



ANNUAL BUSINESS PLAN & BUDGET 2019/20

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A Guide to Reading and Using This Plan

1. Preamble

The introductory section of the 2019/20 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 2019/20

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 2019/20 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 2019/20 until 2028/29. 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 2019/20?

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

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

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

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

7. Annual Operating and Capital projects

This section lists the annual operating projects and new/upgrade capital projects endorsed as part of the 2019/20 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 2019/20 excluding rates.

9. Annual Budget 2019/20

The parameters for the budget 2019/20, 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 2019/20 and 2018/19.

10. Analysis of Operating Budget

This section provides an analysis of the expected operating revenues and expenses of the Council for the 2019/20 year in comparison to the adopted budget for 2018/19.

11. Analysis of Cash Position

This section analyses the expected cash flows for 2019/20 compared to the adopted budget 2018/19.

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 2019/20 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 2019/20
- Organisational Chart and Divisional Functions
- Capital Projects for renewal of council's existing assets for 2019/20.

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 2019/20 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 2019/20 was adopted by the Council of the City of Charles Sturt at its meeting on Monday, 8 July 2019.

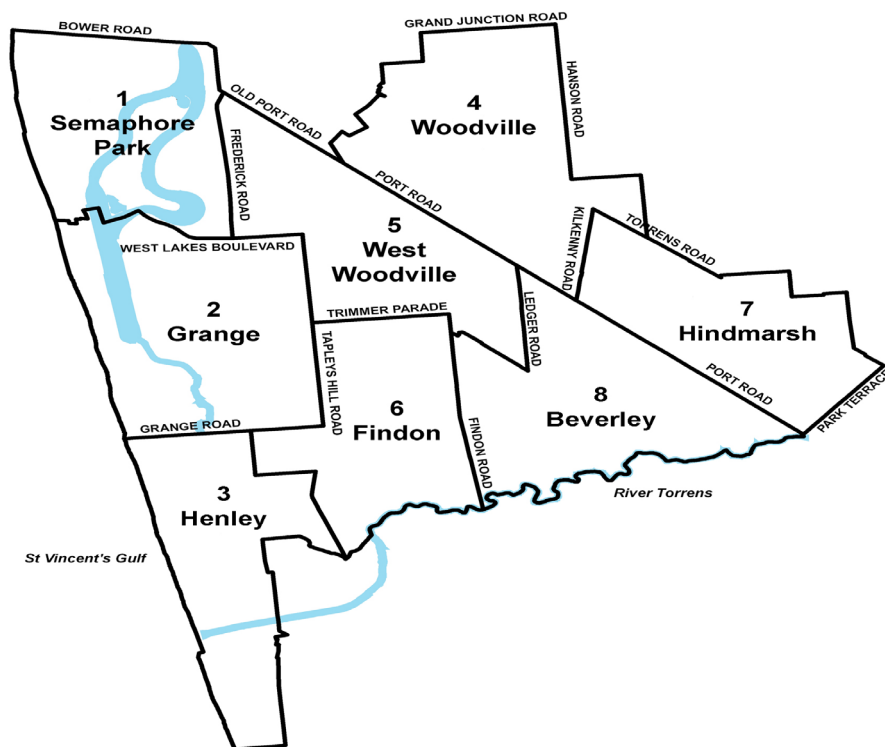
2. Introduction to the City of Charles Sturt

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

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

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

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



3. Strategic Context

The Annual Business Plan and Budget 2019/20 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 2019/20 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.

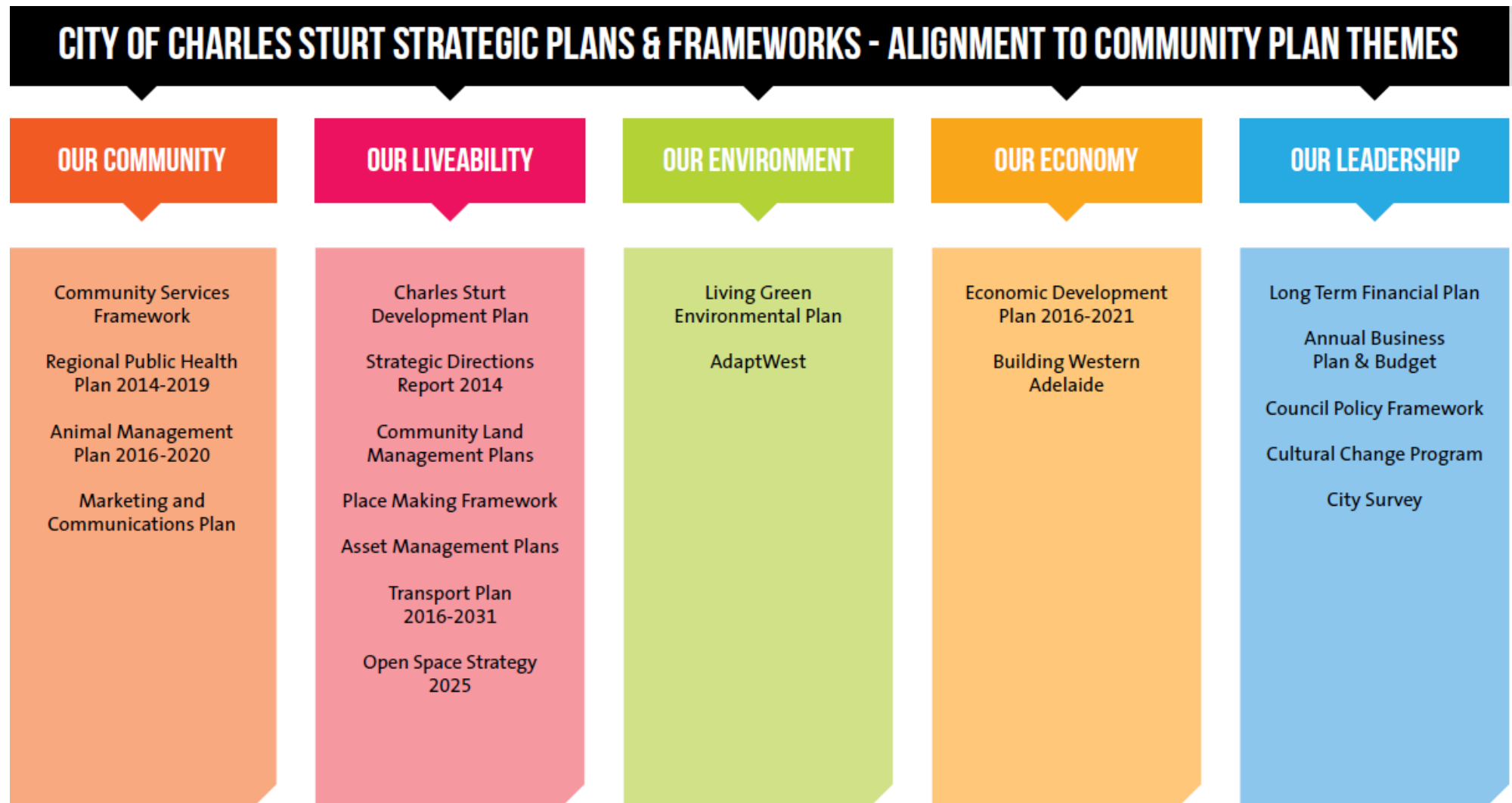
As required by the Local Government Act, the Community Plan had been developed in the broader context of the State Strategic Plan and the State Government's seven key priorities:

- 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.

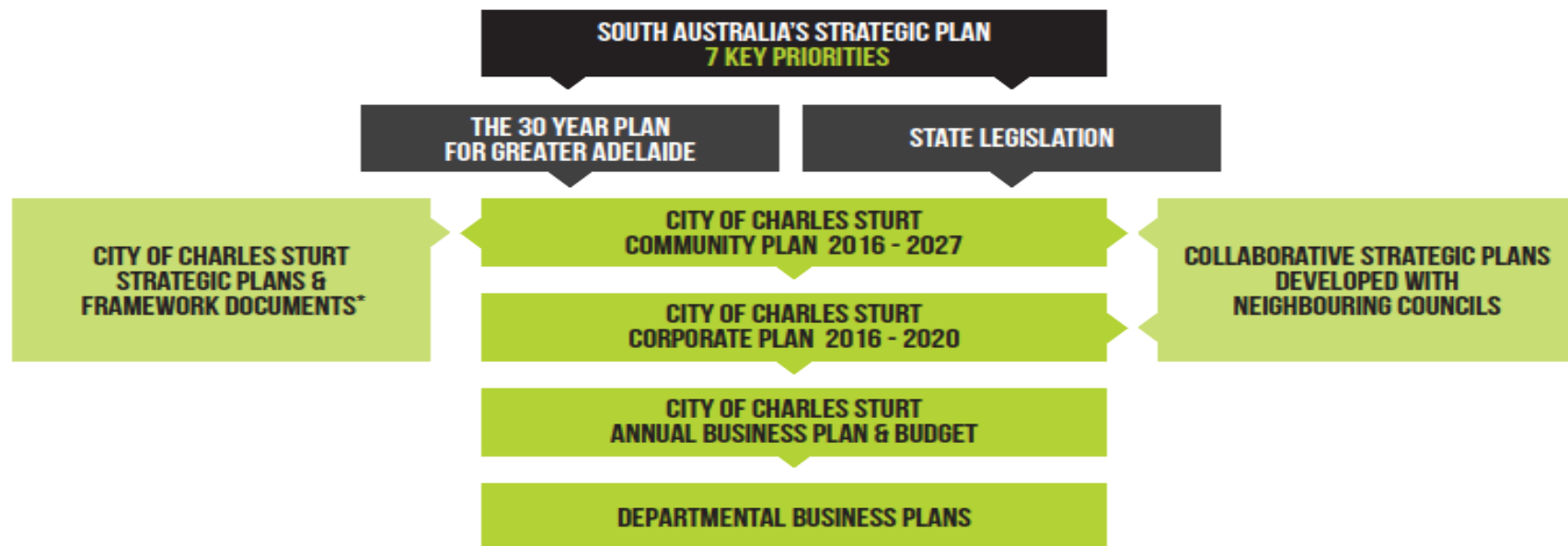
The Community plan and other relevant documents are all available from council's website: www.charlessturt.sa.gov.au

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 outcomes

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

4. Strategic Priorities for Charles Sturt in 2019/20

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 2019/20 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 Kaurua heritage and culture.</i> • <i>Utilise innovative communications techniques to promote our City and bring people together.</i> • <i>Actively support volunteering.</i>
<i>Create opportunities for community leadership and civic participation</i>	<ul style="list-style-type: none"> • <i>Support and facilitate citizens to be engaged in their community and actively contribute to life in Charles Sturt.</i> • <i>Upskill sporting and community groups to build sustainability.</i> • <i>Promote local ownership and encourage residents to become actively involved in shaping our City.</i>
<i>Educate and regulate to enable a safe and healthy environment</i>	<ul style="list-style-type: none"> • <i>Support community safety and positive health outcomes through prevention, education and encouragement.</i> • <i>Administer and enforce delegated legislation and by-laws.</i>

2. OUR LIVEABILITY – A Liveable City of Great places

Objective	Strategies
<i>An urban environment that is adaptive to a changing and growing City.</i>	<ul style="list-style-type: none"> • <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 12 March 2019.

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 2019/20. 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 2019/20 the forecast renewal program was \$25.776m escalating to \$34.963m 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.

The projects included in the LTFP for new/upgrade capital were presented to Council at a workshop on 4 March 2019.

In 2019/20 Council's contribution to the level of new/upgrade works was forecast at \$28.5m (similar level in 2018/19) and then decreasing to approximately \$9.364m in 2020/21, \$6.701m in 2021/22 and \$10.961m in 2022/23. The increase in upgrade capital works up to 2019/20 was due to significant projects such as our commitments to Port Road Flood Mitigation, St Clair precinct upgrade, West Lakes Hub, West Beach Rockwall over a concentrated period which then ceases at the end of 2019/20 where the capital spend returns to a more "business as usual" program.

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

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

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

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

Rateable property growth or new properties from development is based on 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 was based on maintaining existing council services over the 10 year period. It assumes forecast rates over the 10 years are equivalent to forecast CPI (Access Economics) plus growth. In 2019/20 a total rate rise of 2.1% plus projected property growth

of 1.0% (new and developed properties) is assumed followed by increases of 2.32%, 2.42%, 2.38% and 2.18% plus growth of 1% annually.

For this level of projected rates income, annual operating projects or service level increases are forecast at \$2.348m, escalating by an approximation of CPI to \$2.893m per annum over 10 years.

In summary the high level parameters for 2019/20 which were used to **guide** the development of the annual budget are:

- Total rates increase of 2.1% plus assumed property growth of 1.0%
- Total annual operating projects \$2.348m
- Total capital (renewal) \$25.776m
- Total capital New/Upgrade \$28.50m (including Council's contribution to projects such as Port Road Flood Mitigation and St Clair Precinct upgrade)
- Operating surplus \$4.233m
- New (net) Borrowings \$13.704m
- Operating surplus ratio 3.4%
- Net Financial Liabilities ratio 58.2%
- Asset renewal funding ratio 100%













































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

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

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

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

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

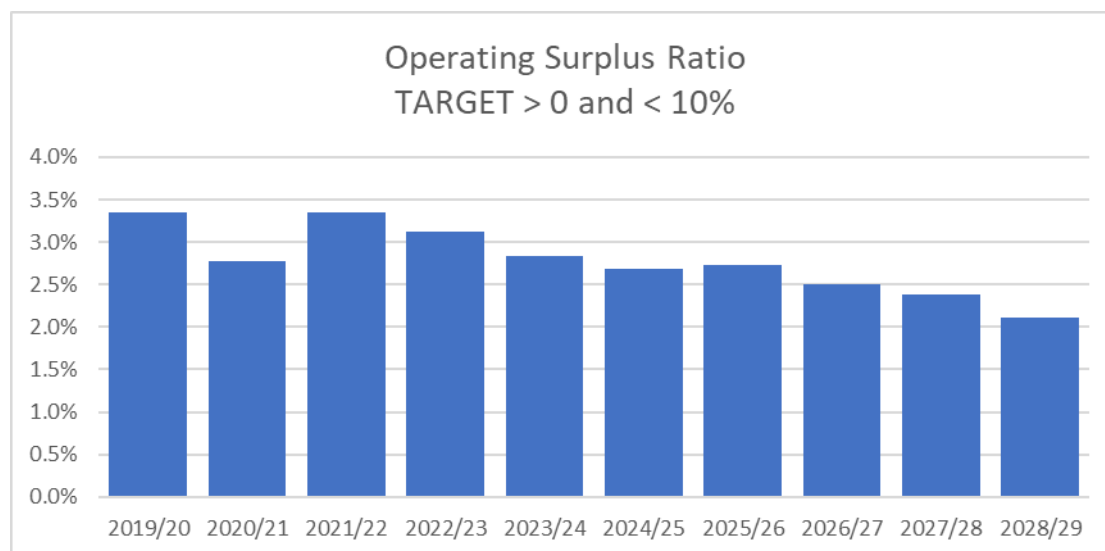
City of Charles Sturt 10 Year Financial Plan for the Years ending 30 June 2029 - High level Summary												
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit and Loss Statement												
Rates	103,706	105,991	109,276	112,901	116,763	120,715	124,557	128,605	133,106	137,799	142,402	146,920
CPI Increase			3.10%	3.32%	3.42%	3.38%	3.18%	3.25%	3.50%	3.53%	3.34%	3.17%
Rates Growth			1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Total Rates Income Increase			3.10%	3.32%	3.42%	3.38%	3.18%	3.25%	3.50%	3.53%	3.34%	3.17%
Employee Costs	40,398	43,087	44,249	45,134	46,600	48,079	49,553	51,013	52,633	54,483	56,396	58,288
Depreciation	27,100	30,480	31,730	33,252	34,924	36,557	38,349	40,171	42,046	44,210	46,360	48,342
Operating Surplus	10,750	4,583	4,233	3,608	4,505	4,339	4,060	3,953	4,175	3,960	3,887	3,535
Balance Sheet												
Infrastructure PP&E	1,124,835	1,187,473	1,213,126	1,226,915	1,227,599	1,235,687	1,245,213	1,246,878	1,253,059	1,270,000	1,273,567	1,281,168
Borrowings	19,136	35,122	48,826	44,157	33,440	30,014	23,279	15,627	10,165	7,607	1,197	53
Note 15 Ratios												
Operating Surplus Ratio	Traffic Light											
	Actual Ratio	3.7%	3.4%	2.8%	3.3%	3.1%	2.8%	2.7%	2.7%	2.5%	2.4%	2.1%
Net Financial Liabilities Ratio	Traffic Light											
	Actual Ratio	47.6%	58.2%	56.4%	47.1%	43.8%	38.3%	32.5%	28.4%	26.5%	22.3%	21.6%
Asset Renewal Funding Ratio	Traffic Light											
	Actual Ratio	84.3%	100.0%	100.0%	100.0%	100.0%	104.6%	106.9%	109.8%	112.5%	115.5%	117.4%
Interest Cover Ratio	Traffic Light											
	Actual Ratio	1.4%	1.6%	1.5%	1.1%	1.1%	1.0%	0.8%	0.6%	0.4%	0.0%	-0.1%
Annual Operating Projects	2,065	2,348	2,403	2,461	2,520	2,575	2,632	2,698	2,766	2,831	2,893	
Capital Program												
Capital Renewal NET	28,741	25,776	31,819	26,601	29,820	28,790	29,241	31,182	32,119	32,286	34,963	
Capital New NET	38,615	28,500	9,364	6,701	10,961	8,666	9,096	10,971	14,921	12,307	16,172	
	67,356	54,276	41,183	33,302	40,780	37,456	38,337	42,153	47,039	44,593	51,135	

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.



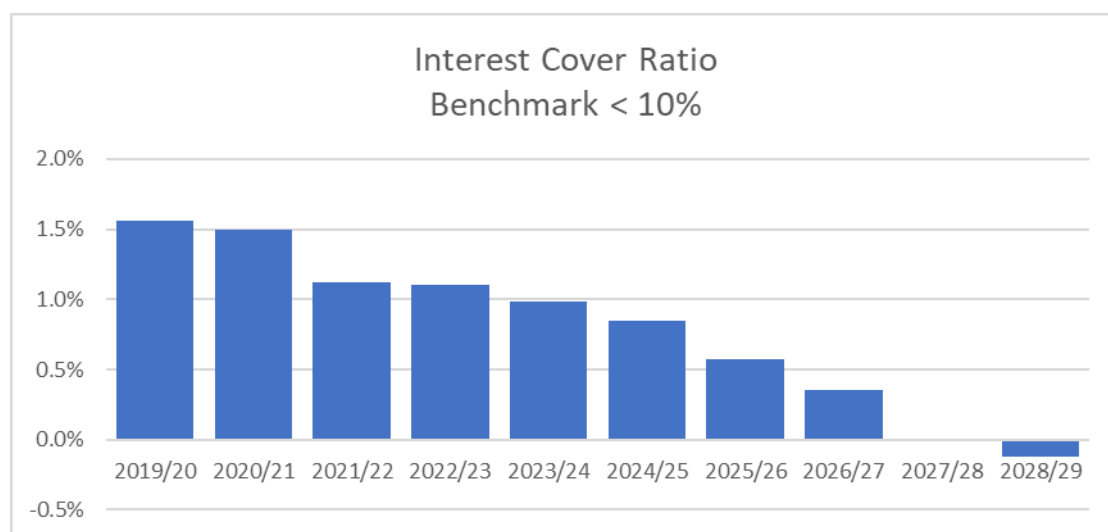
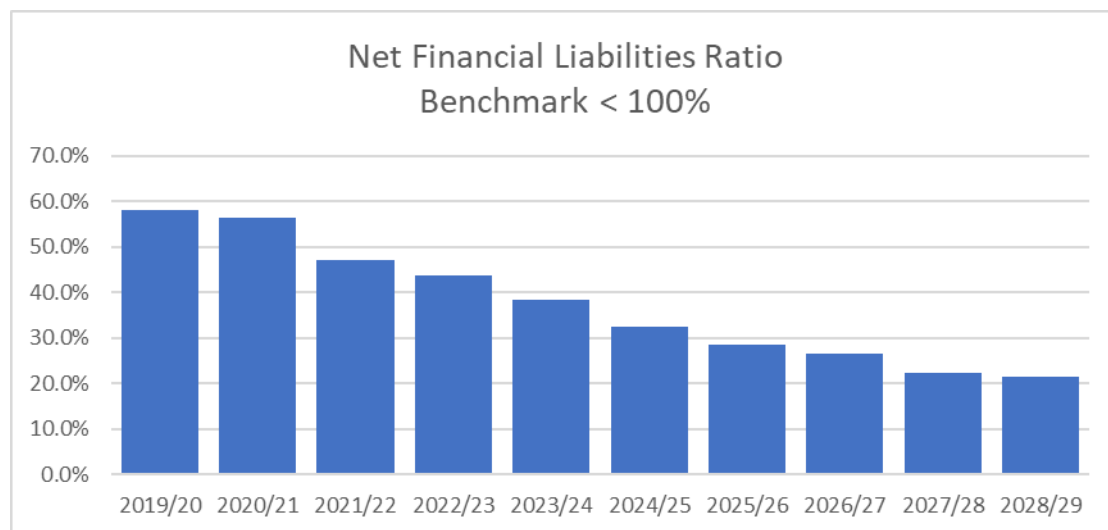
A council must also ensure its total debt does not exceed its ability to service this level of debt.

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 58.2% and an interest cover ratio less than 2.0% over the 10 year forecast period, all well within acceptable benchmarks.

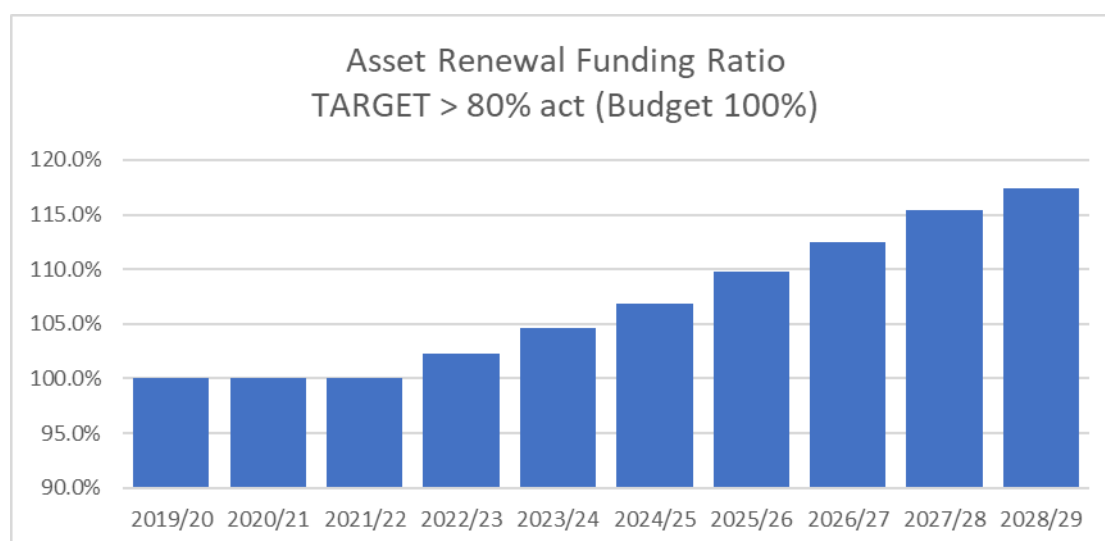
It should be noted that ideally renewal/replacement of existing infrastructure should be financed by current rate payers with any infrastructure backlog financed by an increase in debt to be repaid as quickly as possible by current ratepayers. New/upgrade capital expenditure should be financed by a long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



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

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

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



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

A full copy of the Long Term Financial Plan 2019-2029 is included as [Attachment A](#)

Year 1 of the adopted LTFP set the high level parameters for development of the Annual Budget for 2019/20. 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 2019/20 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 2019/20?

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 2019/20 recurrent operating budget to deliver core services of an operating surplus of \$6.581m. 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 2019/20 to deliver core services including “rates income levied” of \$109.909m and including depreciation of \$31.7290m is **\$6.806m**, an improvement on the forecast position and high level budget parameters of \$225k.

The State Government on 18 June 2019 announced a 40% increase to the Solid Waste Levy which was far greater than the previously advertised increase of 3% and meant the funding shortfall of \$600,000 was required to be met by a commensurate increase in rates. This was a late adjustment to the budget and which has been factored into the relevant budget numbers.

A comprehensive listing of our core operational services (recurrent budget) provided to the community as at June 2019 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 \$
Governance	98,500		3,420,846	3,322,346
Corporate Services	2,738,600		14,418,554	11,679,954
Customer Service and Communication	2,500		2,174,010	2,171,510
Fleet Services	30,000		2,510,204	2,480,204
Public Health and Safety	3,293,300		4,185,598	892,298
Planning	1,296,000		4,205,769	2,909,769
Libraries	890,100		5,917,201	5,027,101
Community Services	1,930,050		3,742,054	1,812,004
Urban Projects/Economic development	144,000		1,879,252	1,735,252
Engineering	3,024,000		9,482,142	6,458,142
Open Space and Recreation	127,000		13,786,635	13,659,635
Property Services	1,392,134		4,001,631	2,609,497
Waste Management	503,000		12,951,662	12,448,662
Water Business	283,700		1,070,287	786,587
Environmental Management	601,000		506,702	94,298
Asset Management	-		1,673,434	1,673,434
Loan Servicing			1,801,460	1,801,460
Total excluding depreciation and rates	16,353,884		87,727,439	71,373,555
Depreciation			31,729,784	31,729,784
Total including depreciation			119,457,223	103,103,339
Rates levied	109,909,000			109,909,000
	126,262,884		119,457,223	6,805,661

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

7. Annual Operating and Capital Projects

In addition to 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 2019/20 it is proposed to fund **\$2,305,809** in annual operating projects comprising \$382,700 in income and \$2,688,509 in expenditure. The high level parameters in the LTFP for annual operating projects was \$2.348m net and hence this is an improvement on the forecast position and high level budget parameter of \$42k.

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

Name	Budget Bid Description	Budget Bid Income \$ 2019/20	Budget Bid Expenses \$ 2019/20	Net Budget Bid \$ 2019/20
Adelaide City FREE Bikes Bid ID PBB-00000806	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 Surf Life Saving Club, Henley Library, Hindmarsh Library and West Lakes Library. The program offers residents and visitors to the City the chance to hire a bike for FREE and explore the city and surrounds. The program encourages an active, healthy lifestyle while promoting sites around the City.	\$0	\$20,000	\$20,000

West Lakes Catchment SMP- Stormwater Management Plan Bid ID PBB-00000808	<p>Development of a stormwater management plan (SMP) for the West Lakes Catchment, including the suburbs of Henley Beach, Seaton, Findon, Woodville South, Woodville West and West Lakes, to allow for a strategic approach to stormwater management in the future.</p> <p>The West Lakes Catchment is the highest priority for development of a SMP as per the priority listing in the SMA's "Priorities for Stormwater Management Planning 2016-2020" document.</p>	\$155,000	\$310,000	\$155,000
Living Green Programs Bid ID PBB-00000810	<p>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.</p> <p>The programs this year will involve beehive hosting and related education programs, educational presentations about native bees, honey bees and other wildlife, local indigenous plant subsidy, travel behaviour change.</p>	\$3,000	\$18,000	\$15,000
Tree Screen Renewal Bid ID PBB-00000811	<p>Continue with Tree Screen Renewal program that commenced in 2002.</p> <p>There are approx 30 kilometres of Tree Screen within the City and 4% (equivalent to 1.2 kilometres) still require vegetation renewal.</p>	\$0	\$121,000	\$121,000

Whole Street Planting 2020 Bid ID PBB-00000812	As part of the Whole Street Planting Program, a number of residential streets will be planted with semi advanced trees. A whole street approach provides a number of benefits to the residents of the street, Council and the community at large, including a consistent uniform planting which in time creates an 'avenue effect' of trees of a similar size, shape and appearance. The selection of streets is primarily based on the absence of trees in the street, the overall condition of the existing trees being in decline, whether the existing species are appropriate for the location and alignment with strategic documents (i.e Open Space Strategy, iTree Canopy Assessment, Urban Heat Island and Climate Change Plans). An integration approach with Engineering construction projects (i.e. road reconstruction and footpath programs) may also provide opportunity for street selection.	\$0	\$175,000	\$175,000
Planet Ark and Trees for the Future 2019/20 Bid ID PBB-00000814	Planet Ark - To accommodate community and local schools' requests to participate in the National Tree Planting Day by planting juvenile trees and shrubs on Council reserves. In addition, to provide donations of plants to schools who wish to participate in this event with a preference to plant trees on school grounds. Trees for the Future - To plant primarily native tree species on our reserves for future generations and to 'green' the City.	\$0	\$40,000	\$40,000

<p>Sand Drift Fencing 2019/20</p> <p>Bid ID PBB-00000829</p>	<p>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.</p>	\$0	\$30,000	\$30,000
<p>Review of 40 km/h Area Speed Limits</p> <p>Bid ID PBB-00000836</p>	<p>Review ten of the 40km/h Area Speed Limits that have been in place for at least 12 months, to determine the impacts of the 40km/h speed limit on:</p> <p>traffic speed and volume, crash data, community perception of safety and community desire for alterations or physical traffic controls.</p>	\$0	\$100,000	\$100,000
<p>Discretionary Ward Allowance for Council Members</p> <p>Bid ID PBB-00000837</p>	<p>To provide Council with discretionary funds to assist eligible, not for profit organisations within the community that are seeking support for programs, projects, activities and events.</p>	\$0	\$276,000	\$276,000
<p>Heritage Recognition Markers</p> <p>Bid ID PBB-00000843</p>	<p>Installation of Heritage Recognition Markers for the City's Heritage listed Places. The Heritage Recognition Marker project commenced in 2014/15. To date, the project has resulted in 36 markers, on key heritage properties in Woodville, Hindmarsh, Henley, Grange and Kilkenny. A further 14 makers have been committed for additional Heritage Places for 2018/19. The markers have been well received by property owners and the community as a valuable and effective means of educating and informing the public on significant sites.</p>	\$0	\$10,000	\$10,000

Artwork on the Boulevard Bid ID PBB-00000881	Continuation of artwork along the rail corridor at West Lakes Boulevard in Woodville West. This project will focus on a section at 1 Levi Street, Woodville West.	\$0	\$6,000	\$6,000
Westside Place Makers Grant Program Bid ID PBB-00000882	Continuation of the Place Makers grant program to fund projects in public spaces that are undertaken by the community. Projects undertaken must align to Charles Sturt's Place Making Framework.	\$0	\$60,000	\$60,000
Port Road Hindmarsh Garden Bed Renewal Bid ID PBB-00000884	Garden bed renewal and in-fill tree planting.	\$0	\$165,000	\$165,000
Native Bee Hotels - Tennyson Dunes Bid ID PBB-00000888	The Tennyson Dunes Group (Friends of Tennyson Dunes) are interested in putting in Native Bee Hotels at the Tennyson Dunes. They would like to increase the native population which is significantly dwindling due to the loss of habitat.	\$0	\$11,000	\$11,000
Woodville Town Hall - Annual Program of Events - 2019-20 Bid ID PBB-00000891	Run an annual program of live music and events in line with Woodville Town Hall Business Plan Goals and Objectives.	\$224,700	\$417,700	\$193,000
Visitor Economy Strategy Implementation Bid ID PBB-00000895	Implementation of the actions from the Visitor Economy Strategy endorsed in April 2018. Implementation commenced in 2018/19.	\$0	\$10,000	\$10,000
Event Attraction and Sponsorship 2019/20 Bid ID PBB-00000897	Festivals and events provide opportunities for social gatherings within our community to celebrate significant occasions and our great outdoor spaces. In addition, they can be a very effective mechanism for promoting destinations, the CCS branding and attracting visitors to the City of Charles Sturt. Events also encourage community participation and engagement, civic pride and ownership. This program will provide funding	\$0	\$20,000	\$20,000

	to events that have economic, social or cultural benefits to a city and assist in making it a vibrant destination.			
Christmas Carols by the Lake - West Lakes Shore Bid ID PBB-00000899	<p>The Carols by the Lake has been an annual event for 42 years. The event is co-ordinated by the Rotary Club of West Lakes and the United Church West Lakes.</p> <p>Entertainment includes the arrival of Santa via dragon boat and entertainment from Emma Wiggle, Dorothy the Dinosaur, West Lakes School choir and the Adelaide Youth Theatre.</p> <p>In 2018 the event was attended by 1000 people.</p> <p>The event is funded by a mix of sponsors including businesses and Council.</p>	\$0	\$5,000	\$5,000
Outdoor Dining and Business Improvement Fund Bid ID PBB-00000900	<p>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.</p> <p>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.</p>	\$0	\$45,000	\$45,000

<p>Main Street Trader Support</p> <p>Bid ID PBB-00000901</p>	<p>This is a grants 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, participation in major festivals, and minor precinct upgrades.</p> <p>The program continues to provide support to the business associations previously supported by Charles Sturt and opens up funding opportunities for collaborative groupings of businesses in other key precincts wishing to collectively undertake activities that support and promote their area.</p> <p>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>	\$0	\$60,000	\$60,000
<p>The Westside Film Festival 2019</p> <p>Bid ID PBB-00000903</p>	<p>The 2018 Westside Film Festival was a huge success, and the objective of the 2019 Festival is to continue to build the capacity of community members, from multiple age demographics, to engage with the medium of digital film and activate the Woodville Town Hall with films screening at the Gala Awards Night.</p> <p>The Film Competition is to be based on the positive theme 'People and Places' and provide our Charles Sturt community the opportunity to share positive stories about the people and places they love within our City.</p>	\$0	\$25,000	\$25,000

<p>Implementation of the Western Adelaide Health, Ageing Well & Disability Sector Development Framework</p> <p>Bid ID PBB-00000904</p>	<p>As part of implementing Council's Economic Development Strategy a framework outlining our approach to supporting the growth of the health, aged care and disability sectors was developed. These sectors represent our biggest employer in both Charles Sturt & Western Adelaide. Since the framework's development in 2017 we have undertaken / implemented in excess of 30 projects in workforce development, market development, investment facilitation, collaborative hub development, housing etc. This involved over 600 individuals over 300 enterprises. Our budget bid continues the substantial momentum we have gained across the council, region and state. In supporting these sectors, we want to ensure that our ageing community and those that have a disability have access to quality, affordable and comprehensive services. The budgeted funds will be allocated towards the design and delivery of a conference 'Leveraging the Business Opportunities' (with a nominal registration fee). We will use the conference to present our research findings undertaken in conjunction with Torrens University in the first half of the 2019 Calendar year.</p> <p>The conference will be run in conjunction with key Western Business Leaders, sector/industry bodies, universities, service providers and govt. We have submitted a funding application to the Federal Government and we are hoping to leverage a further \$110k to further support and build on the conference. We will also use funding for the purpose of supporting a CEO mentoring program for the disability sector. We will be leveraging a further \$30k via a</p>	\$0	\$20,000	\$20,000
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	participant fee and industry sponsorship (National Disability Service). The third (minor) element to be funded via this budget bid is supporting the roll out of our regional workforce development project involving 12 employers and 100 participants. This is subject to a funding application with the State government with an anticipated value of \$600k.			
Carols in the Square Sponsorship 2019 Bid ID PBB-00000905	Event funding/sponsorship for the Christmas in the Square 2019. This event is an annual event run by the Christian Family Centre. The event attracts an audience of 5,000 people. Entertainment includes a band, carols and children's performers - Once Upon a Princess. The event is filmed by Ch44 and is played live on TV and replayed on Christmas Day.	\$0	\$15,000	\$15,000
IT Infrastructure Cloud Migration Bid ID PBB-00000908	Renewal of Council's hardware by migration to Infrastructure/Platform as a Service in Microsoft Azure public cloud, targeting the retirement of on premises IT infrastructure by end of 2019/20.	\$0	\$200,000	\$200,000
ArcGIS Enterprise Upgrade and Portal Implementation Bid ID PBB-00000913	The purpose of this project is to upgrade the ArcGIS Enterprise suite from 10.3.1 to the latest version 10.6 including Portal for ArcGIS. The introduction of ArcGIS Pro for all advanced GIS users.	\$0	\$40,000	\$40,000
HEP Catchment Stormwater Management plan - Contribution to PAE Bid ID PBB-00000914	The HEP stormwater catchment (Hindmarsh- Enfield- Prospect) Stormwater Management Plan (SMP) is scheduled to be done in 2019-21 and will be headed by Port Adelaide Enfield Council (PAE). Catchment areas across three Councils is as follows and will require contribution from each Council to prepare: PAE: 62.2% Prospect:25.8% CCS: 12%	\$0	\$10,000	\$10,000

Service Desk Software Replacement Bid ID PBB-00000915	To replace the IS Service Desk system with a contemporary web-based software system to provide effective helpdesk service to employees and elected members.	\$0	\$43,400	\$43,400
Small Business Support Bid ID PBB-00000916	Small business is the engine of our economy. The intent of this budget bid is to support entrepreneurship, start-ups and small business growth. This will be achieved via: One on one business advice to support existing business growth/sustainability, a western adelaide entrepreneurship program, support of ABH workshops and collaboration with the west adelaide entrepreneurship facilitator funded by the Federal Government. The project is in support of our Small Business Council Friendly Charter.	\$0	\$15,000	\$15,000
Renewal of Enterprise-Wide Large File Transfer Solution Bid ID PBB-00000918	The file transfer software (Hightail) currently in use at CCS limits file sizes to 50MB, which is not meeting the growing demand and expectations from the community and business.	\$0	\$14,000	\$14,000
E-Planning Portal (State Government) Transition Bid ID PBB-00000920	The renewed planning system (that will be operational by 1 July 2020) is underpinned by the new Planning Development and Infrastructure Act 2016 which introduces a raft of new planning tools and a new, 24/7 digital ePlanning system that will allow South Australians quick and easy access to the planning system.	\$0	\$33,800	\$33,800
Mosaic Project on Toilet Block at Henley Beach Bid ID PBB-00000923	It is proposed that the following mosaic designs be placed on the toilet block located on the Esplanade in front of the Henley Hotel, 157 Esplanade, Henley Beach: 1. Mermaid - to be located at the entrance to the female toilet 2. King Neptune - to be located at the entrance to the male toilet 3. 2 x Leafy Sea Dragons - to be located on the large wall that	\$0	\$5,000	\$5,000

	<p>faces the Henley Hotel</p> <p>4. Henley Primary School Student mosaic squares - to be located below the Leafy Sea Dragons.</p> <p>The mosaic works have either been constructed or will be constructed by local artist Mary Lovich. The student mosaic squares have been made by students from Henley Primary School.</p>			
<p>Design and Consultation – Two Dog Parks – Woodville West Reserve & Semaphore Park Reserve</p> <p>Bid ID PBB-00000926</p>	<p>Undertake the design and associated community consultation for two proposed Dog Parks. One located at Woodville West Reserve, the other at Semaphore Park Reserve</p> <p>Combined Bid for Cr Stuart Ghent and Cr Kelly Thomas.</p>	\$0	\$40,000	\$40,000
<p>Council Building Renewals/Painting - Operating 2019/2020</p> <p>Bid ID PBB-00000927</p>	<p>Renewal of building components based on condition and remaining life of the components. Typical works for this operating budget include interior, exterior and floor Painting</p> <p>Council Buildings Include:</p> <p>56 Woodville Road</p> <p>Findon Community Centre</p> <p>Various public toilet blocks</p> <p>Henley Memorial Oval clubrooms</p> <p>Horticultural centre</p> <p>Woodville Town Hall</p>	\$0	\$155,209	\$155,209
<p>Photographer and Multi Media Advisor</p> <p>Bid ID PBB-00000928</p>	<p>This project is to increase the capacity of the Photography and Multimedia Advisor from 3 days a week to four days a week, enabling the position to visually document, edit and produce information for our community. This increase will enable the position to effectively and efficiently deliver and manage information including the quarterly Kaleidoscope magazine, monthly Diamond Bytes eNewsletter, photography for website pages and artwork, Elected Member portraits and business cards as well as document award ceremonies, library and community centre events, placemaking initiatives,</p>	\$0	\$16,400	\$16,400

	and organisational events and celebrations. Further, digital story telling via our social media channels (Facebook, Instagram, YouTube, Twitter, LinkedIn and Snapchat) is increasing and our community is interacting with us via these channels, connecting with the organisation through our multimedia videos and images. This increase will enable the position to deliver multimedia videos and images to our digital platforms in timely and relevant ways.			
Website Platform Migration Bid ID PBB-00000929	The LGA is migrating all Local Government users from the Unity website platform to the new Squiz platform in 2019. The City of Charles Sturt Council has been chosen as the pilot council to migrate to the new platform and tailor the platform to suit local government and the City of Charles Sturt. The Squiz Matric Platform will provide councils the opportunity to provide timely and accessible information in a sustainable and digitally savvy way into the future.	\$0	\$36,000	\$36,000
West Lakes Beaches & Revetment Walls Study & Design 2019/20 Bid ID PBB-00000931	Assessment of the entire West Lakes Beaches and Revetments where council are responsible, Assets identified and loaded into our asset management system. Detailed replacement designs for the Lord Hobart Way section of the revetment, improvement plans and priorities for all council assets to allow for accurate financial planning for future years. The responsibility of West Lakes assets were divided up and agreed upon in around 1986 which can be seen in CM document 09/191262. Council is responsible for any retaining/revetment wall associated with the beaches (as well as maintenance of the beaches themselves) around the lake. Some of the beaches are	\$0	\$80,000	\$80,000

	losing sand due to wave and wind action and many of the retaining walls require replacement due to corrosion of the concrete sleepers. These have not been recognised in the relevant Asset Management Plan.			
External Christmas Decorations Bid ID PBB-00000933	This project will renew, refurbish or replace the external Christmas decorations used for the Woodville Town Hall and Internal Civic Centre Christmas Display. The existing wreath and garlands will be replaced, the internal Christmas trees replaced and lighting to light up Woodville Town Hall purchased.	\$0	\$40,000	\$40,000
Local Nuisance and Litter Control Officer Bid ID PBB-00000936	<p>The Local Nuisance and Litter Control Act was introduced in 2016 which transferred responsibility for matters historically managed by the State based Environment Protection Authority to Council. A contracted staff member was initially engaged to administer the legislation and the resourcing impact has been carefully monitored. It has been determined that 1.0FTE is required to effectively fulfil council's statutory obligations to administer the Act.</p> <p>A review of the After-Hours Compliance service was undertaken throughout 2018 which resulted in a reduction of costs. Consequently the purpose of this budget bid is to increase the base establishment by employing a permanent full time staff member to administer the legislation, however there will be no net increase in the recurrent budget as savings from the After-Hours Contractor budget line will be transferred to cover the costs (nil budget impact). Increase in base establishment,</p>	\$0	\$0	\$0

	savings in permanent after hours contractor expenses to cover increase in permanent employee salaries (transfer of approximately \$82K.)			
Total		\$382,700	\$2,688,509	\$2,305,809

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 2019/20 it is proposed to fund a council contribution of **\$54,495,737** in a total capital program comprising \$4,494,600 in income and \$58,990,337 in total expenditure.

All capital projects were the subject of community consultation and review by Council Members before the final project list was determined. The high level parameters in the LTFP for total capital was \$54.276m and hence this exceeds the forecast position and high level budget parameters of the LTFP by \$220k.

The capital program adopted comprises \$26,059,737 net in renewal capital projects with \$1,544,600 in income and \$27,604,337 in expenditure based on adopted asset management plans) which are detailed in [Attachment F](#) and \$28,436,000 net in new/upgraded capital projects with \$2,950,000 in income and \$31,386,000 in expenditure which are listed below.

Name	Budget Bid Description	Budget Bid Income \$ 2019/20	Budget Bid Expenses \$ 2019/20	Net Budget Bid \$ 2019/20	Nature of Works
Bridge Upgrade - River Torrens Linear Park Path - Hindmarsh Cemetery Bid ID PBB-00000020	Upgrade and widen approximately 250m of the existing River Torrens Linear Park shared use path adjacent the Hindmarsh Cemetery between River Street and South Road, Hindmarsh in conjunction with renewal of the South Road Underpass. The path will be widened to 3m in width and replaced with reinforced concrete decking, new fencing installed and new public lighting installed in accordance with current Australian Standards	\$0	\$500,000	\$500,000	Upgrade
Public Lighting - New 19/20 Bid ID PBB-00000791	Design and installation of new LED public lighting on the following car parks, paths and reserves as identified or as requested by the Community. 1. Grange Greenway (Port Road to May Street) Construction 2. Coast Park Semaphore Park Design and Construction 3. Woodville Dog Centre Design and Construction 4. Carnegie Reserve Car Park Design Only	\$0	\$275,000	\$275,000	New

New Paths Program 2019/20 Bid ID PBB-00000800	Design and construction of new paths on streets and reserves in response to community requests that have been assessed by staff as providing strategic benefit to the community.	\$0	\$350,000	\$350,000	New
Collins Reserve - Post and rail fencing Bid ID PBB-00000807	Over the past two years there has been an increasing problem with cars parking in incorrect areas at Collins Reserve, particularly around the roundabout and on the playing surface. There have been many parking fines given out to cars parked in areas that are not permitted. Signage has been erected, however this does not stop cars parking in areas not allowed. There are significant numbers of children, families and spectators and there is concern for pedestrian and vehicle conflict. It is proposed that a post and rail fence is erected along the southern end of Collins Reserve and around the round about at the south-eastern corner of the playing field.	\$0	\$18,000	\$18,000	New
Roundabout Landscaping Bid ID PBB-00000809	Installation of Water Meters to Roundabouts to allow for landscaping to complement the 2019/20 Roadworks Program	\$0	\$25,000	\$25,000	New

New Changeroom and Umpires changeroom on St Clair Oval No.2 - 2019/2020 Bid ID PBB-00000821	Design and construct a new change room facility located adjacent the existing changerooms to support the increased use of the two soccer playing fields situated on St Clair Oval No. 2. Also, a new storage shed will be constructed in this located	\$0	\$450,000	\$450,000	New
Stormwater Flood Mitigation - Local-Hallet Boulevard-Investigation and Design Only Bid ID PBB-00000822	Local Area flood mitigation - Hallett Boulevard, Allenby Gardens. Investigate feasibility and design drainage system to minimise flooding in Hallett Boulevard.	\$0	\$25,000	\$25,000	Upgrade
St Clair Recreation Centre - Audio Visual Setup for Function area 2019/2020 Bid ID PBB-00000824	St Clair Recreation Centre function area Audio Visual equipment supply and Installation. Court 6 additional power for roller skating audio and visual requirements. The function area can be divided into 2 separate spaces, audio visual equipment for presentation purposes will be installed in both areas. This equipment includes projectors, screens, speakers and laptop docking stations. Additional Power will also be installed in Court 6 for roller skating.	\$0	\$50,000	\$50,000	Upgrade

Stormwater - WSUD - Tracey Avenue Catchment Raingardens Bid ID PBB-00000834	Construction of Thistle Avenue Rain garden designed in 2017/18 as part of the Water Sensitive Urban Design water quality improvement strategy in the Tracey Avenue Catchment Area. Consultation and design for future raingardens located within the Tracey Avenue catchment area, to be constructed in later years.	\$50,000	\$100,000	\$50,000	New
Solar PV installations on Council buildings Bid ID PBB-00000835	This project is to procure and install solar PV and monitoring systems on 2 Council owned buildings. It is part of a larger proposal that includes 2 sites in year 1 (with an average payback of 5.9 years) and 11 sites (with an average payback of 3.9 years) in year 2. With a payback period of 4.3 years across the whole project, and an asset life of 25-30 years, significant financial and environmental benefits will result. The project is linked to a condition of Commonwealth funding for the Waterproofing the West project - which is to offset the electricity use of the pumping stations. It also addresses Council's broader climate change mitigation and adaptation work.	\$0	\$253,000	\$253,000	New

West Lakes Hub 2019/2020 Bid ID PBB-00000841	<p>Redevelopment of West Lakes Library and Community Centre located in the hub of the West development</p> <p>The total project cost is \$8.2M and the total income is \$3.2M</p> <p>The sale of Brebner Drive proceeds will not be realised until 2021/2022, Borrowings will be required to fund the budget shortfall in the short term</p>	\$200,000	\$2,425,000	\$2,225,000	New
Wombat Crossing - Kingston Avenue Bid ID PBB-00000844	<p>Construction of a wombat crossing (raised pedestrian crossing) on Kingston Avenue, Royal Park between Carnegie North and Carnegie South Reserves.</p>	\$0	\$110,000	\$110,000	New
Military Road and Main Street Precinct - Henley Beach Streetscape - Detailed Design Bid ID PBB-00000848	Military Road and Main Street Precinct - Detailed Design (New traffic controls, lighting, urban design and landscaping) and Procurement, to supplement the Road Reconstruction budget.	\$0	\$200,000	\$200,000	Upgrade
Rebuild of West Beach Rock Wall and Associated Infrastructure Stage 2 Bid ID PBB-00000849	<p>Stage 2 of the rebuild of the West Beach rock wall scheduled for 2019/20 will be to fund the reconstruction of the northern section of the rock wall (200 l/m). This section runs from the old ramp south of the West Beach Surf Life Saving Club and now to be extended to include the access way ramp north of the West Beach Surf Life Saving club</p>	\$0	\$2,300,000	\$2,300,000	Upgrade

Frederick Street Welland Traffic Safety Improvements Bid ID PBB-00000850	Construction of traffic control devices in Frederick Street, Welland, which was a recommendation of the 2013 Welland Transport and Parking Plan.	\$0	\$50,000	\$50,000	New
Port Road Drainage & Landscaping - Stage 3 - 2019/20 Bid ID PBB-00000851	This project is the continuation of the Port Road Drainage Upgrade from Park Street South to Minnie Street. The budget bid follows on from the construction that commenced in 2019 and forms year 2 of the 3 year project.	\$2,700,000	\$18,080,000	\$15,380,000	Upgrade
Clovelly Avenue Drainage Design Bid ID PBB-00000853	Following on from preliminary investigation works commenced in 2018/19, this budget bid will allow the development of the concept designs into a detailed design for Clovelly Avenue Drain, suitable for construction to commence in the 2020/2021 financial year.	\$0	\$150,000	\$150,000	Upgrade
Sustainable Transport Infrastructure Bid ID PBB-00000854	Design and Installation of Wayfinding Signs along the full length of the Outer Harbor Greenway, Installation of Bicycle Rails at Ozone Reserve and Construction of Bicycle Link at Belmore / David Terrace to overcome cyclist pinch point.	\$0	\$61,000	\$61,000	New

St Clair Recreation Centre Precinct 2019/20 Bid ID PBB-00000856	Upgrade of St Clair Recreation Precinct including 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 six tennis courts and sportsground reconfiguration. Includes associated works for Brocas Ave and Woodville Oval.	\$0	\$3,366,000	\$3,366,000	Upgrade
Arlington Terrace Welland/West Hindmarsh - New Raised Intersections Bid ID PBB-00000857	Construction of 2 x raised intersections in Arlington Terrace (Morgan Street/Fischer Street, Bond Street), coordinated with the scheduled reconstruction of road assets in Arlington Terrace.	\$0	\$120,000	\$120,000	New
Traffic Safety Improvement - Blanford Street Bid ID PBB-00000858	Installation of Watts Profile Road Humps in Blanford Street, West Croydon, between Jane Street and Malcolm Street	\$0	\$45,000	\$45,000	New
Pedestrian Safety Improvements - Intersection of The Esplanade and Marlborough Street Bid ID PBB-00000863	Realignment of the intersection at The Esplanade and Marlborough Street and construction of a Zebra Crossing (pedestrian crossing).	\$0	\$40,000	\$40,000	New

Shared Use Zone - Crawford Lane Bid ID PBB-00000866	To increase pedestrian safety in Crawford Lane, it is proposed to make the laneway a Shared Zone. This project seeks to install design elements to create a physical road environment which restricts vehicle speeds to 10km/h, which is required in order to formally designate a road as a Shared Zone. The project is to coincide with the programmed renewal of the road asset.	\$0	\$230,000	\$230,000	Upgrade
Grange Lakes Corridor Shared Use Path - Stage 4A - Construction Bid ID PBB-00000869	Construction of part of Stage 4 of the Grange Lakes Corridor Shared Use Path, between Beach Street and Jetty Street in Grange (adjacent Napier Drive).	\$0	\$340,000	\$340,000	Upgrade
School Zone Safety Pilot Project Bid ID PBB-00000871	Implement a pilot project which integrates 'smart technology' at a School Zone to identify when children are present within the zone and to activate an illuminated sign or similar to alert drivers to the presence of a child.	\$0	\$75,000	\$75,000	New
Grange Greenway Corridor Shared Use Path - Tapleys Hill Road Bid ID PBB-00000872	Design and construction of new shared use path along the western side of Tapleys Hill Road between Trimmer Parade and Meakin Terrace as a continuation of the Grange Greenway Strategic Walking and Cycling Corridor.	\$0	\$500,000	\$500,000	New

River Torrens Linear Park DDA Compliant Access Point - Benham Place Bid ID PBB-00000873	Survey, geotechnical investigation and design of a DDA compliant access ramp connecting the River Torrens Linear Park shared use path to the local street network in Henley South.	\$0	\$25,000	\$25,000	Upgrade
Construction - West Lakes, Lake Edge Path Masterplan - Kerr Grove, Allerdice Reserve, Fisher Reserve, Sir John Marks Drive - Link Path Upgrades Bid ID PBB-00000875	The construction of upgraded lake edge link paths to Kerr Grove, Allerdice Court, Fisher Place, Sir John Marks Drive, over and above path renewal.	\$0	\$110,000	\$110,000	Upgrade
Extension of irrigation system at Heysen Reserve, West Lakes Shore Bid ID PBB-00000879	The irrigation system at Heysen Reserve was being renewed in 2018/19, however this didn't include the planted area in the northern section of the reserve. This project involves extending the new irrigation system to irrigate this section of the reserve. The irrigation system in the northern section of Heysen Reserve was deactivated and planted with trees in 2007/08 (coinciding with drought and water restrictions). The old system will require disposal and design and installation of the proposed new irrigation system will need to consider the impacts on existing trees.	\$0	\$30,000	\$30,000	Upgrade

Woodville Road Streetscape Project - Stage 2 2019/20 Bid ID PBB-00000883	Further to \$95,000 Woodville Road Streetscape Master Plan and public consultation being undertaken during the later half of 2019, subject to Council sign off on in Dec 2019 the detailed design would follow. To enable the work to be undertaken in house detailed design will be split over 2 financial years commencing in the February 2020 and concluding around November 2020. The final Stage 3 Construction is planned for 2020/21 or 21/22 subject to further budget consideration.	\$0	\$110,000	\$110,000	Upgrade
Rowing Course Reserve - Inlet 2019/20 Bid ID PBB-00000887	Upgrade of irrigation and footpath at Inlet Reserve, West Lakes, including furniture renewals. Inlet Reserve is one of several reserves located around the AM Ramsay Rowing Course (which is an international standard rowing course). This reserve is a separate project and has not received funding prior to this budget bid.	\$0	\$295,000	\$295,000	Upgrade
Upgrade of Council Owned Street Lights to LED - year 2 Bid ID PBB-00000892	This project involves the next stage of upgrading council owned street lights to LED technology. The first stage during 2018/19 addressed lighting in West Lakes Shores and Semaphore Park. To finalise this upgrade	\$0	\$450,000	\$450,000	Upgrade

	project, asset data analysis and an asset condition audit will be undertaken to ascertain whether a 3rd year budget allocation and any final street light upgrades will be required.				
Woodville Town Hall - Venue Upgrades - 2019-20 Bid ID PBB-00000910	Venue and Production Upgrades to support Business Plan outcomes through improving customer experience, attracting new hirers, and bringing the venue up to benchmark standard. Part 2 of Three year plan.	\$0	\$150,000	\$150,000	Upgrade
Spirit of Woman- Public Art Project Bid ID PBB-00000919	Spirit of Woman is a non for-profit organisation committed to a State response in the prevention, awareness raising and commemorating the victims of Domestic and family violence. As the City of Charles Sturt is considered the State leader when it comes to Domestic and Family Violence prevention and was chosen as the only trial site in South Australia to participate in the Local Government Domestic and Family Violence Toolkit Trial, it is fitting that we support this project. The bid is to purchase and install a public art piece "Place of Courage - Ripples" for \$13,000.00.	\$0	\$13,000	\$13,000	New

Grange Lawn Tennis and Grange United Netball - Two Replacement Grass Tennis Courts Bid ID PBB-00000921	Contribution towards the relocation of the lawn tennis courts at the Grange Lawn Tennis Club to accommodate the relocation of the Grange Uniting Netball Club.	\$0	\$40,000	\$40,000	New
Design Stage 1 - Woodville Hockey Clubrooms Upgrade - 2019/2020 Bid ID PBB-00000934	Woodville Hockey Club Upgrade Stage 1- community consultation and design documentation stage The club intend to apply for external funding for the building works Therefore the council contribution will be 50% of the building cost estimated at \$200K The total cost of the building project is forecast at \$400K	\$0	\$20,000	\$20,000	Upgrade
Investigation and design of additional car parking at Carnegie South Reserve, Royal Park Bid ID PBB-00000935	Investigation and design of additional car parking at Carnegie South Reserve, Royal Park.	\$0	\$5,000	\$5,000	New
Total		\$2,950,000	\$31,386,000	\$28,436,000	

Summary of the total capital program:

	Income	Expenditure	Net
Renewal of existing assets	600,000	24,858,237	24,258,237
Sale of replaced assets	944,600	2,746,100	1,801,500
New/Upgrade assets	2,950,000	31,386,000	28,436,000
TOTAL	4,494,600	58,990,337	54,495,737

8. How Does Council Propose to Fund its Programs?

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

Statutory Charges

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

User Charges

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

Grants

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

Investment Income

Investment income includes interest on investments.

Reimbursements

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

Other Income

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

Amounts specifically for new and upgraded assets

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

Borrowings

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

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

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

Summary

Overall for 2019/20 net rates income is \$109,861,300 (rates levied of \$109,909,000 after deducting rebates, remissions and including rates interest and NRM levy). Other operating income sources is \$16,401,584 which primarily includes Statutory fees charges; \$4,382,700, User charges; \$3,079,234, Operating grants; \$8,050,500 and Other revenues including Investment income of \$889,150.

Revenues associated with the total capital works program include \$4,494,600 which comprises \$600,000 in Operating Grants, \$2,950,000 for Amounts for New/Upgraded assets and \$944,600 is forecast from the Sale of Plant and Replaced Vehicles.

Revenues associated with annual operating initiatives include \$382,700 comprising \$224,700 in User charges, \$155,000 in Operating grants and \$3,000 in Reimbursements.

\$13.657m is forecast for the net increase in borrowings (\$14.614m less \$957k in principal repayments) which will be used in conjunction with external funding to deliver the new/upgrade capital program.

Total Funding sources	"000"
Rates	\$109,861
Statutory charges	\$4,383
User Charges	\$3,304
Operating Grants	\$8,806
Investment Income	\$102
Other revenues	\$790
Amounts for new/upgraded assets	\$2,950
Sale of replaced assets	\$945
Borrowings (net)	\$14,614
Total	\$145,755

9. Corporate Budget 2019/20

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 2019/20 with the previously endorsed budget for 2018/19 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 2018/19 a revised forecast balance sheet and budget for 2018/19 has been used and reflected in Council approved budget reviews over the year and in the updated LTFP to analyse performance. The impact of potential revaluations is not included in any forecasts).

9.2 Significant Influences

9.2.1 External Influences

In preparing the 2019/20 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 1.3% for the 12 months ending 31 March 2019
- Forecast CPI using predictive information from Access Economics for the year ended June 2018 of 2.1%
- Local Government Price Index for the 12 months ending 31 March 2019 of 2.1% against a CPI for the same period for Adelaide of 1.3%
- 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
- Reintroduction of Roads to Recovery funding
- Continuation of Supplementary road funding
- Centralisation of dog and cat animal registrations via DACO and changes to fee structure and mandatory desexing and microchipping
- Introduction of Nuisance Act and compliance requirements
- Increase in waste levy of \$10 per tonne on July 1 2019 and from 1 January 2020 an additional increase of \$30 per tonne.

9.2.2 Internal Influences

As well as the external influences there were also a number of internal influences arising from the 2018/19 year which have had a significant impact on the setting of the recurrent budget for 2019/20. 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 the Woodville Town Hall
- Additional staff and expenditure approved through adopted annual operating projects 2018/19 which impact recurrent budget 2019/20.
- Upgrade of St Clair Recreation centre and associated external management of facility
- Ongoing rollout and transfer to LED lighting for public lighting
- 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](#).

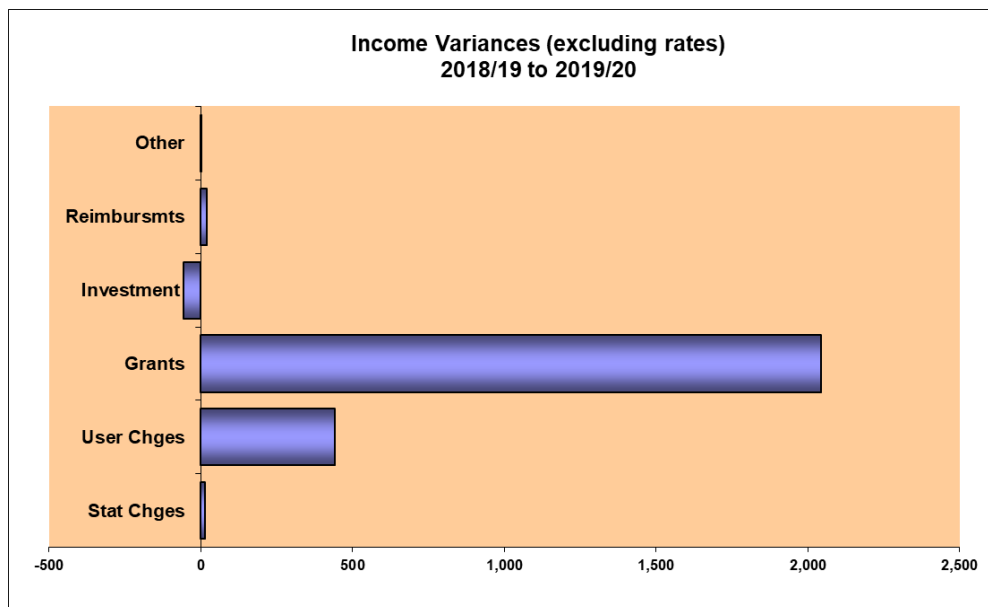
Budget guidelines were also distributed to all Council officers with budget responsibilities. These guidelines set out the principles upon which the officers were to prepare the budgets. These principles include:

- 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 2018/19 levels with the aim of using innovation and efficiency to further reduce costs (unless separate approval granted by Council)
- all new staffing proposals to be justified through a business case and an annual operating project bid approved through the budget process
- new initiatives or projects which are not cost neutral to be justified through a business case and included as an operating project
- All items of expenditure and income requested to be justified in complete detail by each budget manager starting from a zero-base rather than using the previous year budget as a starting point
- real savings in expenditure and increases in revenue identified in 2018/19 to be preserved, and
- operating revenues and expenses arising from completed 2018/19 capital projects and annual operating projects are to be included.

10. Operating Budget Analysis

10.1 Operating Revenue

	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Variance (decrease) \$'000
Rates	105,991	109,861	3,870
Statutory Changes	4,368	4,383	15
User Charges	2,862	3,304	442
Grants	6,764	8,806	2,042
Investment Income	160	102	(58)
Reimbursements	595	616	21
Other Income	172	174	2
Total Operating Revenue	120,912	127,246	6,334



10.1.1 Rates (\$3,870,800 increase)

It is expected that the total rate income levied will increase by 3.7% comprising 2.0% overall rates increase plus growth of 1.7% or \$3.887m over 2018/19. The Natural Resources Management (NRM) levy collected by councils on behalf of the regional Natural Resources Management Board, will increase by 3% or \$79.3k over the budgeted estimates from 2018/19 following advice received from the NRM Board on amounts to be levied for 2019/20. Council rebates based on the current suite of Charles Sturt specific rebates and those legislated for community land are expected to increase by \$205.5k and includes the impact of the migration of some 3,000 SA Housing Trust properties into housing associations for which a 75% mandatory rebate is granted. Rates appeals are expected to decrease by \$90k based on expectations of a similar trend over last 4 years and rates legal costs recovered are forecast to increase by \$20k for which there is an offsetting expense.

Section 13. *What Does This Mean for Rates?* Includes a more detailed analysis of the rates and charges to be levied for 2019/20.

10.1.2 Statutory Charges (\$14,900 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 stay relatively constant with a reduction in dog registrations income of \$65k based on our current dog data

base and pricing for 2019/20 and allowing for centralisation to DACO system and fewer non desexed animals.

Development fees are forecast for no change based on declining application activity over 2018/19 whilst Permit income is expected to increase by \$50k based on expectations of similar activity to 2018/19.

Parking expiations income is forecast to increase by \$70k with reduced income from 2018/19 trends due to behaviour changes offset by expansion of the existing sensor parks by 15 bays on Port Road median which is a more efficient method of the current approach of regulating this high demand car park.

By contrast by-laws expiation income is forecast to decrease by \$40k in line with trends from 2018/19 where approximately \$50k less income has been realised for non compliance with Nuisance Act bylaws.

10.1.3 User Charges (\$441,885 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 15% on 2018/19 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.

The increase is largely due to \$204k from the St Clair Recreation centre based as per the established performance contract and income of \$224k for the annual operating project income for the Woodville Town hall. Other increases are for recycled water charges of \$76k offset by a reduction in income from the Waste Centre Toogood of \$63k based on existing activity. Note the budget for the Waste centre has been based on the business case following the upgrade and is offset by reductions in cost.

10.1.4 Grants (\$2,041,200 increase)

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 increase by 30% or \$2.0418m on 2018/19 Budget estimates.

CPI increases are forecast for the Financial Assistance Grant (FAG), Urban Local Road funding, library funding and HACC. The material increase is largely from advice that the Roads to Recovery funding will be reintroduced in 2019/20 of \$1.215m.

An allowance in line with 2018/19 funding of \$600k has also been included for Supplementary road funding given advice received that the program will remain for the next 2 years, even though the advice did not detail specific amounts, hence the assumption made that levels will remain constant.

Other increases include one off grants of \$155k for the annual operating project, West Lakes catchment stormwater management plan and \$600k in funding for the capital renewal of Unisex changerooms at Sporting clubs.

The following table summarises the significant movements in budgeted grant funding between 2018/19 and 2019/20.

	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Variance (decrease) \$'000
State Grants			
Financial Assistance Grants (FAG)	2,373.4	2,423.2	49.8
Home And Community Care (HACC)	82.0	82.0	0.0
Immunisation	67.3	146.2	78.9
Meningococcal	77.0	0	(77.0)
Urban Local Road (ULR)	1,750.0	1,750.0	0.0
Median Maintenance	66.3	67.0	0.7
PLAIN Library	824.5	830.0	5.5
Pest Control	5.0	5.0	0.0
Biodiversity action plan (AOP)	15.0	0.0	(15.0)
Nudging for good 3 bin animation (AOP)	17.5	0.0	(17.5)
West Lakes Stormwater mgt plan (AOP)	0.0	155.0	155.0
Capital Project renewal funding for Unisex changerooms for Sporting clubs	0.0	600.0	600.0
SUB TOTAL	5,278.0	6,058.4	780.4
Commonwealth Grants			

	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Variance (decrease) \$'000
Community Visitor Scheme	56.0	53.2	(2.8)
Immunisation	16.3	13.2	(3.1)
Roads to Recovery	0	1,214.0	1,214.0
HACC	1,414.0	1,466.7	52.7
SUB TOTAL	1,486.3	2,747.1	1,260.8
Total	6,764.3	8,805.5	2,041.2

10.1.5 Investment Income (\$58,000 decrease)

Investment income includes interest on investments and rates in arrears. Interest on investments is forecast to decrease by \$58k based on expectations of forecast cash balances similar to 2018/19 where accounts are swept regularly to pay off loan balances to ensure borrowings are kept to a minimum.

10.1.6 Reimbursements (\$20,900 increase)

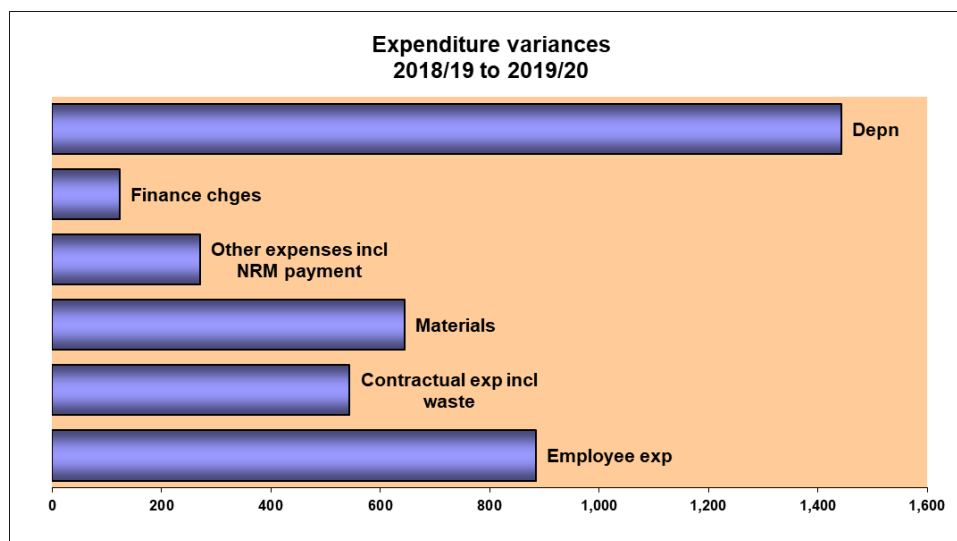
This includes income from recouping specific costs of Council activities and private works. Reimbursement income is expected to increase by 9% largely due to expected reimbursements for Woodville Town hall costs and insurance recharges for Sporting clubs.

10.1.7 Other revenues (\$2,250 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 \$2,250 or 1%.

10.2 Operating Expenditure

	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Variance (decrease) \$'000
Employee Expenses	42,750	43,634	884
Materials, Contracts, Other	42,386	44,981	2,595
Finance Charges	1,926	1,801	(125)
Depreciation	30,480	31,730	1,250
Total Operating Expenses	117,542	122,146	4,604



10.2.1 Employee Expenses (\$884,106 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 2018/19 from annual operating projects of 1.2FTE. Employee costs are forecast to increase by 2% compared to 2018/19 Budget due to EB wages increase of 2%, increments and allowance for items such as parental leave, long service leave and superannuation.

10.2.2 Materials, Contracts and Other Expenses (\$2,594,285 increase)

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

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

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

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

Materials, Contractors and Other expenses are expected to decrease by \$1.994m or 4.7%.

The major increases in contractual expenditure are due to increases due to the St Clair Management fee of \$150k, impact of adopted annual operating projects from 2018/19 such as the increase to verge maintenance and community survey of \$138k which form part of recurrent costs in 2019/20, \$43k increase for ongoing asset condition audits, particularly bus shelters, \$45k for additional software licences as per IT (AMP 18/02/2019, Item 3.04) as a result of projects and \$1,241k for contract increases such as verge maintenance, cleaning, playground maintenance and waste collection which includes the 40% increase in the EPA levy from \$100 to \$140 per tonne. Offset against these increases are a reduction in agency staff required for seasonal work of \$122k with the move to greater multiskilled teams in Field Services and \$27k in IT leases with conversion to purchase as opposed to leases per IT (AMP 18/02/2019, Item 3.04).

Material costs are forecast to increase by 2%, with material cost increases for water of \$103k with new irrigated sites such as Krista, Heysen reserves and Port Road, \$35k for the sign shop as they move to more proactive maintenance in addressing poor signage across the City, \$54k maintaining the water features at Bowden and Henley and in trialling the change in use of glyphosate on reserves. Other increases include \$27k in additional mulch with increased requirements for sites such as Port Road, Burleigh Avenue, West Lakes and land divisions at St Clair, Bowden and Woodville West and \$51k for fuel based on usage from 2018/19 increased by Access Economics fuel index. Offset are material reductions for electricity of \$176k largely due to \$200k for the SAPN LED rollout for public lighting and \$97k in printing, stationery and postage costs.

Other Expenses are forecast to increase by only \$3,143 or 0.02% compared to 2018/19 budget estimates.

Material increases included the \$79k from the payment of the NRM levy which is collected by Council on behalf of the NRM Board, \$20k for rates legal fees incurred for debt collection (offset income), \$27k for advertising/promotion for the refresh of the community/corporate plan as required by legislation and Woodville Town hall promotions. Other increases include \$45k for the Emergency Services levy, insurance of \$36k, contribution to E - planning of \$58k and bank fees of \$60k with an increase in volume and merchant fees, noting the 2018/19 budget was inadequate as against 2017/18 actuals. Offset against this are material reductions in forecast expenditure for communication of \$22k, postage of \$51.5k and legal appeals of \$32k based on the 4 year trend.

The increase in total annual operating projects adopted for 2019/20 as compared to 2018/19 also contributes approximately \$563.5k in additional expenditure over the 2018/19 budget across Material, Contractual and Other expense categories.

10.2.3 Finance Charges (\$124,540 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 capital new/upgrade program for 2019/20.

10.2.4 Depreciation (\$1,249,684 increase)

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

11. Analysis of Cash Position

This section of the report provides an analysis of the expected cash flows for the 2019/20 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 2018/19 \$'000	Budget 2019/20 \$'000	Variance (Outflow) \$'000
<i>Operating Activities</i>			
Receipts	120,912	127,162	6,250
Payments	87,062	85,724	1,338
Net cash inflow (outflow)	33,850	41,438	7,588
<i>Financing Activities</i>			
Receipts	22,629	15,114	(7,515)
Payments	1,337	1,457	120
Net cash inflow (outflow)	21,292	13,657	(7,635)
<i>Investing Activities</i>			
Receipts	12,214	3,895	(8,319)
Payments	67,356	58,990	(8,366)

Net cash inflow (outflow)	(55,142)	(55,095)	47
Net Increase (decrease) in cash held	0	0	0
Cash at beginning of year	5,345	1,610	(3,735)
Cash at end of year	5,345	1,610	(3,735)

11.1.1 Operating Activities (\$7.588m increase)

The increase in cash outflows from operating activities is \$7.588m. 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, noting that approximately \$3.7m in funding for capital renewal works are included as operating receipts.

11.1.2 Financing Activities (\$7.635m decrease)

Financing activities includes the principal component of loan repayments for the year and new loans required. The levels of financing required in 2019/20 allows for the impact of works in progress over successive years and usage of cash advance debentures to meet borrowings required to fund the new/upgraded capital projects including Port Road Drainage, West Beach Rockwall and St Clair Recreation centre.

11.1.3 Investing Activities (\$47k increase)

Investment in capital projects for the City has decreased by approximately \$8m consistent with the commensurate reduction in external funding for major projects, but offset by an increase in net operating inflows.

11.1.4 Cash at End of the Year (\$3.735m decrease)

Overall, cash at year end is forecast to decrease by \$3.735m on 2018/19 forecast budget as the surplus cash including grants received in advance is expected to be used over 2019/20, noting the net change in cash requirements over 2019/20 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 2018/19 and forecast budget for 2019/20.

12.1 Budgeted Statement of Financial Position

	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Variance \$'000
Assets	11,243	11,987	744
Non-current assets	1,203,089	1,252,695	49,606
Total assets	1,214,332	1,264,682	50,350
Liabilities	35,996	31,699	(4,297)
Non-current liabilities	46,553	45,538	(1,015)
Total Liabilities	82,549	77,237	(5,312)
Net assets	1,131,783	1,187,445	55,662
Equity			
Accumulated surplus	480,387	502,910	22,523
Reserves	651,396	684,535	33,139
Total Equity	1,131,783	1,187,445	55,662

12.1.1 Current Assets (\$744k increase)

The increase in current assets on budget estimates for 2019/20 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 (\$49.606m increase)

The increase in non current assets is the net result of the forecast capital works program and impact of the revaluation of building in 2018/19 of approximately \$33m.

12.1.3 Current Liabilities (\$4.297m decrease)

Current liabilities, that is the obligations Council must pay within the next year, is forecast to decrease on the 2018/19 forecasts by \$4.29m largely due to expected decrease in creditors and unused tied grants with timing of capital works for significant projects which span multiple years.

12.1.4 Non-Current Liabilities (\$1.015m decrease)

Non current liabilities, that is the obligations Council must pay beyond the next year, is forecast to decrease by \$1.015m. The decrease largely reflects the timing in expected loans for the new/upgrade capital program noting that the forecast for loans for June 2019 with incomplete capital projects is less than initial projections.

12.1.5 Equity (\$55.662m increase)

The increase in equity is the result of the capitalisation of assets expenditure, revaluations June 2019 for buildings as at 1 July 2018 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 ratepayer's property compared to others may lead that ratepayer to believe they are paying more than their fair share compared to others in the community. This can also be an issue where ratepayers are on fixed incomes and there is significant growth in the valuation of their property.

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

13.1 Rate Increase for 2019/20

To meet the requirements of Council's community plan, Long Term Financial Plan and Annual Business Plan and Budget for 2019/20, Council needs to levy rate income of \$109,909,000 (a total average increase of 2.0% on existing ratepayers plus new property growth of 1.7% for a total increase of 3.7% on 2018/19 rates levied).

For 2019/20 \$3.465m has been allocated towards rate relief options including rebates, remissions and appeals for City of Charles Sturt ratepayers which equates to approximately 3.17% of the total rates levied.

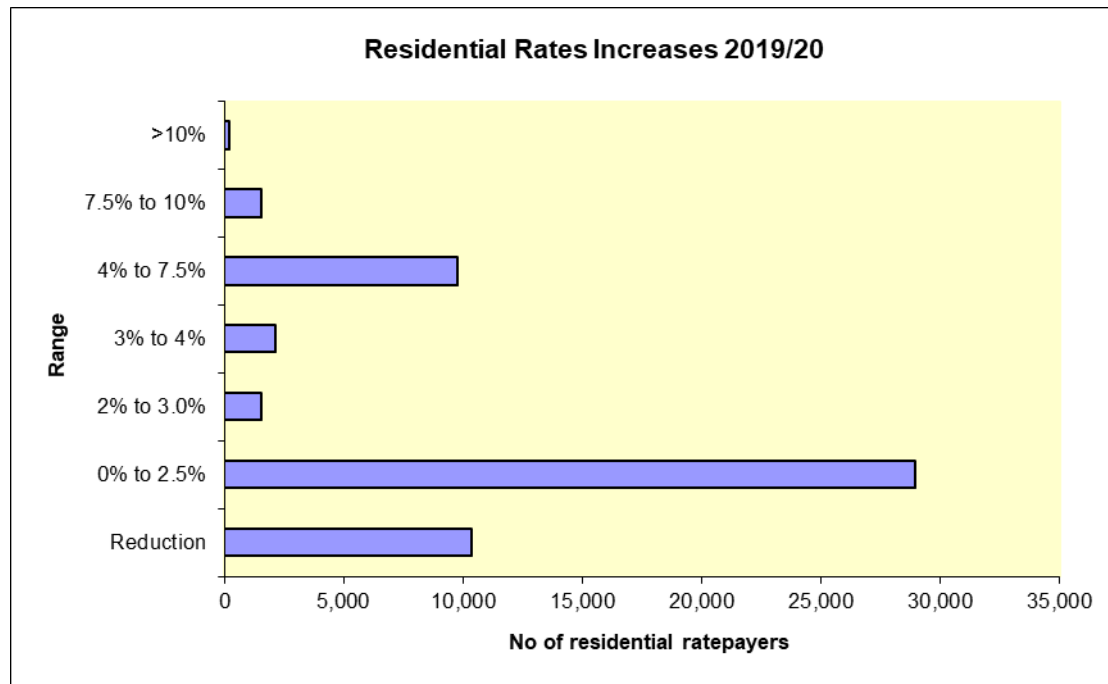
There are a number of issues that have been considered in developing Council's rating strategy for 2019/20:

- The latest reports from the Valuer General have indicated property valuations for residential have increased by an average of 4.95%, commercial values by 4.16%, industrial 4.16% with vacant land reducing overall by 0.77%. However there are some \$10,000 properties that have had no valuation growth.
- As provided by the Valuer General, property growth (additional properties) is around 1.7% 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 2019 is 1.3% and for all capital cities 1.3%. This is against a forecast CPI for 2019/20 of 2.1% and wages growth of 2.6% by Access Economics
- The increase in the Local Government Price Index (LGPI) for the twelve months to March 2019 is 2.1% against a CPI for Adelaide the same period of 1.3%. 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 2019/20 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 \$1,071 to \$1,095 (2.24% or an increase of \$24 p.a) .

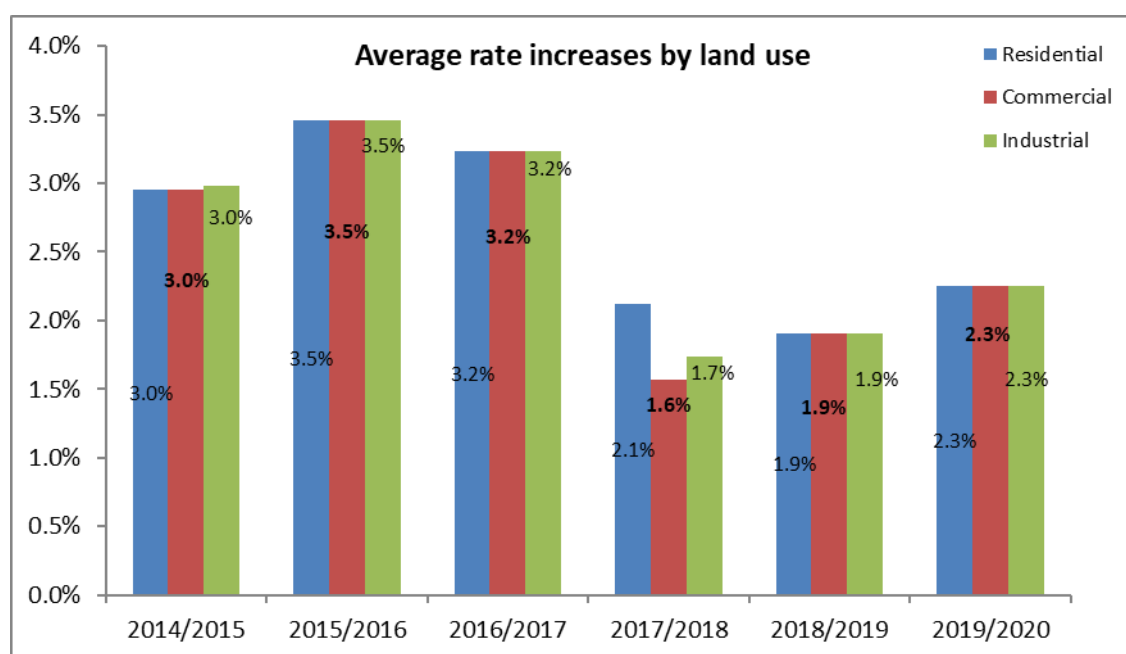
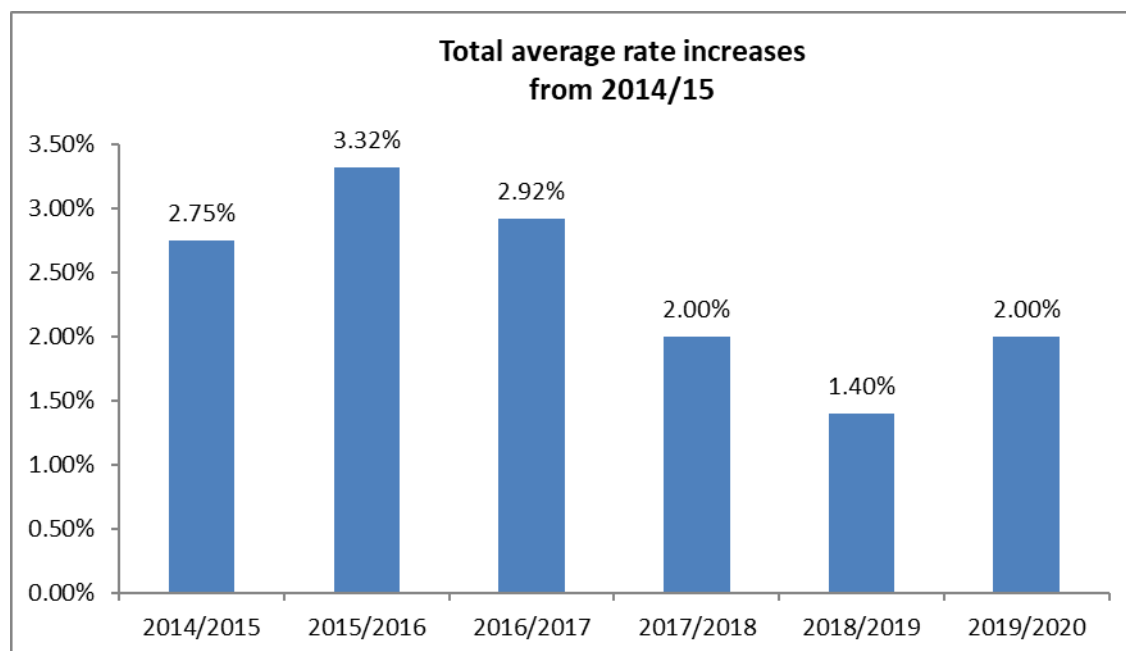
With final valuations received the “typical” residential ratepayer (with a property valued at \$514,801) will be paying approximately \$1,377 p.a. or \$3.77 per day to receive the services and infrastructure benefits laid down in the annual budget. This equates to a 2.15% increase in rates.



The above distribution of rates increases across the City shows 71.2% of residential ratepayers will have a rates increase of less than 2.5% with 19% of residential ratepayers having a reduction in rates on 2018/19.

Overall the total average rates increase across the City is 2.0% (plus property growth 1.7%).

For the “typical” residential ratepayer with an average movement in their property valuations for 2019/20 this would be an increase of 2.15% and for commercial ratepayers 2.21%, noting that 35% of all ratepayers on the minimum will have a 2.24% increase.



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 2019/20 to a 12.5% increase on rates paid (excluding NRM levy and pensioner concessions) in 2018/19 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 2018

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 2018/19 and 2019/20 and who received a remission in 2018/19 will effectively continue to have their rates capped to the average residential increase of 2.3%.

If in 2018/19 they received a remission of \$31 it is proposed to again provide a remission in 2019/20 of \$31 to ensure their rate increase continues to be capped at 2.3%.

This means those who effectively paid \$1,040 in 2018/19 (not \$1,071) will pay \$1,064 in 2019/20 (not \$1,095) for a 2.3% capping.

For those pensioners and self-funded retirees who received a remission in 2018/19 of \$8 they would be entitled to a further remission of \$8 to ensure their rate increase is also capped.

This means those who effectively paid \$1,063 in 2018/19 (not \$1,071) will pay \$1,087 in 2019/20 (not \$1,095) for a 2.3% 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 2019 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 2019 a full rebate will be given. If the footings are poured after 31 December 2019 a 50% rebate will be given. This rebate will effectively mean those ratepayers applicable will have their rates reassessed using the residential rate in the dollar as opposed to the vacant land rate.

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

Residential construction rebates will be by application where eligible ratepayers will have until the 30 June 2020 to apply.

- **Postponement of Rates**

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

Postponement will be by application.

13.2 Rating Structure

Council has established the following rating structure for 2019/20:

Rate Type	2018/19 Cents in \$	2018/19 Ave Rate	2019/20 Cents in \$	2019/20 Ave Rate	2019/20 Ave % Increase	No of Rateable Props	No on Min Rate	Rate Income
Res'l - Charles Sturt	0.261783258	\$1,386.83	0.254811520	1,418.10	2.25%	53,663	19,943	76,099,455
Comm'l - Charles Sturt	0.8225128660	\$7,361.55	0.8071194550	7,527.45	2.25%	3,149	256	23,703,938
Industrial - Charles Sturt	1.1431187870	\$10,137.11	1.1038159350	10,364.75	2.25%	468	6	4,850,704
Primary Prod'n - Charles Sturt	0.4654710570	\$2,397.19	0.2257939080	2,451.22	2.25%	8	2	19,610
Vacant Land - Charles Sturt	0.832563126	\$3,402.75	0.861351782	3,498.67	2.82%	1,074	48	3,757,572
Other - Charles Sturt	0.4518710590	\$6,256.58	0.4156516090	6,397.06	2.25%	231	20	1,477,720
Overall Average	N/A	\$1,839.57		1,875.80	2.0%	58,593	20,275	109,909,000

	2018/19	2019/20	% Change
Minimum Rate - Charles Sturt	\$1,071.00	\$1,095.00	2.24%
% on Minimum	34.88%	34.6%	

13.3 Rating Policy

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

13.4 GIS Mapping of Rate Modelling

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

Maps are produced for Council Members to view at the Budget workshops which reflect the key issues and outcomes of the 2019/20 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 2019/20 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.

In the Long Term Financial Plan (endorsed by Council on 12 March 2019) which has been used as the framework for developing the 2019/20 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 2019/20 Council has endorsed an increased new/upgrade capital program as detailed in Section 7.2 with total expenditure of \$31.386m funded by external revenues sources of \$2.950m and for which Council will require a net increase in borrowings of \$13.657m which will be repaid over the life that those assets generate benefit to the community. These borrowings will support the expanded Capital program from 2017-2019 which includes a number of significant multiyear projects such as St Clair Recreation upgrade, West Beach Rockwall, West Lakes hub 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

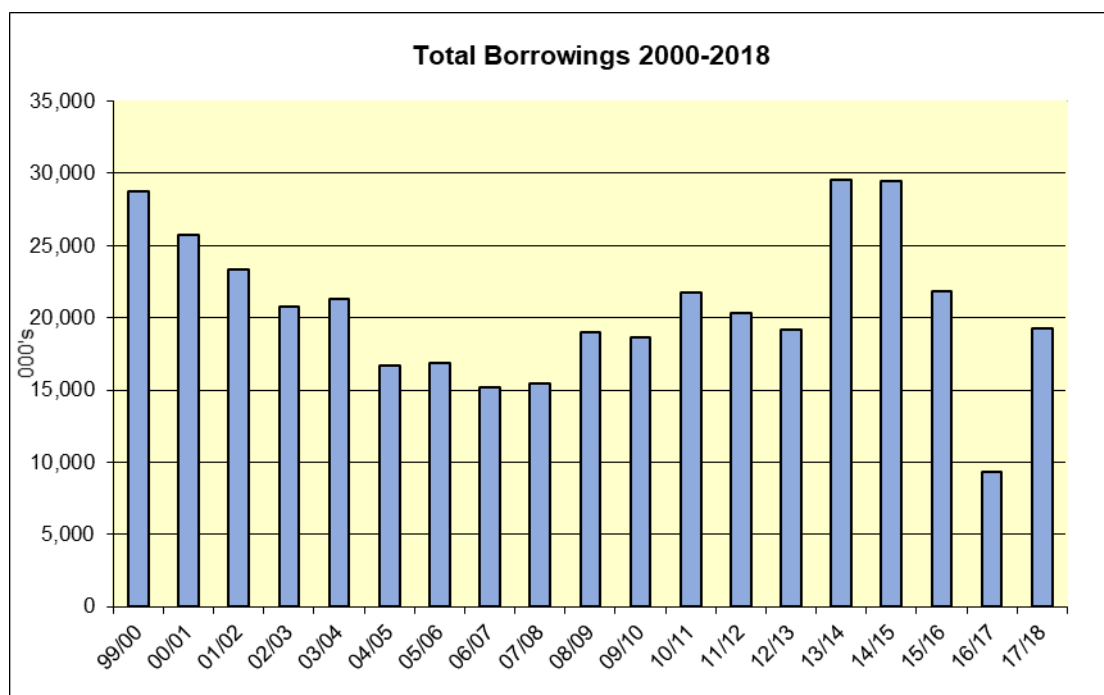
prudently using the facility to fund cash requirements whilst awaiting cash injections from rates income.

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 offset budgeted loans, giving Council greater future capacity to consider borrowings as opposed to rates as a viable source of income to fund these expenditure demands.

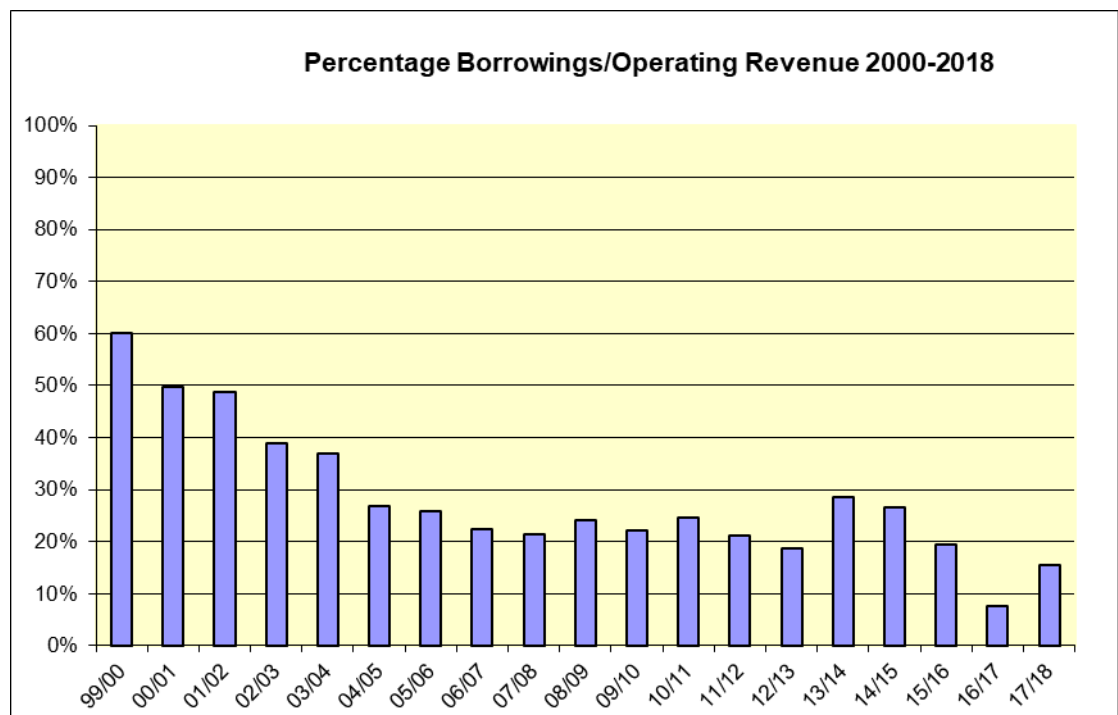
Each year Council reviews unbudgeted income generated from asset sales and recommends the proceeds be applied to reduce borrowings.

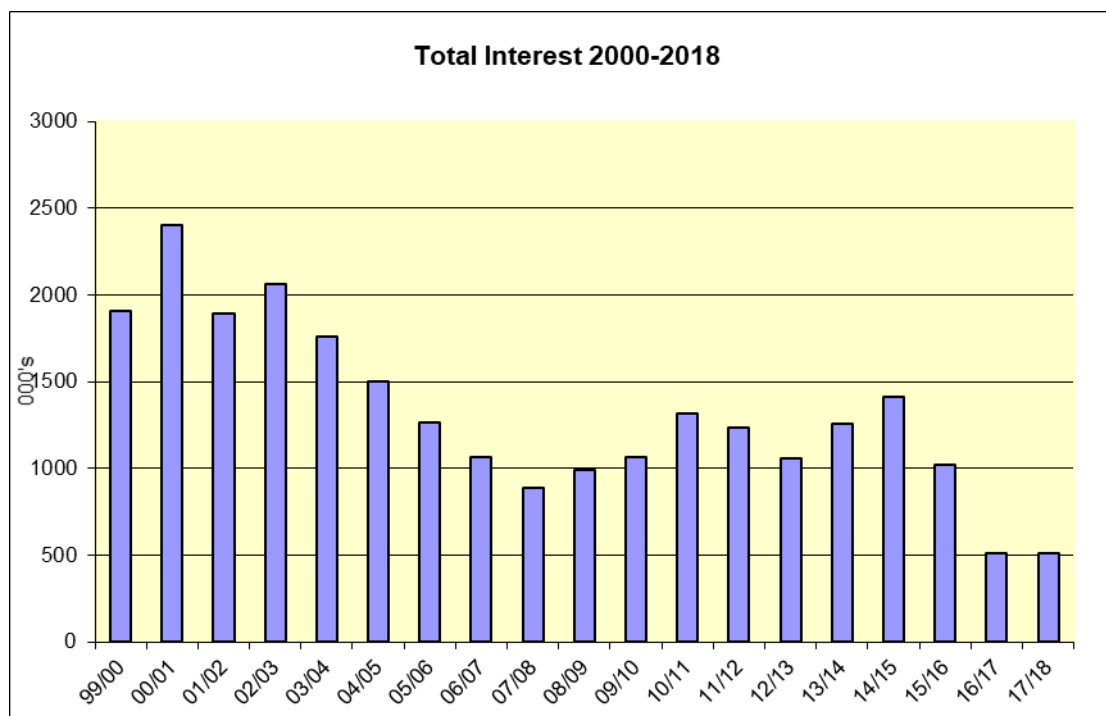


As at June 2018 the total loans outstanding was \$19.136m (June 2017 \$9.328m) as against an adopted budget June 2018 of \$37.908m. This increase in borrowings in

2018 was partly funding the capital works still to be completed from 2016/17 of approximately \$23m of which \$13.8m was received in grant funding in advance of works being undertaken as at June 2017.

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 2018 the percentage of council's borrowings to operating revenue was 15%.





For year ending June 2018 total interest on borrowings was \$507k (June 2017 \$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.

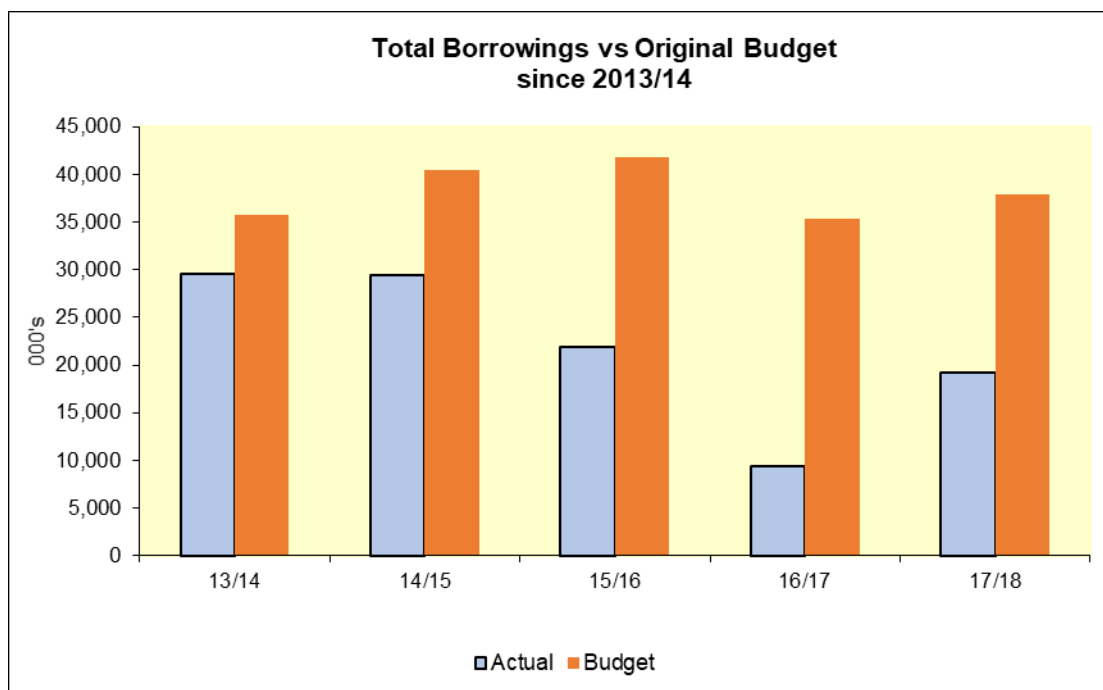
Council's loan position to date for this project also has been assisted by staff being able to structure the staging of the project such that the Commonwealth and State contributions have largely been used prior to Council's contributions being utilised.

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.

The facility expired 15/09/2018, when it was replaced to enable Council to continue to meet its cash requirements for funding of its significant capital program

Further an existing CAD of \$10m which expired 15/5/2018 was also replaced with a CAD facility of \$22m to ensure Council has sufficient flexibility with its facilities to accommodate cash requirements for Council's new/upgrade capital program.

The graph below illustrates the effectiveness of the borrowings strategy and effectiveness of only using loans when required



With the timing of capital projects delayed and a forecast works in progress of approximately \$24m in 2018/19 the revised forecast for borrowings as at June 2019 is now expected to be approximately \$31m (revision of adopted LTFP \$35.068m CL 12/09/2019 item 2.3 (3.9) and is basis of the revised borrowings forecast for June 2020 of \$45.2m, having regard to the budget detail adopted by Council in formulation of the budget for 2019/20, following community consultation.

Council uses a Net Financial Liabilities ratio as a measure of Council's ability to meet all of its liabilities which include borrowings as well as other liabilities including provisions for employee entitlements from its operating revenue. The forecast ratio for the 2019/20 is 51.6% and demonstrates Council can comfortably meet all of its existing liabilities from its operating revenue. (ie if Council had to pay out all its liabilities including all its staff from its revenue it could comfortably and then pay 48.4% of its revenue or \$61.3m back to its residents as a dividend) Council has set a constraint on its borrowings threshold for funding asset new and upgrade works within the constraints of a net financial liabilities ratio of less than 100% of Council's operating revenue.

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

15. Infrastructure Strategy

15.1 Strategy

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

Our Vision:

CHARLES STURT – A LEADING, LIVEABLE CITY

Our Objective:

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

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

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

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

The infrastructure assets that Charles Sturt maintains on behalf of the Community totals in excess of \$1.8bn in replacement value. Due to the nature of services provided, the asset class mix is quite diverse. These can be broadly grouped as;

Transport (roads including kerb & gutter, carparks, paths, lighting, traffic controls, bus stops, bridges)

Water Infrastructure (recycled water supply & stormwater management)

Council Owned Buildings

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

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

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

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

This annual review cycle has commenced with the revision of the Open Space & Recreation AMP, Building AMP & Transport AMP.

Key Asset Management Planning achievements between July 2018 to June 2019 include:

Asset Management Strategy, Plans and Governance

- The Asset Management Services Management Team comprise multi-disciplinary representatives across Council who meet on a regular basis to ensure a coordinated approach to asset management planning.
- 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, footpath, bus stop & kerb ramp assets.
- 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.
- Expanded the use the asset survey module to allow for the capture of asset data electronically remotely in the field.

A key focus for Asset Management in 2019/20 will be to:

- Continue to refine Integrated Asset Planning activities across all Divisions of Charles Sturt
- Continue to collaborate with other Councils & organisations to knowledge share & ensure best practice.
- Create better access to relevant asset data through the 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
- Increase the use of GIS tools to aid and benefit asset management planning and asset analysis
- Maintain a high confidence level in data accuracy across major infrastructure asset class assets
- Continue the internal review cycle of the Asset Management Plans for major asset classes per our review framework.

15.2 Roads

The past two years have seen an audit & revaluation of road assets. 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 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

The 2018/19 year has seen a condition audit and revaluation of path, bus stop and kerb ramp assets with the combined data loaded into the Strategic Asset Management solution to provide extensive analysis which will include the development of intervention strategies to avoid full path replacement keeping the cost of path management within sustainable levels.

This program of works is also coordinated with other works where possible (e.g. 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)

The Water Infrastructure Asset Management Plan has 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 completed in 2018/19 and construction of the Port Road Stormwater Upgrade Stage 3 commenced in May 2019 and is due for completion in December 2020.

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

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

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

15.5 Bridges

Charles Sturt currently has 68 bridges. Bridges have a long service life if maintained correctly. The asset management plan 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 was undertaken in 2017/18 and will inform a revision of bridge assets to be incorporated into a Transport 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 major work in the next 24 months are the Hindmarsh Cemetery RTLP path, the South Road Underpass and the Grange Jetty Square Boardwalk.

15.6 Public Lighting

The Public lighting Asset Management plan was adopted by Council in April 2017 with a one year work program. 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 will continue to work with 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 completion of the St Clair Recreation Centre Precinct Upgrade continued to be a major project for Council, however other significant clubroom redevelopments at both Gleneagles Reserve Clubroom and Frank Mitchell Park were also commenced. In addition, upgrades to wet areas were undertaken at Carnegie Reserve, with Council also providing a further contribution to the upgrade of the Semaphore Surf Life Saving Club.

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

In 2019/20, besides minor capital works across numerous sites, Council will also commence work on the West Lakes Hub and construct new changeroom facilities at St Clair, Jubilee Reserve & SMOSH & Flinders Park Clubs.

The next revision of the Buildings Asset Management Plan (AMP) is also currently underway and will incorporate 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 underwent major revision in 2018/19 with a new plan adopted in June 2019. This plan 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.

In 2018/19 Council completed an upgrade of MJ Mcinerney Reserve and commenced Stage 2 of the St Clair Recreation Precinct, which will include the construction of six new tennis courts, regional playground and skate park to be completed in 2019/20. Landscaping works to support the drainage upgrades along Port Road will also continue to be undertaken. Other projects included an upgrade at Towpath Reserve, new play equipment at Carnarvon, Gordon, Frome & Hansen Reserves and a playground and irrigation upgrade at Mooloolo Reserve. 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.

16. Measuring Achievement of the 2019/20 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 2019/20</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 2019/20 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 2019/20.

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 2028/29 as at January 2019.

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 2019.

LTFP

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

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

These are detailed in [Schedule B](#)

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

Financial Indicators

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

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

Commentary

Long Term Financial Plan

The Statement of Comprehensive Income forecasts small operating surpluses over the forecast period (operating surplus ratio is 0% 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 are projected to be commensurate with forecast CPI (as provided by Deloitte Access Economics) from 2019/20 at rate increases projected of 2.1%, 2.32%, 2.42%, 2.38%, and 2.18% until 2023/24.

Increasing cost pressures with imposed legislation, utilities, governance and infrastructure material costs, in conjunction with Council's increased new and upgrade capital program for projects such as Port Road Drainage, St Clair Recreation centre upgrade and West Beach Rockwall, Council has been able to position itself to be able to meet these pressures coupled with effective cost control and quarantining of operational efficiencies through long term planning.

The Balance Sheet forecasts an increase in total assets from \$1.241b in 2019/20 to \$1.308b in 2028/29. Over the planning period total liabilities are expected to decrease from \$84.458m in 2019/20 to \$45.299m in 2028/29 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 have been increased to address the expanded new/upgrade program over the last few years with projects such as Port Road flood mitigation, St Clair Precinct development, West Beach Rockwall and West Lakes hub all due for completion in 2019/20. Loan borrowings therefore are forecast to peak of \$48.826m in 2019/20 and then decrease to \$53k in 2028/29.

Council's total equity or net assets is forecast to increase from \$1.157b in 2019/20 to \$1.262b in 2028/29.

Key Performance Indicators

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

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

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

The Net Financial Liabilities ratio decreases from 58.2% in 2019/20 to 21.6% in 2028/2029, well within the 100% ceiling. (This ratio effectively means if the Council had to pay out all of its liabilities including all of its staff entitlements, borrowings etc it would only use 58.2% of its total income and 41.8% of its total income would then be available to be repaid to its ratepayers).

Of its total net financial liabilities, net borrowings as a percentage of income decreases from 38.6% in 2019/20 to 0.03% in 2028/29.

The interest cover ratio is also well within the accepted benchmark of 10% rising to a maximum ratio of 1.6% in 2019/20.

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

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

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

Long Term Financial Plan 2019-2029

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 2019.

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

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

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

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
CPI	2.10%	2.32%	2.42%	2.38%	2.18%	2.25%	2.50%	2.53%	2.34%	2.17%
Rates Growth	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
EB and WPI	2.00%	2.00%	3.03%	3.15%	3.08%	2.97%	3.14%	3.45%	3.50%	3.38%

Over the past two years, Council has reviewed the delivery methods of services with a view to accessing savings where possible. In 2018/19 \$1.8m was identified and permanently removed from the budget with a further \$543k identified in 2019/20. These amounts are permanent savings over the life of the LTFP.

Waste costs assume replacement of blue and green bins at a projected cost of \$5.4 million, paid for over the 10 year contract. RFID tag costs for bins are included, with a decision on their use to be made by Council later in 2019. The Environmental Protection Authority (EPA) imposes a levy on tonnes of waste delivered to landfill that Council must pay. In 2019/20 that rate will be \$103 per tonne. For the purposes of the LTFP, it has been assumed this may increase by an average of 4% over the ensuing 10 years.

Light Emitting Diode (LED) lights are being installed in streetlights over Council's area. The installation of these lower energy lights will give access to savings on power bills. A conservative cost reduction of \$172k has been included for 2019/20 and \$345k thereafter.

The new St Clair Recreation Centre is being managed by the Young Men's Christian Association (YMCA). Council's contractual obligation to indicate support for the operations

shows that it is responsible for any operating losses incurred over the first 2 years and subsequently 50% share of profits thereafter plus an annual management fee. Consequently, we have allowed \$172k in 2019/20, quickly decreasing to \$0 in four years, 2022/23 based on their 4 year budget projections.

Council can harvest rainwater suitable for re-use on reserves, ovals and median strips. Internally recycled water is a saving in operating expenses with the savings being the net difference of Council's own water being approximately 15% less than the cost of buying water from SA Water.

Interest is calculated on loans outstanding. Council has one \$10m loan at fixed interest rate of 4.55% and the remainder of funding is achieved via an "overdraft" arrangements, Cash advance Debentures (CAD) at a competitive variable interest rate. Council's variable funding rate is the reserve Bank of Australia (RBA) cash rate plus a modest margin. Council is financed through the Local Government Finance Authority (LGFA).

Annual Operating projects of \$2.35m are planned for 2019/20, increasing by forecast CPI each year of the plan. Last year's projects (2018/19) undertaken by council has been factored into the recurrent headcount of staff by 1.2 Full Time Equivalent (FTE), included in this plan, at an estimate of \$120k.

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

Over the 10-year journey Major Stormwater Flood Mitigation projects are included for a net \$49.650m representing Council's expected forecast contribution to Port Road Flood Mitigation stormwater and lateral upgrades. It should be noted that since 2018/19 \$5m in expected grants is now not expected to be realised and the program has been bought forward. Tenders are currently out for the next stage with results factored into any budget bids submitted.

Summary Financial Forecast	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Upgrade Major Stormwater Projects										
Port Road Lateral upgrades	\$ 150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stages 3 and 4	\$ 16,840,000	\$ 1,550,000	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Catchments - Trimmer/Meakin	\$ 155,000	\$ 85,000	\$ 120,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 3,050,000	\$ 3,050,000	\$ 2,300,000	\$ 5,300,000
Upgrade Total Major Stormwater	\$17,145,000	\$2,785,000	\$20,000	\$6,000,000	\$5,000,000	\$5,000,000	\$3,050,000	\$3,050,000	\$2,300,000	\$5,300,000

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

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

Capital expenditure for asset renewal is determined by Council's adopted Asset Management Plan (AMP). They are reviewed annually and presented to Council for review and endorsement. The planned amounts for Capital renewal have been indexed in the LTFP, leading to an Asset Funding Sustainability Ratio returning a reading of greater than 100% from 2022/23 and thereafter.

New/Upgrade forecasts are based on current Strategic Management Plans and Council in principle adopted projects and will be the subject of a presentation at a council workshop on 4 March 2019. Other major projects include St Clair Precinct upgrade, West Beach Rockwall, West Lakes Hub and Woodville Road streetscape development.

	2019/20	2020/21	2021/22	2022/23	2023/24
Renewal	\$ 25,776,125	\$ 31,818,786	\$ 26,600,758	\$ 29,820,398	\$ 28,790,161
New	\$ 1,271,000	\$ 1,456,000	\$ 2,846,000	\$ 1,246,000	\$ 1,346,000
Upgrade excl Other Major projects	\$ 1,493,000	\$ 3,622,915	\$ 3,835,000	\$ 3,715,000	\$ 2,320,000
Major Stormwater Port Road Flood Mitigation projects	\$ 17,145,000	\$ 2,785,000	\$ 20,000	\$ 6,000,000	\$ 5,000,000
Other Major Projects	\$ 8,591,000	\$ 1,500,000	\$ -	\$ -	\$ -
Total	\$ 54,276,125	\$ 41,182,701	\$ 33,301,758	\$ 40,781,398	\$ 37,456,161

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

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 \$420k misstatement in the 2019/20 operating result and up to a \$550k misstatement in the 2028/29 year.

Schedule B

City of Charles Sturt 10 Year Financial Plan for the Years ending 30 June 2029 INCOME STATEMENT - CITY OF CHARLES STURT												
	Actuals 2017/18 \$'000	Current Year 2018/19 \$'000	Projected Years		Projected Years							
			2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Income												
Rates	103,706	105,991	109,276	112,901	116,763	120,715	124,557	128,605	133,106	137,799	142,402	146,920
Statutory Charges	4,151	4,368	4,510	4,614	4,726	4,838	4,944	5,055	5,182	5,312	5,437	5,555
User Charges	2,849	2,862	2,901	2,968	3,040	3,112	3,180	3,252	3,333	3,417	3,497	3,573
Grants, Subsidies and Contributions	11,619	8,231	8,371	8,565	8,772	8,981	9,177	9,384	9,619	9,862	10,092	10,312
Investment Income	179	160	163	167	171	175	179	183	188	192	197	201
Reimbursements	2,274	799	774	792	812	831	849	868	890	912	934	954
Other Income	182	172	175	179	183	188	192	196	201	206	211	216
Total Income	124,960	122,582	126,170	130,186	134,467	138,841	143,078	147,543	152,518	157,701	162,769	167,731
Expenses												
Employee Costs	40,398	43,087	44,249	45,134	46,600	48,079	49,553	51,013	52,633	54,483	56,396	58,288
Materials, Contracts & Other Expenses	46,193	42,505	43,833	46,074	46,765	48,154	49,530	50,979	52,602	54,296	55,949	57,566
Depreciation, Amortisation & Impairment	27,100	30,480	31,730	33,252	34,924	36,557	38,349	40,171	42,046	44,210	46,360	48,342
Finance Costs	507	1,926	2,125	2,117	1,674	1,711	1,586	1,426	1,062	752	177	-
Net loss - Equity Accounted Council Businesses	12	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	114,210	117,998	121,937	126,578	129,963	134,502	139,018	143,590	148,343	153,741	158,882	164,196
Operating Surplus / (Deficit)	10,750	4,583	4,233	3,608	4,505	4,339	4,060	3,953	4,175	3,960	3,887	3,535
Asset Disposal & Fair Value Adjustments	(7,630)	-	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	12,062	21,132	2,905	1,585	1,410	100	100	100	100	100	100	100
Physical Resources Received Free of Charge	42	200	200	200	200	200	200	200	200	200	200	200
Net Surplus / (Deficit)	15,224	25,916	7,338	5,393	6,115	4,639	4,360	4,253	4,475	4,260	4,187	3,835
Other Comprehensive Income												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I, PP&E	-	-	3,759	9,877	4,781	6,070	10,707	4,218	5,873	13,912	4,134	4,608
Total Other Comprehensive Income	-	-	3,759	9,877	4,781	6,070	10,707	4,218	5,873	13,912	4,134	4,608
Total Comprehensive Income	15,224	25,916	11,097	15,270	10,895	10,709	15,067	8,472	10,348	18,172	8,321	8,443

City of Charles Sturt													
10 Year Financial Plan for the Years ending 30 June 2029													
BALANCE SHEET - CITY OF CHARLES STURT													
	Actuals	Current Year	Projected Years										
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
ASSETS													
Current Assets													
Cash & Cash Equivalents	2,983	4,041	3,897	-	-	-	-	-	-	-	-	-	
Trade & Other Receivables	8,036	7,616	7,177	7,352	7,540	7,709	7,914	8,129	8,372	8,623	8,867	9,103	
Inventories	107	79	82	86	87	90	92	95	98	101	104	107	
Total Current Assets	11,126	11,736	11,155	7,438	7,627	7,799	8,006	8,224	8,470	8,725	8,972	9,211	
Non-Current Assets													
Equity Accounted Investments in Council Businesses	76	76	76	76	76	76	76	76	76	76	76	76	
Infrastructure, Property, Plant & Equipment	1,124,835	1,187,473	1,213,126	1,226,915	1,227,599	1,235,687	1,245,213	1,246,878	1,253,059	1,270,000	1,273,567	1,281,168	
Other Non-Current Assets	39,899	16,731	17,253	18,784	18,924	18,954	18,496	18,459	18,055	17,696	17,023	17,694	
Total Non-Current Assets	1,164,810	1,204,280	1,230,455	1,245,775	1,246,599	1,254,718	1,263,785	1,265,413	1,271,190	1,287,772	1,290,666	1,298,938	
TOTAL ASSETS	1,175,936	1,216,016	1,241,611	1,253,213	1,254,226	1,262,516	1,271,791	1,273,638	1,279,660	1,296,497	1,299,637	1,308,149	
LIABILITIES		35,069	48,826	44,157	33,440	30,014	23,225	15,574	10,111	7,553	1,144	-	
Current Liabilities													
Cash Advance Debenture	1,451	562	10,620	13,002	6,517	4,364	274	3,203	2,579	4,247	862	-	
Trade & Other Payables	27,242	20,503	21,111	21,920	22,463	23,155	23,834	24,545	25,338	26,173	26,993	27,797	
Provisions	8,298	8,038	8,197	8,359	8,609	8,877	9,147	9,416	9,709	10,040	10,388	10,736	
Total Current Liabilities	36,991	29,104	39,928	43,281	37,589	36,396	33,255	37,165	37,626	40,460	38,243	38,533	
Non-Current Liabilities													
Trade & Other Payables	-	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	
Borrowings	17,685	34,506	38,206	31,155	26,923	25,650	22,952	12,371	7,532	3,306	282	-	
Provisions	1,120	1,380	1,408	1,436	1,479	1,526	1,573	1,620	1,671	1,728	1,789	1,849	
Total Non-Current Liabilities	18,805	40,803	44,530	37,508	33,319	32,093	29,441	18,907	14,120	9,951	6,988	6,766	
TOTAL LIABILITIES	55,796	69,907	84,458	80,789	70,908	68,489	62,697	56,072	51,746	50,412	45,231	45,299	
Net Assets	1,120,140	1,146,109	1,157,152	1,172,423	1,183,318	1,194,027	1,209,094	1,217,566	1,227,914	1,246,085	1,254,407	1,262,850	
EQUITY													
Accumulated Surplus	468,744	494,713	501,998	507,391	513,506	518,145	522,505	526,758	531,233	535,493	539,680	543,515	
Asset Revaluation Reserves	651,396	651,396	655,155	665,032	669,812	675,882	686,589	690,807	696,680	710,592	714,726	719,335	
Total Equity	1,120,140	1,146,109	1,157,152	1,172,423	1,183,318	1,194,027	1,209,094	1,217,566	1,227,914	1,246,085	1,254,407	1,262,850	

City of Charles Sturt 10 Year Financial Plan for the Years ending 30 June 2029 CASH FLOW STATEMENT - CITY OF CHARLES STURT												
	Actuals 2017/18	Current Year 2018/19	2019/20	2020/21	2021/22	Projected Years						
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	103,706	105,991	109,276	112,901	116,763	120,715	124,557	128,605	133,106	137,799	142,402	146,920
Statutory Charges	4,151	4,368	4,510	4,614	4,726	4,838	4,944	5,055	5,182	5,312	5,437	5,555
User Charges	2,849	2,862	3,191	3,265	3,344	3,423	3,498	3,577	3,666	3,759	3,847	3,930
Grants, Subsidies and Contributions (operating purpose)	11,619	8,231	9,208	9,921	10,150	10,380	10,595	10,822	10,580	10,848	11,102	11,256
Investment Receipts	179	160	163	167	171	175	179	183	188	192	197	201
Reimbursements	2,274	799	774	792	812	831	849	868	890	912	934	954
Other	182	172	175	179	183	188	192	196	201	206	211	216
Payments:												
Payments to Employees	(40,398)	(43,587)	(44,249)	(44,779)	(46,100)	(47,579)	(49,553)	(51,013)	(52,633)	(54,483)	(56,696)	(58,788)
Payments for Materials, Contracts & Other Expenses	(51,786)	(43,505)	(43,453)	(44,574)	(45,765)	(47,154)	(49,530)	(50,979)	(52,602)	(54,296)	(56,353)	(58,066)
Finance Payments	(507)	(1,926)	(2,125)	(2,117)	(1,674)	(1,711)	(1,586)	(1,426)	(1,062)	(752)	(177)	-
Net Cash provided (or used in) Operating Activities	32,269	33,563	37,470	40,369	42,610	44,105	44,145	45,888	47,516	49,498	50,902	52,179
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	12,062	12,214	2,905	1,585	1,410	100	100	100	100	100	100	100
Sale of Replaced Assets	2,581	796										
Sale of Surplus Assets	1,101											
Distributions Received from Equity Accounted Council Businesses	12											
Payments:												
Expenditure on Renewal/Replacement of Assets	(55,486)	(28,741)	(25,776)	(31,819)	(26,601)	(29,820)	(28,790)	(29,241)	(31,182)	(32,119)	(32,286)	(34,963)
Expenditure on New/Upgraded Assets	(8,321)	(38,615)	(28,500)	(9,364)	(6,701)	(10,961)	(8,666)	(9,096)	(10,971)	(14,921)	(12,307)	(16,172)
Capital Contributed to Equity Accounted Council Businesses	(12)											
Net Cash provided (or used in) Investing Activities	(48,063)	(54,346)	(51,371)	(39,598)	(31,892)	(40,680)	(37,356)	(38,237)	(42,053)	(46,939)	(44,493)	(51,035)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings	9,808	21,893	13,704	-	-	-	-	-	-	-	-	-
Proceeds from Bonds & Deposits	90											
Payments:												
Repayments of Borrowings			-	(4,668)	(10,718)	(3,426)	(6,735)	(7,651)	(5,463)	(2,558)	(6,410)	(1,144)
Repayment of Aged Care Facility Deposits	(183)											
Net Cash Flow provided (used in) Financing Activities	9,715	21,893	13,704	(4,668)	(10,718)	(3,426)	(6,735)	(7,651)	(5,463)	(2,558)	(6,410)	(1,144)
Net Increase/(Decrease) in Cash & Cash Equivalents	(6,079)	1,110	(197)	(3,897)	1	(1)	54	(0)	(0)	0	(0)	(0)
plus: Cash & Cash Equivalents - beginning of year	9,062	2,983	4,041	3,897	-	0	-	-	-	-	-	-
Cash & Cash Equivalents - end of the year	2,983	4,093	3,844	0	1	(0)	54	(0)	(0)	0	(0)	(0)

City of Charles Sturt 10 Year Financial Plan for the Years ending 30 June 2029 EQUITY STATEMENT - CITY OF CHARLES STURT												
	Actuals 2017/18 \$'000	Current Year 2018/19 \$'000	Projected Years									
			2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Opening Balance	1,104,916	1,120,140	1,146,056	1,157,152	1,172,423	1,183,318	1,194,027	1,209,094	1,217,566	1,227,914	1,246,085	1,254,407
Net Surplus / (Deficit) for Year	15,224	25,916	7,338	5,393	6,115	4,639	4,360	4,253	4,475	4,260	4,187	3,835
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	-	-	3,759	9,877	4,781	6,070	10,707	4,218	5,873	13,912	4,134	4,608
Other Comprehensive Income	-	-	3,759	9,877	4,781	6,070	10,707	4,218	5,873	13,912	4,134	4,608
Total Comprehensive Income	15,224	25,916	11,097	15,270	10,895	10,709	15,067	8,472	10,348	18,172	8,321	8,443
Equity - Balance at end of the reporting period	1,120,140	1,146,056	1,157,152	1,172,423	1,183,318	1,194,027	1,209,094	1,217,566	1,227,914	1,246,085	1,254,407	1,262,850

City of Charles Sturt 10 Year Financial Plan for the Years ending 30 June 2029 UNIFORM PRESENTATION OF FINANCES - CITY OF CHARLES STURT												
	Actuals 2017/18 \$'000	Current Year 2018/19 \$'000	Projected Years									
			2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Operating Activities												
Income	124,960	122,582	126,170	130,186	134,467	138,841	143,078	147,543	152,518	157,701	162,769	167,731
less Expenses	(114,210)	(118,051)	(121,937)	(126,578)	(129,963)	(134,502)	(139,018)	(143,590)	(148,343)	(153,741)	(158,882)	(164,196)
Operating Surplus / (Deficit)	10,750	4,531	4,233	3,608	4,505	4,339	4,060	3,953	4,175	3,960	3,887	3,535
Capital Activities												
less (Net Outlays) on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(55,486)	(28,741)	(25,776)	(31,819)	(26,601)	(29,820)	(28,790)	(29,241)	(31,182)	(32,119)	(32,286)	(34,963)
add back Depreciation, Amortisation and Impairment	27,100	30,480	31,730	33,252	34,924	36,557	38,349	40,171	42,046	44,210	46,360	48,342
add back Proceeds from Sale of Replaced Assets	2,581	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on Existing Assets	(25,805)	1,739	5,954	1,434	8,324	6,737	9,559	10,930	10,864	12,091	14,074	13,379
less (Net Outlays) on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(8,321)	(38,615)	(28,500)	(9,363)	(6,701)	(10,961)	(8,666)	(9,096)	(10,971)	(14,921)	(12,307)	(16,172)
add back Amounts Received Specifically for New and Upgraded Assets	12,062	21,185	2,905	1,585	1,410	100	100	100	100	100	100	100
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	1,101	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on New and Upgraded Assets	4,842	(17,430)	(25,595)	(7,778)	(5,291)	(10,861)	(8,566)	(8,996)	(10,871)	(14,821)	(12,207)	(16,072)
Net Lending / (Borrowing) for Financial Year	(10,213)	(11,160)	(15,408)	(2,736)	7,537	216	5,053	5,887	4,167	1,230	5,754	842

City of Charles Sturt												
10 Year Financial Plan for the Years ending 30 June 2029 - High level Summary												
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit and Loss Statement												
Rates	103,706	105,991	109,276	112,901	116,763	120,715	124,557	128,605	133,106	137,799	142,402	146,920
CPI Increase			2.10%	2.32%	2.42%	2.38%	2.18%	2.25%	2.50%	2.53%	2.34%	2.17%
Rates Growth			1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Total Rates Income Increase			3.10%	3.32%	3.42%	3.38%	3.18%	3.25%	3.50%	3.53%	3.34%	3.17%
Employee Costs	40,398	43,087	44,249	45,134	46,600	48,079	49,553	51,013	52,633	54,483	56,396	58,288
Depreciation	27,100	30,480	31,730	33,252	34,924	36,557	38,349	40,171	42,046	44,210	46,360	48,342
Operating Surplus	10,750	4,583	4,233	3,608	4,505	4,339	4,060	3,953	4,175	3,960	3,887	3,535
Balance Sheet												
Infrastructure PP&E	1,124,835	1,187,473	1,213,126	1,226,915	1,227,599	1,235,687	1,245,213	1,246,878	1,253,059	1,270,000	1,273,567	1,281,168
Borrowings	19,136	35,122	48,826	44,157	33,440	30,014	23,279	15,627	10,165	7,607	1,197	53
Note 15 Ratios												
Operating Surplus Ratio	Traffic Light											
	Actual Ratio	3.7%	3.4%	2.8%	3.3%	3.1%	2.8%	2.7%	2.7%	2.5%	2.4%	2.1%
Net Financial Liabilities Ratio	Traffic Light											
	Actual Ratio	47.6%	58.2%	56.4%	47.1%	43.8%	38.3%	32.5%	28.4%	26.5%	22.3%	21.6%
Asset Renewal Funding Ratio	Traffic Light											
	Actual Ratio	84.3%	100.0%	100.0%	100.0%	100.0%	104.6%	106.9%	109.8%	112.5%	115.5%	117.4%
Interest Cover Ratio	Traffic Light											
	Actual Ratio	1.4%	1.6%	1.5%	1.1%	1.1%	1.0%	0.8%	0.6%	0.4%	0.0%	-0.1%
Annual Operating Projects	2,065	2,348	2,403	2,461	2,520	2,575	2,632	2,698	2,766	2,831	2,893	
Capital Program												
Capital Renewal NET	28,741	25,776	31,819	26,601	29,820	28,790	29,241	31,182	32,119	32,286	34,963	
Capital New NET	38,615	28,500	9,364	6,701	10,961	8,666	9,096	10,971	14,921	12,307	16,172	
	67,356	54,276	41,183	33,302	40,780	37,456	38,337	42,153	47,039	44,593	51,135	

NOTE : this adopted LTFF provided the basis for development of the annual budget and high level parameters, noting that the final budget for 2019/20 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 LTFF 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 2019.

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

Core Business

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

Contracted Services

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

Key Outputs

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

Core Business***Admin/Governance***

- Research & Analysis

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

- Information Services

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

- Financial Services

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

- Governance & Risk

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

Core Business
Admin/Governance (cont.)

Key Outputs

- Human Resource Management
 - Supports and guides People and culture issues that meet both the human resource needs of the organisation and the satisfaction and development needs of staff.
 - Ensure staff are paid accurately and on time.
 - Manage employment records and documentation.
 - Manage and ensures compliance with the industrial instruments relating to employment conditions.
 - Manages non work related injuries and fit for work process for employees.

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

- Waste & Environment Sustainability Programs
 - Coordinate Council's environmental response by developing and implementing our environmental plan 'Living Green to 2020'.
 - Implement the AdaptWest Climate Change Adaptation Program in partnership with the Cities of Port Adelaide Enfield and West Torrens, to identify and manage risks and opportunities presented by a changing climate.
 - Coordinate programs to reduce environmental impacts from Council operations.
 - Provide strategic direction/advice to Council Members on best practice waste and recycling services and environment sustainability issues and programs.
 - Coordinate programs to engage with the community for positive environmental outcomes.

Core Business

- Waste & Environment Sustainability Programs **continued**

Customer Relations

- Corporate Promotions
- Communications

Key Outputs

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

Core Business

Engineering

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

Key Outputs

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

Core Business***Library Services***

- Library Service

Key Outputs

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

Open Space, Recreation & Property

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

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

Core Business***Planning & Development***

- Development Assessment
- Development Control
- Development Compliance

Emergency & After Hours Response

- Rapid Response
- After Hours Callout

Public Health & Safety

- Customer Contact
- Community Safety

Key Outputs

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

Core Business (cont.)

- Community Safety
- Animal Management

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.
- 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 2019/2020

Schedule 1: Statement of Comprehensive Income

	2020	2019
	\$'000	\$'000
Revenue		
Rates	109,861	105,991
Statutory Charges	4,383	4,368
User Charges	3,304	2,862
Grants, Subsidies and Contributions	8,806	6,764
Investment Income	102	160
Reimbursements	616	595
Other revenues	174	172
Total Revenues	127,246	120,912
Expenses		
Employee Costs	43,634	42,750
Materials, Contracts and Other	44,981	42,386
Finance Costs	1,801	1,926
Depreciation, Amortisation and Impairment	31,730	30,480
Total Expenses	122,146	117,542
Operating Surplus/(Deficit)	5,100	3,370
Capital Amounts		
Physical resources received free of charge	200	200
Amounts specifically for new or upgraded asset	2,950	11,418
	3,150	11,618
Net Surplus/(Deficit)	8,250	14,988
Other Comprehensive income	0	0
Total Comprehensive Income	8,250	14,988

Schedule 2: Cashflow Statement

	2020	2019
	\$	\$
	Inflows(outflows)	Inflows(outflows)
	\$'000	\$'000
Cash Flows from Operating Activities		
Operating Receipts	127,050	120,752
Investment receipts	112	160
Operating Payments to suppliers and employees	(83,923)	(85,136)
Finance payments	(1,801)	(1,926)
Net Cash Flows provided by (used in) Operating Activities	41,438	33,850
Cash Flows from Financing Activities		
Receipts		
Proceeds from Borrowings	14,614	22,129
Proceeds from Aged care Facility deposits	500	500
Payments		
Repayments of Borrowings	(957)	(837)
Repayment of Aged care Facility Deposits	(500)	(500)
Net Cash provided for (used in) Financing Activities	13,657	21,292
Cash Flows from Investing Activities		
Receipts		
Sale of replaced assets	945	796
Grants specifically for new of upgraded assets	2,950	11,418
	3,895	12,214
Payments		
Expenditure on renewal/replacement of assets	(27,604)	(28,741)
Expenditure on new/upgraded assets	(31,386)	(38,615)
	(58,990)	(67,356)
Net Cash used in Investment Activities	(55,095)	(55,142)
Net Increase (Decrease) in Cash Held	0	0
Cash and cash equivalents at Beginning of Reporting Period	1,610	5,345
Cash and cash equivalents at End of Reporting Period	1,610	5,345

Schedule 3: Balance Sheet

	2020	2019
	\$'000	\$'000
ASSETS		
Current Assets		
Cash and Cash equivalents	1,610	5,345
Trade and Other receivables	10,294	5,833
Inventories	83	65
Total Current Assets	11,987	11,243
Non-Current Assets		
Equity accounted investments in council business	76	88
Infrastructure, Property, plant and equipment	1,235,366	1,190,653
Other non-current assets	17,253	12,348
Total Non-Current assets	1,252,695	1,203,089
TOTAL ASSETS	1,264,682	1,214,332
LIABILITES		
Current Liabilities		
Trade and Other Payables	17,634	26,129
Borrowings	5,868	870
Provisions	8,197	8,997
Total Current Liabilities	31,699	35,996
Non-Current Liabilities		
Long Term Borrowings	39,213	44,783
Long Term Provisions	1,408	1,770
Trade and Other Payables	4,917	0
Total Non-Current liabilities	45,538	46,553
TOTAL LIABILITES	77,237	82,549
Net Assets	1,187,445	1,131,783
EQUITY		
Accumulated Surplus	502,910	480,387
Reserves	684,535	651,396
TOTAL EQUITY	1,187,445	1,131,783

Schedule 4: Statement of Changes in Equity**2020**

	Accumulated Surplus \$'000	Asset revaluation reserve \$'000	Total Equity \$'000
Accumulated Surplus			
Balance at end of previous reporting period	494,660	684,535	1,179,195
Net Result for year	8,250		8,250
Other Comprehensive income		0	0
Balance at end of period	502,910	684,535	1,187,445

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
	480,387	651,396	1,131,783

Schedule 5: Summary of Operating and Capital Investment Activities

		2020	2019
		\$	\$
	Operating Revenue	127,246	120,912
	Less Operating Expenses	(122,146)	(117,542)
	Operating Surplus/(Deficit) before Capital Amounts	5,100	3,370
Less	Net Outlays on Existing Assets		
	Capital expenditure on renewal and replacement of existing assets	27,604	28,741
	Less Depreciation, Amortisation and Impairment	(31,730)	(30,480)
	Less proceeds from sale of Replaced Assets	(945)	(796)
		(5,071)	(2,535)
Less	Net Outlays on new and Upgraded Asses		
	Capital expenditure on New and Upgraded assets	31,386	38,615
	Less amounts received specifically for New and Upgraded assets	(2,950)	(11,418)
	Less proceeds from Sale of Surplus Assets	0	0
		28,436	27,197
Equals	Net Lending / (Borrowing) for Financial year	(18,265)	(21,292)

Schedule 6: Statement of Financial Indicators

	Key Financial Indicators	
	2020	2019
Operating surplus/deficit - \$'000	5,100	3,370
Operating surplus ratio	4.0%	2.8%
Net Financial Liabilities - \$'000	65,333	71,371
Net Financial Liabilities ratio	51.6%	59.0%
Interest cover ratio	1.4%	1.5%
Asset sustainability ratio (AMP)	104.9%	106.4%



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 24/6/2019 Item x.xx
Last Reviewed:	June 2019
Next Review Due:	June 2020
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 2019/20 financial year Council has considered the following:

- its Community Plan 2016-2027 Charles Sturt – A Leading, Liveable City;
- its Long Term Financial Plan Estimates 2019-2029;
- its Budget Principles;
- the current economic climate;
- the specific issues faced by our community;
- the Annual Business Plan and Budget for the 2019/2020 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 8 July 2019 Council decided to raise rate revenue of \$109,909,000 in a total operating revenue budget of \$127,245,584. The Council has set the following differential general rates.

- (a) 0.254811520 cents in the dollar on rateable land of category 1 (residential) use;
- (b) 0.8071194550 cents in the dollar on rateable land of categories 2, 3 and 4 (Commercial shop, commercial office or commercial other) use;
- (c) 1.1038159350 cents in the dollar on rateable land of categories 5 and 6 (industrial light & industrial other) use;
- (d) 0.2257939080 cents in the dollar on rateable land of category 7 (primary production) use;
- (e) 0.861351782 cents in the dollar on rateable land of category 8 (vacant land) use;
- (f) 0.4156516090 cents in the dollar on rateable land of category 9 (other) use.

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

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

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

MINIMUM RATE

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

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

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 0.009290 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. This concession is paid directly into the individual's bank account and can be used towards either electricity, gas, water bills or council rates.

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

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

CONCESSIONS FOR SELF-FUNDED RETIREES

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

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

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

PAYMENT OF RATES

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

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

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

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

Personally at the following Council Service Centres:

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

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

By telephone using:

- 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 2019/20 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 2019/20 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 2020; and
- (b) a dwelling has been substantially commenced on the property by 30 June 2020, 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 2019 a full rebate will be given but if the footings are poured after 31 December 2019 a 50% rebate will be given with the rebate being the difference in monetary terms between the rates that would have been paid in respect of the Assessment if it had been used at the date of declaration of the rates for residential purposes and the actual amount paid after deducting any other rebate granted within the rating period.

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

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

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

Rate Capping

To provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation, a rebate of general rates for the 2019/20 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 2018/19 financial year (after any rebate was applied) and the amount of general rates imposed for the 2019/20 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 2019/20 financial year and the amount of general rates in monetary terms payable for the 2018/19 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 2019/20 financial year than on the date the Council declared its general rates for the 2018/19 financial year, or
- (d) the ownership of the rateable property has changed since 1 July 2018.

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 2019/20 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 2018/19 financial year of \$31 they will be eligible for a remission of \$31 on the minimum rate applicable for 2019/20 year.

If the ratepayer received a remission on the minimum rate applicable for the 2018/19 financial year of \$8 they will be eligible for a remission of \$8 on the minimum rate applicable for 2019/20 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).

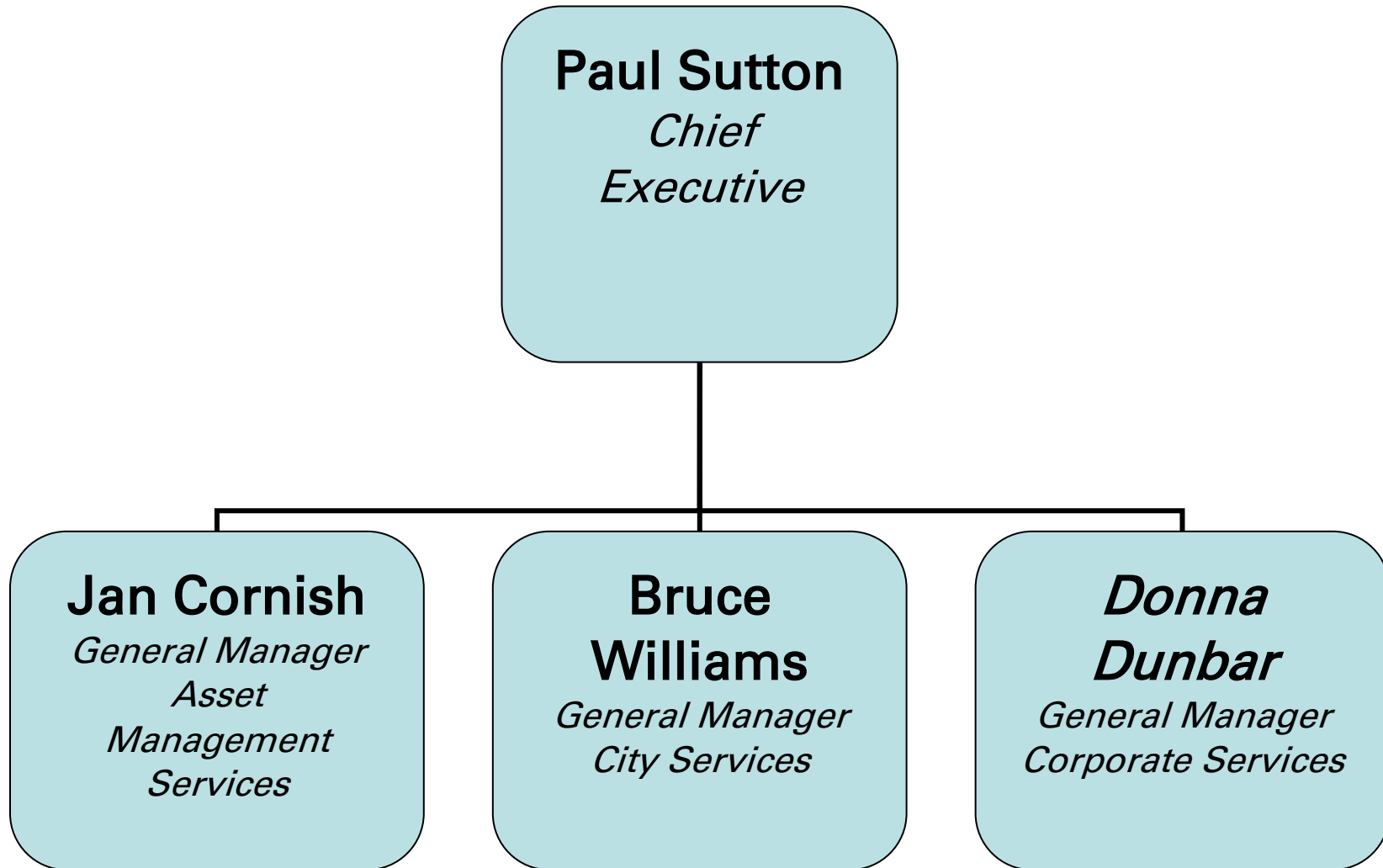
A Council must also postpone all rates over \$500, on application by a 'senior' who satisfies the various criteria set out at Section 182A of the Act.

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 2019/20

Name	Budget Bid Description	Budget Bid Income \$ 2019/20	Budget Bid Expenses \$ 2019/20	Net Budget Bid \$ 2019/20
Public Lighting Renewal 19/20 Bid ID PBB-00000790	Renewal of lighting in the following areas with energy efficient LED lighting, including new poles, wiring and fittings: 1. RTLP - Breakout Reserve North and South 2. Butler Reserve 3. Tiranna Reserve to Cooba Way	\$0	\$296,000	\$296,000
Bus Stop Renewals 2019/20 Bid ID PBB-00000798	Renew Bus Stops and bring them in line with the requirements of the Disability Discrimination Act, including adequate clear space, tactile ground surface indicators and access to the bus stop. Upgrade bus stop pavements in line with the Department of Planning Transport and Infrastructures' design layout where possible or DDA requirements as a minimum.	\$0	\$400,000	\$400,000
Path Renewals 2019/20 Bid ID PBB-00000799	Renewal of paths in line with Path Asset Management Plan recommendations and Condition Audit which have been scoped as being warranted for renewal or which provide a significant strategic benefit.	\$0	\$3,900,000	\$3,900,000
Car Park Renewal Program of Works 2019/20 Bid ID PBB-00000801	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 This bid is reduced by \$508,000, contribution to Port Rd Drainage Project - two Carparks will be renewed as part of this project.	\$0	\$77,848	\$77,848

<p>Road Reconstruction Program of Works 2019/20</p> <p>Bid ID PBB-00000802</p>	<p>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 2019/20 includes Arlington Terrace, West Hindmarsh, Hawker Street, Ridleyton, Lamont Street, Renown Park, Fiveash Place & Wadham Street, Brompton, Sportsman Drive, West Lakes and Kerb & Gutter in DPTI Roads - Grange Road, Trimmer Parade & Addison Road.</p> <p>This bid includes \$400,000 of required stormwater works associated with road reconstruction projects (identified in Stormwater AMP).</p>	\$0	\$5,418,308	\$5,418,308
<p>Road Rehabilitation Program of Works 2019/20</p> <p>Bid ID PBB-00000803</p>	<p>Undertake works to extend the useful life of road pavements by using the following rehabilitation treatments:</p> <ol style="list-style-type: none"> 1. Crack Sealing treatment 2. Kerb & Gutter Renewal 3. Road Preservation & Rejuvenation treatments 4. Road Asphalt overlay 5. Large Area Patching using Plane & Reinstatement treatment 	\$0	\$5,917,197	\$5,917,197
<p>Sporting Club and Council Building Renewals - Capital 2019/2020</p> <p>Bid ID PBB-00000815</p>	<p>Renewal of building components based on condition and remaining life of the components. As listed in the description and Building Asset Management Plan Renewal Council Buildings Include:</p> <p>56 Woodville Road \$ 47,525</p> <p>Findon Community Centre \$ 28,169</p> <p>Various public toilet blocks \$332,351</p> <p>Henley Memorial Oval clubrooms \$ 122,100</p> <p>Horticultural Centre \$94,812</p> <p>Henley Town Hall and Library \$80,626</p> <p>Woodville Town Hall \$132,644</p>	\$0	\$838,227	\$838,227

<p>Council Operated Buildings - Office Furniture Replacement 2019/2020</p> <p>Bid ID PBB-00000816</p>	<p>Council Operated Buildings Office Furniture Replacement 2019/2020</p> <p>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.</p>	\$0	\$45,000	\$45,000
<p>Asset Contingency Building Works 2019/2020</p> <p>Bid ID PBB-00000817</p>	<p>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.</p> <p>It also allows for emergency building works, building stormwater services, sewer and minor building works, in five aged care complexes (91 Units), 50 Sporting Clubs, Commercial Properties, Civic and Admin buildings, Community Centre and Libraries, Community Halls and Toilet Facilities.</p>	\$0	\$130,000	\$130,000
<p>Sporting Club Changeroom Upgrade to Unisex 2019/2020</p> <p>Bid ID PBB-00000818</p>	<p>Sporting club changeroom renewal to accommodate female participation.</p> <p>The work includes renewal of change room fittings and fixtures, ceramic tiles and the removal of urinals to provide unisex facilities. Should funding not be successful only one club can be delivered in 2019/2020 – Flinders Park Football Club.</p>	\$600,000	\$1,200,000	\$600,000
<p>Box Culvert Replacement - 2019/20</p> <p>Bid ID PBB-00000823</p>	<p>To replace existing box culverts in poor condition:</p> <ol style="list-style-type: none"> 1. Wanda Avenue Findon - 325m of 600mm x 375mm RCBC 2. Military Road Semaphore Park - 15m of 600mm x 225mm RCBC 3. Design and investigation for 2020/21 projects 	\$0	\$860,000	\$860,000

<p>Palm Grove - Unit ceiling insulation & fence replacement 2019/2020</p> <p>Bid ID PBB-00000825</p>	<p>Renewal of the brush fences and unit ceiling insulation replacement for the 21 units situated at Palm Grove due to age and deterioration.</p> <p>The brush fences do not comply with the current BCA as they are closer than 3 metres from the buildings. Replacement with colour bond fencing will make them comply and reduce the risk of fire.</p>	\$0	\$115,000	\$115,000
<p>AMP Fences, Walls and Bollards 2019/20</p> <p>Bid ID PBB-00000827</p>	<p>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.</p>	\$0	\$262,360	\$262,360
<p>AMP Playground Renewals 2019/20</p> <p>Bid ID PBB-00000828</p>	<p>To renew playgrounds throughout the city as per the Open Space and Recreation Asset Management Plan 2019/20 at the following reserves: Alton Reserve, Matheson Reserve, Newlands Reserve, Cheltenham and Raymond Reserve.</p>	\$0	\$644,272	\$644,272
<p>Beach Access Ways 2019/20</p> <p>Bid ID PBB-00000830</p>	<p>The continuation of the beach access way renewals/ upgrade program. This program commenced in 2007 and involves progressive upgrade of the east-west beach access ways of which Council has approximately 100. This will include renewal of Coast Park Path access way connections in the section of coast from Grange to Semaphore Park connecting with the new coast park in that area.</p>	\$0	\$140,000	\$140,000
<p>Large Concrete Footpath and Kerb and Gutter Renewal 2019/20</p> <p>Bid ID PBB-00000831</p>	<p>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.</p>	\$0	\$900,000	\$900,000
<p>Kerb Ramp Renewal DDA Compliance 2019/20</p> <p>Bid ID PBB-00000832</p>	<p>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.</p>	\$0	\$509,000	\$509,000

<p>Footpath Renewal Block Paved Path Large Area Renewal 2019/20</p> <p>Bid ID PBB-00000833</p>	<p>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. A portion of the budget will also be used to upgrade paved bus stops to meet DDA specifications.</p>	\$0	\$418,000	\$418,000
<p>Renewal of Stormwater Network Inspection Camera</p> <p>Bid ID PBB-00000846</p>	<p>Replacement of existing Stormwater Network Inspection camera and associated equipment as the existing equipment is 7 years old and was installed in the 2011-2012 financial year. The equipment is at end of life and becoming obsolete and difficult and expensive to repair.</p> <p>The camera is essential in inspecting and recording the condition of the stormwater network to inform Asset Management Plans in determining renewal priorities and long-term stormwater network planning.</p> <p>The camera also identifies any drain blockages to mitigate against the risk of flooding and determine stormwater maintenance priorities.</p>	\$0	\$284,000	\$284,000
<p>Stormwater Gross Pollutant Trap Equipment Upgrade</p> <p>Bid ID PBB-00000859</p>	<p>Renewal of existing Gross Pollutant Traps (GPT) at Apex Park and Maramba Reserve with the new Ecosol trash racks into the existing older GPTs. This will allow for safer cleaning, and increased rubbish retention.</p> <p>These two GPT's will receive an increase in volumes due to the reduction in size of the Apex Park wetlands in West Torrens and increased development in the "West Land Division".</p>	\$0	\$40,000	\$40,000
<p>AMP Sport Facilities - 2019/20 renewal</p> <p>Bid ID PBB-00000861</p>	<p>To renew sports facilities throughout the City as per the Open Space and Recreation Asset Management Plan 2019/20. Works includes the renewal of Beachway Reserve basketball court and backboard.</p>	\$0	\$14,685	\$14,685

AMP Irrigation - 2019/20 renewals Bid ID PBB-00000862	Renewal of irrigation systems in accordance with the Open Space & Recreation Infrastructure AMP 2019/20. This includes renewal of systems (pipes and sprinklers), controllers and provision of tanks and pumps where required.	\$0	\$757,540	\$757,540
Traffic Safety Improvement - Intersection Treatments - Belmore Terrace Bid ID PBB-00000864	Renewal of intersection traffic control devices in Belmore Terrace, at the intersections of Hughes Street North, Park Street North and Dale Street.	\$0	\$395,000	\$395,000
AMP Reserve and Street Furniture - 2019/20 renewals Bid ID PBB-00000865	AMP Reserve and Street Furniture - 2019/20 renewals.	\$0	\$252,000	\$252,000
Angley Reserve Playground Renewal - 2019/20 Bid ID PBB-00000877	Renewal of existing playground equipment and safety surfacing (softfall) at Angley Reserve, Findon.	\$0	\$136,000	\$136,000
Replacement of Two Way Radios for Community Safety Officers Bid ID PBB-00000896	Replacement of two-way radios and implementation of the required infrastructure to ensure reliable and immediate communication with Community Safety Officers in the field. GPS and duress functionality will increase Officer safety and the ability to deploy back-up or request police attendance if required. The current assets are unreliable and have frequently been sent in for repair adding to the initial cost outlay.	\$0	\$25,000	\$25,000
Light Fleet Replacement Bid ID PBB-00000906	To replace Light Fleet that has reached the optimum replacement point in accordance with the Fleet Asset Management Plan (CL 25/02/2019, Part 1, 2.2, Item 3.05) to provide fit for purpose vehicles.	\$512,700	\$1,018,500	\$505,800
Major Heavy Plant Replacement Bid ID PBB-00000907	Major Heavy Plant Replacement program to replace Council's major plant in accordance with the Fleet Asset Management Plan (CL 25/02/2019, Part 1, 2.2, Item 3.05). Emissions, fit for purpose and cost-effective replacement point.	\$431,900	\$1,727,600	\$1,295,700
Rewewal of Corporate Firewall Bid ID PBB-00000909	Implement higher grade and smaller footprint firewalls with good unified threat protection capabilities, to securely access internet traffic and applications in the cloud.	\$0	\$60,000	\$60,000

Desktop PC and Mobile Device Replacement Program Bid ID PBB-00000917	Renew Council owned desktop PC and mobile devices in accordance with the Information Technology Asset Management Plan adopted by Council 19/2/2018 Asset Mgt Committee - Item 3.04.	\$0	\$508,000	\$508,000
Replacement of Audio-Visual Equipment for Cheltenham Community Centre Bid ID PBB-00000922	Replacement of audio-visual equipment removed from Cheltenham Community Centre during ceiling replacement in 2018, with audio, video and control cabling compatible with newly constructed vaulted ceilings.	\$0	\$25,000	\$25,000
Renewal of irrigation system and improved landscaping at Greenfield Reserve, West Lakes Shore. Bid ID PBB-00000925	Undertake works associated with a new irrigation system (including a tank and pump) and landscaping at Greenfield Reserve West Lakes Shore.	\$0	\$204,800	\$204,800
New Irrigation Construction Employee Bid ID PBB-00000937	One Full Time Employee required for the Cross-Council Irrigation Construction Team.	\$0	\$85,000	\$85,000
Total		\$1,544,600	\$27,604,337	\$26,059,737