



ANNUAL BUSINESS PLAN & BUDGET 2018/19

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A Guide to Reading and Using This Plan

1. Preamble

The introductory section of the 2018/19 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 2018/19

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 2018/19 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 2018/19 until 2027/28. 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 2018/19?

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

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

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

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

7. Annual Operating and Capital projects

This section lists the annual operating projects and new/upgrade capital projects endorsed as part of the 2018/19 budget. Renewal capital projects derived from Council's adopted asset management plans are included in **Appendix F**.

8. How Does Council Propose to Fund its Programs?

This section identifies the anticipated revenue sources for 2018/19 excluding rates.

9. Annual Budget 2018/19

The parameters for the budget 2018/19, 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 2018/19 and 2017/18.

10. Analysis of Operating Budget

This section provides an analysis of the expected operating revenues and expenses of the Council for the 2018/19 year in comparison to the adopted budget for 2017/18.

11. Analysis of Cash Position

This section analyses the expected cash flows for 2018/19 compared to the adopted budget 2017/18.

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 2018/19 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 2018/19
- Organisational Chart and Divisional Functions
- Capital Projects for renewal of council's existing assets for 2018/19.

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 2018/19 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 2018/19 was adopted by the Council of the City of Charles Sturt at its meeting on Monday, 25 June 2018.

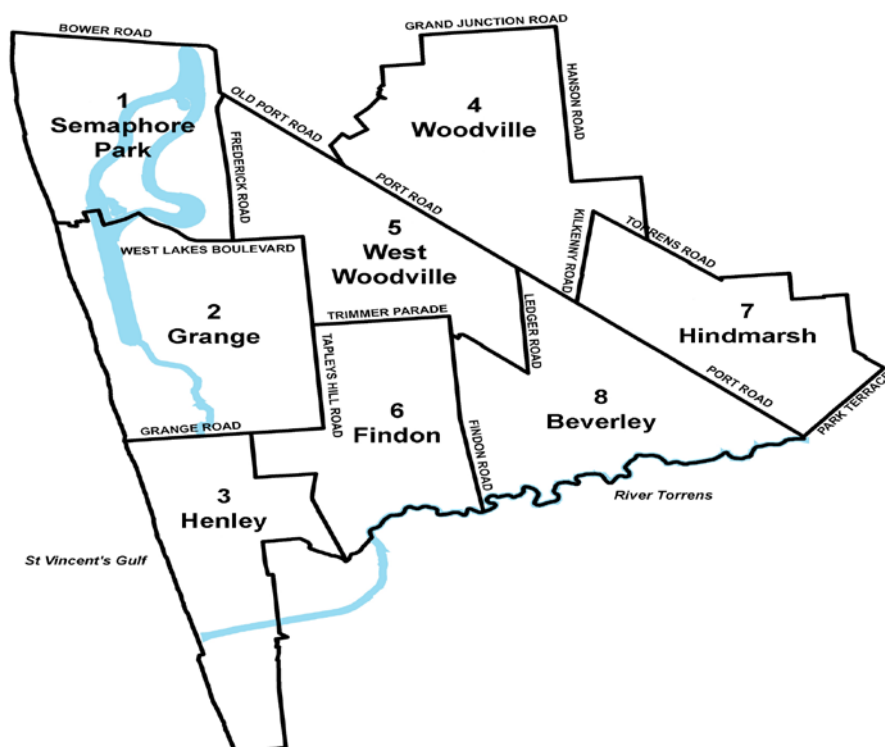
2. Introduction to the City of Charles Sturt

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

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

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

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



3. Strategic Context

The Annual Business Plan and Budget 2018/19 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 2018/19 budget will impact on future budgets and ensure the impact of rates is spread equitably across generations of ratepayers so that planned service standards over the long term and infrastructure levels can be met without unplanned and disruptive increases in rates or cuts to services.

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

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

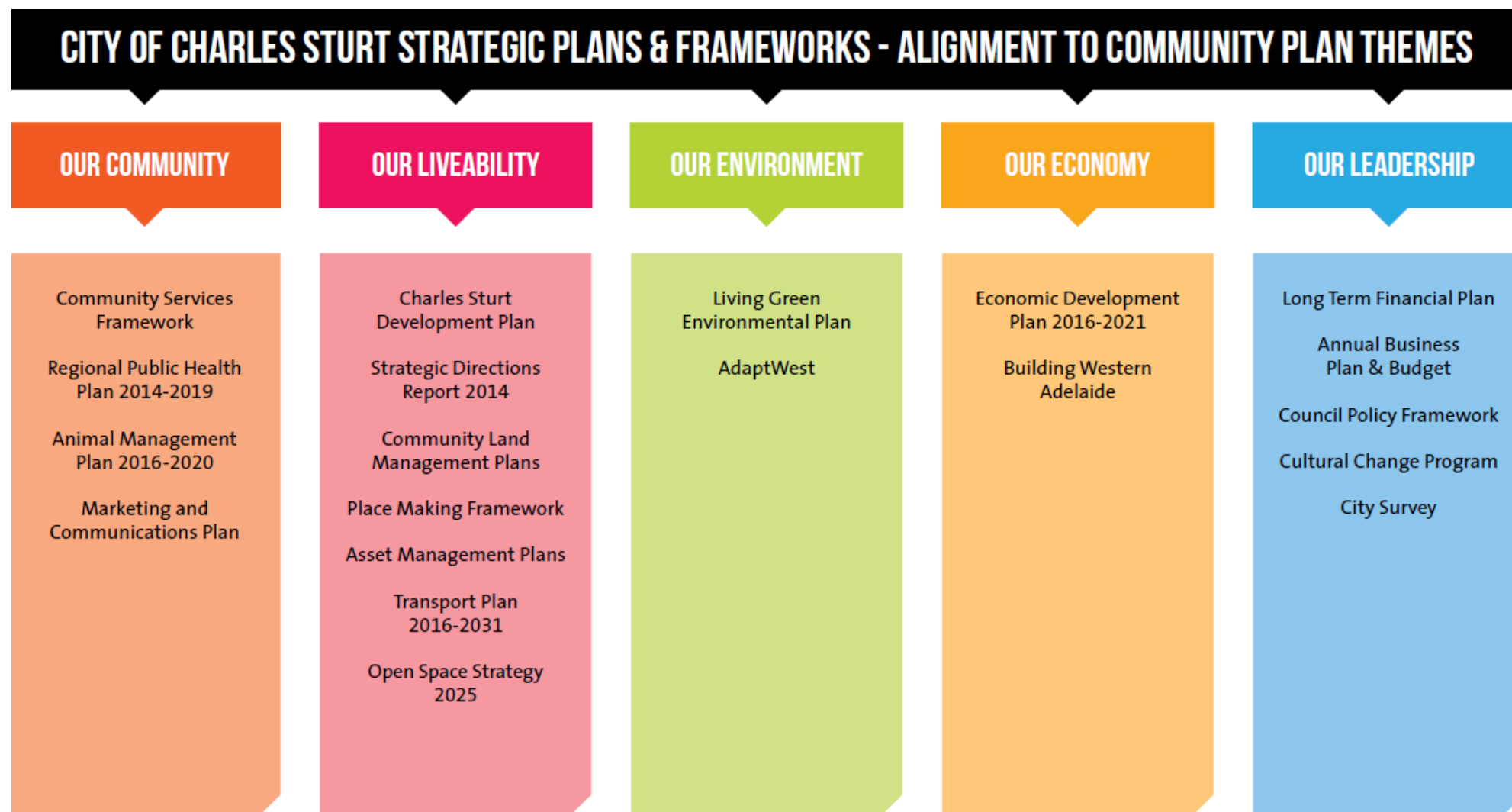
As required by the Local Government Act, the Community Plan had been developed in the broader context of the State Strategic Plan and the State Government's seven key priorities:

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

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

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

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



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

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



3.1 A Vision for Charles Sturt

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

3.2 Key Strategic Issues for Charles Sturt

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

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

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

4. Strategic Priorities for Charles Sturt in 2018/19

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 2018/19 financial year align with the strategies. The detail of these key actions and KPI's which we will use to measure our success can also be found in the Charles Sturt Corporate Plan 2016 -2020 document.

4.1 Theme Areas and Objectives

1. OUR COMMUNITY – A Strong and Connected Community

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

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

Objective	Strategies
<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 13 March 2018.

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 2018/19. 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 2018/19 the forecast renewal program is \$27.017m escalating to \$29.8m over the forecast period.

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

Council staff have also been gathering financial forecast information on new/upgrade capital projects derived from existing strategic managements plans such the Open Space Strategy, Council resolutions supporting new projects and major project initiatives such as Port Road Flood Mitigation, the St Clair Precinct upgrade, West Beach Rockwall, SAPN lighting roll out and West Lakes community hub. The projects included in the LTFP for new/upgrade capital were presented to Council at a workshop on 5 March 2018.

In 2018/19 Council's contribution to the level of new/upgrade works is \$28.476m, in 2019/20 \$21.099m and then decreases to approximately \$12m over the next 2 years. The increase in upgrade capital works up to 2019/20 is due to significant projects such as our commitment to Port Road Flood Mitigation, St Clair precinct upgrade, West Lakes library, SAPN lighting roll out and West Beach Rockwall. These major projects are based on a contribution from council of \$36.5m over the next 2 years for which an additional associated external party co-funding contribution of approx. \$14.6m is assumed to complete the total works based on advice received to date.

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

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

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

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

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

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

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

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

The scenario modelled assumes a total rate rise of 1.8% plus projected property growth of 1.0% (new and developed properties) in 2018/19 and rate increases excluding growth of 2.4%, then 2.6%, 2.6% and 2.4% until 2022/23.

The extra rates impost (the margin above forecast CPI from Access Economics) is 0.2% or less over the 10 year forecast period. For this level of projected rates income annual operating projects or service level increases are forecast at \$2.35m, escalating by an approximation of CPI to \$2.8m per annum over 5 years.

In summary the high level parameters for 2018/19 which were used to **guide** the development of the budget are:

- Total rates increase of 1.8% plus assumed property growth of 1.0%
- Total annual operating projects \$2.35m
- Total capital (renewal) \$27.017m
- Total capital New/Upgrade \$28.476m (including Council's contribution to projects such as Port Road Flood Mitigation and St Clair Precinct upgrade)
- Operating surplus \$4.15m
- Operating surplus recurrent budget including depreciation \$6.253m
- New Borrowings \$24.2m

All assumptions used for the LTFP forecasts are detailed in [Schedule A](#) (located in attachment B) 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 <15%** calculated as operating surplus/deficit divided by total operating income)
- 2) that Council is ensuring it maintains the value of its asset stock by renewing or replacing council's assets such as buildings, footpaths, roads compared with what is 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.

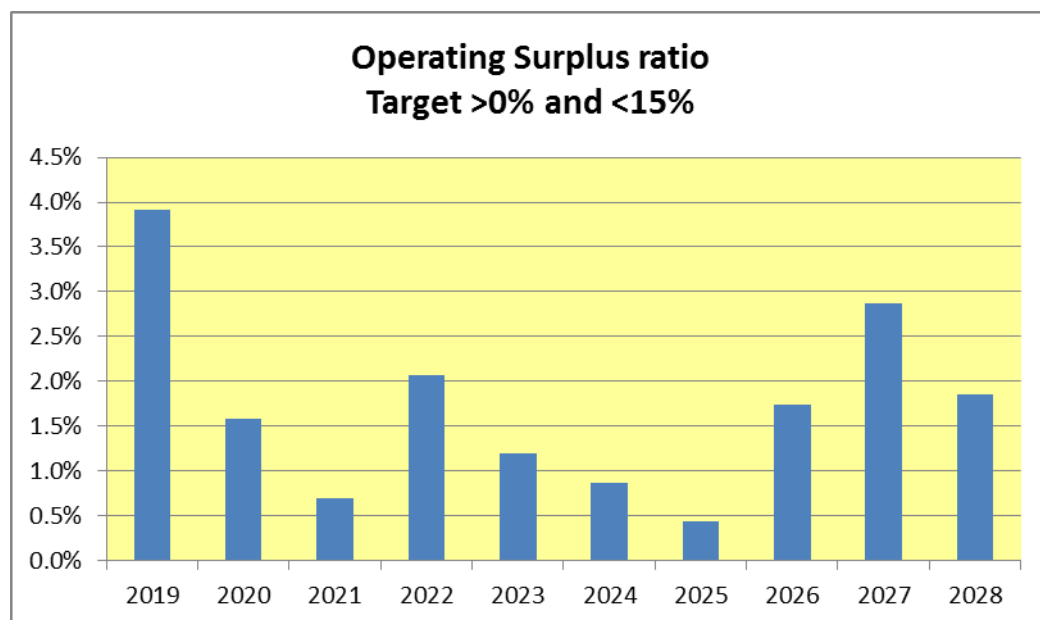
Operating Revenue	Year 1 2019 \$(000)	Year 2 2020 \$(000)	Year 3 2021 \$(000)	Year 4 2022 \$(000)	Year 5 2023 \$(000)	Year 6 2024 \$(000)	Year 7 2025 \$(000)	Year 8 2026 \$(000)	Year 9 2027 \$(000)	Year 10 2028 \$(000)
General Rates	106,022	109,771	114,142	118,694	123,323	127,886	132,746	137,923	142,888	147,746
CPI	1.8%	2.2%	2.4%	2.5%	2.4%	2.2%	2.3%	2.5%	2.5%	2.3%
Extra Impost above CPI & Growth	0.0%	0.2%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Forecast Rise Exclusive of Growth	1.8%	2.4%	2.6%	2.6%	2.4%	2.2%	2.3%	2.5%	2.5%	2.3%
Growth	1.0%	1.1%	1.4%	1.4%	1.5%	1.5%	1.5%	1.4%	1.1%	1.1%
Total Rise	2.8%	3.5%	4.0%	4.0%	3.9%	3.7%	3.8%	3.9%	3.6%	3.4%
Forecast Rise Exclusive of Growth	1.8%	2.4%	2.6%	2.6%	2.4%	2.2%	2.3%	2.5%	2.5%	2.3%
Prev LTFP Rates Rise exclusive of Growth	4.0%	3.0%	3.0%	2.5%	2.4%	2.2%	2.2%	2.5%	2.5%	
Total Rate Rise Diff to Prev LTFP	-2.2%	-0.6%	-0.4%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	2019 \$(000)	2020 \$(000)	2021 \$(000)	2022 \$(000)	2023 \$(000)	2024 \$(000)	2025 \$(000)	2026 \$(000)	2027 \$(000)	2028 \$(000)
Indicator 1 - Operating Surplus / (Deficit) - \$(000)	4,153	1,734	788	2,449	1,457	1,100	568	2,376	4,078	2,734
Indicator 2 - Operating Surplus Ratio - %	3.9%	1.6%	0.7%	2.1%	1.2%	0.9%	0.4%	1.7%	2.9%	1.9%
Indicator 3 - Net Financial Liabilities Ratio - %	61.0%	72.2%	73.0%	68.2%	63.7%	57.1%	49.1%	38.2%	29.1%	16.3%
Indicator 4 - Asset Sustainability Ratio - %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Indicator 5 - Interest Cover Ratio - %	1.89%	1.80%	2.38%	2.21%	2.23%	1.98%	1.65%	1.31%	0.91%	0.52%
Net Loans	53,337	72,467	70,063	73,124	67,149	58,162	48,109	34,516	20,880	4,700
Net Loans as a Percentage of Operating Revenue	44.5%	58.5%	54.4%	54.7%	48.4%	40.4%	32.2%	22.3%	13.0%	2.8%
Capital Program										
Renewal & Replacement	27,017	27,796	29,779	24,980	29,542	28,523	28,400	27,616	28,711	27,306
New & Upgrade	7,645	7,703	10,143	6,139	4,240	3,731	8,631	2,031	4,928	1,281
Flood Mitigation & Major Stormwater Projects	29,446	19,396	5,535	6,000	5,000	5,250	250	5,000	5,000	5,000
Less Amounts Specifically for New & Upgraded Assets	- 8,615	- 6,000	- 3,000	-						
Total Net Capital Spend	55,493	48,896	42,457	37,119	38,782	37,504	37,281	34,647	38,639	33,587
Annual Operating Projects	2,350	2,521	2,684	2,753	2,822	2,888	2,957	3,033	3,112	3,188

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

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

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

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



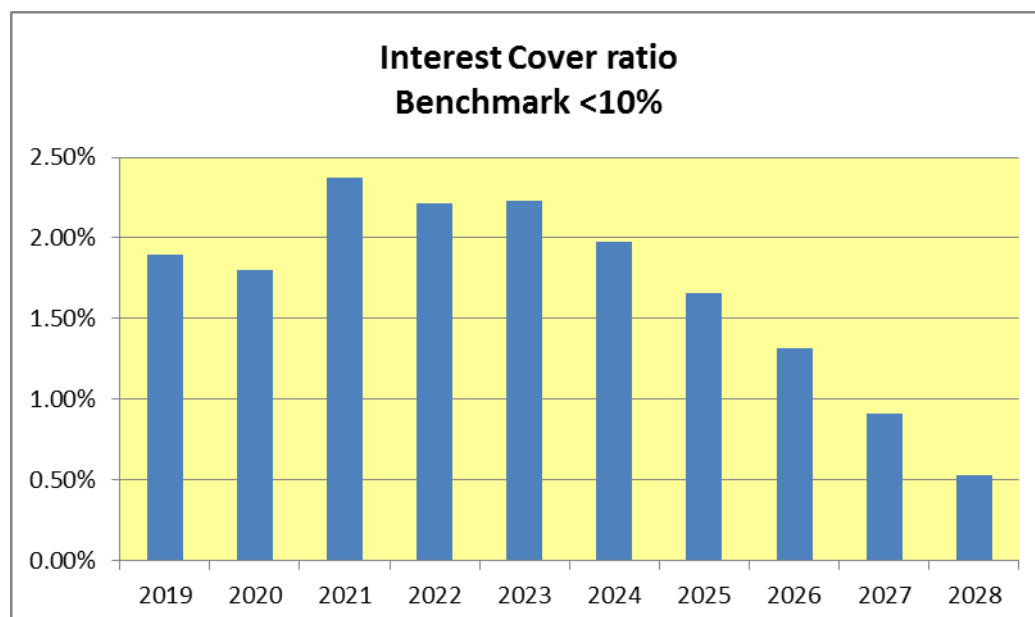
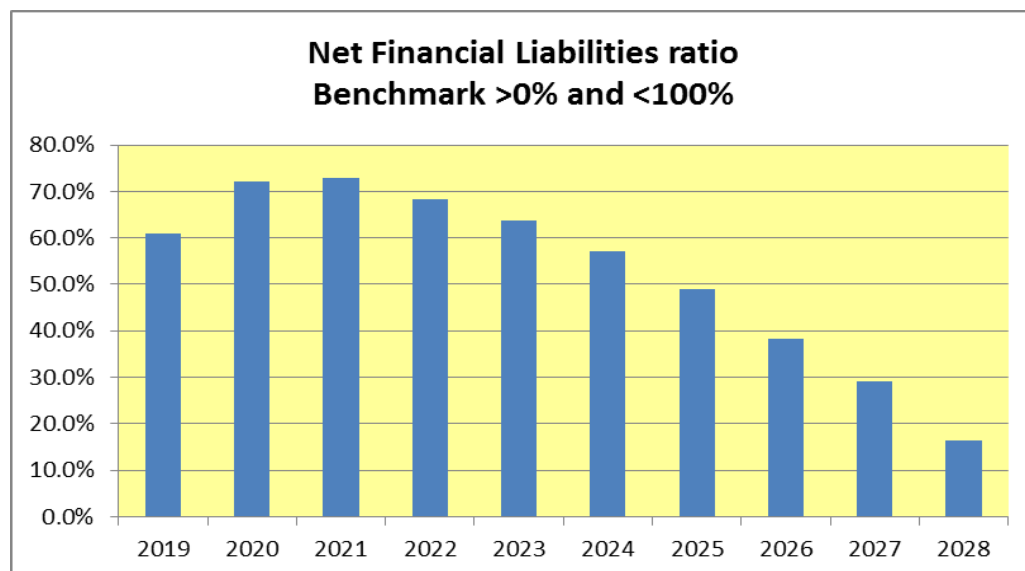
A council must also ensure its total debt does not exceed its ability to service this level of debt.

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

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

The preferred scenario delivers a net financial liabilities ratio with a peak at 73% and an interest cover ratio less than 2.5% over the 10 year forecast period, all well within acceptable benchmarks.

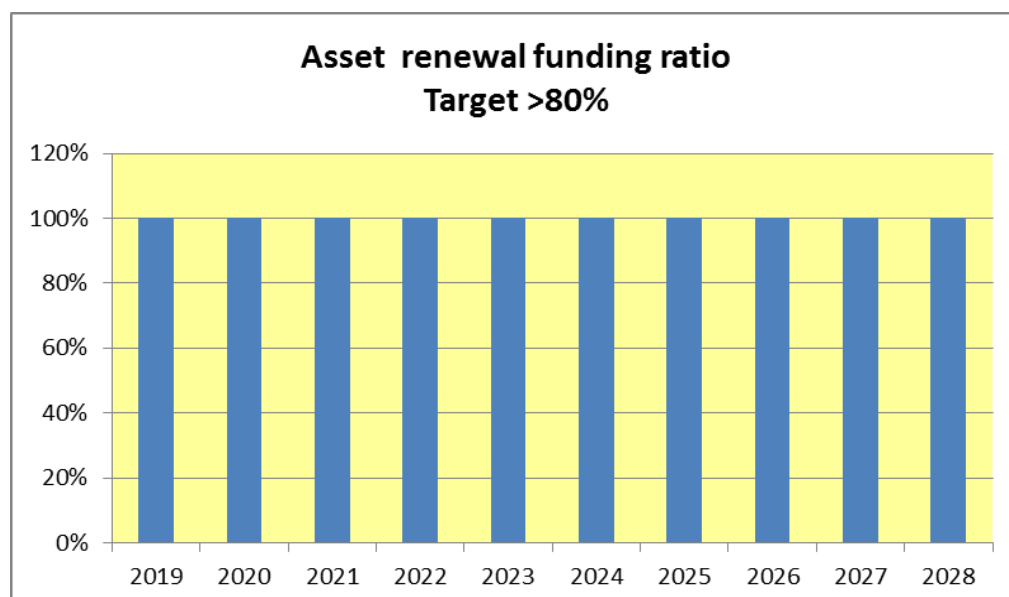
It should be noted that ideally renewal/replacement of existing infrastructure should be financed by current rate payers with any infrastructure backlog financed by an increase in debt to be repaid as quickly as possible by current ratepayers. New/upgrade capital expenditure should be financed by a long 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. A positive operating surplus ratio is achieved across the planning period with a break even position continuing to be sustainable for council operations. Councils' infrastructure works are met that address asset management plans and strategic management plans within acceptable benchmarks for council's key financial targets which are used to guide its decision making.

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

Year 1 of the adopted LTFP set the high level parameters for development of the Annual Budget for 2018/19. The Council consulted on these high level parameters and list of proposed projects and services. Once feedback was received it finalised the actual budget detail. Any variances to those high level parameters impacted on the final rates increase and list of annual operating projects and capital works projects adopted for 2018/19 which will flow through to successive iterations of the LTFP when reviewed in subsequent years.

6. What Services Will We Deliver to our Community in 2018/19?

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

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

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

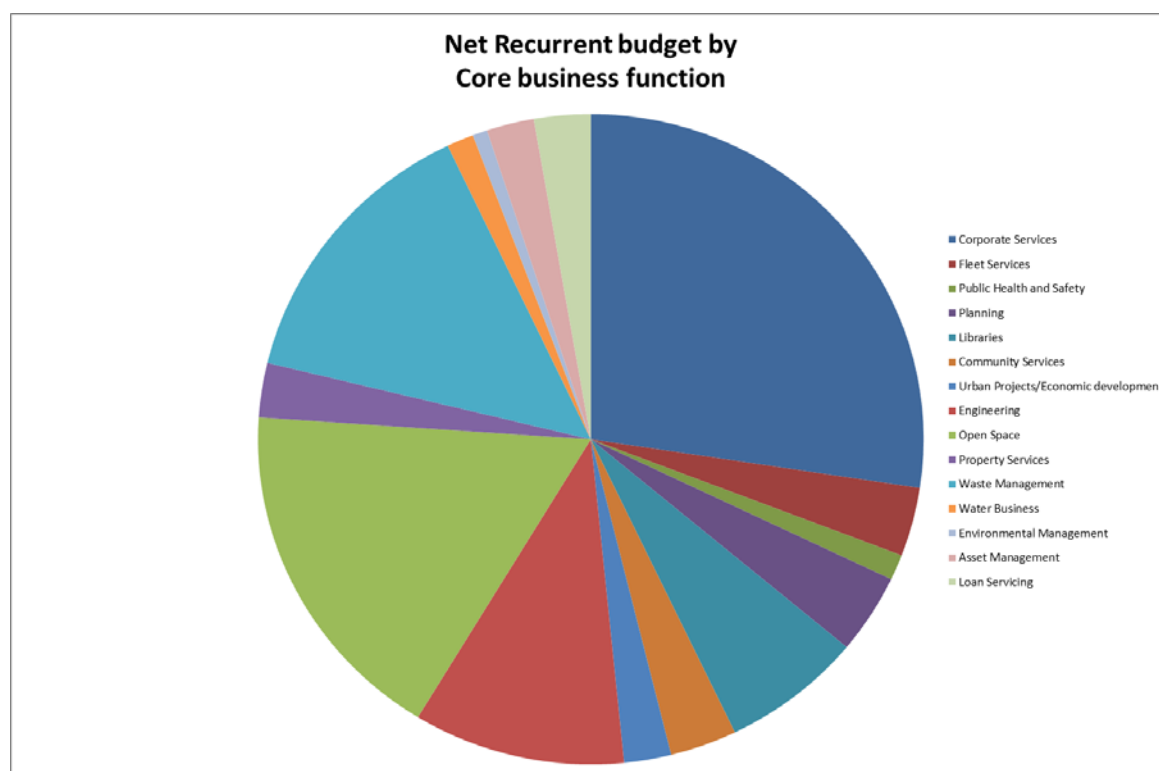
- Libraries
- Community centres
- Community programs
- On street parking management
- Dog and cat management, and
- Verge mowing.

The adopted LTFP forecast provided the high level budget parameters for the 2018/19 recurrent operating budget to deliver core services. 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 2018/19 to deliver core services including “rates income levied” of \$106.022m and including depreciation of \$30.480m is **\$5.435m**.

A comprehensive listing of our core operational services (recurrent budget) provided to the community as at June 2018 is included as [Attachment B](#). Details of Council’s organisational structure and the various functions and business activities undertaken by each Division to provide services are included in [Attachment E](#).

Recurrent Core Business Function	Operating Income \$	Operating expense \$	Net \$
Corporate Services	2,993,280	22,196,460	19,203,180
Fleet Services	20,000	2,418,500	2,398,500
Public Health and Safety	3,267,800	4,155,900	888,100
Planning	1,306,200	4,081,500	2,775,300
Libraries	883,600	5,674,200	4,790,600
Community Services	1,877,400	4,150,800	2,273,400
Urban Projects/Economic development	95,000	1,698,700	1,603,700
Engineering	1,810,000	9,025,820	7,215,820
Open Space	124,300	12,306,100	12,181,800
Property Services	1,205,300	3,102,600	1,897,300
Waste Management	1,012,000	10,929,800	9,917,800
Water Business	201,100	1,117,200	916,100
Environmental Management	-	503,600	503,600
Asset Management	-	1,615,700	1,615,700
Loan Servicing		1,926,000	1,926,000
Total excluding depreciation and rates	14,795,980	84,902,880	70,106,900
Depreciation		30,480,100	30,480,100
Total including depreciation		115,382,980	100,587,000
Rates levied	106,022,000		106,022,000
	120,817,980	115,382,980	5,435,000

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



7. Annual Operating and Capital Projects

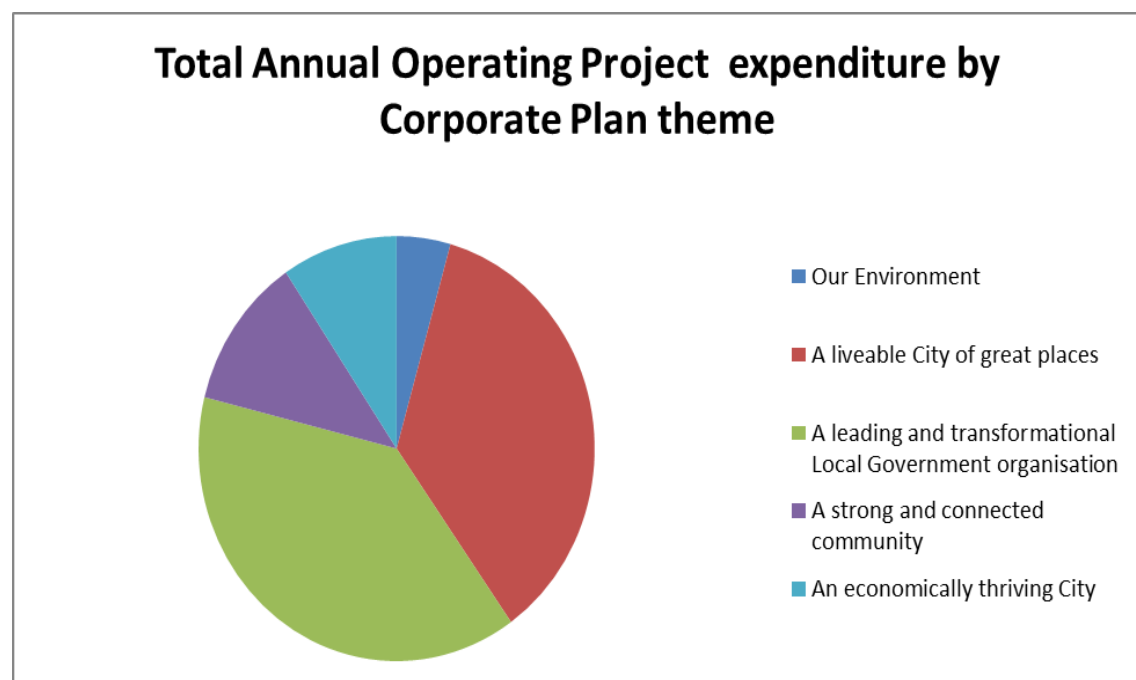
In addition to Councils “core” activities for its recurrent budget monies are put aside for annual operating projects and capital projects.

7.1 Annual Operating Projects

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

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

In 2018/19 it is proposed to fund **\$2,085,549** in annual operating projects comprising \$73,669 in income and \$2,159,218 in expenditure. (Note as per LTFP \$2.35 net was adopted as framework for annual operating projects)



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

<i>Bid number</i>	<i>Bid Name</i>	<i>Bid description</i>	<i>Income</i> <i>\$</i>	<i>Expenditure</i> <i>\$</i>	<i>Net Budget</i> <i>\$</i>
PBB-00000552	Sporting Club Professional Development	This program has been running for the past five years and offers a series of professional development seminars for sporting clubs at no cost. In 2017/18 a total of 8 workshops took place offering sporting clubs the chance to gain knowledge and expertise in various topics. The program has been valuable for Clubs with over 30 people and average 15 clubs attending each workshop.	-	10,000	10,000
PBB-00000554	Adelaide City FREE Bikes	The Adelaide City FREE Bike program has been running at CCS since 2012. The program continues to be successful currently providing free bike hire at five locations around the City. These include; Discovery Holiday Park Semaphore, West Beach SLSC, Henley Library, Hindmarsh Library and West Lakes Library. The program offers residents and visitors to the City the chance to hire a bike for FREE and explore the city and surrounds. The program encourages an active, healthy lifestyle while promoting sites around the City.	-	20,000	20,000

PBB-00000564	Tree Screen Renewal	To continue with the tree screen renewal program that commenced in 2002. There are approximately 30 kilometres of tree screen within the City and 7% (equivalent to 2 kilometres) still require vegetation renewal.	-	126,000	126,000
PBB-00000571	Sand Drift Fencing Renewal 2018/19	Replacing Sand Drift Fencing at various locations along the foreshore to assist in sand erosion control. Locations correspond with the sand shifting program undertaken by the Coast Protection Board (CPB) and are negotiated annually with the Coast Protection Board. CPB previously funded the program 50:50 but declined to do so since the sand pipeline project commenced and hence bid based on Charles Sturt contribution only.	-	30,000	30,000
PBB-00000574	Corporate Key Performance Indicators - Annual City Survey	A Community Survey of 400 residents to ascertain community perceptions on a range of parameters. Survey results will assist with reporting performance towards objectives in the Corporate Plan 2016-2020.	-	32,000	32,000
PBB-00000576	One new multi-skilled maintenance employee for West Development, St Clair, Bowden Urban Village Estate 2018-19	To provide ongoing funding for one full-time multi-skilled maintenance employees for the West Development (AAMI), remainder of St Clair, Bowden Urban Village and Woodville West Developments to ensure these contributed assets are maintained to the	-	60,000	60,000

		service levels required. These works will require Horticulture, Arboriculture and Engineering maintenance skills to ensure attractive and functional amenity for residents and the community. Note: one position within the establishment numbers has been made redundant and that position will be used to employ a second person to form a two person team.			
PBB-00000582	Heritage Conservation Grants Program	The Heritage Conservation Grants Program applies to property owners of Local Heritage Places and Contributory Items as identified in Council's Development Plan and to owners of Regulated trees (as identified 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 trees which require maintenance pruning. The Program has a recurrent budget of \$25,000 from the last two financial years. The additional operating budget bid of \$20,000 will provide additional funds to the Program to service the increased level of demand.	-	20,000	20,000

PBB-00000583	Timber Roof Truss Structural Assessments - 2018/2019	Structural Assessments of Council owned buildings with timber roof structures on high risk buildings - Percy Fox Grandstand, Henley Town Hall, Kilkenny Community Hall, Flinders Park Community Hall and The Brocas House.	-	15,000	15,000
PBB-00000587	Community Green Buildings Grants - Year 3 (Final Round)	Using the savings that Council is achieving through an energy efficiency program at the Civic Centre Complex (the Kill Bills project), A grant program has been established to assist community groups and sporting clubs occupying Council owned premises within the City of Charles Sturt to save energy. The program is to be delivered for a period of at least three years, and commenced in 2016/17. The program has assisted 9 community groups and sporting clubs to achieve energy savings at their premises in Rounds 1 and 2. This is the final round of the grant program (Year 3 - 2018/19).	-	35,000	35,000
PBB-00000589	Adapt West Regional Climate Change Adaptation Coordinator and Implementation	A regional coordinator for the AdaptWest climate change adaptation program commences in early 2018 and is currently funded to April 2019. The role is jointly funded by the Cities of Charles Sturt, West Torrens and Port Adelaide Enfield, with State Govt contribution from the NRM Board. This bid is to contribute to the role through until end	20,000	30,000	10,000

		<p>June 2019 (subject to continuation of external funding). To support the ongoing coordination of this project at the regional level, it is proposed that the Regional Coordinator be resourced by the project participants, including the City of Charles Sturt and external funding (to be identified and sourced) to secure a 3 year tenure. This will enable significant progress of the regional plan. It is anticipated that the budget will be used to fund the shared FTE resource working across the region, with remaining funds used on the implementation projects themselves. The details of this arrangement will be negotiated and agreed by the 3 Councils through the project Steering Committee.</p>			
PBB-00000594	Whole Street Planting 2019	<p>As part of the Whole Street Planting Program, a number of residential Streets will be planted with semi advanced trees. A whole street approach provides a number of benefits to the residents of the street, Council and the community at large, including a consistent uniform planting which in time creates an 'avenue effect' of trees of a similar size, shape and appearance. The selection of streets has been primarily based on the absence of trees in the street, the overall</p>	-	175,000	175,000

		condition of the existing trees being in decline, whether the existing species are appropriate for the location and the integration with Engineering construction projects.			
PBB-00000596	Planet Ark and Trees for the Future 2019	Planet Ark is 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' is to plant primarily native tree species on our reserves for future generations and to 'green' the City.	-	40,000	40,000
PBB-00000601	BikeDirect Network Review	Review existing BikeDirect network to ensure routes are appropriate and update network where required to guide future decision making.	-	20,000	20,000
PBB-00000611	Small Business Assistance	Working with existing Business organisations to: Continue Youth Entrepreneurs Program with Business SA and support for entrepreneurs looking to start a business. Provide advice from Adelaide Business Hub to businesses through the Council area to support growth.	-	15,000	15,000

PBB-00000618	Carols by the Lake Sponsorship	The Carols by the Lake has been an annual event for more than 30 years. This event is co-funded by the Rotary Club of West Lakes and the United Church West Lakes as a Christmas community event for local residents and all to attend. For years these two groups have contributed all the labour to erect staging and fencing; however in recent times the groups have found it too demanding and needed paid help to do the setup of equipment.	-	5,000	5,000
PBB-00000621	External Events Funding 18/19	Festivals and events provide a very effective mechanism for raising destination awareness, branding and visitor attraction. They encourage community participation and engagement and civic pride and ownership. This program will provide funding to events that have economic, social and cultural benefits to a city and assist in making it a vibrant destination. It will also provide subsidies to businesses for activities for SALA and 'guitars in bars' and other places.	-	20,000	20,000
PBB-00000622	Outdoor Cinema 2018/19	Delivery of a free outdoor cinema in the City of Charles Sturt. Location to be determined but most likely to be Point Malcolm Reserve with the Fork on the Road as a supporting event.	-	20,000	20,000

PBB-00000625	Christmas in the Square Sponsorship 2018	Event funding/sponsorship for the Christmas in the Square 2018.	-	15,000	15,000
PBB-00000626	Visitor Destination Implementation - Tourism Strategy Year 1	Implementation of year 1 actions from the Tourism Destination Plan. Strategy is to be presented to Council in April/May 2018 as part of City Services committee Economic Development update.	-	10,000	10,000
PBB-00000632	Economic Development Website Presence	Industry best practice provides real time data in a modern and sophisticated manner. This project will deliver this as well as increased online presence for potential new businesses to choose west and support existing business with grant funding information.	-	10,000	10,000
PBB-00000642	Grange Jetty Café - Floor Joist repairs 2018/2019	Replacement of the existing timber decking to also include minor repairs to the flooring joists located on the North - West side of the Grange Jetty Cafe. This is required due to dry rot and historical white ant damage (White ant activity has been treated).	-	12,000	12,000
PBB-00000644	Woodville Town Hall - Annual Program of Events	Create an annual program of live music and events in line with Woodville Town Hall Business Plan Goals and Objectives.	18,169	80,000	61,831
PBB-00000646	Biodiversity Action plan - baseline data collection	The Biodiversity Action Plan requires a detailed flora and fauna assessment to determine current species diversity, abundance and distribution across habitat associations, to establish a baseline database for	15,000	30,000	15,000

		ongoing action and monitoring of aligned actions in the Biodiversity Action Plan.			
PBB-00000648	Health, Ageing Well & Disability - Capability Development Framework	Implementation of the recommendations and Work Plans for each of the 3 streams of the Framework: Exports, Investment Attraction & Western Region (see attached diagram). This budget includes; ongoing support of ACACC through promotion of consortium expertise in China and other Asian market, liaison with in-market representatives, running of events, provision of training to members; securing of a consultant to assist in linking business immigrants along with other investors to investment opportunities in health & retirement living; Engagement of trainers for workforce development pilot; evaluation of a consultant to evaluate the workforce development pilot; promotion of the opportunities and training of local businesses to assist them in securing business within these sectors.	-	10,000	10,000

PBB-00000680	Outdoor dining & Business Improvement Fund	Continuation of match funding to provide assistance to business and/or property owners to complete minor building improvements (including facade improvement and internal fit out) and secondly match funding for the installation of energy absorbing bollards where required to operate an outdoor dining area. These improvements contribute to the enhancement of precinct amenity and a catalyst to stimulate local business activity in key retail precincts throughout the CCS. The energy absorbing bollards may be installed by Council contractors on the behalf of the owner as part of the match funding support but the bollards will be owned by the business.	-	40,000	40,000
PBB-00000682	Strategic Website Provision 0,2 FTE Increase	Increase Website Advisor from 0.8FTE to 1FTE to deliver and manage the City of Charles Sturt website, as well as supporting websites WW1 website, Light Up Your Christmas website and the Local Government Services App including photo shoots for major infrastructure projects, graphic design and production of new pages. Further, to strategically drive the organisation's website development to create and produce multimedia communications for the organisation, including	-	16,418	16,418

		online videos and promotional material.			
PBB-00000683	Food waste recycling program	Subsidise compostable bags for residents to compost their food scraps - reducing cost to the resident from \$5 per roll, to zero with free compostable bags to be collected from the Civic Centre or the nearest library. Council introduced a food waste recycling program in late 2011, which offered residents a range of options to recycle their food scraps in the green organics bin. The greatest up-take of options has been the kitchen caddy with compostable bags. To-date residents who wish to get additional rolls of compostable bags have had to pay \$5 per roll. It is anticipated that providing free compostable bags will improve up-take of the food waste recycling program which will lead to greater diversion of food waste from landfill. In addition to providing compostable bags free of charge, an increased marketing and promotional campaign will also be rolled out.	-	25,000	25,000
PBB-00000684	Westside Place Makers Grant scheme	Continuation of the successful city wide Place Makers grant program that funds projects in public spaces that are undertaken by businesses or community members. Projects must contribute to Charles Sturt's vision for placemaking to be easily	-	60,000	60,000

		implemented and have high impact within precincts. The grants scheme provides support to enable local people to lead the change they want to see in their local area, and is a fundamental element of Charles Sturt's place making agenda.			
PBB-00000686	Verge Mowing Service Level Increase 18/19	Currently the verge mowing budget allows for four cuts per year on local roads and eight per year on main roads. The frequency of cuts on local roads has been inadequate to cope with excessive growth caused by unseasonable weather in some years. Additional funds are required to address seasonal growth depending on the season.	-	100,000	100,000
PBB-00000687	Living Green Programs	Living Green Community Education Programs are a range of initiatives to influence and lead our staff and community through implementing programs focussed on environmental sustainability. The programs this year will involve beehive hosting and related education programs, local indigenous plant subsidy, fauna boxes and travel behaviour change.	3,000	18,000	15,000
PBB-00000698	Spring Garden Competition	Conduct a Garden Competition following on from the success of the five previous annual competitions, encouraging greater participation from schools, Community Groups, Businesses, Home Owners and Streets	-	6,500	6,500

PBB-00000703	CiAnywhere Work Order Implementation	CiAnywhere (CiA) is the next iteration of Ci by Technology One, and will allow the solution to run on any device, anywhere, at any time. The current solution of Ci is reliant upon Windows, which limits the number of devices that the solution can be run on. Moving to CiA opens up the opportunities to run on either android or ios.	-	20,000	20,000
PBB-00000705	DRAINS Software - Stormwater Design Software	DRAINS is a Hydraulic Analysis tool used for design of drainage pits and pipes. This budget bid is to purchase an ongoing license of the software.	-	10,000	10,000
PBB-00000706	Implementation of CiAnywhere MyLeave and MyTimesheets	Implementation of CiAnywhere MyLeave and MyTimesheets Software to provide access to MyLeave and MyTimesheet software modules from any device, anywhere, any time.	-	30,000	30,000
PBB-00000707	Main streets trader support	This bid brings together three separate budget bids supporting trader lead initiatives by Henley Beach Business Association, Woodville Business Association, Hindmarsh traders and Queen Street activations. The intention of the bid is to create a grants type program where businesses in key Charles Sturt retail precincts who are working collaboratively can apply for funding each year to undertake activities that support and promote the precinct by way of marketing campaigns, activations and events,	-	60,000	60,000

		<p>participation in major festivals, and minor precinct upgrades. The program continues to provide support to the business associations previously supported by Charles Sturt, but opens up funding opportunities for collaborative groupings of businesses in other key precincts wishing to collectively undertake activities that support and promote their area. This bid is for a trial of this new funding model, which will be run similar to other Charles Sturt funding programs. It will encourage business associations and trader groups to think more strategically when it comes to expenditure of funds, and reduce reliance on Place Leaders to manage funding and drive initiatives. End of year acquittal and reporting will be required to measure the effectiveness of activities funded and demonstrate that funds have been expended correctly.</p>			
PBB-00000711	Update the existing CCS website for the implementation of the Smart City Strategy.	Update the existing CCS website for the implementation of the Smart City Strategy. This bid is specifically for 2 interactive images to be created by an external design agency.	-	10,000	10,000

PBB-00000712	Open Data Platform	The Budget Bid is to support the pilot of an innovative Open Data Platform containing a small set of agreed data sets that will facilitate the development of an Open Data Policy and Strategy that is linked to Smart City Program.	-	20,000	20,000
PBB-00000713	Local Government Elections 2018	The community elect their council members every four years in accordance with the Local Government Act and the Local Government (Elections) Act. The next general election is to occur in November 2018.	-	415,300	415,300
PBB-00000717	SA Planning Portal - Council Contribution	Council has received advice from the Local Government Association that it will be required to contribute to the SA Planning Portal as stipulated in Section 56(2) of the Planning, Development and Infrastructure Act 2016.	-	36,000	36,000

BB-00000722	Community engagement strategy - 3 bin review	Work has commenced on a detailed review of Council's 3 bin service in preparation for the next contract period, which will not commence services until early 2021. The review will ensure the kerbside waste/recycling service continues to meet the needs of our changing community for the subsequent contract period, which is typically 10 years in duration. This budget bid will allow Council to develop a specific community engagement strategy that identifies key messages, outlines the consultation process and activities that will be undertaken as part of the 3 bin review. It will also support a number of focus groups/facilitated workshops, as well as other interactions with the community.	-	10,000	10,000
PBB-00000727	Online learning platform and training database	Implementation of an online learning platform and training database. The online learning will deliver a variety of training across a range of functions at the council including People and Culture - covering general training as well as training needs identified through staff My Plans, Work Health and Safety legislative required training and re training, Volunteer Management and Contracted Services inductions. The platform will also act as a training database that will also manage qualifications,	-	15,000	15,000

		accreditations and licenses. There is potential to collaborate with other councils on the same platform for consistent LG processes (eg Contractor Inductions, Volunteer Inductions) where the same individuals are working across multiple organisations and having to undertake the same training for each individual organisation.			
PBB-00000729	Consolidation and upgrade of event booking system	Upgrade and configuration of the Evanced system to Demco's Sign Up and Spaces. These modules will manage events and facilities for the libraries (currently using for events), community centres, council halls and reserves and ad hoc programs run by other areas of Council. These modules will manage the bookings and advertising of all council events including the School Holiday Sports program which is currently using Evanced.	-	20,000	20,000
PBB-00000737	Replacement of Council's Agenda and Minute System	To replace the current outdated Agenda and Minute System with a contemporary cloud based solution.	-	36,000	36,000
PBB-00000740	Renewal of IT Applications & Software by cloud migration/managed services (Microsoft Office 365, Mandalay, SCADA)	Renewal of various IT Applications and Software by migration to cloud and managed services as per IT Asset Management Plan (scheduled for Asset Management Committee 19/2/2018): Updated Microsoft Office and email supports staff to work anywhere, anytime, with	-	113,000	113,000

		<p>an enhanced identity and authentication method. (\$85,000) External specialist SCADA services to reduce the risk of loss of system availability or function for recycled water management. (\$12,000) Migration of Mandalay software to a cloud subscription "Software As A Service" model for waste management analytics. (\$16,000).</p>			
PBB-00000745	Nudging for good - 3 bin animation	<p>A grant application has recently been submitted to Green Industries under their Recycle Right Household Recycling Program Grants. This bid is to support the applicant contributions of this funding application. The project is to produce 2 short animations that persuasively present the following themes to residents, decision-makers and influencers within Local Government : Why your recycling service matters-Getting the best from your 3 bin service - What the future holds. The animations will support decision making on Council's new 3 bin contract, including options to improve on the current service approach. It will be a useful tool in any community consultation process for this project.</p>	17,500	35,000	17,500

PBB-00000746	Date Palm removal and Ibis Management Strategy	A study will be undertaken to determine the impacts of relocating the Ibis population from Freshwater Lake. This study should be completed prior to the removal of any Date Palms. The project subsequently can then undertake an initial removal of Date Palms within close proximity to residential properties surrounding Freshwater Lake in an attempt to minimise Ibis numbers in the locality.	-	25,000	25,000
PBB-00000750	Discretionary Ward Allowance for Council Members	To allow Council Members to assess the need for local grant allocations to support minor capital purchases or community initiatives and events within community groups.	-	138,000	138,000
PBB-00000752	Roundabout Landscaping	Landscaping of Roundabouts to complement the 2018/19 Road works Programme	-	30,000	30,000
PBB-00000753	Customer Service - Transport Related Requests	Increase in time allocated to operating service levels for the Transport Team to enable delivery of excellent customer service relating to transport and traffic enquiries which in turn will reduce time allocated and charged to capital projects.	-	30,000	30,000
TOTAL			73,669	2,159,218	2,085,549

7.2 *Capital Projects*

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

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

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

The broad goals identified are as follows:

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

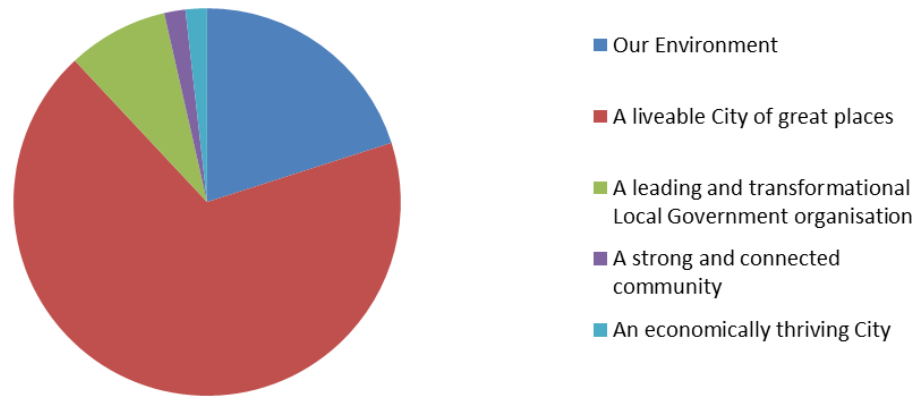
To ensure the value of our assets are maintained our long term strategy provides for us to fund a capital renewal expenditure program based on Council endorsed Asset Management Plans for each asset. The Asset Management Plans determine future funding requirements based on life and condition assessments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

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

In 2018/19 it is proposed to fund a council contribution of **\$55,122,139** in a total capital program comprising \$12,233,983 in income and \$67,356,122 in total expenditure.

All capital projects were the subject of community consultation and review by Council Members before the final project list was determined. (Note as per LTFP framework \$55.493m was adopted as framework for total net capital)

Total New/Upgrade Project expenditure by Corporate Plan theme



The capital program adopted comprises \$27,925,424 net in renewal capital projects with \$815,583 in income and \$28,741,007 in expenditure based on adopted asset management plans) which are detailed in [Attachment F](#) and \$27,196,715 net in new/upgraded capital projects with \$11,418,400 in income and \$38,615,115 in expenditure which are listed below.

<i>Bid number</i>	<i>Bid Name</i>	<i>Bid description</i>	<i>Nature of works</i>	<i>Income \$</i>	<i>Expenditure \$</i>	<i>Net Budget \$</i>
PBB-00000558	St Clair Recreation Centre & Precinct Upgrade 2018/2019	St Clair Recreation Centre & Precinct Upgrade 2018/2019 - Year 2 Upgrade of St Clair Recreation Precinct including recreation centre upgrade, improvements to car parking facilities, upgrade of passive recreation spaces which incorporates new skatepark and new regional play space (as identified within the Woodville Village Master Plan and revised Open Space Strategy), Renewal/upgrade to 14 tennis courts and sportsground reconfiguration.	Upgrade	2,300,000	9,984,582	7,684,582
PBB-00000560	Heritage Recognition Markers	Installation of recognition markers for the City's listed Heritage Places, with a focus on Hindmarsh in accordance with outcomes from the Hindmarsh Co-Design Project. Marker project commenced in 2014/15. To date, the program has resulted in 36 markers, on key heritage properties in Woodville, Hindmarsh, Henley/Grange and	New	-	20,000	20,000

		Kilkenny. The markers have been well received by property owners and the community as a valuable and effective means of educating and informing the public on significant heritage sites within the Council area. They also provide important recognition of historically significant places. The continuation of the program provides an opportunity for developing trails and heritage experiences, facilitating activation of local streets and generating a strong sense of connection to place.				
PBB-00000565	Rebuild of West Beach Rock Wall and Associated Infrastructure Stage 2	Stage 2 of the rebuild of the West Beach rock wall project scheduled for 2018/19 will be to fund the shortfall in budget to complete the reconstruction of the Central section of the rock wall (285 l/m). This section runs from south of the West Beach Surf Life Saving south to the start of the Adelaide Shores board walk The entire project will see the rebuild of 490 metres of rock wall (extending from slightly north of the West Beach Surf Life Saving Club in a southerly direction to		-	2,450,000	2,450,000

		Adelaide Shores) that was undermined and damaged during severe storms and periods of high tides between 2014 and 2016. Stage 3 the Northern Section in front of the West Beach Surf Life Saving Club (105 l/m) is scheduled at this stage to be reconstructed in 2019/20. The Southern section of the rock wall which requires reconstruction will be funded by the State in future. The Project will include rebuild of the associated infrastructure including storm water drainage, the Chetwynd Street staircase access way and a section of Coast Park Shared Use path.				
PBB-00000577	Stormwater - WSUD - Tracey Avenue Catchment Raingardens	Construction of Raingardens designed in 2017/2018 as part of the WSUD water quality improvement strategy in the Tracey Avenue Catchment Area. Construction at the following locations a) Greville Avenue / Nelson Avenue, Flinders Park - 3 Gardens b) Greville Avenue / Flinders Parade, Flinders Park - 4 Gardens c) Greville Avenue /	New	100,000	200,000	100,000

		Collingwood Avenue, Flinders Park - 3 Gardens d) Thistle Avenue/Hartley Road, Flinders Park - 1 Garden				
PBB- 00000578	FMN - Upgrade to Existing St Clair Oval No2 Changerooms	Modifications to the existing St Clair No2 change rooms to meet the growing needs of the sporting club users including a new shed for additional storage; modifications to the existing storage area & incorporation of a canteen servery; modifications to the toilet & changeroom.	New	150,000	450,000	300,000
PBB- 00000581	Changing places Facility - Henley Square 2018/2019	Construct a Changing Places adult changing facility at Henley Square for people/ adults with a disability	New	-	240,000	240,000
PBB- 00000585	Horticultural Centre Automatic Gate	Automation of the existing external perimeter gate at the Horticultural Centre on Toogood Avenue	New	-	15,000	15,000
PBB- 00000590	Solar Implementati on Program - Council Buildings	A coordinated program to install a network of solar panels on Council buildings to maximise the use of renewable energy at the facilities. This is a two stage project - Stage 1 (Year 1) is detailed design and procurement and Stage 2 (Year 2) is installation of solar panels and energy monitoring infrastructure to monitor the savings.	New	-	20,000	20,000

PBB-00000591	West Lakes Hub 2019/2020	Redevelopment of West Lakes Library and Community Centre	New	1,500,000	3,500,000	2,000,000
PBB-00000592	Street Light LED lamp replacement program year 2 2018/19	Transitioning of street lighting assets to LED (Light Emitting Diode) technology. The business case for this project identifies significant energy and SAPN tariff cost savings and constitutes the largest greenhouse gas reduction opportunity for Council. The initial 2018/19 budget allocation approved by council was \$1,247,653.00. There is also significant financial benefit associated with accelerating the roll out of LED lights into a one calendar year (two financial years) program.	Upgrade	-	1,996,480	1,996,480
PBB-00000593	Burleigh Avenue Road Reconstruction and Streetscape Upgrade - Construction	Full road reconstruction, including improved lighting, traffic controls and narrowing of the roadway to enable the inclusion of a wide path and landscaping irrigated by recycled water. The value of the renewal component of this project is \$640k.	Upgrade	-	1,300,000	1,300,000
PBB-00000603	Traffic Controls - New - 2018/19	Consultation, design and installation of traffic control devices at various locations throughout the city to improve road safety.	New	-	272,500	272,500

PBB-00000607	Grange Lakes Corridor Shared Use Path - Stage 4 Design and Consultation	Stage 4: Design and Consultation for upgrade of existing 1.2m wide footpath to a 2.5m wide shared walking and cycling path along the drainage channel, between Jetty Street and Beach Street, Grange.	Upgrade	-	25,000	25,000
PBB-00000612	Woodville Town Hall - Venue Upgrades	Required to support Woodville Town Hall Business Plan. Priority 1 – Event & Venue management system to enable efficient and accurate management of venue hire and events Priority 2 – Venue upgrades to improve customer satisfaction, attract new hirers, and bring the venue up to benchmark standard against other council-run facilities (include new individual seating) Priority 3 – Install retractable seating in Main Hall (includes required strengthening of floor sub structure)	Upgrade	-	487,000	487,000
PBB-00000613	LED Public Lighting - New - 2018/19	Design and installation of new LED public lighting in car parks and on paths and reserves as identified in strategic documents or as requested by the Community.	New	-	310,000	310,000
PBB-00000620	New Paths Program 2018/19	Design and construction of new paths on streets and reserves that have	New	-	490,000	490,000

		been assessed by staff as providing strategic benefit to the community.				
PBB-00000627	Bus Shelter Artwork	Installation of artistic bus shelter panels on four existing bus shelters on Hawker Street.	New	-	15,000	15,000
PBB-00000633	Blanford Street - West Croydon - Traffic Controls	Consultation and design of traffic controls and street scape improvement opportunities for Blanford Street, between Malcolm Street and Jane Street in West Croydon adjacent Kilkenny Primary School.	New	-	15,000	15,000
PBB-00000641	Jubilee Reserve New Basic Canteen Fitout 2018/2019	Fit out the Jubilee Reserve storage and toilet facility with a serving area, hand basin, sink, power points, hot water system.	New	-	70,000	70,000
PBB-00000650	Rowing Course Reserves - Stage 4 Construction - Towpath Reserve	Staged upgrade of Reserves (Rowing Club, Oarsman, Coxswain, Towpath, Eights, Scullers, Shoreline & Midcourse) along the International Rowing Course at West Lakes. 2018/19 - Towpath Reserve	Upgrade	-	345,000	345,000
PBB-00000651	Playground Integration 2018/19	Concept design, irrigation modifications, turf repair and incorporation of nature play principles; earth works/mounding, mature tree plantings, rocks/logs. Focus of Integration will be on	Upgrade	-	150,000	150,000

		the incorporation of nature play principles to enhance and integrate AMP playground renewal program.				
PBB-00000652	Port Road Streetscape Improvement Stage 2 - 2018/19	Landscape works to support the civil works associated with the proposed drainage upgrades along Port Road from Old Port Road to Park Street South.	New	-	500,000	500,000
PBB-00000654	Mooloolo Reserve Upgrade 2018/19	Upgrade of Mooloolo reserve West Lakes, incorporating asset renewals	Upgrade	-	200,000	200,000
PBB-00000657	Woodville West Reserve Adult Exercise Equipment Elizabeth Street (Ex Kindergarten)	Installation of new fitness equipment and drinking fountain.	New	-	75,000	75,000
PBB-00000658	MJ McInerney Reserve Redevelopment - 2018/19	Stage 2 construction works for the reserve redevelopment as per the Open Space Strategy for providing district facilities including combination of asset renewal and upgrade works to meet community needs. Community consultation and design has been completed. Tender to be released 2018 with Stage 1 construction expected to commence May 2018.	Upgrade	-	778,500	778,500
PBB-00000660	First Ave Seaton Reserve Upgrade	Upgrade of reserve to improve use, amenity and function	New	-	52,000	52,000

PBB-00000662	Carnarvon Reserve playground enhancement	Delivery of new play space incorporating nature play targeted at 0-7 year olds.	New	-	110,000	110,000
PBB-00000668	Port Road Drainage - Stage 2 Construction	This is the third financial year (2018/19) for the construction of Port Road Drainage Stage 2 between Old Port Road and Park Street South. The purpose of this project is to mitigate storm water flooding in part of the suburbs of Cheltenham, Albert Park, Woodville West, Woodville South and Woodville along Port Road.	Upgrade	2,000,000	3,000,000	1,000,000
PBB-00000669	Port Road Drainage & Landscaping - Stage 3 & 4 - 2018/19	This project is the continuation of the Port Road Drainage Upgrade from Park Street South to Minnie Street. The Stage 3 and 4 designs commenced in 2017/2018, and this budget will allow for the completion of the design work, and commencement of construction activities in early 2019.	Upgrade	2,000,000	5,000,000	3,000,000
PBB-00000671	Port Road Drainage - Lateral Upgrades 2018/19	This project allows for the construction of the May Street Lateral drain that will connect into the recently upgraded Port Road drain, as well as the Jervois Street, Grange Rail Line underbore completed in 2017/18. This budget will also fund the design of potential	Upgrade	-	1,150,000	1,150,000

		future lateral upgrades to be undertaken in 2019/2020. Areas for possible lateral upgrades (pending Stage 3 & 4 design) include: Aroona Road; East Avenue; Howards Road; Jane Street.				
PBB-00000674	Council Building Security and Phone line Upgrades 2018-2019	Security and Phone upgrades on various council owned buildings to comply with NBN network requirements and also a security CCTV upgrade at the Beverley Centre.	Upgrade	-	120,000	120,000
PBB-00000677	Fitzroy Community Club - Installation of new Grease Arrester 2018-2019	Installation of a new grease arrester at Sam Johnson Reserve Clubroom, The current grease arrester is non-compliant as inspected by SA Water. SA Water have recommended a 1000 ltr unit which will be adequate for the club. The work also includes removal of the existing unit and the installation of a new water point next to the new grease arrester as per the new requirement.	Upgrade	-	25,000	25,000
PBB-00000678	West Lakes Shore Bartley Terrace Oval Carpark Upgrade – SMOSH West Lakes	Sealing of the existing unsealed carparks at West Lakes Shore Oval (SMOSH Football Club) at Bartley Terrace. Construction involves asphalt sealing, kerb & gutter construction, spoon drain construction and	Upgrade	-	180,000	180,000

		drainage construction.				
PBB-00000681	Solar Compacting Bins - Smart street litter bins	Introduction of solar powered smart compacting waste bins at the Council Owned Reserve at Plant 4 Town Park, Bowden.	New	-	55,000	55,000
PBB-00000685	Upgrade of BMX Track - Aquatic Reserve	The BMX Track at West Lakes has seen an influx of users over the past two years. This is due primarily to local residents who have given their time to develop the track, including new jumps and varied design of the facility. Due to the increase in popularity an Audit was completed by Trailscapes to identify risks and ideas on how to ensure the track is safe and suitable for all riding abilities. This Audit included a Priority for a detailed design to be considered and implemented for the track to be safe, accessible and enjoyed by all. This bid will see consultation, design and facility plans to be developed, it will also include a post and rail fence be erected to separate pedestrians and vehicles from accessing the track.	Upgrade	-	42,000	42,000

PBB-00000693	Woodville West Community Garden	The Woodville West Community Garden project began in June 2017. To date, the site has been fenced, garden beds have been relocated from the Renewal SA Garden and the management group have finalised their constitution and have become Incorporated. Several components are required to complete the garden	New	-	25,000	25,000
PBB-00000695	West Beach Road - Integrated Streetscape Project	Upgrade of the section of West Beach Road between Tapleys Hill Road and Military Road in conjunction with City of West Torrens. The project is inclusive of \$537K of planned road renewal due within the next four years.	Upgrade	3,000,000	3,160,000	160,000
PBB-00000700	Recycled Water Main Extension to Pennington Oval and Robert Haigh Reserve from Burleigh Avenue	Extension of the Recycled Water main from Burleigh Avenue to Pennington Oval and Robert Haigh Reserve (previously Finsbury Reserve), Pennington.	New	-	145,000	145,000
PBB-00000709	Gosport streetscape upgrade and kiss and ride	Upgrade of Gosport street to create kiss and ride area and improve amenity	Upgrade	-	10,000	10,000
PBB-00000720	New Major Plant Acquisition	To purchase a new truck/trailer for the Horticulture Team which has been identified in the Long Term Financial Plan via Business Case approved by GM AMS. To provide fit for	New	-	135,000	135,000

		purpose vehicles for Council Staff.				
PBB-00000721	FMN - Faith Montessori Child Care Centre Improvements	Improvements to the ancillary facilities at the Faith Montessori Child Care Centre.	New	133,400	133,400	-
PBB-00000728	Recycled Water Mains Extension - Port Adelaide Enfield, Semaphore Park & West Lakes Shore	Extension of the recycled water network to provide a bulk supply point for recycled water sales to the City of Port Adelaide Enfield, connect one Department of Education school site and several Council reserves.	New	-	615,556	615,556
PBB-00000736	New Audio visual equipment at Horticulture Centre and Arch Paterson Community Centre	There is a requirement for new audio visual equipment widescreen Monitor, and PC at Horticulture Centre for staff meetings, and at Arch Paterson Community Centre projector with motorised widescreen for Public use	New	-	17,000	17,000
PBB-00000739	Crawford Lane, Hindmarsh, shared use place making activation	This place making project will transform Crawford Lane (between Manton and Orsmond Street) into a laneway that provides greater pedestrian and cycle connectivity, enhanced safety and an opportunity for community driven activations away from surrounding main roads. Crawford Lane, Hindmarsh (between Manton and Orsmond	Upgrade	35,000	75,000	40,000

		Street) currently experiences a high level of pedestrian traffic, particularly during Coopers Stadium events, yet this site does not have any public lighting or a streetscape design that caters for frequent pedestrian or cycle use.				
PBB-00000742	Illuminating Hindmarsh	The proposed bid is for a priority place making project outlined in the supporting three year Hindmarsh Place Making Master Plan (submitted for Council endorsement in March 2018). The project aligns with key direction one of the master plan, a gateway destination and a distinctive thoroughfare. The illumination project will create a well-defined, highly visual and appealing boulevard for Port Road Hindmarsh between Park Terrace and South Road. The design will incorporate a gateway statement, façade lighting, landscape lighting, integrated lighting with 3D forms, smart-city technology and identify projection art locations.	New	200,000	400,000	200,000

PBB-00000748	Completion of Customer-Centric Experience Solution (Phase 2)	Complete the implementation of Phase 2 of automated notifications for customer requests (non-work orders) to close the loop on customer feedback.	New	-	56,000	56,000
PBB-00000751	Frank Mitchell Reserve Upgrade - Carpark Construction 2018/2019	Frank Mitchell Reserve Car park Upgrade work, This project is required to fund the new car park construction as required under the planning consent conditions for the clubroom redevelopment.	Upgrade	-	200,097	200,097
TOTAL				11,418,400	38,615,115	27,196,715

Summary of the total capital program:

	Income	Expenditure	Net
Renewal of existing assets	20,000	26,062,408	26,042,408
Sale of replaced assets	795,583	2,678,599	1,883,016
New/Upgrade assets	11,418,400	38,615,115	27,196,715
TOTAL	12,233,983	67,356,122	55,122,139

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.

Summary

Overall for 2018/19 net rates income is \$105,990,500 (rates levied after deducting rebates, remissions and including rates interest and NRM levy). Other operating income sources is \$14,827,480 which primarily includes Statutory fees charges (\$4,367,800), User charges (\$2,840,880), Operating grants (\$6,731,800) and Other revenues including Investment income of \$887,000.

Revenues associated with the total capital works program include \$12,233,983 which comprises \$20,000 in Reimbursement income and \$11,418,400 for Amounts for New/Upgraded assets and \$795,583 is forecast from the Sale of Plant and Replaced Vehicles.

Revenues associated with annual operating initiatives include \$73,669 comprising \$21,169 in User charges, \$32,500 in Operating grants and \$40,000 in Reimbursements.

\$22,129,000 is forecast for new borrowings offset by forecast repayments of \$837,000 for a net movement of \$21,292,000 which will be used in conjunction with external funding to deliver the new/upgrade capital program.

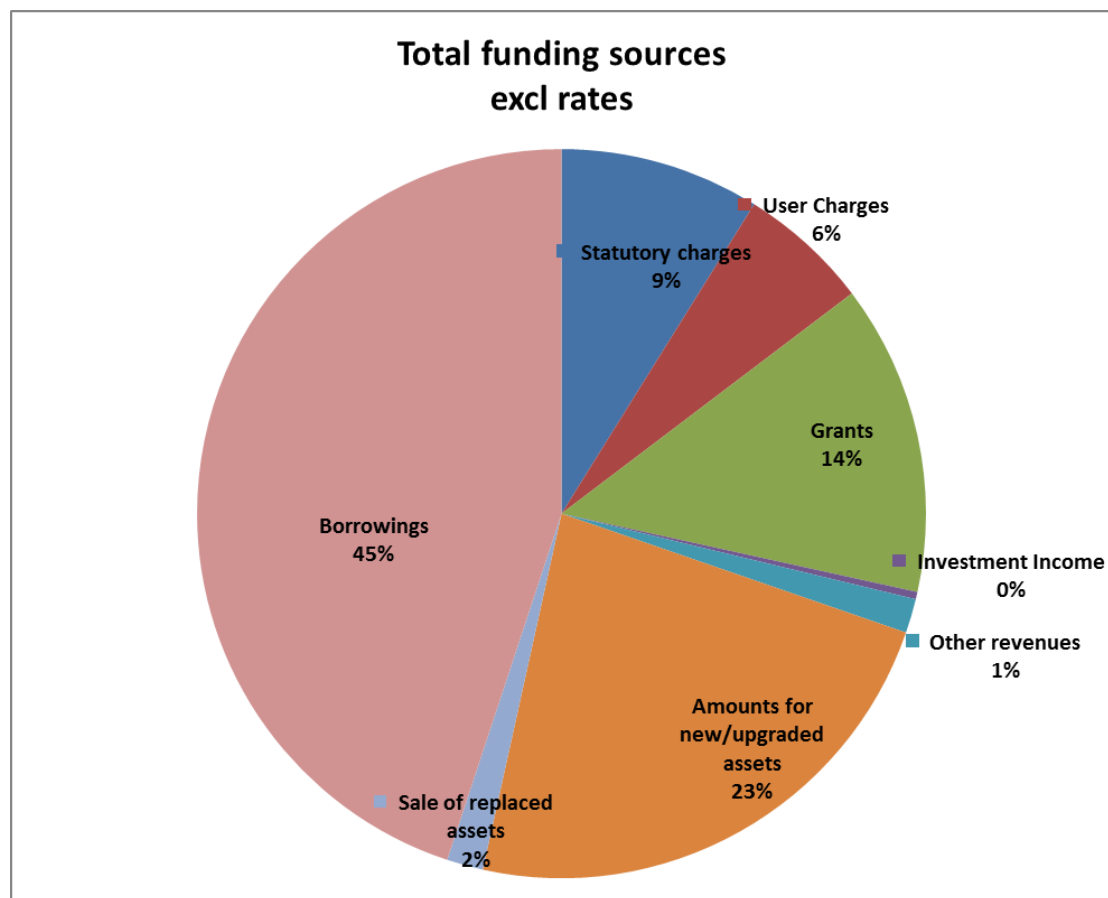
Total Funding sources

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Rates	\$105,991
Statutory charges	\$4,368
User Charges	\$2,862
Operating Grants	\$6,764
Investment Income	\$160
Other revenues	\$767
Amounts for new/upgraded assets	\$11,418
Sale of replaced assets	\$796
Borrowings	\$22,129

Total

\$155,254



9. Corporate Budget 2018/19

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 2018/19 with the previously endorsed budget for 2017/18 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 2017/18 a revised forecast balance sheet and budget for 2017/18 has been used and reflected in Council approved budget reviews over the year to analyse performance. The impact of potential revaluations is not included in any forecasts).

9.2 Significant Influences

9.2.1 External Influences

In preparing the 2018/19 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 2.3% for the 12 months ending 31 March 2018
- Forecast CPI using predictive information from Access Economics for the year ended June 2018 of 1.8%
- Local Government Price Index for the 12 months ending 31 March 2018 of 3.2% against a CPI for the same period for Adelaide of 2.3%
- The impact of the economy on interest rates for the current loan portfolio and on interest earned on average cash balances
- Legislation granting mandatory rate rebates for housing associations (75% for 2018/19) and continued migration of housing stock from the State Govt. to housing associations thus triggering these rebates

- Reduction in payment of Roads to Recovery funding following a one off double payment in 2017/18
- Increase in waste levy of \$13 per tonne from \$87 to \$100 per tonne.

9.2.2 Internal Influences

As well as the external influences there were also a number of internal influences arising from the 2017/18 year which have had a significant impact on the setting of the recurrent budget for 2018/19. These include:

- The impact on salary and wage costs of potential Enterprise Bargaining Agreements (EBAs) for staff covered by the ASU and AWU
- Impact of paid maternity/paternity leave
- Council's decision to ensure maintenance of an operating break even position and ongoing financial sustainability
- Council's commitment to water business unit and water reuse strategies
- Increased IS services which have an ongoing maintenance commitment
- Resourcing to generate greater usage of Woodville Town Hall
- Additional staff and expenditure approved through adopted annual operating projects 2017/18 which impact recurrent budget 2018/19.
- Impact of operational efficiencies

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

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

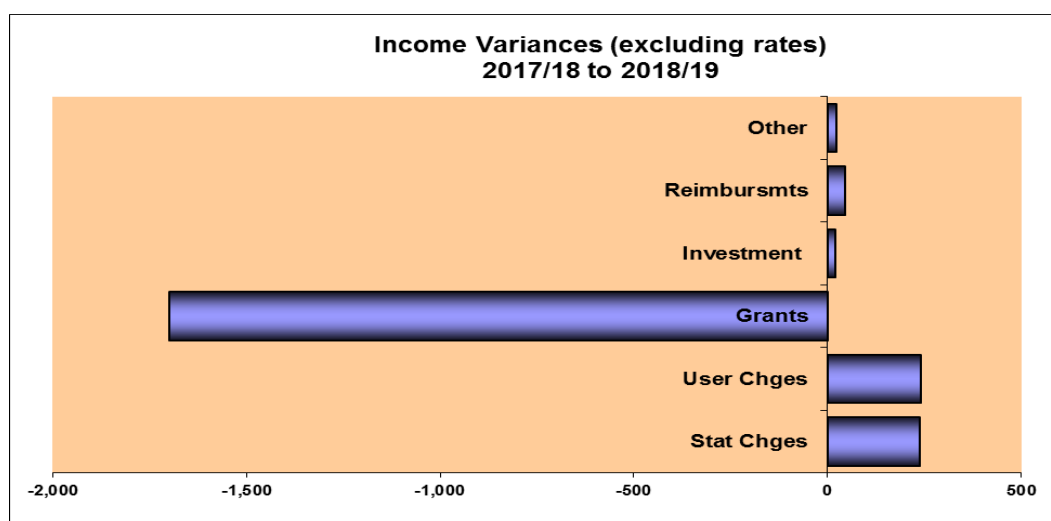
- existing fees and charges to be increased in line with the revised fees and charges in Council's Fees & Charges Register. Fees and charges set by regulation to be increased in line with forecast CPI
- grants to be based on confirmed funding levels only
- service levels to be maintained at 2017/18 levels with the aim of using innovation and efficiency to further reduce costs (unless separate approval granted by Council)
- all new staffing proposals to be justified through a business case

- new initiatives or projects which are not cost neutral to be justified through a business case and included as an operating project
- All items of expenditure and income requested to be justified in complete detail by each budget manager starting from a zero-base rather than using the previous year budget as a starting point
- real savings in expenditure and increases in revenue identified in 2017/18 to be preserved, and
- operating revenues and expenses arising from completed 2017/18 capital projects are to be included.

10. Operating Budget Analysis

10.1 Operating Revenue

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Variance (decrease) \$'000
Rates	103,392	105,991	2,599
Statutory Changes	4,130	4,368	238
User Charges	2,620	2,862	242
Grants	8,462	6,764	(1,698)
Investment Income	140	160	20
Reimbursements	551	595	44
Other Income	149	172	23
Total Operating Revenue	119,444	120,912	1,468



10.1.1 Rates (\$2,598,600 increase)

It is expected that the total rate income levied will increase by 1.4% plus forecast growth of 1.4% (=2.8%) or \$2.888m over 2017/18. The Natural Resources Management (NRM) levy collected by councils on behalf of the regional Natural Resources Management Board, will increase by 7.2% or \$192.5k over the budgeted estimates from 2017/18 following advice received from the NRM Board on amounts to be levied for 2018/19. Council rebates based on the current suite of Charles Sturt specific rebates and those legislated for community land are expected to increase by \$434.7k which includes allowance for the continued migration of SA Housing Trust properties into housing associations for which a 75% mandatory rebate is granted. Rates appeals are expected to increase by \$45k based on expectations of a similar trend from 2017/18.

Section 13. *What Does This Mean for Rates?* Includes a more detailed analysis of the rates and charges to be levied for 2018/19.

10.1.2 Statutory Charges (\$238,200 increase)

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

Overall, statutory fees are forecast to increase by 6% with an increase in dog registrations income of \$125k based on our current dog data base and pricing for 2018/19. Development fees are forecast to increase by \$53k and Permits by \$48k based on expectations of similar activity to 2017/18. Note the increase in Development fees includes an amount that is expected to be paid to the Minister for DAC fees.

10.1.3 User Charges (\$242,349 increase)

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

User Charges are projected to increase by 9.3% on 2017/18 budget estimates and are based on the fees and charges endorsed by Council and increased use/activity in some areas. The Fees and Charges Register can be inspected at the Council offices or on Council's website.

Increases are forecast for a total of \$242.3k across a range of activities including a \$97.8k increase for facilities rental based on trends in income from 2017/18, \$27k for water meter connections income and \$18k for Woodville Town hall charges, \$20k water charges recouped from Sporting clubs.

10.1.4 Grants (\$1,698,100 decrease)

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

Overall the level of grants is expected to decrease by 20% or \$1.698m on 2017/18 Budget estimates.

CPI increases are forecast for the Financial Assistance Grant (FAG), Urban Local Road funding, library funding and HACC. However there is a reduction of \$845k for the Roads to Recovery grant for renewal capital works with monies received in advance 2017/18. Offset against this is advice of \$600k for supplementary road funding which will be applied to associated capital works. There is a reduction in capital renewal grants from 2017/18 of \$1.6m which were for funding the increase in footpaths works - Pathways to Prosperity and the Rebuild of the Rockwall.

The following table summarises the significant movements in budgeted grant funding between 2017/18 and 2018/19.

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Variance (decrease) \$'000
State Grants			
Financial Assistance Grants (FAG)	2,275.1	2,373.4	98.3
Home And Community Care (HACC)	79.0	82.0	3.0
Immunisation	68.3	67.3	(1.0)
Meningococcal	77.0	77.0	0.0
Urban Local Road (ULR)	1,150.0	1,750.0	600.0
Median Maintenance	65.0	66.3	1.3
PLAIN Library	809.0	824.5	15.5
Pest Control	5.0	5.0	0.0
Biodiversity action plan (AOP)	0	15.0	15.0
Nudging for good 3 bin animation (AOP)	0	17.5	17.5
Public transport Strategy (AOP)	17.5	0	(17.5)
Tennyson rain garden (AOP)	25.0	0	(25.0)
Capital project Renewal funding for Pathways to Prosperity	200.0	0	(200.0)

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Variance (decrease) \$'000
Capital project renewal funding for Rebuild of Rockwall	1,400.0	0	(1,400.0)
SUB TOTAL	6,170.9	5,278.0	(892.9)
Commonwealth Grants			
Community Visitor Scheme	55.0	56.0	1.0
Immunisation	16.0	16.3	0.3
Roads to Recovery	845.0	0	(845.0)
HACC	1,375.5	1,414.0	38.5
SUB TOTAL	2,291.5	1,486.3	(805.2)
Total	8,462.4	6,764.3	(1,698.1)

10.1.5 Investment Income (\$20,000 increase)

Investment income includes interest on investments and rates in arrears. Interest on investments is forecast to increase by \$20k or 14% based on forecast cash balances during 2018/19 following a determination of Council's average cash position against a forecast interest rate on earnings of approximately 2.0%.

10.1.6 Reimbursements (\$44,200 increase)

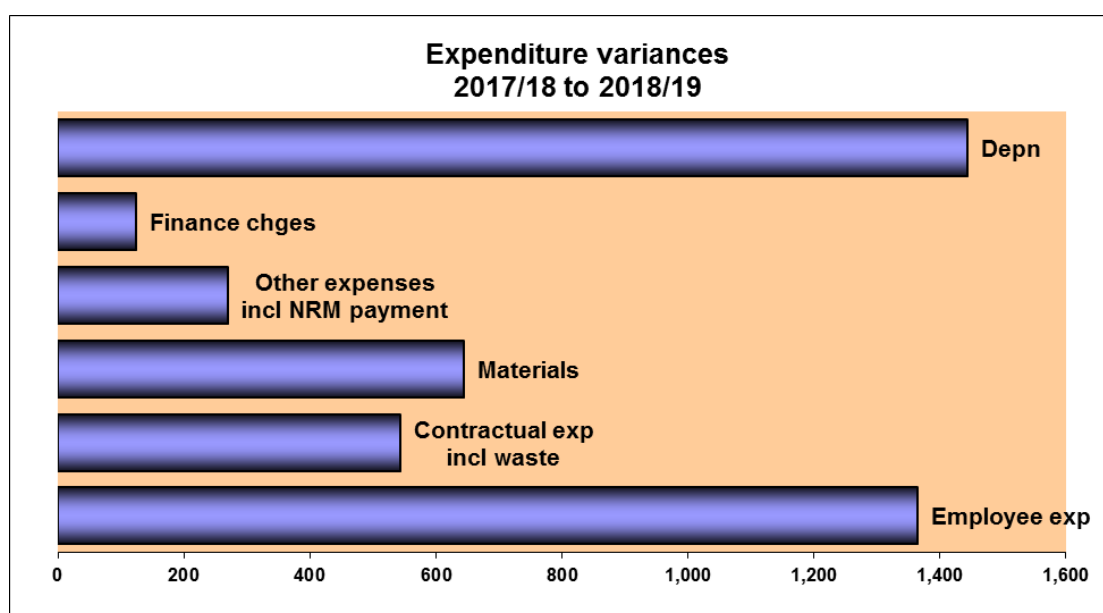
This includes income from recouping specific costs of Council activities and private works. Reimbursement income is expected to increase by 8% or \$44.2k largely due to \$20k in co-contribution from PAE and West Torrens towards a Regional climate change Coordinator and \$20k contribution from the Woodville Rechabite Cricket Club towards cricket practise wicket/backstop.

10.1.7 Other revenues (\$22,500 increase)

Other Income relates to a range of unclassified items that do not fit within the main income categories. Other Income is forecast to increase by 15% or \$22k largely due to increase in the sale of recyclables of \$17k based on forecast sales from the waste transfer station.

10.2 Operating Expenditure

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Variance (decrease) \$'000
Employee Expenses	41,386	42,750	1,364
Materials, Contracts, Other	43,775	42,386	(1,389)
Finance Charges	2,000	1,926	(74)
Depreciation	29,139	30,480	1,341
Total Operating Expenses	116,300	117,542	1,242



10.2.1 Employee Expenses (\$1,364,356 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 2017/18 from annual operating projects. Employee costs are forecast to increase by 3% compared to 2017/18 Budget due to EB wages increase of 2%, increments, increases in workers compensation rates and allowance for items such as parental leave, long service leave and superannuation. Due to cessation of Maxima training program, current trainees budgeted as agency staff in 2017/18 have been budgeted in 2018/19 as employees for \$132k.

10.2.2 Materials, Contracts and Other Expenses (\$1,389,253 decrease)

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 decrease by \$1.389m or 3%.

The major increases in expenditure are due to increases due to the increase in contribution payment to Council Solutions of \$81k, \$86.3k in increases in existing council contracts for verge maintenance, playgrounds etc, \$296.8k for waste collection and EPA levy increase of \$13 per tonne, \$71k for IS maintenance increases including extending warranty pending cloud transition. These increases are offset by a reduction of \$159.5k for agency staff largely due to cessation of Maxima training program, \$77k for fleet contractors, \$102k for savings on the new MFD lease contract and \$450k for savings in SluOs street lighting maintenance.

Material costs are forecast to decrease due to material cost reductions for electricity of \$295k with the forecast increase in 2017/18 not realised, \$154k for water, \$70.9k for printing/stationary, \$145k for library materials and \$56.5k for minor equipment purchases.

Increases in Other Expenses included the \$192k from the payment of the NRM levy which is collected by Council on behalf of the NRM Board. Offset against this are material reductions in forecast expenditure for communication of \$54.9k and postage of \$63.6k.

The decrease in total annual operating projects adopted for 2018/19 as compared to 2017/18 also contributes approximately \$194k in reduced expenditure over the 2017/18 budget across Material, Contractual and Other expense categories.

10.2.3 Finance Charges (\$74,000 decrease)

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

10.2.4 Depreciation (\$1,341,500 increase)

Depreciation recognises the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains, over the life of the assets. Estimates for depreciation have been recast taking account of infrastructure revaluations as at June 2017 and capitalisation forecasts.

11. Analysis of Cash Position

This section of the report provides an analysis of the expected cash flows for the 2018/19 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 2017/18 \$'000	Budget 2018/19 \$'000	Variance (Outflow) \$'000
<i>Operating Activities</i>			
Receipts	119,444	120,912	1,468
Payments	87,161	87,062	(99)
Net cash inflow (outflow)	32,283	33,850	1,567
<i>Financing Activities</i>			
Receipts	22,745	22,629	(116)
Payments	837	1,337	500
Net cash inflow (outflow)	21,908	21,292	(616)
<i>Investing Activities</i>			
Receipts	24,539	12,214	(12,325)
Payments	78,730	67,356	(11,374)
Net cash inflow (outflow)	(54,191)	(55,142)	(951)
Net Increase (decrease) in cash held	0	0	0
Cash at beginning of year	636	5,345	4,709
Cash at end of year	636	5,345	4,709

11.1.1 Operating Activities (\$1.567m increase)

The increase in cash outflows from operating activities is \$1.567m. This largely reinforces the council's operating position and council's strategy to ensure operating revenues are adequate to fund council's operating activities with any surplus used to fund renewal capital works as per adopted Asset management plans.

11.1.2 Financing Activities (\$616k decrease)

Financing activities includes the principal component of loan repayments for the year and new loans required. With a total capital program in 2018/19 consistent with 2017/18 levels of financing required over successive year is consistent and reflective of borrowings required to fund the the increased new/upgraded capital projects including Port Road Drainage, West Beach Rockwall and St Clair Recreation centre.

11.1.3 Investing Activities (\$951k decrease)

Investment in capital projects for the City has decreased slightly in 2018/19 and consistent with 2017/18 levels due to the increased new/ugrade program and multi year projects such as St Clair Recreation centre upgrade, Rebuild of Rockwall, Port Road Drainage.

11.1.4 Cash at End of the Year (\$4.709m increase)

Overall, cash at year end is forecast to increase by \$4.709m on 2017/18 forecast budget as at 30 June 2019, noting the net change in cash requirements over 2018/19 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 2017/18 and forecast budget for 2018/19.

12.1 Budgeted Statement of Financial Position

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Variance \$'000
Assets	7,272	11,243	3,971
Non-current assets	1,170,167	1,203,089	32,922
Total assets	1,177,439	1,214,332	36,893
Liabilities	34,946	35,996	1,050
Non-current liabilities	39,593	46,553	6,960
Total Liabilities	74,539	82,549	8,010
Net assets	1,102,900	1,131,783	28,883
Equity			
Accumulated surplus	477,145	480,387	3,242
Reserves	625,755	651,396	25,641
Total Equity	1,102,900	1,131,783	28,883

12.1.1 Current Assets (\$3.971m increase)

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

12.1.2 Non-current assets (\$32.922m increase)

The increase in non current assets is the net result of the forecast capital works program and impact of revaluation of roads, pumps and pump stations from June 2017.

12.1.3 Current Liabilities (\$1.050m increase)

Current liabilities, that is the obligations Council must pay within the next year, is forecast to increase on the 2017/18 forecasts by \$1.05m largely due to expected increase in creditors and unused tied grants with timing of capital works for significant projects which span multiple years.

12.1.4 Non-Current Liabilities (\$6.960m increase)

Non current liabilities, that is the obligations Council must pay beyond the next year, is forecast to increase by \$6.96m. The increase largely reflects the timing in expected loans for the new/upgrade capital program noting that the forecast for loans for June 2018 with incomplete capital projects is less than initial projections.

12.1.5 Equity (\$28.883m increase)

The increase in equity is the result of the capitalisation of assets expenditure, revaluations June 2017 and forecast net surplus results.

13. What Does This Mean for Rates?

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

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

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

Local Government rates are based on:

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

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

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

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

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

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

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

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

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

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

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

13.1 Rate Increase for 2018/19

To meet the requirements of Council's community plan, Long Term Financial Plan and Annual Business Plan and Budget for 2018/19, Council needs to levy rate income of \$106,022,000 (a total increase of 2.8% which is equivalent to an average increase of 1.4% plus growth of 1.4% on 2017/18 rates levied).

For 2018/19 \$3.350m has been allocated towards rate relief options including rebates, remissions and appeals for City of Charles Sturt ratepayers which equates to approximately 3.15% of the total rates levied.

There are a number of issues that have been considered in developing Council's rating strategy for 2018/19:

- The latest reports from the Valuer General have indicated property valuations overall have increased on average by 4.5% with residential properties increasing by an average of 3.58%, commercial values by 4.34%, vacant land by 11.52% and industrial decreasing by 1.21%.
- As provided by the Valuer General, property growth (additional properties) is around 1.4% as against our initial LTFP prediction of 1.0% and reflects the continued property development throughout the City.
- The increase in CPI (All Groups Adelaide) for the twelve months to 31 March 2018 is 2.3% and for all capital cities 1.9%. This is against a forecast CPI for 2017/18 of 1.8% by Access Economics.
- The increase in the Local Government Price Index (LGPI) for the twelve months to March 2018 is 3.2% against a CPI for Adelaide the same period of 2.3%. The LGPI is a useful reference regarding the inflationary effect of goods and services consumed by local government and is a better reflection of the changing cost of inputs used by councils to deliver services than CPI.

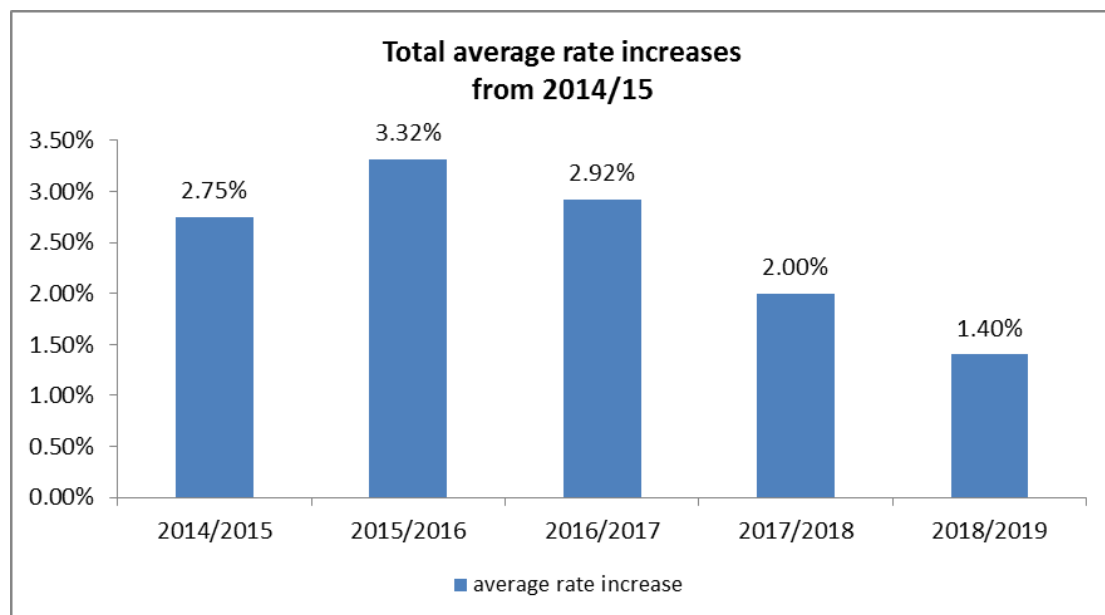
In 2018/19 Council has continued with a strategy that will see Council maintain and improve the operating break even position it achieved in 2010/11 after prior years of operating deficits. Mindful of expectations of moderate rate increases expected by the community, Council's strategy is to maintain equity for average rates increases across all land use codes whilst still maintaining increases to the minimum rate to ensure approximately 35% of ratepayers fall within that threshold.

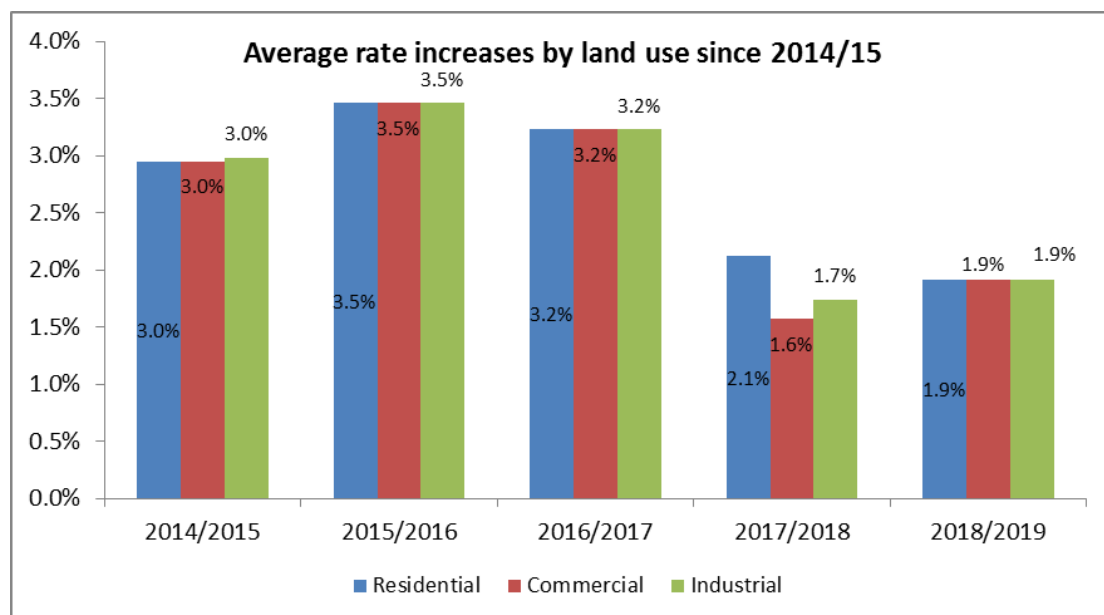
To maintain the number of ratepayers at the legislative minimum of 35% the minimum will be increased from \$1,060 to \$1,071 (1.04% or an increase of \$11 p.a) .

With final valuations received the “typical” residential ratepayer (with a property valued at \$490,559) will be paying approximately \$1,330 p.a. or \$3.64 per day to receive the services and infrastructure benefits laid down in the annual budget.

Overall the average rates increase across the City is 1.4% (plus property growth 1.4%.) This translates to an average rates increase across all land use codes of 1.9% with an equitable distribution and cognisant of financial pressures on all sectors of the community. For the “typical” residential ratepayer with an average movement in their property valuations for 2018/19 this would be an increase of 1.8% and for commercial ratepayers 1.9%, noting that 35% of all ratepayers on the minimum will have a 1.04% increase.

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





With final valuations received from the Valuer General final modelling was undertaken. A summary of this model is 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. Feedback from the community still indicates there is hardship for those sectors of the community on fixed incomes and Council is receptive to these concerns.

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

- **Rate capping**

Limits the amount paid in rates in 2018/19 to a 12.5% increase on rates paid (excluding NRM levy and pensioner concessions) in 2017/18 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 2017

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

- **Remission – Minimum Rate**

Pensioners and Self Funded Retirees who are owner occupiers of a property which was subject to the minimum rate in 2017/18 and 2018/19 and who received a remission in 2017/18 will effectively continue to have their rates capped to the average residential increase of 1.9%.

If in 2017/18 they received a remission of \$39 it is proposed to again provide a remission in 2018/19 of \$31 to ensure their rate increase continues to be capped at 1.9%.

This means those who effectively paid \$1,021 in 2017/18 (not \$1,060) will pay \$1,040 in 2018/19 (not \$1,071) for a 1.9% capping.

For those on the minimum in 2018/19 who received a remission on their 2017/18 rates of \$16 it is proposed to again provide a remission in 2018/19 of \$8 to ensure their rate increase also continues to be capped at 1.9%.

This means those who effectively paid \$1,044 in 2017/18 (not 1,060) will pay \$1,063 in 2018/19 (not \$1,071) for a 1.9% capping.

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

- **Hardship**

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

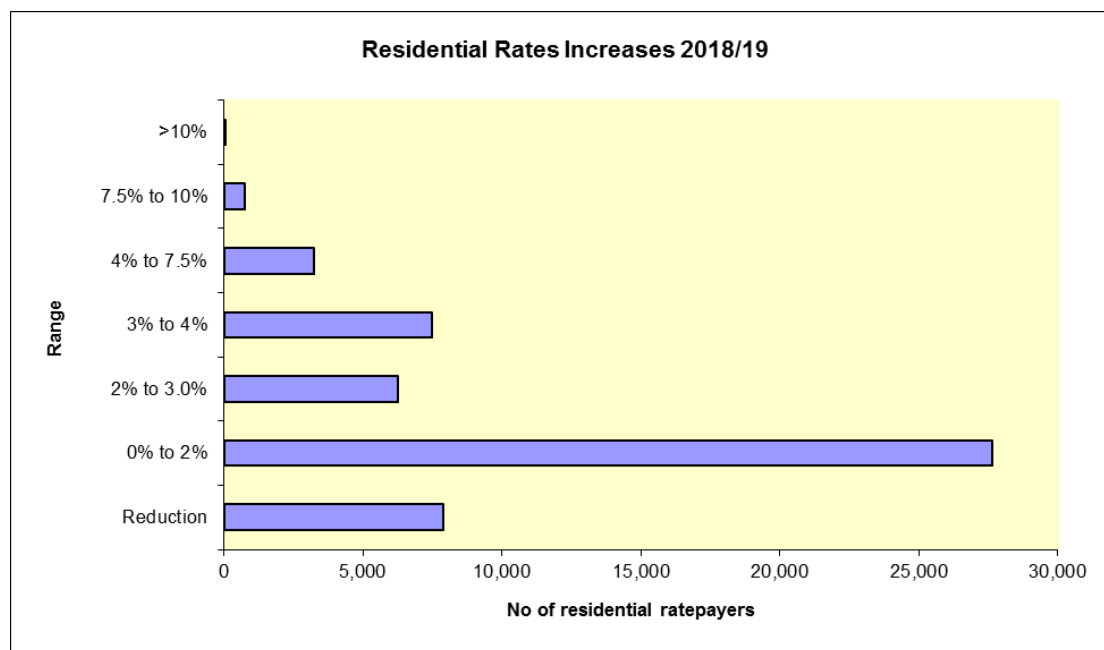
- **Residential Construction**

The vacant land rate in the dollar is usually three times higher than the residential rate in the dollar. For the purposes of securing the proper development of the area a rebate will be given to ratepayers who are assessed as vacant land as at 30 June 2018 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 2018 a full rebate will be given. If the footings are poured after 31 December 2018 a 50% rebate will be given. This rebate will effectively mean those ratepayers applicable will have their rates reassessed using the residential rate in the dollar as opposed to the vacant land rate.

Residential construction rebates will be by application where eligible ratepayers will have until the 30 June 2019 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.



78.4% of residential ratepayers will pay an increase of less than 3.0%

13.2 Rating Structure

Council has established the following rating structure for 2018/19:

Rate Type	2017/18 Cents in \$	2017/18 Ave Rate	2018/19 Cents in \$	2018/19 Ave Rate	2018/19 Ave % Increase	No of Rateable Props	No on Min Rate	Rate Income
Res'l - Charles Sturt	0.266315000	\$1,360.88	0.261783258	\$1,386.83	1.91%	52,809	19,833	\$73,237,124
Comm'l - Charles Sturt	0.8425086600	\$7,223.85	0.8225128660	\$7,361.55	1.91%	3,133	230	\$23,063,738
Industrial - Charles Sturt	1.0912851520	\$9,947.59	1.1431187870	\$10,137.11	1.91%	490	8	\$4,967,184
Primary Prod'n - Charles Sturt	0.4863603300	\$2,352.27	0.4654710570	\$2,397.19	1.91%	9	1	\$21,575
Vacant Land - Charles Sturt	0.911933850	\$3,336.64	0.832563126	\$3,402.75	1.98%	962	7	\$3,273,448
Other - Charles Sturt	0.4783400000	\$6,139.58	0.4518710590	\$6,256.58	1.91%	234	21	\$1,464,040
Overall Average	N/A	\$1,815.14		\$1,839.57	1.35%	57,637	20,100	\$106,027,110

	2017/18	2018/19	% Change
Minimum Rate - Charles Sturt	\$1,060.00	\$1,071.00	1.04%
% on Minimum	34.4%	34.88%	

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 2018/19 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 2018/19 year, Council has decided to continue with its borrowing program and increase council's net debt position to fund any shortfall for new/upgraded capital expenditure from council's revenues. Forecast total borrowing requirements for 2018/19 is \$22.129m. 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 2018/19 is 59.0% and demonstrates Council could comfortably meet all of its existing liabilities from its operating revenue.

In the Long Term Financial Plan (endorsed by Council on 13 March 2018) which has been used as the framework for developing the 2018/19 budget, debt is regarded as an appropriate mechanism for funding asset new and upgrade works within the constraints of a net financial liabilities ratio less than 100% of Council's operating revenue.

In 2018/19 Council has endorsed an increased new/upgrade capital program as detailed in Section 7.2 with total expenditure of \$38.6115m funded by external revenues sources of \$11.418m and for which Council will require new borrowings of \$22.129m which will be repaid over the life that those assets generate benefit to the community. The Capital program from 2017-2019 includes a number of significant multiyear projects such as St Clair Recreation upgrade, West Beach Rockwall, SAPN lighting rollout and Port Road drainage.

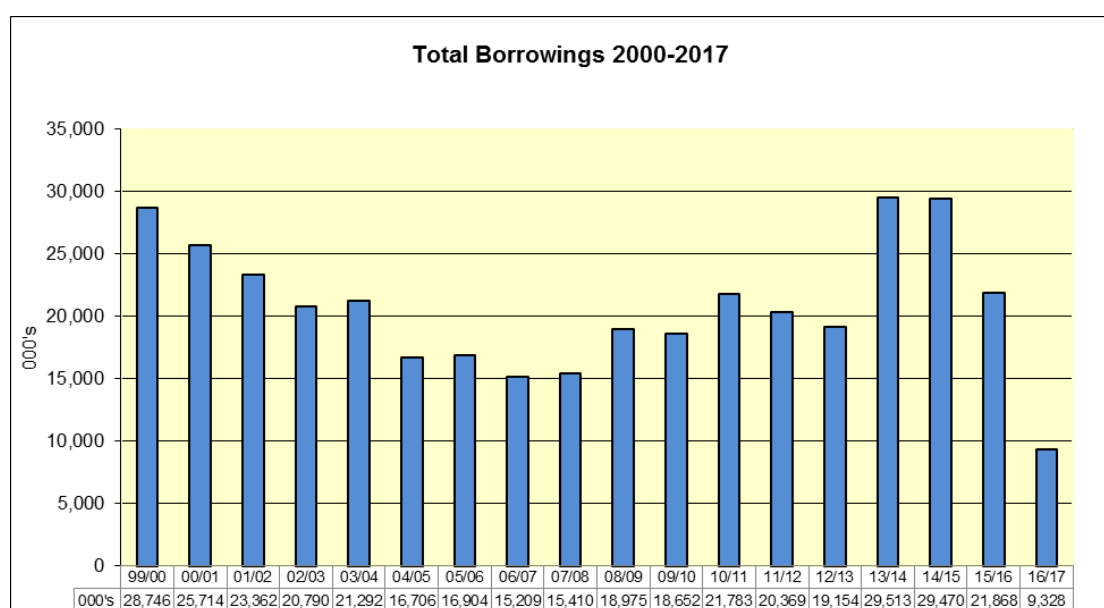
Council has in place a number of Cash Advance Debenture facilities which allow Council to have access to funds when required and which they can repay in part or in full at any time as Council's cash position allows. No charges are incurred on these Cash Advance facilities if the funds are not drawn.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

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

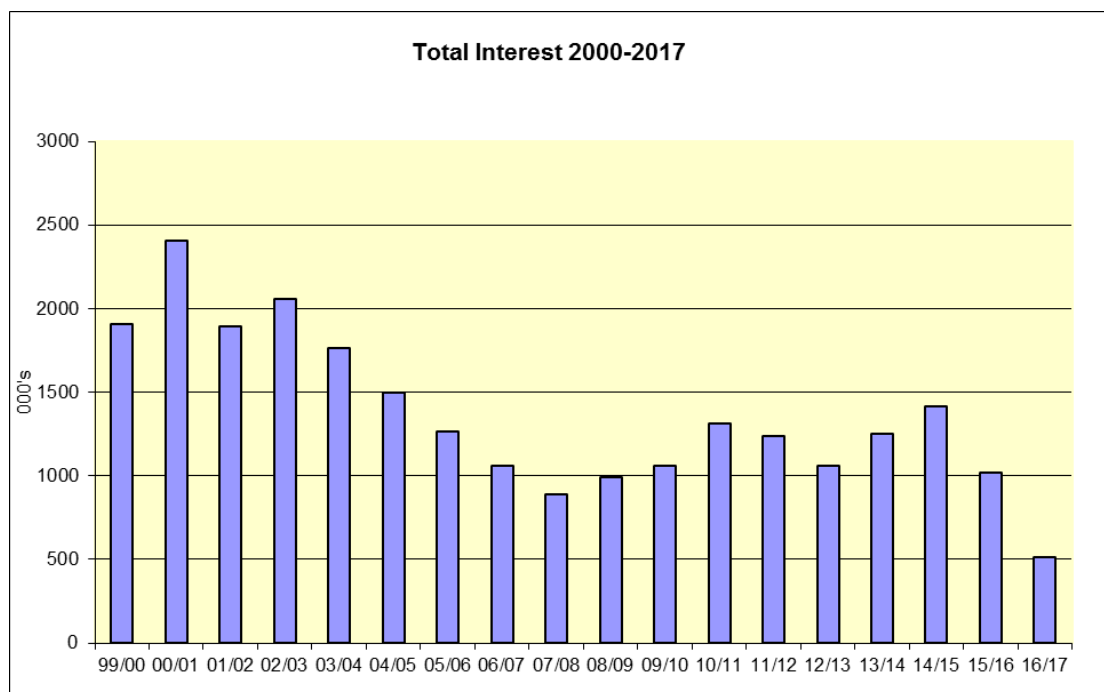
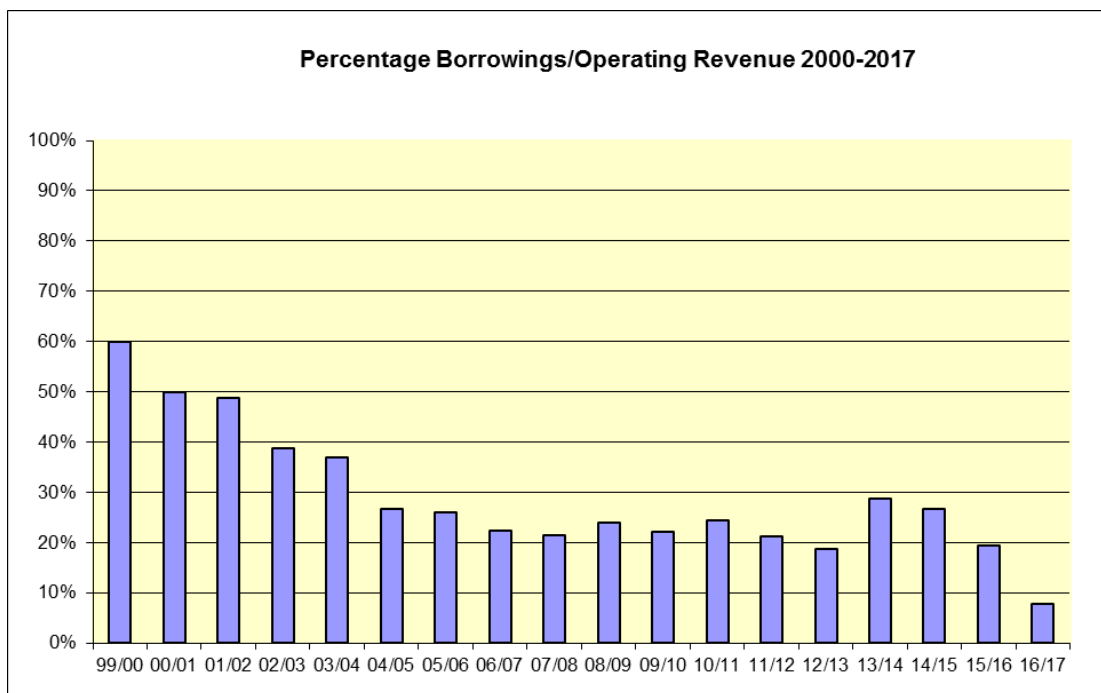
In pursuing this strategy over the last 10 years borrowings identified in the budget process have **only** been utilised if there has been inadequate cash to fund any requirements. Generally the cash advance facilities have been effective in meeting any short term cash requirements, repayable when surplus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

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

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



As at June 2017 the total loans outstanding was \$9.328m as against the revised budget forecast of \$35.3m (and reflective of delays in timing of expenditure on the adopted capital program). 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 2017 the percentage of council's borrowings to operating revenue was 8%.



As at June 2017 interest expense was \$512k.

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

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

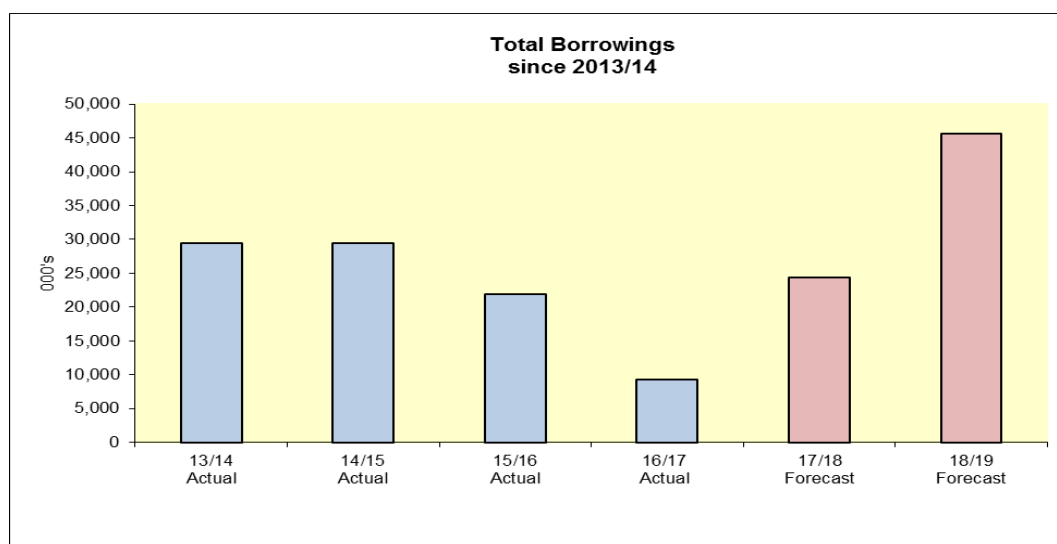
Council's loan position to date for this project also has been assisted by staff being able to structure the staging of the project such that the Commonwealth and State contributions have largely been used prior to Council's contributions being utilised.

The facility is in place until 15/09/2018.

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

In May/June 2018 a replacement CAD facility of \$22m has been put in place to accommodate cash requirements for Council's new/upgrade capital program going forward with one if its existing \$10m facilities expiring 15/5/2018 and in advance of the \$22m CAD expiring 15/09/2018. This replacement facility will provide Council with the flexibility to effectively use loans given the variability in the timing of cash requirements for Council's capital works program.

Since June 2017, borrowings have been drawn and repaid over the year in response to cash flow requirements in line with the current treasury strategy and the latest forecast assumes a total borrowing as at June 2018 of approximately \$24.3m, having regard to current estimates of capital works incomplete as at June 2018.



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 \$1.7bn in replacement value. Due to the nature of services provided, the asset class mix is quite diverse. These can be broadly grouped as;

Roads (including kerb & gutter and carparks)

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

Water (Recycled water supply & stormwater management)

Council Owned Buildings & Land Parcels

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

Depending on asset management complexity, the asset classes in these groups are included in an associated Asset Management Plan for major infrastructure assets. These plans are compiled by allocated Asset Managers and Asset Officers who work together to capture asset information and use it to inform and plan Asset Renewal/Upgrade/Disposal through the Long Term Financial Planning process of Council.

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

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

Key Asset Management Planning achievements between July 2017 to June 2018 include:

Asset Management Strategy and Plans and Governance

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

Asset Systems and Processes

- implementation of Strategic Asset Management module for road assets with footpath assets to follow in 2018/2019
- 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 now centrally stored.
- Expanded the use of the both the asset survey module and electronic time sheets to allow for the capture of asset data and staff time and resources electronically remotely in the field.

A key focus for Asset Management in 2018/19 will be to:

- Continue to refine Integrated Asset Planning activities across all Divisions of Charles Sturt
- Create better access to relevant asset data through the works and assets system and geospatial tools available

- Continue the implementation and refinement of Strategic Asset Management modelling for all major asset classes.
- Expand the use of Asset Survey to allow “in hand” real time, in field asset data capture and use
- Expand the use of electronic time and resource capture in the field
- Increase the use of GIS tools to aid and benefit asset management planning and asset analysis
- Maintain a high confidence level in data accuracy across major infrastructure asset class assets
- Develop and maintain a four to five year works programming planning horizon across all major infrastructure asset classes
- Continue the internal review cycle of the Asset Management Plans for major asset classes per our review framework.

15.2 Roads

The past two years have seen an audit of the condition of road seal, kerb and gutter following the audit of road pavement in 2016. The combined data has now been loaded into the Strategic Asset Management solution to provide extensive analysis with the outcomes used to inform and update the Asset Management Plan for Roads, Carparks and Road Safety Assets and provide a revaluation of road assets.

This has resulted in a major revision of the Road Assets Asset Management Plan in May 2018.

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

15.3 Paths

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

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

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

15.4 *Water (including Stormwater and Recycled water)*

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

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

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

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

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

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

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

15.5 *Bridges*

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

This plan shows Charles Sturt currently has 67 bridges. Bridges have a long service life if maintained correctly. The plan also showed there was a substantial maintenance backlog which was affecting this service life. In the 2017 Bridge Asset Management Plan Charles Sturt established a planned bridge maintenance program to ensure maintenance work is completed to bridges on a cyclic basis. A condition audit and valuation of bridge assets is being undertaken in 2017/18 and will inform a revision of the Bridge Asset Management Plan.

Bridges which have had major maintenance undertaken and renewal work in the last 24 months include the West Lakes Footbridges and the Point Malcom boardwalk. Bridges planned for renewal in the next 24 months (dependant on the T2T South Road Project) are the Hindmarsh Cemetery RTLP path and the South Road Underpass.

15.6 Public Lighting

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

Council has engaged SAPN to complete a full replacement of SAPN owned and maintained lights. The replacement program with LED lighting commenced in April 2018. 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 2018/19 the St Clair Recreation Centre Precinct Upgrade will be a major project for Council. However other significant clubroom redevelopments at both Gleneagles Reserve Clubroom and Frank Mitchell Park are set to be completed this year. In addition, upgrades to wet areas continue to be undertaken at Carnegie Reserve, with Council also provide a further contribution to the upgrade of the Semaphore Surf Life Saving Club.

A number of minor capital works will also be undertaken on various Council buildings including the Brompton Community Centre, Grange Jetty Café and the Seaside Tennis Club.

The next revision of the Buildings Asset Management Plan (AMP) is set to be undertaken in 18/19 following the findings of the recent building condition audit and revaluation. The AMP will assist in both refining maintenance and intervention strategies for building assets and drive the future capital renewal and upgrade programmes.

15.8 *Open Space and Recreation*

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

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

This year Council will redevelop M J Mcinerney Reserve and commence Stage 2 of the St Clair Recreation Precinct, which will include the construction of six new tennis courts, regional playground and skate park. Landscaping works to support the drainage upgrades along Port Road will also continue to be undertaken. Other projects include an upgrade at Towpath Reserve, new play equipment at Carnarvon Reserve and a playground and irrigation upgrade at Mooloolo Reserve.

16. Measuring Achievement of the 2018/19 Business Plan

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

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

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

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

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

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

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

We will know our community feels connected and supported by

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

Objective - Create opportunities for community leadership and civic participation.

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

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

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

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

- ❖ Our citizens feel safe in their neighbourhood.
- ❖ % of immunisation coverage in Charles Sturt.
- ❖ % of dogs desexed compared to State average.
- ❖ % of building inspection policy quotas completed.
- ❖ % of food premises inspections that resulted in 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 $< 15\%$.
- ❖ Net financial liabilities ratio is $< 100\%$.
- ❖ Asset sustainability ratio is $> 80\%$.
- ❖ \$ value of grants and co-funding received.
- ❖ Resident acceptance of Council rates as value for money.

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

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

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

Objective - Practise transparent and accountable governance.

We will know our organisation is transparent and accountable by

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

17. Attachments

17.1 Overview to Attachments

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

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

The contents of the attachments are summarised below.

Attachment	Nature of Information
Attachment A	<p>Commentary and detail of Long Term Financial Plan</p> <p>Includes:</p> <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	<p>Budgeted Financial Statements for 2018/19</p> <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 <p>This section sets out the budgeted financial statements for 2018/19 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.</p>
Attachment D	Rating Policy
Attachment E	Organisational Chart and Divisional Functions.
Attachment F	Capital Projects for renewal of council's existing assets for 2018/19.

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 2027/28 as at January 2018.

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 2018.

LTFP

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

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

These are detailed in [Schedule B](#)

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

Financial Indicators

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

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

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

Over the next 5 years total net rate increases (based on the assumptions detailed in **Schedule A**) and excluding growth estimates for new developments from 2018/19 are projected to be rate increases of 1.8%, 2.4%, 2.6%, 2.6%, and 2.4% until 2022/23.

This is between 0% and 0.2% greater than the forecast CPI over the next 5 years and reflective of the Local Government basket of goods and increasing cost pressures with imposed legislation, utilities, governance and infrastructure material costs as well as an increased new and upgrade capital program over the next 2 years which includes Port Road Drainage, St Clair Recreation centre upgrade, West Beach Rockwall.

The Balance Sheet forecasts an increase in total assets from \$1.238b in 2018/19 to \$1.464b in 2027/28. Over the planning period total liabilities are expected to increase from \$89.3m in 2018/19 to \$103.6m in 2022/23 and then reduces to \$41.6m in 2027/28 as the impact of borrowings reduces with the increasing ability of rates levied available to fund capital expenditure over and above depreciation without increasing Council's level of net financial liabilities or total debt. Borrowings are increased to address forecast new/upgrade capital expenditure requirements. With the completion of Water Proofing the West stage 1 for which the loan borrowings were drawn down on a cash advance debenture with variable interest only has now converted \$10m of that loan to principal and interest loan over the life of the asset at 3.85%. Loan borrowings therefore are forecast at \$53.3m in 2018/19 (assuming completion of incomplete projects or works in progress from 2017/18), increasing to \$73.1m in 2021/22 and then reducing down to \$4.7m in 2027/28.

Council's total equity or net assets is forecast to increase from \$1.149b in 2018/19 to \$1.42b in 2027/28.

Key Performance Indicators

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

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

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

The Net Financial Liabilities ratio increases from 61% in 2018/19 to 73% in 2020/2021 and then reduces to 16.3% in 2027/28, well within the 100% ceiling.

Net borrowings as a percentage of income increases from 44.5% to 54.7% in 2021/22 and then reduces to 2.8% in 2027/28. (For a ratepayer earning \$80,000 per annum this peak in borrowings would equate to net borrowings of \$43,760 on their home).

The interest cover ratio is also well within the accepted benchmark of 10% rising to a maximum ratio of 2.23% in 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 sustainability ratio. Ideally council should be spending 100% of what is prescribed in the asset management plans but realistically following consultation and taking account of projects which for a variety of reasons remain incomplete at each year end, 80% is more reflective of actual performance.

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

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

Long Term Financial Plan 2018-2028

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 2018.

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

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

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

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

Year ended 30 June:	2017	Audited	Actual	Growth	CPI	Wages	Materials	Custom
	2018	This Year	Estimate					
	2019	Long Term Financial Plan	Year 1	1.0%	1.8%	2.0%	1.8%	2.8%
	2020		Year 2	1.1%	2.2%	2.0%	2.2%	3.3%
	2021		Year 3	1.4%	2.4%	2.0%	2.4%	3.8%
	2022		Year 4	1.4%	2.5%	3.2%	2.5%	3.9%
	2023		Year 5	1.5%	2.4%	3.3%	2.4%	3.9%
	2024	Long Term Financial Plan	Year 6	1.5%	2.2%	3.2%	2.2%	3.7%
	2025		Year 7	1.5%	2.3%	3.0%	2.3%	3.8%
	2026		Year 8	1.4%	2.5%	3.2%	2.5%	3.9%
	2027		Year 9	1.1%	2.5%	3.5%	2.5%	3.6%
	2028		Year 10	1.1%	2.3%	3.5%	2.3%	3.4%

Waste Costs assume a full replacement of blue and green bins in May 2021 at a cost of \$5,350,000 Million dollars amortised over 10 years into the waste collection contract. The recall of the old bins and retrofitting of RFID Tags into remanning bins will be at one off cost in April 2021 of \$500k.

Rate Revenue base is anticipated to be eroded by approximately \$300k in 2018/19 due to the continued migration of South Australian Housing Trust properties to two Housing Association providers. These properties once under Housing Association ownership will become eligible for a 75% mandatory rebate.

No increases are factored in for electricity costs with anticipated LED Energy and tariff savings anticipated to neutralise any above CPI energy costs rather than generate significant savings in this LTFP forecast.

The Model assumes the Recycled Water Business will achieve a breakeven position in 2024-25, post depreciation but excluding imputed interest costs.

Internal recycled water revenues are treated as savings in operating expenses with the savings equal to the net margin difference of Council's own water being approximately 15% less than the cost of acquiring water from SA Water.

Finance charges on actual committed 10 year Fixed Loan of 10 Million Dollars attracts an effective interest rate of 4.55% per annum on a 10 year fixed rate. Finance Costs for unfixed loans are assumed to attract an effective interest rate of 4.1% being an average of the current offering of 4.55% for an LGFA 10 Year Fixed Rate Loan and 3.75% for the Current Cash Advance Debenture Rate.

An additional 0.4 FTE from Council endorsed Annual Operating Projects from 2017/18 have been factored into the recurrent FTE base establishment from 2018 -2019.

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

As per Council's endorsed Budget Principles the model is structured such that there is no reliance on gains made from asset sales to fund core services.

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

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

New/Upgrade forecasts are based on current Strategic Management Plans and Council in principle adopted projects. These projects were presented to Council at the workshop 5 March 2018.

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

Major Stormwater Port Road Flood Mitigation projects											
Stage 2 Port Road Flood Mitigation	\$ 3,650,000	\$ 3,650,000	\$ 1,150,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stages 3 and 4 Flood Mitigation	\$ 3,000,000	\$ 7,000,000	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Stormwater Catchments Meakin/Trimmer	\$ -	\$ 250,000	\$ 250,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 3,050,000	\$ 3,050,000	\$ 2,300,000	\$ -
SUBTOTAL	\$ 6,650,000	\$ 10,900,000	\$ 6,400,000	\$ 6,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 3,050,000	\$ 3,050,000	\$ 2,300,000	\$ -
Other Major Projects											
St Clair Recreation Precinct	\$ 7,984,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New library facility for West lakes	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
West Beach Rock Wall	\$ 2,450,000	\$ 2,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SAPN Lighting LED Roll-Out	\$ 1,996,480	\$ 2,246,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 14,431,062	\$ 4,546,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Over the forecast 10 year period Major Stormwater Flood Mitigation projects are included for a net \$53.350m representing Council's contribution to Port Road Flood Mitigation stormwater and lateral upgrades.

Major Projects such as St Clair precinct upgrade, West Beach Rockwall, SAPN lighting rollout and West Lakes Hub assume Councils contribution of \$18.977m over 2018/19 and 2019/20.

A summary of council's forecast contribution to capital infrastructure works over the 10 year period is summarised in following table.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year Ended 30 June:	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Capital Program										
Renewal & Replacement	27,017	27,796	29,779	24,980	29,542	28,523	28,400	27,616	28,711	27,306
New & Upgrade	7,645	7,703	10,143	6,139	4,240	3,731	8,631	2,031	4,928	1,281
Flood Mitigation & Major Stormwater Projects	29,446	19,396	5,535	6,000	5,000	5,250	250	5,000	5,000	5,000
Less Amounts Specifically for New & Upgraded Assets	8,615	6,000	3,000	-	-	-	-	-	-	-
Total Net Capital Spend	55,493	48,896	42,457	37,119	38,782	37,504	37,281	34,647	38,639	33,587

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

Annual Operating projects or service level increase are \$2.35m in 2018/19 which includes a one off cost for the local government elections, and then escalating by forecast CPI each year.

The modelling assumes 2017/18 base year targeted productivity savings of approximately \$1.8m are achieved as permanent ongoing savings.

Significant Assumption Risks:

Interest Rate Risk

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

Wage Growth Index Forecast Risk

With employee costs comprising approximately 35% of total operating expenditure a 1% error in anticipated wage growth can result in a \$417,000 misstatement in the 2019 operating result and up to a \$544,000 misstatement in the 2028 year.

Schedule B

City of Charles Sturt

Long Term Financial Plan Model - Base Model

ESTIMATED COMPREHENSIVE INCOME STATEMENT

Year Ended 30 June:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
INCOME											
Rates	103,392	105,983	109,525	113,779	118,210	122,763	127,297	132,127	137,272	142,208	147,037
Statutory Charges	4,235	4,354	4,498	4,669	4,851	5,040	5,226	5,425	5,637	5,840	6,039
User Charges	2,702	2,751	3,046	3,263	3,490	3,719	3,946	4,182	4,431	4,685	4,940
Grants, subsidies, contributions	8,528	8,682	8,873	9,086	9,313	9,537	9,747	9,971	10,220	10,476	10,717
Investment Income	140	143	146	150	154	158	161	165	169	173	177
Reimbursements	528	538	550	563	577	591	604	618	633	649	664
Other Income	149	152	155	159	163	167	171	175	179	183	187
Total Revenues	119,674	122,603	126,793	131,669	136,758	141,975	147,152	152,663	158,541	164,214	169,761
EXPENSES											
Employee costs	41,445	42,274	43,123	43,986	45,391	46,886	48,383	49,832	51,425	53,220	55,078
Materials, contracts & other expenses	42,137	43,426	44,728	46,718	48,493	50,300	52,060	53,980	56,041	58,105	60,114
Depreciation	29,139	30,480	34,973	37,117	37,467	40,241	42,762	45,815	46,661	47,355	50,964
Finance Costs	2,000	2,270	2,235	3,060	2,958	3,091	2,847	2,468	2,038	1,456	871
Total Expenses	114,721	118,450	125,059	130,881	134,309	140,518	146,052	152,095	156,165	160,136	167,027
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	4,953	4,153	1,734	788	2,449	1,457	1,100	568	2,376	4,078	2,734
Net gain/(loss) on disposal or revaluations	0	0	0	0	0	0	0	0	0	0	0
Amounts specifically for new assets	26,626	8,615	6,000	3,000	0	0	0	0	0	0	0
Physical resources free of charge	200	200	200	200	200	200	200	200	200	200	200
NET SURPLUS/(DEFICIT)	31,779	12,968	7,934	3,988	2,649	1,657	1,300	768	2,576	4,278	2,934
Other Comprehensive Income											
Changes in revaluation surplus - IPP&E	1	0	0	5,158	88,332	20,722	0	0	8,526	102,457	19,565
Total Other Comprehensive Income	1	0	0	5,158	88,332	20,722	0	0	8,526	102,457	19,565
TOTAL COMPREHENSIVE INCOME	31,780	12,968	7,934	9,146	90,981	22,379	1,300	768	11,102	106,735	22,499

City of Charles Sturt

Long Term Financial Plan Model - Base Model

ESTIMATED BALANCE SHEET

Year Ended 30 June:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$(000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
ASSETS											
Current Assets											
Cash & Equivalent Assets	264	5,954	7,044	1,037	6,853	4,194	1,740	1,059	2,101	1,535	4,218
Trade & Other Receivables	5,740	5,833	5,946	6,078	6,219	6,362	6,501	6,649	6,808	6,964	7,115
Inventories	75	65	65	65	65	65	65	65	65	65	65
Sub-total	8,824	14,597	15,800	9,925	15,882	13,366	11,051	10,518	11,719	11,309	14,143
Non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	8,824	14,597	15,800	9,925	15,882	13,366	11,051	10,518	11,719	11,309	14,143
Non-Current Assets											
Equity Accounted Investments in Council Businesses	88	88	88	88	88	88	88	88	88	88	88
Infrastructure, Property, Plant & Equipment	1,178,119	1,211,947	1,236,616	1,250,314	1,338,498	1,357,961	1,352,903	1,344,569	1,341,281	1,435,222	1,437,610
Other Non-Current Assets	12,348	12,348	12,348	12,348	12,348	12,348	12,348	12,348	12,348	12,348	12,348
Total Non-Current Assets	1,190,555	1,224,399	1,249,068	1,262,766	1,350,950	1,370,413	1,365,355	1,357,021	1,353,733	1,447,674	1,450,062
Total Assets	1,199,379	1,238,996	1,264,868	1,272,691	1,366,832	1,383,779	1,376,406	1,367,539	1,365,452	1,458,983	1,464,205
LIABILITIES											
Current Liabilities											
Trade & Other Payables	23,100	26,129	24,986	25,935	26,015	26,459	26,717	27,045	27,367	27,716	26,540
Borrowings	837	870	8,904	939	5,975	8,987	10,053	13,593	13,636	16,180	0
Provisions	8,810	8,997	8,905	8,987	8,952	8,995	8,996	9,026	9,043	9,055	9,061
Sub-total	32,747	35,996	42,795	35,861	40,942	44,441	45,766	49,664	50,046	52,951	35,601
Liabilities Relating to Non-Current Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	32,747	35,996	42,795	35,861	40,942	44,441	45,766	49,664	50,046	52,951	35,601
Non-Current Liabilities											
Borrowings	29,137	52,467	63,563	69,124	67,149	58,162	48,109	34,516	20,880	4,700	4,700
Provisions	800	870	913	963	1,017	1,073	1,128	1,188	1,253	1,324	1,397
Total Non-Current Liabilities	29,937	53,337	64,476	70,087	68,166	59,235	49,237	35,704	22,133	6,024	6,097
Total Liabilities	62,684	89,333	107,271	105,948	109,108	103,676	95,003	85,368	72,179	58,975	41,698
NET ASSETS	1,136,695	1,149,663	1,157,597	1,166,743	1,257,724	1,280,103	1,281,403	1,282,171	1,293,273	1,400,008	1,422,507
EQUITY											
Accumulated Surplus	485,298	498,266	506,200	510,188	512,837	514,494	515,794	516,562	519,138	523,416	526,350
Asset Revaluation Reserve	651,397	651,397	651,397	656,555	744,887	765,609	765,609	765,609	774,135	876,592	896,157
Other Reserves	0	0	0	0	0	0	0	0	0	0	0
TOTAL EQUITY	1,136,695	1,149,663	1,157,597	1,166,743	1,257,724	1,280,103	1,281,403	1,282,171	1,293,273	1,400,008	1,422,507

City of Charles Sturt
Long Term Financial Plan Model - Base Model
ESTIMATED CASH FLOW STATEMENT

Year Ended 30 June:											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CASH FLOWS FROM OPERATING ACTIVITIES	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<u>Receipts</u>											
Rates	103,392	105,983	109,525	113,779	118,210	122,763	127,297	132,127	137,272	142,208	147,037
Statutory Charges	4,235	4,354	4,498	4,669	4,851	5,040	5,226	5,425	5,637	5,840	6,039
User Charges	2,702	2,751	3,046	3,263	3,490	3,719	3,946	4,182	4,431	4,685	4,940
Grants, subsidies, contributions	2,711	11,348	7,681	9,831	9,155	9,805	9,799	10,123	10,333	10,618	10,840
Investment Income	140	143	146	150	154	158	161	165	169	173	177
Reimbursements	528	538	550	563	577	591	604	618	633	649	664
Other Income	149	152	155	159	163	167	171	175	179	183	187
<u>Payments</u>											
Employee costs	(41,444)	(42,273)	(43,122)	(43,985)	(45,390)	(46,885)	(48,382)	(49,831)	(51,424)	(53,219)	(55,077)
Materials, contracts & other expenses	(43,629)	(42,906)	(44,842)	(46,515)	(48,378)	(50,169)	(51,938)	(53,863)	(55,910)	(57,972)	(61,486)
Finance Costs	(2,000)	(2,270)	(2,235)	(3,060)	(2,958)	(3,091)	(2,847)	(2,468)	(2,038)	(1,456)	(871)
Net Cash provided by (or used in) Operating Activities	26,784	37,820	35,402	38,854	39,874	42,098	44,037	46,653	49,282	51,709	52,450
CASH FLOWS FROM INVESTING ACTIVITIES											
<u>Receipts</u>											
Amounts Specifically for New/Upgraded Assets	26,626	8,615	6,000	3,000	0	0	0	0	0	0	0
<u>Payments</u>											
Expenditure on Renewal/Replacement of Assets	(40,422)	(27,017)	(27,796)	(29,779)	(24,980)	(29,542)	(28,523)	(28,400)	(27,616)	(28,711)	(27,306)
Expenditure on New/Upgraded Assets	(40,552)	(37,091)	(31,646)	(15,678)	(12,139)	(9,240)	(8,981)	(8,881)	(7,031)	(9,928)	(6,281)
WIP Adjustment	0	0	0	0	0	0	0	0	0	0	0
Net Cash Provided by (or used in) Investing Activities	(53,483)	(55,493)	(53,442)	(42,457)	(37,119)	(38,782)	(37,504)	(37,281)	(34,647)	(38,639)	(33,587)
CASH FLOWS FROM FINANCING ACTIVITIES											
<u>Receipts</u>											
Proceeds from Borrowings	22,000	24,200	20,000	6,500	4,000	0	0	0	0	0	0
<u>Payments</u>											
Repayments of Borrowings	(1,354)	(837)	(870)	(8,904)	(939)	(5,975)	(8,987)	(10,053)	(13,593)	(13,636)	(16,180)
Net Cash provided by (or used in) Financing Activities	20,646	23,363	19,130	(2,404)	3,061	(5,975)	(8,987)	(10,053)	(13,593)	(13,636)	(16,180)
Net Increase/(Decrease) in cash held	(6,053)	5,690	1,090	(6,007)	5,816	(2,659)	(2,454)	(681)	1,042	(566)	2,683
Opening cash, cash equivalents or (bank overdraft)	6,317	264	5,954	7,044	1,037	6,853	4,194	1,740	1,059	2,101	1,535
Closing cash, cash equivalents or (bank overdraft)	264	5,954	7,044	1,037	6,853	4,194	1,740	1,059	2,101	1,535	4,218

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

Year Ended 30 June:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 10
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
ACCUMULATED SURPLUS											
Balance at end of previous reporting period	453,519	485,298	498,266	506,200	510,188	512,837	514,494	515,794	516,562	519,138	523,416
Net Result for Year	31,779	12,968	7,934	3,988	2,649	1,657	1,300	768	2,576	4,278	2,934
Balance at end of period	485,298	498,266	506,200	510,188	512,837	514,494	515,794	516,562	519,138	523,416	526,350
ASSET REVALUATION RESERVE											
Balance at end of period	651,397	651,397	651,397	656,555	744,887	765,609	765,609	765,609	774,135	876,592	896,157
OTHER RESERVES											
Balance at end of period	0	0	0	0	0	0	0	0	0	0	0
TOTAL EQUITY AT END OF REPORTING PERIOD	1,136,695	1,149,663	1,157,597	1,166,743	1,257,724	1,280,103	1,281,403	1,282,171	1,293,273	1,400,008	1,422,507

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

Year Ended 30 June:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 10
Operating Revenues	119,674	122,603	126,793	131,669	136,758	141,975	147,152	152,663	158,541	164,214	169,761
<i>less Operating Expenses</i>	114,721	118,450	125,059	130,881	134,309	140,518	146,052	152,095	156,165	160,136	167,027
Operating Surplus/(Deficit) before Capital Amounts	4,953	4,153	1,734	788	2,449	1,457	1,100	568	2,376	4,078	2,734
Less: Net Outlays on Existing Assets											
Capital Expenditure on Renewal/Replacement of Existing Assets	40,422	27,017	27,796	29,779	24,980	29,542	28,523	28,400	27,616	28,711	27,306
<i>less Depreciation, Amortisation & Impairment</i>	29,139	30,480	34,973	37,117	37,467	40,241	42,762	45,815	46,661	47,355	50,964
	11,283	(3,463)	(7,177)	(7,338)	(12,487)	(10,699)	(14,239)	(17,415)	(19,045)	(18,644)	(23,658)
Less: Net Outlays on New and Upgraded Assets											
Capital Expenditure on New/Upgraded Assets	40,552	37,091	31,646	15,678	12,139	9,240	8,981	8,881	7,031	9,928	6,281
<i>less Amounts Specifically for New/Upgraded Assets</i>	26,626	8,615	6,000	3,000	0	0	0	0	0	0	0
	13,926	28,476	25,646	12,678	12,139	9,240	8,981	8,881	7,031	9,928	6,281
Net Lending / (Borrowing) for Financial Year	(20,256)	(20,860)	(16,735)	(4,552)	2,797	2,916	6,358	9,102	14,390	12,794	20,111

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

Operating Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year Ended 30 June:	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
General Rates	106,022	109,771	114,142	118,694	123,323	127,886	132,746	137,923	142,888	147,746
CPI	1.8%	2.2%	2.4%	2.5%	2.4%	2.2%	2.3%	2.5%	2.5%	2.3%
Extra Impost above CPI & Growth	0.0%	0.2%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Forecast Rise Exclusive of Growth	1.8%	2.4%	2.6%	2.6%	2.4%	2.2%	2.3%	2.5%	2.5%	2.3%
Growth	1.0%	1.1%	1.4%	1.4%	1.5%	1.5%	1.5%	1.4%	1.1%	1.1%
Total Rise	2.8%	3.5%	4.0%	4.0%	3.9%	3.7%	3.8%	3.9%	3.6%	3.4%
Forecast Rise Exclusive of Growth	1.8%	2.4%	2.6%	2.6%	2.4%	2.2%	2.3%	2.5%	2.5%	2.3%
Prev LTFP Rates Rise exclusive of Growth	4.0%	3.0%	3.0%	2.5%	2.4%	2.2%	2.2%	2.5%	2.5%	
Total Rate Rise Diff to Prev LTFP	-2.2%	-0.6%	-0.4%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Indicator 1 - Operating Surplus / (Deficit) - \$(000)	4,153	1,734	788	2,449	1,457	1,100	568	2,376	4,078	2,734
Indicator 2 - Operating Surplus Ratio - %	3.9%	1.6%	0.7%	2.1%	1.2%	0.9%	0.4%	1.7%	2.9%	1.9%
Indicator 3 - Net Financial Liabilities Ratio - %	61.0%	72.2%	73.0%	68.2%	63.7%	57.1%	49.1%	38.2%	29.1%	16.3%
Indicator 4 - Asset Sustainability Ratio - %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Indicator 5 - Interest Cover Ratio - %	1.89%	1.80%	2.38%	2.21%	2.23%	1.98%	1.65%	1.31%	0.91%	0.52%
Net Loans	53,337	72,467	70,063	73,124	67,149	58,162	48,109	34,516	20,880	4,700
Net Loans as a Percentage of Operating Revenue	44.5%	58.5%	54.4%	54.7%	48.4%	40.4%	32.2%	22.3%	13.0%	2.8%
Capital Program										
Renewal & Replacement	27,017	27,796	29,779	24,980	29,542	28,523	28,400	27,616	28,711	27,306
New & Upgrade	7,645	7,703	10,143	6,139	4,240	3,731	8,631	2,031	4,928	1,281
Flood Mitigation & Major Stormwater Projects	29,446	19,396	5,535	6,000	5,000	5,250	250	5,000	5,000	5,000
Less Amounts Specifically for New & Upgraded Assets	- 8,615	- 6,000	3,000	-						
Total Net Capital Spend	55,493	48,896	42,457	37,119	38,782	37,504	37,281	34,647	38,639	33,587
Annual Operating Projects	2,350	2,521	2,684	2,753	2,822	2,888	2,957	3,033	3,112	3,188

NOTE : this adopted LTFP provided the basis for development of the annual budget and high level parameters, noting that the final budget for 2018/19 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. Councils total indebtedness will be considered within the constraints of a net financial liabilities ratio of less than 100%. Adequate provisions will be made to meet Council's long term liabilities. Council will seek to ensure a sustainable operating surplus.

Affordable Rates

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

Avoid Cost Shifting

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

New Initiatives

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

Asset Sales and Debt

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

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

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

Financial Control

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

Attachment B - City of Charles Sturt Core Operational Services

Below is a comprehensive listing of our core operational services as at June 2018.

Core Business	Key Outputs
<i>Community Services</i>	
• 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.
• 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.
• Crime Prevention	<ul style="list-style-type: none"> – Implement the Crime Prevention Through Environmental Design principles.
• Graffiti	<ul style="list-style-type: none"> – Remove 15,600 square metres of graffiti from private property and bus shelters within 5 working days.
• 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.
• 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.
• 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'.
- Manage community events.
- Assist business units with undertaking effective community consultation.
- Management of Council's website and digital mediums.

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.

Core Business

- Environmental Health
- Immunisation
- Environmental Management

Urban Projects

- Cultural Development

Key Outputs

- 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.
- Administer approximately 13,400 vaccines to clients attending 140 public clinics, 10 High School clinics, 33 workplace visits. Plus 2700 throat swabs.
- 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.
- 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 2018/19

Schedule 1: Statement of Comprehensive Income

	2019	2018
	\$'000	\$'000
Revenue		
Rates	105,991	103,392
Statutory Charges	4,368	4,130
User Charges	2,862	2,620
Grants, Subsidies and Contributions	6,764	8,462
Investment Income	160	140
Reimbursements	595	551
Other revenues	172	149
Total Revenues	120,912	119,444
Expenses		
Employee Costs	42,750	41,386
Materials, Contracts and Other	42,386	43,775
Finance Costs	1,926	2,000
Depreciation, Amortisation and Impairment	30,480	29,139
Total Expenses	117,542	116,300
Operating Surplus/(Deficit)	3,370	3,144
Capital Amounts		
Physical resources received free of charge	200	200
Amounts specifically for new or upgraded asset	11,418	23,773
	11,618	23,973
Net Surplus/(Deficit)	14,988	27,117
Other Comprehensive income	0	0
Total Comprehensive Income	14,988	27,117

Schedule 2: Cashflow Statement

	2019	2018
	\$	\$
	Inflows(outflows)	Inflows(outflows)
	\$'000	\$'000
Cash Flows from Operating Activities		
Operating Receipts	120,752	119,304
Investment receipts	160	140
Operating Payments to suppliers and employees	(85,136)	(85,161)
Finance payments	(1,926)	(2,000)
Net Cash Flows provided by (used in) Operating Activities	33,850	32,283
Cash Flows from Financing Activities		
Receipts		
Proceeds from Borrowings	22,129	22,745
Proceeds from Aged care Facility deposits	500	0
Payments		
Repayments of Borrowings	(837)	(837)
Repayment of Aged care Facility Deposits	(500)	(0)
Net Cash provided for (used in) Financing Activities	21,292	21,908
Cash Flows from Investing Activities		
Receipts		
Sale of replaced assets	796	766
Grants specifically for new or upgraded assets	11,418	23,773
	12,214	24,539
Payments		
Expenditure on renewal/replacement of assets	(28,741)	(30,035)
Expenditure on new/upgraded assets	(38,615)	(48,695)
	(67,356)	(78,730)
Net Cash used in Investment Activities	(55,142)	(54,191)
Net Increase (Decrease) in Cash Held	0	0
Cash and cash equivalents at Beginning of Reporting Period	5,345	636
Cash and cash equivalents at End of Reporting Period	5,345	636

Schedule 3: Balance Sheet

	2019	2018
	\$'000	\$'000
ASSETS		
Current Assets		
Cash and Cash equivalents	5,345	636
Trade and Other receivables	5,833	6,571
Inventories	65	65
Total Current Assets	11,243	7,272
Non-Current Assets		
Equity accounted investments in council business	88	100
Infrastructure, Property, plant and equipment	1,190,653	1,160,162
Other non-current assets	12,348	9,905
Total Non-Current assets	1,203,089	1,170,167
TOTAL ASSETS	1,214,332	1,177,439
LIABILITES		
Current Liabilities		
Trade and Other Payables	26,129	25,228
Borrowings	870	500
Provisions	8,997	9,218
Total Current Liabilities	35,996	34,946
Non-Current Liabilities		
Long Term Borrowings	44,783	37,408
Long Term Provisions	1,770	2,185
Trade and Other Payables	0	0
Total Non-Current liabilities	46,553	39,593
TOTAL LIABILITES	82,549	74,539
Net Assets	1,131,783	1,102,900
EQUITY		
Accumulated Surplus	480,387	477,145
Reserves	651,396	625,755
TOTAL EQUITY	1,131,783	1,102,900

Schedule 4: Statement of Changes in Equity**2019**

	Accumulated Surplus \$'000	Asset revaluation reserve \$'000	Total Equity \$'000
Accumulated Surplus			
Balance at end of previous reporting period	465,399	651,396	1,116,795
Net Result for year	14,988		14,988
Other Comprehensive income		0	0
Balance at end of period	480,387	651,396	1,131,783

2018

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

Schedule 5: Summary of Operating and Capital Investment Activities

		2019	2018
		\$	\$
	Operating Revenue	120,912	119,444
	Less Operating Expenses	(117,542)	(116,300)
	Operating Surplus/(Deficit) before Capital Amounts	3,370	3,144
Less	Net Outlays on Existing Assets		
	Capital expenditure on renewal and replacement of existing assets	28,741	30,035
	Less Depreciation, Amortisation and Impairment	(30,480)	(29,139)
	Less proceeds from sale of Replaced Assets	(796)	(766)
		(2,535)	130
Less	Net Outlays on new and Upgraded Asses		
	Capital expenditure on New and Upgraded assets	38,615	48,695
	Less amounts received specifically for New and Upgraded assets	(11,418)	(23,773)
	Less proceeds from Sale of Surplus Assets	0	0
		27,197	24,922
Equals	Net Lending / (Borrowing) for Financial year	(21,292)	(21,908)

Schedule 6: Statement of Financial Indicators

	Key Financial Indicators	
	2019	2018
Operating surplus/deficit - \$'000	3,370	3,144
Operating surplus ratio	2.8%	2.6%
Net Financial Liabilities - \$'000	71,371	67,332
Net Financial Liabilities ratio	59.0%	56.4%
Interest cover ratio	1.5%	1.6%
Asset sustainability ratio (AMP)	106.4%	114.1%



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 25/6/2018 Item x.xx
Last Reviewed:	June 2018
Next Review Due:	June 2019
Applicable Legislation:	Local Government Act 1999 Local Government (Financial Management) Regulations 2011
Related Policies:	Nil
Related Procedures:	Nil

1. Purpose

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

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

2. Scope

Strategic Focus

In setting its rates for the 2018/19 financial year Council has considered the following:

- its Community Plan 2016-2027 Charles Sturt – A Leading, Liveable City;
- its Long Term Financial Plan Estimates 2018-2029;
- its Budget Principles;
- the current economic climate;
- the specific issues faced by our community;
- the Annual Business Plan and Budget for the 2018/2019 financial year;
- the impact of rates on the community;
- the impact of rates on businesses;
- the relationship between Council objectives and rating strategy;
- Council's debt strategy;
- required funding for future asset replacement;
- the impact of differential changes in property valuations across the City;
- as may be relevant, issues of consistency and comparability across Council areas in the imposition of rates on sectors of the community such as business; and
- issues of equity arising from circumstances where ratepayers provide or maintain infrastructure that might otherwise be provided or maintained by Council and whether discretionary rebates will be granted.

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

3. Policy Statement

COMMUNICATION OF THE POLICY

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

METHOD USED TO VALUE LAND

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

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

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

ADOPTION OF VALUATIONS

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

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

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

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

OBJECTION TO VALUATION

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

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

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

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

NOTIONAL VALUES

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

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

BUSINESS IMPACT STATEMENT

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

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

COUNCIL'S REVENUE RAISING POWERS

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

DIFFERENTIAL GENERAL RATES

At its meeting on 25 June 2018 Council decided to raise rate revenue of \$106,022,000 in a total operating revenue budget of \$120,911,649. The Council has set the following differential general rates.

- (a) 0.261783258 cents in the dollar on rateable land of category 1 (residential) use;
- (b) 0.8225128660 cents in the dollar on rateable land of categories 2, 3 and 4 (Commercial shop, commercial office or commercial other) use;
- (c) 1.143118787 cents in the dollar on rateable land of categories 5 and 6 (industrial light & industrial other) use;
- (d) 0.4654710570 cents in the dollar on rateable land of category 7 (primary production) use;
- (e) 0.832563126 cents in the dollar on rateable land of category 8 (vacant land) use;
- (f) 0.4518710590 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 \$1,071. The reason for imposing a minimum rate is to ensure that all residents contribute towards the provision of basic services at a reasonable level.

NATURAL RESOURCES MANAGEMENT (NRM) LEVY

The City of Charles Sturt is within the area covered by the Adelaide & Mt Lofty Ranges Natural Resources Management Board and is required under the Natural Resources Management Act 2004 to fund the operations of the Board. It does so by imposing a separate rate against rateable properties within its area of 0.009701 cents in the dollar, based on the Capital Value of rateable land within the City.

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

PENSIONER CONCESSIONS

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

Application forms are available by contacting the Concession Hotline on 1800 307 758 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 up to \$100. This concession is paid directly into the individual's bank account and can be used towards either electricity, gas, water bills or council rates.

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

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

By mail:

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

By internet:

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

By Direct Debit:

- Quarterly.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Council's Rate Enquiries on 8408 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 2018/19 financial year has not yet been declared. When the interest rate is declared the Council will publish the rate on its public website.

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 2018/19 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 2019; and
- (b) a dwelling has been substantially commenced on the property by 30 June 2019, 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 2018 a full rebate will be given but if the footings are poured after 31 December 2018 a 50% rebate will be given with the rebate being the difference in monetary terms between the rates that would have been paid in respect of the Assessment if it had been used at the date of declaration of the rates for residential purposes and the actual amount paid after deducting any other rebate granted within the rating period.

Rate Capping

To provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation, a rebate of general rates for the 2018/19 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 2017/18 financial year (after any rebate was applied) and the amount of general rates imposed for the 2018/19 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 2018/19 financial year and the amount of general rates in monetary terms payable for the 2017/18 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 2018/19 financial year than on the date the Council declared its general rates for the 2017/18 financial year, or
- (d) the ownership of the rateable property has changed since 1 July 2017.

Remission – Minimum Rate

Under Section 182 (1) of the Act Council may remit all or part of the rates if it is satisfied that the payment of these rates would cause hardship. Council has agreed to remit a portion of the rates up to \$31 payable by the Principal Ratepayer of an Assessment, either by the Council of its own initiative where the Council is in possession of sufficient information to determine the entitlement to the rebate or otherwise on application to the Council, where the payment of those rates is deemed to cause hardship. To be deemed to cause hardship and for this remission to apply, the Assessment must be subject to the minimum rate for the 2018/19 financial year and:

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

If the ratepayer received a remission on the minimum rate applicable for the 2017/18 financial year of \$39 they will be eligible for a remission of \$31 on the minimum rate applicable for 2018/19 year.

If the ratepayer received a remission on the minimum rate applicable for the 2017/18 financial year of \$16 they will be eligible for a remission of \$8 on the minimum rate applicable for 2018/19 year.

Postponement of Rates for Seniors

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

Applications

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

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

Further information on rebates is available from a Customer 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).

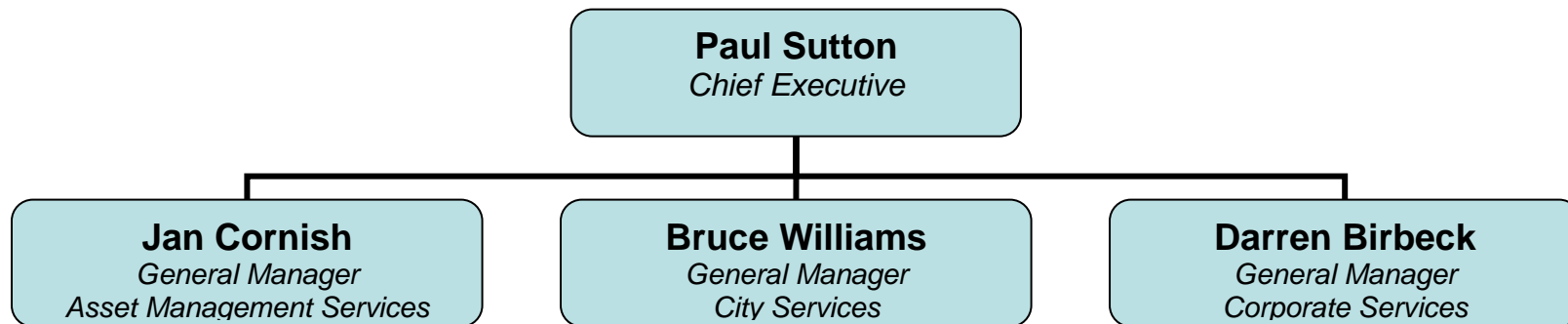
A Council must also postpone all rates over \$500, on application by a 'senior' who satisfies the various criteria set out at Section 182A of the Act.

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 – Council Organisational Chart and Divisional Functions

[Attachment E consists of 3 pages.]

Council Organisational Chart



Council Divisional Functions

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

Attachment F – Capital Projects for renewal of council's existing assets for 2018/19

Name	Budget Bid Description	Net Budget Bid \$ 2018/19	Nature of Works
Gleneagles Reserve Clubroom Redevelopment 2018/2019 Bid ID PBB-00000326	Redevelop the Gleneagles Reserve clubrooms including demolition of the existing clubrooms and replace with a new lightweight cost effective building structure which will meet the layout needs of the club and the increasing membership. All the planning and concept stage is complete and we are now ready for detailed design and construction, Stage 1 Design and Construct - Design Documentation \$180K, Stage 2 Construction work \$1,620,000.00. Cost Report - 16/166139`Detailed concept plan - 16/166142	\$1,800,000	Renewal
Box Culvert Replacement 2018/19 - Burford Road Henley Beach South Bid ID PBB-00000559	To replace 350m of 1200*750 box culverts in poor condition in Burford Road between HMAS Australia Road and Lexington Road.	\$900,000	Renewal
Sporting Club and Council Building Renewals - Capital 2018/2019 Bid ID PBB-00000561	Renewal of building components based on condition and remaining life of the components. Typical works include carpet/flooring, roof, kitchen and wet areas. Sporting Clubs Include: Collins Reserve change rooms renewal - Old building Don Kabe clubroom - metal roofing and wet area renewal Flinders Park change rooms renewal Jubilee Reserve Clubrooms - wet area renewal Sam Johnson Reserve Clubroom - part exterior wall renewal Woodville District Table Tennis Club - Part roof replacement Woodville Hockey club - window replacements Henley and Grange Community Centre toilet renewal Henley & Grange RSL Clubrooms; Henley Football Clubroom Public Toilets; Ledger reserve Public Toilets Model T Clubrooms - Air conditioning and wet area fit out Brocas and Woodville Town Hall and other minor renewals in council owned buildings	\$978,241	Renewal

Council Operated Buildings - Office Furniture Replacement 2018/2019 Bid ID PBB-00000562	Council Operated Buildings - Office Furniture Replacement 2018/2019. Ongoing WH&S requirement to update office furniture in council operated properties. These properties include Community Centres, Libraries, Beverley Centre, Civic Centre and other council occupied facilities	\$45,000	Renewal
Brompton Community Centre 19 on Green - Air Conditioning and Grease arrester 2018/2019 Bid ID PBB-00000563	Brompton Community Centre 19 on Green - Air Conditioning and Grease arrester 2018/2019. Replace all of the split system air conditioning units at the community centre due to poor performance and end of life of the existing units. The project also includes an upgrade to meet the existing building code requirement for outside air - \$174,000 Install a SA Water compliant grease arrester as the centre does not comply at present - \$16,000 Total project cost \$190,000	\$190,000	Renewal
Large Concrete Footpath and Kerb and Gutter Renewal 2018/19 Bid ID PBB-00000566	Renewal of sections of existing concrete footpaths and kerb and gutter as identified by CRM's and risk management audits. Reduction of trip hazards throughout the city caused by raised, cracking and deteriorating concrete footpaths. This project will improve pedestrian safety, reduce Council's liability and increase the useful life of the footpath.	\$900,000	Renewal
Kerb Ramp Renewal DDA Compliance 2018/19 Bid ID PBB-00000567	To replace kerb ramps throughout the city so that they comply with DDA specifications with the renewal works to be undertaken with one of the internal concrete teams as determined by the whole of city footpath audit.	\$600,000	Renewal
Footpath Renewal Block Paved Path Large Area Renewal 2018/19 Bid ID PBB-00000568	This capital bid is for continued funding of an internal paving crew for the renewal of paved footpaths throughout the city. The renewal work undertaken by this paving crew extends the life of these paved assets. The project will continue to address current CRM's and high risk trip steps in paved footpaths and will include labour, materials and equipment.	\$400,000	Renewal
Beach Access Ways 2018/2019 Bid ID PBB-00000570	The continuation of the Beach access way renewals/ upgrade program in accordance with the review of the beach access ways by Council in 2005. This will include renewal of Coast Park Path access way connections and reseal of the vehicle access way at South Street Henley Beach.	\$130,000	Renewal

Road Rehabilitation Program of Works 2018/19 Bid ID PBB-00000572	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	\$5,187,563	Renewal
Asset Contingency Building Works 2018/19 Bid ID PBB-00000573	This project is for contingency funding across all Property Services assets for emergency breakdowns including hot water services, electric and gas stoves, whitegoods, switchboards and air conditioners. It also allows for emergency building works, building stormwater services, sewer and minor building works, in 5 aged care complexes (91 Units), 50 Sporting Clubs, Commercial Properties, Civic and Admin buildings, Community Centre and Libraries, Community Halls and Toilet Facilities.	\$130,000	Renewal
Road Reconstruction Program of Works 2018/19 Bid ID PBB-00000575	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 2018/19 includes George Street Beverley; May Street Henley Beach; Rosetta Street West Croydon (part); Grey Avenue Hindmarsh (part) and Ninth Avenue Woodville North (part). This bid includes \$400,000 of required stormwater works associated with road reconstruction projects (identified in Stormwater AMP). This bid includes \$350,000 for required Road Safety Asset Renewals associated with road works (identified in the Road Safety Devices AMP).	\$5,561,692	Renewal
Council Building - Beverley Centre Air Conditioning Renewal 2018/19 Bid ID PBB-00000580	Renew the air conditioning plant at the Beverley Centre due to failing plant as the existing units are end of their expected life. Butterfields provided a budgeted cost to renew air conditioning units at Beverley Centre. Trim: 16/366116	\$80,000	Renewal
Beverley Depot Box Gutter Replacement Bid ID PBB-00000584	Renewal of four box gutters to the full width of the main office/workshop building in the fleet section at the Beverley Depot is required due to ongoing repairs to mitigate water leaks into the office/workshop.	\$25,000	Renewal

Car Park Renewal Program of Works 2018/19 Bid ID PBB-00000586	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.	\$498,950	Renewal
Fraser Street- Flood Mitigation - Local Area stormwater Renewal Bid ID PBB-00000598	Local Area Stormwater Network - Fraser Street, Woodville South Flood Mitigation.	\$430,000	Renewal
Bus Stop Renewals 2018/19 Bid ID PBB-00000600	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.	\$400,000	Renewal
Bridge Renewal - Bridge 2 - RTLP - South Road Underpass Upgrade Bid ID PBB-00000604	Council financial contribution to the T2T Alliance for renewal of the South Road Underpass. The underpass will be replaced with an entirely new structure. The T2T Alliance will fund approx. 70% of the construction and Council must contribute the additional approx. 30% for the bridge approach which is not in the scope of the T2T Alliance project.	\$510,000	Renewal
Belmore Terrace, Woodville - Outer Harbor Greenway Consultation and Design Bid ID PBB-00000606	The existing driveway links on Belmore Terrace, which forms part of the Outer Harbor Greenway, have reached the end of their useful life and are due for renewal. A recent audit of the Outer Harbor Greenway identified the driveway links as being problematic for cyclist and motorist interaction, and this is supported by a number of complaints from residents regarding these treatments. This budget bid is to consult with the local community, community groups, and the DPTI regarding the existing treatments and to prepare a design based on the outcomes of the consultation.	\$20,000	Renewal

Path Renewals 2018/19 Bid ID PBB- 00000608	Renewal of paths in line with Path Asset Management Plan recommendations that have been scoped as being warranted for renewal or provide a significant strategic benefit.	\$4,550,000	Renewal
Lamont Street Drainage upgrade - Contribution to DPTI Bid ID PBB- 00000617	As part of T2T works, T2T Alliance upgraded the stormwater drain to current standards in Lamont Street (deeper 675mm drain) between South Road and Harrison Road. Whilst part of the drain's capacity will be used for stormwater created by T2T project it will also improve drainage of the local stormwater catchment and replaces a failing box culvert. CCS has a responsibility to contribute towards the upgrade.	\$150,000	Renewal
Public Lighting Renewal 18/19 Bid ID PBB- 00000629	Renewal of lighting in the following areas with energy efficient LED lighting including wiring poles and fittings. Dotteral Reserve Hero Reserve Drainage North Reserve.	\$240,000	Renewal
Carnegie Reserve - Reserve Clubroom Wet Area Upgrade 2018 - 2019 Bid ID PBB- 00000635	Undertake Stage 2 renewal works of the club rooms to support the female teams, address safety compliance, health facility improvements and practical use for users of all ages.	\$120,000	Renewal
Renewal to Henley Grange RSL kitchen facilities 2018 - 2019 Bid ID PBB- 00000639	Renewal works to the Henley RSL Club Kitchen area including new stove, benchtops and fittings and fixtures.	\$30,000	Renewal
MJ McInerney Reserve Semi - Automated Public toilet 2018/2019 Bid ID PBB- 00000643	Renew the existing public toilet with a multi cubical prefabricated public toilet with automated locking doors as per the open space strategy and master plan at MJ McInerney Reserve. The work also includes the demolition of the existing services to the new public toilet facility.	\$150,000	Renewal
Matheson cricket practice wicket and backstop Bid ID PBB- 00000655	Renewal of Matheson Reserve backstop fencing and cricket practice area.	\$72,825	Renewal

AMP - Irrigation system renewal Bid ID PBB-00000663	To renew existing irrigation systems and controllers to ensure that the system is working effectively for efficient use of our water resource in line with the irrigated public open space code of practice and requirements set by SA Water. Locations where renewals are planned include; Corcoran Reserve, Debney Reserve, Heysen Reserve, Hindmarsh Cemetery, Langman Reserve, McDonald Reserve, Powell Reserve, RTLP Adams Street Reserve, Wilford Reserve, Sunningdale Reserves.	\$514,558	Renewal
AMP - Playground Renewals Bid ID PBB-00000664	To renew playgrounds throughout the city as per the Open Space and Recreation Asset Management Plan 2018/2019 at the following reserves: Cheltenham Open Space; Gordon Reserve; Frome Reserve; Hansen Reserve; St Andrews Way Reserve* *St Andrews Way may be relocated to nearby Birkdale Reserve being more central to the local community (subject to consultation)	\$208,000	Renewal
AMP - Sports Facilities Bid ID PBB-00000665	To renew sporting accessory assets as identified in line with Council's Open Space and Recreation Asset Management Plan. Such assets include; community use basketball and tennis courts, cricket pitches and goals.	\$117,719	Renewal
AMP - Fences, Walls, Bollards Bid ID PBB-00000666	To renew assets in line with the open space and recreation asset management plan for fences, walls and bollards based on condition rating, risk and remaining useful life.	\$146,380	Renewal
AMP - Reserve Street Furniture Bid ID PBB-00000667	To renew existing reserve and street furniture, along with public art & shelters, as identified in the Open Space and Recreation AMP. Renewal priorities are based on condition ratings and where maintenance can no longer return the asset to an acceptable level of service.	\$126,105	Renewal
Light Fleet Replacement Bid ID PBB-00000670	To replace Light Fleet that has reached the optimum replacement point in accordance with the Fleet Asset Management Plan (CI 26/2/2018 item 2.2/3.05) to provide fit for purpose vehicles for Council Staff.	\$467,733	Renewal
Seaside Tennis Club Replace floor coverings due to moisture in slab 2018-2019 Bid ID PBB-00000675	Seaside Tennis Club requires the floor coverings to be removed and a moisture barrier to be applied to floor and new coverings installed. The source of the high moisture content in the slab has not been determined however, it is suspected that when the building was constructed the moisture barrier plastic was not installed. This problem is causing the current floor coverings to lift and become a tripping hazard	\$20,000	Renewal

Semaphore Surf Life Savings Club Upgrade Contribution Stage 2 - 2018/2019 Bid ID PBB-00000699	Semaphore Surf Life Savings Club Upgrade Financial Contribution of \$578,375.00 over two years to upgrade the clubroom in order to meet current building code requirements. Also \$29,700.00 for DDA upgrades Total Project Cost \$ 608,075.00 over 2 years 2017/2018 - Stage 1 - \$462,700.00 2018/2019 - Stage 2 - \$145.375.00	\$145,375	Renewal
Burley Griffin Incinerator: Stage 2 - Restoration Works 2018/19 Bid ID PBB-00000715	Undertake stage 2 and 3 priority works to complete the restoration of the Burley Griffin Incinerator	\$119,000	Renewal
Council Member IT Equipment Replacement Bid ID PBB-00000730	Replace Council Member IT Equipment as per Replacement Schedule	\$70,000	Renewal
Audio-visual Refresh for Meeting Rooms Bid ID PBB-00000732	Renewal of Audio-visual facilities used in meeting rooms located and Civic Centre and Beverley Centre and portable projectors which are used off site at Community Events	\$26,000	Renewal
Major Heavy Plant Replacement Bid ID PBB-00000733	Major Heavy Plant Replacement program to replace Council's major plant in accordance with the Fleet Asset Management Plan adopted CL 26 February item 2.2/ 3.05), Emissions, fit for purpose and cost effective replacement point.	\$1,415,283	Renewal
Desktop PC and Mobile Device Replacement Program Bid ID PBB-00000741	This replacement program will complete the renewal of council desktop PCs and mobile devices for staff, Community Centres, Libraries and field based mobility devices, based on Digital Workplace requirements as outlined in the IS Strategic Plan. This involves enhanced connectivity to support the mobile workforce.	\$320,000	Renewal
Military Road and Main Street - Streetscape Renewal Bid ID PBB-00000749	Consultation and design of the renewal of the section of Military Road between North Street and South Street and Main Street between East Terrace and Seaview Road in Henley Beach.	\$130,000	Renewal
Total		\$27,925,424	