / (Borrowing) for Financial year	749	(18,265)

Schedule 6: Statement of Financial Indicators

Key Financial Indicators





Attachment D - Rating Policy

Rating Policy

Reference Number:	4.24
Type:	Council
Category:	Finance Policy
Relevant Community Plan Outcome:	<ul style="list-style-type: none"> Adaptive and sustainable management of the City's finances Practise transparent and accountable governance
Responsible Officer(s):	Manager Financial Services
First Issued/Approved:	June 2001
Minutes Reference:	CI 10/8/2020 Item x.xx
Last Reviewed:	July 2020
Next Review Due:	June 2021
Applicable Legislation:	Local Government Act 1999 Local Government (Financial Management) Regulations 2011
Related Policies:	COVID19 Hardship policy
Related Procedures:	Nil

1. Purpose

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

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

2. Scope

Strategic Focus

In setting its rates for the 2020/21 financial year Council has considered the following:

- its Community Plan 2016-2027 Charles Sturt – A Leading, Liveable City;
- its Long Term Financial Plan Estimates 2020-2030;
- its Budget Principles;
- the current economic climate;
- the specific issues faced by our community;
- the Annual Business Plan and Budget for the 2020/2021 financial year;
- the impact of rates on the community;
- the impact of rates on businesses;
- the relationship between Council objectives and rating strategy;
- Council's debt strategy;
- required funding for future asset replacement;
- the impact of differential changes in property valuations across the City;
- as may be relevant, issues of consistency and comparability across Council areas in the imposition of rates on sectors of the community such as business; and
- issues of equity arising from circumstances where ratepayers provide or maintain infrastructure that might otherwise be provided or maintained by Council and whether discretionary rebates will be granted.

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

3. Policy Statement

COMMUNICATION OF THE POLICY

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

METHOD USED TO VALUE LAND

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

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

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

ADOPTION OF VALUATIONS

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

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

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

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

OBJECTION TO VALUATION

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

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

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

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

NOTIONAL VALUES

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

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

BUSINESS IMPACT STATEMENT

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

- those elements of the Council's strategic management plans relating to business development;
- the current and forecast economic climate as identified in Council's environmental scan;
- operating and capital projects for the coming year that will principally benefit industry and business development within the City;
- movement in the Consumer Price Index (CPI) and other relevant indices such as the Local Government Price Index (LGPI) ; and
- valuation changes in commercial and industrial properties across the City as compared with valuation changes in residential properties across the City.
- Coronavirus (COVID19) pandemic and impact on business profitability

COUNCIL'S REVENUE RAISING POWERS

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

DIFFERENTIAL GENERAL RATES

At its meeting on 10 August 2020 Council decided to raise rate revenue of \$111,931,325 in a total operating revenue budget of \$125,885,472. The Council has set the following differential general rates.

- (a) 0.257272454 cents in the dollar on rateable land of category 1 (residential) use;
- (b) 0.8278720620 cents in the dollar on rateable land of categories 2, 3 and 4 (Commercial shop, commercial office or commercial other) use;
- (c) 1.1125520240 cents in the dollar on rateable land of categories 5 and 6 (industrial light & industrial other) use;
- (d) 0.6273817034 cents in the dollar on rateable land of category 7 (primary production) use;
- (e) 0.924203242 cents in the dollar on rateable land of category 8 (vacant land) use;
- (f) 0.4072823630 cents in the dollar on rateable land of category 9 (other) use.

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

Objections to Council's land use decision may be lodged with the City of Charles Sturt, 72 Woodville Road, Woodville. A ratepayer may discuss the matter with one of Council's Customer Contact Officers on phone number 8408 1111 in the first instance. The Council will provide, on request, a copy of Section 156 of the Local Government Act 1999 which sets out the rights and obligations of ratepayers in respect of objections to a land use.

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

MINIMUM RATE

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

The Council has decided to impose a minimum rate of \$1,095. The reason for imposing a minimum rate is to ensure that all residents contribute towards the provision of basic services at a reasonable level.

REGIONAL LANDSCAPE LEVY

The City of Charles Sturt is within the area covered by the Green Adelaide Board and is required under the Landscape South Australia Act 2019 to fund the operations of the Board. It does so by imposing a separate rate against rateable properties within its area of 0.0096560 cents in the dollar, based on the Capital Value of rateable land within the City.

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

PENSIONER CONCESSIONS

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

Application forms are available by contacting the Concession Hotline on 1800 307 758 or at www.sa.gov.au/concessions.

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

CONCESSIONS FOR SELF-FUNDED RETIREES

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

Application forms are available by contacting the Concession Hotline on 1800 307 758 or at www.sa.gov.au/concessions.

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

PAYMENT OF RATES

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

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

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

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

Personally at the following Council Service Centres:

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

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

By telephone using:

- BPay through your participating bank
- National Australia Bank phone 1300 609 653

By mail:

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

By internet:

- Through Council's website at www.charlessturt.sa.gov.au
- or Australia Post at www.postbillpay.com.au
- BPay through your participating bank

By Direct Debit:

- Quarterly or fortnightly

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Council's Rate Enquiries on 8408 1111 to discuss alternative payment arrangements. Such enquiries are treated confidentially by the Council.

Note: Late payment fines and interest may still apply.

LATE PAYMENT OF RATES / DEBT RECOVERY

The Local Government Act provides that Councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Interest charged on late payments is charged on both the amount of the rate arrears and any interest that has previously been imposed. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may incur because it has not received the rates on time.

The prescribed interest rate for the 2020/21 financial year is 5.2% p.a.

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

DEBT RECOVERY

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

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

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

All fees and court costs are recoverable from the ratepayer.

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

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

REBATE OF RATES

Under the Act

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

Discretionary

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

These rebates will be applied upon application.

Residential Construction

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a rebate of general rates for the 2020/21 financial year will be granted in respect of an Assessment classed as vacant land in the Council's Assessment Book where the land is in a Residential Zone or a Residential Historic (Conservation) Zone in the Development Plan, or any replacement zone created by the authorisation of a Plan Amendment Report applicable to the Council's area:

- (a) if the Principal Ratepayer of the Assessment applies to the Council for the rebate prior to 30 June 2021; and
- (b) a dwelling has been substantially commenced on the property by 30 June 2021, and
- (c) the Council is satisfied that the intention of the Principal Ratepayer is to reside in that dwelling upon completion for at least 1 year.

The amount of the rebate is determined based on the timing of the pouring of the footings. If the footings are poured prior to 31 December 2020 a full rebate will be given but if the footings are poured after 31 December 2020 a 50% rebate will be given with the rebate being the difference in monetary terms between the rates that would have been paid in respect of the Assessment if it had been used at the date of declaration of the rates for residential purposes and the actual amount paid after deducting any other rebate granted within the rating period.

It is the intention of this rebate to only apply to one dwelling and to the ratepayer who will reside in Charles Sturt and consequently where multiple dwellings are proposed on Land (with or without division of the land occurring) the rate rebate will apply to only one of the dwellings, on a pro-rata basis. For example, if four dwellings are being constructed on the Land, provided the above criteria is met, the owner will

be entitled to 25% of the applicable rebate (being the rebate determined according to when the footings are poured).

If the principal ratepayer is a body corporate the rebate will only be applied if one of the directors or office holders will reside in the dwelling for at least 1 year.

Rate Capping

To provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation, a rebate of general rates for the 2020/21 financial year will be granted to the Principal Ratepayer of an Assessment under Section 166 (1) (l) of the Act, either by the Council of its own initiative where the Council is in possession of sufficient information to determine the entitlement to the rebate or otherwise on application to the Council, where the amount of any increase in rates in respect of that Assessment in monetary terms between the amount of general rates payable for the 2019/20 financial year (after any rebate was applied) and the amount of general rates imposed for the 2020/21 financial year, is greater than 12.5%. The amount of the rebate will be the difference between the amount of general rates in monetary terms imposed for the 2020/21 financial year and the amount of general rates in monetary terms payable for the 2019/20 financial year (after any rebate was applied but prior to deducting any concessions) plus 12.5% of that amount.

The rebate will not apply where:

- (a) any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$20,000, or
- (b) any such increase is applicable to the use of land being the categories of commercial, industrial, primary production, vacant land and other.
- (c) any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the 2020/21 financial year than on the date the Council declared its general rates for the 2019/20 financial year, or
- (d) the ownership of the rateable property has changed since 1 July 2019.

Postponement of Rates for Seniors

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

COVID19 Hardship

In exercise of the power contained in section 166(1)(m)(ii) of the Local Government Act 1999 and being of the opinion that the impact of the COVID19 pandemic has created various forms of hardship for different ratepayers in the Council area, one impact of which being that a requirement to pay the full rates liability for the 2020/2021 financial year would be an unfair or unreasonable liability in the circumstances of the principal ratepayer, the Council has determined for the 2020/2021 financial year only, it will grant a rebate of general rates to any principal ratepayer that makes application to the Council and is then assessed as having circumstances that satisfy the criteria set out in the Council's 'COVID19 Hardship Policy'. Subject to the conditions of eligibility (both initially and continuing) and to the conditions generally, in that Policy, the amount of the rebate will be the amount of the first quarter instalment for the 2020/2021 financial year for the eligible rateable property up to the capping amounts specified in the "COVID19 Hardship Policy". The Council also notes the financial benefit for an eligible principle ratepayer by the waiver of fines and interest for any eligible principal ratepayer who complies with the conditions of the Policy

Applications

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

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

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

SALE OF LAND FOR NON-PAYMENT OF RATES

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

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

CHANGES TO ASSESSMENT RECORDS

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

DISCLAIMER

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

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

APPENDIX A

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

Local Government Act 1999

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

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

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

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

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

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

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

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

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

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

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

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



Attachment E – COVID19 Hardship Policy

COVID19 Hardship Policy

Reference Number:	
Type:	Council
Category:	Finance Policy
Relevant Community Plan Outcome:	<ul style="list-style-type: none"> Adaptive and sustainable management of the City's finances Practise transparent and accountable governance
Responsible Officer(s):	Manager Financial Services
First Issued/Approved:	July 2020
Minutes Reference:	
Last Reviewed:	
Next Review Due:	May 2021
Applicable Legislation:	<i>Local Government Act 1999</i> <i>Local Government (Financial Management) Regulations 2011</i>
Related Policies:	Rating Policy
Related Procedures:	Rates Fines and Interest Waiver Procedure

1. Purpose

This Policy provides the criteria to enable consistency in the assessment and determination of financial hardship applications due to the impact of the COVID19 pandemic, until June 2021.

2. Scope

1. This Policy applies only for the 2020/2021 financial year for the benefit of all ratepayers who experience financial hardship due to the impact of the Coronavirus (COVID19) pandemic where the criteria contained in this Policy are met.
2. This Policy supplements the Rating Policy and has been developed as a temporary complementary measure to specifically support ratepayers who have been adversely financially impacted by COVID19.
3. This Policy does not apply to debts associated with any other Council policy other than the Rating Policy.

4. This Policy is not relevant to and does not address relief options for ratepayers who believe that their property valuation is incorrect. Concerns of that nature must be addressed through the objection process with the Office of the Valuer-General.
5. This Policy applies in accordance with its terms which means that entitlement to COVID-19 hardship relief is subject to the conditions set out within it being met.
6. Unless extended following a review in May 2021, this Policy will cease to operate at midnight on 30 June 2021 by operation of this clause.

3. Policy Purpose

The City of Charles Sturt is committed to assisting members of its community who have been impacted by COVID19 resulting in financial hardship. The objective is to provide support for ratepayers by waiving the first instalment of general rates for 2020/2021 and by remitting fines and interest imposed under the *Local Government Act 1999* where those impacted enter a payment arrangement with the Council to manage the debt, having regard to their particular circumstances.

4. Policy Statement

Section 181 (1) of the *Local Government Act 1999*, provides for ratepayers to pay their rates in four (4) approximately equal instalments, in the months of September, December, March and June of the financial year for which the rates are declared.

The *Local Government Act 1999* provides that the Council will impose a penalty of 2% on any rates payment that is received late. A payment that continues to be late is then charged monthly interest, set each year according to a formula in the Act. Interest on late payments is charged on both the amount of the rate arrears and any interest that has previously been imposed. The purpose of this interest charge is to deter ratepayers who might otherwise fail to pay their rates on time, to allow the Council to recover the administrative cost of following up unpaid rates and to cover any interest the Council may incur because it has not received the rates on time.

The City of Charles Sturt imposes late payment penalties strictly in accordance with the *Local Government Act 1999*. The ability to remit penalties in whole or in part is, however, a power vested in the Council by the Act. At the City of Charles Sturt, each remission case is considered on its merits, based on the information provided.

However, over and above “normal” hardship considerations, the Council recognises and understands that the COVID-19 pandemic has created extraordinary circumstances that may place some ratepayers, unexpectedly, in a position of financial hardship, due to loss of employment and/or reductions in business activity from restrictions imposed by the Federal and/or State Governments.

Financial hardship does not include circumstances where a person chooses not to meet an unpaid financial obligation to the Council for which they are liable.

The COVID19 Financial Hardship Criteria in this Policy applies to those rate categories for the principal ratepayer based on the following:

- owner/occupier of a residential property who is currently unemployed or underemployed and receiving JobSeeker or can provide a separation or stand down certificate from their employer as a direct result of their employment ceasing or their hours being reduced due to COVID-19 restrictions affecting their employer
- owner/occupier of a commercial property and their business is experiencing financial hardship and forced to close or to limit trading due to restrictions by Federal and/or State Governments' COVID19 legislation for a period of at least 8 weeks between 1 March and 31 October 2020
- the applicant having residential or commercial rental properties as a primary source of income, providing evidence of a lease agreement for each affected property (or other written evidence of a tenant being entitled to rent relief) between 1 March 2020 and 31 October 2020 for a reduction in rent of at least 50%, due to COVID19 for a period of at least eight (8) weeks – (but not any deferral of rent)
- owner/occupier of a residential property who was employed by a business impacted by COVID 19 restrictions from 1 March to 31 October 2020 and is currently receiving Jobkeeper.
- Nil rates arrears as at 31 March 2020 for each affected property of the principal ratepayer

To be eligible an applicant must complete a COVID19 hardship application form and supply such evidence as the Council may, reasonably, require in support of hardship relief that is directly relevant to COVID-19 restrictions since 18 March 2020. This includes but is not limited to:

- a separation or stand down certificate provided by the employer
- evidence of receipt of JobSeeker
- evidence of receipt of JobKeeper payments due to employment being impacted by COVID19 restrictions from 1 March 2020 to 31 October 2020
- evidence of being a business forced to close or otherwise restrict trading activities due to Federal and/or State Government COVID19 legislation for a period of at least eight (8) weeks between 1 March and 31 October 2020
- the applicant having rental properties as a primary source of income with evidence of a lease agreement for each affected property (or other written evidence of a tenant being entitled to rent relief) between 1 March 2020 and 31 October 2020 for a reduction in rent of at least 50% due to COVID19 for a period of at least eight (8) weeks– but not a deferral of rent

Ratepayers meeting the criteria and who agree to and do put in place and comply with a payment arrangement for the second, third and fourth instalments of rates for the 2020/2021 financial year, all to be paid by 30 June 2021, will be provided with relief by way of their first instalment of rates being waived (excluding the Regional Landscape levy) and all penalty interest and fines that are imposed during the 2020/21 year in relation to the rates which are the subject of the arrangement, being remitted.

Payment in full of the balance of all rates payable for 2020/2021, including the Regional Landscape levy, must be made by 30 June 2021.

Ratepayers experiencing ongoing Financial Hardship or temporary Financial Hardship who do not meet the criteria for COVID19 Financial Hardship Policy are referred to Council's Rating Policy.

The amount of the first instalment of rates (excluding the Regional Landscape levy) that is waived for 2020/2021 is capped at:

- a maximum of \$1k for a single rateable property
- a maximum of \$5k for multiple rateable properties, and
- a maximum of three (3) applications per principal ratepayer in respect of multiple rateable properties

For any ratepayers who does not adhere to the payment arrangement and/or does not pay the rates due in full by 30 June 2021, the amount waived in rates will be reinstated and will become due and payable in line with Council's Rating policy. In addition, penalty fines and interest may be reinstated and recovery action may be commenced in accordance with Council's Rating Policy.

An applicant is not eligible for COVID19 hardship if granted any other rebate of rates for 2020/2021 under the *Local Government Act 1999* sections 159 to 166.

All arrangements for hardship will be treated as strictly confidential.

Applications for COVID19 hardship must be received before 31 December 2020 to be eligible under this Policy.

5. Debt Recovery

Council will suspend any debt recovery process while negotiating and then during the period of a payment arrangement with a ratepayer who makes application under this Policy

Council will not commence legal action for the recovery of the debt relating to rates where a ratepayer has agreed to a payment arrangement under this Policy and adheres to the terms of the payment arrangement.

This Policy will be reviewed in May 2021, so that the status of the COVID19 impacts on the community can be re-assessed at that time.

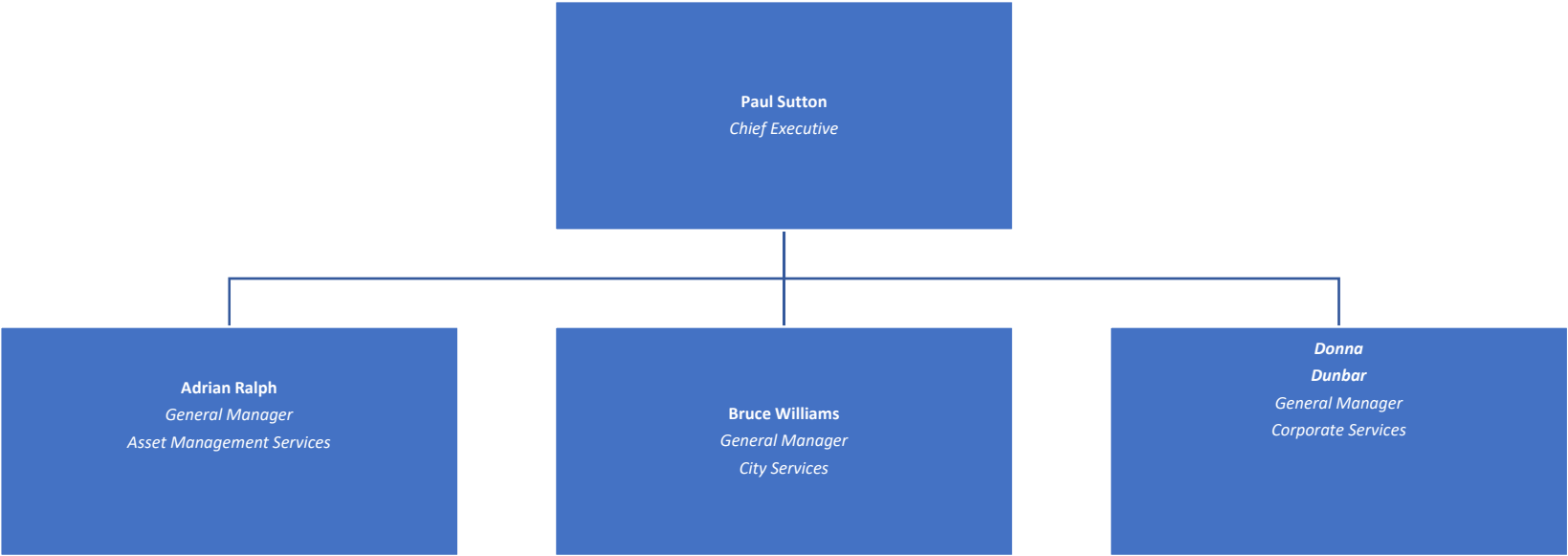
6. Definitions

N/A

Attachment F – Council Organisational Chart and Divisional Functions

[Attachment F consists of 2 pages.]

Council Organisational Chart



Council Divisional Functions

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

Attachment G – Capital Projects for renewal of council's existing assets for 2020/21

Name	Budget Bid Description	Budget Bid Income \$ 2020/21	Budget Bid Expenses \$ 2020/21	Net Budget Bid \$ 2020/21
Path Renewals 2020/21 Bid ID PBB-00000983	Renewal of paths in line with Path Asset Management Plan recommendations and Condition Audit which have been scoped as being warranted for renewal or which provide a significant strategic benefit.	\$0	\$2,525,000	\$2,525,000
Bus Stop Renewals 2020/21 Bid ID PBB-00000984	Renew Bus Stops and bring them in line with the requirements of the Disability Discrimination Act, including adequate clear space, tactile ground surface indicators and access to the bus stop. Upgrade bus stop pavements in line with the Department of Planning Transport and Infrastructures' design layout where possible or DDA requirements as a minimum.	\$0	\$400,000	\$400,000
Road Reconstruction Program of Works 2020/21 Bid ID PBB-00000985	The reconstruction of road pavements and associated kerb and gutters that have reached the end of their useful life and/or due to poor pavement condition it cannot be rehabilitated. The proposed Road Reconstruction Program of Works for 2020/21 includes the following: - Lamont St, Renown Park - GlengarrySt, Woodville South - Welland Ave, Welland - Military Road, Henley	\$0	\$6,448,490	\$6,448,490

	Beach - Burke St/Duncan Rd/Herbert Rd, West Croydon - Windsor Ave, Woodville Park			
Road Rehabilitation Program of Works 2020/21 Bid ID PBB-00000987	Undertake works to extend the useful life of road pavements by using the following rehabilitation treatments: 1. Crack Sealing treatment 2. Kerb & Gutter Renewal 3. Road Preservation & Rejuvenation treatments 4. Road Asphalt overlay 5. Large Area Patching using Plane & Reinstatement treatment	\$0	\$6,339,874	\$6,339,874
Car Park Renewal Program of Works 2020/21 Bid ID PBB-00000988	Renewal of Carparks in accordance with the Asset Management Plan renewal program forecast. The following assets are included in this plan: - All construction types of car park surfaces (bitumen, paving and rubble) - Car park kerb & gutter - Access roads - Access roads kerb & gutter - Wheel stops	\$0	\$160,000	\$160,000
Public Lighting 2020/21 - Design Bid ID PBB-00000990	Detailed design of future lighting renewal projects for 2021/2022 financial year.	\$0	\$14,000	\$14,000
2020/21 - Asset Contingency Building Works Bid ID PBB-00000991	This project is for contingency funding across all Council Building assets for emergency breakdowns including hot water services, electric and gas stoves, whitegoods, switchboards and air conditioners. It also allows for emergency building works, building stormwater services, sewer and minor building works, in five aged care	\$0	\$130,000	\$130,000

	complexes (91 Units), 50 Sporting Clubs, Commercial Properties, Civic and Admin buildings, Community Centre and Libraries, Community Halls and Toilet Facilities.			
AMP Council Building Renewals 2020/21 Bid ID PBB-00000992	Council Building component renewal works based on the condition and the remaining life of the component, As listed in the description within Property Services - Council-owned Buildings Asset Management Plan. Council Buildings Include Public Toilets \$45,000 Community Centres \$302,000 Commercial Properties \$93,000 Sporting Clubs \$167,000	\$0	\$607,000	\$607,000
AMP Playground Renewals 2020/21 Bid ID PBB-00000996	To renew playgrounds in 2020/21, as outlined in the endorsed Open Space & Recreation Infrastructure Asset Management Plan 2019-2030 (AMP) at Almond Reserve, Pennington Oval, Sparrow Reserve (x2 playgrounds) and Harold & Cynthia Anderson Reserve.	\$0	\$685,593	\$685,593
AMP Fences, Walls & Bollards Renewals 2020/21 Bid ID PBB-00000997	Renewal of fences, walls and bollards in 2020/21, in accordance with the endorsed Open Space & Recreation Infrastructure Asset Management Plan (AMP).	\$0	\$172,133	\$172,133
AMP Reserve & Street Furniture Renewals 2020/21 Bid ID PBB-00000998	Renewal of open space furniture assets in 2020/21, in accordance with the endorsed Open Space & Recreation Infrastructure Asset Management Plan (AMP).	\$0	\$208,494	\$208,494
AMP Sports Accessories Renewals 2020/21	Renewal of sports accessories across the city, in accordance with the endorsed Open	\$0	\$198,264	\$198,264

Bid ID PBB-00000999	Space & Recreation Infrastructure Asset Management Plan (AMP).			
AMP Irrigation Renewals 2020/21 Bid ID PBB-00001000	Renewal of irrigation systems and controllers across the city, as outlined in the endorsed Open Space & Recreation Infrastructure AMP.	\$0	\$961,280	\$961,280
2020/2021 - Faith Montessori - Internal Kitchen Renewal Bid ID PBB-00001003	Renewal of kitchen cupboards and benchtops which were noted as non-compliant with current food safety legislation during property inspection	\$0	\$10,000	\$10,000
Office Furniture Renewals Bid ID PBB-00001011	There is a requirement to continually update office furniture in Council operated properties including Community Centres, Libraries, the Beverley Centre, the Civic Centre and other council occupied facilities regularly. This is to ensure the furniture remains safe and functional.	\$0	\$45,000	\$45,000
Council-owned Buildings -Truss Renewal and engineer inspections Bid ID PBB-00001029	Renewal of timbers trusses and associated works following inspections of Council owned ageing buildings to provide long term durability and strength to the buildings. The Henley Library needs major modifications to the existing roof trusses to make this building safe for public use as per recommendations from the structural engineers. The Percy Fox grandstand needs remedial work to make safe the upper brick parapet wall.	\$0	\$440,000	\$440,000

<p>Renew of electrical switchboards on Council owned buildings</p> <p>Bid ID PBB-00001031</p>	<p>An audit on electrical switchboards has been undertaken and recommends switchboards are renewed as major insulation failure could result in faults or complete failure of the electrical switchboard.</p> <p>Also old electrical switchboards have asbestos material, does not have RCD protection and has been identified as fire safety hazard. Sites are Woodville Bowling Club, Croydon Bowling Club, Pennington Oval Clubrooms and Albert Greenshields Reserve clubrooms.</p>	\$0	\$90,000	\$90,000
<p>Bridge Renewal - Grange Jetty Reserve Boardwalk</p> <p>Bid ID PBB-00001033</p>	<p>Design and construction of new superstructure and decking of Grange Jetty Reserve Boardwalk.</p>	\$0	\$350,000	\$350,000
<p>Chief Street Brompton - Streetscape Renewal - Consultation and Concept Design</p> <p>Bid ID PBB-00001048</p>	<p>Community engagement and development of concept designs for streetscape renewal in the section of Chief Street between Port Road and Hawker Street.</p>	\$0	\$80,000	\$80,000
<p>Traffic Control Renewals 2020/21</p> <p>Bid ID PBB-00001051</p>	<p>Design and Consultation for Traffic Control Renewal at the Intersection of Croydon Avenue and Hurtle Street in West Croydon.</p> <p>This bid also includes design and construction of traffic controls associated with road reconstruction / rehabilitation program.</p>	\$0	\$350,000	\$350,000
<p>Breakout Creek Stage 3 Redevelopment</p> <p>Bid ID PBB-00001057</p>	<p>Council contribution to Breakout Creek Stage 3 redevelopment project paid to the NRM Board to convert the artificial channel designed for</p>	\$2,000,000	\$3,000,000	\$1,000,000

	flood mitigation to a more naturalised creek providing open space, habitat and water quality improvements			
DDA Access Ramp Renewal Program 2020/21 Bid ID PBB-00001058	Renewal of access ramps associated with Path Renewal Program and Road Rehabilitation program and in response to DDA community requests.	\$0	\$200,000	\$200,000
Concrete & Block Paving Footpath Renewal 2020/2021 Bid ID PBB-00001066	Renewal of sections of existing concrete and paved footpaths as identified by the Asset Management Audit Data, CRM's and risk management audits. Reduction of trip hazards throughout the city caused by raised, cracked and deteriorating concrete and paved footpaths.	\$0	\$1,600,000	\$1,600,000
Renewal of billboard components - Port Road median Bid ID PBB-00001078	Structural renewal of the billboard at intersection of Old Port Road and Port Road which Council owns and uses to promote Council services. The infrastructure is on DPTI land but the structure is owned by Council. It is in visible disrepair and at end of useful life.	\$0	\$35,000	\$35,000
Light Fleet Replacement Bid ID PBB-00001089	To replace Light Fleet that has reached the optimum replacement point in accordance with the Fleet Asset Management Plan (CL 25/02/2019, Part 1.2.2 Item 3.05) to provide fit for purpose vehicles.	\$634,502	\$1,198,780	\$564,278
Major Heavy Plant Replacement Bid ID PBB-00001098	Major Heavy Plant Replacement program to replace Council's major plant in accordance with the Fleet Asset Management Plan (CL 25/02/2019, Part 1.2.2. Item 3.05). Emissions, fit for purpose and cost effective replacement point.	\$292,351	\$1,241,540	\$949,189

Stormwater Pumpstation - Renewal/Upgrades Design Only Bid ID PBB-00001142	Renew Storm Water Pump stations as per Asset Management Plan. Design and Quotes only for:- -Chief Street - Pumps -HMAS - Civil -Rosetta - Full -Marlborough - Instruments and Mechanical	\$0	\$40,000	\$40,000
Local Area Stormwater Renewal - Neighbourhood Reserve Outlet Bid ID PBB-00001149	Local Area Stormwater Renewal - Neighbourhood Reserve Outlet Retaining wall and fence renewal	\$0	\$20,000	\$20,000
Council Chambers and CC1 Audio Visual and hearing loop renewal Bid ID PBB-00001157	Refresh of Audio visual equipment, Microphone conferencing solution and hearing loop in Council Chamber. Refresh of microphone conferencing solution and hearing loop in Meeting room CC1	\$0	\$155,000	\$155,000
Refresh of Audio Visual equipment at various Community Centres Bid ID PBB-00001159	Refresh of audio visual equipment at Findon and Henley Community Centres, and Bower Cottages as the equipment is end of life.	\$0	\$36,000	\$36,000
Replacement of Sign Shop Printer Bid ID PBB-00001160	Replace Sign shop printer as it is end of life	\$0	\$35,000	\$35,000
Total		\$2,926,853	\$27,776,448	\$24,849,595