AGENDA

FOR AUDIT AND RISK COMMITTEE MEETING TO BE HELD ON

12 APRIL 2022 AT 6.30 PM

IN LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB, 34 CHURCH STREET, SALISBURY

MEMBERS

Cr G Reynolds (Chair)
Cr K Grenfell (Deputy Chair)
Ms P Davies
Mr N Ediriweera
Mr C Johnson

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Mr R Deco
Team Leader Corporate Governance, Mr B Kahland
Internal Auditor & Risk Coordinator, Mr H Rafeeu

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Audit and Risk Committee Meeting held on 16 February 2022.

REPORTS

Administration

For Decision

For Information

QUESTIONS ON NOTICE

There are no Questions on Notice

QUESTIONS WITHOUT NOTICE

MOTIONS ON NOTICE

There are no Motions on Notice

MOTIONS WITHOUT NOTICE

OTHER BUSINESS

7.4.1   Presentation on Business Transformation Project *(No Report - Verbal Presentation)*

7.4.2   Presentation on Long Term Financial Plan

CLOSE

MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD IN LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB, 34 CHURCH STREET, SALISBURY ON

16 FEBRUARY 2022

MEMBERS PRESENT

Cr G Reynolds (Chair)
Cr K Grenfell (Deputy Chair)
Ms P Davies *(from 6:36pm via Teams VC)*
Mr N Ediriweera
Mr C Johnson *(via Teams VC)*

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto *(via Teams VC)*
Manager Governance, Mr R Deco
Team Leader Corporate Governance, Mr B Kahland
Internal Auditor & Risk Coordinator, Mr H Rafeeu

The meeting commenced at 6:30pm

The Chairman welcomed the members, staff and the gallery to the meeting.

APOLOGIES

An apology was received from Paula Davies, who then joined via video conferencing at 6.36 pm.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr K Grenfell
Seconded Mr N Ediriweera

The Minutes of the Audit Committee meeting held on 09 November 2021 be taken as read and confirmed.

CARRIED

REPORTS

Administration

7.0.1   Future Reports for the Audit Committee
(please note there are no forward reports as a result of a Council resolution to be listed at this time)

7.0.2   Actions List

Moved Mr N Ediriweera
Seconded Mr C Johnson

That Council:

1.   Notes the report.

CARRIED

For Decision

7.1.1   Audit & Risk Committee Annual Work Plan 2021/2022

Moved Cr K Grenfell
Seconded Mr N Ediriweera

That Council:

1.   Approves the revised Audit & Risk Committee Annual Work Plan for 2021/2022 as set out in Attachment 1 to this report (Audit & Risk Committee, 16 February 2022, Item No.7.1.1).

CARRIED

7.1.2   3-Year Internal Audit Plan 2021/22-2023/24

Moved Cr K Grenfell
Seconded Mr N Ediriweera

That Council:

1. Approves the updates made to the 3-year Internal Audit Plan 2021/2022 to 2023/2024 as set out in Attachment 1 to this report (Audit and Risk Committee, 16/02/2022, Item No.7.1.2) with the exception that:

    (a)   The IT Disaster Recovery Plan audit be considered by Administration for rescheduling to the last quarter of 2022/2023, and

    (b)   A further report be provided to the next Audit & Risk Committee meeting revising the 3-year Internal Audit Plan including part (a).

2. Approves the accompanying high-level indicative scope for pending audits as set out in Attachment 2 of this report (Audit and Risk Committee, 16/02/2022, Item No.7.1.2).

CARRIED

7.1.3   Outstanding Actions Arising From Internal Audits

Moved Cr K Grenfell
Seconded Ms P Davies

That Council:

1.   Notes the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Audit Committee, 16/02/2022, Item No.7.1.3) and the Contaminated Land and Water Integrated Risk Management Action Plan prepared to implement the recommendation in Audit Log Action Register item 35, as outlined in attachment 2 of this report (Audit Committee, 16/02/2022, Item No.7.1.3).

CARRIED

7.1.4 **Risk Management and Internal Controls Activities**

Moved Mr C Johnson
Seconded Ms P Davies

That Council:

1. Notes the update on Risk Management and Internal Controls Activities for 2021/2022 since the 9th November 2021 Audit & Risk Committee meeting, as set out in Attachment 1 to this report (Audit & Risk Committee, 16/02/2022, Item No.7.1.4).

2. Notes the Strategic Risk Register as set out in Attachment 2 to this report (Audit & Risk Committee, 16/02/2022, Item No.7.1.4).

CARRIED

7.1.5 **Audit & Risk Committee Performance Self-Assessment**

Moved Cr K Grenfell
Seconded Mr N Ediriweera

That Council:

1. Approves the self-assessment survey questions, as set out in Attachment 1 to this report (Audit and Risk Committee, 16/02/2022, Item No. 7.1.5) for issuance to members of the Audit and Risk Committee for completion following the February 2022 Council meeting, with results to be collated and presented at the next Audit and Risk Committee meeting.

CARRIED

OTHER BUSINESS

A&R-OB1 - Presentation on Business Transformation Project
(No Report - Verbal Presentation)
Presentation deferred to the next Audit & Risk Committee Meeting

The meeting closed at 7:23pm.

CHAIRMAN……………………………………….

DATE…………………………………………….

ITEM	7.0.2
	AUDIT AND RISK COMMITTEE
DATE	12 April 2022
HEADING	Actions List
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	An action list has been developed to capture actions arising out of the Audit and Risk Committee meetings. These actions do not replace the minutes from the Audit and Risk Committee, or the recommendations of the Committee that were submitted to the Council for adoption. They are included in this report to support the Audit and Risk Committee.

RECOMMENDATION

That Council:

1. Notes the report.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

1.1 The Audit and Risk Committee has requested that an action list be maintained and included as an item on the agenda for each meeting. This report contains a list of actions identified at previous Audit and Risk Committee meetings.

1.2 The list of actions does not replace the minutes from the Audit and Risk Committee.

2. REPORT

2.1 The action list contains information regarding the date on which the action was identified, a description of the action, the action owner, the expected due date for completion of the action and the current status of the action.

2.2 Below is the list of actions arising out of the Audit and Risk Committee meetings, which has been compiled for the purpose of supporting the Audit and Risk Committee.

2.3 Actions will remain on the action list until reported as completed. Once the action has been completed, and that completion has been reported to the Audit and Risk Committee, the item will be removed from the actions list.

No	Date	Action	Owner	Due Date	Status
24.	13/07/2021	Provide an assurance map for the City of Salisbury and include an intermediate update on the status of overall risk management practices and plans at the City of Salisbury.	Internal Auditor and Risk Coordinator	~~Mar 2022~~ June 2022	In Progress, extended to June 2022. Consultative sessions with all stakeholders not completed in time to complete the Assurance Map.
28	16/02/2022	For the 3-year Internal Audit Plan: (a) The IT Disaster Recovery Plan audit be considered by Administration for rescheduling to the last quarter of 2022/2023, and (b) A further report be provided to the next Audit & Risk Committee meeting revising the 3-year Internal Audit Plan including part (a).	Manager Governance	April 2022	Completed. Revised version included in the report to this Audit & Risk Committee meeting, item 7.1.2.

3.   CONCLUSION / PROPOSAL

3.1   An action list has been developed for the Audit and Risk Committee. The action list will be maintained and presented to each Audit and Risk Committee meeting with an update on status of the relevant items. Any additional actions identified by the Audit and Risk Committee will be included on the action list as they arise.

Item 7.0.2

ITEM	7.1.1
	AUDIT AND RISK COMMITTEE
DATE	12 April 2022
HEADING	Audit & Risk Committee Annual Work Plan 2022/2023
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	The Audit & Risk Committee Annual Work Plan for the next financial year 2022/2023 and the last remaining reporting period for 2021/2022 are attached for review and review by the Audit & Risk Committee.

RECOMMENDATION

That Council:

1. Approves the revised Audit & Risk Committee Annual Work Plan for the next financial year 2022/2023 and changes to the remaining reporting period 2021/2022 as set out in Attachment 1 to this report (Audit & Risk Committee, 12 April 2022, Item No.7.1.1).

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Audit Committee Annual Work Plan 2022-2023

1. BACKGROUND

1.1 The Annual Work Plan 2021/2022 was last presented to the Audit & Risk Committee (formerly, Audit Committee) at its meeting held on 16 February 2022.

1.2 The purpose of the Audit & Risk Committee Annual Work Plan is to ensure that all essential areas are covered by the Audit & Risk Committee, in performing its roles and responsibilities mandated under the *Local Government Act 1999* ("the Act").

2. REPORT

2.1 The key changes made to the Audit & Risk Committee Annual Work Plan 2021/2022 remaining reporting period (April 2022) are as follows:

2.1.1 Fleet/Heavy Vehicle Management, High Value & Portable Asset Audit fieldwork was put on hold, following the 3-year internal audit plan rationalisation, and due to the Internal Auditor & Risk Coordinator having to focus more on risk management initiatives. This audit is scheduled to recommence in May 2022 and is expected to be completed and presented to the July 2022 Audit & Risk Committee meeting.

2.1.2   The Assurance Map planned for the April 2022 meeting is now rescheduled to be presented to the July 2022 meeting. Stakeholder consultation has not been completed in time to finalise the Assurance Map.

2.1.3   The Local Government Association Mutual Liability Scheme (LGAMLS) Risk Review 2021 Report was initially intended to be presented to April 2022 meeting. However, this item is now removed as a COS risk review was not scheduled by the LGAMLS for this year.

2.2   Items for the next financial year 2022/2023:

2.2.1   Standard items for every financial year including review of audited financial statements, meeting with the External Auditor, review of annual plan, budget, long term financial plan, review of treasury policy, review of internal audit plan, update on risk management and internal control activities are included around the usual reporting time periods.

2.2.2   The following internal audit reports are scheduled for submission to the Audit & Risk Committee:

- Cyber security improvement program pre-implementation audit report, deferred to July 2022 meeting, as it was not finalised by Opsys in time for April 2022 meeting.
- Fleet/Heavy Vehicle Management, High Value & Portable Asset Audit report for July 2022 meeting.
- Strategic Reporting Process Audit report for November 2022 meeting.
- Data Governance Audit report for November 2022 meeting.
- IT Investment Strategy report for February 2023 meeting.

The IT Disaster Recovery Audit is scheduled to commence in the last Quarter of 2022/2023 and therefore the report will be completed for the next reporting period in July 2023.

3.   CONCLUSION / PROPOSAL

3.1   This report outlines the new Audit & Risk Committee Annual Work Plan for 2022/2023 financial year period and the status of items for the last reporting period of 2021/2022.

Audit & Risk Committee - Annual Work Plan 2022/2023

(Updated for 12/04/2022 Meeting)

No.	Activity	Relevant Touch points (LG Act / TOR)	Remainder of FY 2021 / 2022 Apr-22	FY 2022 / 2023 Jul-22	Oct-22	Nov-22	Feb-23	Apr-23	Comments
1.0	Financial Reporting	s126(4)(a)							
1.1	Review Annual Financial Statements for FY2022/23 - Review Asset Valuations 2022/23 - Review methodology and approach to Depreciation 2022/23	"			▣				
1.2	Reviewing significant accounting and reporting issues, recent changes in standards and industry updates 2022/23	"			▣				
1.3	Review Asset Valuations 2022/23	"		▣	▣				
1.4	Review methodology and approach to Depreciation 2022/23	"		▣	▣				
2.0	Internal Controls	s126(4)(c)							
2.1	Review Better Practice Model Self-Assessment (External Auditor reviews as part of Controls certification)	"		▣					
2.2	Annual Report - Internal Controls Framework and Audit Committee sections (draft in April / Final in July)	"		▣					
2.3	Review Internal Control Policies and Procedures	"	▣						Will be covered within the ERM Framework to be presented to July 2022 meeting
3.0	Risk Management	s126(4)(c)							
3.1	Review of Strategic Risk Register	"	▣	▣		▣	▣	▣	
3.2	Risk Management & Internal Control Activities	"	▣	▣		▣	▣	▣	

Audit & Risk Committee - Annual Work Plan 2022/2023

(Updated for 12/04/2022 Meeting)

No.	Activity	Relevant Touch points (LG Act / TOR)	Remainder of FY 2021 / 2022 Apr-22	FY 2022 / 2023 Jul-22	Oct-22	Nov-22	Feb-23	Apr-23	Comments
3.3	Local Government Association Mutual Liability Scheme (LGAMLS) Risk Review 2021 Report	"	⬛						Removed, as COS risk review was not scheduled by the LGAMLS for this year.
3.4	Assurance Map	"	⬛	⬛					Reschedueld to July 2022 to accommodate further stakeholder consultation.
3.5	ERM Framework	"	⬛	⬛					ERM Framework has been reviewed by Executives and advised to take through more internal stakeholder cosultation prior to submission to Audit & Risk Committee. Hence deferred to July 2022 meeting.
4.0	Internal Audit	s126(4)(c)							
4.1	Review Internal Audit Plan	"	⬛	⬛		⬛	⬛	⬛	
4.2	Review the status of Outstanding Audit Actions	"	⬛	⬛		⬛	⬛	⬛	
4.3	IA Report - Capital Works Project Audit	"	⬛						
4.4	IA Report - Cybersecurity Improvement Program Pre-Implementation Audit	"	⬛	⬛					Report presentation deferred to July 2022 meeting as the report was not finalised by Opsys in time for the April meeting

Item 7.1.1 - Attachment 1 - Audit Committee Annual Work Plan 2022-2023

Audit & Risk Committee - Annual Work Plan 2022/2023

(Updated for 12/04/2022 Meeting)

No.	Activity	Relevant Touch points (LG Act / TOR)	Remainder of FY 2021 / 2022 Apr-22	Jul-22	Oct-22	Nov-22	Feb-23	Apr-23	Comments
4.5	IA Report - Fleet/Heavy Vehicle Management, High Value & Portable Asset Audit	"	🏛	🏛					Audit fieldwork was put on hold, following the 3-year internal audit plan rationalisation, and due to the Internal Auditor & Risk Coordinator having to focus more on risk management initiatives. Audit is to recommence in May 2022 and expecting to complete and present the report to July 2022 A&RC meeting.
4.6	IA Report - Strategic Reporting Process Audit	"				🏛			
4.7	IA Report - Data Governance Audit	"				🏛			
4.8	IA Report - IT Investment Strategy	"					🏛		
5.0	**External Audit**	s126(4)(b)							
5.1	Review Interim Audit Report	"		🏛					
5.2	Review final External Audit Report	"			🏛				
5.3	Review Management Representation Letters	"		🏛	🏛				
5.4	Assess the appropriateness of Council's response to the Auditor's findings and recommendations	"		🏛	🏛				
5.5	Oversee actions to follow up on matters raised by External Auditor	"		🏛	🏛				

Audit & Risk Committee - Annual Work Plan 2022/2023

(Updated for 12/04/2022 Meeting)

No.	Activity	Relevant Touch points (LG Act / TOR)	Remainder of FY 2021 / 2022 Apr-22	FY 2022 / 2023 Jul-22	Oct-22	Nov-22	Feb-23	Apr-23	Comments
5.6	Meet with External Auditor to: - invite presentation of audit methodology and risk assessments within the External Audit plan - discuss any qualifications and comments made in management letter - invite comments on financial management and internal controls, relative to other benchmarks - discuss any other relevant matters	TOR 3.2		🏛	🏛				
5.7	In-confidence session with External Auditor	Better Practice			🏛				
6.0	Reporting	s126(4)(c)							
6.1	Audit Committee Self-Assessment report	"	🏛					🏛	
6.2	Report on Audit Committee Work program status and future proposals	"	🏛	🏛	🏛	🏛	🏛	🏛	Standard Agenda Item, review on need arising basis.
7.0	Strategic, Financial and Management Planning	s126(4)(ab)							
7.1	Review Annual Plan 2022/23 & LTFP	"	🏛						
7.2	Review Annual Budget, Fees & Charges 2022/23	"	🏛						
7.3	Review Annual Plan 2023/24 & LTFP	"						🏛	
7.4	Review Annual Budget, Fees & Charges 2023/24	"						🏛	
8.0	Policy and Procedure Review	s126(4)(c)							
8.1	Treasury Policy	"			🏛				Due for review in Oct 2022.

Audit & Risk Committee - Annual Work Plan 2022/2023

(Updated for 12/04/2022 Meeting)

No.	Activity	Relevant Touch points (LG Act / TOR)	Remainder of FY 2021 / 2022 Apr-22	FY 2022 / 2023 Jul-22	Oct-22	Nov-22	Feb-23	Apr-23	Comments
8.2	Internal Audit Charter	"				🏛			Due for review in Nov 2022.
9.0	Other Matters	s126(4)(ac)							
9.1	Review/Approve Audit Committee Annual Work Program	"	🏛	🏛	🏛	🏛	🏛	🏛	
9.2	Reports on other relevant matters (if any)	"	🏛	🏛	🏛	🏛	🏛	🏛	
9.3	Proposing and reviewing the exercise of powers under s130A of the Act (if any)	s130A							
9.4	Public Interest Disclosures cases reported and investigations undertaken (if any)	"							

🏛	Current Month Reporting / Review
🏛	Rescheduled / Deferred
🏛	Future Reporting / Review
🏛	Excluded / Removed

Item 7.1.1 - Attachment 1 - Audit Committee Annual Work Plan 2022-2023

ITEM	7.1.2
	AUDIT AND RISK COMMITTEE
DATE	12 April 2022
HEADING	3-Year Internal Audit Plan 2022/23-2024/25
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	Recommendations from the last Audit and Risk Committee meeting are incorporated in the 3-year Internal Audit Plan 2022/2023 to 2024/2025. Changes since it was last presented to the Audit and Risk Committee in February 2022 are highlighted.

RECOMMENDATION

That Council:

1. Approves the updates made to the 3-year Internal Audit Plan 2022/2023 to 2024/2025 as set out in Attachment 1 to this report (Audit and Risk Committee, 12/04/2022, Item No.7.1.2).

2. Approved the accompanying high-level indicative scope for pending audits as set out in Attachment 2 of this report (Audit and Risk Committee, 12/04/2022, Item No.7.1.2).

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. 3 year Internal Audit Plan 2022-2023 to 2024-2025

2. Indicative Scopes for Pending Audits on 3-year Internal Audit Plan

1. BACKGROUND

1.1 Following the November 2021 Audit & Risk Committee's suggestion to rationalise the 3-year Internal Audit Plan, the Manager Governance held a workshop session with Executives to discuss this. Factors considered in this rationalisation process included the impact on resources, capacity and implications to perform audits and resolve audit recommendations.

1.2 The Audit & Risk Committee recommended in February 2022, to further prioritise and bring forward audits with a higher inherent risk rating.

1.3 This 3-year Internal Audit Plan therefore brings forward the audits with a higher inherent risk rating and defers other audits with a relatively lower inherent risk rating, in order to rationalise and balance the number of audits per year to a manageable level.

2. REPORT

Considering the Audit and Risk Committee's feedback and the current resource levels and organisational impact of implementing audit recommendations, it is recommended that Council should aim to limit the number of internal audits per year to four or five.

2.1 Audit Plan Rationalisation

The outcome of rationalisation of the 3-year Internal Audit Plan is summarised below:

	Original			Rescheduled						
STRATEGIC RISK				**3 YEAR INTERNAL AUDIT PLAN - RATIONALISATION SUMMARY**						
							3-Yr IA Plan			
Strategic Risk Number	**Inherent Risk**	**Residual Risk**	**Audit Ref**	**Audit Title**	**2021/ 2022**	**2022/ 2023**	**2023/ 2024**	**2024/ 2025**	**2025/ 2026**	**Comments on Rationalisation of Audits**
6	H	M	1	Volunteers Audit	▲					N/A - Audit completed.
6	H	M	2	Capital Works Projects Audit	▲					N/A - Audit commenced and report finalisation in progress.
5	H	M	3	Fleet, Heavy Vehicle, High Value & Portable Assets Audit	▲					N/A - Audit on hold, to recommence in May 2022 and report to Audit & Risk Committee in July 2022.
8	H	H	4	Cyber Security Improvement Program - Pre-implementation Audit	▲					N/A - Audit fieldwork completed and report drafting in progress.
6 & 8	H	M	6	Data Governance		▲				Retain as previously scheduled.
8	H	H	7	IT Disaster Recovery Audit		▲ ⟵		▲		Following last A&RC recommendation, audit is now brought forward from 2024/2025 to last quarter of 2022/2023.
6	H	M	8	Strategic reporting process Audit		▲				Audit originally identified in 2018/2019 as part of the previous 3 year Internal Audit Plan. This has since been deferred. Commencement now rescheduled to 2022/2023. Retain as previously scheduled.
8	H	H		IT Investment Strategy Audit		▲ ⟵	▲			Following last A&RC recommendation, this audit is now brought forward from 2023/2024 to 2nd quarter of 2022/2023.
5	H	M	12	Rates Setting Process, Revenue and Debtors Audit		▲				Retain as previously scheduled.
4	H	M	10	Tree Management Framework Audit		▲ ⟶ ▲				Proposed to defer by 1 year to rationalise and balance the number of audits for year 1 and 2.
5	H	M	9	Fraud and Corruption Prevention Control Audit			▲			Retain as previously scheduled.

Strategic Risk Number	Inherent Risk	Residual Risk	Audit Ref	Audit Title	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	Comments on Rationalisation of Audits
1-9	H	H	13	Risk Management Audit			▣			Retain as previously scheduled.
5	H	M	14	Budgetary Control Audit			▣			Retain as previously scheduled.
1 & 8	VH	H	15	Business Continuity Audit			▣ ← ▣			Following last A&RC recommendation, this audit is now brought forward by one year to 2023/2024, to consider prioritising audits with higher inherent risks.
5 & 6	H	M	11	Grants Management Audit		▣ →		▣		Proposed to defer to 2024/2025 in order to rationalise and balance the number of audits for year 1 and 2.
3	H	H	16	By-Laws Management and Enforcement Process Audit			▣ →	▣		Proposed to defer to 2024/2025 in order to rationalise the number of audits for years 1 and 2, and due to current review of by-laws which will come into effect in 2023.
N/A	H	H	5	Independent External Review of Internal Audit Function				▣		Retain as previously scheduled.
10	H	M	17	Community Consultation Process, and Community Perception Survey Effectiveness Audit				▣		Retain as previously scheduled.
10	H	M	18	Economic Development Initiatives Effectiveness Audit - Polaris Centre					▣	Retain as previously scheduled.
4 & 9	H; VH	M; H	19	Environmental Sustainability & Climate Change Risk Management Audit					▣	Retain as previously scheduled.
6	H	H	20	Independent Post Implementation Audit of Major Projects					▣	Retain as previously scheduled.

After the above rationalisation, the audits falling within the 3 years, 2022/2023 to 2024/2025, are considered as the revised 3-year Internal Audit Plan, as set out in Attachment 1 to this report. The 3-year Internal Audit Plan covers a total of 14 audits including five audits for 2022/2023, five audits for 2023/2024 and four audits for 2024/2025.

2.2 Update on Completed and Ongoing Audits

2.2.1 Capital Works Project Audit

The internal audit report is finalised with management comments, and included in Agenda item 7.1.3, to be presented by Galpins.

2.2.2 Cybersecurity Improvement Program Pre-Implementation Audit

The internal audit report was not finalised by Opsys in time for the 12 April 2022 Audit & Risk Committee meeting.

2.2.3 Fleet, Heavy Vehicle, High Value and Portable Assets Audit

The Fleet, Heavy Vehicle, High Value and Portable Assets Audit was commenced in November 2021 by the Internal Auditor and Risk Coordinator. Since then, following the rationalisation of the 3-year Internal Audit Plan and to focus more on risk management, assurance map and coordinating other audits, this audit has been put on hold, to recommence in mid May 2022. The audit will get completed for the July 2022 Audit & Risk Committee meeting.

2.3 Pending Audits to commence in the Current Year

Additional audits are not scheduled to commence in this financial year, as per the revised 3-year Internal Audit Plan.

2.4 Indicative Scopes for Pending Audits for the 3-year Internal Audit Plan

Indicative scopes for the remaining audits on the revised 3-year Internal Audit Plan are set out in Attachment 2 to this report, with changes marked in red.

Following the addition of the 3rd year (2024/2025) to this revised plan, and due to the impact of rationalisation of audits, the scoping documents for the following new audits are now included in the indicative scopes for pending audits in Attachment 2 to this report:

- IT Disaster Recovery Audit
- Business Continuity Audit
- Independent External Review of Internal Audit Function
- Community Consultation Process, and Community Perception Survey Effectiveness Audit

3. CONCLUSION / PROPOSAL

This report outlines the progress made towards the completion of the 3-year Internal Audit Plan since it was last presented to the Audit and Risk Committee in February 2022 and seeks the Audit and Risk Committee's input and feedback on the revised 3-year Internal Audit Plan 2022/2023 to 2024/2025 and indicative draft scopes for pending audits.

City of Salisbury 3 Year Internal Audit Plan 2022/23 - 2024/25

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025										
								3-Yr IA Plan							
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 12 April 2022)
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium		1	Volunteers Audit	**Volunteers Audit** Audit is to provide assurance on the established processes in regard to the management of volunteers. (Area of focus will be recruitment, management, grievances, induction, acknowledgement).	●				Volunteers are a major personnel resource utilised by the City to assist with the delivery of community programs and services. The failure to properly manage volunteers may result in service interruption, financial impost and reputation risk. This review is intended to provide assurance that the processes for managing volunteers are robust.	People & Culture ; Community Planning & Vitality; Community Capacity & Learning; Community Experience; Financial Services	Completed in October 2021 and presented to Audit & Risk Committee in November 2021.
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	• Projects approved are not consistent with the strategic direction of CoS	2	Capital Works Projects Audit	**Capital Works Projects Audit** Assurance on the effectiveness of the processes that are in place to manage risks on capital works projects.	●				The City undertakes approximately 700 capital works projects with a value exceeding $40m each year, and this audit is aimed to provide assurance that risks are being managed effectively in the delivery of capital works projects.	Economic Development & Urban Policy; Infrastructure Delivery & Management; Strategic Development Projects; Financial Services; Property & Building	Completed. Report finalised and being presented to April 2022 Audit & Risk Committee meeting.
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	• Unplanned spending • Inadequate valuation of assets or inaccurate depreciation • Inadequate planning for infrastructure repairs or upgrades	3	Fleet, Heavy Vehicle, High Value & Portable Assets Audit	**Fleet, Heavy Vehicle, High Value & Portable Assets** This audit is to provide assurance that the established governance and risk management is sufficiently robust to protect and ensure the viability of the fleet, heavy vehicles, high value and portable assets.	●				The City owns and operates a significant fleet of vehicles. There is a risk that the mismanagement of this fleet causes inefficiencies in regard to productivity and negative cost impact. This review is to provide assurance that the established governance and risk management in regard to management of this fleet is sufficiently robust to protect the viability of these assets.	People & Culture; Community Experience; Strategic Development Projects; Financial Services; Field Services; and Strategic Procurement .	Audit is rescheduled to recommence in May 2022 and report to Audit & Risk Committee in July 2022.
8	Lack of alignment and integrity of IT systems and data to support service delivery	High	High	• Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs • Cyber attack (Unauthorised access/network intrusion, denial of service, vulnerability exploitation, malware, social engineering, hacking, phishing, ransomware) • Mobile device management with the potential for a lost or stolen device being used to access Council systems • Lack of auditing and logging functions to capture events • Lack of monitoring of cybersecurity threats to organisational assets • Lack of communication/training for all staff regarding information security • Information to facilitate action during a cybersecurity incident is not available	4	Cyber Security Improvement Program - Pre-implementation Audit	**Cyber Security Improvement Program - Pre-implementation Audit** To assist management in identifying any gaps or areas for improvements in the approach, design and implementation strategy of the Cybersecurity Improvement Program after reviewing the COS's current cybersecurity control environment.	●				Cyber risk is recognised as an emerging and ever changing risk for organisations which may lead to financial loss, service interruption, data loss and/or reputation damage from an event impacting the City's information systems. The City acknowledges the need to strengthen cybersecurity controls and have initiated a 5 year Cybersecurity Improvement Program covering the elements of policy, awareness, defence, incident management and remediation, advisory, security solutions, and independent vulnerability assessments. A panel of contractors have been selected to provide services for this Cybersecurity Improvement Program, and given that the program has not commenced, Administration decided that there is less value add in undertaking a cybersecurity audit when a 5 year Cybersecurity Implementation Project is in pipeline to address cybersecurity. GM Business Excellence recommended to undertake a pre-implementation review of the Cybersecurity Implementation Project instead, to identify any gaps in the Program.	Business Systems and Solutions; and Financial Services	Completed. Report finalised and being presented to April 2022 Audit & Risk Committee meeting.

Item 7.1.2 - Attachment 1 - 3 year Internal Audit Plan 2022-2023 to 2024-2025

City of Salisbury 3 Year Internal Audit Plan 2022/23 - 2024/25

Strategic Risk								3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025							
									3-Yr IA Plan						
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 12 April 2022)
8 & 8	SR#6: Ineffective governance results in the provision of services which do not meet community expectations. (High / Medium). SR#8: Lack of alignment and integrity of IT systems and data to support service delivery (High / High)	High	Medium	• Limited meaningful corporate performance indicators in place • Inconsistent reporting and data collection • Lack of business engagement and clarity of roles • External pressure for changes to systems • Failure to adequately involve IT when developing plans, strategies and projects • Failure to consider all options when improving a system or process • Organisational change is not conducted in a structured and logical manner	5	Data Governance Audit	**Data Governance Audit** Audit on data governance is to provide assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet business needs. Audit on IT investment strategy is to provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.		🔔			There is the risk that City's data management processes could result in loss of data or the inability to utilize the data. This review will provide assurance regarding the adequacy of protection of City of Salisbury information. The City has significant reliance upon technology to maintain and drive business requirements and efficiency gains. Failure to correctly manage the future IT acquisitions and costings may impact the City of Salisbury with inefficient processes, legacy IT issues and lagging IT systems leading to inefficiencies, financial impost, service interruption and inability to maximize continued improvements. This review is to provide City of Salisbury with assurance that the IT Investment Strategy is sufficiently robust to support current and changing business requirements and continuous improvement initiatives.	People & Culture ; Community Experience; Economic Development & Urban Policy; Business Systems and Solutions; Financial Services; and Communications & Customer Relations. Governance; and Strategic Procurement	Audit scheduled to commence in July 2022, with the aim of reporting to Nov 2022 Audit & Risk Committee.
8	SR#8: Lack of alignment and integrity of IT systems and data to support service delivery	High	High	• Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs • Lack of auditing and logging functions to capture events	7	IT Disaster Recovery Audit	**IT Disaster Recovery Audit** Provide assurance that adequate disaster recovery processes are in place at City of Salisbury and the processes are likely to be effective in the event of a disruption.		🔔			Cybersecurity risk is recognised as an emerging and ever changing risk for many organisations which may lead to financial loss, service interruption, data loss and/or reputation damage from an event impacting the City's information systems. COS has developed a Disaster Recovery Plan in Jan 2022 and is currently being implemented. COS's disaster recovery processes are however not tested/audit independently in the past to ensure that the plan and processes are adequately designed and effectively implemented.	Business Systems and Solutions	Following last A&RC recommendation, audit is now brought forward from 2024/2025 to commence in last quarter of 2022/2023.
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	• Inadequate performance measures which are not linked to objectives or strategies • Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans • Limited meaningful corporate performance indicators in place • Inconsistent reporting and data collection of corporate performance indicators • Processes and systems fail to address customer needs • Failure to engage with all stakeholders in developing the City Plan	6	Strategic reporting process Audit	**Strategic reporting process audit** Assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.		🔔			City of Salisbury has established its strategic plan, City Plan 2035, covering its 4 strategic key directions, followed by critical actions and performance indicators for the medium to long term. The audit will review the strategic reporting processes including but not necessarily limited to reporting on; the City Plan 2035, and other relevant plans including Annual Plan and Business Plans.	People & Culture; Economic Development & Urban Policy; Governance; Business Systems and Solutions; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Strategic Procurement	Commencement of this audit is scheduled for August 2022, with the aim of reporting to Nov 2022 Audit & Risk Committee.

Item 7.1.2 - Attachment 1 - 3 year Internal Audit Plan 2022-2023 to 2024-2025

City of Salisbury 3 Year Internal Audit Plan 2022/23 - 2024/25

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025										
									3-Yr IA Plan						
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 12 April 2022)
8	Lack of alignment and integrity of IT systems and data to support service delivery	High	High	• Lack of business engagement and clarity of roles • External pressure for changes to systems • Failure to adequately involve IT when developing plans, strategies and projects • Failure to consider all options when improving a system or process • Organisational change is not conducted in a structured and logical	11	IT Investment Strategy Audit	IT Investment Strategy Audit To provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.		▪			The City has significant reliance upon technology to maintain and drive business requirements and efficiency gains. Failure to correctly manage the future IT acquisitions and costings may impact the City of Salisbury with inefficient processes, legacy IT issues and lagging IT systems leading to inefficiencies, financial impost, service interruption and inability to maximize continued improvements. This review is to provide City of Salisbury with assurance that the IT Investment Strategy is sufficiently robust to support current and changing business requirements and continuous improvement initiatives.	Governance; Business Systems and Solutions; Financial Services; and Strategic Procurement	Commencement of this audit is scheduled for Nov 2022, with the aim of reporting to Feb 2023 Audit & Risk Committee.
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	• Inadequate revenue and a failure to maximise revenue from all sources • Short term revenue is maximised at the expense of longer term revenue • Revenue from the sale of assets (land) is not invested for the longer term benefit of the community • Introduction of draft legislation regarding rate capping • Fraud, misconduct or maladministration • Changes to legislation/obligations imposed by other levels of government • Potential new revenue streams/opportunities are not fully investigated • Council ultimately becomes financially unsustainable • City revenue has to be raised increasingly through more traditional methods (rate rises) • Financial cost associated with falling rates revenue or increasing bad or doubtful debts	9	Rates Setting Process, Revenue and Debtors Audit	Rates Setting Process, Revenue and Debtors Audit Ensure that the Rates setting process comply with legislative compliance requirements, and appropriately reviewed and validated for accuracy, impact on financial sustainability. Ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.		▪			The City has recorded a total revenue of $127.39m for FY2019/20 ($125.75m for FY 2018/19), of which 80% is from Rates, 13% from Grants, Subsidies and Contributions, and remaining 7% from fees, and other charges/income. City of Salisbury has pre-agreed chargeable price amounts for Rates, Levies, Fees, Fines, concessions, rebates etc. used for invoicing purposes for the respective years. Debtors reflected on the Statement of Financial Position under Trade and Other Receivables amounts to $8.07m for FY2019/20 ($8.97m for FY2018/19). Although revenue and debtors testing is included within the external audit scope, the focus is more on true and fair view of revenue and debtors figure reflected on the financial statements; and the internal control assessment is often not reviewed in greater depth and breadth with expanded detailed testing of the revenue and collection process and controls as it is done in a typical internal audit. Therefore, it is recommended to cover this audit at least once in every 3 years as part of our internal audit program, as an industry best practice measure. The aim of this audit is to ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.	Business & Admin Support; and Financial Services	Commencement of this audit is scheduled for May 2023, with the aim of reporting to July 2023 Audit & Risk Committee.

Item 7.1.2 - Attachment 1 - 3 year Internal Audit Plan 2022-2023 to 2024-2025

City of Salisbury 3 Year Internal Audit Plan 2022/23 - 2024/25

Strategic Risk						3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025									
								3-Yr IA Plan							
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 12 April 2022)
4	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services	High	Medium	• Inadequate understanding and planning for factors impacting the environment • Failure to consider environmental consequences when planning and designing infrastructure	7	Tree Management Framework Audit	**Tree Management Framework Audit** Provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively.			■		The City has a street tree population of over 76,000, made up of more than 70 different species, within its streetscapes, parks and open spaces including reserves and wetlands, which contribute to the Key Direction 2 'Sustaining Our Environment' and Key Direction 3 'The Living City' in our City Plan 2035. A replacement value of approximately $3.4m for trees is included within asset class "Roads, Bridges and Footpaths" in the Audited Financial Statements for FY2019/20. COS has an ongoing Street Tree Renewal Program that aims to renew about 1,000 trees each year. To ensure the sustainability of this strategy, COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management. This review is to provide assurance that the City's Tree Management Framework is adequate and implemented effectively.	Community Planning & Vitality; Community Experience; Economic Development & Urban Policy; Development Services; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Field Services .	Proposed to defer from 2022/2023 to 2023/2024 in order to rationalise and balance the number of audits for year 1 and 2
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	• Fraud, misconduct or maladministration • Unplanned spending	10	Fraud and Corruption Prevention Control Audit	**Fraud and Corruption Prevention Control Audit** Provide assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.			■		The revised Fraud and Corruption Prevention and Management Policy states that the City has a zero-tolerance stance towards fraud, corruption, misconduct and maladministration. The City has various policies and procedures and internal control measures for prevention of fraud, corruption, maladministration and misconduct, and independent assessment of systems and processes takes place as part of the annual external audit and remains a part of many internal audits. Given that there are continuous changes happening within the control environment, systems, process, and stakeholders involved, the emergence of newer risk and failure of controls may occur and therefore an assessment of controls for fraud is essential. Hence, the objective of this audit is to determine the effectiveness of fraud prevention strategies. This audit aims to ensure that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.	All Divisions	Retain as originally scheduled to commence in 2023/2024.
I-9	All Strategic Risks in the Strategic Risk Register	High	High	• Inadequate performance of risk assessments	12	Risk Management Audit	**Risk Management Audit** Ensure that the City of Salisbury has robust policies, procedures and framework in place for risk management and controls are in place to manage risks effectively.			■		Risk Management being an integral part of our organizational process, this is one of the essential areas to incorporate in the Internal Audit Plan as a recurring audit at least every 3 years. The objective of risk management audit is to ensure that the City of Salisbury has robust policies and procedures and framework in place for risk management and controls in place to manage risks are operating effectively.	All Divisions	Retain as originally scheduled to commence in 2023/2024.

Item 7.1.2 - Attachment 1 - 3 year Internal Audit Plan 2022-2023 to 2024-2025

City of Salisbury 3 Year Internal Audit Plan 2022/23 - 2024/25

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025									
							3-Yr IA Plan							
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 12 April 2022)
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	• Insufficient or reduction in grant funding • Inadequate revenue and a failure to maximise revenue from all sources • Unplanned spending • Inadequate valuation of assets or inaccurate depreciation • Inadequate planning for infrastructure repairs or upgrades • Introduction of draft legislation regarding rate capping • Fraud, misconduct or maladministration • Changes to legislation/obligations imposed by other levels of government • Potential new revenue streams/opportunities are not fully investigated • Changes to roles and responsibilities assigned to City of Salisbury by federal or state government • Short term revenue is maximised at the expense of longer term revenue • Poorly structured debt funding	13	Budgetary Control Audit	**Budgetary Control Audit** Ensure that the City of Salisbury has robust policies and procedures covering the annual budget preparation process, and that budgetary control processes are implemented effectively and comply with any legislative requirements.			🖥		Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past. Although Budgetary controls are tested annually as part of the externally audit process testing of LGA Financial Best Practice Model, a full fledge, end-to-end audit has not been performed on the effectiveness of the budget preparation and control process in the past.	Primarily Financial Services Division and touch base with other divisions as required.	Retain as originally scheduled to commence in 2023/2024.
7&8	SR 1: Inadequate response to a business continuity or emergency event, or major incident at a Council run Community event. SR8: Lack of alignment and integrity of IT systems and data to support service delivery	High	High	• Lack of business engagement and clarity of roles • External pressure for changes to systems • Failure to adequately involve IT when developing plans, strategies and projects • Failure to consider all options when improving a system or process • Organisational change is not		Business Continuity Audit	**Business Continuity Audit** provides assurance on the Business Continuity Management (BCM) Framework and the measures in place to ensure that, in the event of a disruption, critical business operations can be maintained, or restored in a timely manner, with minimal impact to the CoS and its stakeholders			🖥		The previous BCP audits were undertaken in 2014 and 2018. Since then, BCP reviews for individual processes have been undertaken and it may be beneficial for COS to undertake an overall BCP audit to determine the adequacy and effectiveness of the current BCM framework and process.	All Divisions	Following last A&RC recommendation, this audit is now brought forward from 2024/2025 to 2023/2024, to consider prioritising audits with higher inherent risks.
5 & 6	SR5: City of Salisbury financial sustainability is compromised by internal decisions and / or external events. SR6: Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	• Insufficient or reduction in grant funding	8	Grants Management Audit	**Grants Management Audit** Provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.				🖥	The City offers many grants to encourage develop and support community projects. COS offers many different categories of grants available for a broad range of activities with a business or community focus, as listed on its website. This audit is to provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.	Community Planning & Vitality; Community Capacity & Learning; Community Experience; Infrastructure Delivery & Management; Economic Development & Urban Policy; Financial Services; and Communications & Customer Relations.	Proposed to defer from 2022/2023 to 2024/2025 in order to rationalise and balance the number of audits for year 1 and 2.

Item 7.1.2 - Attachment 1 - 3 year Internal Audit Plan 2022-2023 to 2024-2025

City of Salisbury 3 Year Internal Audit Plan 2022/23 - 2024/25

Strategic Risk						3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025									
								3-Yr IA Plan						
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2021/2022	2022/2023	2023/2024	2024/2025	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 12 April 2022)
3	Lack of management of public and environmental health risks	High	High	• Inadequate management, monitoring or testing • Animal/vermon infestation • Noxious plants • Failure of waste disposal contractor to meet contractual obligations.	14	By-Laws Management and Enforcement Process Audit	Ensure that the City of Salisbury has appropriate policies and procedures for management and enforcement of by-laws, and ensure that the by-laws management and enforcement process is efficient, effective, and complies with relevant legislations.				🏛	Strategic Risk Register Review lead to identification of Risk Causes and factors, and no specific end-to-end audit has been undertaken on the effectiveness of by-law management and enforcement process in the past.	Primarily Environmental Health & Community Compliance Division and touch base with other divisions as required.	Proposed to defer from 2023/2024 to 2024/2025 in order to rationalise and balance the number of audits for year 1 and 2.
N/A	N/A	N/A	N/A	N/A - not included in the strategic risk register.		Independent External Review of Internal Audit Function	Independent External Review of Internal Audit Function The audit is to obtain an understanding and form an opinion on the current Internal Audit function, compliance with the Internal Audit Standards, and existing issues and areas for improvement.				🏛	In accordance with the best practice standards, COS's Internal Audit Charter states that "In order to ensure that the quality of internal audit work is of a consistently high standard, the CEO shall ensure that a quality review of the internal audit function is undertaken by an independent External Service Provider at least every five years". The last audit was undertaken in 2016, and is due for another review, to comply with the standards.	Governance	Retain as originally scheduled to commence in 2024/2025.
10	City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.	High	High	• Elected Member cohesion • Lack of or ineffective community consultation and engagement • Failure to deliver services expected by the community • Customer service is not properly monitored or managed • Not meeting strategic objectives • Failure to undertake legislative requirements • Lack of or ineffective community consultation and engagement		Community Consultation Process, and Community Perception Survey Effectiveness Audit	Community Consultation Process, and Community Perception Survey Effectiveness Audit The audit is to provide assurance that the City's community consultation and engagement process is adequate and effective, and ensure that the community perception surveys undertaken are effective and achieving intended objectives.				🏛	The mapping of internal audits against the strategic risk register identified that this area has not been audited for adequacy and effectiveness in the past. However, relevant policies and procedures are in place and community perception surveys are undertaken regularly. It may be beneficial for the City to determine the effectiveness of these surveys and how well the learnings from these surveys are incorporated in the service delivery and planning process of Council, and whether the relevant policies and procedures are effectively implemented.	Community Experience; Community Experience & Relationships; Community Development; City Development; and Any other Divisions that involve the development of policy, delivery of projects, including where this is a statutory requirement, etc that requires consultation with the community.	This new audit added to the 3 year Internal Audit Plan, is placed for commencement in 2024/2025.

Legend for Status Update

Presented to Audit Committee Meetings

Ongoing Audits

Audit Commencement Planned for Future Period

INDICATIVE SCOPES FOR PENDING AUDITS ON THE 3 YEAR INTERNAL AUDIT PLAN 2022/2023-2024/2025

(The scopes are indicative only and in early draft format - actual scope will vary pending stakeholder engagement and further input)

1.   DATA GOVERNANCE AUDIT

The overall objective of the audit on data governance is to provide assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet organisational needs.

The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures covering all aspects of data governance and the data management lifecycle, including collection, maintenance, usage and dissemination that are clearly defined and documented.
- A process is in place for training of new staff and refresher training for existing staff to provide understanding of the Records Management system and requirements.
- Internal audit complies with necessary statutory and regulatory requirements related to data management and data governance.
- The City has an adequate governance structure and processes in place to support the management of data, including data privacy, confidentiality and Freedom of Information requests and disclosures.
- Data collection and retention levels are adequate and effective as per policies and procedures and industry best practice guidelines.
- Data and database structures are designed and developed in an efficient manner to ease data analytics and avoid data redundancies.
- Audit trails and history logs on master data changes are available for traceability and reviewed.
- Data inventories are maintained and managed with appropriate levels of data security level category classifications, where relevant.
- Controls related to data content management, record management, data quality, data access, data sharing, data security and data risk management are adequate and implemented effectively.

2.   IT DISASTER RECOVERY AUDIT

The overall objective of the audit is to provide assurance that City of Salisbury has adequate disaster recovery processes in place, and the processes are likely to be effective in the event of a disruption.

The specific objectives for the audit will be to ensure that:

- A Disaster Recovery Plan exists with the exact steps to be covered if a disaster event occurs.
- The Disaster Recovery Plan steps captures the relevant scenario expectations including Maximum Allowable Outages (MAO), Recovery Point Objective (RPO) and Recovery Time Objective (RTO).
- The approved Disaster Recovery Plan is tested appropriately with relevant test case scenarios.
- Critical systems required to be recovered following a disaster event have been identified.
- Single points of failure have been identified.
- Business Continuity Plans are fully linked with IT disaster recovery arrangements.
- Server infrastructure includes testing of the ability to recover systems; and
- Backups are completed and taken off-site to provide additional resilience in the event of a disaster event.

3.   STRATEGIC REPORTING PROCESS AUDIT

The overall objective of the audit is to provide assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.

The specific objectives for the audit will be to ensure that:
- The City has policies and procedures governing the strategic planning process.
- The City is in compliance with statutory and regulatory requirements in terms of strategic reporting.
- Strategic plan documents align to the City's approved 4 Strategic directions and goals.
- The deliverables identified in City Plan 2035 cascades down to goals, deliverables and performance indicators reflected on other strategic planning documents.
- All required departmental and/or divisional Business Plans are established as a 4-year rolling plan covering all the essential areas and are reviewed annually by end of June.
- Budgets and resources are planned for all critical action points under immediately noticeable impact areas.
- Appropriate systems are in place to capture the strategic reporting information.
- Established mechanism report performances against strategic plans.
- The strategic information reported is effective, accurate, reliable and timely.
- There are clear roles and responsibilities for the strategic planning process.
- The strategic planning process is resourced appropriately.
- There is simplicity and ease of reporting processes
- There is transparency and accountability in the strategic reporting process
- Strategic reporting process has agreed performance indicators and are reviewed appropriately.

4.   IT INVESTMENT STRATEGY AUDIT

The overall objective of the audit is to provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.

The specific objectives for the audit will be to ensure that:
- The City has a formalised and appropriate IT Investment Strategy process document.
- The City's IT investment strategy is aligned to the deliverables in City Plan 2035.
- IT investment strategy is fully integrated with an overall IS/IT strategy.
- IT investment strategy facilitates the maintenance of critical IS/IT infrastructure.
- IT investment strategy is fully backed by business cases and feasible economically and operationally.

5.   RATES SETTING PROCESS, REVENUE AND DEBTORS AUDIT

The overall objective of the audit on Rate setting process is to ensure that the Rates setting process comply with legislative compliance requirements, and is appropriately reviewed and validated for accuracy and impact on financial sustainability. The overall objective on review of debtors and revenue side is to ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.

The specific objectives for the audit will be to ensure that:
- The City has formalised and adequately designed policies, procedures and framework covering the rate setting process and aligned to the legislative requirements.

- Applicable policies, procedures and legislative requirements are being followed in cases during the rate setting process.
- The relevant assumptions applied in the rate setting process are validated and tested appropriately.
- The public consultation and feedback process are adequately administered and taken sufficient account of ratepayers' feedback on their proposals before finalising rates.
- Rates calculation and application of rates through the rate setting system is accurate.
- Local Government Financial Best Practice Model controls related to rates setting, revenue and debtors are implemented effectively.
- There are no unnoticed, unaccounted, unrealised or unintended revenue losses.
- The City has formalised and adequately designed policies and procedures covering the revenue and debtor management process.
- The City's revenue and debtor management processes are implemented effectively as per agreed policies and procedures.

6.   TREE MANAGEMENT FRAMEWORK AUDIT

The overall objective of the audit is to provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively.

The specific objectives for the audit will be to ensure that:
- The City has formalised policies and procedures covering its Tree Management Framework that are adequately designed and established.
- The Tree Management Framework covers Environmental and Social factors including the trees in public open space and private sphere.
- The City's Tree Management Framework is implemented effectively.
- The City's tree management strategy is aligned to relevant deliverables in City Plan 2035.
- The City maintains appropriate level of traceability and verification and recording of Tree Assets reflected in the financial statements where relevant.
- Street Tree Renewal Program is implemented effectively.
- Public requests / complaints related to tree removal, tree planting, and other tree management related matters are resolved and reported effectively in accordance with clearly document policies and procedures.
- Any legislative compliance requirements related to tree management arising from Local Government Act 1999, Planning, Development and Infrastructure Act 2016, Commonwealth Environmental Protection and Biodiversity Conservation Act 1999, Natural Resource Management Act 2004, Environmental Protection Act 1993, Electricity Act 1996, Heritage Places Act 1993, Road Traffic Act 1961, Aboriginal Heritage Act 1988 and Water Industry Act 2012, are identified and their level of compliance assessed at a high level.
- City of Salisbury has efficient processes in place to identify and manage potential tree hazards and is implemented effectively.

7.   FRAUD AND CORRUPTION PREVENTION CONTROL AUDIT

The overall objective of the audit is to provide assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.

The scope of the audit is to ensure that the City:

- has an effective fraud control framework, which is integrated with the City's organisation-wide risk management strategy.
- has appropriate, well understood and current fraud control plans, which address major risks
- has established effective fraud controls.
- has adequate internal systems, training and reporting processes to support effective implementation and monitoring of fraud control plans.
- regularly test, monitor and report on the effectiveness of the fraud control plan and associated practices.
- review the outcomes of testing and use the insights gained to inform continuous improvement in fraud prevention and to update fraud control plans to ensure their ongoing appropriateness.

8.   RISK MANAGEMENT AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has robust policies, procedures and framework in place for risk management and controls are in place to manage risks effectively.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies, procedures and framework covering its risk management process.
- The City's risk management processes are implemented effectively as per agreed policies and procedures.
- Risk tolerance limits and thresholds are defined along with corresponding action points on the risk management plan / framework for better transparency and avoidance of doubts.
- The City has up-to date registers for risk, including its strategic risk register and operational risk registers.
- Risk management is embedded within the whole organisational processes.
- Formalised and regular processes are implemented effectively for the identification of risks, assessment of risks, and treating risks.
- The status of risk treatment action plans (especially all the high-risk ones) is reported to senior management in a timely manner.
- The City has implemented any actions arising from LGA Mutual Liability Scheme review recommendations on risk management.

9.   BUDGETARY CONTROL AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has robust policies and procedures in place covering the annual budget preparation process, and that budgetary control processes are implemented effectively and comply with legislative requirements.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies and procedures covering its budgetary control and management process and aligned to relevant legislations.
- The City's approved budget and budgetary control management processes are implemented effectively as per agreed policies and procedures and comply with relevant legislative requirements.
- Budget responsibility and accountability are clearly defined, appropriately allocated and regularly reviewed.
- Budget requirements are effectively reviewed and monitored on a regular basis.
- Budget variances are identified, properly reported and approved.

- Accurate, relevant and timely management information is produced and used effectively to inform decision making and reporting.

10.   BUSINESS CONTINUITY AUDIT

The overall objective of the audit is to assess the adequacy of practices and procedures to manage COS's business continuity. The audit will provide assurance that process and the measures in place to ensure that, in the event of a disruption, critical business operations can be maintained, or restored in a timely manner, with minimal impact to the CoS and its stakeholders.

The specific objectives for the audit will be to ensure that:
- The City has formalised an overarching policy / procedure document covering the business continuity management process.
- Critical systems and functions requiring Business Continuity Plans (BCPs) are identified.
- BCPs are current and adequately developed for all critical functions and systems.
- BCPs for critical functions and systems covers business resumption and continuity / contingency strategies.
- Business Impact Analysis approaches and process are determined and agreed in the BCPs.
- Effective communication plans are established to manage public and media relations in the event of a disruption.
- There is an agreed process in place for activating BCPs when emergencies occur.
- Business continuity plans are adequately monitored and maintained.
- A formalized business continuity training program exists, and all individuals responsible for developing and implementing BCP have been adequately trained.
- Business continuity plans are tested periodically and the test results and lessons learned are reviewed, documented, and applied.

11.   GRANTS MANAGEMENT AUDIT

The overall objective of the audit is to provide assurance that the grants provided to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.

The specific objectives for the audit will be to ensure that:
- The City's policies and procedures covering its grant management process are adequately developed for all categories of grants and communicated appropriately to the relevant stakeholders.
- The eligibility criteria and award process for all grant categories have been established and communicated, and have been complied with.
- COS has a central register of fund recipients, capturing the details of previous funding received.
- Conflict of interest avoidance measures are incorporated in the grant awarding process.
- Grants schemes are aligned to City Plan 2035.
- All grants have terms and conditions or signed agreements specifying the expectations on usage and reporting requirements agreed by the Grant Recipient and COS.
- COS have a monitoring process in place to ascertain that Grant Recipients adhere to timely reporting requirements in the Grant Agreement.
- Any unused funding from the grant is dealt with appropriately as per the grant agreement or agreed terms and conditions.
- Any contingency percentages included in the grant scheme are appropriately allocated and disbursed.

- COS measures the effectiveness of the grant schemes, and use feedbacks for quality assurance purposes in future planning and grant scheme designing.

12.   BY-LAWS MANAGEMENT AND ENFORCEMEMENT PROCESS AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has appropriate policies and procedures for management and enforcement of by-laws, and ensure that the by-laws management and enforcement process is efficient, effective, and complies with relevant legislations.

The specific objectives for the audit will be to ensure that:
- The City has formalised and adequately designed policies and procedures covering the by-law management and enforcement process.
- The City has appropriate Structure and governance of by-law enforcement teams.
- Feedback from rate payers are appropriately incorporated and by-laws are reviewed and updated on a regular basis.
- Enforcement fines and penalties comply with relevant legislations and are charged accurately.
- The City's methods and approaches to enforcement are adequate and effective.
- There are clearly identified performance measures and metrics for by-law enforcement.
- Enforcement team is sufficiently staffed and appropriately trained.
- By-law related complaints are handled effectively.

13.   INDEPENDENT EXTERNAL REVIEW OF INTERNAL AUDIT FUNCTION

The overall objective of the audit is to obtain an understanding and form an opinion on the current Internal Audit function, determine the level of compliance with the Internal Audit Standards, and identify existing issues and areas for improvement.

The specific objectives for the audit will be to ensure that:
- The City has formalised and adequately designed policies and procedures covering the internal audit process.
- The City is in conformance with mandatory internal auditing requirements, including the Internal Audit Standards.
- The Audit & Risk Committee and management expectations of Internal Audit are being met.
- The Internal Audit is value adding and contributing to the organisational objectives.

14.   COMMUNITY CONSULTATION PROCESS, AND COMMUNITY PERCEPTION SURVEY EFFECTIVENESS AUDIT

The overall objective of the audit is to provide assurance that the City's community consultation and engagement process is adequate and effective, and ensure that the community perception surveys undertaken are effective and achieving intended objectives.

The specific objectives for the audit will be to ensure that:
- The City has formalised, adequately designed and current policies, procedures and framework covering the community consultation, engagement and community perception survey process.
- Any legislative compliance requirements in relation to community consultation process are met.
- Contemporary engagement tools and best practices are incorporated within the community consultation process.
- Community engagement strategies are developed and implemented effectively.
- Community need assessments are undertaken effectively through the community consultative process, and applied in policy, planning, strategy formulation and service delivery.

Item 7.1.2 - Attachment 2 - Indicative Scopes for Pending Audits on 3-year Internal Audit Plan

- Community perception survey results are evaluated appropriately and systematically apply any resultant learning outcomes in policy, planning, strategy formulation and service delivery.
- Community consultation, engagement initiatives and perception survey outcomes are reported to senior management and Council appropriately.

ITEM	7.1.3
	AUDIT AND RISK COMMITTEE
DATE	12 April 2022
HEADING	Internal Audit Report on Capital Works Projects Audit
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	As per the approved City of Salisbury's (COS's or the City's) Internal Audit Plan 2021-2023, a Capital Works Projects audit was undertaken by Galpins on a co-sourced model. The audit is intended to provide assurance regarding the effectiveness of the processes that are in place to manage, monitor and deliver capital works projects undertaken through City Infrastructure, in accordance with the Project Management Manual and/or Capital Delivery Framework.

<div style="text-align: right;">**Item 7.1.3**</div>

One high risk and two medium risk rated findings were identified as summarised below:

Finding	Risk
1. Project Management Pressure Points	High
2. Completion and Recording of Key Project Documentation	Medium
3. Implementation of Previous Audit Recommendations	Medium

RECOMMENDATION

That Council:

1.   Notes the final audit report for the Capital Works Projects audit with management comments as set out in Attachment 1 to this report (Audit & Risk Committee, 12 April 2022, Item No.7.1.3).

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1.   Final Internal Audit Report - CoS Capital Works Projects

1.   BACKGROUND

1.1   This audit aligns with the City's current Strategic Risk 6 – *Ineffective governance results in the provision of services which do not meet community expectations*.

1.2 The objective of this audit is to provide assurance regarding the effectiveness of the processes that are in place to manage, monitor and deliver capital works projects undertaken through City Infrastructure, in accordance with the Project Management Manual and/or Capital Delivery Framework.

1.3 The specific objectives of this audit include the following:

- The City has approved policies, procedures and templates relating to the capital work projects process including project planning and initiation, project management, execution and delivery, scope change management, project reporting, monitoring and review.
- Procurement and contract management related touchpoints are managed effectively and do not negatively impact capital work project delivery. [Note: Detailed testing of procurement and contract management processes are beyond the scope of this audit. Any reference to procurement and contract management in this audit is on high level relevant touchpoints only.]
- The City complies with any statutory and regulatory requirements within the process of delivering and management of capital works projects.
- Capital works projects align with City Plan 2035 strategic directions and foundations.
- The processes in the Project Management Manual (Release 3) and/or the Capital Delivery Framework are implemented effectively for capital works projects.
- Any relevant improvements to policies, procedures, templates, process, systems and controls related to capital works projects are identified.
- A project brief / business case / Prudential Report or justification document (where relevant) is approved as per approved policies and procedures, and project delivery realises the intended business case justification outcomes.
- Audit actions identified in previous audits have been resolved or are in the process of being actioned.

2. CONSULTATION / COMMUNICATION

2.1 Internal

2.1.1 General Manager City Infrastructure
2.1.2 Manager Infrastructure Delivery
2.1.3 Manager Infrastructure Management
2.1.4 Manager Strategic Procurement
2.1.5 Project Manager Infrastructure Delivery
2.1.6 Team Leader Project Management, Infrastructure Delivery
2.1.7 Team Leader Project Support, City Infrastructure

3. REPORT

3.1 Attachment 1 to this report is the final audit report.

3.2 The report identified a number of positive findings where the audit confirmed that controls are adequate and implemented effectively. Good practices observed include the following:

3.2.1   COS's Infrastructure Delivery Department is dedicated to managing capital works projects, including project managers and an administrative support team.

3.2.2   The Capital Delivery Framework has been developed as part of an approach towards continuous improvement in the project management space.

3.2.3   All interviewees reported that the "Finance1" software system provides useful support for tracking capital works projects, particularly project budgets.

3.2.4   The implications of increases in the scale of projects to be delivered are understood by Executives, who are introducing/supporting a number of measures to improve outcomes across the portfolio of projects. This includes an approach to hold meetings with Managers/relevant stakeholders from within the Division and also key stakeholders. The intent is to facilitate communication and track timelines/outcomes in a transparent way.

3.3   The audit reviewed the Project Management Manual (Release 3) and all related templates, Capital delivery Framework and all related templates, Procurement Framework and related documents including Procurement Policy, Financial Delegations Register, Procurement Services Guideline -Quotations, and How to Purchase Matrix.

3.4   Seven projects were selected for sample testing, including:

- Webb Reserve – local flooding mitigation work

- Wendy Ave & Avis Crescent, major flood mitigation works

- Burton Community Hub

- George St & Belfree Drive Roundabout

- Pauls Drive, VView - major flood works

- Mawson Lakes Dry Creek Footbridge

- Bridgestone Reserve Track & Field complex

3.5   Other key documentation reviewed during the audit includes:

- project brief

- design report

- executed contract

- practical completion certificate

- closeout documentation

- change control documentation

- budget documentation.

3.6 Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, the Audit concluded that the control environment is '**Partially Effective**' in mitigating the strategic risks, and the process maturity level was determined to be at a "**defined**" stage, which demonstrates that there are sets of defined and documented standard processes established and subject to some degree of improvement over time. These standard processes are in place (i.e. they are the Australian Standard/International Standard processes) and used to establish consistency of process performance across the organization. These rating definitions are detailed in Appendix 2 and 3 respectively, of the report in Attachment 1.

3.7 All findings and recommendations are agreed with management comments and actions, identifying the relevant action owners and target action completion deadlines.

3.8 The report identified three findings (one high risk and two medium risk rated) as summarised below:

    3.8.1   **Finding 1:** Project Management Pressure Points (*High Risk*)

        Recommendation 1:
Review the opportunities identified by Internal Audit to relieve pressure points in the project management lifecycle, and develop a plan to implement as many of these options as practicable. Provide this plan to the Audit & Risk Committee.
An overview of the project management pressure points is shown below:
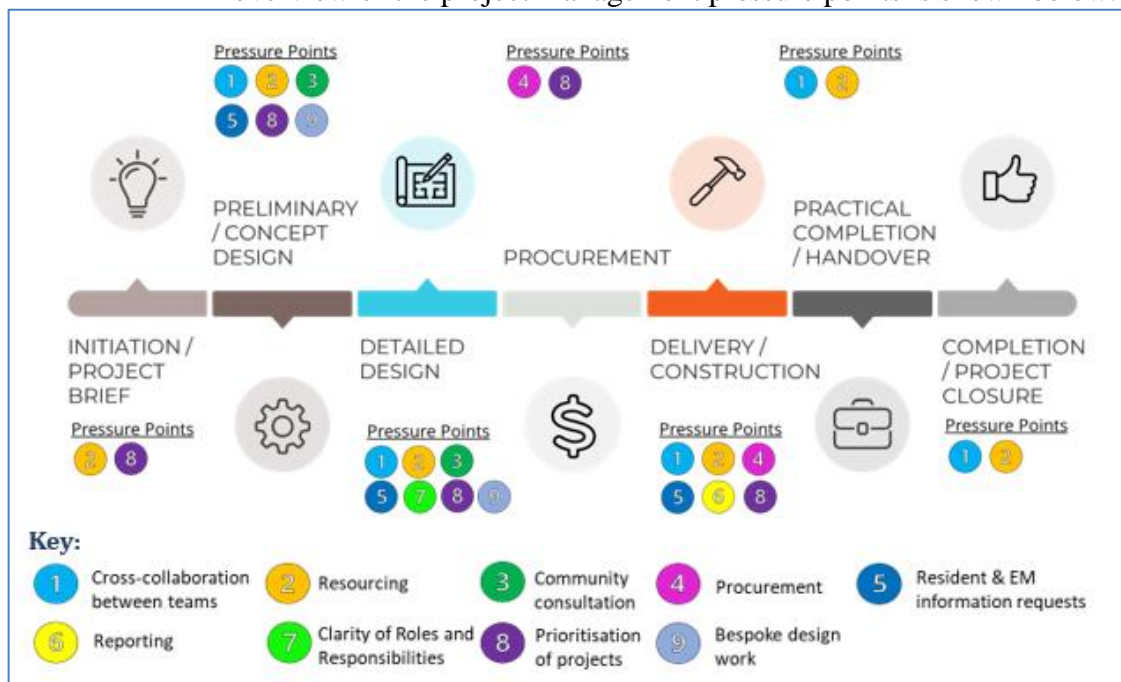
        Full explanation of the nine pressure points and opportunity to relieve pressure on each of the key pressure points are detailed in the final audit report as in Attachment 1 to this report.

        The Administration's agreed comment was that the City's Infrastructure delivery team will review the opportunities to relieve the pressure points & develop an action plan to implement the recommended options where

possible in consultation with other relevant stakeholders, and will update the status to Audit & Risk Committee.

Subsequently, the Administration has formed a Project Management Audit Action Group to comprehensively go through the identified pressure points and resolve any areas for improvements pertaining to the Capital Works Projects. This team is headed by the General Manger City Infrastructure and includes representative key stakeholders from Infrastructure Delivery, Procurement, Finance, Community Development, Economic Development, and Governance team.

The Action Plan agreed by the team is as follows:

No.	Action	Outcome	Milestone Date
1	Convene team	Explain background to team forming, timeframe & outcomes	08/03/2022
2	Overview of Capital delivery Framework to team	Team understanding of existing framework, including documentation templates	29/04/2022
3	Discussion on Stages 1 & 2 of CDF	Identify improvements related to identified pressure points for Initiate & Preliminary/ Concept design stages	13/05/2022
4	Discussion on Stage3 & 4 of CDF	Identify improvements related to identified pressure points for Detailed design & Procurement stages	27/05/2022
5	Discussion on Stages 5, 6 & 7 of CDF	Identify improvements related to identified pressure points for Practical Completion/ Handover & Completion/ Project Closure stages	17/06/2022
6	Review Improvements to CDF to relief pressure points	Agreed improvements to the CDF	01/07/2022
7	Summary report to Governance closing out Audit Action Item	Audit agreement on close out report	22/07/2022

3.8.2   **Finding 2:** Completion and Recording of Key Project Documentation (*Low Risk*)

The audit reviewed whether the "must have" key documentations including project brief, design report, executed contract, change control documentation, evidence of practical completion, and close out documentation are in place for the seven sample projects tested. The audit identified that key documents are in place for majority of the projects tested. Finding 2 of the final report tabulates the instances of missing or incomplete key documents. The report furthermore highlights that missing or incomplete closeout documentation may reduce the opportunity for Administration to learn from previous experiences and use that information to promote future successful project outcomes.

Recommendation 2: Emphasise the requirement for critical project management documentation to be prepared and retained in the records management system, in particular:

- key documentation prepared by external consultants such as design reports
- project closeout documentation.

Strategies to promote compliance may include but not be restricted to:

- reinforcing during project meetings the importance of preparing and storing key documents
- management not allowing projects to progress in the absence of key documentation
- introducing a quality oversight function/role to assist with ongoing assurance that key requirements are being met
- spot checking the completion of key documentation, particularly for high risk / value projects.

Administration has now implemented this recommendation by firstly providing further training on the process to ensure records are maintained; and secondly by rolling out new reporting of procedure compliance requirements to address highlighted areas on critical documentation.

Recommendation 3: Ensure there is clarity around which Contract Delivery Framework (CDF) forms are mandatory to complete for each project (for example by project size, value, complexity).

Administration has now clarified that requirement by requiring to identify all mandatory CDF documents within either Project Initiation or Project Brief document, to enable each project to be scaled accordingly to the requirements and risk profile. This will be reflected on the CDF page on intranet and communicated to all relevant stakeholders.

3.8.3 **Finding 3:** Implementation of Previous Audit Recommendations (*Medium Risk*)

The audit identified that COS has made strong progress in implementing recommendations from the 2018 audit report on capital project management. However, there is opportunity to continue strengthening, particularly in relation to finalising the new Capital Delivery Framework and associated expectations.

Recommendation:

On a risk basis, review the previous 2018 internal audit recommendations and progress implementation. Specifically consider implementation/ progress in relation to:

- finalising the Contract Delivery Framework and in particular clarification of which requirements/templates are applicable to each project
- ensuring that contractor site induction occurs and that evidence is recorded.

Timelines are agreed for resolving these two partially implemented recommendations.

Administration confirmed that while the Capital Delivery Framework is in place, a new Capital Delivery Framework Manual compiling the CDF processes will be developed by 31 May 2022.

Training is now provided to the relevant key stakeholders to address the other matters related to recordkeeping.

4. CONCLUSION / PROPOSAL

4.1 The Internal Audit has, in collaboration with interviewees, identified nine 'pressure points' across the project lifecycle that may impact on the successful delivery of projects. Opportunities to relieve these pressure points have also been identified. The audit notes that it is not critical that all available opportunities are implemented, however management should review identified opportunities and develop a plan to implement as many of these as reasonably practicable.

4.2 The audit also identified some key areas completion and recordkeeping of key documentations related to capital works project, and also identified two partially implemented recommendations related to previous audit.

Galpins

Accountants, Auditors & Business Consultants

City of Salisbury

Internal Audit Report – Capital Works Projects

November 2021

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Document Control

Date	Revision Number	Revision Details	Author	Reviewer
20.08.2021	V1.0	Final Draft Report	Janna Burnham / Tim Muhlhausler	Tim Muhlhausler
25.11.2021	V1.0	Final Report	Janna Burnham	Tim Muhlhausler
22.03.2022	V1.0	Final Report inc management comments		Janna Burnham

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1. Executive Summary

1.1 Background

The City of Salisbury 2019/2020 Annual Report highlights a $100m COVID-19 Infrastructure Recovery Program planned to be carried out across two years 2019/2020 and 2020/2021, which has been designed to support local businesses and employment and stimulate economic recovery by accelerating the existing capital works program. This includes a number of large-scale projects including the development of a Burton Community Hub, the revitalisation of John and Church Streets in Salisbury's CBD, the Paddocks Master Plan, and a number of other projects that promote City pride such as upgrades to playgrounds and dog parks, sporting fields and streetscape renewal. The value of planned projects has continued to grow since publication of the annual report. The City Plan 2035 identifies further strategic projects to be delivered by Council within the next four years, as part of the delivery of City's vision to be 'a progressive, sustainable and connected community'.

The City developed a Project Management Manual (Release 3) which explained the process to be followed for the two categories of capital works projects, namely "Project" and "Major Project". It detailed project management processes for each category. The Project Management Manual has been replaced by the Capital Delivery Framework, including new procedures and templates in use from 1st June 2020. Testing conducted for this audit covered projects operating under both frameworks.

1.2 Objectives

The objective of this audit was to provide assurance regarding the effectiveness of the processes that are in place to manage, monitor and deliver capital works projects undertaken through City Infrastructure, in accordance with the Project Management Manual and/or Capital Delivery Framework.

The full audit scope and approach is included in **Appendix 1**.

1.3 Relevant Strategic Risks

The audit scope addresses *Strategic Risk 6: Ineffective governance results in the provision of services which do not meet community expectations.*

1.4 Good Practices Observed

✓ CoS' Infrastructure Delivery Department are dedicated to managing capital works projects, including project managers and an administrative support team.

✓ The Capital Delivery Framework has been developed as part of an approach towards continuous improvement in the project management space. The framework covers an appropriate range of project management activities across the lifecycle of projects.

✓ All interviewees reported that the Finance1 system provides useful support for tracking capital works projects, particularly project budgets.

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✓ The implications of increases in the scale of projects to be delivered are understood by Executive, who are introducing/supporting a number of measures to improve outcomes across the portfolio of projects. This includes an approach to hold meetings with Managers/relevant stakeholders from within the Division and also key stakeholders. The intent is to facilitate communication and track timelines/outcomes in a transparent way.

1.5   Key Findings and Recommendations

This internal audit project aimed to assess the controls established to address strategic risk that *'Ineffective governance results in the provision of services which do not meet community expectations'* in the context of capital project management. Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is: **'Partially Effective'**[1], and the process maturity is **'Defined'**[2].

These ratings should be viewed in the context that CoS has only recently introduced the Capital Delivery Framework to replace the previous framework and strengthen internal project management. In addition, the ratings consider the fact that, as a result of significant growth[3] in the scale of projects to be delivered, there is a need to adapt and strengthen existing processes to meet increased demand on resources. Internal Audit has, in collaboration with interviewees, identified nine 'pressure points' across the project lifecycle that may impact on the successful delivery of projects. Opportunities to relieve these pressure points have also been identified. It is not seen as critical that all available opportunities are implemented – in fact, it may be impractical to implement all strategies at once. Most importantly, management should review identified opportunities and develop a plan to implement as many of these as reasonably practicable. In doing so, each strategy implemented will help to reduce pressure on internal resourcing and improve the likelihood of successful project outcomes across the portfolio of projects.

Sample testing of project documentation focussed on key documents required by the applicable project management framework (dependant on the date of project initiation) considered as critical to project success. This testing identified the existence of all required contracts and project briefs, as well as examples of missing documentation, in particular in relation to project closeout and post implementation reviews. Recommendations have been provided to strengthen enforcement and monitoring of key document preparation. The review of whether the final deliverable meets the initial design brief is an important way to help ensure that deliverables meet all qualities of a successful project – time, cost **and** quality (including meeting the design brief).

Findings are summarised over page.

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[1] Please refer to Appendix 2 for further information.

[2] Please refer to Appendix 4 for further information.

[3] Note, this growth will be for the short-medium term only, in line with the availability of COVID stimulus funding.

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| Finding	Recommendation	Audit Risk Rating	CoS Risk Rating	Expected Completion Date
2.1 Project management pressure points	**Recommendation 1:** Review the opportunities identified by Internal Audit to relieve pressure points in the project management lifecycle, and develop a plan to implement as many of these options as practicable. Provide this plan to the Audit & Risk Committee.	High	High	30/06/22
2.2 Completion and recording of key project documentation	**Recommendation 2:** Emphasise the requirement for critical project management documentation to be prepared and retained in the records management system, in particular: ▪ key documentation prepared by external consultants such as design reports ▪ project closeout documentation. Strategies to promote greater levels of compliance may include but not be restricted to: ▪ reinforcing during project meetings the importance of preparing and storing key documents ▪ management not allowing projects to progress in the absence of key documentation ▪ introducing a quality oversight function/role to assist with ongoing assurance that key requirements are being met ▪ spot checking the completion of key documentation, particularly for high risk / value projects. *Note – the intent of this recommendation is to flag ways to potentially overcome the risk of missing documentation. The method chosen is a management decision.* **Recommendation 3:** Ensure there is clarity around which CDF forms are mandatory for completion for each project (for example by project size, value, complexity).	Low	Low	31/03/22
2.3 Implementation of previous audit recommendations	**Recommendation 4:** On a risk basis, review the previous 2018 internal audit recommendations and progress implementation. Specifically consider implementation/progress in relation to: ▪ finalising the CDF and in particular clarification of which requirements/templates are applicable to each project ▪ ensuring that contractor site induction occurs and that evidence is recorded.	Medium	Medium	31/05/22

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2.   Detailed Findings and Recommendations

2.1 Project management pressure points	Audit Risk Rating	Client Risk Rating
	High	High

Key Findings

- There are pressure points across the project management lifecycle that reduce the likelihood of successful outcomes across the portfolio of projects, particularly as the volume of projects has increased and has placed pressure on existing internal systems.

- A number of pragmatic opportunities to relieve these pressure points have been identified by Internal Audit and staff.

Discussion

CoS is working through a large program of capital projects over the next 12 months, representing a signifcant increase in scale compared to historic levels. This increased volume of projects will put pressure on existing internal and external resources, systems and processes, and magnify existing pressure points and bottle necks. Historically, delivery of CoS projects has not been evenly spread across the financial year, and have tended to follow a pattern of being mostly completed late in the financial year. This may put pressure on timely project completion, handover and capitalisation and the quality of the final deliverable. In the earlier part of the financial year, there is a spike in workload and time pressure on the design and consultation stages. If this trend continues for a larger scale of projects, this can have implications for project quality, ability to meet timeframes, and financial data quality resulting from time pressure on capitalisations and WIP recognition.

Internal Audit has sought to identify and summarise pressure points in the project lifecycle, and with input from internal stakeholders provide recommendations for strategies to allieviate these pressure points (either permanently, or temporarilty during this peak in project demand). Council may choose to implement some or all of these recommendations - any strategies to alleviate pressure points will improve the likelihood of a successful program of project delivery.

Risk Exposure

- Failure to adjust current processes to achieve time / cost / quality requirements of projects.

Recommendation 1	Review the opportunities identified by Internal Audit to relieve pressure points in the project management lifecycle, and develop a plan to implement as many of these options as practicable. Provide this plan to the Audit & Risk Committee.
Agreed Actions	The City's Infrastructure Delivery Team will review the opportunities to relieve the pressure points and develop an action plan to implement the recommended options where possible in consultation with other relevant stakeholders, and will update the status to Audit & Risk Committee.
Action Officer	Jarred Collins, Manager Infrastructure Delivery.
Completion Date	30 June 2022

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Overview of project management pressure points across the stages of project management
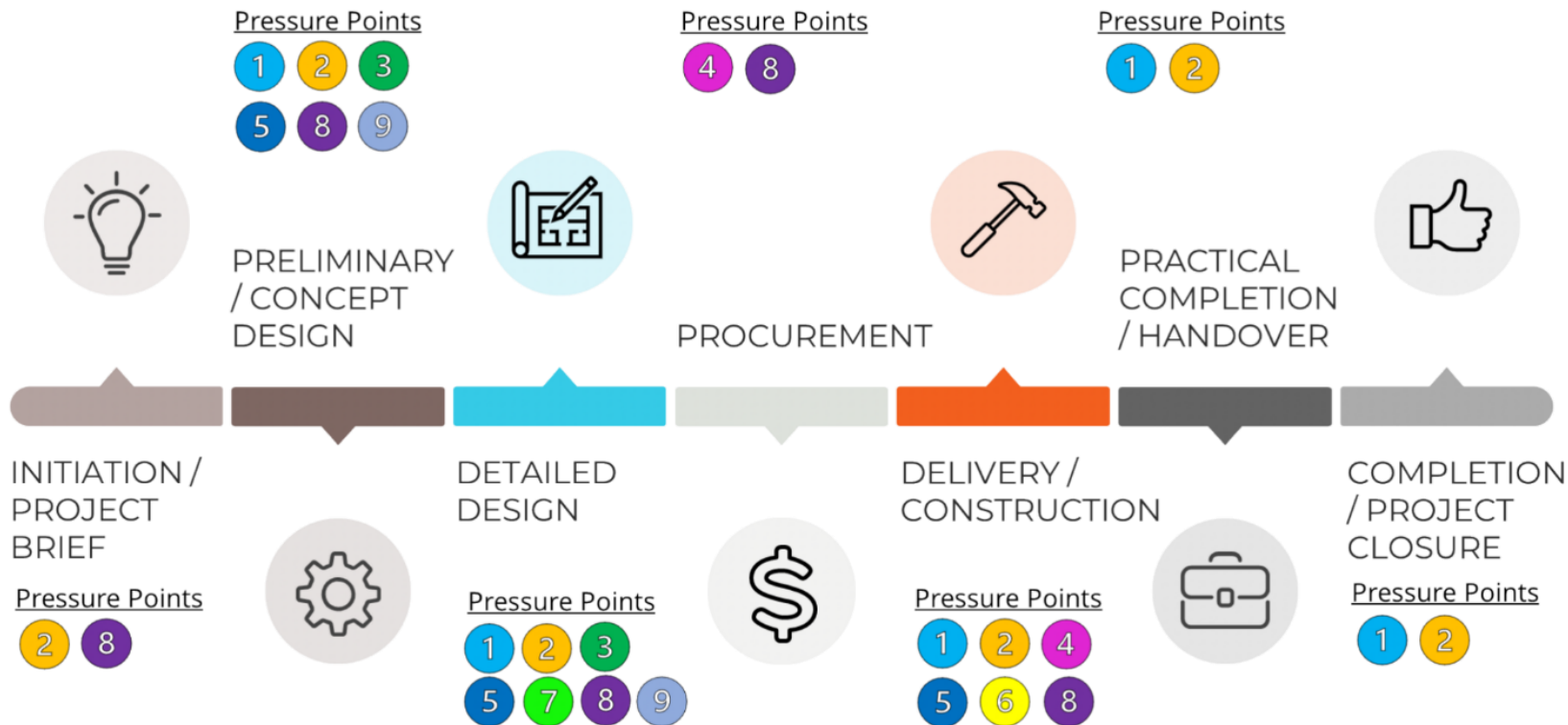
Key:

1	Cross-collaboration between teams	**2**	Resourcing	**3**	Community consultation	**4** Procurement **5** Resident & EM information requests
6	Reporting	**7**	Clarity of Roles and Responsibilities	**8**	Prioritisation of projects	**9** Bespoke design work

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Item 7.1.3 - Attachment 1 - Final Internal Audit Report - CoS Capital Works Projects

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Summary of project management pressure points and opportunities to relieve pressure

Pressure Point		Opportunity to relieve pressure
① **Cross-collaboration between teams** Level of criticality: High[4]	Successful delivery of projects requires coordinated activities across a range of teams. The large upcoming portfolio of projects to be delivered requires coordination at a macro, whole of project portfolio level, as delays in one project can have a flow on effect across other projects. There are opportunities to optimise activities by understanding interdependencies and commonalities between projects. Historically, there has been a lack of formal structure in place to achieve cross collaboration for a portfolio of projects of the size and scale currently facing CoS. As such, there is a need to embed stronger, formal mechanisms to ensure regular, structured collaboration occurs. Additionally, interviewees reported that the roles and responsibilities of staff across the lifecycle of projects has been 'siloed', with separate teams responsible for different project stages (e.g. Infrastructure Management Team for concept / pre-design, Infrastructure Delivery Team for detailed design and delivery / construction, etc). This has been reported to have, at times, created circumstances where delivered projects have differed from concept design.[5] Two initiatives have recently been initiated to address these issues: 1. The introduction of monthly, cross-divisional five-hour project management meetings (including stakeholders from Infrastructure Management, Infrastructure Delivery and Procurement), providing a structured forum to review the project schedule in its entirety, facilitate communication and address any current or emerging issues in a wholistic manner. 2. The creation of a 'Project Lead/Overall Project Manager' role for larger projects, with responsibility to oversee projects from start to finish, providing greater accountability and more wholistic oversight that final deliverables meet original intent.	Audit supports the new initiatives introduced by management and executive (being the monthly cross-divisional meetings and introduction of a Project Lead role to oversee the full lifecycle of larger projects). To ensure the success of these important initiatives, it is critical to ensure that strong leadership and support for these initiatives continues, and that the structure of meetings and role of Project Leads are allowed to evolve to meet the changing needs of the business.

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[4] Level of criticality is rated according to internal audit's judgement of the perceived potential value of addressing each pressure point. Options include 'high', 'moderate' and 'low'.

[5] It is important to highlight that Internal Audit did not specifically test this point – the intention is to highlight the need for communication and collaboration between teams.

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Pressure Point		Opportunity to relieve pressure
2 **Resourcing** Level of criticality: Moderate	The size and scale of capital projects to be delivered by CoS has grown exponentially in recent years, reportedly tripling in size over recent years from historic levels of around $30 million to over $100 million in 2021/22. Comparatively, managers estimate that staffing for the Infrastructure Delivery and Infrastructure Management teams has increased by approximately 3 staff (6%), to a total of around 52 FTE across the two divisions. Noting not all FTE are dedicated to projects. An additional project resourcing request was approved, however it was reported to be difficult to fill these positions in the current market environment. Such a comparison is not an entirely fair indicator of potential resourcing constraints, as consultants and contractors are used to supplement shortages in internal staffing – a strategy which also allows greater flexibility to meet peaks and troughs in demand. However, the increase in project spend relative to staffing increases is indicative of the additional pressure placed on internal resourcing. The issue of resourcing is particularly challenging in the current economic and political environment. Significant volumes of Covid stimulus funding is being distributed across local and state government, putting significant pressure on the supply of qualified and experienced consultants and contractors to meet growing demand. This level of competitiveness in the market is likely to make it more challenging to find and engage suitable consultants and contractors in a timely manner, and also puts upward pressure on prices. There is an expectation that market conditions, and the scale of the CoS capital program, will return to pre-covid levels at some stage.	Short term strategy: Determine the next 18 months of resource requirements and recruit staff / contractors / consultants to fill gaps. Liaise with Procurement to determine a strategy for approaching the market for consultants in the context of a highly competitive current environment. This should include consideration of documented exemptions from procurement policy where appropriate. *Note: Audit notes and supports the participation of a Procurement Team representative at the recently introduced monthly cross-divisional meetings. This may provide one suitable forum to progress these discussions.* Medium term strategy: Develop a resource / workforce plan for the Infrastructure Delivery and Infrastructure Management teams to determine the optimal current and projected FTE and skills mix and to ensure appropriate strategies are in place to meet these requirements.
3 **Community consultation** Level of criticality: Low	Council has a strong focus on quality community consultation, and through its Community Experience Charter aims to 'deliver an exceptional community experience that exceeds community expectations.' To achieve this goal, Council's approach to community consultation goes beyond meeting minimum legislative requirements. With these high expectations comes an increase in staff resources required to plan, administer, and respond to community consultation, as well as increases in required timeframes for projects to allow for community consultation.	Consider ways to facilitate timely community consultation, with potential examples including but not limited to: • for which an 'inform' rather than 'consult' approach is sufficient • identifying when ratepayers can be provided with a limited list of choices to provide feedback on, rather than seeking open-ended feedback on preferences

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Pressure Point		Opportunity to relieve pressure
	Staff have reported increasing time and effort required to implement community consultation policies.[6] This has an impact on the available time to perform project management activities. Additionally, interviewees reported that the additional consultation often takes the form of open-ended questions regarding ratepayer preferences and desired functionality, rather than providing a limited list of choices. This is reported to add significant time to feedback evaluation response to ratepayers, as well as encouraging an increased volume of bespoke designs.[7] Whilst Audit fully supports the intent of Council's approach to community consultation which goes above and beyond legislative requirements, its strict application in the current environment may impact Council's ability to deliver the program of capital projects in a timely manner. Recognition of the time required to consult effectively also needs to be recognised within project schedules.	• reviewing the need to consult at multiple project stages • ensuring that adequate time and lead time for consultation is recognised within project schedules. *Note: Minimum legislative requirements for consultation must, of course, continue to be met in all cases.*
④ **Procurement** Level of criticality: Moderate	Delays in procurement and/or lack of planning for sufficient procurement activity can add significant time to the life of projects. Conversely, strategic, coordinated procurement can provide invaluable support to successful project outcomes through purchasing efficiencies, achieving more value for money, establishing appropriate contracts and supporting stronger supplier relationships. Procurement activities for capital projects can require up to a 14-week lead time. The current Procurement Team reported proactive approaches and plans to minimise delays associated with procurement activities. The following procurement-related pressure points were identified as impacting on the timeliness of projects: • In recent years, there has been a winding back of the number and types of panel arrangements that were previously in place, due to a perception of a lack of value. This impacts upon Project Manager time by requiring repeated development of procurement documentation, with reported examples including building services work. Establishment of supplier panels via a competitive process provides an efficient mechanism for quickly appointing pre-qualified suppliers (as appropriate for the works to be delivered), whilst enabling suppliers to offer their 'best price' for each new project and providing confidence in value for money. There is now again an appetite and plans to increase the use of panels. There is also scope to 'bundle' similar projects in one approach to market, and to establish multi-year contracts (for example around verge maintenance), even if the precise value of work required is not known in advance.	Continue work to establish more panels, with initial focus on regular / routine capital works (for example verge maintenance, tree pruning). To improve efficiencies, look to replace current single-year contracts for routine work with multi-year contracts. Continue work to proactively 'bundle' similar projects to make work more attractive to suppliers and enable CoS to obtain greater market interest. This 'bundling' may occur based on indicative designs with final pricing to be confirmed based on final designs. Continue work to streamline the acquisition planning process. For example: • develop broad acquisition plans in advance for a group of projects (giving indication of budgets, approvals etc) to enable

[6] This is supported by previous reviews conducted by the Internal Audit team for other SA Councils on community consultation. This can be a time-consuming activity.
[7] See Pressure Point 9 for a discussion of bespoke designs.

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Pressure Point		Opportunity to relieve pressure
	• Non-strategic projects under $300,000 may require Executive approval pending contract conditions/arrangements. • Acquisition plans are required for work above $150,000 pending contract conditions/ arrangements in place. This is considered a low value in the capital-works space. Acquisition plans were reported to be nine pages long and require detailed budget, market approach, evaluation criteria/weightings.	procurement activity to commence more quickly • consider removing or reducing the requirement for lower-value projects to have a detailed acquisition plan (a streamlined version may be applicable). Review whether delegations for approval of non-strategic projects can be moved from the Executive Group to the Group Manager (for example for projects under $300,000). *Note: Audit notes and supports the participation of a Procurement Team representative at the recently introduced monthly cross-divisional meetings. This will enable improved forward planning and a strategic approach to procurement across the portfolio of projects.*
(5) **Resident & EM information requests** Level of criticality: Low	Staff have reported a significant increase in the volume and complexity of project-related ratepayer and Elected Member queries. This is a natural by-product of a significant increase in the volume of projects, in addition to Council's strong community consultation focus. With the Capital Program scheduled to return to pre-Covid levels, it is expected that the number of queries will not continue to grow in numbers. Management and project staff demonstrated a positive, customer-focused attitude towards addressing resident and Elected Member queries. Internal Audit consider, however, that this increase in the volume of queries has a direct impact on capacity and availability to deliver project-related work. In addition, the upcoming increased volume of capital works is likely to directly create additional questions from Elected Members around these projects.	Take steps, in association with Elected Members, to actively reduce the impact of Elected Member queries upon staff time during the short-term current peak of projects, for example: • scheduling regular EM group updates on projects • making project status information more readily available to EMs. • discouraging direct ad hoc queries, other than in exceptional circumstances. Take steps to increase the number of ratepayer queries able to be addressed directly by Call Centre staff (thus decreasing the volume of

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Item 7.1.3 - Attachment 1 - Final Internal Audit Report - CoS Capital Works Projects

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Pressure Point		Opportunity to relieve pressure
		queries requiring project staff input), for example: • develop information sharing / project status update database accessible by call centre staff • compile project FAQs for use by call centre staff.
6 **Reporting** Level of criticality: Moderate	Relevant, accurate and timely status reporting across time, cost and quality targets is critical to the successful delivery of projects. Whilst not a project management system per se, reporting has been tailored by Council in the TechOne system to track and report project status, including time / cost / quality factors. Project Managers interviewed by Internal Audit commented positively about the project reporting functionality in TechOne. Internal Audit reviewed the system and consider that Council staff have tailored system reporting well, however the capabilities of this reporting are still limited by system functionality. The TechOne reports provide strong financial information, but the ability to track and report non-financial information is currently limited and may not be sufficiently granular for larger, complex projects.[8] For example, for larger, more complex projects, Project Managers can use 'MS Project' as a supplement to TechOne. As MS Project does not integrate with TechOne, this creates duplication as Project Managers are still required to enter reporting data into TechOne to ensure there is a single database to track the status of all projects. As at the time of audit fieldwork, project staff had unrestricted ability to change target dates within TechOne without system tracking to show revisions made or a requirement to document/justify revisions. This has resulted in reduced accountability, and difficulty in both identifying target date changes and tracking / managing the flow-on effects on other projects. Management has identified this issue, and are working to restrict the ability of Project Managers to change dates. Instead, Project Managers will need to submit date change requests, with justification, to the Team Leader, Project Support.	Short term: Audit supports proposed system access changes limiting project management staff's ability to change target dates in TechOne. Medium term: Explore options for reducing data entry duplication between MS Project and TechOne, for example: • investigate options to automate updating of TechOne via upload of an MS Project extract • investigate options for an alternative project management system, capable of scalable reporting for both smaller, routine projects and larger, complex projects.

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[8] Internal Audit understand that the system does offer further functionality that is not generally used, with reasons including additional workload and complexity to change the way the system is used.

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Pressure Point		Opportunity to relieve pressure
7 **Clarity of roles and responsibilities** Level of criticality: Moderate	Some lack of clarity has been reported in projects roles and responsibilities, specifically in relation to responsibility for concept / pre-design vs detailed design. Any confusion over project responsibility can result in delays in workflows, and may make it challenging to identify responsibility for any design issues as the project progresses. Detailed design work is generally undertaken by the Infrastructure Delivery Team, though there can be occasions where the Infrastructure Management Team performs a higher level of preliminary design work, or it is outsourced. There is opportunity to develop guidelines clarifying who should undertake the various levels of design phases required under various common scenarios.	Develop guidelines clarifying who should undertake detailed design work under various common scenarios. Specifically, clearly define roles for each project stage in the Project Brief. If these roles need to be amended during the life of a project, ensure this is formally documented/changed. *Note: Council's recent initiative of introducing a Project Lead role to oversee the full lifecycle of larger projects will assist in providing greater accountability and clarity over responsibility for management of project-related issues.*
8 **Prioritisation of projects** Level of criticality: Moderate	Prioritisation of projects at a whole of project portfolio level assists in planning workflow and allocation of resources across the financial year and over the lifecycle of projects. Different projects may have different priority levels in terms of both strategic importance and timing – for example, where the ability to complete projects is contingent on weather conditions or a need to be completed during school holidays. Prioritisation of projects is currently the responsibility of individual Project Managers. During audit fieldwork as at July 2021, interviewees reported no formal rules to guide prioritisation. Establishing a framework and collaboration principles for project prioritisation can assist workflows and help to smooth peaks and troughs in workload. As at November 2021 Internal Audit understand that a single MS Project schedule is in place to cover the entire program of works. In addition, that Project Managers must lodge a change request to modify project dates. The audit recommendation can be considered within this context.	Create a principles-based framework for prioritisation of projects at a portfolio level (e.g. across the 4 quarters of the year) based on risk (e.g. WHS, regulatory, work stoppage, contractual), relative strategic importance, required weather conditions, interrelationship with / dependence on other projects and other timing considerations (e.g. need to complete during school holidays for projects impacting school traffic, contractual / grant spending deadlines). *Note: The monthly cross-divisional meetings will provide a mechanism for a collaborative approach to the prioritisation of projects.*

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Pressure Point		Opportunity to relieve pressure
9 **Bespoke design work** Level of criticality: Low	The more bespoke a design, the more time and resources it takes to produce. For various reasons, including high levels of community consultation / input (for example, asking open-ended questions regarding what residents want to see as part of projects, rather than asking for favourite options from a limited range) and professional pride of talented staff, design work for CoS projects was reported to be often bespoke. Staff have identified that there is opportunity, and a desire, to reduce the volume of bespoke designs in instances where they are not required – for example for repeatable and low-complexity projects.	Implement strategies to appropriately reduce the volume of bespoke design work. Examples of strategies may include: • developing a suite of template design options for lower risk, repeatable projects (with the preference for use of templates where appropriate reinforced through staff training and awareness campaigns) • review CoS's approach to community consultation for lower risk projects with relatively low impact on residents – for example, inform vs consult, list of options vs open-ended choice.

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2.2 Completion and recording of key project documentation	Audit Risk Rating	Client Risk Rating
	Low	Low

Key Findings

- Key documentation including design briefs and contracts were in place for the majority of projects tested.

- The projects reviewed aligned to City Plan 2035 strategic directions– in particular around being 'a welcoming and liveable city'. Projects also aligned with the foundations of this Plan – notably in relation to health and wellbeing and the city being attractive / well maintained.

- There is opportunity to continue work to enforce and monitor completion of documentation to ensure all key project management steps, particularly project closeout, are properly and consistently conducted.

Discussion

The audit scope called for a review of capital works projects, with emphasis on:

- alignment of projects with the City Plan 2035 strategic directions and foundations

- the processes in the Project Management Manual (Release 3) and/or the Capital Delivery Framework are implemented effectively for capital works projects

- a project brief/business case/Prudential Report or justification document (where relevant) was approved as per approved policies and procedures, and project delivery realises the intended business case justification outcomes

- compliance with any statutory and regulatory requirements within the process of delivering and management of capital works projects

The audit sample was chosen across a time period where both the Project Management Manual and the new Capital Delivery Framework were in use. After discussion with the audit stakeholders, Internal Audit took a pragmatic approach to testing, and particularly focussed on reviewing whether the 'must have' items were in place. This reduces focus on whether smaller/less critical elements were in place and aims to identify any larger issues/trends that can be addressed in the current and upcoming period - where the team are experiencing unprecedented levels of project activity.

To achieve this, audit reviewed whether the following elements were in place and adequately recorded:

Project management document/requirement	Testing results	Comment
Project brief	In place for 6 of 7 projects tested	For 1 of 7 projects, staff reported that the brief for the project was missed in error, following receipt of the related grant funding and quick commencement of the project. For this project, the subsequent design report was developed. (Also see additional discussion in Section 2.3)

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ITEM	7.1.4
	AUDIT AND RISK COMMITTEE
DATE	12 April 2022
HEADING	Outstanding Actions Arising From Internal Audits
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report provides an update on the status of outstanding actions arising from previously completed internal audits.

RECOMMENDATION

That Council:

1. Notes the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Audit Committee, 12/04/2022, Item No.7.1.4).

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Audit Log Register 12 April 2022

BACKGROUND

1.1 This report provides a status update on the outstanding actions from past internal audits, showing a summary position, number of actions by risk rating and the movement of actions since it was last presented to the February 2022 Audit & Risk Committee meeting.

1.2 A total of three actions (approx. 14%) out of the 22 outstanding actions have since been closed.

1.3 Previously reported closed actions are now removed from the Audit Log Actions Register.

2. REPORT

2.1 A high-level summary on the **movement of actions** from internal audits is shown below.

Internal Audit Log Register

Total	Bal. as at 16 Feb 2022	Closed*	Re-Opened	New	Bal. as at 12 Apri 2022
	22	3	0	0	19
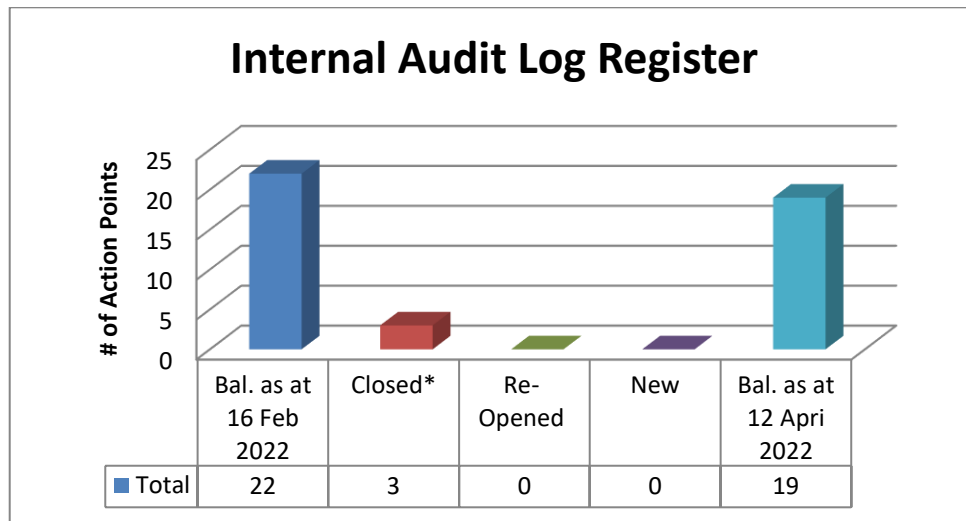
2.2 The total number of outstanding Audit actions reported to the February 2022 Audit & Risk Committee was 22, of which three (or 14% of the previous outstanding balance) actions were closed.

2.3 The risk profile summary position is shown below.

Risk Rating	Bal. as at 16 Feb 2022	Closed*	New	Bal. as at 12 Apri 2022
1_Very High	0			0
2_High	5	1		4
3_Medium	5			5
4_Low	5	1		4
5_Better Practice	4	1		3
6_LGASA Baseline Not Met *	3			3
Total	22	3	0	19

2.4 Out of the three closed Actions, there is one high risk, one low risk, and one better practice rated action.

2.5 There are no very high-risk actions pending.

Closed Actions

2.6 The three actions reported as closed, were tested by the Internal Audit and Risk Coordinator and confirmed as fully resolved.

2.7 Closed Actions are as follows:

Log #	Report Date	Audit	Risk rating	Title: Finding/Opportunity for Improvement	Recommendations	status	Audit Comment as at 12/04/202	Resolved
20	24-Jan-20	3. Contract Management	4_Low	3. There is a need for standardised storage of policies, procedures and contract documentation	5. Implement a process to ensure that policy, procedural and contract documentation is stored in one consistent location. Additional desirable features include: ☐ approval processes before documentation can be uploaded into the location ☐ clear metadata/date information about each document ☐ standard naming conventions ☐ use of consistent document templates, and ☐ reviewing security/access levels for documentation, including providing transparency that a document exists even if the user does not have permission to view it. This will assist in ensuring that staff are able to readily locate all information relevant to their roles and responsibilities.	Closed		Yes
24	24-Jan-20	3. Contract Management	5_Better Practice	7. There is a need to clarify expected processes in relation to contract closure	10. Formalise a process for contract closure. This can be in the form of a template, and may include but not be limited to: ☐ capturing learnings/feedback on contract performance from a contractor's perspective ☐ reviewing whether goods/services have been received in full as paid for ☐ reviewing whether discounts/savings were applied appropriately as per some contract conditions ☐ identifying lessons learned and ensuring that these are communicated within the Council, to facilitate future contract management improvements.	Closed		Yes
41	30-Oct-20	5. Purchase Card	2_High	3. Purchase Card Policy not in place, and Procurment Framework not reviewed before the next review date.	a) That a Purchase Card Policy is developed and adopted by Council or included with Council's Procurement Policy. b) The Policy to cover expenditure using purchase cards and Council's direction on sensitive expenditure and the type and nature of expenditure that it deems appropriate for purchasing using purchasing cards. c) That the Procurement Framework is reviewed, and clarified to show the value beyond which a PO is required. d) That a Purchase Card Policy be developed which defines low cost and low value purchases and clarifies the type of expenditure that is suitable for purchase cards. e) That the Procurement Matrix be clarified to show the value beyond which a purchase order is required. f) That the use of Purchase Orders for purchase cards have the same parameters and requirements that are set for creditor invoices.	Closed		Yes

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Outstanding Actions

2.8 There are 19 actions remaining on the Audit Log Register as at 12 April 2022 to be closed, and their status and risk ratings are illustrated below:

2.9 The level of completion of actions relative to the total number for respective audits is shown in table below:

Audit	Total # Actions	Actions Completed	%	Actions Outstanding	%	Status of Outstanding Actions
1. Business Systems and Solutions - Apr 2018	10	10	100%	0	0%	
2. Asset Management - Jan 2020	8	5	63%	3	38%	1 not due, 2 extended.
3. Contract Management - Dec 2019	7	7	100%	0	0%	
4. Management of Contaminated Sites - Oct 2020	14	11	79%	3	21%	2 not due, 1 extended.
5. Purchase Card - Aug 2020	7	7	100%	0	0%	
6. Trade Card Review - Nov 2020	3	3	100%	0	0%	
7. Legislative Compliance - Feb 2021	9	9	100%	0	0%	
8. LGASA 2019 Risk Evaluation Report - Nov 2019	6	3	50%	3	50%	3 Extended
9. Complaints Handling Process - Mar 2021	6	2	33%	4	67%	1 not due, 3 extended
10. Event Incident Management Framework - Jun 2021	5	3	60%	2	40%	1 not due, 1 extended
11. Volunteer Management Audit - Sep 2021	4	0	0%	4	100%	1 not due yet, 3 extended.
TOTAL	**79**	**60**	**76%**	**19**	**24%**	

2.10 A full list of the Internal Audit Log Actions Register is included in Attachment 1, covering closed and outstanding actions.

3. CONCLUSION / PROPOSAL

3.1 This report provides a summary of the position on outstanding actions from past internal audits, since the last Audit & Risk Committee meeting.

3.2 A total of three actions have been closed and 19 actions remain to be closed.

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o #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2022	Resolved
5	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6_LGASA Baseline Not Met	Risk Management Systems	It is recommended that City of Salisbury update their Risk Charter and Guide in line with the new ISO 31000:2018 Risk management guidelines and also put a process in place to ensure the documents are reviewed as per the Council's document management processes.	Risk Management Guide and Risk Management Charter are to be reviewed and updated. The document review requirements will be set out in the final documents and will reflect Council's document management processes. The ongoing review of the risk management corporate documentation will be included in the Audit Committee work plan.	Brett Kahland (Team Leader Corporate Governance)	30/09/2019	31/12/2021 31/03/2022 30/06/2022	Governance has progressed the development of a model risk management policy and framework based on the LGA model template including alignment with ISO standard. Update 9/11/2021: An Enterprise Risk Management Policy is developed in October 2021 and an ERM Roadmap was presented to Audit and Risk Committee covering an ERM Framework scheduled to complete by March 2022. **Update 4/4/22:** A Draft ERM Framework was presented to the Executives and following their review, recommended to undertake further stakeholder interaction and consultation on implementation impact.	Extended		No
0	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6_LGASA Baseline Not Met	Risk Assessment specific to Emergency Management Plan	CoS has documented risk assessments however it was noted that they were outdated and requires to be conducted again in line with current emergency scenarios. It is recommended that Council conduct risk assessments specific to emergency management and include all current emergency scenarios relevant to CoS.	CoS will work with the Council Ready Program to conduct risk assessments specific to emergency management and subsequently document those risk assessments	Brett Kahland (Team Leader Corporate Governance)	30/06/2021	31/12/2021 30/06/2022	Action is on track. Risk assessments have been commenced. 14/1/22: Emergency Mgt scenario risk assessment for flood and bushfire scenarios undertaken.	Extended		No
1	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6_LGASA Baseline Not Met	Trained staff on Emergency Management Procedure	Although selected staff have been trained on emergency operations, the details are not documented in the Emergency Management Plan as it's passed its review date and current relevant staff details have not been included in the plan. It is recommended that the list of current staff trained on emergency management procedures are updated during the review of the Emergency Management Plan.	Training on emergency management procedures will form part of the development of the revised Emergency Management Plan and will be conducted upon completion of the Council Ready Program.	Brett Kahland (Team Leader Corporate Governance)	30/06/2021	31/12/2021 30/06/2022	The development of the Incident Operations Manual has and will identify relevant staff with responsibilities during an emergency event. The Incident Operations Manual has been endorsed by executive (October 2021). Training for staff will occur as part of the roll out of the Incident Operations Manual. 14/1/22: Rollout of training to occur following presentation to Executive Group (rescheduled to scheduled for 19 Jan) Note: extend time to enable key staff to attend training in first half of 2022.	Extended		No
2	19-Dec-19	2. Asset Management	2_High	2.1 Focusing on customer levels of service and enhancing processes for monitoring and reporting levels of service.	1. Engage with key stakeholders to establish performance measures and desired levels of service based on customer consultation and assessments of satisfaction. 2.Establish levels of service based on targets that are measurable, achievable, relevant and timely. 3. Implement mechanisms to ensure that performance targets are compared to actual performance and reported to key stakeholders on a regular basis.	1. Now Council has an Asset Management Sub Committee (AMSC) and will work through the levels of service progressively for each asset category. 2. Existing levels of service in place but need to change to more community centric focus. 3. This is in place generally through the AMSC and SAMG	General Manager City Infrastructure, Karen Pepe, Manager Property & Buildings; Dameon Roy, Manager Infrastructure Management	31/12/2023	31/12/2022	~~1 & 2 addressed, as it is included in the SAMP to be approved by SAMG and Council, targeted to be completed by 20/05/2021.~~ Draft SAMP to be presented for mid year budget review in Jan 2022. 3. LOS to be confirmed in the AMOP (Asset Management Operational Plan) for all classes of asset. AMOP is to be completed by 31/12/2022.	Not Due Yet		No

Item 7.1.4 - Attachment 1 - Audit Log Register 12 April 2022

o #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2022	Resolved
4	19-Dec-19	2. Asset Management	2_High	2.4 Defining clear criteria for upgrades and renewal of buildings	1. Review current capital investment planning for buildings and ensure that criteria for prioritising upgrades (including construction of new assets) and renewal of buildings are clearly defined, documented and based on relevant factors including defined levels of service, condition, fit for purpose audits and forecasted future demand.	Generally in place however further improvements currently underway. Working with Council on defining 'fit for purpose' and future demand and priorities. Currently working the AMSC and developing a Place Activation Strategy to assist with this. Current condition & fit for purpose audit addresses the current state with the Community Planning and Vitality Division preparing a report for ASMC regarding future demands and trends including specifications and gaps analysis with respect to Council's sporting facilities. Council's Community Hub model has been adopted with respect to the community facilities, with Burton and Ingle Farm Community Hubs being constructed over the next few years. Ongoing formal presentations and reports to Council Committees.	Karen Pepe, Manager Property & Buildings	Ongoing	31/12/2021; 28/02/2022; 31/12/2022	See comments above. The Building Asset Management Plan (BAMP), which contributes to the Strategic Asset Management Plan and Long term Financial Plan, details the Levels of Service for buildings, and financial forecasts to deliver and maintain these Levels of Service. The BAMP also identifies the priority of building related works, which informs Council Budget Bids. The Community Planning & Vitality Division put a report to the Community Wellbeing & Sport Committee in May 2021, Item 5.1.3 - Place Activation Strategy - Formal Recreation. Building Condition audit completed in 2020 and this information is used to develop capital programs. Buildings Asset Management Plan to be redrafted and reported back to the AMSC by December 2021 **Update 27/01/2022:** BAMP scheduled to the next available AMSC meeting in Feb 2022. **Update 28/03/2022:** BAMP was presented to March 2022 AMSC. See further details in comments for Log item 16.	Extended		No
6	19-Dec-19	2. Asset Management	5_Better Practice	2.7 Opportunity to review contents included in the Asset Management Plans as per IPWEA standards and the ISO55000 series	1. Review the revised asset management plans against the IPWEA standards and ensure they address the required details regarding levels of service, asset condition, lifecycle management plan, asset criticality, risk management and processes for improvement. 2. Review the revised asset management strategy and ensure it includes internal and external factors that may impact on asset management objectives as well as strategic risk issues and risks relating to these factors.	1. Review occurred in 2017 to do this and close alignment was identified. Some improvements to Level of Service as above. Council currently uses the IPWEA templates. This will be revised and improved as the AMSC completes the review of assets by asset management plan. 2. Being considered as part of the (Strategic Asset Management Plan (SAMP) as presented to Council on 29 February 2020. Asset Management Sub-committee is working through the Levels of Service for each Asset Management Plan. This will result in the upgrade of the Asset Management Plans late in 2020. Action: See above.	Dameon Roy, Manager Infrastructure Management; Karen Pepe, Manager Property & Buildings	31/12/2021	31/12/2021; 28/02/2022; 31/07/2022	Management Plan will be completed by December 2021 as reported to the AMSC. An improvement plan is being prepared to be endorsed by SAMG. This will continue the improvements being made to Asset Mgmt and AMP's covering the period to Dec 21. **Update 27/01/2022:** BAMP scheduled to the next available AMSC meeting in Feb 2022. **Update 28/03/2022:** BAMP was presented to March 2022 AMSC, and Concil adopted the building types and endorsed criteria for Service Levels, and a further report will be presented to the July 2022 AMSC with financial forecasts. A scehdule has been prepared for the completion of other AMPs, and was endorsed by AMSC in Mar 22. See seperate update report in April Audit & Risk Committee Agenda.	Extended		No

Item 7.1.4 - Attachment 1 - Audit Log Register 12 April 2022

No #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2022	Resolved
0	24-Jan-20	3. Contract Management	4_Low	3. There is a need for standardised storage of policies, procedures and contract documentation	5. Implement a process to ensure that policy, procedural and contract documentation is stored in one consistent location. Additional desirable features include: ☐ approval processes before documentation can be uploaded into the location ☐ clear metadata/date information about each document ☐ standard naming conventions ☐ use of consistent document templates, and ☐ reviewing security/access levels for documentation, including providing transparency that a document exists even if the user does not have permission to view it. This will assist in ensuring that staff are able to readily locate all information relevant to their roles and responsibilities.	Review existing policies, guidelines Review naming convention, security etc… Provide training etc… Audit	DM Community Experience & Relationships / Laura Fischetti (Team Leader Business Intelligence and Data Management). Group / Committee identified in Rec 1	30/06/2021	30/11/2021 30/03/2022	Once CM Framework document, tools/templates, policy completed, Strategic Procurement will undertake internal training and awareness sessions for key internal stakeholder groups. This training will include awareness of existing processes for keeping of documents (Dataworks, Finance One and other supporting systems) - in accordance with current Procurement Framework. **Update 20/01/2022:** Requirements contained within Contract Management Framework. Implementation steps in progress, will be completed by end March 2022. **Update 21/03/2022:** Completed, implementation process underway.	Closed		Yes
4	24-Jan-20	3. Contract Management	5_Better Practice	7. There is a need to clarify expected processes in relation to contract closure	10. Formalise a process for contract closure. This can be in the form of a template, and may include but not be limited to: ☐ capturing learnings/feedback on contract performance from a contractor's perspective ☐ reviewing whether goods/services have been received in full as paid for ☐ reviewing whether discounts/savings were applied appropriately as per some contract conditions ☐ identifying lessons learned and ensuring that these are communicated within the Council, to facilitate future contract management improvements.	Refer Recommendation 4.	Ben Kempster, Manager Strategic Procurement	31/03/2021	31/10/2021 31/03/2022	Process and documents used for formal contract closure will be part of Contract Management Framework. The tools and templates that will form part of the CM structure include formal closure templates (including Lessons Learned, provision of feedback, close out checklist). **Update 20/01/2022:** Requirements contained within Contract Management Framework. Implementation steps in progress, will be completed by end March 2022.	Closed		Yes
0	03-Aug-20	4. Management of Contaminated Sites	3_Medium	6. Further work as per National Environmental Protection Measure (NEMP) Schedule B2 - Site Characterisation	Where potential risks cannot be adequately assessed from the existing information, further work may be required in accordance with the NEPM Schedule B2 (NEPC, 1999).	Agreed and noted	Dameon Roy, Manager Infrastructure Management	30/06/2023		Next review cycle is 2023. Budget bid to be put in 22/23, to do the Site Categorisation in accordance with NEPM Schedule B2. 14/2/22: Budget bids for existing sites (as included in report) have been included in 22/23 discussions. A prioritised list of sites requiring work in accordance with the NEPM will be prepared based on the updated risk ratings in the register.	Not Due Yet		No
3	03-Aug-20	4. Management of Contaminated Sites	5_Better Practice	9. Identification of Potential Sources and their Trends when assessing monitoring data related to Contaminated Sites.	When assessing monitoring data, consideration should be given to their potential sources and their trends (i.e. are concentrations stable, increasing or decreasing.	Best Practice	Bruce Naumann, Manager, Salisbury Water and Dameon Roy, Manager Infrastructure Management	31/12/2021	30/06/2022	This is already done for MAR systems in the annual data review and submission to EPA– example report provided. This will be expanded for future catchment monitoring.	Extended		No

No #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2022	Resolved
5	03-Aug-20	4. Management of Contaminated Sites	5_Better Practice	11. Management of Contaminated Sites Integrated into a Single Framework	The management of contaminated sites should be integrated into a single framework, providing documented feedback mechanisms, and ensuring the overall risk to the CoS and the Recycled Water Systems are appropriately managed.	a) Noted b) At this point in time the Contaminated Site Register sits in the Corporate GIS system and is managed by City Infrastructure, however there is no mechanism to provide ongoing reporting in this area, other than on an incident by incident basis. c) Also agree that a more integrated approach across Council Departments is required. This is proposed to be done by revising the Integrated Water Cycle Management Plan into a new Integrated Catchment Risk Management Plan and up-dating all Stormwater Management Plans (SMPs) to ensure they model and monitor water quality issues as well as water quantity (ie flood management).	Dameon Roy, Manager Infrastructure Management	2023/2024	Ongoing as per the separate Action Plan, reported to Feb 2022 A&RC.	The ICRMP is the first step in establishing an integrated framework. **Update 4/4/22:** An action plan for this was presented to Feb 2022 Audit & Risk Committee to identify the sub-components of the delivery of this item in 10 phased action milestones, whereby the ICRMP will get developed in 2026.	Not Due Yet		No
1	30-Oct-20	5. Purchase Card	2_High	3. Purchase Card Policy not in place, and Procurment Framework not reviewed before the next review date.	a) That a Purchase Card Policy is developed and adopted by Council or included with Council's Procurement Policy. b) The Policy to cover expenditure using purchase cards and Council's direction on sensitive expenditure and the type and nature of expenditure that it deems appropriate for purchasing using purchasing cards. c) That the Procurement Framework is reviewed, and clarified to show the value beyond which a PO is required. d) That a Purchase Card Policy be developed which defines low cost and low value purchases and clarifies the type of expenditure that is suitable for purchase cards. e) That the Procurement Matrix be clarified to show the value beyond which a purchase order is required. f) That the use of Purchase Orders for purchase cards have the same parameters and requirements that are set for creditor invoices.	Agree. This will be discussed with executives and policy will be developed ore revised accordingly.	Ben Kempster, Manager Strategic Procurement	30/06/2021	31/12/2021 31/03/2022	Council Adopted on 24 May 2021, Resolution : 0954/2021 Comments for 9/11/21: All actions resolved other than c & e can be closed. These remain open due to their link with updating the Procurement Framework which will be completed by end of Q1 2022. **Update 21/03/2022:** Completed. PO requirements for action item c & e are detailed under a seperate docuemnt called PO Guidelines.	Closed		Yes
7	22/03/2021	9. Complaints Handling Process	2_High	1. Lack of a Complaints Handling & Management System	Establish a centralized system to capture information on complaints, and use the system for handling, managing and reporting on complaints received and resolved; either through an existing software solution or by introducing a dedicated complaints management system. Ensure that all complaints are recorded, and reported to the management on a regular basis, including complaints received via telephone calls, and from walk-in community members.	Investigation will need to be undertaken to find a suitable program to capture all complaints in the one place and identify funding requirements. This forms part of the scope of a current project undertaken called the Exceptional Community Experience Project.	Hannah Walters (Project Manager Community Experience)	30/06/2022		**Update: 9/11/21**: We are currently preparing an EOI for the technology solution to manage all Community Interactions.	Not Due Yet		No

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No #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2022	Resolved
8	22/03/2021	9_Complaints Handling Process	3_Medium	2. Performance Monitoring and Reporting on Management of Complaints	1. Incorporate within the relevant policies and procedures, the reporting requirements and frequencies covering performance reporting on service standards. 2. Establish a mechanism to record and measure actual performance against all service standards; 3. Establish a monthly reporting process on actual performance against all agreed service standards for complaints and requests for services. 4. Review the key performance indicators and service standards for complaints handling included within the Community Experience Charter and also the CCC Procedure, to ensure they are attainable and realistic.	1. The recommendation will be implemented. 2. There is significant work required in developing a report on performance against all service standards. Unclear if reporting against service standards is undertaken within each business unit on a monthly basis. Investigation and scoping of the solution will be required. 3. A customised monthly report will be developed to track the progress of the Operational Service Standards listed in the Community Service Framework. 4. The key performance indicators listed in the Community Experience Charter will be reviewed to ensure they are relevant and realistic.	Hannah Walters (Project Manager Community Experience)	31/12/2021	31/12/2022	Update: 9/11/21: The Community Expereince Framework is no longer an operational document. We currently report to Council monthly on all CRM data but this will be expanded when we introduce a Customer Relationship Management System that will capture all Community Interactions. **Update 24/01/2022:** New initiative bid submitted for funding and implementation for the CRM project	Extended		No
9	22/03/2021	9_Complaints Handling Process	3_Medium	3. Escalation Process for Tier 1, Tier 2 and Tier 3 Complaints	Ensure that escalation process implemented covers Tier 3 complaints as per the requirements of CCC Procedure, and/or revise the CCC Procedure accordingly.	This will get captured as part of the Exception Community Experience Project Implementation scope, and implement the Complaints handling Tier escalation process.	Business Process Owners: Hannah Walters (Project Manager Community Experience) / Amy Pokoney Cramey (General Manager Community Development) Owner for ECM System Support: Laura Fischetti (Team Leader Business Intelligence and Data Management).	31/12/2021	31/12/2022	Update: 9/11/21: Requirements for escalations will be built into the detailed business requirements document for the Customer Realtionship Management Solution. **Update 24/01/2022:** New initiative bid submitted for funding and implementation for the CRM project	Extended		No
0	22/03/2021	9_Complaints Handling Process	3_Medium	4. Trend Analysis on Complaints Data for Strategy Formulation	COS should perform data analysis on complaints received and resolved to identify trends and lessons learned and appropriately apply as input within COS's strategy formulation process.	This will be incorporated as part of the Exceptional Community Experience Project scope and implemented.	Hannah Walters (Project Manager Community Experience)	31/12/2021	31/12/2022	Update: 9/11/21: Requirements for escalations will be built into the detailed business requirements document for the Customer Realtionship Management Solution. **Update 24/01/2022:** New initiative bid submitted for funding and implementation for the CRM project	Extended		No

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#	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2022	Resolved
3	29-Jun-21	10. Event Incident Management Framework	2_High	A need to clarify stakeholder responsibilities and engagement in the risk and hazard identification process	1. Establish a definition of what constitutes a COS "Event" for the purposes of interpreting and enforcing event-specific policies and business rules. 2. Formally agree and document the roles and responsibilities of stakeholder groups across Council in providing expertise for the planning and delivery of events, including the level of involvement expected of the WHS team in the risk assessment process and to whom a copy of the risk assessment must be provided. These roles and responsibilities can be determined with reference to a risked-based event categorisation (see Recommendation 4), and/or linked to specific events identified in the events calendar. 3. Develop a business rule to determine when events are to be managed by the Events Team. This could be aligned to event risk categories (see Recommendation 4) and/or other criteria determined by the Events Team in consultation with other stakeholders. 4.Formalise Council's expectations regarding appropriate minimum lead times for consulting relevant stakeholders in relation to the risk assessment and risk treatment processes for events. 5. Define risk-based categories for the grouping of events, and assign each event to a category.These categories can then be used to determine the roles and responsibilities of stakeholders (including, for example, whether an event should be led by the Events Team), nature and extent of documentation and other requirements to support event management and risk assessments.	1. Identify the definition of COS "event". 2. Establish and document more formally, the roles and responsibilities related to event planning and delivery, including the identification of expected involvement by the WHS representative. 3. Adopt the above recommendation no. 3, clearly identifying the events that the Events Team shall be responsible for, including the definition of when it is required to separate infrastructure delivery from program/performance delivery. 4. Events team will provide the WHS team a copy of their risk assessment of the up and coming event two weeks prior to the event taking place. The day before the event, any changes to the assessment will be submitted to the WHS team for review. 5. Adopt recommendation no. 5 in addition to the preparation of an overarching Corporate Events and Public Relations plan.	1, 2, 3 & 5- Julie Kushnir (Manager Community Experience & Relationships) 4: Michelle Dagger (Team Leader Events, Place Activation and Curation) & Simon McGuinness (Team Leader Safety & Wellbeing) (in consultation with Security)	1: 01/12/2021 ; 2&3: 31/12/2021; 4: 30/06/2024 5: 31/04/2022	4: 30/04/2022	Definitions complete. Roles and responsibility allocation complete. Business rule developed to identify when Events Team either manages event, or takes on responsibility for infrastructure, not content. 1 2 & 3 complete. 4 & 5 to be identified in consultation with WHS officer.	Not Due Yet		No
5	29-Jun-21	10. Event Incident Management Framework	4_Low	Opportunity to review and refine the risk assessment template	7. Perform a review of the risk assessment template (involving key stakeholders from the WHS, operations, HUB security and events teams), with a view to simplifying the document. Specifically, the risk of insufficient resourcing should be addressed as part of the risk assessment process and be included in the template to prompt consideration.Following this review, determine and record a required next review date for the template.	Agreed. To address the recommendation, the following Action Plan will be implemented. A - Complete the revision of the risk assessment template. B - Develop a 1-2 page risk assessment checklist. C - Develop a scalable risk assessment or other event source material that informs of relevant risk controls measures to support the risk assessment checklist.	Nick Cross (Senior WHS Advisor)	31/12/2021	28/02/2022 30/04/2022	A. Completion of the Event Safety Handbook in lieu of revising the old risk assessment template is mostly complete. I anticipate having this finished by mid February. The handbook forms the basis of lookup for the event safety checklist. B.The 1-2 page checklist is created after the Handbook index is compeled. It's a relatively simple exercise, however it intends to accurately reference the handbook – whereby both documents need to match. C.This is accomplished by virtue of the two items above. i.e. A person will tick against listed items on the checklist that relate to the event. In that manner its scaleable. The person then refers to the ticked checklist requirements in order to manage the risk. Update: 21/3/22: The draft Event Safety Handbook is currently scheduled for the next quarterly Principal WHS Committee meeting to be held on 19th April 2022, prior to finalisation of the handbook	Extended		No
8	23-Sep-21	11. Volunteer Management Audit	3_Medium	Volunteer Safety Handbook	As a better practice control measure, it is advisable that COS prioritise the development of a comprehensive Volunteer Safety Handbook to meet the core components of the WHS Induction and Training Procedure detailed below: •Provide WHS information, training and instruction in a way that is readily understandable to any person whom it is provided •Provide workers with information, instruction and training that is necessary to protect persons from risk to health and safety having regard to their role	Actions proposed include sourcing funding and an external consultant to develop an accessible easy-English Volunteer Health and Safety Handbook that complies with WHS requirements	Vesna Haracic (Manager Community Health and Wellbeing) Michelle Hodshon (Volunteer Development Officer)	30/06/2022			Not Due Yet		No

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#	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2022	Resolved
9	23-Sep-21	11. Volunteer Management Audit	4_Low	Volunteer Interview Process & Recordkeeping	Given that interview process is an essential process to determine suitability of volunteers for the role, it is recommended that administration takes extra measures to ensure evidences of interview are provided by relevant Volunteer Coordinators in a timely manner and prior to volunteer registration in VMS, then stored in COS's record management system.	Management agrees that the interview is a critical element to volunteer onboarding. It notes all staff with volunteer management responsibilities are provided training in councils volunteer management requirements including the need to undertake an interview and that the supporting documentation be forwarded to Volunteer Services as a part of the registration process. Action proposed is that Volunteer Services staff must have received interview notes, that meet the required standard, to register a person as a volunteer with the organisation, and, the interviewing staff must provide the interview notes to Volunteer Services staff to store in Dataworks for record-keeping purposes.	Michelle Hodshon, (Volunteer Development Officer)	30/03/2022	30/06/2022	Work has been undertaken on this and is approximately 80% complete. Staff leave has impacted the completeion of the task. It is now expected to be completed by 30 June 2022	Extended		No
0	23-Sep-21	11. Volunteer Management Audit	4_Low	Volunteer Exit Process & Recordkeeping	1.COS should review its current volunteer feedback process and ensure that exiting volunteers are reached through appropriate mechanisms to get timely feedback. 2.Ensure the reasons for volunteer exiting is determined and captured in a timely manner to ensure fairness in the volunteer exit process and that volunteer exiting occurs as per volunteer management policy.	Actions proposed are to update the Volunteer Management Guidelines noting timeframe and resignation reasons are factors attributable to determining the distribution of an exit survey; and, staff with volunteer management responsibilities are reminded to immediately communicate the resignation of a volunteer, and the reason, if known, so an exit survey can be forwarded to the volunteer in a timely manner and reason recorded in the Volunteer Management System and Dataworks.	Michelle Hodshon, (Volunteer Development Officer)	30/03/2022	30/06/2022	Part 1 of this action is complete as a new practice is in place to utilise email, as appropriate, to contact exiting volunteers, providing them with a link to an online exit survey. Part 2 of this action will be met in alignment with action 71. Work has been undertaken on this and is approximately 80% complete. Staff leave has impacted the completion of the task. It is now expected to be completed by 30 June 2022	Extended		No
1	23-Sep-21	11. Volunteer Management Audit	4_Low	Update Volunteer Management Corporate Guideline	It is recommended to develop a comprehensive Volunteer Management Manual or review and update the Volunteer Management Corporate Guideline with relevant version control details covering the full end to end volunteer management process, and ensure that the information held on intranet is consistent with the manual or guidelines.	Action proposed is the Volunteer Management Guidelines be reviewed, updated and version control requirements detailed.	Michelle Hodshon, (Volunteer Development Officer)	30/03/2022	30/06/2022	As of December 2021 work started on reviewing Volunteer Management Corporate Guidelines. Support has to be provided by staff member with access to CoSi and this has been challenging given one staff member has access and is competing priorities. Work has been undertaken on this and is approximately 80% complete. Staff leave has impacted the completeion of the task. It is now expected to be completed by 30 June 2022	Extended		No

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ITEM	7.1.5
	AUDIT AND RISK COMMITTEE
DATE	12 April 2022
HEADING	Risk Management and Internal Controls Activities
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
	4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report provides an update on the risk management and internal control activities undertaken (or planned) for 2021/2022.
	The Enterprise Risk Management (ERM) Roadmap was reported to Audit & Risk Committee in November 2021, and its current status is updated in this report, along with the status of other risk management and control activities undertaken this year.

RECOMMENDATION

That Council:

1. Notes the update on Risk Management and Internal Control Activities for 2021/2022 since the 16th February 2022 Audit & Risk Committee meeting, as set out in Attachment 1 to this report (Audit & Risk Committee, 12/04/2022, Item No.7.1.5).

2. Notes the Strategic Risk Register as set out in Attachment 2 to this report (Audit & Risk Committee, 09/11/2021, Item No. 7.1.5).

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Risk Management and Internal Controls Activities 2021-22_Apr_2022

2. Strategic Risk Register - April 2022

1. BACKGROUND

1.1 This report provides an update on the risk management and internal control activities undertaken (or planned) for 2021/2022. The report allows the Audit & Risk Committee to monitor and review the activities and assurance they provide.

2. REPORT

2.1 The risk management and internal control activities planned for the year 2021/2022 are summarised in Attachment 1, which is updated to the Audit and Risk Committee on an ongoing basis.

2.2 *Financial Internal Controls:* The Local Government Best Practice Financial Controls Model is used to ensure financial controls are adequately covered, and this is managed through Control Track. The self-assessment for this year commenced in April 2022. This will be reviewed by the external auditor in the interim audit, internal control certification process. The External Auditors Interim Audit report is scheduled to be presented to the Audit & Risk Committee in July 2022.

2.3 *Audit & Risk Committee Performance Assessment:* The self-assessment survey response is reported to the Audit & Risk Committee in April 2022 (see Audit & Risk Committee 12/04/2022, Item no. 7.1.6).

2.4 *Emergency Management Project:* The City's Emergency Management Project Coordinator is undertaking the project, and so far, the Emergency Management Policy and Emergency Management Plan have been adopted, and the Incident Operations Manual has been drafted. These documentations cover the key processes to be followed in emergency management, and implementation of emergency management is ongoing as per these policies and procedures.

2.5 *Enterprise Risk Management (ERM) Roadmap:* An ERM Roadmap was developed and approved by Council in November 2021, covering specific deliverables to ensure that an effective risk management process is implemented. The key project milestone status is as follows:

    2.5.1 Develop ERM Policy by end of November 2021 – completed.

    2.5.2 Develop ERM Framework by end of March 2022 – in progress; Executive feedback received on draft, for finalisation.

    2.5.3 Develop an Overall Assurance Map by end of March 2022 – in progress. Further consultation with key stakeholders is required to complete, and reporting is rescheduled for presentation to the next Audit & Risk Committee in July 2022.

    2.5.4 Review BCP for Critical Functions by end of March 2022 – in progress. Business impact assessments have been completed for all critical and non-critical functions and the next step is to finalise business continuity plans.

    2.5.5 Develop Operational Risk Registers for all Divisions under the new ERM Framework by end of June 2022 – in progress. ERM framework approved by management, and operational risk registers are planned to be developed following risk workshops and roll out of the ERM Framework implementation.

2.6 The **Strategic Risk Register** is updated, highlighting all new additions in red text and striking through text that has become obsolete. The main areas of change are in the risk treatment owners and risk monitor and control timelines. There are no changes noted in the risk ratings, as no further risk assessments took place during this period.

A review of the Strategic Risk Register is to be scheduled for early next financial year, and any new/emerging risks will be updated in the revised risk strategic risk register.

3. CONCLUSION / PROPOSAL

3.1 This report has provided a summary of the risk management and internal controls activities undertaken and planned for 2021/2022, since the last Audit and Risk Committee meeting.

Risk Management and Internal Controls Activities – July 2021 to June 2022   v1.5

Annual Plan - July 2021 to June 2022					
Activity	**Type of Activity (Risk Management or Internal Controls)**	**Resourcing (Internal, External, Co-sourced)**	**Status:** Completed, In progress, Not yet commenced	**Rationale for piece of work**	**Update on progress**
1. External Audit of financial internal controls	Internal Controls	External	Completed	This piece of work is legislatively mandated. Internal audit is heavily involved in facilitating the work.	The final report from the external auditors for FY2020/2021 was delivered at the October 2021 meeting of the Audit & Risk Committee.
2. Completion of Control Self-Assessments and Risk Assessments through the Control Track system, including external audit preparation	Internal Controls	Internal	In progress	The external auditor's expectations are that at least one control self-assessment will be conducted annually and a risk assessment should also be conducted on financial internal controls.	The control self-assessment has commenced in April 2022. The outcome of this assessment is scheduled to be reviewed by External Auditor in the interim audit, internal control certification process, and will be reported to the Audit & Risk Committee in July 2022, as part of the External Auditor's Interim reporting process.
3. Cash Management	Internal Controls	Internal	Completed	This work needs to be completed annually as a part of the financial internal controls framework; it includes the end of year reconciliations of petty cash and till floats.	The petty cash and till float reconciliations were performed in July 2021 for the 2020/2021 period to substantiate the information to be contained within the Annual Financial Statements. A memo to the GM Business Excellence was prepared. No issues were identified.

Item 7.1.5 - Attachment 1 - Risk Management and Internal Controls Activities 2021-22_Apr_2022

Risk Management and Internal Controls Activities – July 2021 to June 2022   v1.5

Annual Plan - July 2021 to June 2022					
Activity	**Type of Activity (Risk Management or Internal Controls)**	**Resourcing (Internal, External, Co-sourced)**	**Status:** Completed, In progress, Not yet commenced	**Rationale for piece of work**	**Update on progress**
4. Report on the findings of the Audit & Risk Committee self-assessments	Internal Controls	Internal	Completed	The annual self-assessment reviews the performance of the Audit & Risk Committee.	Survey commenced in March 2022 and outcome reported to Audit & Risk Committee and Council in April 2022.
5. Review the Fraud and Corruption Prevention Strategy	Internal Controls	Internal	Completed	The Fraud and Corruption Prevention Strategy was reviewed and replaced with a Policy and a Framework.	The Fraud and Corruption Policy was adopted by Council in February 2021 and the Fraud and Corruption Prevention and Management Framework was approved by the Executive Group in July 2021.
6. Emergency Management Project	Risk Management	Internal	In progress	Develop, implement and review the Emergency Management Framework, including the development of tools, plans and instructional guides. Provide an integrated model of emergency management for City of Salisbury, with assigned roles & responsibilities	The Emergency Management Policy and Emergency Management Plan have been endorsed. The Incident Operations Framework has been drafted. The project has been substantially completed from a design and documentation point of view.

Item 7.1.5 - Attachment 1 - Risk Management and Internal Controls Activities 2021-22_Apr_2022

Risk Management and Internal Controls Activities – July 2021 to June 2022   v1.5

Annual Plan - July 2021 to June 2022					
Activity	**Type of Activity (Risk Management or Internal Controls)**	**Resourcing (Internal, External, Co-sourced)**	**Status: Completed, In progress, Not yet commenced**	**Rationale for piece of work**	**Update on progress**
7. Review of Business Continuity corporate documentation	Risk Management	External	In progress	Following the BCP Test conducted in May-June 2018 it has been determined that a comprehensive review of City of Salisbury's business continuity documentation should be conducted.	Business Impact Assessments have been completed for all critical and non-critical functions. BCP will be finalised for all functions during the 2021/22 financial year.
8. Develop documented risk management framework	Risk Management	Internal	Completed	Contributes to the vision of having an organisation wide, consistent, usable risk management framework to encourage and inform risk management.	The Enterprise Risk Management (ERM) Framework was reviewed and endorsed by the Executive Management. This is reported to the Audit & Risk Committee in April 2022.
9. ERM Program Roadmap	Risk Management	Internal	In progress	Following the development of an ERM Policy, it was decided that a Road Map is developed to ensure effective implementation is monitored as per an agreed plan.	The ERM Roadmap milestones are delivered and progressing on time as per schedule, with ERM Policy and Framework developed as key deliverables; except for the Assurance Map – see update below (in item 10).
10. ERM Roadmap Deliverable – Assurance Map	Risk Management	Internal	In progress	CEO asked to prepare an overall Assurance Map for the City of Salisbury to determine where we are in terms of assurance. Audit & Risk Committee has also asked for a brief on this as was agreed as an action item.	Further consultation with key stakeholders are required before the Assurance Map gets finalised, and this is now planned to be presented to the next Audit & Risk Committee meeting in July 2022.

Item 7.1.5 - Attachment 1 - Risk Management and Internal Controls Activities 2021-22_Apr_2022

Risk Management and Internal Controls Activities – July 2021 to June 2022   v1.5

Annual Plan - July 2021 to June 2022					
Activity	**Type of Activity (Risk Management or Internal Controls)**	**Resourcing (Internal, External, Co-sourced)**	**Status: Completed, In progress, Not yet commenced**	**Rationale for piece of work**	**Update on progress**
11. ERM Roadmap Deliverable – Operational Risk Registers for all Divisions	Risk Management	Internal	In progress	As part of the ERM Program Road Map deliverable.	As per the ERM Roadmap, this task is to be completed by end of June 2022. Risk workshops are to be held, and operational risk registers will be developed as part of the ERM framework implementation process.

Item 7.1.5 - Attachment 1 - Risk Management and Internal Controls Activities 2021-22_Apr_2022

CITY OF SALISBURY STRATEGIC RISK REGISTER

	Step 1: Risk Identification						Step 2: Risk Assessment			Step 3: Risk Response & Treatment - Mitigation Controls				Step 4: Control Evaluation				Step 5: Risk Monitor & Control (blank if none required)					
							Inherent Risk			Controls				Residual Risk									
Risk Type	Risk Category	Risk Description	Risk Owner	Causes			Consequence	Likelihood	Inherent Risk	Description				Consequence	Likelihood	Residual Risk	Current Status	Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date	Management Actions	Link to corrective actions register	Comments
Strategic	A welcoming and liveable City	Inadequate response to a business continuity or emergency event, or major incident at a Council run Community event. CoS' continued ability to support essential, critical business activities and access available key business resources is impacted as a result of failure to prepare for, respond to and recover from a disaster (e.g. fire, flood, explosion, earthquake, storm, aircraft crash). CoS experiences negative impacts to CoS' brand and image, legal and cost implications, and public & staff safety as a result of failure to prepare for and respond to a major incident at a Council run community event." "It has been recognised that the risk relating to an incident occurring at an event sponsored or partnered by Council is still relevant however need not be recorded on the Strategic Risk Register. Impacts: Service delivery to community severely compromised, reputational damage, loss of morale and resources, compromised regulatory decisions, death/critical injury of staff and/or public, financial cots to rectify, legal cost of failure to prevent a health and safety incident, regulatory or Government censure.	CEO, All General Managers	• Lack of plans and procedures to inform response strategies when a business continuity or emergency event occurs • Lack of communication/training for relevant staff required to respond to business continuity and emergency events • Information to facilitate action during business continuity or emergency events is insufficient or not available • Impact of climate change on weather patterns • COVID-19 pandemic • Inadequate procedures and plans in place to prevent incidents • Failure to maintain staff training • Inadequate performance of risk assessments • Lack of asset management and maintenance • Inadequate due diligence performed by CoS in order to identify relevant risks related to the management and delivery of community events			Catastrophic	Almost Certain	Very High	• Current and maintained Business Continuity Framework (including Plans and testing regime), 4 • Business Continuity staff identified and trained on roles and responsibilities, 3 • Incident Management Team identified and trained, 4 • Current and maintained IT Disaster Recovery Plan (including testing regime), 4 • Current and maintained Emergency Management Plan, 3 • Participation in Zone Emergency Management Committees – Northern Area, 5 • Participation in LG Council Ready Program, 5 • Distribution and maintenance of effective VPN network access to all relevant staff, 5 • Effective and regularly reviewed COVID action plans, 5 • Building Control and Inspections, 4 • Evacuation procedures and testing, 4 • Provision and maintenance of Building safety systems - e.g. exit signs, fire extinguishers, wardens etc., induction process, 4 • Risk assessments performed for community events, 4 • Reviewed and maintained Asset management plans, 4 • Maintaining and reviewing Business Continuity Framework, 4 • Performance testing of BCP scenarios 4 • Key ICT members actively participating within the Zone Emergency Management Committee – Northern Area, 5 • Maintaining and reviewing Event Management Plans 4 • Compliance with Event Management Guidelines, 4 • Training of all potential event owners on risk identification and due diligence assessment, 4 • Formal information exchange between City Infrastructure bookings and Events Team to identify community events involving CoS assets, 4				Moderate	Possible	High	At Tolerance	1. Develop and deliver training on business continuity to relevant staff. 2. Delivery of Emergency Management Project	Manager Governance	1. ~~30 June 2021~~ ~~30 Mar 2022~~ 30 June 2022 2. ~~30 June 2021~~ ~~30 June 2022.~~ completed with the exception of BCP actions pending			None
Strategic	A sustainable City	Contamination of the recycled water systems CoS experiences reduced environmental, economic and social benefits due to failure to prevent, prepare for and respond to contamination of the Salisbury Water recycled non-drinking water distributed to parks, reserves, schools, industry and some new residential sub-divisions. Impacts: Financial cost of replacing supply with SA Water and clean-up costs, financial impost of rectification, failure to fulfil commercial contractual obligations, reputational damage, regulatory or government intervention and/or fines, revenue reduction, health risk to staff and community.	GM Business Excellence, GM City Infrastructure	• Inadequate monitoring plans and sample testing • Failure to respond appropriately in the event of contamination • Failure of controls within the Recycled Water Risk Based Management Plan • Wet weather could hamper clean-up operations or contribute to a contamination event • PFAS and PFOA infiltration. • Act of Terrorism • Illegal dumping			Catastrophic	Possible	High	• Salisbury Water Business Unit – Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced, 4 includes: • Salisbury Water Business Unit – monitoring plan and monitoring matrix. All water sampling is carried out by National Association of Testing Authorities (NATA) accredited staff. Laboratories performing the testing are NATA accredited. • Supervisory Control and Data Acquisition system in place to detect faults and alert CoS staff. 24/7 remote access availability by laptop by CoS staff. • Supply contracts to customers contain Force Majeure clauses which limit liability to Council in the event that water cannot be supplied, 5 • Rapid Response Team and Call Out Officers through City Infrastructure (Council staff) in place to manage events that may lead to contamination of recycled water system (e.g. chemical spill) (24/7 support including after hours), 4 • Employee Media Policy and Procedure and Elected Member Media Policy, 4 • Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required, 4 • Review of Risk Based Management Plan every five years, 4 • Maintenance of the CoS Contaminated Sites Register, 3				Major	Unlikely	Medium	Below Tolerance	1. Implementation of relevant findings from the Management of Contaminated Sites Audit	Manager Salisbury Water Manager Infrastructure Management	1. Various. On track within the Audit Log Action Register timelines.			None
Strategic	A welcoming and liveable City	Lack of management of public and environmental health risks Community experiences illness or injury due to a failure to deliver public and environmental health and safety outcomes for the community (includes food safety, dog and cat management, by-law enforcement and parking control). Impacts: Financial impost to rectify a health and safety incident, reputational damage, regulatory or Government intervention or censure/fines, health risk to staff and the public.	GM City Development	• Inadequate management, monitoring or testing • Failure to respond appropriately in the event of an incident • Animal/vermon infestation • Noxious plants • Failure of waste disposal contractor to meet contractual obligations.			Major	Likely	High	• Compliance with Public Health and Environmental Policies and Procedures, 4 • Provision of Immunisation Services, 5 • Current and maintained Animal Management Plan, 5 • Activating the relevant initiatives within the CoS Regional Public Health Plan, 5 • Performance of General Inspections, 5 • Undertaking Dog Patrols, 5 • Administration and management of CoS' responsibilities under the Food Act, 4 • Compliance with and training on Employee Media Policy and Procedure and Elected Member Media Policy, 4 • Enforcement of the CoS' responsibilities under the SA Public Health Act, 5 • Enforcement of the CoS' responsibilities under the Dog and Cat Management Act, 5 • Performance of infrastructure maintenance activities, 5 • Undertaking the Mosquito Control Program, 4 • Accurate completion of Food Safety Audit Report Questionnaire, 4 • Accurate completion of Food Safety Inspection Checklists, 4 • Provision of all Food Safety Inspection documentation to relevant business Proprietors, 4				Major	Possible	High	At Tolerance						None

CITY OF SALISBURY STRATEGIC RISK REGISTER

		Step1: Risk Identification			Step 2: Risk Assessment			Step 3: Risk Response & Treatment - Mitigation Controls	Step 4: Control Evaluation			Step 5: Risk Monitor & Control (blank if none required)					

Risk Type	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls	Residual Risk			Current Status	Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date	Management Actions	Link to corrective actions register	Comments
					Consequence	Likelihood	Inherent Risk	Description	Consequence	Likelihood	Residual Risk							
Strategic	A sustainable City	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services. The detrimental effect on Council assets and infrastructure caused by environmental factors, including climate change, is not adequately addressed through Council planning. The detrimental effect on Council assets and infrastructure caused by social factors, such as changes in demographics, is not adequately addressed through Council planning. Impact: Financial cost of dealing with the consequences of frequent freak weather related events, long term impact on infrastructure, its maintenance and replacement, organisational plans and strategies are no longer valued or desired by the community, failure to adapt to a changing external environment resulting in some services becoming irrelevant and others insufficient.	GM City Development, GM City Infrastructure, GM City Development, GM Community Development	· Inadequate understanding and planning for factors impacting the environment · Failure to consider environmental consequences when planning and designing infrastructure · Insufficient modelling of weather events used within Asset Management Planning · Inadequate infrastructure within the City to manage stormwater and sea level rises due to storm events · Inadequate understanding of and planning for the impact of climate change on City infrastructure and assets · Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly · City Plan becomes obsolete or fails to anticipate the financial impact of demographic changes · Failure to maintain a social infrastructure plan for the existing and future assets · Coastal inundation and impact on biodiversity · Failure to update Asset Management Plans	Major	Possible	High	· Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWNR, 5 · Regular monitoring of risk sites e.g. land fill sites, dams, 5 · Extreme Heat response process (for residents), 4 · One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling, 4 · Reviewed and maintained City Plan/Strategic Plans/Business Plans, 4 · Bushfire Management Plan, 4 · Watercourse Management capital program, 4 · Reviewed and maintained Asset Management Policy and Plans, 4 · Reviewed and maintained Growth Management Plan, 5 · Asset Management Committee · Implementation of Youth Strategy and Intercultural Plan, 4 · Asset Management infrastructure audits, 5 · Adapting Northern Adelaide Plan, 4 · Reviewed and maintained Emergency Management Plan, 3 · Participation in Zone Emergency Management Committee – Northern Area, 5 · Compliance with grant funding applications process and reviews, 5 · Compliance with Home Care Common Standards – Operating Manual, 5 · Reviewed and maintained Learning Strategy, Wellbeing Strategy & Intracultural Strategy, 4 · Social Infrastructure Assessment Framework, 3 · Planning controls, 4 · Strategic Land Review, 5 · Flood mapping is updated periodically and communicated as necessary and is incorporated into the development plan process, 4	Moderate	Unlikely	Medium	Below Tolerance	1. Development of a Sustainability Plan. 2. Delivery of Emergency Management Project (including review of Emergency Management Plan)	GM City Development Manager Governance	1. 30 June 2021 - 28 Feb 2022 30 June 2022 2. 30 June 2021 - completed			
Strategic	Innovation and Business Development	City of Salisbury financial sustainability is compromised by internal decisions and / or external events. CoS fails to maintain service standards and invest in assets and infrastructure as a result of increased pressure on CoS operating surplus due to factors such as rate capping and cost shifting. Risk of CoS failing to appropriately manage cost and efficiency. CoS fails to identify opportunities for alternative sources of revenue. Insufficient budgeting for the completion of the strategic plan. Impacts: Council ultimately becomes financially unsustainable, City revenue has to be raised increasingly through more traditional methods (rate rises), revenue from the sale of assets (land) is not invested for the longer term benefit of the community, financial cost associated with falling rates revenue or increasing bad or doubtful debts	GM Business Excellence, GM City Infrastructure, GM City Development, GM City Development	· Insufficient or reduction in grant funding · Inadequate revenue and a failure to maximise revenue from all sources · Unplanned spending · Inadequate valuation of assets or inaccurate depreciation · Inadequate planning for infrastructure repairs or upgrades · Introduction of draft legislation regarding rate capping · Fraud, misconduct or maladministration · Changes to legislation/obligations imposed by other levels of government · Potential new revenue streams/opportunities are not fully investigated · Changes to roles and responsibilities assigned to City of Salisbury by federal or state government · Short term revenue is maximised at the expense of longer term revenue · Poorly structured debt funding · Poor investment decision making · Unknown consequences of new infrastructure provision from other levels of government or private sector investment · Failure to encourage investment in the City · Increased expectations of the community in relation to the demand for and breadth of services and standards delivered by CoS · Council ultimately becomes financially unsustainable · City revenue has to be raised increasingly through more traditional methods (rate rises) · Revenue from the sale of assets (land) is not invested for the longer term benefit of the community · Financial cost associated with falling rates revenue or increasing bad or doubtful debts	Major	Likely	High	· Long term financial planning, by managing monitoring and reviewing, 5 · Managing monitoring and reviewing of Asset Management Plans, 4 · Undertaking Quarterly Budget Review, 5 · Annual Plan and Annual Report reviewed by Audit Committee, 5 · Adhoc Prudential Reviews, 5 · Regular reviews of rating system fairness and equity, 4 · Appropriate execution of the Grant Management application Process, 3 (subject of an internal audit in November 2022) · Review of Financial information by the Budget & Finance Committee, 4 · Diversification of income (e.g. Water Business Unit, Strategic Property Development and Building Rules Certification Unit, NAWMA, Salisbury Memorial Park), 4 · Compliance with Budget Policies and Procedures, 5 · Business Case Modelling, 4 · Growth Action Plan, 4 · Business Support Agenda, 4 · Annual external Audit activities · Project Management Methodology, 3	Major	Unlikely	Medium	Below Tolerance	1. Implementation of relevant findings from the Asset Management audit report 2. Implementation of the findings from the Grants Management Audit (scheduled for November 2022) 3. Implementation of the Project Management Methodology	1. Manager Infrastructure Management and Manager Property & Buildings 2. TBD 3. GM City Infrastructure	1. Various - On track, monitored separately under the Audit Log Action Register 2. N/A - Audit not undertaken yet. 3. 31 May 2021 completed with the implementation of new Capital Delivery Framework			Grant Management application process control

CITY OF SALISBURY STRATEGIC RISK REGISTER

		Step1: Risk Identification			Step 2: Risk Assessment				Step 3: Risk Response & Treatment - Mitigation Controls				Step 4: Control Evaluation			Step 5: Risk Monitor & Control (blank if none required)						
Risk Type	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls		Residual Risk			Current Status	Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date	Management Actions	Link to corrective actions register	Comments			
					Consequence	Likelihood	Inherent Risk	Description		Consequence	Likelihood	Residual Risk										
Strategic	All City Plan directions	Ineffective governance results in the provision of services which do not meet community expectations. Inadequate decision making. Failure to integrate governance to enable the meeting of strategic objectives. *Impacts:* Organisational performance is not adequately measured and therefore cannot be managed, organisational plans and strategies are not achieved, organisational resources are not used effectively, organisational plans and strategies are not valued or desired by the community, organisational values, lack of customer / community engagement, lack of employee engagement and commitment to City objectives, poor customer service, council lacks a coherent direction, failure to meet legislative obligations, not meeting community needs, reputational damage, poor organisational performance, negative impact on staff health and wellbeing.	CEO, All General Managers	· Inadequate performance measures which are not linked to objectives or strategies · Failure to consistently conduct Post Implementation Reviews and measure benefits realisation · Failure to monitor organisational performance against stakeholder expectations and to take action when necessary to correct it · Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans · Limited meaningful corporate performance indicators in place · Inconsistent reporting and data collection of corporate performance indicators · Processes and systems fail to address customer needs · Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems etc.) · Failure to engage with all stakeholders in developing the City Plan · Customer service is neither monitored or managed · Insufficient prioritisation of projects and resource scoping · Projects approved are not consistent with the strategic direction of CoS	Major	Likely	High	· Compliance with Budget Process, 5 · Review of Annual Plan and Annual Report by Audit Committee, 5 · Review and approval of City Plan by elected members, 5 · Established and embedded Customer Service Framework, 4 · Monthly Strategic Executive Group meetings, 4 · Alignment of New Initiative Bid documentation to the City Plan, 4 · Strategic Planning and Accountability, 4 · Effective use of and compliance with Community Engagement Framework, 4 · Project Management Methodology, 3 · Conduct of bi-annual customer satisfaction survey, 4 · Business case development for aged care schemes, 4 · Regular performance of CEO Review via CEO Review Committee, 4 · Governance Framework and Statement, 3 · Delivery of IT support through BSS division, 4 · Regularly reviewed and communicated Delegations Register, 5 · OCI/ABEF survey process, 4 · Regular Strategic Project Reporting, 4 · Skilled and experienced staff, 4 · Performance of Contract Management, 4 · Infrastructure Maintenance Activities, 5 · Succession Planning, 4 · LG Performance Excellence Program benchmarking activity, 4		Moderate	Unlikely	Medium	At Tolerance	1. Resourcing Plan Major Project (2 Year) 2. Timely Completion of relevant agreed actions arising out of Internal Audits 3. Implementation of the Project Management Methodology 4. Review the Governance Framework and Statement	1. General Managers 2. Various 3. GM City Infrastructure 4. Manager Governance	1. ~~30 June 2021~~ Due to change in Executive Members deadline revised to 30 Jun 2022 2. Various - on track , followed separately under Audit Log Action Register 3. ~~31 May 2021~~ completed with the implementation of new Capital Delivery Framework 4. ~~31 July 2021~~ due to change in key staff and restructure, deadline moved to 31 Mar 2022.			
Strategic	Innovation and Business Development	Immature and inadequate work health safety policies and procedures result in an unsafe working environment ~~CoS staff and volunteers experience illness or injury:~~ Failure to meet WHS obligations which result in an unsafe workplace. CoS recognises that this risk is included on the Strategic Risk Register due to the seriousness with which CoS takes its obligations in relation to Work Health and Safety. *Impacts:* An employee, contractor, volunteer or elected member is injured or dies as a result of a preventable incident or accident; potential financial consequences for the City of an incident affecting a member of staff including; medical/rehabilitation expenses, injury compensation claim, legal expenses, fines; regulatory censure including a SafeWork SA Prohibition Notice, Improvement Notice or prosecution/conviction; legal consequences for senior management should policies and procedures be determined as inadequate by SafeWork SA; organisational reputation is damaged through the failure to prevent an accident or injury occurring at work; scheme losing self-insured status and resultant lack of financial sustainability.	The Executive Group, Elected Members	· Inadequate controls in place to prevent incidents occurring · Insufficient reporting of incidents and near misses · Safe work practices not documented or communicated to employees · Inadequate induction, training and supervision · Inadequate hazard management system · Organisational safety attitude does not recognise the importance of following WHS policies and procedures	Catastrophic	Likely	Very High	· WHS training and e-learning (mandatorily required for all employees on commencement of employment and thereafter routinely), 5 · Performance of Licensing qualifications checks, 5 · Training in WHS Procedures, 3 · Updated WHS IM Business Plan, 5 · Performance WHS Reviews, 4 · Principal WHS Committee, 5 · City Infrastructure WHS Committee, 5 · JSA, work instructions and plant risk assessments, 4 · Staff training on and compliance with Code of Conduct, 4 · Compliance with Hazard and incident reporting and investigation procedures, 4 · Members of the Local Government Workers Compensation Scheme, requiring annual external audits, 5 · Work Health Safety representative team, 5 · Support from LG Sector/other councils/private sector organisations with development/implementation of WHS policies/procedures (including benchmarking partners), 5 · Contractual arrangements with external providers to assist compliance with WHS obligations, 4 · Quarterly Executive Report highlighting trends, outstanding actions and high risk rating incidents or hazards, 4 · Embedding of organisational values, 3		Major	Unlikely	Medium	At Tolerance	1. Training to be provided on WHS Procedures 2. ~~Implementation of the Du Pont Survey~~ Completed: Replaced with COS Safety Survey	Manager People & Culture	1. Ongoing 2. ~~30 June 2021~~ completed			

Item 7.1.5 - Attachment 2 - Strategic Risk Register - April 2022

CITY OF SALISBURY STRATEGIC RISK REGISTER

		Step1: Risk Identification			Step 2: Risk Assessment			Step 3: Risk Response & Treatment - Mitigation Controls	Step 4: Control Evaluation			Step 5: Risk Monitor & Control (blank if none required)					

Risk Type	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls	Residual Risk			Current Status	Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date	Management Actions	Link to corrective actions register	Comments
					Consequence	Likelihood	Inherent Risk	Description	Consequence	Likelihood	Residual Risk							
Strategic	Innovation and Business Development	Lack of alignment and integrity of IT systems and data to support service delivery.

Information management systems are not integrated resulting in ineffective business processes. Ineffective data management results in poor reporting and decision making due to insufficient data collection and storage. Ineffective IT security leaves the organisation vulnerable to cyber attacks. Failure to keep pace with cyber changes.

Impacts: Organisational plans and strategies are not achieved due to a lack of IT support or infrastructure; organisational disruption; financial loss; data theft; data fraud; breach of legislation; failure to adapt to a changing external environment; inefficient and ineffective use of organisational resources; poor service delivery; reputational damage; costs of litigation and restoration of services. | GM Business Excellence | · Failure to adequately involve IT when developing plans, strategies and projects
· Failure to consider all options when improving a system or process
· Organisational change is not conducted in a structured and logical manner
· Failure to support the skill set of individuals responsible for the delivery of business systems
· Lack of business engagement and clarity of roles
· External pressure for changes to systems
· Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs
· Cyber attack (Unauthorised access/network intrusion, denial of service, vulnerability exploitation, malware, social engineering, hacking, phishing, ransomware)
· Business Continuity / Disaster Recovery Plans not tested or properly documented
· Mobile device management with the potential for a lost or stolen device being used to access Council systems
· Lack of auditing and logging functions to capture events
· Lack of monitoring of cybersecurity threats to organisational assets
· Lack of communication/training for all staff regarding information security
· Information to facilitate action during a cybersecurity incident is not available
· Staff fraud | Major | Likely | High | · IT Governance Framework, 3
· Programmed testing of systems for security and reliability, 4
· Penetration testing, 4
· Compliance with Information Security Policies and Procedures, 4
· Continuous Improvement Framework, 4
· Documented and tested IT Disaster Recovery Plan, 3
· Documented and tested Business Continuity Plans, 4
· Incident Management Team identified and trained, 4
· Building security and access controls, 4
· User access system controls, 4
· Patch management and software maintenance procedures, 4
· Performance of Cyber Security Risk Assessments, 4
· Audit logs for access to systems, 4
· Documented and embedded Fraud & Corruption Prevention & Management Policy and Framework, 3
· Documented and implemented Cyber Security Program, 3 | Moderate | Possible | High | Below Tolerance | 1. Delivery of relevant aspects of the Smart Salisbury governance structure

2. Implementation of Cyber Security Program

3. Development and implementation of the Smart Salisbury Framework, including the Digital Strategy

4. Implementation of IT roadmap

5. Council approval of Fraud & Corruption Prevention & Management Framework

6. Training provided on Fraud & Corruption Prevention and Management policy and framework

7. Executive Group approval of Disaster Recovery Plan | 1,3 - Director Business Transformation

5. & 6. Manager Governance

7. Manager Business Systems & Solutions

2,4&7 - Manager Business Systems & Solutions | 1. ~~7 May 2021~~ ~~30 Jan 2022~~ 30 April 2022 (in progress)

2. 30 June 2022 (in progress)

3. ~~28 May 2021~~ ~~28 Feb 2022~~ 30 April 2022 (in progress)

4. ~~30 June 2021~~ 30 Mar 2022 (in progress)

5. ~~31 July 2021~~ - completed

6. ~~30 September 2021~~ 30 Mar 2022

7. ~~31 May 2021~~ 31 Jan 2022 (completed) | | | 1. Smart Salisbury being rebadged as D Strategy and will b presented to Exec April 2022 for approv Enabling Technolo Lead.
3. Framework will drafted and reviewed the Digital Strategy v by Enabling Techno Lead. |
| Strategic | A sustainable City | Climate Change negatively impacts on City of Salisbury's operations, infrastructure, services and the community. Failure to adapt to climate change.

Manifestations of climate change include higher temperatures, altered rainfall patterns, and more frequent or intense extreme events such as heatwaves, drought and storms.

Impacts: increased demands for services, service delivery to community is compromised, reduced ability to raise income, financial cost of dealing with the consequences of frequent freak weather related events, long term impact on infrastructure, its maintenance and replacement, failure to adapt to a changing external environment resulting in some services becoming irrelevant or insufficient, organisational plans and strategies are not achieved or delivered in a way that is consistent with our values, not meeting community needs, reputational damage.
Increased incidence of death and serious illness, especially the elderly.
Decreased water quality, impacts on rivers and wetlands ecosystems.
Increased damage to foundations.
Increased fire danger.
Increased flood damage
Salt water intrusion into ground water and coastal wetlands, mangroves. Increased coastal flooding. | All General Managers | · Failure to keep pace with climate change
· Business plans fail to adequately address evolving impacts of climate change
· Lack of plans and procedures to inform response strategies when climate change related event occurs
· Information to facilitate action is insufficient or not available
· Lack of communication and/or training for relevant staff
· Impact of climate change on weather patterns (e.g. more heatwaves, decreased precipitation, increased severity of drought, more intense rain and storms, increased mean sea level)
· Inadequate monitoring plans and testing of recycled water systems
· Weather events contribute to a recycled water system contamination event
· Lack of asset management or maintenance
· Inadequate understanding of and planning for factors impacting the environment
· Inadequate understanding of and planning for the impact of climate change on infrastructure and assets
· Failure to consider environmental consequences when planning and designing infrastructure
· Insufficient modelling of weather events used within Asset Management Planning
· Inadequate infrastructure to manage stormwater and sea level rises
· Coastal inundation and impact on biodiversity
· Failure to update Asset Management Plans
· Lack of adequate resourcing for climate and environmental sustainability | Major | Almost Certain | Very High | · Current and maintained Business Continuity Framework (including Plans and testing regime), 4
· Business Continuity staff identified and trained on roles and responsibilities, 3
· Incident Management Team identified and trained, 4
· Current and maintained IT Disaster Recovery Plan (including testing regime), 4
· Current and maintained Emergency Management Plan, 4
· Participation in Zone Emergency Management Committees – Northern Area, 5
· Salisbury Water Business Unit – Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced, 4
· Rapid Response Team and Call Out Officers through City Infrastructure (Council staff) in place to manage events that may lead to contamination of recycled water system (24/7 support including after hours), 4
· Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required, 4
· Building Control and Inspections, 4
· Evacuation procedures and testing, 4
· Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWNR, 5
· Regular monitoring of risk sites e.g. land fill sites, dams, 5
· Extreme Heat response process (for residents), 4
· One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling, 4
· Reviewed and maintained City Plan/Strategic Plans/Business Plans, 4
· Bushfire Management Plan, 4
· Watercourse Management capital program, 4
· Reviewed and maintained Asset Management Policy and Plans, 4
· Reviewed and maintained Growth Management Plan, 5
· Effective undergrowth management procedures, 5
· Asset Management infrastructure audits, 5
· Adapting Northern Adelaide Adaptation Plan, 4
· Compliance with Home Care Common Standards – Operating Manual, 5
· Reviewed and maintained Learning Strategy, Wellbeing Strategy & Intracultural Strategy, 4
· Adequate insurance, 5 | Moderate | Possible | High | Below Tolerance | 1. Development of an Environmental and Sustainability Strategy

2. Climate Change Governance and Physical Risk Assessment

3. Implementation of Adaptation Plan - Adapting Northern Adelaide

4. Develop and deliver training on business continuity to relevant staff. | (1. - 3.) GM City Development

4. Manager Governance | 1. ~~30 June 2021~~

2. ~~Gov Assessment 31 May 2021, Physical Assessment 30 June 2021~~ 1-2. ~~28 Feb 2022~~ 30 June 2022

3. Ongoing - actions reviewed every two years.

4. ~~30 June 2021 - 31 Mar 2022~~ 30 June 2022 | | | |

CITY OF SALISBURY STRATEGIC RISK REGISTER

					Step 1: Risk Identification					Step 2: Risk Assessment			Step 3: Risk Response & Treatment - Mitigation Controls			Step 4: Control Evaluation				Step 5: Risk Monitor & Control (blank if none required)					

Risk Type	Risk Category	Risk Description	Risk Owner	Causes	Inherent Risk			Controls		Residual Risk			Current Status	Further treatment required (if residual risk rating is not acceptable)	Treatment Owner	Target Completion Date	Management Actions	Link to corrective actions register	Comments
					Consequence	Likelihood	Inherent Risk	Description		Consequence	Likelihood	Residual Risk							
Strategic	A growing City that creates new opportunities	City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment. *Impacts:* Loss of community trust in Council; Negative media reporting; increased customer complaints; negative impact on staff health and wellbeing; loss of investment opportunity; failure to attract investment from the private sector; negative impact on the City of Salisbury brand.	All General Managers	• Elected Member cohesion • Lack of or ineffective community consultation and engagement • Increased regulatory activity • Failure to undertake legislative requirements • Government inquiry • Negative media interest • Staff dissatisfaction • Poor performance • Failure to deliver successful projects • Failure to deliver services expected by the community • Customer service is not properly monitored or managed • Not meeting strategic objectives • Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems) • Inadequate business advisory services • Insufficient investment opportunities for business • Infrastructure fails to support investment and business activity • Poorly planned urban growth	Moderate	Likely	High	• Relevant training provided to Elected Members (e.g. Chairing meetings and Meeting Procedures), 4 • Communicated and embedded Employee Code of Conduct, 5 • Documented and embedded Employee Conduct Policy, 4 • Media Policy, 4 • Positive relationships fostered with media and Salisbury Business Association, 4 • Embedded organisational values, 4 • Documented People & Culture policies and procedures, 4 • Employee induction procedures, 4 • Documented and embedded Volunteers Policy, 4 • Documented Community Consultation Policy, 4 • Community Perception Survey, 4 • Effective and comprehensive Community Consultation Process, 4 • Comprehensive budget process, 4 • Provision of general business information and expert advice at Polaris Business and Innovation Centre, 4 • Cost effective business related workshops and seminars, 4 • Small Business Mentoring Program, 4 • Provision of online resources for starting a business, growing a business and developing digital in business, 4 • Investment attraction via Invest in Salisbury website, 3 • Salisbury Community Hub as a stimulus to investment, 5 • Positive relationships fostered and maintained with local business leaders and relevant State Government teams, 5 • Effective Small Business Friendly Council initiatives, 4 • Polaris Centre Client Satisfaction Scorecard conducted by new focus, 4		Moderate	Unlikely	Medium	At Tolerance	1. Salisbury City Centre / John Street upgrade	1. GM City Development	1. Late 2022 - date to be determined.			

ITEM	7.1.6
	AUDIT AND RISK COMMITTEE
DATE	12 April 2022
HEADING	Audit & Risk Committee Performance Self-Assessment Survey Outcome
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	Best practice suggests that the performance of the Audit & Risk Committee (or "the Committee") should be reviewed on a regular basis. The Committee approved the process for its self-assessment at the February 2022 meeting. A self-assessment survey was issued to all members of the Committee. Four out of five Committee members completed the survey and this report summarises the results. Some comments and suggestions for improvement were received in response to the survey questions. Administration requests further input and clarity from the Committee to unpack each of the statements with a level of openness and transparency to support the continued effectiveness of the Committee.

RECOMMENDATION

That Council:

1. Notes the report.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Audit & Risk Committee Self-Assessment Survey Result

1. BACKGROUND

1.1 It is considered best practice to review the performance of an Audit and Risk Committee on a periodic basis. One method of conducting this performance review is through a self-assessment questionnaire, completed by the members of the Audit and Risk Committee.

1.2 Self-assessment surveys are an efficient method for conducting the performance review because they can be completed at the convenience of the Audit and Risk Committee members, without the need to arrange or attend any additional meetings or interviews.

1.3 The Audit and Risk Committee self-assessment survey was completed for the period 1 January 2021 to 31 December 2021. A copy of the full completed survey result is provided as Attachment 1 to this report.

1.4 The focus of the self-assessment is primarily to drive continuous improvement in the performance and effectiveness of the Audit and Risk Committee.

1.5 The self-assessment survey consisted of 46 questions across seven topics which addressed, amongst other things, the Committee's responsibilities under the *Local Government Act 1999* and its Terms of Reference. The topics of the survey related to:

   1.5.1 Establishment of the Committee;

   1.5.2 Meetings;

   1.5.3 Internal Audit;

   1.5.4 External Audit;

   1.5.5 Financial Oversight;

   1.5.6 Risk Management and Internal Controls; and

   1.5.7 Oversight of Other Activities.

1.6 The survey was provided to the Committee Members via an online survey platform, called Survey Monkey. The Committee members completed the survey online and a report was generated through Survey Monkey. The details of the respondents have been de-identified and a copy of the Performance Self-Assessment report is provided as Attachment 1 to this report.

1.7 It is deemed good governance that the Committee's performance is regularly reviewed. To that end the City of Salisbury ("CoS") has adopted a self-assessment approach for assessing the performance of the Audit & Risk Committee of Council. At its February 2022 meeting the Audit & Risk Committee approved the self-assessment process and a survey was issued to all members of the Audit & Risk Committee. Four out of five Audit & Risk Committee member completed the survey and this report summarises the findings and issues identified.

2. CONSULTATION / COMMUNICATION

2.1 Internal

   2.1.1 Nil

2.2 External

   2.2.1 Audit & Risk Committee members

3. REPORT

3.1 Four responses were received to the survey.

3.2 The findings and issues identified are set out below.

   3.2.1 ***Establishment of the Committee*** *(Questions 1 to 6)*

- The respondents did not have any disagreements with the statements contained in questions one to six of the survey, regarding the establishment of the Audit & Risk Committee.

- No comments were provided from respondents for Questions 1 to 6.

3.2.2 *Meetings (Questions 7 to 13)*

- The respondents agreed with five out of seven questions contained in this section regarding the meetings of the Audit & Risk Committee, and have provided comments for four out of seven questions in this section.

- For Question 8, there was no disagreement to the statement that "The Committee ensures that appropriate internal and external stakeholders attend meetings as necessary (e.g. CEO, GM Business Excellence, external audit representative, etc.)", however, one respondent had the following comment.

  Respondent Comment – "We seem to have reduced the number of presentations on the workings of council recently...."

- For Question 10, in relation to the statement that "The written materials (e.g. meeting agendas, reports, minutes and supporting documentation) provided to the Committee are appropriate, relevant, and concise.", one respondent selected neither agree nor disagree, and one respondent had the following comment:

  Respondent Comment – "At times they are very difficult to read in the format provided which does give rise to risk that key aspects are glossed over or missed and it would be better if they were more targeted/focused in my view but generally yes no major concerns."

- For Question 11, in relation to the statement that "The written materials provided to the Committee are circulated with sufficient time to allow Committee members to consider the information" one respondent disagreed, and one respondent neither agreed nor disagreed, and two respondents left the following comments:

  Respondent Comment – "Given the typical sheer volume of material, more time would be appreciated, however I understand this is being addressed."

  "I do believe that it would be better to receive the paperwork 1 week prior to meetings to allow members of the committee to have sufficient time to read and possibly ask questions prior to the meeting so that staff have adequate time to prepare additional information."

- For Question 12, in relation to the statement that "The meeting procedures and processes in place at the City of Salisbury ensure smooth operation of the Committee.", one respondent selected neither agree nor disagree, and one respondent left the following comment:

  Respondent Comment – "Would prefer a more congenial setting the room is very big for such a small group of people to engage even

allowing for covid it may be simply a matter of the way it is laid out though?"

3.2.3   ***Internal Audit*** *(Questions 14 to 17)*

- The respondents agreed with three out of four questions contained in this section regarding internal audit, and have provided comments for two out of four questions in this section.

- For Question 14, in relation to the statement that "The Committee appropriately considers internal audit reports, management's responses, actions for improvement, and monitors the responsiveness of the Council to recommendations based on previous audits and risk assessments, including those raised by the Council's Internal Auditor and External Auditor", two members agreed, two members have strongly agreed, and one respondent had left the following comment.

  Respondent Comment – "Lot going on in that space though ..."

- For Question 15, in relation to the statement that "I have direct and unrestricted access to the internal audit function", one respondent selected neither agree nor disagree, while two respondents agreed and another respondent strongly agreed. There was no comment left by the respondents for this question.

  Respondent Comment – No comment was left by respondents.

3.2.4   ***External Audit*** *(Questions 18 to 21)*

- The respondents agreed with three out of four questions contained in this section regarding external audit.

- For Question 18, in relation to the statement that "I have direct and unrestricted access to the External Auditor", one respondent disagreed and has commented *"Don't know their contact details....".*

3.2.5   ***Financial Oversight*** *(Questions 22 to 30)*

- The respondents agreed with eight out of nine questions contained in this section regarding the Audit & Risk Committee's financial oversight role, and there was one respondent who neither agrees nor disagrees and left one comment. For Question 26, in relation to the statement that "The Committee reviews the City of Salisbury's key accounting policy positions", one respondent neither agreed nor disagreed and left one comment as follows:

  Respondent Comment – "Do we receive accounting policy positions regularly?".

3.2.6   ***Risk Management and Internal Controls*** *(Questions 31 to 38)*

- The respondents agreed with six out of eight questions contained in this section regarding the Audit & Risk Committee's oversight role in risk management and internal controls. Two questions have a response where neither agrees nor disagrees is selected and one comment was left for each of these two questions.

- For Question 32, in relation to the statement that "The Committee assures itself that the Chief Executive Officer and General Managers take personal responsibility for risk identification and control.", one respondent neither agreed nor disagreed and left the following comment:

  Respondent Comment – "Some additional effort required by Exec and SManagers to ensure risk information remains up-to-date and relevant".

- For Question 38, the statement that "The Committee understands the Administration's fraud risk assessment and understands identified fraud risks.", one respondent neither agrees nor disagrees and left a comment saying "*more work needed in this area*".

3.2.7 *Oversight of Other Activities (Questions 39 to 46)*

- For this section, the respondents agreed to all of the five questions 39 to 43 and no comments were left by any respondents.

- The questions 44 to 46 were open ended questions. The following responses were given:

- For Question 44, "What do you consider the Committee's greatest strength?", the responses were as follows:

  1. *Open-ness and ability to talk freely without any constraints in time, diversity of experience*

  2. *depth of skills*

  3. *Diversity amongst its IMs and the enthusiasm and perspective of its EMs.*

- For Question 45, "Conversely, in your view what is the Committee's greatest weakness?", the responses were as follows:

  1. *At times can be overloaded with information and detail, making it more challenging to keep eye on bigger picture.*

  2. *Sometimes I don't get a sense that the AC is seen as an integral part of the risk management process.*

- For Question 46, "Any further Comments or Suggestions for Improvement not already covered in the sections above?", the response was as follows:

  1. *My preference is that the AC is chaired by an IM as others are (not all) as I believe that is best practice.*

4.   CONCLUSION / PROPOSAL

4.1 Overall the Audit and Risk Committee members were satisfied with the performance of the Audit and Risk Committee in each of the sections reviewed. Some comments and suggestions for improvements were made in response to the survey statements and Administration welcomes further feedback and clarity from the Committee.

4.2 The Audit and Risk Committee is to determine whether any further action is to be taken in relation to the assessment.

Audit & Risk Committee Self-Assessment for 2021

Q1 The TOR of the Committee provide clear information on the role and functions of the Committee and its oversight responsibilities on behalf of Council.
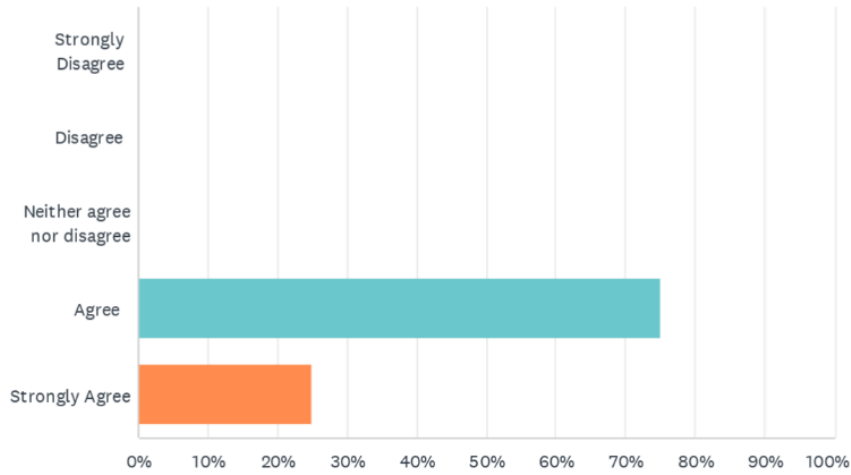
Answered: 4   Skipped: 0

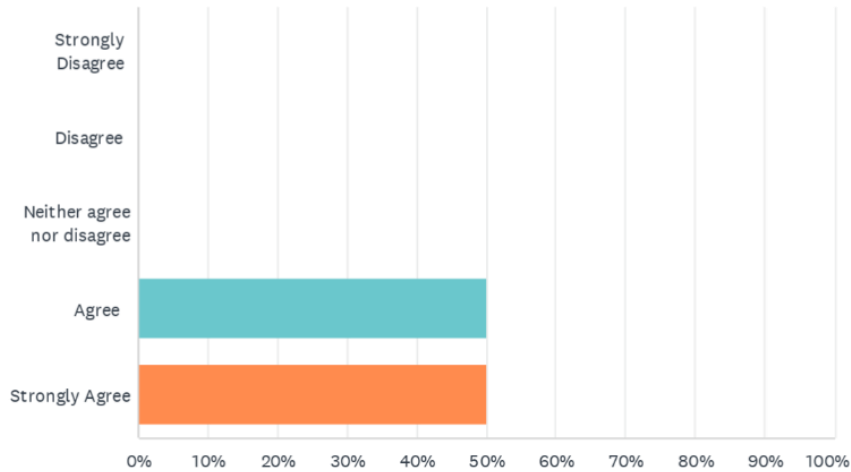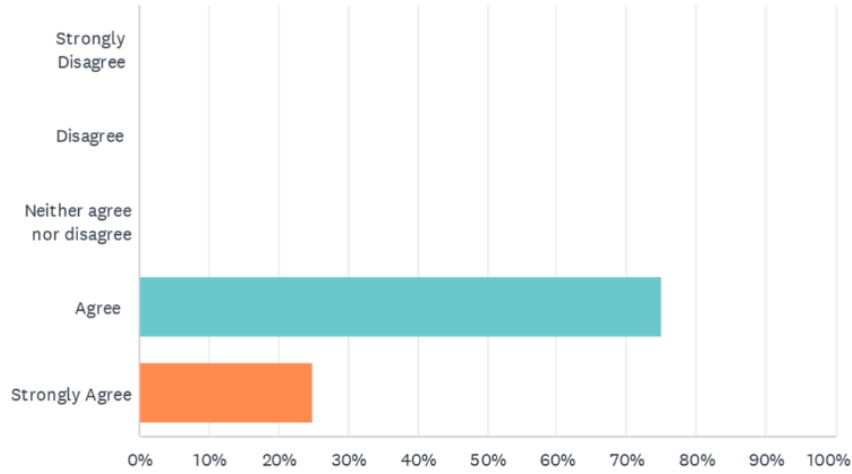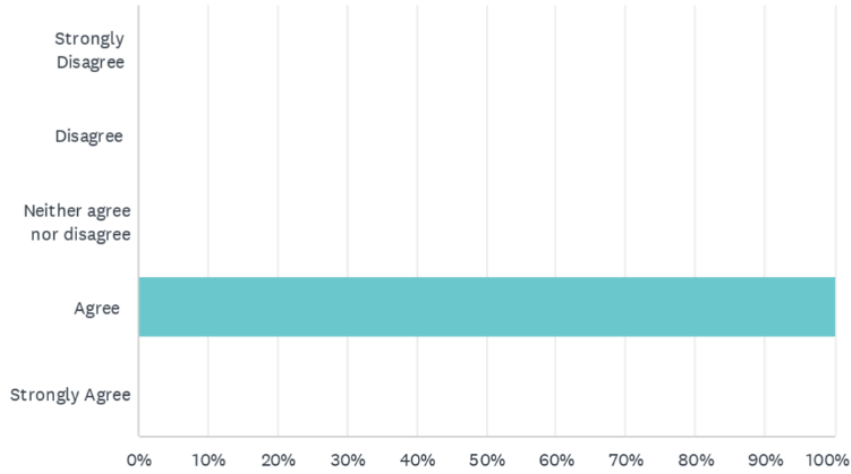| ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q2 The Committee members' qualities (e.g. financial literacy and skills, understanding of City of Salisbury, commercial and risk acumen, industry and capital markets) as a whole, are sufficient and appropriate to discharge the Committee's oversight responsibilities on behalf of Council.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q3 The Committee members demonstrate the highest level of integrity (including maintaining the utmost confidentiality and identifying, disclosing and managing conflicts of interest and acting appropriately where conflicts or interests arise).

Answered: 4   Skipped: 0

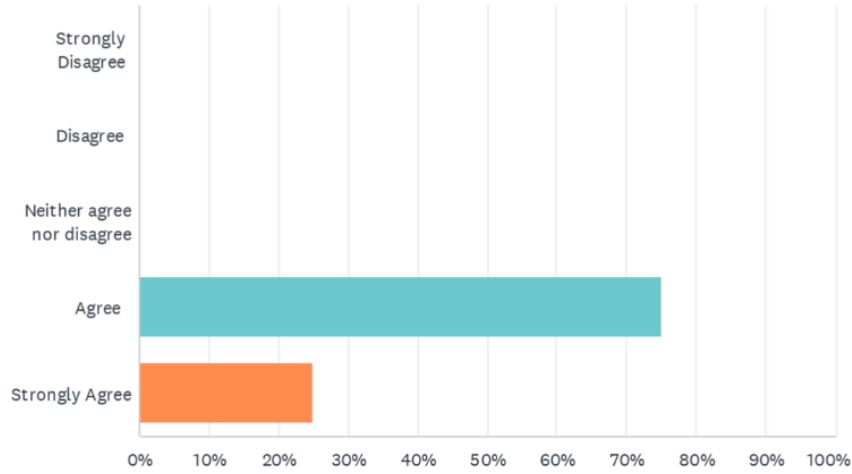| ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q4 New members of the Committee are provided induction information and materials to educate them on City of Salisbury, their responsibilities, and Council's financial reporting practices.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	25.00%	1
Agree	75.00%	3
Strongly Agree	0.00%	0
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q5 The Presiding Member of the Committee is well prepared for the meetings and conducts the meetings effectively as required under the legislation and the Committee's current TOR.
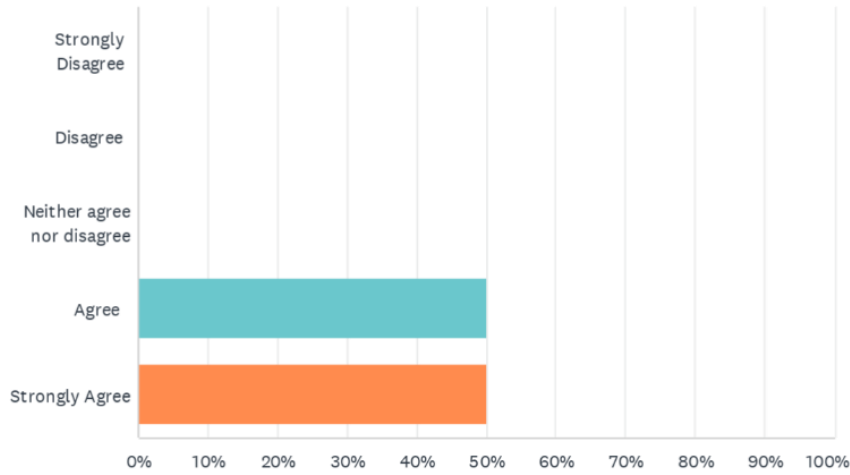
Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

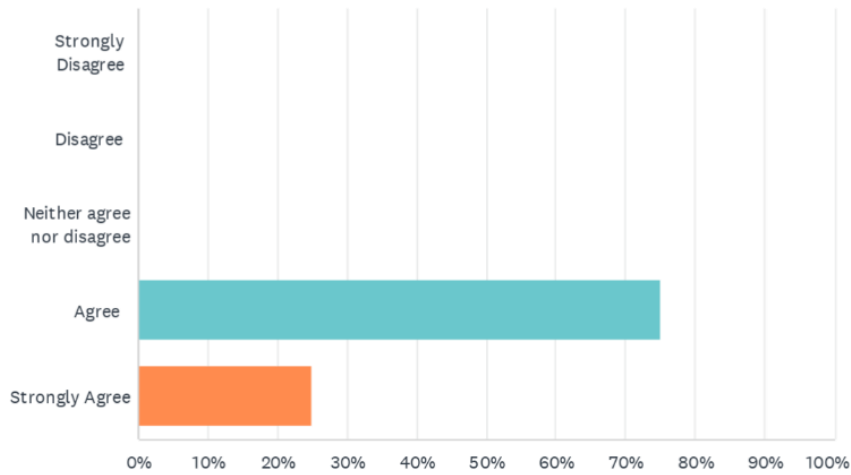| #	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q6 The other members of the Committee are well prepared for the meetings and perform effectively in the fulfilling their role of the Committee as required under the legislation and the Committee's current TOR.

Answered: 4   Skipped: 0

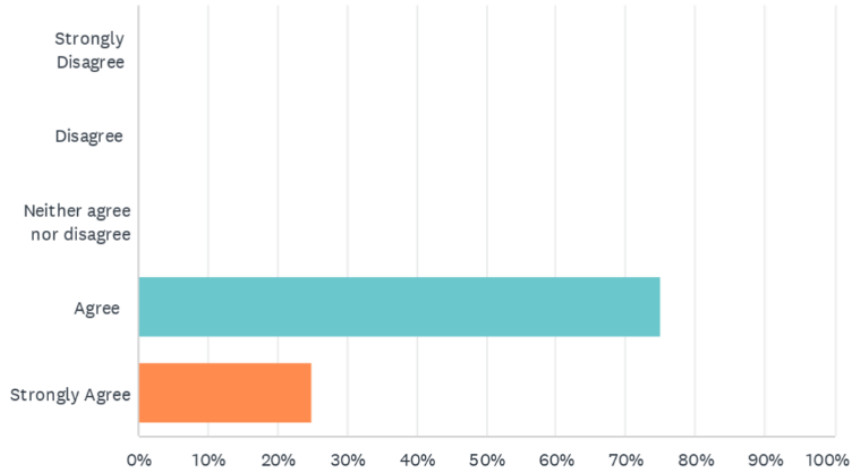| ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q7 Arrangements for Committee meetings are appropriate (i.e. frequency, time of day, duration, venue, location and format).

Answered: 4   Skipped: 0

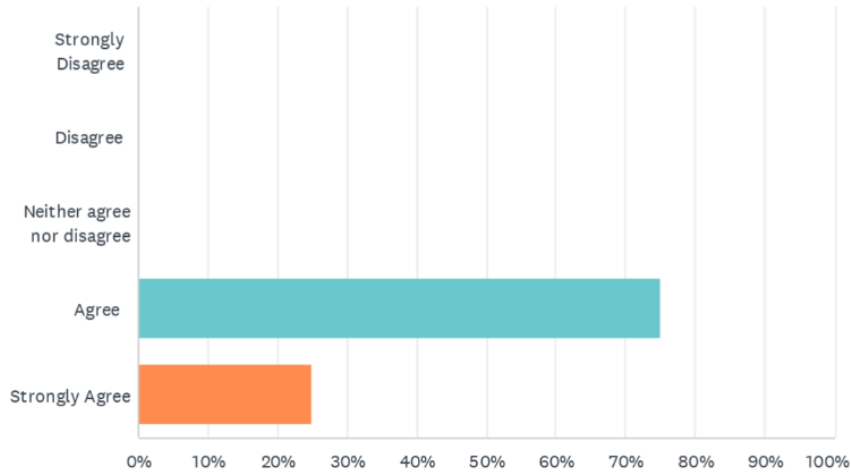| ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q8 The Committee ensures that appropriate internal and external stakeholders attend meetings as necessary (e.g. CEO, GM Business Excellence, external audit representative, etc.)

Answered: 4   Skipped: 0
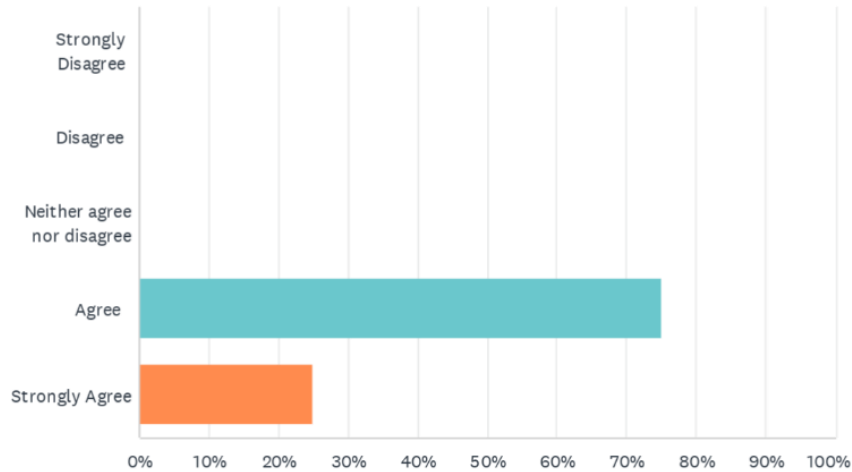
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	We seem to have reduced the number of presentations on the workings of council recently.....	

Audit & Risk Committee Self-Assessment for 2021

Q9 All members of the Committee participate actively and constructively during meetings and work collaboratively with others attending the meeting.

Answered: 4   Skipped: 0

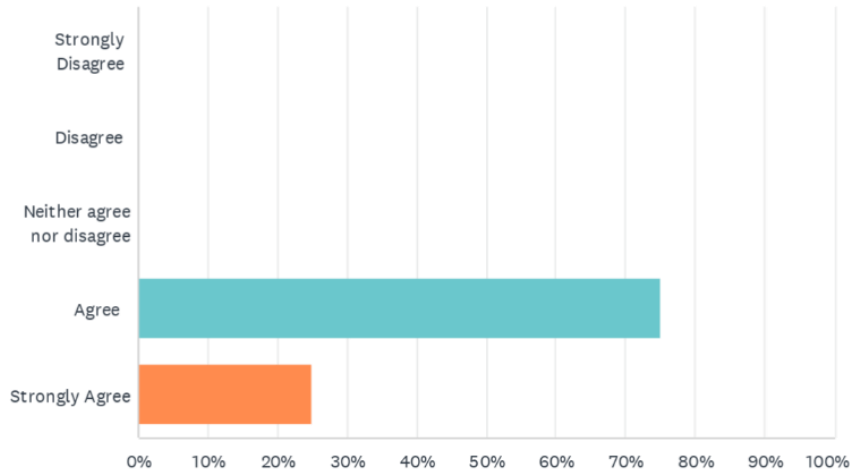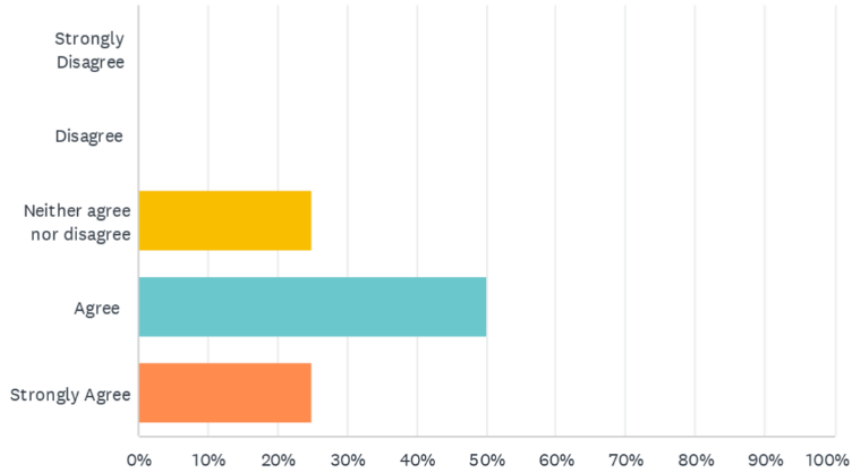| ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q10 The written materials (e.g. meeting agendas, reports, minutes and supporting documentation) provided to the Committee are appropriate, relevant, and concise.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	25.00%	1
Agree	50.00%	2
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	At times they are very difficult to read in the format provided which does give rise to risk that key aspects are glossed over or missed and it would be better if they were more targeted/focussed in my view but generally yes no major concerns.	▬▬▬▬▬

Audit & Risk Committee Self-Assessment for 2021

Q11 The written materials provided to the Committee are circulated with sufficient time to allow Committee members to consider the information.

Answered: 4   Skipped: 0
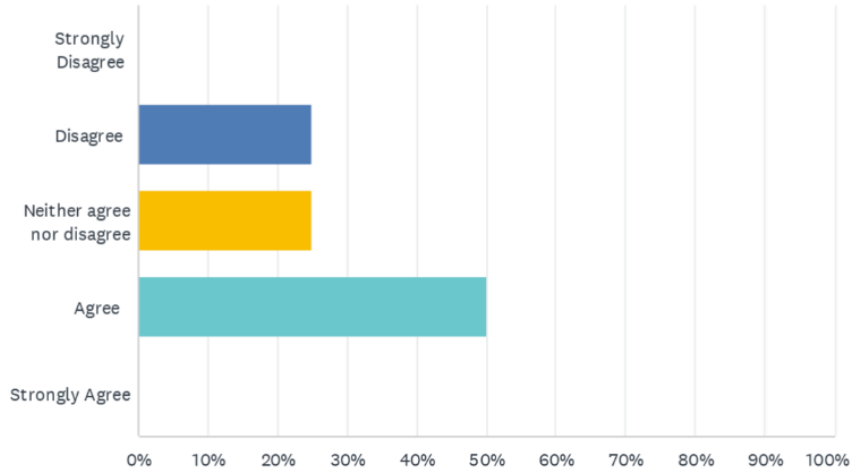
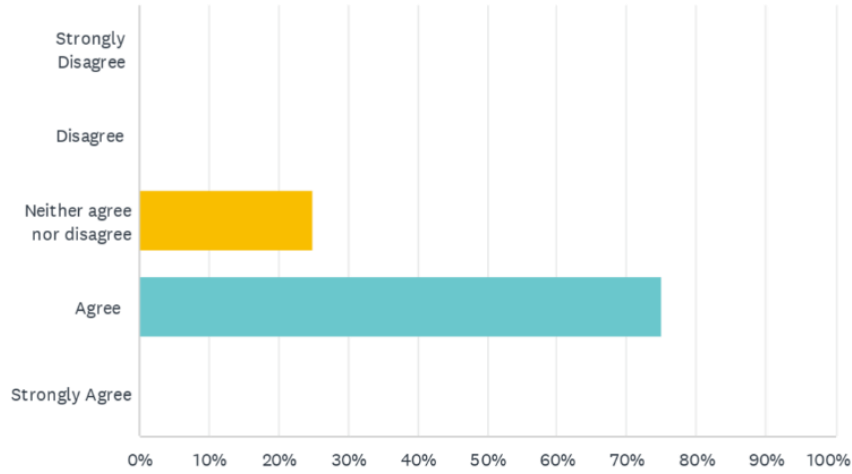| ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	25.00%	1
Neither agree nor disagree	25.00%	1
Agree	50.00%	2
Strongly Agree	0.00%	0
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	Given the typical sheer volume of material, more time would be appreciated, however I understand this is being addressed.	▬▬▬▬
2	I do believe that it would be better to receive the paperwork 1 week prior to meetings to allow members of the committee to have sufficient time to read and possibly ask questions prior to the meeting so that staff have adequate time to prepare additional information.	▬▬▬▬

<div style="writing-mode: vertical">Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result</div>

Audit & Risk Committee Self-Assessment for 2021

Q12 The meeting procedures and processes in place at the City of Salisbury ensure smooth operation of the Committee.

Answered: 4   Skipped: 0

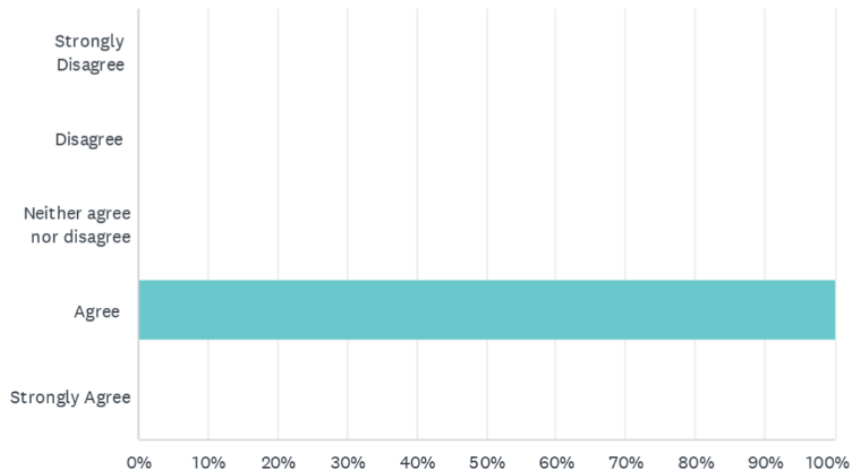| ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	25.00%	1
Agree	50.00%	2
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	Would prefer a more congenial setting the room is very big for such a small group of people to engage even allowing for covid it may be simply a matter of the way it is laid out though?	▮▮▮▮▮▮

Audit & Risk Committee Self-Assessment for 2021

Q13 The Committee meetings are effective in providing independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

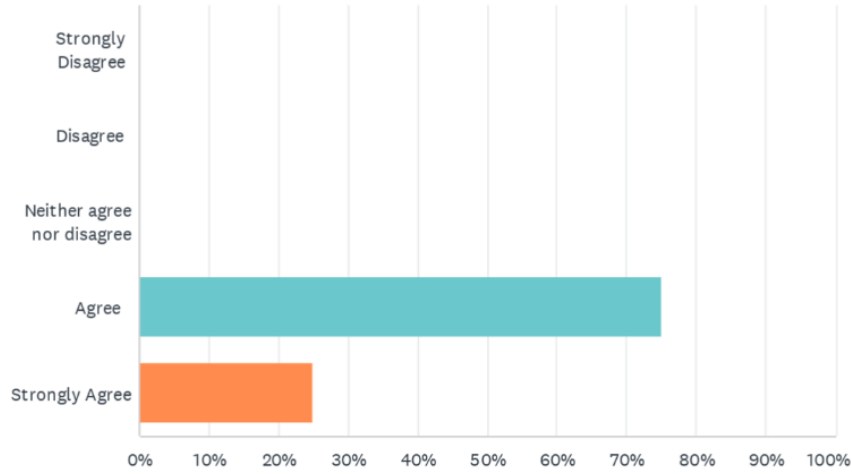| #	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q14 The Committee appropriately considers internal audit reports, management's responses, actions for improvement, and monitors the responsiveness of the Council to recommendations based on previous audits and risk assessments, including those raised by the Council's Internal Auditor and External Auditor.

Answered: 4   Skipped: 0

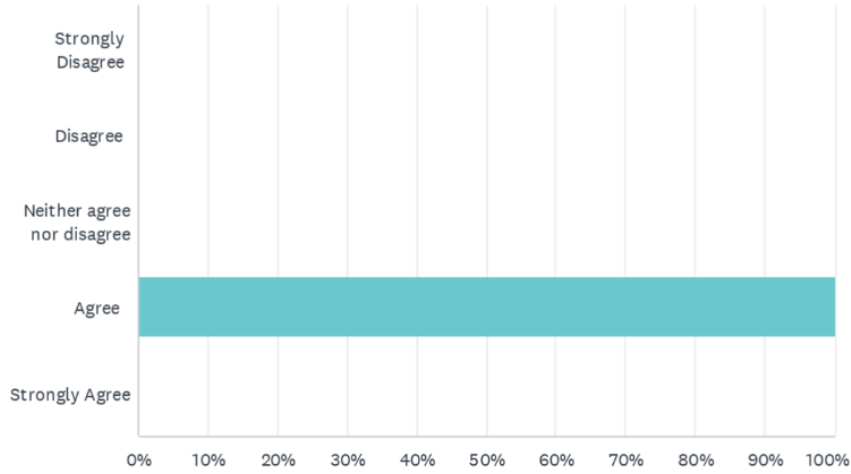| ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	Lot going on in that space though ...	▬▬▬▬

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q15 I have direct and unrestricted access to the internal audit function.

Answered: 4   Skipped: 0

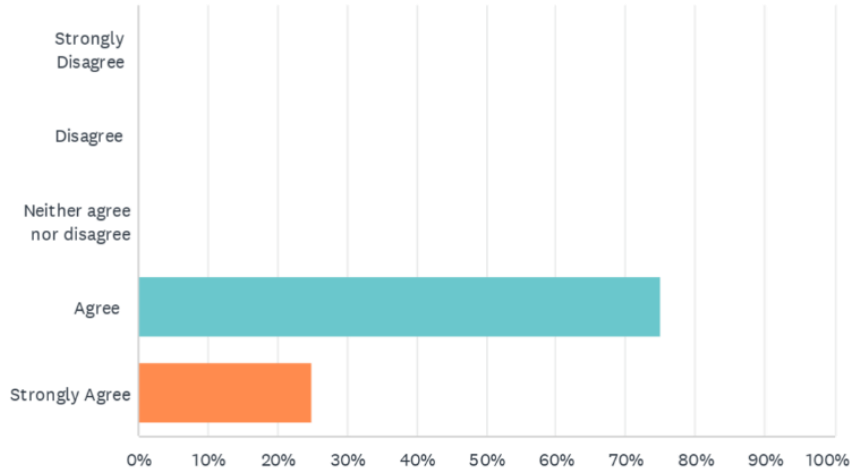| ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	25.00%	1
Agree	50.00%	2
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q16 The Committee provides oversight of planning and scoping of the internal audit work plan, and ensure that activities in the internal audit plan address areas of concern and provide assurance to Council.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4
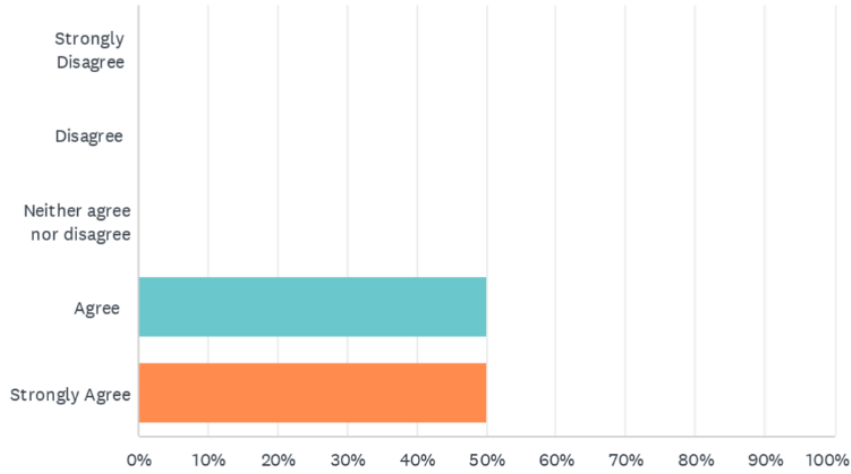
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q17 The Committee regularly considers the audit plan and makes recommendations.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q18 I have direct and unrestricted access to the External Auditor.

Answered: 3   Skipped: 1
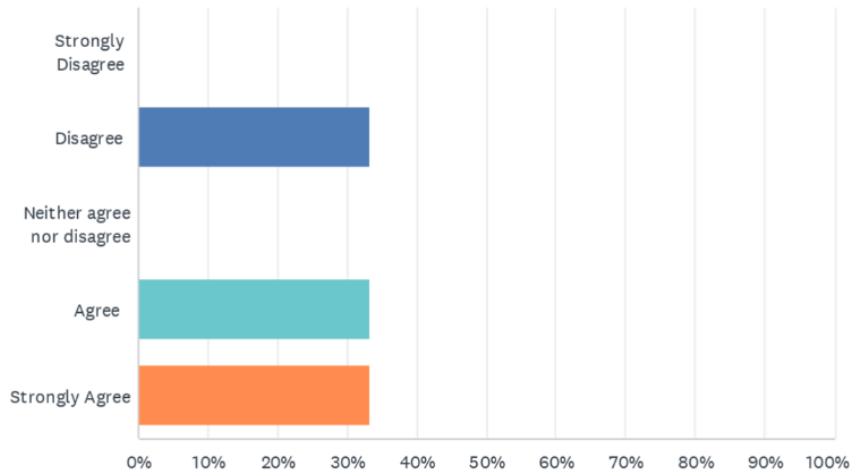
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	33.33%	1
Neither agree nor disagree	0.00%	0
Agree	33.33%	1
Strongly Agree	33.33%	1
TOTAL		3

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	DOn't know their contact details....	████████

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q19 I understand the information being presented to me by the External Auditor.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q20 The Committee discusses significant findings from the financial and internal controls audits with the External Auditor.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q21 The Committee monitors and oversees the process for appointment of the external auditor in accordance with the Local Government Act 1999.

Answered: 4   Skipped: 0
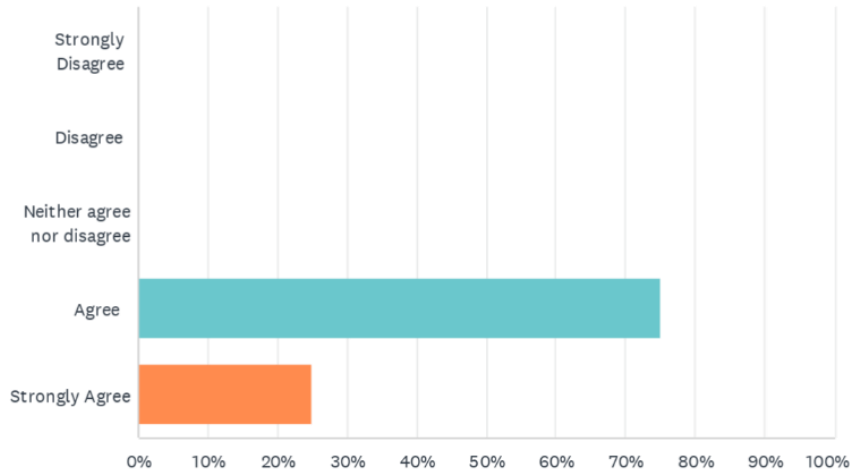
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q22 The Committee assesses whether the annual financial statements reflect appropriate accounting principles.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q23 The Committee reviews significant accounting and reporting issues, including complex or unusual transactions, highly subjective areas and significant changes in accounting policies and their corresponding impact on the financial statements.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q24 The Committee reviews the annual financial statements and ensure they present fairly the state of affairs of the Council.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self Assessment for 2021

Q25 I am comfortable that the Committee is able to propose and review the exercise of powers under section 130A of the Local Government Act 1999. Namely, the examination of any matter relating to financial management, or the efficiency and economy with which the council management or uses its resources to achieve its objectives.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q26 The Committee reviews the City of Salisbury's key accounting policy positions.

Answered: 4   Skipped: 0
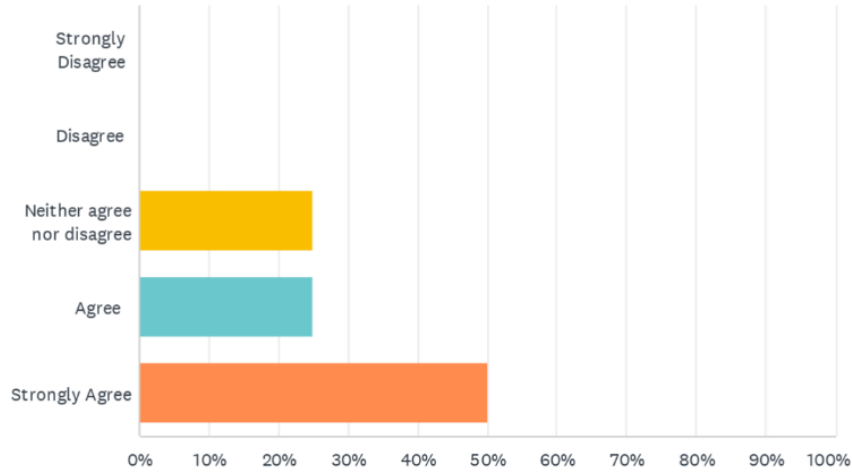
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	25.00%	1
Agree	25.00%	1
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	Do we receive accounting policy positions regularly?	━━━━━

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q27 The Committee receives sufficient information to assess and understand the process for the evaluation of the City of Salisbury's internal financial controls, and believes that the internal control testing supports its internal control assessment.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q28 The Committee understands and considers the internal control testing process conducted by the Administration, the internal auditor, and the external auditor to assess the process for detecting internal control issues or fraud. The Committee addresses and monitors significant deficiencies or weaknesses.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	50.00%	2
Strongly Agree	50.00%	2
TOTAL		4

Audit & Risk Committee Self-Assessment for 2021

Q29 The Committee oversees the action taken by the Administration to resolve repeat comments from auditors, especially when related to internal controls.

Answered: 4   Skipped: 0
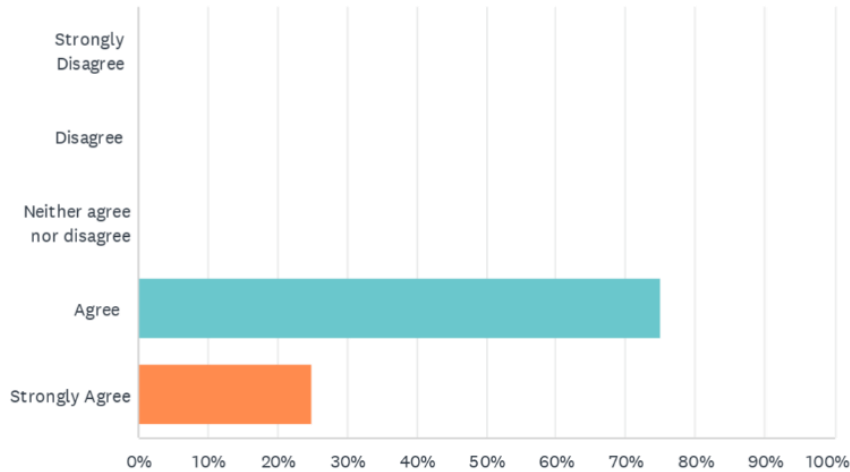
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q30 The Committee reviews adjustments to the financial statements resulting from the external audit.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q31 The Committee is satisfied that there is an effective risk management framework in place at the City of Salisbury.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	4
Strongly Agree	0.00%	0
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q32 The Committee assures itself that the Chief Executive Officer and General Managers take personal responsibility for risk identification and control.

Answered: 4   Skipped: 0
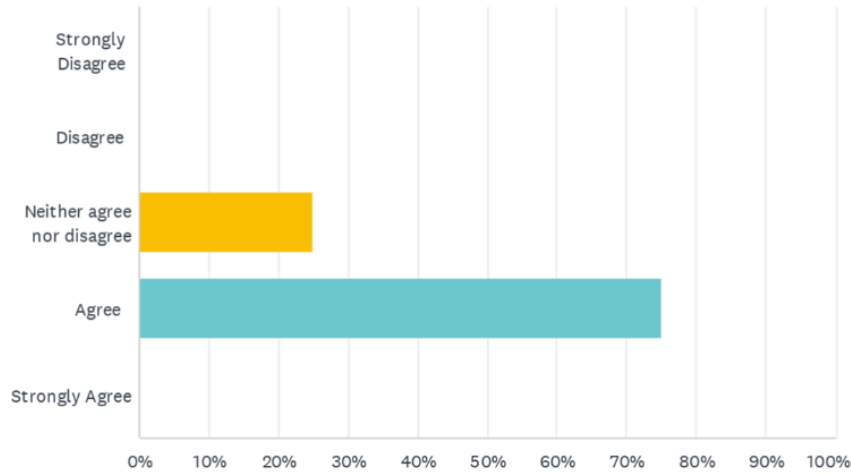
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	25.00%	1
Agree	75.00%	3
Strongly Agree	0.00%	0
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	Some additional effort required by Exec and SManagers to ensure risk information remains up-to-date and relevant	▬▬▬▬▬

Audit & Risk Committee Self-Assessment for 2021

Q33 The Committee understands and discusses issues which present significant risks to the organisation.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q34 The Committee ensures that the controls are appropriate for achieving the Council's goals and objectives, safeguarding the Council's assets and as far as possible maintaining the accuracy and reliability of Council records.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q35 The Committee is satisfied that Council implements and maintains appropriate policies, practices and procedures of internal control.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q36 The Committee is comfortable that the Council and other committees take into account significant risks which may affect financial reporting.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTION FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q37 The Committee understands and approves the process implemented by the Administration to identify, assess, and respond to risks.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q38 The Committee understands the Administration's fraud risk assessment and understands identified fraud risks.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	25.00%	1
Agree	50.00%	2
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	more work needed in this area	▬▬▬▬▬

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self-Assessment for 2021

Q39 The system for reviewing outstanding items arising from external or internal audit reports is efficient and effective.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	25.00%	1
Agree	75.00%	3
Strongly Agree	0.00%	0
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q40 I am satisfied that the Committee is provided with the opportunity to propose, and provide information relevant to, a review of the Council's strategic management plans, long term financial plan and annual business plan.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	4
Strongly Agree	0.00%	0
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q41 I have satisfied myself that Council is meeting its fiduciary and legislative responsibilities.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q42 An annual performance assessment of the Committee is conducted and any matters requiring follow-up are resolved.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	4
Strongly Agree	0.00%	0
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q43 I feel comfortable offering a professional opinion even if that may be different from other Committee members.

Answered: 4   Skipped: 0

ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	75.00%	3
Strongly Agree	25.00%	1
TOTAL		4

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit & Risk Committee Self-Assessment for 2021

Q44 What do you consider the Committee's greatest strength?

Answered: 3   Skipped: 1

#	RESPONSES	DATE
1	Open-ness and ability to talk freely without any constraints in time, diversity of experience.	
2	depth of skills	
3	Diversity amongst its IMs and the enthusiasm and perspective of its EMs.	

Audit & Risk Committee Self-Assessment for 2021

Q45 Conversely, in your view what is the Committee's greatest weakness?

Answered: 2   Skipped: 2

#	RESPONSES	DATE
1	At times can be overloaded with information and detail, making it more challenging to keep eye on bigger picture.	
2	Sometimes I don't get a sense that the AC is seen as an integral part of the risk management process.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

Audit & Risk Committee Self Assessment for 2021

Q46 Any further Comments or Suggestions for Improvement not already covered in the sections above?

Answered: 1   Skipped: 3

#	RESPONSES	DATE
1	My preference is that the AC is chaired by an IM as others are (not all) as I believe that is best practice.	

Item 7.1.6 - Attachment 1 - Audit & Risk Committee Self-Assessment Survey Result

ITEM	7.1.7
	AUDIT AND RISK COMMITTEE
DATE	12 April 2022
HEADING	Draft 2022/23 Long Term Financial Plan and Annual Business Plan
AUTHOR	Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.4 We plan effectively to address community needs and identify new opportunities 4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	The Draft 2022/23 Long Term Financial Plan and Annual Business Plan is presented to the Audit Committee for consideration prior to presentation to Council for endorsement for Public Consultation at the April round of meetings. This report also provides details regarding the Local Government Reform and the rate oversight process that will conducted by ESCOSA and will commence later this year, with City of Salisbury included in the first tranche.

RECOMMENDATION

1. The information be received

2. Council notes that the Audit Committee have reviewed the Council's Draft 2022/23 Long Term Financial Plan and Annual Business Plan in accordance with S126(4) (a,b) Local Government Act 1999.

3. That consideration is given by Council to a rate scenario that provides the ability to maintain ongoing financial sustainability balanced against the impacts for ratepayers within the range of 3.3% to 3.9%, noting that:

   a) should Council determine a rate increase in the lower end of the range, then aligned to the work being undertaken on the Strategic Asset Management Plan, further consideration be given to addressing service levels that support the continued financial sustainability of Council.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Draft 2022/23 Long Term Financial Plan and Annual Business Plan

2. Budget Workshop 3 Scenario Graphs

3. Additional Scenario Graphs

1. BACKGROUND

1.1 The Annual Budget process is in progress with Council workshops during March, and the Budget and Finance Committee. The draft Long Term Financial Plan (LTFP) was presented at the third budget workshop on the 23 March 2022, which followed initial discussions of the LTFP in February.

1.2 The Draft Annual Business Plan (ABP) which incorporates the LTFP, Attachment 1, has been developed for Council's consideration and endorsement to commence public consultation and will continue to be updated to reflect all decisions of Council prior to public consultation commencing.

1.3 The attachment has been prepared with consideration of the feedback that was provided at the Third Budget Workshop 23 March 2022. The attachment will be considered formally at the Financial and Corporate Services Committee Meeting 19 April 2022, as will the rate increase for consultation, with Council to further consider and resolve at the Council Meeting 26 April 2022 and pending advice from the Audit Committee.

2. CONSULTATION / COMMUNICATION

2.1 Internal

2.1.1 There has been engagement across the organisation in preparing the draft operating budget and budget bids. There have been a series of workshops and meetings with Council to enable discussion and review of the draft budget, including budget bids and LTFP.

2.2 External

2.2.1 Community consultation will commence in May following endorsement by Council of a Draft Budget and Annual Business Plan.

3. REPORT

3.1 The Budget and LTFP process is well progressed with Council with the intent to go to community consultation in May. This report provides the opportunity for Council to seek advice from the Audit and Risk Committee, and meet the requirements of S126(4)(ab) of the Local Government Act.

3.2 There are a series of Local Government reforms that are being enacted and implemented progressively, noting that any potential impact of change in State Government on these reforms is not known at this time. Of importance in relation to the ABP and LTFP are the requirements for rate disclosures and also the rate oversight elements of the LGR which have been enacted.

3.3 In terms of rates disclosures, the LGA have developed a standard template and that has been included in the draft Annual Plan for public consultation on page 131 of Attachment 1, noting that it has been populated with estimates at this time.

Rate Oversight Scheme

3.4 The rate oversight scheme commences in 2022/23 (for the 2023/24 ABP & LTFP) with the first tranche of Councils to provide information to ESCOSA by 30 September 2022. ESCOSA have released the draft framework for consultation, and City of Salisbury have been included in the first tranche of councils. Key elements include:

- ESCOSA will be reviewing Council's LTFPs and evaluating long term financial sustainability and providing 'advice' on the appropriateness of the plan
- ESCOSA's advice and Council's response must be published in both the draft and adopted ABP of council for all subsequent years until the next oversight process (which happens every four years)
- Advice will be constructive and provide council with time to implement – Councils can choose not to implement however this must be transparent and a rationale must be part of Council's response published in the ABP. Matters can be referred to the Minister for Local Government and Councils may be directed to act on ESCOSA advice.
- First round Sept 2022 for publishing in 2023/24 ABP. This will be based on plans endorsed for 2022/23.
- Underpinning the framework is the expectation that endorsed S126 plans, being Strategic Plan (City Plan), Strategic Asset Management Plan (SAMP) and LTFP, are integrated and aligned
- Financial projections in SAMP must be affordable and included in LTFP, and if not affordable, what trade-off decisions are being considered to achieve long term financial sustainability
- SAMP consultation of levels of service with the community to confirm the desired range and level of service

3.5 Whilst the Audit & Risk Committee and Council have a well-established practice for reviewing the LTFP, ABP and rate increases, ongoing consideration of financial sustainability, levels of service and the impact on rates will now also be independently reviewed.

Budget Update and Long Term Financial Plan

3.6 Council has been considering the 2023 budget and long term financial plan through a number of workshops over February and March. At the Budget Workshop 23 March 2022 the LTFP was considered with 3 scenarios presented, with year 1 CPI of 3.3% being the December 12 mths actual CPI for Adelaide.

3.7 Additionally, average rate increase set at ongoing CPI was also considered to support the understanding of the significant deficits that result from this option.

Year 1 CPI 3.3% (Dec 2021 Actual)		Scenario Rate Increase		
		Yr1	Yr2	Yr 3
	1. Average Rates at CPI+0.6% ongoing over the life of the plan	3.9%	3.4%	3.1%
	2. Average Rates Yr1=CPI, Yr2=CPI+0.9%, then ongoing at CPI+0.6%	3.3%	3.7%	3.1%
	3. Average Rates Yr1=2.95%, then ongoing at CPI+0.6%	2.95%	3.4%	3.1%
	4. Average Rates = CPI	3.3%	2.8%	2.5%

3.8 Graphs of these scenario are provided in Attachment 2 for reference.

3.9   Results of these Scenarios is presented in the table below:

Year 1 CPI 3.3% (Dec 2021 Actual)		OSR	NFLR	ARFR
	1. Average Rates at CPI+0.6% ongoing over the life of the plan	✓	✓	✓
	2. Average Rates Yr1=CPI, Yr2=CPI+0.9%, then ongoing at CPI+0.6%	✓	✓	✓
	3. Average Rates Yr1=2.95%, then ongoing at CPI+0.6%	✗	✓	✓
	4. Average Rates = CPI	✗	✓	✓

OSR ~ Operating Surplus Ratio
NFLR ~ Net Financial Liabilities Ratio
ASR ~Asset Renewal Funding Ratio

3.10   Having a rate increase of CPI (Scenario 2, CPI 3.3% Dec 2021 Actual) for 2022/23 results in very low levels of surplus, whereas CPI+0.6% (Scenario 1) provides for ongoing levels of surplus with slightly more capacity, as depicted on the graph below.   Scenarios 3 and 4 do not provide for ongoing financial sustainability.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1.	1.19%	0.75%	0.76%	0.77%	0.84%	0.88%	0.99%	1.09%	1.18%	1.09%
2.	0.71%	0.50%	0.51%	0.50%	0.55%	0.58%	0.70%	0.82%	0.93%	0.85%
3.	0.43%	-0.03%	-0.04%	-0.07%	-0.05%	-0.04%	0.05%	0.20%	0.35%	0.31%
4.	0.71%	-0.22%	-0.72%	-1.26%	-1.79%	-2.36%	-2.91%	-3.35%	-3.81%	-4.41%
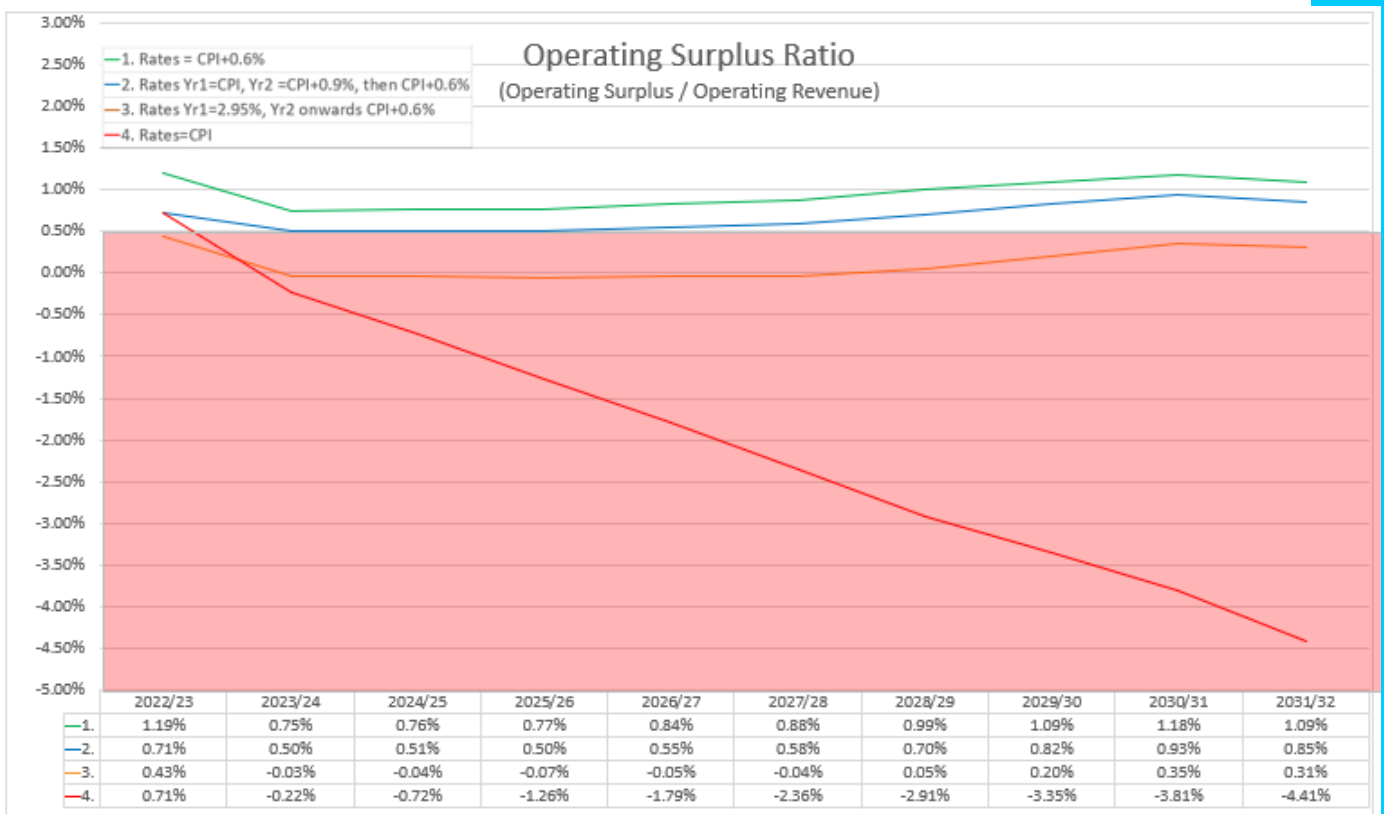
3.11   Since preparing these scenarios there has been no opportunity to consider inflation further (March 2022 CPI to be released 28 April 2022), with the understanding that inflation is likely to be higher than that utilised in these scenarios

Inflation Forecast

3.12 The 12 months Adelaide CPI at Dec 2021 quarter was 3.3% which underpinned the scenarios presented on the 23 March 2022 to Council. However, since the December quarter there has been sustained higher fuel prices, which is filtering into the cost of groceries. It is reasonable to expect that the March Quarter CPI will be higher than December. With the Federal Budget being brought down on Tuesday 29 March, forecast national CPI has been set at 4.25%.

3.13 The CoS budget has been set with inflation that is now out of date, and consequently there may be cost increase that flow into 2022/23 financial year as contracts are renewed. This is always the case, that the budget lags behind actual inflation, but with a significant increase in inflation now anticipated managing within budgeted levels is a greater risk than in more typical years.

3.14 The increase in CPI and fuel prices is also expected to have increases into our valuation of our assets at the end of the financial year, which then impacts on the cost of depreciation into 2022/23. We have utilized a higher unit rate of escalation than in prior years to mitigate, however there is still risk that the actual escalation required will be higher than what has been provided.

3.15 The budget has also been recast for an increase in wages to 2.5%. With the LGE enterprise agreement expiring 30 June 2022, and MOA agreement 30 June 2023 there may be upward pressure on wages as predicted in the Federal budget.

3.16 With the forecast national CPI of 4.25% for the year ended 30 June 2022, further scenarios have been prepared for consideration.

Additional Scenarios

3.17 The following scenarios have been prepared to support Council in considering the appropriate level of rate increase in light of higher CPI and the associated impacts on our cost base.

3.18 The LTFP has the ongoing average rate increase at CPI+0.6%, and generally this would be based on access economics December forecasts. However, given that these forecasts are out of date with significant economic volatility, CPI has been forecast in line with the Federal Budget brought down Tuesday 29 March 2022.

3.19 The additional scenarios have been prepared with forecast CPI of 4.25% and are detailed below:

Year 1 CPI 4.25% (Federal Budget 29 March 2022l)	Scenario Rate Increase		
	Yr1	Yr2	Yr 3
5. Average Rates at CPI+0.6% ongoing over the life of the plan	4.85%	3.9%	3.1%
6. Average Rates Yr1=CPI, then ongoing at CPI+0.6%	4.25%	3.9%	3.1%
7. Average Rates Yr1=3.9%, then ongoing at CPI+0.6%	3.9%	3.9%	3.1%

3.20 The graph below contains these 3 scenarios, with all three being financially sustainable over the life of the plan.

Operating Surplus Ratio
(Operating Surplus / Operating Revenue)

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
5.	1.73%	1.28%	1.32%	1.42%	1.55%	1.60%	1.64%	1.67%	1.71%	1.60%
6.	1.26%	0.80%	0.81%	0.90%	1.00%	1.03%	1.08%	1.15%	1.23%	1.12%
7.	0.98%	0.51%	0.52%	0.60%	0.67%	0.69%	0.75%	0.82%	0.91%	0.84%

Legend:
— 5. ARI CPI+0.6% (High CPI)
— 6. ARI Yr1=CPI, Yr2 onwards CPI+0.6% (High CPI)
— 7. ARI Yr1=3.90%, Yr2 onwards CPI+0.6% (High CPI)
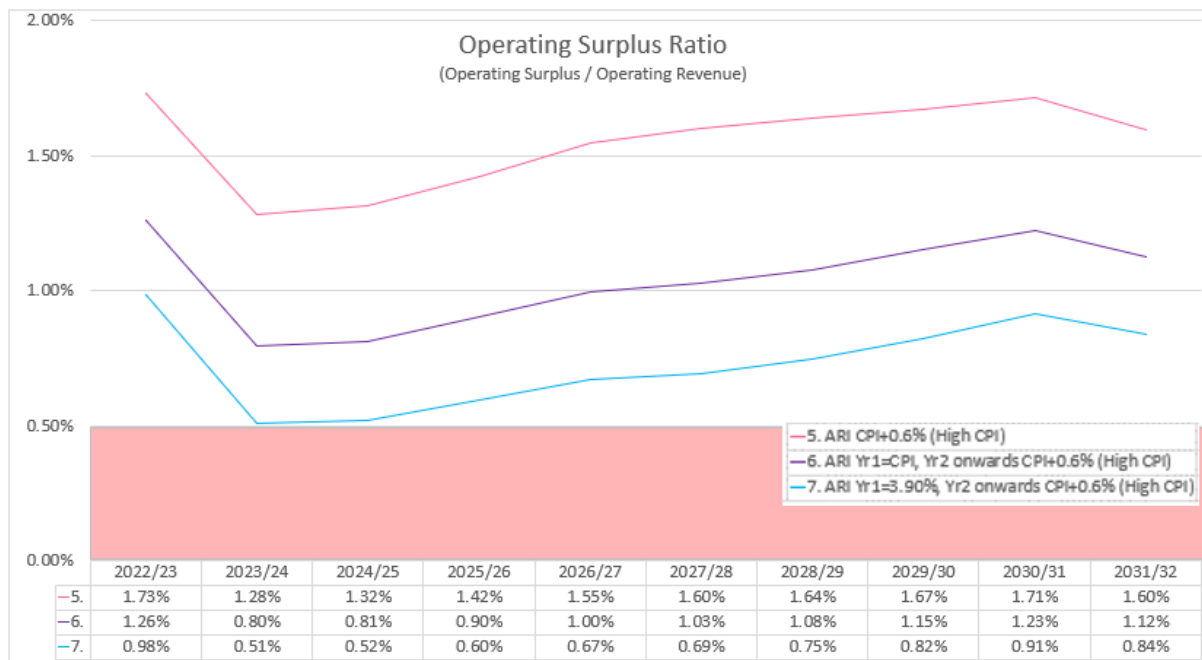
3.21 Graphs of the Net Financial Liabilities Ratio and Asset Renewal Funding Ratio are contained in Attachment 1, and the table below summarises the results:

Year 1 CPI 4.25% (Federal Budget 29 March 2022l)		OSR	NFLR	ARFR
	5. Average Rates at CPI+0.6% ongoing over the life of the plan	✓	✓	✓
	6. Average Rates Yr1=CPI, then ongoing at CPI+0.6%	✓	✓	✓
	7. Average Rates Yr1=3.9%, then ongoing at CPI+0.6%	✓	✓	✓

OSR ~ Operating Surplus Ratio
NFLR ~ Net Financial Liabilities Ratio
ASR ~Asset Renewal Funding Ratio

3.22 Year 1 includes an increase in materials, contracts and other costs of an additional 0.5%, which is expected to cover cost increase that may flow through as contracts are rolled during the balance of this financial year, and during 2022/23.

3.23 In addition to the current economic variability and potential impact on expenditure, there may be further decisions that Council will take in relation to the 2022/23 budget. Examples include ongoing funding of the community bus service, which if continued on the same basis as the current trial will be a cost impact of $200k and the potential expansion of inspectoral services which may be partially offset by expiation income

3.24 Also unknown at this time is the level of rate growth and additional rate revenue from other development activities. Combined, this impacte has been estimated at 1% in the LTFP, and this is close to being achieved with 0.85% having flowed through rates data to date. What further movements is to come from the Valuer General is unknown at this stage.

Item 7.1.7

3.25 The need to remain financially sustainable, the volatility in inflation, and the impact of rates on household budgets is worthy of careful consideration. The impact of the various scenarios on the proposed average residential rate and also on minimum rates is detailed below:

	2021/22	Ave Rate Increase							
		3.30%		3.90%		4.25%		4.85%	
		Ave Rate	Increase	Ave Rate	Increase	Ave Rate	Increase	Ave Rate	Increase
Average Residential Rate	$ 1,044	$1,078	$34	$1,085	$41	$1,088	$44	$1,095	$51
Minimum Rate	$ 1,426	$1,473	$47	$1,482	$56	$1,487	$61	$1,495	$69

3.26 A presentation summarising the LTFP will also be provided to the Audit & Risk Committee as part of this agenda item.

3.27 The Draft Strategic Asset Management Plan on the agenda for tonight's meeting, is aligned to the financials in all scenarios of the LTFP, with the Asset Renewal Funding Ratio funded at 100% over the life of the plan scenarios. The intention is that the SAMP will be consulted concurrently with the Draft LTFP and ABP.

4. CONSIDERATION OF A RATE INCREASE

4.1 Based on the information provided in this report, the Audit & Risk Committee is asked to consider the appropriate range of rate increases that balance the financial impacts on the community, while also maintaining the financial viability for Council to continue delivering the required services and also respond to emerging needs.

4.2 Although the forecast CPI scenario of 4.25% (Commonwealth forecast), will deliver a sound financial outcome for Council, it is unlikely that it is a viable option for the community who are also needing to fund higher costs of living due to cost pressures. This option is not being recommended.

4.3 The option that provides a level of funding that will allow Council to maintain a small operating surplus and minimize the impact on the community is the option aligned to the current approach to the LTFP, being CPI +0.6%.

4.4 At the lower end, should Council determine a rate increase towards the 3.3% then aligned to the work being undertaken on the Strategic Asset Management Plan, consideration may need to be given to the review of service levels to ensure the continued financial sustainability.

4.5 As such the Audit & Risk Committee is asked to consider the merits of a recommendation to Council of a rates increase within the range of 3.3% (option 2) to 3.9% (Option 1), with any increase towards the lower end needing some consideration of reduced service levels as part of the work already being undertaken on the Strategic Asset Management Plan.

Draft 2022/23 LTFP & ABP Consultation

4.6 Public consultation is planned to be conducted during May with the intended closing date for submissions being Wednesday 25 May 2022. Time will be made available at the commencement of the Council Meeting on the 23 May 2022 for verbal representations.

4.7 Advertising is planned to be placed in the Advertiser on Wednesday 4 May 2022, and the Draft 2022/23 LTFP & ABP will be made available on the City of Salisbury website and social media platforms. Public comment is invited either by letter, email, phone or attendance at the May Council meeting. Additionally, the website provides the option to make a submission or to ask a question in relation to the Draft LTFP & ABP by clicking on an embedded link.

5. CONCLUSION / PROPOSAL

5.1 The Draft 2022/23 LTFP & ABP has been prepared on the basis of information available as a result of budget workshops and meetings up to the end of March.

5.2 Various scenarios have been developed to understand the impacts on Council's financial capacity, ranging from CPI through to the forecast Commonwealth budget CPI of 4.25%.

5.3 It is recognised that a rate increase in the higher ranges may be more viable for Council's financial capacity but will not be viable for the community who are dealing with other cost of living pressures.

5.4 After an assessment of the various scenarios, it is being recommended that Council gives consideration to a rate increase within the range of 3.3% through to 3.9%.

5.5 If the rate increase is more aligned to the lower end of the range, then it is also recommended that consideration be given by Council on assessing service levels within the review of the Strategic Asset Management Plan that has already commenced.

5.6 Feedback is sought from the Audit & Risk Committee prior to seeking this endorsement of Council of an appropriate rate increase, also noting that S126(4)(ab) includes the review of the annual plan and long term financial plan as part of the functions of the Audit Committee.

CO-ORDINATION

Officer:
Date:
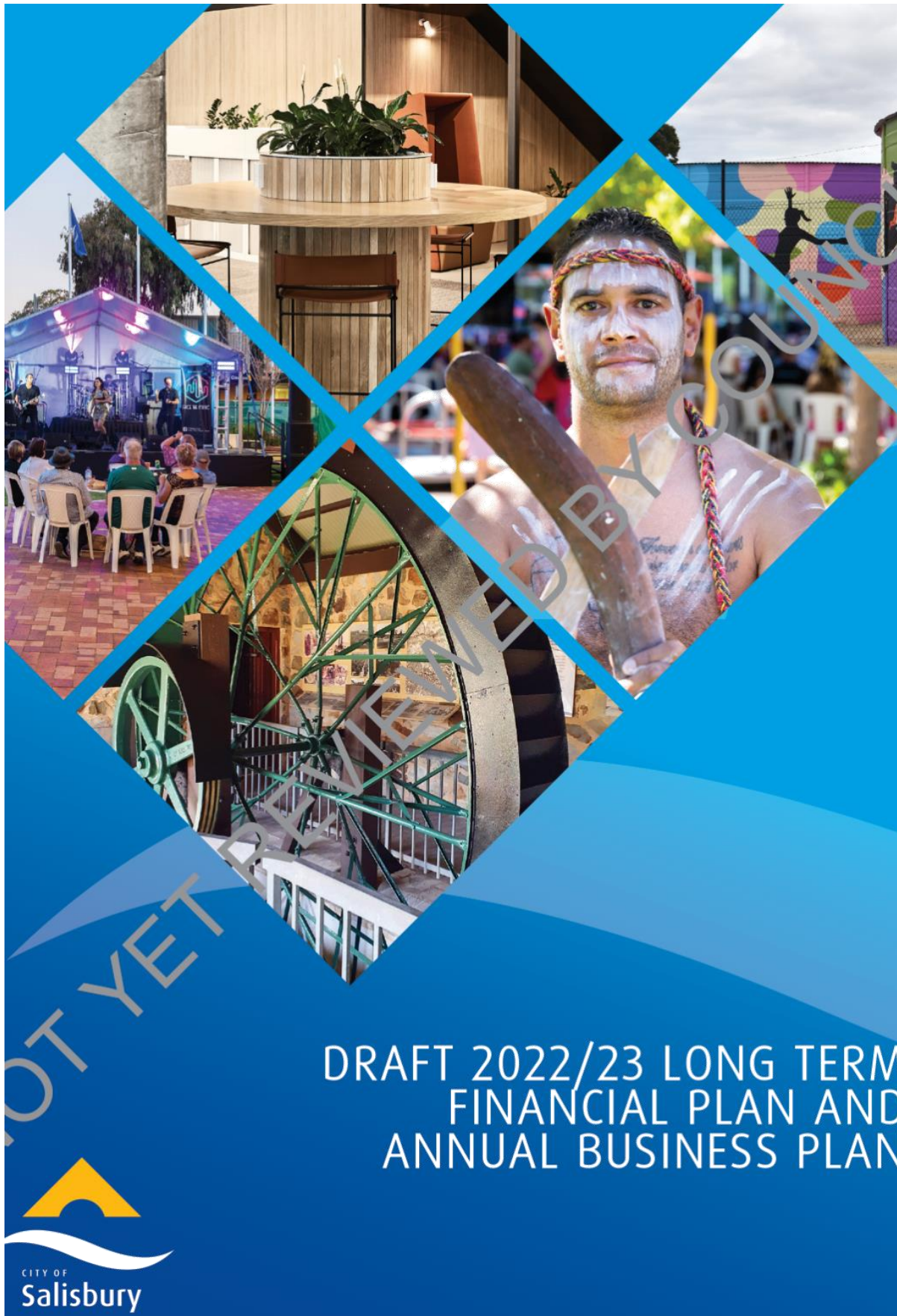
DRAFT 2022/23 LONG TERM
FINANCIAL PLAN AND
ANNUAL BUSINESS PLAN

CITY OF
Salisbury

Public Consultation
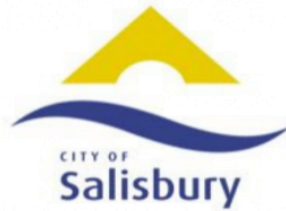
To make a submission

If you wish to make a submission or comment on the Draft Annual Plan and Budget as currently presented, please send it to:

Financial.services@salisbury.sa.gov.au
or call Hayley Berrisford on (08) 8406 8340

Alternatively please send to:

The General Manager Business Excellence
City of Salisbury
PO Box 8
SALISBURY SA 5108

All submissions or comments need to be received by no later than Wednesday 25 May 2022 in order for them to be given due consideration. Any submissions received after this date will not be considered as part of this current budget process. Submissions may influence decisions not only for this Annual Plan but also for future years as well.

Verbal Representation

The opportunity to make verbal representations may be impacted by COVID-19 requirements, however, at the time of preparing this document we are planning for verbal representations.

If you wish to make a verbal representation regarding the Draft Annual Plan, there will be an opportunity to do so at the commencement of the May Council meeting on Monday 23 May 2022 in the Council Chamber at 6.30pm.
If you would like to have a say on Council's plans, budget and rates please register your interest by contacting Hayley Berrisford by phone or by using the above email (see contact details above).

If the status of COVID-19 requires the discontinuation of verbal representations, parties who have registered will be contacted.

Acknowledgement of Country

The City of Salisbury acknowledges that we are on the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

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Contents

Item 7.1.7 - Attachment 1 - Draft 2022/23 Long Term Financial Plan and Annual Business Plan

Executive Summary

Purpose

The Annual Plan describes Council's services, including new services and projects, together with their financial impacts. The purpose of the Annual Plan is to provide comprehensive information so that the community can consider the budget and how it aligns to the City Plan 2035. The Executive Summary provides a snapshot of the Annual Plan, and provides guidance as to where more information is available.

Rate Increase

The Annual Plan is based on a proposed 3.9% average rate increase, with rates growth from the increase in the number of assessments anticipated at 0.60% and the increase from development activity estimated to be 0.40%. Further information about rates is contained in the Rating Strategy and Policy, pages 122 to 125.

	21/22 Actual	22/23 Budget
Average Rate Increase	2.80%	3.90%

Service Provision

Service provision increases that will be delivered in 2022/23 include the integrated costs of operating the new Burton Community Hub $185k, preventative maintenance of Council Property $135k and ongoing elevated cleaning standards to combat COVID-19 $214k.

Operating Surplus

This year, Council has budgeted for an Operating Surplus of $1.508M or 1.19% Operating Surplus Ratio. Further information is provided in the Budgeted Financial Statements and Analysis on pages 43 to 47.

Financial Sustainability

Being financially sustainable means having:
- The ability to provide consistent services into the future
- Infrastructure, like roads, continuing to be maintained at an appropriate level
- Current ratepayers pay the costs associated with the services consumed
- New infrastructure provided to meet community expectations, balanced against increases in costs

We measure financial sustainability through three indicators. The Long Term Financial Plan, pages 14 to 17, shows that Council remains financially sustainable in the long term and continues to operate within target measurement ranges.

Ratio	Target	22/23 Budget	
Operating Surplus	0.5% - 5%	1.19%	✔
Asset Renewal Funding	90% - 110%	100%	✔
Net Financial Liabilities	<70%	53.00%	✔

Executive Summary continued

Projects and Additional Services

All of Council's projects and additional services (Budget Bids) are detailed in the Annual Plan by category of spending, and can be found on pages 20 to 42.

Funds of $17.1M are provided for asset updates/renewal in line with our Asset Management Plans, with significant items being:

- Road Reseal & Reconstruction $8.1M
- Salisbury Water asset renewal $1.2M
- Bridge Program $1.7M
- Building Renewal $1.3M
- Playspace Program $0.6M
- Watercourse & Drainage Management $0.8M

New or upgraded infrastructure funding of $48.7m includes a number of new and large-scale projects, some of which are delivered over multiple years.

The redevelopment of the **Salisbury Recreation Precinct** (SRP) will transform Happy Home Reserve at Salisbury North into a modern, regionally significant aquatic, health and wellness precinct. This $29.9 million project is made possible with the assistance of $7.2 million funding provided by State Government.

Reserves Upgrades, which includes the building of Club facilities completes the upgrade to Fairbanks Drive Reserve, Paralowie and delivers the new clubroom facilities at Yalumba Drive Reserve, Paralowie. Investment in these projects is $3.9M for 2022/23.

The **Paddocks Masterplan** implementation completes the construction of a new multi-use community facility at The Paddocks, one of the most significant recreation and open space precincts within the City. The total cost of this project is in the vicinity of $4M, with $3.2M of the total to be expended in 2022/23.

The **John Street and Church Street Revitalisation**, which will upgrade and refresh this precinct is scheduled for completion in early 2022/23.

The **Streetscape Program** is focused on improving the amenity of the City by replacing and upgrading existing street trees with species more appropriate to the space provided within our streets, plus renewal of verges to complete a more holistic transformation of the streetscape amenity. Council will spend $2.3M in 2022/23 in this area.

Major Traffic Improvements Program expenditure of $1.2M includes measures to address identified, specific major traffic network deficiencies.

The **City Wide Trails** Program aims to deliver a network of 37km of "Off road" linked shared use paths, with projects scheduled for completion in 2022/23 costing $1.0M.

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Mayor's Message

The 2021/22 Annual Plan is focused on enhancing the City through small and large scale programs to improve the everyday experience of the community

Gillian Aldridge

Mayor, Gillian Aldridge OAM

Elected Members

MAYOR

Gillian Aldridge OM
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galdridge@salisbury.sa.gov.au

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Cr Chad Buchanan JP
Deputy Mayor
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SOUTH WARD

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Cr Julie Woodman JP
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N

North Ward

Central Ward

West Ward

Para Ward

East Ward

Hills Ward

South Ward

Item 7.1.7 - Attachment 1 - Draft 2022/23 Long Term Financial Plan and Annual Business Plan

Elected Members

The Council of the City of Salisbury consists of the Mayor and 14 Councillors who represent the interests of the people of Salisbury. They are elected every four years during the South Australian Local Government elections. The Council is supported by administration staff who are led by the Chief Executive Officer.

The Council makes decisions about the governing and management of the City of Salisbury.

The Council sets the strategic directions, and makes decisions about allocation of the budget and the services and infrastructure that are provided within the boundaries for the City of Salisbury.

The administration, under the direction of the Chief Executive Officer, is responsible for providing advice, implementing the Council's agenda and strategic directions, delivering the services and undertaking the required works on behalf of the Salisbury community.

The Members of Council also vote on what action will be taken with regard to issues brought before the Council.

Elected members are volunteers who want to be involved in making the City a better place in which to live, work and do business. They do not get paid for the work they do for Council. They do receive an allowance to support them in discharging their duties as a Councillor, for expenses incurred and time spent in undertaking their role as Councillors, often making difficult decisions about complex and important matters.

The geographic area of the City of Salisbury is divided into seven parts, known as wards. Each ward has two Councillors who pay particular attention to what happens in the area they represent and advocate on its behalf.

Councillors are elected by the voters within the ward.

The Mayor of the City of Salisbury is the 'principal' member of the Council and is elected by all voters in the Council area.

Elected Members can be contacted to discuss any matter relating to Council.

Our Vision

Salisbury

a progressive, sustainable and connected community

Council's vision is for Salisbury to be a progressive, sustainable and connected community.

Council's Elected Members developed this vision after they considered the factors that characterise successful cities and their aspirations for Salisbury.

Successful communities are **progressive**. They embrace change as essential if they are to be liveable and competitive in a changing environment and economy. At the same time, successful communities take pride in their heritage and use their history as the foundation for identifying and creating opportunities and for understanding how to respond to challenges.

Successful cities think about the long term while making decisions today – this is the essence of **sustainability**. They care about the environment, their people and the legacy they leave for future generations. Internally, they are financially responsible, have excellent systems in place and promote a culture that values enduring outcomes.

Connections abound and take many forms. Some connections are social, such as friendships formed through community groups or with neighbours. Some are environmental, including the connections people have with nature or the biodiversity corridors that support wildlife. Other connections are economic, such as the links between residents, jobs and businesses. Salisbury is a diverse community and we value connections between our many cultures. For connections to prosper, there must be appropriate infrastructure that enables people to move and connect with places further afield.

The Salisbury community consists of the 143,560 people who live in our 32 suburbs, whether they have been here all their lives or are new arrivals; the 7,200 businesses and 53,000 workers that make Salisbury the state's fourth largest economy; and the community groups, schools, churches and sporting clubs that bring people together.

Salisbury has many of the building blocks in place to achieve its vision. The City Plan outlines the actions that Council will prioritise over the next four years to enable Salisbury to achieve it. The City Plan can be viewed at www.salisbury.sa.gov.au

Item 7.1.7 - Attachment 1 - Draft 2022/23 Long Term Financial Plan and Annual Business Plan

Key Directions

This Annual Plan contains four key directions. Each direction includes a statement of what we want to aspire to achieve during the life of the annual plan, how we will achieve it and the indicators that will tell us how our City is progressing.

A welcoming and liveable City	**A sustainable City**	**A growing City that creates new opportunities**	**Innovation and Business Development**
Encompasses issues that affect the liveability of the City and the health and wellbeing of its people, including safety, social connections, the look and feel of our neighbourhoods, and the facilities and programs available to support our community's aspirations.	Includes protecting and conserving our diverse natural environment to support biodiversity, reducing Council's environmental footprint, ensuring we make the most of our resources and enabling our community, environment and infrastructure to be resilient to a changing climate.	This focuses on how we support the success and growth of local businesses, job opportunities for our residents, attracting investment, quality urban planning and providing infrastructure that supports economic activity.	Outlines how Council will work to provide exceptional experiences, deliver quality outcomes and be recognised as a great place to work.

Long Term Financial Plan 22/23 to 31/32

Long Term Financial Plan 22/23 to 31/32 Assumptions

YEAR ENDING 30 JUNE	Year 1 Budget 2022	Year 2 Plan 2023	Year 3 Plan 2024	Year 4 Plan 2025	Year 5 Plan 2026	Year 6 Plan 2027	Year 7 Plan 2028	Year 8 Plan 2029	Year 9 Plan 2030	Year 10 Plan 2031
Revenue Assumptions										
Rates - Grow th	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Rates - Ave Increase	2.8%	2.3%	2.8%	2.9%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Expenditure Assumptions										
Inflation	1.1%	1.7%	2.2%	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Wages	2.0%	2.0%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Contractors & Materials	1.1%	1.7%	2.2%	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Overview

While seeking to achieve its City Plan vision, Council is mindful of its responsibilities to be financially sustainable. Being financially sustainable means having a financial position capable of meeting long term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or disruptive cuts to services. It implies equity between generations. That is, each generation of ratepayers should pay for the services they consume. Future generations should not have to pay [...] to maintain and renew [...] they benefit at the e[...] ratepayers.

Maintaining services im[...] drains etc.) are also appropriately maintained and renewed, and that there is investment in new assets. Two significant costs associated with infrastructure assets are depreciation, which is the decline in value of assets through their use, and borrowing costs to fund new assets.

Council Asset Management Plans (AMPs) define the level of expenditure required to maintain and renew assets. The Long Term Financial Plan (LTFP) aligns to the AMPs, although in each budget year Council may vary its expenditure for a variety of reasons including updated asset information that indicates higher or lower levels of renewal expenditure are required.

Property development projects will continue to provide significant cash injections over the 10 year plan. Returns are based on the land feasibility and have been discounted reflecting that further detailed work is required to finalise financial returns on a project by project basis.

The Statement of Comprehensive Income (see next page) shows the Operating Surplus/(Deficit) before Infrastructure Amounts, and reflects the decisions to expand service delivery in 2021/22.

Assumptions

The forecasts are based on a number of assumptions and as with all projections it is likely that actual events will turn out differently. These figures, however, represent our best estimates for planning purposes. Key assumptions are detailed in the table above, and commentary includes:

- Rates growth from new development in the city is projected at a low level reflecting primarily infill development.

- [...] Developments financial returns [...] annum over the 10 year plan, [...]ility review.

- [...]ption includes superannuation [...]mains at 9.5% until 30 June 2021 [...]12% by 30 June 2026.

- Inflation reflects Access Economic CPI forecasts.

Additionally the estimated new and upgraded infrastructure assets expenditure has been set at $24.2M in year two of the LTFP. This is reflective of the current scale of the infrastructure program, and the desire of Council to continue to improve the service delivery from our infrastructure assets. However from year three of the plan the budgeted new infrastructure expenditure has been normalised to $15M and then adjusted by CPI over the remaining years.

Salisbury Water business returns are kept constant into the future, as our aim is to be financially sustainable without these returns.

Long Term Financial Plan 22/23 to 31/32

Estimated Statement of Comprehensive Income

YEAR ENDING 30 JUNE	2022 Budget Year 1 $000's	2023 Plan Year 2 $000's	2024 Plan Year 3 $000's	2026 Plan Year 5 $000's	2031 Plan Year 10 $000's
INCOME					
Rates Revenues	106,336	110,444	114,641	123,400	147,270
Statutory Charges	3,003	3,054	3,121	3,257	3,596
User Charges	5,358	5,449	5,569	5,811	6,416
Grants, Subsidies & Contributions	13,435	13,860	14,124	14,755	15,583
Investment Income	94	94	94	94	94
Reimbursements	229	233	238	249	275
Other Income	831	845	864	902	995
Total Income	**129,286**	**133,979**	**138,651**	**148,467**	**174,229**
EXPENSES					
Employee Costs	40,135	40,870	41,999	44,348	49,576
Materials, Contracts &				64,955	79,026
Depreciation, Amortis				35,554	42,144
Finance Costs				1,835	213
Net loss - Equity Acc				-	-
Total Expenses				**146,692**	**170,959**
OPERATING SURPLUS AMOUNTS				**1,776**	**3,270**
Asset Disposal & Fair Value Adjustments	2,940	2,448	8,453	2,887	2,114
Amounts Received Specifically for New or Upgraded Assets	15,779	594	590	1,166	1,166
Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000
NET SURPLUS/(DEFICIT)	**21,103**	**5,293**	**11,366**	**6,829**	**7,550**
OTHER COMPREHENSIVE INCOME					
Changes in Revaluation Surplus - I,PP&E	41,671	48,754	50,766	48,335	50,936
Total Other Comprehensive Income	**41,671**	**48,754**	**50,766**	**48,335**	**50,936**
TOTAL COMPREHENSIVE INCOME	**63,074**	**54,047**	**62,132**	**55,164**	**58,486**

The full ten year Long Term Financial Plan Budgeted Financial Statements are contained within Appendix A.

Long Term Financial Plan 22/23 to 31/32

Financial Indicators

As part of the emphasis for Councils to become financially sustainable standardised indicators have been developed. These indicators compliment the financial detail contained within the Long Term Financial Plan, and highlight our projected success at maintaining a financially sustainable Council.

- Within Endorsed Operating Range
- Outside Endorsed Operating Range

Operating Surplus Ratio

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
—OSR	1.30%	0.93%	0.95%	1.05%	1.20%	1.23%		1.58%	1.75%	1.88%
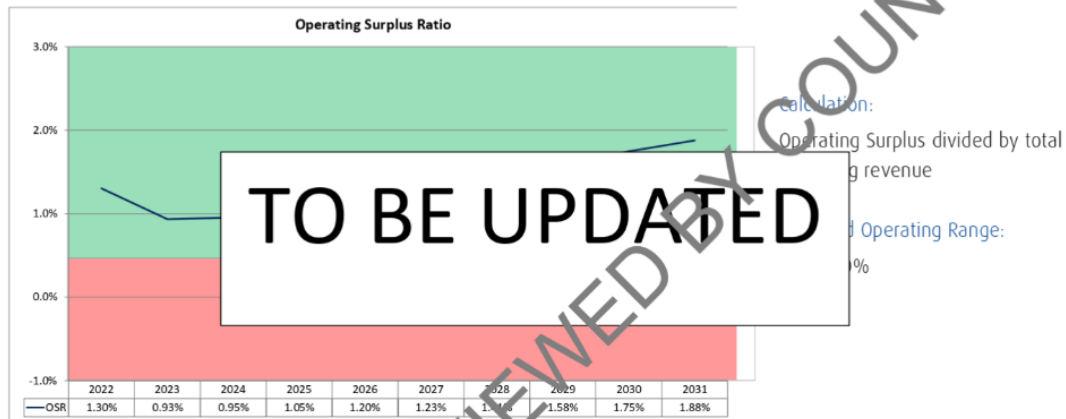
Councils with a positive Operating Surplus Ratio have current rate payers meeting the costs of the services that they are consuming. The larger the ratio the more revenue that is available to fund infrastructure expenditure which results in lower levels of debt. The Operating Surplus Ratio is the primary indicator of Financial Sustainability.

City of Salisbury is within the operating range of this indicator over the life of the plan.

Long Term Financial Plan 22/23 to 31/32

Net Financial Liabilities Ratio

Calculation:

Net Financial Liabilities divided by Operating Revenue

Endorsed Operating Range:

<70%.
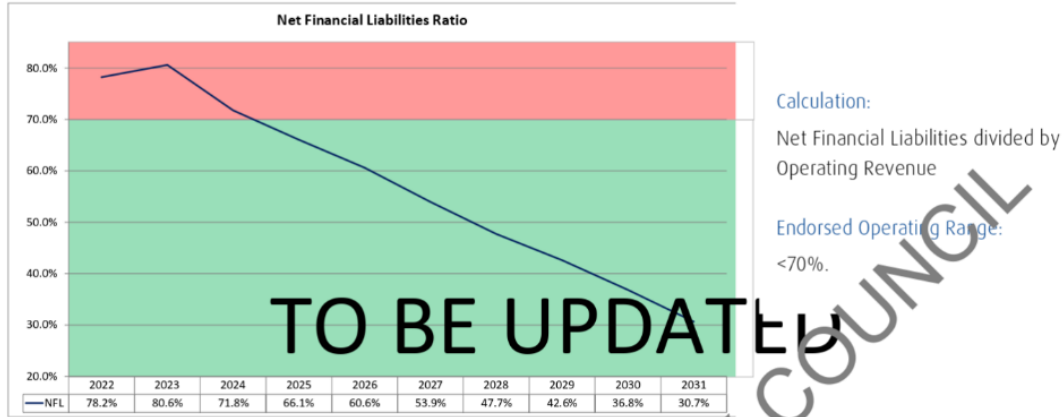
This ratio indicates the extent that Council can meet its net financial liabilities out of a single year's operating revenue. Councils with a lower ratio are stronger in their capacity to meet their financial obligations.

Council took the decision to support economic recovery following the COVID-19 pandemic, through a range of initiatives including an expanded infrastructure program. This has resulted in our sitting outside the endorsed target range for this indicator for the first three years of the plan and then within the range for the rest of the life of the plan. Sitting above the range is not an issue as the plan reflects that it is short term, and in response to extraordinary circumstances.

Asset Renewal Funding Ratio

Calculation:

Asset Renewal Expenditure divided by Asset Management Plan Renewal Expenditure

Endorsed Operating Range:

90%-110%
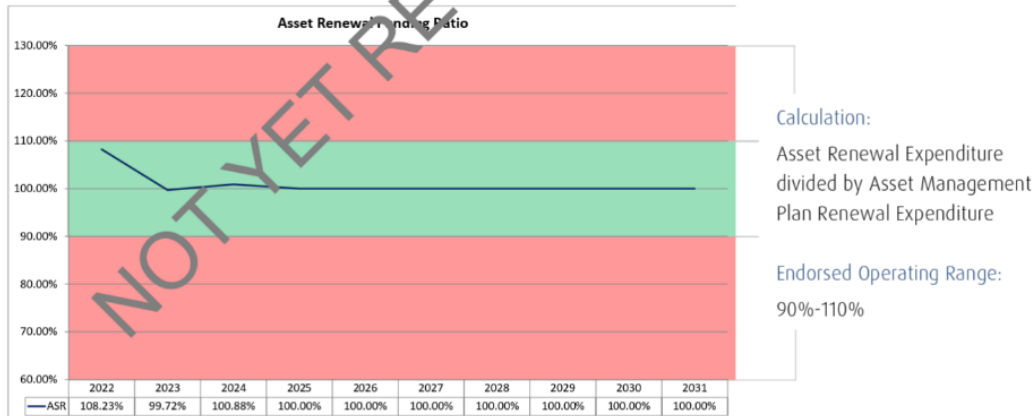
This ratio indicates whether infrastructure assets are being renewed in line with the Strategic Asset Management Plan (SAMP). A ratio of 100% means that Council is budgeting to renew assets as initially planned, and as SAMP details the optimum timing for the renewal and replacement of assets, a ratio of 100% means that infrastructure assets are maintained, as are service levels, at the lowest cost to the community.

As the SAMP is a long-term plan, Councils will vary expenditure based on updated asset information, and also to time new and renewal works together to achieve better outcomes, and reduce the cost. The $100M COVID-19 Infrastructure Recovery Program in 2021 has impacted the ratio, with year 1 being above the normal budgeted level of 100%, and year 2 being slightly below the endorsed range. Over the life of the plan renewal expenditure is within the endorsed range.

Item 7.1.7 - Attachment 1 - Draft 2022/23 Long Term Financial Plan and Annual Business Plan

Overview of Our Annual Plan 2022/23

The City of Salisbury's Annual Plan is an important part of our planning; one that links our overarching long term City Plan with our budget, the services delivered and rate levels.

Key Directions

Sustainable Futures - Salisbury City Plan outlines four Key Directions which guide our objectives and strategies over the long term:

- A welcoming and liveable City
- A sustainable City
- A growing City that creates new opportunities
- Innovation and Business Development

Budget Pressures

Council continues to monitor closely its financial position and especially long-term financial sustainability. Cost inflationary pressures, the demand for increased services and the delivery of new initiatives are carefully considered and managed so that Council is able to deliver sustainable long-term financial outcomes.

Sound Financial Management

The budget delivers an operating surplus to ensure our financial position is sustainable and equitable between generations of ratepayers, and builds capacity for the future. The 2022/23 budget delivers:

- An operating surplus of $1.508M
- Gross infrastructure investment of $65.8M (including $17.1M of asset renewal) and a net cost of $63.7M including grants.
- Moderate and sustainable levels of debt, with net financial liabilities of $78M or 58% of total operating revenue.

Rate Increase

The 2022/23 proposed average rate increase is 3.9% and increases from rates growth from the increase in the number of assessments is anticipated at 0.60%, while the increase from development activity is estimated to be 0.40%. Actual Adelaide Annualised CPI at December 2021 was 3.3%, and whilst some Local Government costs move in line with CPI, Councils purchase a different "basket of goods" to households, and consequently CPI is not fully reflective of Local Government cost increases.

More detail regarding rates is contained within the Rating Strategy and Policy section of this document.

Operating Budget Bids

Some of the projects included in the budget are:

Information Technology	$0.6M
COVID-19 Cleaning Measures	$0.2M
Burton Community Hub Operations	$0.185M
Property & Buildings Preventative Maintenance	$0.135M

Full details of Council's operating bids are provided from page 20.

Council continues to invest in its Information Technology systems to ensure a robust, protected and sustainable technology platform for the community and Council's operations. Technology enhancements for 2022/23 include the introduction of social media management tools; improvement of access and security for user access to Council systems; and ongoing development of network protection measures.

COVID-19 has an ongoing impact on the cleaning and sanitary aspects of Council's operations and community assets. To ensure the safest possible experience for the community, high touch cleaning takes place across our high traffic sites, which include public toilets, Salisbury Community Hub, Operations Centre and Jack Young Centre. Auto hand sanitizer units are placed throughout Council occupied buildings, and hygienic wipes are available for staff and public to wipe down work spaces after use. The COVID-19 Cleaning Measures initiative provides ongoing elevated service levels in 2022/23 for cleaning and sanitation across Council.

The new Burton Community Hub will be delivered and open for the public in July 2022. As a new integrated facility across several buildings and services, a new 'hub' budget incorporates the operating costs of running this facility. This operating budget covers all operational costs for the Burton Community Hub, including the increase in service provision for the new facility.

Additional funding is required for the Property & Buildings Preventative Maintenance Program to ensure that building assets are maintained in accordance with legislative requirements, Australian standards and lease obligations. This increase in service levels ensures that building assets are regularly maintained to reduce reactive maintenance, which can impact on the users of the building as well as increasing the life of the asset overall.

Overview of Our Annual Plan 2022/23

Infrastructure Program
Asset Renewal
Council manages community assets valued at $2 billion in the form of roads, footpaths, drains, buildings, parks etc. Many were created as the city developed rapidly in the 1960's, '70's and '80's. Our Asset Management Plans set our forward plan for how to most economically manage, maintain and renew our assets.

In 2022/23 Council will spend $17.1M on renewal, with major items being:

- Road reseal and reconstruction $8.1M
- Salisbury Water Asset Renewal $1.2M
- Bridge Program $1.7M
- Building Renewal $1.3M
- Playspace Program $0.6M
- Watercourse and Drainage Management Works $0.8M

Major Infrastructure Works
The infrastructure program includes a number of large scale projects, some of which are delivered over multiple years. 2022/23 expenditure for these projects is detailed below:

Salisbury Recreation Precinct Redevelopment	$25.5M
Reserves Upgrades including Club facilities	$3.9M
The Paddocks Masterplan Implementation	$3.2M
John Street and Church Street Revitalisation	$3.0M
Streetscape Program	$2.5M
Major Traffic Improvements Program	$1.1M
City Wide Trails Program	$1.0M

Full details of Council's four-year Infrastructure program is provided from page 26.

Salisbury Recreation Precinct Redevelopment
The redevelopment of the Salisbury Recreation Precinct (SRP) will transform Happy Home Reserve at Salisbury North into a modern, regionally significant aquatic, health and wellness precinct. This $29.9 million project is made possible with the assistance of $7.2 million funding provided by State Government. The new aquatic facility will operate all year round and includes new swimming centre building infrastructure and amenities; a new indoor multi-use lap/leisure pool and specialty program pool; a fitness gym and café; a new outdoor 8 lane 50m swimming pool; new outdoor water slides and fun waterplay area; landscaping improvements; and upgraded carpark and pedestrian links. The Salisbury Aquatic Centre is expected to be complete in 2023.

Reserves Upgrades including Club facilities
Following community consultation and design development, 2022/23 will see the completion of the upgrade to Fairbanks Drive Reserve, Paralowie and the delivery of the new clubroom facilities at Yalumba Drive Reserve, Paralowie. Investment in these projects is $3.9M for 2022/23.

The Paddocks Masterplan Implementation
The Paddocks is one of the most significant recreation and open space precincts within the City of Salisbury. The construction of a new multi-use community facility, commenced in 2021/22, will be completed in 2022/23 at a total cost of $4M, with $3.2M of the total to be expended in 2022/23. The project will deliver improved connections between residential and recreation areas; provide footpath connections and open sightlines between the residential neighbourhood and the sports ovals to improve safety and accessibility; add a sense of connectivity for residents; and provide improved landscaping and carparking.

John Street and Church Street Revitalisation
In accordance with the Salisbury City Centre Church and John Street Improvement Plan community consultation and Salisbury City Centre Renewal Strategy the completion of the Church and John Street upgrade is anticipated for early 2022/23.

Streetscape Program
The Streetscape Program is focused on improving the amenity of the City by replacing and upgrading existing street trees with species more appropriate to the space provided within our streets. Council's focus is on improving the amenity of the City by replacing and upgrading existing street trees with species more appropriate to the space provided within our streets and renewal of verges to complete a more holistic transformation of the streetscape amenity.

Major Traffic Improvements Program
The Major Traffic Improvements Program includes measures to address identified, specific major traffic network deficiencies. In 2022/23 funds have been allocated for works including Light Common /Main Street intersection; Ingle Farm Local Area Traffic Management Plan; and Helps/Edinburgh Roundabout and similar intersections upgrades to accommodate A-Trains.

City Wide Trails Program
The City-Wide Trails Program aims to deliver a network of 37km of "Off road" linked shared use paths. Proposed development for the 2022/23 financial year (subject to a successful funding application) will be Dry Creek, Valley View following the completion of the Pauls Drive upgrade, which includes a shared use path underpass & alternate route connection improvement at the Port Wakefield Road, Dry Creek Underpass which is currently in the design phase.

Operating Budget Bids

Operating Budget Bids

	2022/23			2023/24	2024/25	2025/26
	$000's			$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
A welcoming and liveable City						
Operating Bids						
Salisbury Community Markets	26	3	23	23	23	0
The creation of the Salisbury Community Markets to be held quarterly at our four hub venues namely Salisbury, Para Hills, Burton and the Mawson Centre. This project will facilitate opportunities for community members to interact and encourage inclusion, participation and belonging within the community.						
Visitation & Activation, 4 Year Tourism activations	25	0	25	25	30	30
Attracting visitors and motivating residents to explore and experience our region is essential to continued economic development. Devising and promoting self-guided tours and other "experiences" on our owned platforms gives us greater connections to our community offering them a range of interesting (free) things to do as well as attract visitors from further afield.						
Burton Community Hub Operating Budget	185	15	170	173	177	181
Service level increase for operating hours at the new Burton Community Hub.						
Cricket Pitch - The Pines School Parafield Gardens	30	0	30	0	0	0
To enable the reconstruction of the concrete cricket wicket at The Pines School Parafield Gardens which is utilised by City of Salisbury sporting organisations.						
Dog Noise Nuisance Surveillance Device	13	0	13	14	15	16
The use of a mobile dog surveillance device and data analysis service to record and support the investigation of potential nuisance barking complaints and potential legal action.						
Prepare a Salisbury North Oval Precinct Plan	40	0	40	0	0	0
To Prepare a comprehensive Salisbury North Oval Precinct Plan.						
Property and Buildings Program Area – Preventative Maintenance Program	135	0	135	138	141	145
Provide existing 'Property and Buildings' category with additional funds for preventative maintenance that is required to be undertaken on the current building assets.						
Property & Buildings - Cleaning (COVID-19)	214	0	214	0	0	0
Provide existing 'Property and Buildings' category with additional funds for COVID-19 related cleaning expenditure that is required to be undertaken on the current building assets.						
Council of Europe's Intercultural Cities Network	8	0	8	8	8	8
The City of Salisbury has completed the Council of Europe's Intercultural Cities Network Index Questionnaire and has joined the network as a full member.						
White Ribbon Program	20	0	20	20	20	0
A White Ribbon Community and staff event to continue to raise awareness across Salisbury of the need to stand up, speak out and act to prevent violence against women.						
Indoor Recreation Centres	60	0	60	0	0	0
Development of a strategic direction plan for a regional indoor recreation centre in the north and for a review of upgrading the Parafield Gardens Recreation Centre to accommodate district and state competition.						

Operating Budget Bids

	2022/23			2023/24	2024/25	2025/26
		$000's		$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
Operating Components of Capital Bids						
Building New / Upgrade Program	138	0	138	138	140	142
Building Renewal Program	133	0	133	135	136	139
New Reserve Furniture	0	0	0	5	6	7
Reserve Upgrade New Infrastructure	0	0	0	33	33	33
Dog Parks for Small Dogs	0	0	0	13	29	29
Additional Playspaces	0	0	0	20	25	29
Dog Park Renewal & Improvements Program	0	0	0	5		11
Landscape Enhancements - Major Entry Sites	0	0	0	0	5	5
Sports Court Lighting	0	0	0	5	6	7
Bus Shelter and Bus Stop Improvement Program	10	0	10	10	11	11
Fitness Equipment Installation	15	0		15	18	18
The Paddocks Masterplan Implementation Works	0	0	0	50	51	52
Netball Courts Reconstruction & Lighting Upgrade The Paddocks Reserve	0	0		11	11	11
Fairbanks Drive Reserve, Paralowie, Reserve Upgrade	0	0	0	16	17	17
Yalumba Drive Reserve, Paralowie - Completion of New Clubroom Facilities	0	0	0	50	51	52
New Fences, Walls and Bollards	0	0	0	0	0	2
Hausler Reserve, Paralowie - Stage 2 Upgrade		0	0	0	40	41
Cricket Practice Wicket and Off-Street Car Park		0	0	10	10	11
Signalised Pedestrian Crossing Renewal Program	17	0	17	17	18	18
TOTAL - A welcoming and liveable City	1,069	18	1,051	934	1,029	1,014

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Operating Budget Bids

	2022/23			2023/24	2024/25	2025/26
	$000's			$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
A sustainable City						
Operating Bids						
Salisbury Water - Water Quality Treatment R&D	200	0	200	200	200	200
A continuation of the existing water quality treatment research and development program and partnership that has been developed with UniSA/CSIRO, focused on researching and developing low-cost water quality treatment options for Managed Aquifer Recharge (MAR) water and small-scale trials for removing or immobilizing low-level PFAS contaminants within wetlands.						
Greenwaste Kitchen Caddies	31	67	(36)	(37)	0	0
As presented March 2021, Resolution 0888/2021, implement the proposed changes in NAWMA levels of service. A successful grant application was lodged with Green Industries SA, which will provide funding for the purchase of kitchen caddies and liners.						
Confidential Item						
Confidential	132	51	81	101	102	105
Operating Components of Capital Bids						
Local Flooding Program	115	0	115	116	118	122
Jones Road - Bolivar - Site Rehabilitation for Future Clean Fill Disposal	31	0	31	32	33	35
Environmental Open Space Land Management	150	0	150	223	136	162
Streetscape Upgrade Program	30	0	30	31	31	32
Public Lighting Program	50	0	50	51	52	53
Salisbury Water - Recycled Water Supply to Reactivated Reserves	73	73	0	0	0	0
Salisbury Water - Sustainable Schools Program	0	0	0	(56)	(170)	(240)
New Electric Vehicle Charging Stations	0	0	0	0	0	2
Little Para Catchment Native Forest	200	100	100	101	102	103
Salisbury Water - Business Unit Planning Program	0	0	0	2	0	0
Salisbury Water Distribution Main Linkages	0	0	0	(41)	(106)	(130)
TOTAL - A sustainable City	**1,012**	**291**	**721**	**723**	**498**	**444**

Operating Budget Bids

	2022/23			2023/24	2024/25	2025/26
	$000's			$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
A growing City that creates opportunities						
Operating Bids						
Esports - Creative Technologies Employment Pathways	18	0	18	18	18	18
Program to provide educational activities that build interest and critical skills for future employment in the creative technologies and broader technology sectors.						
Operating Components of Capital Bids						
John Street and Church Street Stage 1	0	0	0	61	63	64
Minor Traffic Improvements Program	57	0	57	58	59	59
New Footpaths Infrastructure	22	0	22	22	23	23
Road Reseal / Reconstruction Program	850	0	850	869	889	911
Improving the amenity of Technology Park Mawson Lakes and the Edinburgh Parks Industrial Precinct	0	0	0	0	15	30
TOTAL - A growing City that creates opportunities	947	0	947	1,028	1,067	1,105

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Operating Budget Bids

	2022/23			2023/24	2024/25	2025/26
		$000's		$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
Innovation and Business Development						
Operating Bids						
Bridgestone Athletics Facility - Coordinator Role	20	0	20	21	0	0
The additional costs for a full time equivalent (FTE) increase of the role responsible for coordinating activities at the Bridgestone Athletics Centre.						
Copyright Agency Licence	8	0	8	9	9	9
Copyright statutory compliance licence fee for Local Government.						
Subsidised Desexing (Dogs & Cats)	10	5	5	0	0	0
All dogs and cats born after July 2018 must be desexed unless the owner is a breeder. Subsidised low cost desexing for eligible concession card holders can assist in increasing compliance rates in the Salisbury community.						
COVID Infrastructure Program - Senior Project Lead	13	0	13	0	0	0
Council have endorsed this position relating to the COVID-19 Capital Infrastructure Recovery Program as per Council Resolution 0559/2020.						
COVID Infrastructure Program - Senior Engineer Civil & Transport Assets	13	0	13	0	0	0
Council have endorsed this position relating to the COVID-19 Capital Infrastructure Recovery Program as per Council Resolution 0559/2020.						
COVID Infrastructure Program - Senior Landscape Architect	27	0	27	0	0	0
Council have endorsed this position relating to the COVID-19 Capital Infrastructure Recovery Program as per Council Resolution 0559/2020.						
COVID Infrastructure Program - Senior Civil Environment Engineer	27	0	27	0	0	0
Council have endorsed a 3-year full time position as per Council Resolution 0104/2020.						
COVID Infrastructure Program - Project Manager	12	0	12	0	0	0
Council have endorsed this position relating to the COVID-19 Capital Infrastructure Recovery Program as per Council Resolution 0559/2020.						
Performance Excellence Program	22	0	22	22	22	0
To secure funding for the City of Salisbury's continued participation in the Australasian Local Government Professionals Performance Excellence Program.						
Operating Components of Capital Bids						
Clubs/Sporting Facilities (Minor Infrastructure Grants Program)	37	0	37	38	39	39
TOTAL - Innovation and Business Development	**189**	**5**	**184**	**89**	**70**	**48**
Total Operating Budget Bids	**3,216**	**314**	**2,902**	**2,774**	**2,663**	**2,610**

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Infrastructure Budget Bids

Infrastructure Budget Bids

	2022/23			2023/24	2024/25	2025/26
		$000's		$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
A welcoming and liveable City						
Renewal						
Building Furniture and Equipment Renewal Program						
Renewal of inside ergonomic furniture and equipment across all Council facilities.	77	0	77	79	81	82
Building Renewal Program						
Renewal of various elements for buildings either owned or under the care and control of Council.	1,292	0	1,292	1,326	1,371	1,396
Property and Buildings Program Area - Planning Program						
Provide existing 'Property and Buildings' category with funds for planning and development of the subsequent years programs including various asset condition audits.	105	0	105	118	111	113
Dog Park Renewal & Improvements Program						
Renewal and upgrade of existing dog parks based on age, condition, function and service level as defined within the Asset Management Operation Plan for Urban Built Assets, following audit and community engagement.	149		149	0	152	0
Playspace Upgrade Program						
Upgrade of playground assets based on age, condition, function and service level as defined within the Asset Management Operation Plan.	604	0	604	231	1,169	1,740
Outdoor Sports Court Renewal Program						
Renewal of existing outdoor sports courts, inclusive of court surface, base material, sub-grade, backstop fencing and associated infrastructure based on asset data.	124	0	124	140	142	145
Sport Lighting Renewal Program						
Sport lighting renewal based on age, condition, function and service level as defined within the Asset Management Operation Plan for Urban Built Assets.	299	50	249	253	288	256
Bus Shelter and Bus Stop Improvement Program						
Ongoing renewal of bus shelters owned by the City of Salisbury including the upgrade of bus stop pads where required to ensure universal design and Disability Discrimination Act (DDA) criteria are met.	292	0	292	296	304	144
Fitness Equipment Renewal Program						
Renewal of fitness equipment assets based on age, condition, function and service level as defined within the Asset Management Operation Plan for Urban Built Assets.	0	0	0	0	0	64
Outdoor Furniture Renewal Program						
Renewal of existing outdoor furniture, based on age, condition, function and service level as defined within the Asset Management Operation Plan for Urban Built Assets. The scope of this bid includes park benches, picnic settings, shelters, bike racks, drinking fountains and barbecues.	42	0	42	42	43	44
Reserve Signage Renewal Program						
Renewal of reserve and information signage based on age, condition and function and to deliver the agreed service level as defined within the Asset Management Operation Plan for Urban Built Assets. This includes reserve signs, wayfinding, information and interpretive signage.	5	0	5	61	62	63
Signalised Pedestrian Crossing Renewal Program						
Renewal based on age, condition, function and service level as defined within the Asset Management Operation Plan for Urban Built Assets. This includes lighting and controller upgrades and annual programming and audit of signalised Pedestrian Crossings.	30	0	30	30	30	180
Total Renewal	3,019	50	2,969	2,776	3,753	4,227

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Infrastructure Budget Bids

	2022/23			2023/24	2024/25	2025/26
		$000's		$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
New						
Salisbury Water - Pump Station Upgrade Program						
Upgrade of tank and booster pump station systems at a number of key distribution locations across the Salisbury Water network to maintain required service levels during peak irrigation demand periods.	470	0	470	120	120	170
Building New / Upgrade Program						
Deliver new or upgrade Council's building assets (excluding separate bids or Building Renewal Program) for the benefit and amenity of the community.	88	0	88	0	2,500	2,500
New Parks & Reserve Signage						
Installation of signage assets that will provide additional value to various reserves across the City of Salisbury through the identification of points of interest that support tourism and promote significant historical and cultural sites.	77	0	77	31	0	0
New Reserve Furniture						
Installation of new reserve furniture assets that will provide additional value to various reserves across the City of Salisbury.	65	0	65	0	0	0
Reserve Upgrade New Infrastructure						
Upgrade Council's reserves to approved levels of service and standard of reserves in alignment with the Asset Management Operational Plan.	459	0	459	92	8	0
Dog Parks for Small Dogs						
The establishment of dog parks for small dogs co-located with existing dog park	72	0	72	0	82	0
Additional Playspaces						
To improve accessibility to playspaces from residential properties in alignment with the Playspace Policy.	760	0	760	195	0	0
Landscape Enhancements - Major Entry Sites						
Creation of new entry statements and feature landscape enhancements at key entry locations into the City.	0	0	0	95	97	98
Sports Court Lighting						
Lighting to sports courts located within a district or regional playspace or located on a main road or adjacent lit carpark.	60	0	60	61	63	64
Bicycle Network Improvements Program						
A collection of nominated projects responding to known bicycle network deficiencies. This bid includes projects eligible for State Bicycle Funding or State Black Spot Program - Cycling Projects funding both of which require a contribution from Council.	240	50	190	165	123	200
City Wide Trails Program						
Continued development and upgrade of the 'Green Trails' network that follows the City of Salisbury's Open Space corridor, with Dry Creek, Valley View and the Dry Creek, Port Wakefield Road underpass alternate route being the focus for 2022/23 subject to grant funding.	1,000	400	600	612	616	630
Sportsfield Lighting Assistance Program						
A provision for Council matching funds to enable clubs to apply for State Government funding for sportsfield lighting projects.	0	0	0	0	0	0
Fitness Equipment Installation						
Installation of new fitness equipment assets that will provide additional value to various reserves across the City of Salisbury and appeal to people wanting to increase their fitness.	167	0	167	0	0	0

Infrastructure Budget Bids

	2022/23			2023/24	2024/25	2025/26
		$000's		$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
The Paddocks Masterplan Implementation Works The Paddocks Masterplan has established a coordinated approach for infrastructure investment and ongoing renewal of infrastructure and facilities at The Paddocks which is one of the most significant recreation and open space precincts within the City of Salisbury.	3,200	0	3,200	0	0	0
Netball Courts Reconstruction & Lighting Upgrade The Paddocks Reserve Upgrade netball courts and lighting at The Paddocks Para Hills West to facilitate multi-club utilisation.	300	0	300	0	0	0
Yalumba Drive Reserve, Paralowie - Reserve Upgrade Completion of the design construction for the reserve upgrade at Yalumba Drive Reserve, Paralowie.	300	0	300	0	0	0
Fairbanks Drive Reserve, Paralowie, Reserve Upgrade Completion of the upgrade to Fairbanks Drive Reserve, Paralowie.	1,770		1,770	0	0	0
Confidential Item Confidential	200	0	200	0	0	0
Yalumba Drive Reserve, Paralowie - Completion of New Clubroom Facilities Completion of the design and construction of the new clubroom facilities at Yalumba Drive Reserve, Paralowie.	1,800	0	1,800	0	0	0
New Fences, Walls and Bollards Installation of new fencing, walling or bollard assets that will ensure security of, and provide additional value to, various reserves across the City of Salisbury.	0	0	0	0	111	0
Salisbury Aquatic Centre Stage One of the redevelopment of the Salisbury Recreation Precinct to include a modern indoor/outdoor aquatic precinct.	25,500	0	25,500	1,950	0	0
Hausler Reserve, Paralowie - Stage 2 Upgrade Development of a new uni-sex change room and toilet facility at Hausler Reserve to support the recent irrigation and turf upgrades and change of use of the reserve to a new local sporting oval.	200	0	200	1,000	0	0
Cricket Practice Wicket and Off-Street Car Park Delivery of a cricket training net on the existing court and off-street car park at Baltimore Reserve as per Council Resolution 1034/2021, August 2021.	400	0	400	0	0	0
Church Street Stage 2 Further extension of Church Street from James Street to perimeter of Council boundary with Parabanks.	0	0	0	1,250	0	0
Total New	37,128	450	36,678	5,571	3,720	3,662
TOTAL - A welcoming and liveable City	40,147	500	39,647	8,347	7,473	7,889

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Infrastructure Budget Bids

	2022/23 $000's			2023/24 $000's	2024/25 $000's	2025/26 $000's
	Exp	Funding	Net	Net	Net	Net
A sustainable City						
Renewal						
Watercourse Management Works Program This ongoing bid is to renew and upgrade Council's waterways. Major waterways within the City include Dry Creek Little Para River and Edinburgh Drain, Helps Road Drain and the minor water catchments of Cobbler Creek and the Para Escarpment as well as open stormwater drains, wetlands and basins across the City.	361	0	361	390	712	747
Drainage and Waterways Program Area - Planning Program Provide existing 'Drainage and Waterways' category programs with funds for planning and development of the subsequent year's programs including asset condition audits.	170	0	170	230	175	180
Dam Renewal & Rectification Works Provides funding for required civil maintenance and rectification works of the 21 dams within the City over a 10 year period.	152	0	152	153	155	169
Environmental Open Space Land Management The environmental management of specific lands within Council's open space areas to comply with legislative requirements.	85	0	85	0	0	0
St Kilda Breakwaters - Renewal Further renewal of the St Kilda Breakwaters (sides of the Boat Channel).	50	0	50	50	218	225
Irrigation Renewal Program This program is for the replacement of irrigation systems within the City's parks and reserves which have reached end of serviceable life.	73	0	73	138	181	354
Feature Landscapes Renewal Program The installation renewed and upgraded plantings at nominated high profile locations to enhance and promote the City of Salisbury through vibrant colour and contrasting vegetation.	16	0	16	15	100	100
Tree Screen Renewal Program The Tree Screen Renewal Program is to rejuvenate and improve tree and shrub screens found along road and other transport corridors.	15	0	15	88	523	131
Urban Built Assets - Planning Program Provide Urban Built Asset category programs with funds for planning and development of future years programs.	363	0	363	63	66	103
Fences and Bollards Renewal Program Renewal of existing fencing, bollards and gates to reduce unauthorised access and anti-social behaviour such as illegally dumped rubbish and turf damage.	52	0	52	52	53	54
Renewal of Sound Attenuation Walls Renewal of the sound attenuation walls adjacent to the railway corridors in Mawson Lakes and Edinburg.	0	0	0	104	0	161
Public Lighting Program This program is for the installation of both new and renewed public lighting infrastructure on a priority/business case basis including both street lighting and reserve lighting but excluding sportsfield lighting.	450	0	450	458	460	471
Salisbury Water - Asset Renewal Program Renewal of Water Business Unit assets in accordance with the Salisbury Water Asset Management Plan.	1,201	0	1,201	1,002	656	396
Total Renewal	**2,988**	**0**	**2,988**	**2,743**	**3,299**	**3,091**

City of Salisbury

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Infrastructure Budget Bids

	2022/23 $000's			2023/24 $000's	2024/25 $000's	2025/26 $000's
	Exp	Funding	Net	Net	Net	Net
New						
Local Flooding Program						
Design and construction of localised minor flood mitigation works as a result of flooding reports and miscellaneous minor drainage works not funded elsewhere.	359	0	359	50	51	52
Major Flooding Mitigation Projects						
This program is generated from Council's Integrated Water Management Strategy which has identified a number of major flood mitigation projects.	450	0	450	356	363	366
Jones Road - Bolivar - Site Rehabilitation for Future Clean Fill Disposal						
Funding to rehabilitate and maintain the clean fill site at Jones Road as an Environment Protection Authority approved fill containment site to replace the previous Swan Alley/ Whites Rd site at Globe Derby.	53	0	53	54	55	56
Streetscape Upgrade Program						
Improving the amenity of streetscapes through the programmed renewal of street trees with more appropriate species for the spaces available within our streets.	2,300	0	2,300	1,400	1,425	1,431
Salisbury Water - Water Licence Purchase						
Purchase of permanent water licence locations as and when they become available on the open market.	100	0	100	100	100	100
Salisbury Water - Dry Creek: Weirs & Harvesting Optimisation						
Optimisation of existing stormwater harvesting infrastructure in Dry Creek to increase harvesting capacity from the Dry Creek catchment and provide long term security of supply for existing and future customers.	600	0	600	0	0	0
Salisbury Water - Recycled Water Supply to Reactivated Reserves						
Extension of the Salisbury Water distribution network to supply recycled water to various reserves across the City of Salisbury.	450	0	450	250	250	250
Salisbury Water - Sustainable Schools Program						
Construct new Salisbury Water distribution mains to provide connections to schools.	220	0	220	340	200	0
New Electric Vehicle Charging Stations						
Purchase two electric vehicle chargers to be installed in close proximity to the City Centre. One charger installed at the south east end of James Street as a public accessible charger the second installed on the northern side of the secure pool car compound for future electric vehicles in Council's pool fleet.	0	0	0	0	46	0
Salisbury Water - Business Unit Planning Program						
This bid is to provide Salisbury Water Business Unit with funds for planning and execution of its 5 yearly risk assessments and Asset Management review.	60	0	60	0	0	0
Salisbury Water Distribution Main Linkages						
Construct up to 10kms of Salisbury Water distribution mains to improve operational functionality and to provide additional security of supply to existing customers and to secure connection of new customers.	360	360	0	320	0	0

Infrastructure Budget Bids

	2022/23			2023/24	2024/25	2025/26
	Exp	$000's Funding	Net	$000's Net	$000's Net	$000's Net
Salisbury Water - Dry Creek: Greenfields MAR Upgrade Modify recycled water operations at Greenfields Wetlands from an 'injection-only' scheme to a Managed Aquifer Recharge (MAR) Scheme (i.e. injection and extraction) in order to supplement customer supply.	200	0	200	0	0	0
Greater Edinburgh Parks Regional Drainage Works required to effectively manage the Greater Edinburgh Parks Drainage System.	0	0	0	230	0	0
Salisbury Water - Regulatory Groundwater Monitoring and Reporting Installation of new groundwater level sensors in all City of Salisbury Water owned and operated wells (operational & observation) to improve the monitoring of aquifer pressures and artesian groundwater conditions to meet Department for Environment and Water (DEW) regulatory reporting guidelines from the new Adelaide Plains Water Allocation Plan (WAP).	250	0	250	20	0	0
Groundwater Community Bores - Tank and Booster Pump System Installation of tank and booster pump system at Myall Reserve / Little Para Golf Course.	73	0	73	0	0	0
Total New	5,474	360	5,114	3,220	2,490	2,255
TOTAL - A sustainable City	8,462	360	8,102	5,963	5,789	5,346

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Infrastructure Budget Bids

| | 2022/23 | | | 2023/24 | 2024/25 | 2025/26 |
| | $000's | | | $000's | $000's | $000's |
	Exp	Funding	Net	Net	Net	Net
A growing City that creates opportunities						
Renewal						
Carpark Renewal / Upgrade Program						
Resealing and upgrade of carparks including unsealed carparks.	40	0	40	462	202	204
Bridge Program						
The renewal, upgrade and replacement program for road bridges, footbridges and boardwalks that provide critical safe transport links across the City.	1,703	410	1,293	3,908	2,362	392
Kerb Ramp Construction / Upgrade Program						
Proactive upgrading of kerb ramps to provide inclusive paths of travel in conjunction with the Road Reseal / Reconstruction Program and Council Funded New Footpath Program.	285	0	285	289	293	297
Transportation Program Area - Planning Program						
Provide funding for the planning and development of the subsequent years 'Transportation' Category programs including various asset condition audits.	90		90	90	313	124
Bituminous Footpaths and Shared-Use Paths - Reseal / Upgrade Program						
Programmed resealing and widening of existing asphalt footpaths and shared-use paths outside of the City Wide Trails Program.	208	0	208	211	217	221
Road Reseal / Reconstruction Program						
Ongoing renewal of bituminous road surfaces and/or reconstruction of failed road pavements.	8,128	0	8,128	8,278	8,511	8,711
Footpath Renewal Program						
Footpath renewal based on age, condition, function and service level as defined within the Asset Management Operation Plan for Urban Built Assets. This includes block paved, concrete and asphalt footpaths throughout the City but excludes trails and shared use paths.	650	0	650	610	613	627
Total Renewal	**11,104**	**410**	**10,694**	**13,848**	**12,511**	**10,576**

Infrastructure Budget Bids

	2022/23			2023/24	2024/25	2025/26
		$000's		$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
New						
Land Acquisition Program - Miscellaneous						
Provision for the purchase of minor parcels of land to facilitate the construction of infrastructure.	57	0	57	58	60	61
John Street and Church Street Stage 1						
Completion of the Church and John Street, Salisbury upgrade and revitalisation.	3,000	0	3,000	0	0	0
Minor Traffic Improvements Program						
Implementation of minor traffic control improvement works such as local area traffic management, pedestrian facilities, parking improvements and minor traffic control devices.	223	0	223	158	163	170
Major Traffic Improvements Program						
A consolidated program to undertake major traffic improvements to the road network that require specific and significant traffic control measures.	1,225	450	775	195	771	697
School Zones and Pedestrian Crossings Program						
Installation of new or upgraded school zones and pedestrian crossing facilities.	238	0	238	237	152	154
New Footpaths Infrastructure						
Construction of new footpaths in older suburbs where footpaths do not already exist or where there is a need for additional footpaths in existing streets or reserves.	330	0	330	100	102	104
Developer Funded Program						
Undertake a program of works including but not limited to, planting of trees, building footpaths and parking bays in development areas where developers choose not to complete these works but provide a financial contribution to City of Salisbury in lieu of undertaking the works post-initial development.	400	400	0	0	0	0
Footpath Trading Pedestrian Protection						
The supply and installation of infrastructure to ensure safety for footpath trading areas that have been identified as part of their applications and permit conditions.	108	50	58	58	29	29
Improving the amenity of Technology Park Mawson Lakes and the Edinburgh Parks Industrial Precinct						
This bid is for a program to engage with industry to improve the amenity of Technology/Industry Parks at Mawson Lakes and Edinburgh Parks to assist in enticing new industry to these precincts.	40	0	40	150	200	200
Confidential Item						
Confidential	100	0	100	0	0	0
Total New	5,721	900	4,821	956	1,477	1,415
TOTAL - A growing City that creates opportunities	16,825	1,310	15,515	14,804	13,988	11,991

Infrastructure Budget Bids

	2022/23			2023/24	2024/25	2025/26
		$000's		$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
Innovation and Business Development						
New						
Clubs/Sporting Facilities (Minor Infrastructure Grants Program)						
Funding for the Minor Capital Works Grants Program to enable sporting and similar clubs to initiate minor improvements (buildings facilities and equipment).	337	0	337	339	346	350
Replacement of Customer Pods at Salisbury Community Hub						
Replace existing customer pods in the Salisbury Community Hub which are not fit for purpose and present ergonomic issues which impact service delivery to the community.	56	0	56	0	0	0
Total New	393	0	393	339	346	350
TOTAL - Innovation and Business Development	393	0	393	339	346	350
Total Renewal	17,111	460	16,651	19,367	19,563	17,894
Total New	48,717	1,710	47,007	10,086	8,033	7,682
Total Infrastructure Program	65,827	2,170	63,657	29,453	27,596	25,576

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Information Technology Budget Bids

	2022/23 $000's			2023/24 $000's	2024/25 $000's	2025/26 $000's
	Exp	Funding	Net	Net	Net	Net
Innovation and Business Development						
IT Desktop Asset Renewal						
Programmed asset refresh of desktop and end user equipment across all City of Salisbury operating locations.	267	0	267	347	1,249	459
Social Media Enhancement Tool						
Implement social media enhancements such as pre-scheduled social media posts, superior photographic capabilities, image resizing and copying to enhance vital components and features of the City of Salisbury's social media content.	16	0	16	17	18	19
Transition Telephony to MS Teams						
Complete the final transition of telephony services to a full hosted telephony solution (Microsoft Teams) and provide a single toolset for collaboration and telephony.	96	0	96	14	6	4
Access & Security - Single Sign-On Activation						
Access & Security is a crucial information security, risk management and business discipline critical to our cybersecurity program. Activating Single sign-on (SSO) to our applications and solutions ensures the right people gain access to the right resources with a single set of credentials.	35		35	30	0	0
Access & Security - Multi Factor Authentication for CoS Staff						
Access and Security is a crucial information security, risk management and business discipline critical to our approach to cyber security. Activating multi-factor authentication (MFA) will enhance security by requiring users to identify themselves by more than a username and password. Whilst important, usernames and passwords are vulnerable to brute force attacks and can be stolen by third parties.	86	0	86	41	41	41
Expansion of Centrally Managed Wi-Fi						
To facilitate a roll-out of corporate grade Wi-Fi at community centres to align with the solution provided in the Salisbury Community Hub.	101	0	101	101	0	0
Asset refresh of ESXi Servers						
Programmed asset refresh of ESXi Servers across City of Salisbury operating locations. As more corporate systems move to a hosted environment there will be significantly less requirement to replace serviced infrastructure in the future.	22	0	22	22	22	22
Digital Media Database						
Implement a digital media database to provide a the ability to store, catalogue and retrieve our corporate photographs and videos and allow the tracking of intellectual property (copyright) to prevent misuse and potential penalty.	19	0	19	15	16	17

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Information Technology Budget Bids

	2022/23			2023/24	2024/25	2025/26
		$000's		$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
Access & Security - Multi Factor Authentication for Volunteers Access and Security is a crucial information security, risk management and business discipline critical to our approach to cyber security. Activating multi-factor authentication (MFA) will enhance security by requiring users to identify themselves by more than a username and password. Whilst important, usernames and passwords are vulnerable to brute force attacks and can be stolen by third parties.	21	0	21	21	21	21
IT Hardware Agreements A budget variance submission was made in October 2021 to add operational budget funds for hardware agreements that are in place within the City of Salisbury. This bid is to ensure that the funding requested during this process continues to be available to cover ongoing costs.	151	0	151	151	151	151
License Renewal Corporate Wi-Fi When the Salisbury Community Hub was built in 2019 a number of key technology systems were implemented. One of these key systems was the Wi-Fi that is used extensively in the building by the community, guests and staff. The licenses that provision these services expire in the 2022/23 financial year and will require renewal.	42	0	42	43	44	45
Confidential Item Confidential	125	0	125	125	125	125
TOTAL - Innovation and Business Development	**980**	**0**	**980**	**926**	**1,693**	**903**
Total IT Budget Bids	**980**	**0**	**980**	**926**	**1,693**	**903**

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Plant, Furniture and Equipment Budget Bids

Plant, Furniture and Equipment Budget Bids

	2022/23			2023/24	2024/25	2025/26
	$000's			$000's	$000's	$000's
	Exp	Funding	Net	Net	Net	Net
A welcoming and liveable City						
CCTV Upgrade Cycle - End of Life Equipment Upgrade of CCTV equipment to ensure the continued success of the City of Salisbury Public Safety CCTV network due to the end of life of products installed in 2014 now requiring renewal.	110	0	110	176	177	179
Mobile CCTV Strategy This bid is for funds to support the mobile CCTV strategy and execution in the 2022/23 financial year.	250	0	250	0	0	0
New Fleet Item for Reserve Maintenance Additional fleet items to support the delivery of reserve maintenance for the community.	100	0	100	0	0	0
TOTAL - A welcoming and liveable City	460		460	176	177	179
A sustainable City						
New Street Sweeper - Cash Flowed from 2021/22 A new street sweeper to assist with the pick-up of grass as a part of the verge mowing program and for during the summer to sweep selected areas where council experiences high leaf and or bark fall.	380	0	380	0	0	0
Salisbury Water - Standard Dual Cab Utility Vehicle Provision of 1 commuter-use standard dual cab utility to support the Salisbury Water Business Unit's 24/7 call-out roster.	42	0	42	7	7	7
TOTAL - A sustainable City	422	0	422	7	7	7
Innovation and Business Development						
Plant & Fleet Replacement Program Deliver plant and fleet replacement in alignment with the Fleet Asset Management Plan.	3,042	770	2,272	1,942	2,188	1,752
TOTAL - Innovation and Business Development	3,042	770	2,272	1,942	2,188	1,752
Total PFE Budget Bids	3,924	770	3,154	2,125	2,372	1,938

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Budgeted Financial Statements and Analysis

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Budgeted Financial Statements and Analysis 2022/23

This section of the report analyses the changes in budgeted operating revenues and expenses for the 2022/23 year.

1.0 Summary

Details	Adopted Budget 2021/22 $000's	Proposed Budget 2022/23 $000's	Variance Inc/(Dec) $000's	Variance %
Operating Income	129,286	135,990	6,704	5.19%
Operating Expenditure	127,603	134,482	6,880	5.39%
Operating Surplus/(Deficit)	1,683	1,508	(176)	(10.44%)

1.1 Operating Income

Income Type	Reference	Adopted Budget 2021/22 $000's	Proposed Budget 2022/23 $000's	Variance Inc / (Dec) $000's	Variance % %
Rates Revenue	1.1.1	106,335	112,225	5,890	5.54%
Statutory Charges	1.1.2	3,003	2,848	(155)	(5.17%)
User Charges	1.1.3	5,358	5,337	(21)	(0.39%)
Operating Grants & Subsidies	1.1.4	13,435	14,322	888	6.61%
Investment Income	1.1.5	93	71	(22)	(23.26%)
Reimbursements	1.1.6	229	289	60	25.96%
Other Revenue	1.1.7	831	897	65	7.83%
Total Operating Revenue		129,286	135,990	6,704	5.19%

1.1.1 Rates Revenue ($5.9M Increase)

The anticipated rates revenue in 2022/23 is $112.2M which when compared to 2021/22 of $106.3M, represents an increase of $5.9M or 5.54%. This reflects the average rate increase of 2.9% with rates growth from the increase in the number of assessments anticipated at 0.6% and the increase from development activity estimated to be 0.4%.

1.1.2 Statutory Charges ($155k Decrease)

Statutory charges relate to fees and fines levied in accordance with legislation and include Dog Registrations, Health Act Regulations, Development Act fees and Parking Expiations. Statutory Charges are forecast to decrease by 5.17% or $155k compared to 2021/22.

This incorporates decreases in Parking Expiations of $115k and Dog Registration Fees of $52k associated with lower volumes.

1.1.3 User Charges ($21k Decrease)

User Charges are for the recovery of service delivery costs through the charging of fees to the users of the Council's services. These charges are forecast to be $5.3M in 2022/23, which is a decrease of 0.39% or $21k compared to 2021/22, resulting from a decrease in Activity Income of $34k and Hall Hire Fees of $19k associated with lower volumes across Community Centres.

Budgeted Financial Statements and Analysis 2022/23

1.1.4 Operating Grants & Subsidies ($888k Increase)

Operating Grants and Subsidies for 2022/23 are forecast to be $14.3M, which is an increase of $888k or 6.61% as compared to the budgeted amount of $13.4M in 2021/22.

The forecast increase in Operating Grants & Subsidies is the result of $771k higher Grants Commission funding.

1.1.5 Investment Income ($22k Decrease)

The Council earns investment income primarily in the form of interest from the investment of cash surpluses throughout the financial year.

Investment Income for 2022/23 is forecast to generate $71k which is a decrease of $22k compared to 2021/22.

1.1.6 Reimbursements ($60k Increase)

From time to time the Council enters into commercial arrangements under which it performs services on behalf of third parties, and seeks reimbursement for undertaking those services.

During 2022/23 it is estimated that the council will receive $60k higher reimbursements for council facilities which is offset by higher costs.

1.1.7 Other Revenue ($65k Increase)

Other Revenue comprises all the miscellaneous items of revenue which do not fall into any of the other revenue categories.

During 2022/23 Other Revenue is forecast to increase to $897k as compared to $831k in 2021/22. This represents an increase of $65k or 7.83% and is mainly associated with $73k higher internal water sales related to new projects which is offset by higher costs.

Budgeted Financial Statements and Analysis 2022/23

1.2 Operating Expenditure

Expense Type	Reference	Adopted Budget 2021/22 $000's	Proposed Budget 2022/23 $000's	Variance Inc / (Dec) $000's	Variance % %
Employee Costs	1.2.1	40,135	42,774	2,639	6.58%
Materials, Contracts & Other Expenses	1.2.2	56,184	58,408	2,225	3.96%
Finance Costs	1.2.3	1,222	1,444	222	18.16%
Depreciation, Amortisation & Impairment	1.2.4	30,061	31,856	1,795	5.97%
Total Operating Expenses		**127,603**	**134,482**	**6,880**	**5.39%**

1.2.1 Employee Costs ($2.6M Increase)

Employee costs include all associated labour related on-costs such as allowances, leave entitlements and the Superannuation Guarantee Charges (SGC). It also considers the effects of Enterprise Bargaining Agreements; general salary increments and the impact on employee costs resulting from changes in grant funding.

During 2022/23 employee costs are forecast to increase to $42.8M as compared to $40.1M in 2021/22 which is an overall increase of $2.6M or 6.58%. In addition to enterprise agreement wage increases this increase includes a legislated increase to the SGC of 0.5% in 2022/23, outcomes from organisational structural changes, and changes in capitalisation levels of staff time.

1.2.2 Materials, Contracts & Other Expenses ($2.2M Increase)

Materials, Contracts and Other Expenses include purchases of consumables that are used throughout the Council for the provision of services. It includes utility costs, and works and services which the Council sources externally, so as to allow the Council to perform its operations. It encompasses a broad range of other expense items including contributions to community groups, advertising, insurance, legal advice, motor vehicle registrations and numerous other miscellaneous expenses.

The budgeted amount for materials, contracts and other expenses is forecast for 2022/23 at $58.4M as compared to $56.2M in 2021/22. This is an increase of $2.2M or 3.96%. Major movements in expenditure include Information Technology $920k, COVID-19 Cleaning measures $214k, service level increases relating to the Burton Community Hub $185k, Waste Management $184k, and Home and Community Support $200k which is offset by additional funding.

Budgeted Financial Statements and Analysis 2022/23

1.2.3 Finance Costs ($222k Increase)

Borrowing costs relate to interest charged by financial institutions on funds that have been borrowed by the Council.

The interest costs of $1.44M forecast for 2022/23 is an increase of $222k or 18.16% as compared with $1.22M in 2021/22. This results from the infrastructure recovery program that was implemented by Council in response to the economic impacts of COVID-19, which has necessitated higher borrowings and increased grant funding which requires matched funding from Council.

1.2.4 Depreciation, Amortisation & Impairment ($1.8M Increase)

Depreciation is an accounting measure which measures the usage of the Council's infrastructure (such as roads and drains), property, plant and equipment over the estimated effective useful life of the assets.

In 2022/23 the forecast amount of depreciation is $31.9M compared to $30.1M for 2021/22. This is an overall increase of $1.8M or 5.97%, which reflects the impacts of new assets coming on stream and the revaluation of existing assets.

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Functional Presentation of the Budget

In this section of the Annual Plan the Operating Budget has been presented using a Functional View.

Full Cost

The City of Salisbury has a legislative obligation, under the Local Government (Financial Management Regulations) 2011 that requires Councils to ensure that externally provided financial information is made available on a full cost basis.

Full cost attribution is effectively a system under which all costs, including indirect and overhead costs, are allocated to a function, activity or program on a reliable and consistent basis. In other words full cost attribution seeks to determine the true cost of any function of Council by allocating indirect costs, including administration and management costs, to Council services.

The most prevalent reason to provide financial information on a full cost basis is that knowing and understanding the full cost of a service is essential information required in order for Council to continue to effectively manage and administer the City of Salisbury's budget.

For 2021/2022 The City of Salisbury has implemented an updated full cost allocation model, and for consistency this updated model has been applied to the 2020/2021 budget.

Functional Presentation of the Budget

The presentation of the Budget has been aligned with the City of Salisbury's Planning Framework; that is the City Plan 2035. This Planning Framework is structured around four Key Directions, A welcoming and liveable City, A sustainable City, A growing City that creates new opportunities, Innovation and Business Development.

The various Council services are presented in accordance with the Key Direction they are related to. This has the effect of demonstrating the contribution each service area will achieve in working towards the goals outlined under each direction, as well as presenting key service levels and costs associated with the performance of these services.

Budget Summary by Full Cost 2021/22 Budget

OPERATING BUDGET by KEY DIRECTION	2021/22				
	Direct Cost $000's	Attributed Cost $000's	Full Cost $000's	Funding $000's	Net $000's
A welcoming and liveable City					
Community Development	2,214	(357)	1,857	15	1,842
Library Services	4,527	3,458	7,985	688	7,297
Community Centres	1,737	990	2,726	356	2,370
Recreation Services	1,557	142	1,699	99	1,600
Community Sport and Club Facilities	2,174	1,875	4,049		4,049
Community Health and Wellbeing	4,255	2,045	6,300	3,279	3,021
Cemetery	481	99	580	500	80
Food and Health Regulation	843	349	1,192	228	964
Community Compliance Services	590	275	865	441	423
Dog and Cat Management	1,268	497	1,765	1,047	718
Crime Prevention and Repair	485	-	485	-	485
Street Lighting	3,405	-	3,405	-	3,405
Total A welcoming and liveable City	**23,535**	**9,374**	**32,909**	**6,653**	**26,256**
A sustainable City					
City Infrastructure	4,972	(2,668)	2,304	1,033	1,271
Water Management	3,799	6,414	10,213	2,601	7,612
Waste Management	18,630	-	18,630	790	17,840
Parks and Landscapes	19,324	11,540	30,863	124	30,739
Total A sustainable City	**46,725**	**15,285**	**62,010**	**4,548**	**57,462**
A growing City that creates new opportunities					
Economic Development	1,024	326	1,349	56	1,294
Development Services	3,275	1,617	4,892	1,576	3,316
Urban Planning and Development	1,177	420	1,597	-	1,597
Roads	3,016	9,919	12,934	3,328	9,606
Footpaths	793	2,159	2,952	-	2,952
Total A growing City that creates new opportunities	**9,283**	**14,440**	**23,724**	**4,959**	**18,764**
Innovation and Business Development					
Innovation and Business Development	17,049	(12,747)	4,302	595	3,708
Council	2,583	(36)	2,547	2	2,545
Sundry *	28,427	(26,316)	2,111	6,918	(4,807)
Total Innovation and Business Development	**48,059**	**(39,099)**	**8,960**	**7,515**	**1,445**
Infrastructure and Project Preparation					
Corporate Unallocated					
Corporate Governance Overhead					
Rates Revenue				105,611	(105,611)
TOTAL OPERATING SURPLUS / (DEFICIT)	**127,602**		**127,602**	**129,286**	**1,684**

* Sundry expenditure is primarily depreciation, with income being untied grant funding.

Budget Summary by Full Cost 2022/23 Budget

OPERATING BUDGET by KEY DIRECTION	2022/23				
	Direct Cost $000's	Attributed Cost $000's	Full Cost $000's	Funding $000's	Net $000's
A welcoming and liveable City					
Community Development	2,260	-	2,260	15	2,245
Library Services	4,694	-	4,694	607	4,087
Community Centres	1,769	-	1,769	324	1,445
Recreation Services	1,616	-	1,616	126	1,490
Community Sport and Club Facilities	2,211	-	2,211		2,211
Community Health and Wellbeing	4,640	-	4,640	3,618	1,022
Cemetery	492	-	492	507	(15)
Food and Health Regulation	870	-	870	253	616
Community Compliance Services	711	-	711	289	422
Dog and Cat Management	1,274	-	1,274	956	318
Crime Prevention and Repair	441	-	441	-	441
Street Lighting	3,444	-	3,444	-	3,444
Total A welcoming and liveable City	**24,421**	**-**	**24,421**	**6,695**	**17,726**
A sustainable City					
City Infrastructure	3,710	-	3,710	1,051	2,659
Water Management	4,235	-	4,235	2,664	1,571
Waste Management	18,889	-	18,889	359	18,530
Parks and Landscapes	19,498	-	19,498	124	19,374
Total A sustainable City	**46,331**	**-**	**46,331**	**4,197**	**42,135**
A growing City that creates new opportunities					
Economic Development	1,150	-	1,150	59	1,092
Development Services	3,417	-	3,417	1,640	1,777
Urban Planning and Development	1,283	-	1,283	-	1,283
Roads	2,222	-	2,222	3,332	(1,110)
Footpaths	803	-	803	-	803
Total A growing City that creates new opportunities	**8,875**	**-**	**8,875**	**5,030**	**3,845**
Innovation and Business Development					
Innovation and Business Development	17,621	-	17,621	584	17,037
Council	2,618	-	2,618	2	2,616
Sundry *	30,695	-	30,695	7,762	22,933
Total Innovation and Business Development	**50,933**	**-**	**50,933**	**8,348**	**42,585**
Infrastructure and Project Preparation					
Corporate Unallocated					
Corporate Governance Overhead					
Rates Revenue				111,406	(111,406)
Operating Budget Bids	3,923		3,923	314	3,608
TOTAL OPERATING SURPLUS / (DEFICIT)	**134,482**		**134,482**	**135,990**	**1,508**

* Sundry expenditure is primarily depreciation, with income being untied grant funding.

A welcoming and liveable City

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Foundations

- ✔ Our City is attractive and well maintained
- ✔ The health and wellbeing of our community is a priority
- ✔ People are valued and they feel safe, included and connected
- ✔ We are proud of our strengths, achievements and cultural diversity
- ✔ Our community is resilient and adaptive to change

Council's commitment to develop a welcoming and liveable City

Council will:

- > deliver and support programs that promote active living, health and wellbeing throughout the community
- > provide community and sporting facilities that cater for a diverse range of interests and needs
- > support clubs and community groups to increase participation
- > connect people to information, people and programs that help them achieve their goals
- > celebrate our community's diversity
- > design services, places and programs that are safe and welcoming for all
- > inform, connect and empower people and neighbourhoods to increase self-reliance
- > provide experiences that make our places lively and interesting
- > facilitate housing choices
- > encourage businesses to become more involved in our community

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NOT YET REVIEWED BY COUNCIL

CRITICAL ACTIONS

Strategic Projects	Budget Context
Upgrade community hubs at Burton and Ingle Farm	The Burton Community Hub is on track to be delivered on time and within budget. The Communications Plan is being executed as planned and work has occurred to ensure the furniture, fixtures and equipment expenditure is within budget. An opening day will be delivered in the first quarter for the Community to come and experience the new facility.
Implement St Kilda and Paddocks masterplans	St Kilda Master Plan works were completed in 2021 with the delivery of the new boat ramp and launch structures. Subsequent stages of the Master Plan remain unfunded in Council's long term financial plan.
	The Paddocks Masterplan is continuing to be delivered with the New Regional Playspace being delivered in the second quarter of 2022, as well as new fitness equipment nodes, viewing mound, clearing of reeds from the pond, and installation of a viewing deck. A new shared clubroom facility is also being designed, with construction expected to commence in coming months. Upgrades to site access trails and the Netball courts are also underway.
	Renewal maintenance works have been scoped for the Para Hills Knights club rooms and will be completed in late 2022.
	Concept work is being developed to scope and cost future works in accordance with the endorsed Masterplan.
Complete the Bridgestone athletics facility and maximise its use	Bridgestone Athletics Centre will continue to provide a state-of-the-art home to three local athletics clubs, supporting increased participation in physical activity. The Centre will continue to host large scale events and will broaden its reach to further activate the Centre. Athletics SA will be Supported to use the facility whilst the State Centre is upgraded.
Provide at least 15% affordable housing through Council's development projects	All Council's future development sites will include a minimum of 15% affordable housing. The Lake Windemere project is progressing and will deliver well over 15% affordable housing.
Implement the regional public health plan and wellbeing agenda	The new Regional Public Health Plan will be delivered this year.
	The Reconciliation Action Plan review continues and an enhanced program has been developed to commemorate Sorry Day and celebrate National Reconciliation Week and NAIDOC.
Enhance the visual appearance and amenity of public space through an expanded verge maintenance program, appropriate lighting and more greening of reserves	Council is delivering the Reserve Upgrade and New Playgrounds infrastructure bids in alignment with the agreed levels of service along with irrigation reactivation. Projects completed to date include: Buckley Green playground renewal and irrigation; Canterbury Drive dog park and playground; Baltimore Reserve dog park and playspace; Delamere Reserve irrigation reactivation; and Camelot Drive Reserve irrigation and playground.
	Lighting activation programs are continuing with the support of budget allocations to enhance the spaces throughout the city. These projects include: Carisbrooke shared use path lighting; Davey Oval sports field; and Mawson Lakes lake edge lighting.
	Council is delivering a verge revitalisation program in association with the Streetscape Renewal Program, to be implemented in 2022 for the greening of the City.
Improve our playgrounds and sporting facilities and cycle paths	Council continues to deliver the Reserve Upgrade and Renewal Playspace and programs with an increase in Levels of Service through consultation with Ward Councillors.
	Further extension of the Green Trails project along Little Para River Trail from Main North Road to Jenkins Reserve, Salisbury Park has been completed.
	Sections of Gawler Greenway through Parafield Gardens have been completed north of Mawson Lakes with additional stages to be funded with Department for Infrastructure and Transport, over the next 3 years connecting the City of Salisbury to the Gawler Greenway which currently exists on Councils southern boundary at Cavan.
Implement the 'Ability Inclusion Strategic Plan', including providing more equipment in our playgrounds that is able to be used by people with different abilities	The Ability and Inclusion Strategic Plan is being implemented with a particular focus on developing Universal Design Guidelines for Local Government, Easy Access Communication training for front line staff and Universal Design workshops and training for staff.

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CRITICAL ACTIONS

Operational Focus	Budget Context
Improve quality and cleanliness of residential areas	Increased verge maintenance has been endorsed as business as usual with budget allocated for this increased level of service. Council has endorsed a verge revitalisation program to be run in association with the streetscape renewal program, to increase the greening within the City. An additional Street Sweeper and Sweeper Operator are funded in 2021/22 Budget. This additional resource will assist with urgent reactive street sweeping and also enable an improved service during times of heavy leaf fall, or storm response.
Promptly remove rubbish dumped on public land	100% compliance to 10 days service response. Comment that there continues to be a large volume of dumped rubbish across the city, with over 1200 dumped rubbish litter jobs so far this financial year.
Implement Council's community safety strategy, including CCTV coverage	Delivery of actions in Council's community safety plan include: Finalisation of the relevant procedures and delivery of the Community and Special Circumstances CCTV programs in 2022. Development and delivery of a White Ribbon event and maintaining our accreditation. Public lighting upgrades and public realm improvements Community safety awareness campaigns and localised responses to antisocial behaviour to support amenity and community connections. John St/Church St renewal project including community safety improvements and activations. Delivery of the Salisbury Interchange Memorial improvement project Regular stakeholder engagement meetings with SAPOL and other key community safety groups.
Ensure public places are accessible and sporting facilities are maintained	Access for public spaces and sporting facilities is an ongoing consideration and undertaken in all of our planning and design phases. Council has increased the number of pieces of equipment fully accessible with rubber pour through the renewal program with policy developed to support minimal access requirements for public places and facilities. Council is in the process of developing a Universal Design Policy/Framework, with this to be applied all projects, with a focus in 20222/23 on John Street, Church Street, and the new Salisbury Aquatic Centre having a universal and inclusive focus. Inclusions in upgrade works generally include: - Compliant paths to and from the carpark - Access through the clubroom (eg door widths) - Inclusive toilets including a dedicated disabled toilet, which includes a shower - Ambulant toilets in the Male & Female restrooms - Projects completed in the last 24 months (Which include the above in their upgrade) include: - Cycle Speedway Salisbury North - Pooraka Tennis Club - Parahills West Soccer club - Parahills Tennis Club - Brahma Lodge Football/Macedonian Soccer Club - Cross Keys BMX Club - Unity Park Public Toilets
Provide support and grants to sporting and community groups	The Minor Capital Works and Community Development Grants will be delivered supporting local organisations to deliver meaningful outcomes for the community.
Work closely with Community and Senior Centres to provide effective and well received programs	Council will continue to deliver high quality Services to NDIS and CHSP clients In a challenging COVID environment. We have an ongoing focus on working with the information provided by CHSP and SA Health to ensure staff and clients have up to date and reliable information regarding the unfolding COVID-19 circumstances. Inclusive and accessible programs continue to be delivered. Consultation with community members continues to occur to ensure the programs delivered are addressing the requirements community needs.
Deliver Council's intercultural Strategic Plan to build connections and increase collaboration among community groups and service providers	Council won the Cohesive Communities national Local Government Awards presented by the Commonwealth for its work on the Intercultural Strategic Plan and the Access and Inclusion Plan. This work will continue this year. The Intercultural Alliances continue to meet regularly, and the Universal design guidelines are on track for delivery this year. Council was also awarded the 2021 Minister for Health and Wellbeing - Excellence in Public Health Award For our commitment and partnership approach to ensuring the continued delivery of services to vulnerable and isolated older community members during the first and second year of the pandemic. This work will continue this year and council will continue to be a leader within the sector. A Harmony Week event will be held in March.

CRITICAL ACTIONS

Future Planning | Budget Context

Develop a place activation strategy

Framework for consideration of place activation by use, per destination has been endorsed by Council. Consideration of the levels of service for Community Facilities is currently being developed

Assess future social infrastructure needs

The first phase of Council's community planning process has commenced. Council will establish a report outlining Council's key data sets across a series of quality-of-life measures which will inform future social infrastructure needs.

The Place Activation Strategy – Community Facilities will be delivered and provide direction on Council's community assets.

Community Capacity & Learning's Northern Regional Consortium Employment Pathways Project has established an integrated framework that links 3 local councils, their economic development teams, learning programs and employment pathways. This consortium will continue to deliver programs this year.

Update the 'City Pride' strategy

The first phase to establish a report outlining Council's key data sets across a series of quality-of-life measures that Council can prevent has commenced. The following phases will include community consultation and the development of both the Regional Public Health Plan and the City Pride Strategy later this year.

Advocacy Priorities | Budget Context

Increased resourcing and services to make our community a safer place

Twelve25 has implemented a series of infrastructure enhancements that will improve the amenity and safety of the site and activation of the back courtyard will occur this year.

Council has implemented Neighbour Days with the first to be held in late March 2022. These events will increase neighbourhood connections and build community resilience.

Play Streets will be delivered in October to promote children having safe places to play within their local neighbourhood streets.

Improve public transport options

Council has been working with the State Government on a major amenity uplift to the Salisbury Interchange, including new public toilets and landscaping. This work is currently being implemented and will be complementary to the upgrade of Church and John Streets.

Council is working to support delivery of Gawler Greenway project with the State Government as funding becomes available.

Council has also assisted the State Government with the Gawler Electrification Project and will deliver revegetation works following completion of project by the State Government

Council continues to refurbish bus shelters across the city.

Improved infill development policies and urban design

Council offers a free internal design review process for developers at pre-lodgement stage (also used during development assessment phase). In addition, Infill guidelines for narrow frontage homes and verge reinstatement developed have been made available to the public. Other guidelines are being developed as required.

Programs and services to address mental health, housing and income inequity issues

Council continues to collaborate with The Northern Homelessness Alliance to re-establish services in the north. A commitment has been provided by the Alliance to develop a service model that will provide a Rough Sleep Protocol to assist homeless people.

In late 2021, Council approved a financial contribution to the appointment of the Wellbeing Director for the Health Precinct at the Lyell McEwin Hospital. This will ensure our Council area continues to be a focus for health delivery in the north.

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Community Development

Key Partners:
- Community Centres SA
- Community Centre Associations
- Department of Health
- Department for Education and Child Development
- Northern Adelaide State Secondary Schools Alliance
- Department of Communities and Social Inclusion Human Services (SA)
- Reconciliation Australia
- Public Library Service of South Australia
- University of SA
- Alcohol and Drug Foundation
- Northern Adelaide Local Health Network
- Anglicare SA
- White Ribbon
- SAPOL
- Relationships SA
- Northern Adelaide Local Drug Action Team
- Northern Adelaide Homelessness & Violence Against Women Collaboration

Community Development contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES SERVICE LEVELS
Community Development Administration Provides for executive management and associated support staff for the functions of the Community Development Department.	• Manages four divisions
Community Grants Management and allocation of the Community Grants Program which provides grants for community and sporting organisations undertaking projects of benefit to the local community.	• Applications received: approx. average 32pa
Community Planning *Sport and Recreation* Undertakes research and develops policy and program delivery in relation to open space, recreation, leisure and sports development for the City for community wellbeing. Programs focus on increasing the physical activity levels within the City.	• Review community recreation and open space needs • Provide leadership and support to sporting club development • Provide advice related to sport and recreation facility development • Contribute to the development of the Place Activation Strategy • Contract management of the Leisure Services Contract for the operation of Council recreation facilities • Provide advice and lead stakeholder engagement for sport and recreation facility development • Management of the athletics centre at Bridgestone Reserve
Cultural Development Researches, develops and implements policy and program delivery that responds to the cultural development needs of the community that lives, works and studies within the City.	• Deliver a cultural program of events, exhibitions and celebrations • Collaborate with organisations and businesses to support cultural activities • Place curation to activate spaces • 10 exhibitions organised in the John Harvey Gallery • Administration of Watershed Art Prize, Staging of the Writers' Festival, Vietnam Veterans and Asbestos Victims ceremonies, other place activations and Salisbury Secret Garden
Social Policy Undertakes research and develops policy, strategy, programs and partnerships in relation to Implementation of the Reconciliation Action Plan, Community Safety, Public Health, Homelessness, Social Infrastructure and Strategic and International Partnerships.	• Policy and Maintenance Framework for Sister City and Friendship City • Liaise with SAPOL, agencies and businesses on Community Safety • Regional partnerships in suicide prevention, local drug action, homelessness, domestic violence, reconciliation development and coordination of Regional Public Health Plan • Provide statistical analysis to social service delivery and social infrastructure provision • Coordination of activities that respond to homelessness • Community bus coordination • Affordable housing research needs and analysis • Planet Youth drug and alcohol primary prevention program

Community Development

Budgeted Community Development Operating Expenditure ($'000)
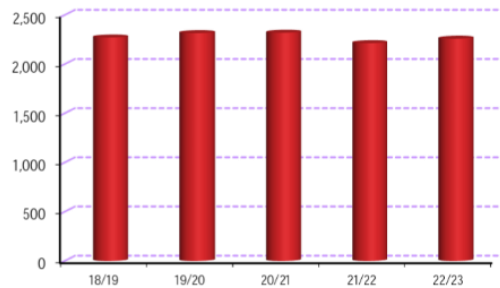
Community Development (Expenditure)
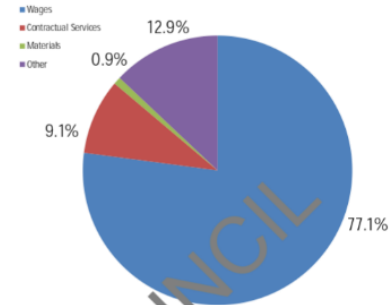
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Community Development Administration	1,076	1,133
Community Grants	185	185
Community Planning	953	941
DIRECT EXPENDITURE	2,214	2,260
FULL COST ATTRIBUTION	(357)	
TOTAL EXPENDITURE	1,857	2,260
INCOME		
Community Planning	15	15
TOTAL INCOME	15	15
NET IMPACT TO COUNCIL		
Community Development Administration	1,076	1,133
Community Grants	185	185
Community Planning	938	926
FULL COST ATTRIBUTION	(357)	
TOTAL NET IMPACT TO COUNCIL	1,842	2,245

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Library Services

Key Partners:
- Public Library Services (PLS)
- State Library of South Australia (SLSA)
- Department for Innovation and Skills
- Public Libraries SA (PLSA)
- Department of Human Services (DHS)
- Department for Health and Wellbeing (SA)
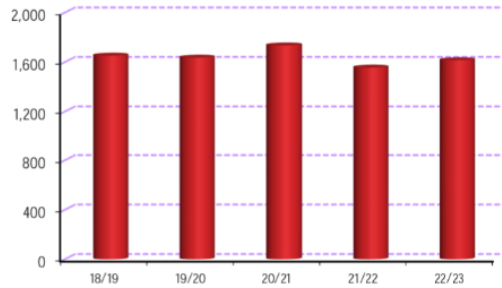- Libraries Board of South Australia
- Australian Library and Information Association (ALIA)

Library Services contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance Libraries The maintenance of library buildings.	• Establishment of new library at the Burton Community Hub • Creation of new community garden annexed to the Para Hills Library
Library Administration and Policy Provides for the Management and associated support staff for the function of the Library Services.	• Manage Library Branch Services, Library Information and Access, and Community Learning Programs
Library Branch Services Services are offered at five key locations at Ingle Farm, Para Hills Community Hub, Salisbury Community Hub, Mawson Lakes and Salisbury West (relocating to Burton). Services include access to collections, reference and community information, public Internet and Wi-Fi, sporting equipment and toys. Spaces for community use include quiet study areas, bookable meeting rooms, youth and children's areas. Home library service delivers items to those who cannot visit Salisbury library locations due to difficulties associated with disability, age, geographical isolation or frailty.	• PC uses by the public: estimate 21/22 – 47,248 • Members: estimate 21/22 – 27,600 • Total number of visits for 21/22 473,000 • COVID-19 impact due to closures and lockdowns, reduced opening hours , cancellation of onsite programs
Library Information and Access Overseeing the strategic and operational management of library specific technologies including the Library Management System and online content to support Library services and programs. Manage and develop library collections, including e-resources, to ensure the provision of, and access to resources in a variety of formats that meet the educational, information, recreational and cultural needs of the Community. Manage the local history collection which supports the Salisbury community to understand its local identity.	• Facebook followers as at 31st December 2021: 3,112 • Online tutorials: 1,334pa • New items: 21,000pa – decrease in state funded dollars for physical items but increase in state funded dollars or online items • Total collection: 130,000pa • Size collection per capita: 1 • Visits per capita: 1.9 (COVID-19 impact) • Expenditure per capita: $30.00 (decrease in state funding) • Loans: 21/22 estimate 500,000 (COVID-19 impact) • E-book and audio book loans: 65,000pa (COVID-19 impact) • E-magazine/newspapers: 500,000pa (COVID-19 impact)
Community Learning Programs Learning programs include literacy and reading, digital literacy, STEM, health & wellbeing, English as a second language and employment skills. Services include a range of formal and informal engagement opportunities for people of all ages and abilities including local schools and community groups. All programs and services are specifically designed to build capacity within our community to achieve positive outcomes that support their learning, employment and health & wellbeing needs. Strategic partnerships are actively initiated to attract and secure relevant grant funding	• Children's program visit total: 11,500pa (online & face to face) • Early literacy: 10000paOnline & face to face) STEM activities: 420pa (decrease in face to face) • School holidays: 307pa (decrease in face to face) • Other children's / youth programs: 600pa (increase in online content) • Adult program visit total: 3,010pa (Online & face to face face to face) • ESL, literacy, numeracy programs: 970pa (Online & face to face) • Digital literacy: 600pa (Online & face to face) • Other adult programs: 1,500pa (Online & face to face) • JP visits estimate for 21/22 23,200pa

# Library Services

Budgeted Library Services Operating Expenditure ($'000)
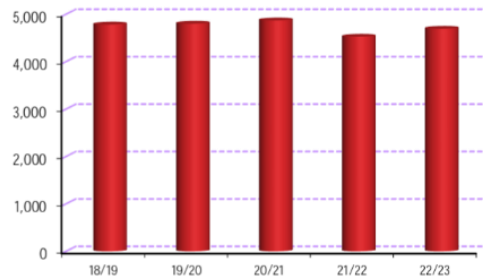
Library Services (Expenditure)
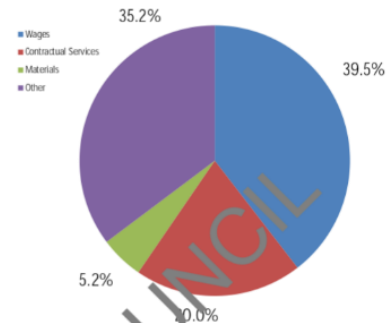
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Building Maintenance Libraries	161	165
Library Administration and Policy	421	439
Library Branch Services	2,573	2,700
Library Information and Access	862	872
Community Learning and Programs	509	519
DIRECT EXPENDITURE	4,527	4,694
FULL COST ATTRIBUTION	3,458	
TOTAL EXPENDITURE	7,985	4,694
INCOME		
Library Administration and Policy	430	379
Library Branch Services	138	108
Library Information and Access	80	80
Community Learning and Programs	40	40
TOTAL INCOME	688	607
NET IMPACT TO COUNCIL		
Building Maintenance Libraries	161	165
Library Administration and Policy	(9)	60
Library Branch Services	2,436	2,592
Library Information and Access	782	792
Community Learning and Programs	469	479
FULL COST ATTRIBUTION	3,458	
TOTAL NET IMPACT TO COUNCIL	7,297	4,087

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Community Centres

Key Funding Providers and Partners:
- Community Centres SA
- Non-Government Organisations
- Department of Human Services
- Department of Industry and Skills
- Department of Education and Child Development
- University of South Australia
- Flinders University

As part of Community Capacity and Learning Division Community Centres contain the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES SERVICE LEVELS
Building Maintenance Community Centres The maintenance of Community Centre buildings.	
Community Centres Deliver learning and engagement activities for all ages across Community Centres at Salisbury North (Bagster Road), Parafield Gardens (Morella), Pooraka (Pooraka Farm) and Salisbury East as well as The Mawson Centre, Para Hills Community Hub, Salisbury Community Hub and Twelve25 Youth Centre, Salisbury The Burton Community Centre closed 30 Jun 2021 to make way for the new Burton Community Hub due for completion mid to late 2022 Services and programs foster resilience and wellbeing, promote health and fitness, enhance social connections, develop language, literacy and digital skills as well as celebrate and entertain. Community learning is achieved through programs that support our community's educational and social needs. Various sessions of structured community adult education are offered. Funding from Government grants and volunteer contributions are key to the success of program delivery. Strategic partnerships and working collaboratively continue to be strong drivers for successful, responsive and cost effective service delivery.	Estimates 21/22 • Art and Craft: visits total 11,000pa • Youth and Children visits total: 20,000pa • Computing and Technology visits total: -400pa • Health and Fitness visits total: 10,000pa • Language and Literacy visits total: 6,100pa • Personal Development/Interests visits total: 12,000pa • Professional Development visits total: 3,000pa • Social support visits total: 12,200pa COVID-19 impact with density requirements, lockdown and F2F program cancellations • Volunteers: 250 • Volunteers contribute approximately 20,000 hours pa to City of Salisbury via their participation across the centres

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Community Centres

Budgeted Community Centres Operating Expenditure ($'000)
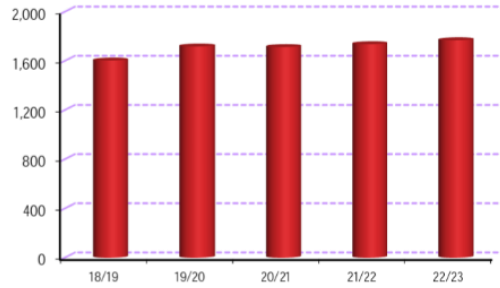
Community Centres (Expenditure)
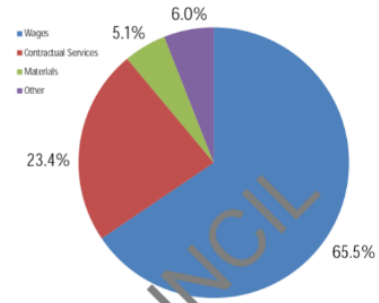
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Building Maintenance Community Centres	369	384
Community Centres	1,368	1,384
DIRECT EXPENDITURE	1,737	1,769
FULL COST ATTRIBUTION	990	
TOTAL EXPENDITURE	2,726	1,769
INCOME		
Community Centres	356	324
TOTAL INCOME	356	324
NET IMPACT TO COUNCIL		
Building Maintenance Community Centres	369	384
Community Centres	1,011	1,061
FULL COST ATTRIBUTION	990	
TOTAL NET IMPACT TO COUNCIL	2,370	1,445

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Recreation Services

Key Partners:
Service Delivery – Belgravia Leisure
Financially affiliated to:
- Netball SA; Squash SA; Tennis SA; Council of the Aging (COTA); Recreation SA; Recreation SA; AustSwim; Swimming Australia

Partnerships:
- Dept. Education and Children's Services; Office for Recreation and Sport; University of SA; Basketball Australia; Swimming Australia; Adelaide Community Basketball Association

Recreation Services contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance The maintenance cost of recreation buildings.	

Recreation Services Contract
City of Salisbury provides recreation services through an outsourced business model with Belgravia Leisure being the contract provider. Services are provided as follows:
	• Work in partnerships with the recreation services provider to oversee delivery of sport and recreation programs and services of Council's:
	  - Ingle Farm Recreation Centre
	  - Parafield Gardens Recreation Centre
	  - Little Para Golf Course

Ingle Farm Recreation Centre The Centre consists of 3 multi-sport courts, 4 squash courts, training rooms, offices and a function room with a fully equipped catering kitchen. The Centre offers a wide variety of recreational activities such as basketball, netball, roller skating, kindigym, archery, squash and birthday parties. The Centre also accepts payments for rates, fines and dog registration on behalf of Council.	• Direct customer visits: approx. 175,000pa • Average teams registered: 80pa • Current customer visits and teams registered is being impacted as a result of the COVID-19 requirements.
Gardens Recreation Centre Is a multi-purpose sporting complex providing opportunities for activities such as basketball, netball, kindigym, Futsal and community events such as the annual Craft Fair and Hobby Fair. Also providing access opportunities for organisations such as table tennis, martial arts, Comrec, Novita Children's Services and Helping Hand. The Centre also plays hosts to many national, state and local sporting events and shows.	• Customer visits: 121,000pa • Teams registered: 180pa • Current customer visits and teams registered is being impacted as a result of the COVID-19 requirements.
Salisbury Recreation Precinct The Salisbury Recreation Precinct swimming pool is currently closed so that a major refurbishment of the centre can be completed. The works are partially funded through a State Government grant. The project will cost in the vicinity of $30.5M. Details of this can be found in our infrastructure bids section commencing page 26 The Salisbury Recreation Precinct continues to provide tennis facilities in a parkland setting including 8 tennis courts (4 of which are Australian Open standard)	• Previous Customer visits: approx. 68,500pa
Little Para Golf Course Is located at Martins Road, Paralowie. 9 hole, par 3 course winding through the Little Para River with a 300m driving range consisting of 8 bays, a clubhouse and pro-shop, BBQ alfresco area undercover.	• Rounds: approx. 17,000pa (20/21) • Driving range buckets: approx. 6,400 (20/21)

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Recreation Services

Budgeted Recreation Services Operating Expenditure ($'000)

Recreation Services (Expenditure)
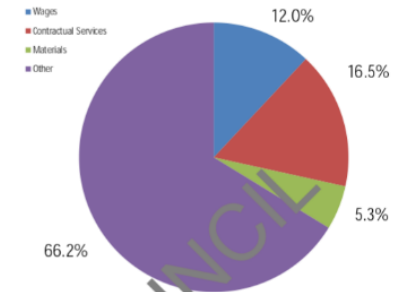
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Building Maintenance	86	85
Recreation Services Contract	1,126	1,153
Bridgestone Athletics Centre	344	378
DIRECT EXPENDITURE	1,557	1,616
FULL COST ATTRIBUTION	142	
TOTAL EXPENDITURE	1,699	1,616
INCOME		
Bridgestone Athletics Centre	99	126
TOTAL INCOME	99	126
NET IMPACT TO COUNCIL		
Building Maintenance	86	85
Recreation Services Contract	1,126	1,153
Bridgestone Athletics Centre	245	252
FULL COST ATTRIBUTION	142	
TOTAL NET IMPACT TO COUNCIL	1,600	1,490

Community Sport and Club Facilities

Key Partners:
- Sporting and Community Clubs

Community Sport and Club Facilities contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS

Building Maintenance Sport and Community Facilities Council's building maintenance program ensures that our sporting and community facilities are pro-actively maintained as well as providing timely repair works as required.	Maintenance of the clubroom and change room structures including general repairs and programmed maintenance.
	• Electrical and Plumbing Service:
	  - Priority 1 - Emergency within 2 hours
	  - Priority 2 - within 24 hours
	  - Priority 3 - General seven days (maximum)

Sportsfield Cutting Council's sportsfield cutting program ensures that the required turf service levels are maintained across the City	Maintained to standards to ensure the grounds are 'fit for use' for the sport being played. • 10 sites comprising 54 fields • Turf renovation and mowing, turf cricket wicket preparation, covering and uncovering of concrete wickets, goal post installation, maintenance and removal

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Community Sport and Club Facilities

Budgeted Community Sport and Club Facilities Operating Expenditure ($'000)
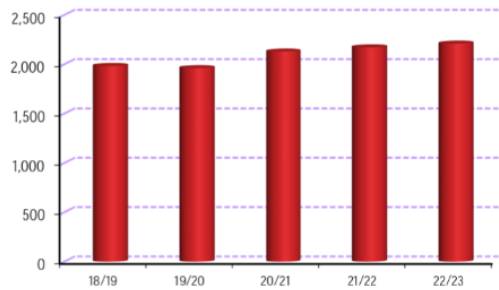
Community Sport and Club Facilities (Expenditure)
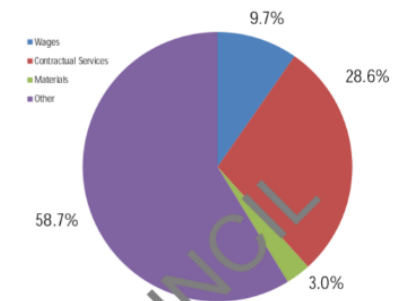
- Wages — 9.7%
- Contractual Services — 28.6%
- Materials — 3.0%
- Other — 58.7%

	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Building Maintenance Sport and Community Facilities	503	539
Sportsfield Cutting	1,671	1,672
DIRECT EXPENDITURE	2,174	2,211
FULL COST ATTRIBUTION	1,875	
TOTAL EXPENDITURE	4,049	2,211
NET IMPACT TO COUNCIL		
Building Maintenance Sport and Community Facilities	503	539
Sportsfield Cutting	1,671	1,672
FULL COST ATTRIBUTION	1,875	
TOTAL NET IMPACT TO COUNCIL	4,049	2,211

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Community Health and Wellbeing

Key Partners:
- Commonwealth Department of Health; State Department of Human Services; Department for Premier and Cabinet; Department of Home Affairs
- COTA SA – Council on the Ageing; Volunteering SA & NT; Northern Volunteering; Local Government Volunteer Managers Network; Local Government Ageing Well Network; Multicultural Aged Care; Multicultural Affairs; Active Ageing Australia; Aged and Community Services Australia; Aged Rights Advocacy Service (ARAS); Flinders University; Office for Ageing Well; Welcoming Cities Australia; Council of Europe Intercultural Cities Network; Australian Refugee Association; AMES Australia; Multicultural Communities Council of SA; Purple Orange; Red Cross; Multifaith SA; Paralowie R-12

Community Health and Wellbeing contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Aged Care Policy, Planning and Coordination Service development, management of human and financial resources, co-ordination of consultation and collaborative processes and promotion of positive images of ageing. Promotion of an Age Friendly Salisbury where all have the opportunity to be involved in community life.	• 170 volunteers • Panel of contractors: 40-50 • 5,250 Salisbury Seniors Magazines distributed (3 editions) • Monthly communication updates including a wellbeing newsletter, special and upcoming events publication, radio announcements and a bi-monthly wellbeing newsletter.
Volunteer Services Responsible for the development and review of Council's volunteer management practices and systems to ensure they meet audit, legislative, funding and policy requirements and responsible for the recruitment, registration and recognition of Council's volunteers.	Data for 2020/21 • 480 enquiries (of which 30% were from people seeking pathway to employment) • 72 new volunteers • 188 active volunteers contributing 45,350 hours and $2,045,285 economic value • Met health and safety and funding audit requirements
Disability programs The Shed; Fun on Friday; Salisbury Social Group; STARS	• Participants: 40 pa
Health and Inclusion Undertakes research, community and stakeholder engagement, projects, policy and strategy development in relation to community health and wellbeing; access and inclusion; mental wellbeing and resilience; aged friendly cities and intercultural communities	• Community needs, trends and expectations identified and translated into Council direction. • Strategic partnerships developed • Salisbury Seniors Alliance • Salisbury Intercultural Community Alliance • Salisbury Intercultural Strategic Alliance • Disability Access and Inclusion Network • Develop, implement, report, evaluate and renew the City of Salisbury's Framework and Strategic Plans, i.e. Age-Friendly Strategic Plan 2015-2020, Intercultural Strategic Plan 2017-2027, Ability and Inclusion Strategic Plan 2020-24 • Accreditation as to Council of Europe Intercultural Cities Network and Welcoming Cities Network
Salisbury Home and Community Services and Housing Support Program (CSHSP) Is funded by a mix of Commonwealth, State and Council to provide basic maintenance support services to frail older people over 65 to support independent living at home and in the community. It involves household maintenance and support with activities of daily living. Community based support includes social participation, meals, ongoing learning, wellbeing and physical activities and opportunities. Programs also cater for a range of culturally and linguistically diverse consumers.	• Number of individual residents receiving support: 2,500pa • Domestic assistance: 7,430 hours pa • Social Support Groups (Centre Based Day Care): 76,000 hours pa • Social support individual: 500 hours pa • Number of meals: 20,000pa • Number of transport trips: 7,000pa • Home modifications: $110,000pa • Hours of home maintenance: 3,500pa • Number of people assisted by the Housing Support program: 180pa

Community Health and Wellbeing

Budgeted Community Health and Wellbeing Operating Expenditure ($'000)
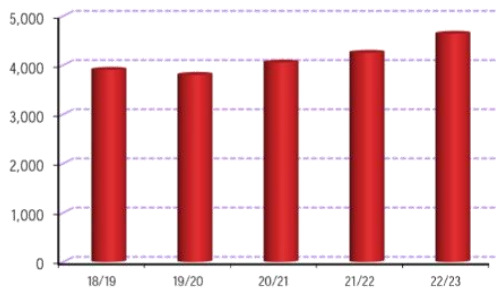
Community Health and Wellbeing (Expenditure)
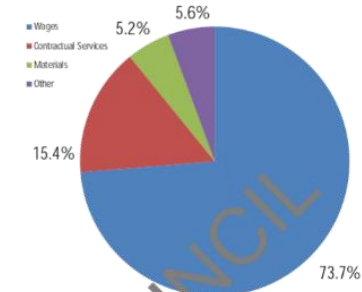
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Aged Care Policy Planning and Coordination	179	204
Volunteer Services	226	230
Disability Programs	212	217
Health and Inclusion	339	405
Salisbury Home and Community Services and Housing Support Program (CSHSP)	3,297	3,583
DIRECT EXPENDITURE	4,255	4,640
FULL COST ATTRIBUTION	2,045	
TOTAL EXPENDITURE	6,300	4,640
INCOME		
Disability Programs	345	290
Health and Inclusion	110	167
Salisbury Home and Community Services and Housing Support Program (CSHSP)	2,824	3,161
TOTAL INCOME	3,279	3,618
NET IMPACT TO COUNCIL		
Aged Care Policy Planning and Coordination	179	204
Volunteer Services	226	230
Disability Programs	(133)	(73)
Health and Inclusion	230	238
Salisbury Home and Community Services and Housing Support Program (CSHSP)	473	422
FULL COST ATTRIBUTION	2,045	
TOTAL NET IMPACT TO COUNCIL	3,021	1,022

Cemetery

Key Partners:

- Chapel of the Holy Family Mausoleum
- Garner Memorials
- Arrow Bronze
- Mattiske Funerals
- Simplicity Funerals
- Australasian Cemeteries and Crematoria Association
- Cemeteries and Cremation Association of South Australia
- Italian Monumental Art

Cemetery contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Salisbury Memorial Park Cemetery Administer the Salisbury Memorial Park in accordance with the Burial and Cremation Act 2013	• Provide exceptional and empathetic customer service to those requiring a final resting place for loved ones. • Oversee the lease of the Chapel of the Holy Family Mausoleum.
Lawn Burials In ground burial services.	• Standard burials: 90pa
Vault Burials Below ground burial with concrete walls surrounding the burial plot preventing any contact with the earth.	• Vault burials: 3pa
Inurnments The burial of cremated remains within the Rose Garden, Shrub Garden, Rotunda, Water Feature or sealed in one of the cemetery's niche walls.	• Inurnments: 80pa
Licences Licences for burial/inurnment are required under the Local Government Act and can be purchased on an as needed or pre-need basis.	• Licence sales: 90pa

Cemetery

Budgeted Salisbury Memorial Park Operating Expenditure ($'000)
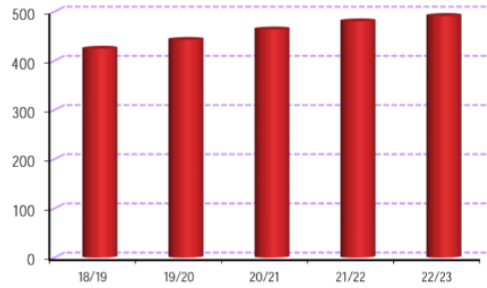
Salisbury Memorial Park (Expenditure)

- Wages — 42.2%
- Contractual Services — 12.1%
- Materials — 4.2%
- Other — 41.5%
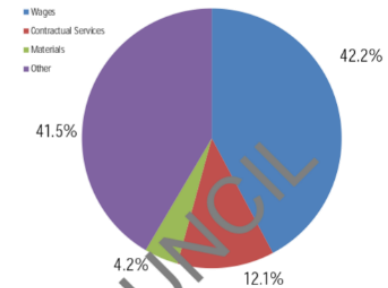
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Salisbury Memorial Park Cemetery	481	492
DIRECT EXPENDITURE	481	492
FULL COST ATTRIBUTION	99	
TOTAL EXPENDITURE	580	492
INCOME		
Salisbury Memorial Park Cemetery	500	507
TOTAL INCOME	500	507
NET IMPACT TO COUNCIL		
Salisbury Memorial Park Cemetery	(19)	(15)
FULL COST ATTRIBUTION	99	
TOTAL NET IMPACT TO COUNCIL	80	(15)

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Food and Health Regulation

Key Partners:
- Department of Health
- Environment Protection Authority
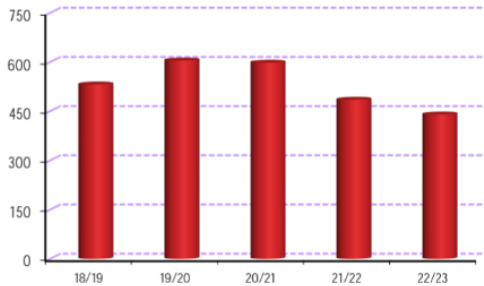- Environmental Health Australia
- Local Government Association

Food and Health Regulations contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Food and Health Act Administration Council provides a range of services that aim to protect and promote a high standard of public and environmental health, through the administration and enforcement of provisions under the following legislation: • SA Public Health Act • Food Act • Environment Protection Act • Local Nuisance and Litter Control Act • Supported Residential Facilities Act	• Food premises inspection: 840pa • Food safety audits: 80pa • Food complaint investigations: 100pa • Health premises inspections: 70pa • Enforcements under public and environmental health legislation and Local Nuisance and Litter Control Act: 800pa • High Risk Manufactured Water System Registrations: 60pa • Licensing of Supported Residential Facility
Immunisation Council provides an immunisation program so as to prevent the occurrence and spread of notifiable diseases, as required under the Public Health Act.	• Vaccines administered at free clinics: 600pa • Vaccines including Meningococcal B administered through schools program: 6,700pa • Target of 95% immunisation rate by 63 months old consistent with State/Federal aspirational targets.

NOT YET REVIEWED BY COUNCIL

Food and Health Regulation

Budgeted Food and Health Regulation Operating Expenditure
($'000)
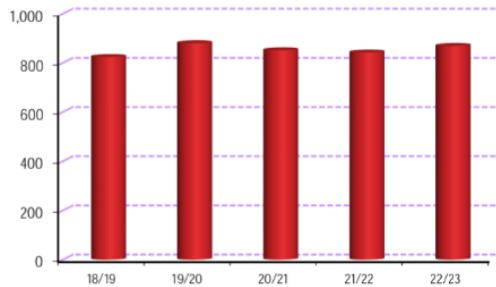
Food and Health Regulation
(Expenditure)
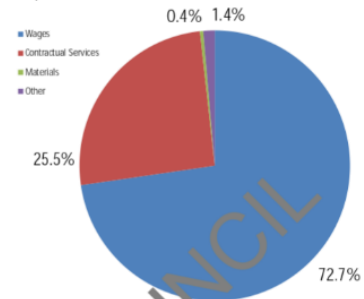
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Food and Health Act Administration	681	696
Immunisation	162	173
DIRECT EXPENDITURE	843	870
FULL COST ATTRIBUTION	349	
TOTAL EXPENDITURE	1,192	870
INCOME		
Food and Health Act Administration	114	130
Immunisation	114	124
TOTAL INCOME	228	253
NET IMPACT TO COUNCIL		
Food and Health Act Administration	567	567
Immunisation	48	50
FULL COST ATTRIBUTION	349	
TOTAL NET IMPACT TO COUNCIL	964	616

Community Compliance Services

Key Partners:
- Local Government Association
- Authorised Persons Association
- Bushfire Management Committee
- Country Fire Service

Community Compliance Services contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Community Compliance Services Ensures that community members are complying with applicable parking and road rules legislation so as to enhance and protect the safety of pedestrians and road users Minimises traffic congestion and ensures adequate and equitable car parking is available for customers in shopping precincts by ensuring turnover of parking. Aims to improve the safety and amenity of the area through the effective enforcement of the relevant sections of the Local Government Act, Bylaws and Local Nuisance and Litter Control Act applicable to the section. Undertake activities required for the development and effective operations of the responsibilities for Bushfire Management and Planning. Improve the safety and amenity of the area through the effective enforcement and administration of the relevant sections of the Fire and Emergency Services Act required for the effective control and reduction of risks from fuel hazards on private properties. Issue burning and hot works permits and ensure all applicants take appropriate action to burn as per permit conditions.	• Parking, expiations and warnings: 2,000pa • Abandoned vehicles: 400pa • Backyard burning: 100pa • Footpath trading permits: 25pa • Other animal and bird nuisances: 180pa • Littering: 800pa • Fuel hazard inspections: 3,300pa • Burning permits: 50pa

Community Compliance Services

Budgeted Community Compliance Services Operating Expenditure ($'000)
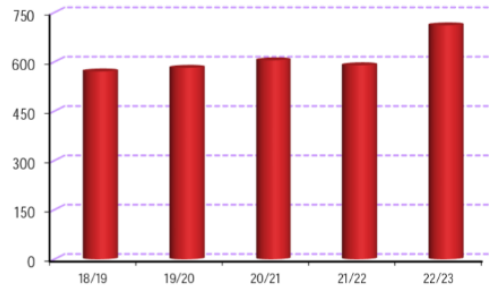
Community Compliance Services (Expenditure)

- Wages
- Contractual Services
- Materials
- Other

79.0% — Wages
15.3%
4.7%
0.9%
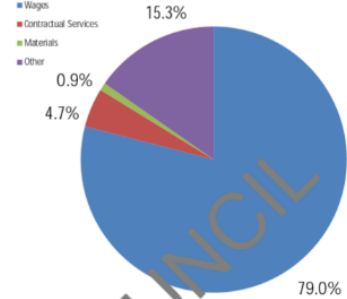
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Community Compliance Services	590	711
DIRECT EXPENDITURE	590	711
FULL COST ATTRIBUTION	275	
TOTAL EXPENDITURE	865	711
INCOME		
Community Compliance Services	441	289
TOTAL INCOME	441	289
NET IMPACT TO COUNCIL		
Community Compliance Services	149	422
FULL COST ATTRIBUTION	275	
TOTAL NET IMPACT TO COUNCIL	423	422

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Dog and Cat Management

Key Partners:
- Dog and Cat Management Board
- Animal Welfare League
- Local Government Association
- Authorised Persons Association

Dog and Cat Management contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Dog and Cat Management Administering the Dog and Cat Management Act to ensure that community members are complying with legislative requirements and implementing strategies and actions that encourage responsible dog and cat ownership, increase public safety and enhance the amenity and environment, reduce public and environment nuisances from dogs and cats and to ensure Council delivers effective and efficient dogs and cats management services.	• Registered dogs: 22,000pa • Dogs wandering at large: 1,100pa • Dogs impounded: 380pa • Dog attack investigations: 50pa • Dog noise and nuisance complaints: 150pa • Property visits as part of a dog registration survey: 5,000pa • Inspections on premises with guard dogs: 30pa • Bylaw exemptions for keeping more than two dogs: 200pa • Provision of nine dog friendly parks and one small dog park • Cat nuisance investigations and trapping: 120pa

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Dog and Cat Management

Budgeted Dog and Cat Management Operating Expenditure ($'000)

Dog and Cat Management (Expenditure)

- Wages
- Contractual Services
- Materials
- Other
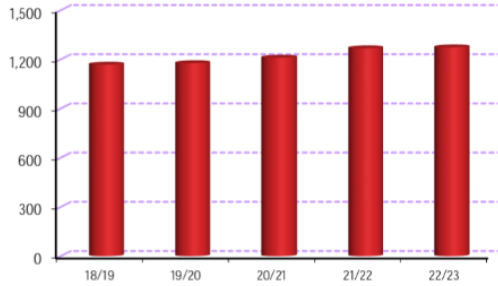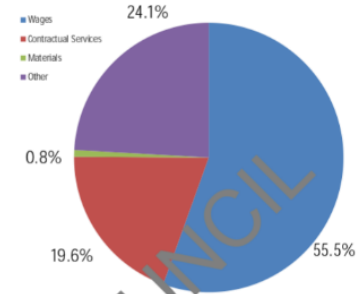
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Animal Control	1,268	1,274
DIRECT EXPENDITURE	1,268	1,274
FULL COST ATTRIBUTION	497	
TOTAL EXPENDITURE	1,765	1,274
INCOME		
Animal Control	1,047	956
TOTAL INCOME	1,047	956
NET IMPACT TO COUNCIL		
Animal Control	221	318
FULL COST ATTRIBUTION	497	
TOTAL NET IMPACT TO COUNCIL	718	318

Crime Prevention and Repair

Key Partners:
- Residents
- Police
- Volunteers

Crime Prevention and Repair contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance Graffiti Council's building maintenance program provides for the removal of graffiti from all Council owned buildings and infrastructure. This initiative uses both Council staff and volunteers. Graffiti is also removed from the frontages of residential properties. Council provides a volunteer service to assist with graffiti removal.	• Priority 1 – Offensive: Removal within 24 hours • Priority 2 – Removal within 14 days • Priority 3 – 4-6 weeks

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Crime Prevention and Repair

Budgeted Crime Prevention and Repair Operating Expenditure ($'000)

Crime Prevention and Repair (Expenditure)
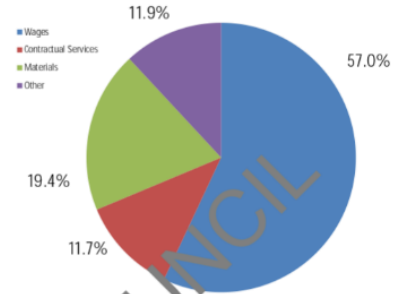
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Building Maintenance Graffiti	485	441
DIRECT EXPENDITURE	485	441
FULL COST ATTRIBUTION		
TOTAL EXPENDITURE	485	441
NET IMPACT TO COUNCIL		
Building Maintenance Graffiti	485	441
FULL COST ATTRIBUTION		
TOTAL NET IMPACT TO COUNCIL	485	441

Street Lighting

Key Partners:
- SA Power Networks
- Local Government Association
- Department of Transport, Energy & Infrastructure

Street Lighting contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Lighting There are over 16,000 street lights within the City that are maintained by SA Power Networks. There are 4,400 Council owned street lights in suburbs that include Mawson Lakes, Walkley Heights, Gulfview Heights, Springbank Waters and John Street Salisbury. Council is responsible for the maintenance of these lights. Council also owns and is responsible for the maintenance of 830 mains powered lights in total and a further 120 solar lights. Power for public lighting is purchased as part of a combined contract with State and other Local Government agencies.	• Ongoing reviews occur on the adequacy of existing street lighting to identify needs for upgrading of infrastructure with respect to on ground lux levels and associated classification. • Ensure Public Lighting is of suitable type, with the General Classification of PR5 for pedestrian access on street and PP5 for new shared use paths. • Replacement of defective lights and repairs of damaged infrastructure is undertaken on a yearly cyclical inspection basis or upon community request. • Council is undertaking a LED Street Light Replacement program, costing $6M, reducing energy use by 40% and provide a safer street environment.

Street Lighting

Budgeted Street Lighting Operating Expenditure ($'000)
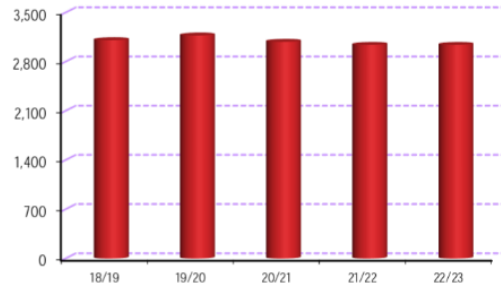
Street Lighting (Expenditure)
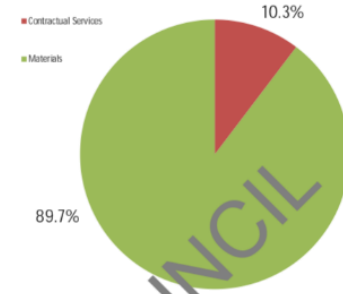
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Lighting	3,405	3,444
DIRECT EXPENDITURE	3,405	3,444
FULL COST ATTRIBUTION		
TOTAL EXPENDITURE	3,405	3,444
NET IMPACT TO COUNCIL		
Lighting	3,405	3,444
FULL COST ATTRIBUTION		
TOTAL NET IMPACT TO COUNCIL	3,405	3,444

A sustainable City

A sustainable City

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Foundations

☑ Salisbury has a balance of green spaces and natural environments that support biodiversity

☑ We make the most of our resources including water, waste and energy

☑ Our community, environment and infrastructure are adaptive to a changing climate

Council's commitment to develop a sustainable City

Council will:

> manage the impacts of increased heat, flooding, intense storms and bushfires

> work with our community so they are better prepared for extreme weather events

> encourage our community to be actively involved in caring for our environment

> enhance our natural spaces, including our coast, hills and creeks

> support the establishment of a circular economy

> improve the energy efficiency of Council's operations

> help the community and businesses reduce waste, water and energy and associated costs

CRITICAL ACTIONS

Strategic Projects	Budget Context
Replace all Council-owned street lights with energy efficient lighting	The first stage of the LED rollout to replace 8,000 luminaires on SA Power Network infrastructure is progressing well with 3,500 replacements completed. It is expected that the remaining luminaires will be installed by the end of June 2022. Council has also ordered 1,700 additional luminaires to replace side entry lights on Council infrastructure.
Improve the environmental performance of Council buildings	This is considered in all future building renewal and upgrade projects. This will continue to be considered as new technologies and practices develop. An environmental consultant is currently being engaged to assess key Council buildings and prepare a report on what we currently do and what we could be doing. It is expected that this will be completed in June 2022. Council monitors the consumption and solar generation of the systems installed at club rooms and uses this data to validate and calculate cost sharing across sites and provides insights into the energy performance and peak consumption times across the City. Council also monitors the demand and power factor indicators at recreation and community centres.
Enhance our biodiversity corridors along Dry Creek and Little Para River and other environmentally sensitive areas such as coastal mangroves	Council has an ongoing program focused on the many watercourses across the City to enhance the biodiversity value and environment benefit of these environmentally sensitive areas. Council is working closely with State Government Departments in relation to the management of the St Kilda mangroves and the coastal areas of the City. Council will continue to work with the State Government Departments to secure funding and deliver works that identify, buffer and enhance known sensitive areas within this corridor. In the last 12 months we have completed works in open swale corridors which lead to the Dry Creek and Little Para River corridors, to ensure that there is reduced likelihood of flooding in urban areas. Council has identified works to occur within Cobbler Creek to strengthen the biodiversity and environmental value of this drainage corridor. Works will continue along the Little Para River corridor in priority areas to buffer and enhance the high biodiversity and environmental of this corridor.
Involve people and use sensors to better understand and improve our environment's health	City Infrastructure have sensors at numerous locations to monitor water quality. This data is reviewed quarterly. Council holds numerous community planting events throughout the year to improve the environment health of the City. Council is investigating what other sensors are available for use within its public open space to gather data which could be useful to the community who use the many open space areas.
Develop markets for recyclable materials through the Northern Adelaide Waste Management Authority	Council is working with industry partners to innovate and use recycled material in projects with recycled materials being sourced from the Northern Adelaide Region where possible. Council recently completed the shared use path from Jenkins Reserve to Main North Road, Salisbury Park, 2 kilometres in length, which utilised recycled material such as glass fines and concrete and bitumen aggregates.

CRITICAL ACTIONS

Operational Focus	Budget Context
Use recycled or re-used materials where possible in construction and maintenance programs	Commencing work on new Paving Maintenance contract - incorporating recycled materials into specification as appropriate. Our existing civil projects use recycled materials where possible, with some projects able to incorporate 90% of recycled materials. Recycled Glass has been utilised in the most recent Green Trail project from Jenkins Reserve to Carisbrooke Reserve. Council secured funding for the rollout of Kitchen Caddy's and increased promotion of the Food Organics Green Organics to ensure that waste is dealt within its appropriate stream.
Maintain weekly rubbish collection for residents and promote initiatives that reduce waste to landfill	Northern Area Waste Management Authority (NAWMA) continues to deliver services in line with the agreed levels of service and agreement.
Adopt practices and infrastructure that make the City cooler in an increasingly warm climate	Council is increasing canopy cover in reserves, through the Native Forest project and significantly increasing the number of irrigated spaces and reactivation of irrigated spaces throughout the City. The Native Forest plantings were completed in 2021 and Council has secured further funding from the State Government for the continued development and implementation of the Native Forest along the Little Para River. Irrigation reactivation program continues to be implemented as part of annual program of works. Council continues to investigate new innovations and practices to improve the heat island effect in partnership with universities.
Stabilise major creek lines and banks to improve biodiversity and reduce scour and silting	Council has an annual program of works for Watercourse Management, with watercourse management works typically scheduled for January – March. Works occur within each riverine corridor with works scheduled in the Little Para River, Dry Creek and Cobbler Creek corridors within the next financial year. Projects completed include: - Gabion stabilisation works in Dry Creek below Pratt Avenue; - Wetlands outlet modification in Little Para side channel below Port Wakefield Road (to help mitigate flooding of Port Wakefield underpass); - Cascade wetlands desilting; - Cobbler Creek access works; - Amundsen's Gulley flood mitigation works; and - Desilting of Bellchambers waterway.
Manage and plan assets so they are resilient to a changing climate	A report has been compiled on bottom end catchment solutions which includes the data analysis of potential options. The options are being considered with the intent to put forward a funding submission via the Federal Government Coastal and Estuarine Risk Mitigation Program. The program provides 75% for the funds necessary for infrastructure works and associated activities, with remaining 25% by council/state and can include work carried out to date. Applications are being screened/supported by the State and submissions are required by end of April. The State Gov will send supported applications to the Federal Gov around June 7. Further modelling is being investigated in relation to 2050 development scenarios and impervious areas.
Work with and educate our community on ways to improve the environmental performance of households and our City	Council is developing a communications strategy in consultation with The Northern Adelaide Waste Management Authority and the Sustainability Strategy to increase awareness of environmental practices to increase the resilience of households and our City. Roll out of kitchen caddies, education on use of yellow bins and more green bins being delivered.

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CRITICAL ACTIONS

Future Planning

Review Council's sustainability strategy to include waste and energy management, cooler suburbs, biodiversity and water

Complete the Dry Creek Stormwater Management Plan to protect the City from flooding

Develop a business case to showcase good design techniques that improve the environmental performance of housing and streets

Budget Context

Development of Sustainability Strategy underway with draft strategy expected to be considered by Council in mid-2022 prior to public consultation.

Stage 1 modelling completed with verification of assets on site underway.

A design brief is being developed to inform how the business case will be incorporated into future Strategic Development Projects.

Advocacy Priorities

Investment in programs that reduce waste to landfill such as incentives to increase recycling and 'circular economy' initiatives

Integrate urban water planning and funding for catchment programs

Budget Context

Council in partnership with Green Industries SA rolled out the Kitchen Caddy and Green Waste Bin education materials following the securing of grant funding. In partnership with Northern Adelaide Waste Management Authority, Council has raised awareness on the 3 waste streams and that correct use will significantly reduce waste to landfill within the City.

Ongoing review of wetland and waterway function, maintenance and management are considered as part of the Watercourse Management Plan across the City.

The Greater Edinburgh Park Stormwater Management Plan on hold pending further discussions with Playford.

The Dry Creek Stormwater Management Plan is underway with water harvesting and wetland management being reviewed as part of future considerations for this network.

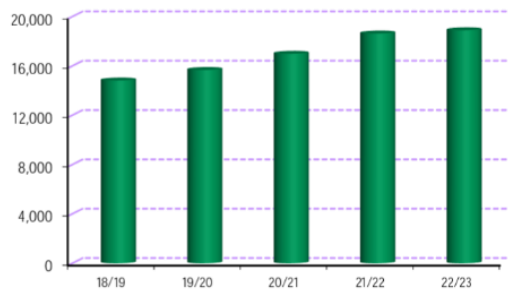This page has intentionally been left blank

City Infrastructure

City Infrastructure contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Infrastructure Delivery Provides for building, civil and landscape infrastructure design and construction.	• Complete building, civil and landscape projects within approved timelines and budgets • Deliver Council's annual Infrastructure program • Projects delivered in line with Project Management Framework
City Infrastructure Administration Provides for the overall management and leadership of the City Infrastructure Department.	• Deliver overall departmental support and governance in delivering Corporate objectives
Infrastructure Management Provides for the strategic infrastructure management, including asset management, infrastructure planning and landscape / engineering program and project development.	• Complete and manage seven asset management plans for the City's $2 billion of physical assets including the development of KPIs, service levels and community consultation. • Planning and Program development for the City's infrastructure. • Traffic management planning and review • Deliver biodiversity programs • Deliver energy efficiency program • Planning and development of Stormwater Management Plans including major and minor flood mitigation programs. • Planning and development of Council's public realm, reserves and open spaces including reserve and playground upgrade and renewal programs.
Property and Buildings Core functions include property acquisition and disposal, sporting and community club leasing, casual hire of Council's reserves, leasing of community land, negotiation of easements and security services.	• 50 Sporting and Community Club Rental Agreements • 116 Commercial Lease Agreements • 2 Residential Rental Agreements • Land acquisition and disposal as required • Asset management of Council's building infrastructure

City Infrastructure

Budgeted City Infrastructure Operating Expenditure ($'000)
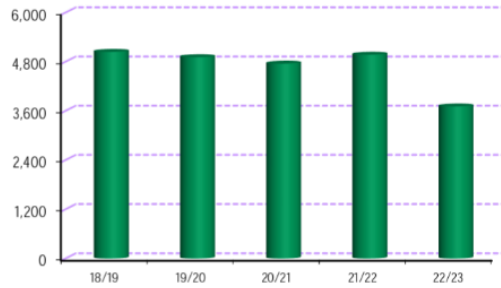
City Infrastructure (Expenditure)
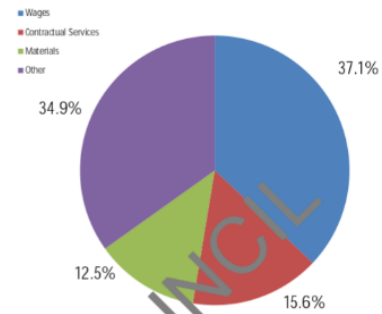
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Infrastructure Delivery	1,995	542
City Infrastructure Administration	470	486
Infrastructure Management	325	347
Property and Buildings	2,183	2,335
DIRECT EXPENDITURE	4,972	3,710
FULL COST ATTRIBUTION	(2,668)	
TOTAL EXPENDITURE	2,304	3,710
INCOME		
Infrastructure Management	2	
Property and Buildings	1,031	1,051
TOTAL INCOME	1,033	1,051
NET IMPACT TO COUNCIL		
Infrastructure Delivery	1,995	542
City Infrastructure Administration	470	486
Infrastructure Management	323	347
Property and Buildings	1,151	1,284
FULL COST ATTRIBUTION	(2,668)	
TOTAL NET IMPACT TO COUNCIL	1,271	2,659

Water Management

Key Partners:
- State Government
- Australian Government Department of Agriculture, Water and the Environment
- Department for Environment and Water (DEW)
- Renewal SA
- SA Water
- Tea Tree Gully Council
- Playford Council
- Department of Defence
- CSIRO
- UniSA
- Flinders University

Water Management contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Drainage Systems The Drainage Asset Management Plan includes maintenance and cleaning rubbish collection devices, on a continual basis. The maintenance of drains includes the clearing of underground pipes from obstructions such as siltation and root penetration and the desilting, rubbish removal and repair of open drains and river reaches. The servicing of flood retention dam penstocks, the cleaning of all road side entry pits, the desilting of blocked drains and the inspection and maintenance of the City's flood control dams are also included.	• Maintain over 140 rubbish collection devices at less than 25% full of rubbish • Service 14,000 Side Entry Pits and Junction Boxes on a 5 year cycle • Ongoing inspection and cleanout of underground drains when necessary • Annual inspection of all open drains/river reaches with desilting, root and tree removal and repair where necessary • Water Quality is monitored to ensure Council continues to improve waterways to minimise pollutants into the Barker Inlet • Ongoing inspection of all flood control dams, including servicing and checking the operation of all penstocks
Salisbury Water *(Business Unit)* Implementation of the Recycled Water Risk Based Management Plan and implementation of the Salisbury Water Business Plan to facilitate operation as a licenced water retailer under the Water Industry Act, harvesting, cleansing and reticulating recycled water across the city.	• Operate 9 Managed Aquifer Recharge (MAR) schemes with 32 MAR wells • Operate 22 Groundwater bores • Licenced monitoring and reporting on all operational sites and associated groundwater monitoring points • Harvest, cleanse and store up to 5GL/year of stormwater • Retail, on average, 2.5GL/year of recycled water to over 1,000 internal and external customers.
Water Systems Preparation and implementation of Stormwater Management Plan and implementation of Watercourse Management Plans.	• Council is continuing with the delivery of Major Flood Mitigation Strategy to increase the number of homes and businesses not affected by a large flood event (greater than 100mm/hr). • Council currently has a focus on Escarpment Dams and the Pooraka Dry Creek area • Environmental Watercourse monitoring including water quality is enabling Council to improve the Terrestrial Zones of waterways, with a focus on in stream wetland development and natural creek plantings to reduce erosion along the corridors and improvements to Biodiversity in the waterways • Council is currently undertaking the Stormwater Management Plan for Dry Creek, which will be used to prioritise Flood Mitigation Works, Harvesting Opportunities and Water Quality Improvements for the Creek
Wetlands and Biodiversity Planning and Asset Management of wetlands, watercourses and habitat reserves.	• Council continues to develop, enhance and renew its' 46 wetlands, total area exceeding 300ha as part of the Watercourse Management Program

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Water Management

Budgeted Water Management Operating Expenditure ($'000)
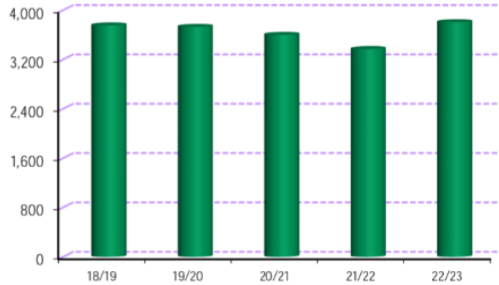
Water Management (Expenditure)
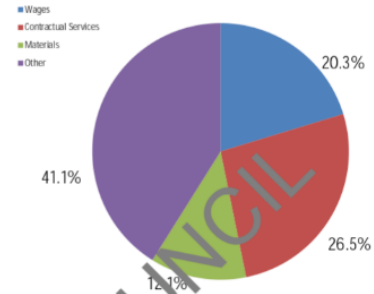
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Drainage Systems	1,117	1,204
Salisbury Water	1,802	2,137
Water Systems	455	467
Wetlands and Biodiversity	427	427
DIRECT EXPENDITURE	3,799	4,235
FULL COST ATTRIBUTION	6,414	
TOTAL EXPENDITURE	10,213	4,235
INCOME		
Salisbury Water	2,376	2,438
Water Systems	225	225
TOTAL INCOME	2,601	2,664
NET IMPACT TO COUNCIL		
Drainage Systems	1,117	1,204
Salisbury Water	(574)	(302)
Water Systems	229	242
Wetlands and Biodiversity	427	427
FULL COST ATTRIBUTION	6,414	
TOTAL NET IMPACT TO COUNCIL	7,612	1,571

Waste Management

Waste Management contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Coleman Road Landfill Following closure in 1997 Council is continuing to rehabilitate the site, with ongoing monitoring and capping.	• Monitoring of gas extracted from the landfill site • Annual monitoring of groundwater within the site • Increasing the Cap over the landfill
Domestic Hard Waste Collection Managed by NAWMA with all hard waste collection services provided through a booking arrangement. Residents may also receive a voucher for free disposal of prescribed materials at the Pooraka Transfer Station in lieu of property collection.	• Council provides the option of either two hard waste home collection services or two vouchers for use at the Waste Transfer Station or a combination of one of each. • About 7,000 tonnes of waste are collected each year by the property collection service and the voucher service
Domestic Refuse Collection Council provides a weekly domestic refuse collection service operated by NAWMA for residents using a 140 litre bin.	• Weekly to residential properties (140L bin) • Domestic Refuse: 31,000 tonnes pa
Green Waste Kerbside Service Council provides a collection service run by NAWMA for all residents who wish to participate and purchase a 240 litre bin for the purpose.	• Fortnightly to residential properties (240L bin) • Green waste conversion: 15,000 tonnes pa
Kerbside Recycling Council provides a 240 litre bin recycling collection service and all recyclables are processed at the NAWMA Materials Recovery Facility (MRF).	• Fortnightly to residential properties (240L bin) • Kerbside recycling: 11,000 tonnes pa
Loose Litter Provides for the collection and disposal of rubbish dumped on Council reserves and roads. Also the collection of waste from public rubbish bins. The Department of Correctional Services provide litter collection to arterial and collector roads.	• Programmed loose litter and litter bin collection • 3 day cycle for high traffic locations • Ad-hoc collection of dumped rubbish on verges/road reserves • Cyclic collection of litter from collector/distributor for roads • Removal of dead animals from public places
Pooraka Resource Recovery Centre The Pooraka Resource Recovery Centre (formerly Research Road Waste Transfer Station) is externally operated by NAWMA on Council's behalf. The Centre is available seven days per week except Christmas Day, New Year's Day, Good Friday & ANZAC Day.	• Visits: 40,000pa • Annual disposal of: General waste 6,200t, Green waste 3,700t, Concrete 2,100t, Oil 42,000L, Tyres 2,300, Metals 500t and E-waste 400t

City of Salisbury

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Waste Management

Budgeted Waste Management Operating Expenditure
($'000)

Waste Management (Expenditure)
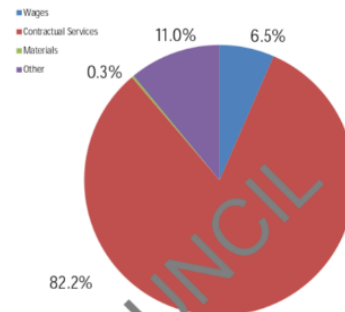
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Coleman Road Landfill	108	109
Domestic Hard Waste Collection	1,782	1,908
Domestic Refuse Collection	9,808	10,344
Green Waste Kerbside Service	2,278	1,780
Kerbside Recycling	1,918	1,938
Loose Litter	2,678	2,750
Pooraka Resource Recovery Centre	58	59
DIRECT EXPENDITURE	18,630	18,889
FULL COST ATTRIBUTION		
TOTAL EXPENDITURE	18,630	18,889
INCOME		
Domestic Refuse Collection	608	169
Pooraka Resource Recovery Centre	182	190
TOTAL INCOME	790	359
NET IMPACT TO COUNCIL		
Coleman Road Landfill	108	109
Domestic Hard Waste Collection	1,782	1,908
Domestic Refuse Collection	9,200	10,175
Green Waste Kerbside Service	2,278	1,780
Kerbside Recycling	1,918	1,938
Loose Litter	2,678	2,750
Pooraka Resource Recovery Centre	(124)	(131)
FULL COST ATTRIBUTION		
TOTAL NET IMPACT TO COUNCIL	17,840	18,530

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Parks and Landscapes

Parks and Landscapes contain the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Field Services Provides pre-emptive and reactive maintenance services to all public reserves across the City.	• Civil maintenance related to roads, creeks and stormwater assets • 15,000 resident requests actioned annually • Maintenance of local reserves, parks and landscapes • Care of biodiversity sites
Field Services Administration The Parks and Streetscapes Asset Management Plan provides direction to focus services and service levels across the division.	• Maintenance program ensures delivery of fit for purpose parks that are safe, functional and provide community amenity value
Landscapes Consists of feature gardens and lawns which surround Council buildings, entry statements and roundabouts, with a focus on sustainable landscapes throughout the City.	• Frequency based maintenance regimes to sites based upon profile and landscape type
Mangrove Trail Provision and maintenance of St Kilda Mangrove Trail.	• Council is working with State Government to improve the Service level and access to the Mangrove Trail
Pest and Weed Control Control of nuisance pests and weeds on Council reserves, verges and around buildings.	• Programmed and reactive pest and weed control services, with Council the front line in managing the elimination of pest species in the region, such as coolati
Public Toilets Maintenance and cleaning of public toilets throughout the City.	• Daily cleaning of all public toilets within the City • Sharps containers emptied fortnightly or more frequent if required • Construction of public toilets including additional inclusion facilities at regional playspaces
Reserves and Playgrounds Maintenance of reserves and open space including grass cutting, litter removal, turf maintenance, irrigation maintenance, park furniture maintenance, fencing and reserve signage. Maintenance of play spaces, shade structures and fitness equipment throughout the City.	• Total areas managed: 1,900ha of reserves • 9 Dog parks and 6 BMX Tracks • 143 play spaces have weekly, fortnightly and monthly audits of play equipment depending on classification • Frequency based mowing and reserve maintenance depending on reserve classification
Tree Management Tree planting and establishment, tree pruning, tree removal and tree inspections on verges and Council reserves.	• Programmed street tree pruning on a 5 yearly cycle, reactive tree pruning, responsive tree assessment processes and risk based inspection regimes
Verges (Road Reserves) Council provides for grass mowing of un-maintained residential verges and collector road verges.	• Council is trialling the construction of new verge treatments. • Residential verges and collector roads: 7 services pa • Litter collection, blow down of paths and driveways, edging of paths, weed control, bush and tree debris • Street sweeping within 24 hours of verge mowing • Occur mostly in the growing season from February to December

Parks and Landscapes

Budgeted Parks and Landscapes Operating Expenditure ($'000)
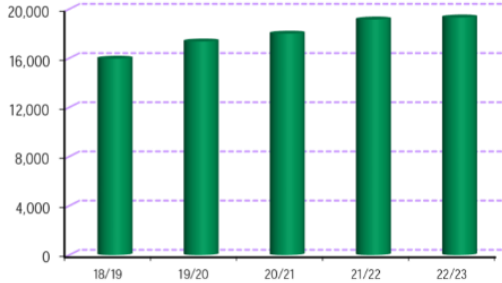
Parks and Landscapes (Expenditure)
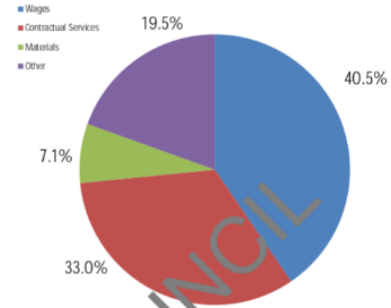
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Field Services Administration	4,112	4,155
Landscapes	915	963
Mangrove Trail	61	58
Pest and Weed Control	546	557
Public Toilets	528	483
Reserves and Playgrounds	8,115	8,084
Tree Management	2,830	2,934
Verges (Road Reserves)	2,218	2,264
DIRECT EXPENDITURE	19,324	19,498
FULL COST ATTRIBUTION	11,540	
TOTAL EXPENDITURE	30,863	19,498
INCOME		
Field Services Administration	64	64
Tree Management	60	60
TOTAL INCOME	124	124
NET IMPACT TO COUNCIL		
Field Services Administration	4,048	4,091
Landscapes	915	963
Mangrove Trail	61	58
Pest and Weed Control	546	557
Public Toilets	528	483
Reserves and Playgrounds	8,115	8,084
Tree Management	2,770	2,874
Verges (Road Reserves)	2,218	2,264
FULL COST ATTRIBUTION	11,540	
TOTAL NET IMPACT TO COUNCIL	30,739	19,374

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A growing City that creates new opportunities

Foundations

☑ Salisbury's businesses are successful and part of our community
☑ Salisbury is a place of choice for businesses to start, invest and grow
☑ Our infrastructure supports investment and business activity
☑ Our urban growth is well planned and our centres are active

Council's commitment to develop a growing city that creates new opportunities

Council will:

> support and deliver initiatives to create jobs and increase investment
> build work readiness in our community so residents are aware of and can pursue job opportunities
> be business friendly
> provide services and infrastructure that support entrepreneurs and emerging industry sectors
> provide a safe transport network that enables efficient freight and commuter movement
> ensure Salisbury's activity centres are interesting places to visit, attractive places to invest and great locations to work
> have modern, well-maintained commercial areas
> ensure new housing developments enhance our community

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CRITICAL ACTIONS

Strategic Projects	Budget Context
Enhance the Salisbury City Centre by upgrading Church and John Streets and attracting investment by the private sector into surplus Council sites	Conversations with Salisbury Business Association are ongoing. The preferred contractor has been selected and Council has been working with them to progress the project with commencement of works expected mid-Aril 2022. Design work is well advanced for both streets with palettes for plantings and furniture selected Improving community experience and safety in the streets are core aspects of the design process, which will include new CCTV, lighting and wi-fi.
Attract firms to Salisbury, providing job opportunities for residents	Currently working with 14 firms on proposals to relocate into Salisbury and working with 8 Salisbury-based firms on expansion opportunities.
Link Technology Park with other innovation precincts in Adelaide	There have been ongoing discussions with State Government regarding the role of Technology Park in the state's innovation eco-system. This discussion will be renewed following election of new State Government.
Deliver a residential development program by using surplus Council land	The Lake Windemere Expression of Interest was released to the market seeking innovative, affordable partnerships with builders and community housing providers. Walkleys Road corridor community engagement was finalised and work in continuing on local traffic investigations.

Operational Focus	Budget Context
Support new and existing businesses and industries to grow and create jobs	1226 service assists provided to 284 businesses including 115 people intending to start a business or early stage businesses this financial year. 97% satisfaction rating. 36 firms engaged in formal mentoring program.
Improve infrastructure, signage, safety, streetscapes and upkeep of commercial and industrial areas to support economic sustainability and growth	Council is reviewing its maintenance programs to ensure that services meet community expectations and support economic growth across City.
Improve parking in Salisbury City Centre and Mawson Lakes Centre business and recreation precincts	As part of the Church and John Street upgrade Council will be better utilising technology to improve parking management in the City Centre. This has been included in the Church & John Street upgrade with smart signage, digital entry signs and smart parking. Mawson Lakes on street parking and controls are reviewed annually
Streamline processes to improve how Council works with businesses	Case management approach through the Economic Development Team to development and investment by new and existing businesses and supported by efficient and timely development assessment processes. "Business Friendly" agenda being progressed across the organisation to embed practices that assist and support businesses in their interactions with Council.

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CRITICAL ACTIONS

Future Planning

Develop a structure plan for the land west of Port Wakefield Road to open up new development opportunities while preserving the existing character of Globe Derby and St Kilda

Review the existing economic growth strategy

Review Council's 'Growth Action Plan'

Develop guidelines and policies to improve the quality of infill development, starting with Ingle Farm

Develop plans to progress economic activity in Technology Park and Edinburgh Parks

Budget Context

High level structure plan which identified ten planning areas west of Port Wakefield Road was endorsed by Council in September 2021. A more detailed Strategic Growth Framework is being prepared for planning areas 1, 2, 6 and portion of 7 which will guide the land use and infrastructure planning for potential future rezoning.
Review of existing 2008 economic growth strategy is commencing in second quarter 2022.
Not yet commenced.

The development of the Ingle Farm Improvement Plan has included a range of draft principles that will form the basis of the final Ingle Farm Neighbourhood Improvement Plan and which are potentially applicable to guide improved infill outcomes in other neighbourhoods.
Ongoing discussions with State Government regarding development of Technology Park. Funding secured for economic value and governance model study for Precinct. There is strong connection with Renewal SA in relation to sale of land in both precincts. Upgrade of Technology Drive to improve access has commenced.

Advocacy Priorities

Redevelopment of the Salisbury and Mawson Lakes interchanges

Improvements to the east-west roads including increasing the capacity and safety of Kings Road and Waterloo Corner Road, duplication and extension of Elder Smith Road and road/rail grade separation of Park Terrace & Kings Road

Appropriate and well planned development of the Dry Creek Salt Fields
Edinburgh Parks to be business ready as a modern industrial area with efficient freight routes to the Northern Connector, fast digital connectivity and access to alternative energy sources and recycled water

Budget Context

Concept designs and cost estimates associated with increasing the capacity of Kings Road from Salisbury Highway west to the Northern Connector through traffic management initiatives or carriageway/dual carriageway redevelopment, have been prepared and shared with the State Government for consideration. Also upgrades to the Waterloo Corner Road from Bolivar Road to Heaslip Road are in progress.
Council is working with the State Government on this major residential project.
Council continues to advocate to State Government on the importance of Edinburgh Parks as a jobs growth and investment generator, and in discussions with potential developers and investors as an investment destination as part of Council's investment attraction activities.
Council is continuing to progressively upgrade its road network through the area to improve key freight routes. This includes improvements to West Terrace and Edinburgh Road to improve capacity and Suitability for B triple and rigid omnibus vehicles, with funding through Council and State Government.
Discussions are continuing with Department of Infrastructure and Transport representatives and relevant Ministers on required upgrades to the western end of Waterloo Corner Road, Diment and Heaslip Roads.

Economic Development

Economic Development contains the following Service Areas, Activities and Service Levels

| SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Business Advisory Services (The Polaris Centre) Council supports people considering starting a business or who are already in business by providing information, advice, workshops and mentoring.	• Provide support and training to businesses: over 500pa • Provide mentoring services to business owners: over 40pa • Increase the rate of new business formation in the region by providing start up programs • Provide digital support services to businesses including workshops (6pa), advisory (50 people pa). • Support firms to build their capacity to diversify into international markets: at least 10pa
Economic Development *Investment Attraction* Actively promote Salisbury as an investment location of choice through Invest Salisbury activity and actively work with firms considering relocating to Salisbury or expanding their operation within our City. This includes progressing Council's approach to business growth. Actively promote and position the City of Salisbury as a location of choice for business investment and expansion. *Policy and Advice* Provide economic advice and input to Council and external bodies regarding economic issues and opportunities. *Salisbury City Centre* Contribute to, and where appropriate, drive initiatives to progress Council's objectives for Salisbury City Centre Revitalisation, and liaison with businesses.	• Engage with at least 100 firms as part of Council's business engagement program. • Case management of at least 20 investment leads • Continual delivery of Invest in Salisbury and work with at least 3 partner organisations to raise Salisbury's economic profile in key sectors. • As required develop and commence implementation of a future economic strategy for Salisbury. • Implementation of Salisbury City Centre investment attraction initiatives.

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Economic Development

Budgeted Economic Development Operating Expenditure ($'000)
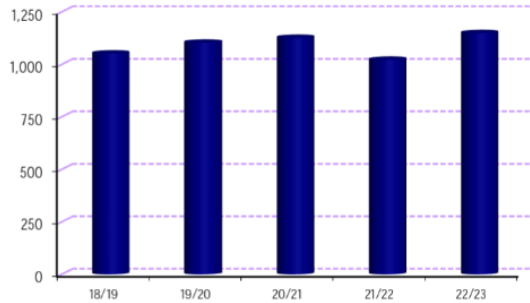
Economic Development (Expenditure)
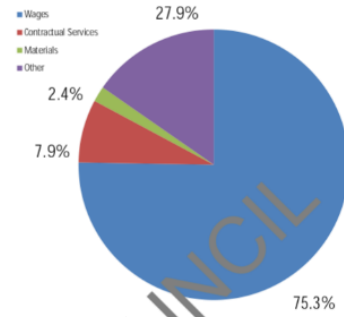
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Business Advisory Services	177	313
Economic Development	847	837
DIRECT EXPENDITURE	1,024	1,150
FULL COST ATTRIBUTION	326	
TOTAL EXPENDITURE	1,349	1,150
INCOME		
Business Advisory Services	56	59
Economic Development		
TOTAL INCOME	56	59
NET IMPACT TO COUNCIL		
Business Advisory Services	121	255
Economic Development	847	837
FULL COST ATTRIBUTION	326	
TOTAL NET IMPACT TO COUNCIL	1,294	1,092

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Development Services

Development Services contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Assessment of applications, provide general advice to community regarding building matters, respond to complaints, and inspect approved developments.	• General Advice: 2,100pa • Applications: 2,800pa • Building Compliance: 100pa • Building Application Inspections: 600pa
City Development Business Services Responsible for administration support services and the overall management and leadership of the City Development Department.	• Section 7 Statements: 5,000pa • Rates Certificates: 3,100pa • Plan searches: 110pa
Corporate Signage Provide and promote corporate directional signage primarily on main roads, to assist visitors to find business locations. The program aim is to be self-funding.	• 25 signs located across the City
Development Engineering Processes applications and the provision of advice to ensure new roads, footpaths and stormwater drains meet Council standards and engineering for major developments (e.g. traffic and stormwater) meet relevant standards.	• Engineering Assessment Approval and Bonding of land divisions: 8pa • Construction Compliance Inspections: 50pa • Engineering advice: 520pa
Planning Assessment of applications, provide general advice to community regarding planning matters and ensure compliance with legislative requirements.	• Applications: 2,100pa • Planning Application Inspections: 650pa • Planning Compliance: 120pa • General Advice: 4,000pa

Development Services

Budgeted Development Management Operating Expenditure ($'000)
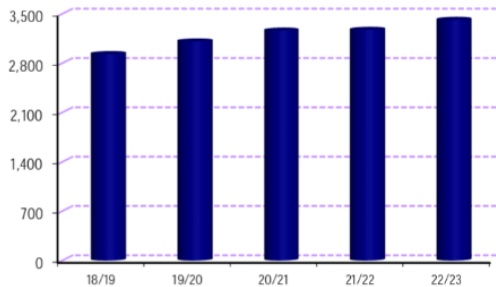
Development Management (Expenditure)
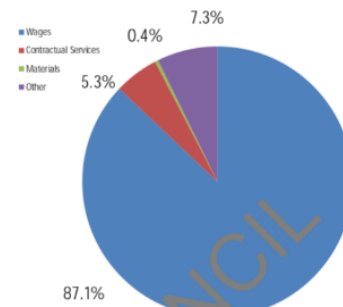
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Building	902	1,011
City Development Business Services	1,037	1,070
Corporate Signage	7	7
Development Engineering	216	224
Planning	1,113	1,105
DIRECT EXPENDITURE	3,275	3,417
FULL COST ATTRIBUTION	1,617	
TOTAL EXPENDITURE	4,892	3,417
INCOME		
Building	930	946
City Development Administration	263	263
Corporate Signage	25	1
Planning	358	430
TOTAL INCOME	1,576	1,640
NET IMPACT TO COUNCIL		
Building	(28)	65
City Development Business Services	774	808
Corporate Signage	(18)	6
Development Engineering	216	224
Planning	755	675
FULL COST ATTRIBUTION	1,617	
TOTAL NET IMPACT TO COUNCIL	3,316	1,777

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Urban Planning and Development

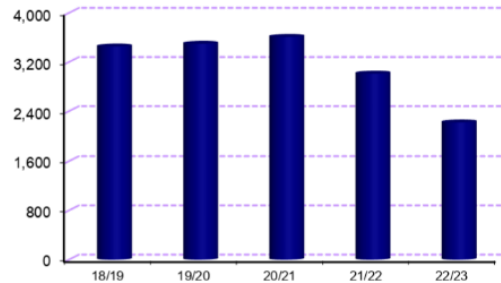Urban Planning and Development contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Strategic Development Projects Oversees Council's strategic development projects from inception through to completion including: • Identification and development of surplus Council land. • Preparation of project feasibilities and business cases for identified potential future developments. • Investigating opportunities and coordinating key development projects to contribute to the renewal of the Salisbury City Centre.	• Finanlise negotiations with builder partner to complete sales of the Tranche 2 project Boardwalk at Greentree, which has included the delivery of 122 residential allotments including 15% affordable housing. • Progress due diligence and concept feasibility studies on priority sites identified in the Strategic Land Review Short Term Action Plan. • Finalise negotiations as a result of the Expression of Interest released to the market for the Salisbury Oval site (portion of former St Jays and Salisbury Bowling Club land). • Progress negotiations as a result of the Expression of Interest released for Lake Windemere seeking housing product and partnership opportunities in the low-cost housing sector. • Undertake further investigations on the Walkley's Road corridor site. • Finalise the negotiation of the sale of Ryans Road, Greenfield site resulting from the release of the Expression of Interest
Strategic Planning Research and develop policies in relation to land use planning, environmental sustainability and growth (industry and residential). Ongoing policy review of the Planning and Design Code and preparation of Code Amendments.	• Spatial masterplanning –Neighbourhood Plans, West of Port Wakefield Road Structure Plan and Strategic Growth Framework (including government liaison, managing investigations, internal coordination). • Design leadership – Development Services design review function and early stage input into Strategic Development Projects. • Spatial planning policy – Code Amendments, growth area planning and residential infill planning. • Dry Creek Saltfields – Provide practitioner support on landuse planning related matters. • Sustainability – planning, partnership development, internal leadership, implementation of 'central' actions arising from Sustainability Strategy. • City Plan – Contribute to Critical Actions • Continue to work closely with the State Government on the initial review phases of the planning and Design Code. • Prepare Council initiated Code Amendments and feedback to Proponent Led ones. • Review Council's Growth Action Plan.

Urban Planning and Development

Budgeted Urban Planning and Development Operating Expenditure ($'000)
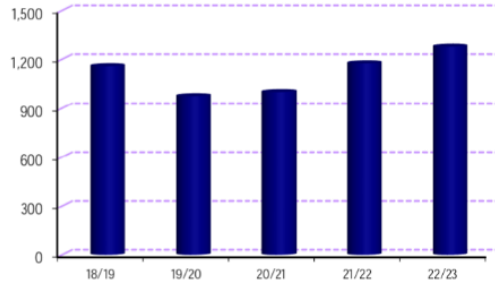
Urban Planning and Development (Expenditure)
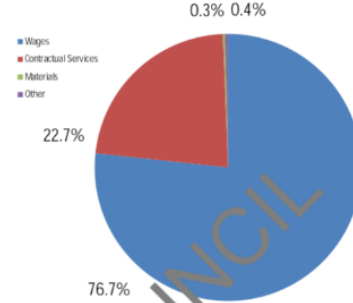
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Strategic Development Projects	473	736
Strategic Planning	704	547
DIRECT EXPENDITURE	1,177	1,283
FULL COST ATTRIBUTION	420	
TOTAL EXPENDITURE	1,597	1,283
NET IMPACT TO COUNCIL		
Strategic Development Projects	473	736
Strategic Planning	704	547
FULL COST ATTRIBUTION	420	
TOTAL NET IMPACT TO COUNCIL	1,597	1,283

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Roads

Key Partners:
- State Government
- Department of Infrastructure & Transport (DIT)
- Department of Education
- Adelaide Metro
- Federal Government
- Developers
- South Australian Police
- Australian Rail Transport Corporation

Roads contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Road and Car Park Maintenance Maintenance of kerb and gutter, road maintenance and repair damage due to storms and traffic loads. There is 1,750km of kerbing and 830km of road in the city. Service levels are determined by Asset Management Plans and audit processes.	• Roads are maintained on average across the City to Road Pavement Condition Index rating of 82, with higher priority and Condition expected for Collector & Arterial Roads and Bus Routes. • Council repairs road failures throughout the year on a cyclical basis. • Council has a $10m asset management program for road resealing and renewal that forms part of the Capital Works program • Line marking is carried out throughout the city over a 12-24 month interval • Car parks are maintained with checks on surface and linemarking • Pot holes are repaired on a responsive basis within 5 days of notification for high risk and 24 hours for dangerous potholes
Road Safety Maintenance Traffic signal/pedestrian and school crossing maintenance is reviewed on an annual cycle, with faults repaired on a weekly basis.	• Council Maintains 13 pedestrian/school crossings, 13 Emu Crossings, 16 Koala Crossings and 5 Wombat Crossings
Road Sweeping Provision of clean and tidy streetscape and prevention of debris entering drainage system. Council undertakes Road Sweeping on a cyclical basis with additional sweeping as required after storm events, and prior to flood events as required.	• Street sweeping is conducted on a six week cycle for nine months of the year meeting EPA guidelines cycle, reduced to 3-4 weeks during the summer months to manage additional leaf litter
Bridge and Boardwalk Maintenance There are 214 footbridges/boardwalks and 29 major road bridges within the Council area.	• A program of formal audits are undertaken every one to two years for bridges. • Regular inspections and maintenance is undertaken six monthly and repairs completed as required
Road Safety Engineering Project management of design and receipt of customer complaints regarding traffic design issues.	• The traffic data shows that 50km/h speed limits are being adhered to by road users. However, hoon driving is an ongoing challenge with the Council's traffic staff liaising with SAPOL to address.
Signs and Street Furniture *Street Signs and Linemarking:* Maintenance and replacement of 4,000 street signs and 37,000 other road signage including suburb, warning, regulatory and information signs.	• All signage is repaired on an as needs basis • All linemarking is renewed every 2 years
Street Furniture: 700 seats/benches and shelters are maintained.	• Maintenance of seats/benches and various shelters throughout the City including repainting/sealing, graffiti removal, vandalism and repairs is undertaken on a cyclical basis • Program of inspection and condition auditing is undertaken every 5 years.
Bus Shelter & Surround Maintenance: Council has over 300 bus shelters. Bus shelters and bus stops are made universally accessible through the renewal program.	• Maintenance of bus shelters throughout the City including repainting/graffiti removal, vandalism and pavement repair is on a needs basis. • Council has a $250k Bus Shelter Renewal Program

Roads

Budgeted Roads Operating Expenditure ($'000)

Roads (Expenditure)
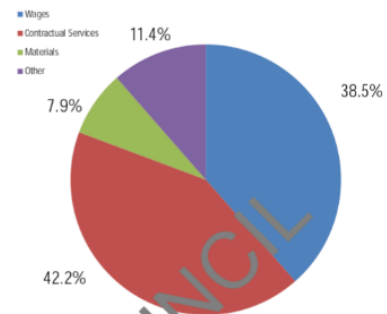
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Road and Car Park Maintenance	2,237	1,420
Road Safety Engineering	520	540
Signs and Street Furniture	259	262
DIRECT EXPENDITURE	3,016	2,222
FULL COST ATTRIBUTION	9,919	
TOTAL EXPENDITURE	12,934	2,222
INCOME		
Road and Car Park Maintenance	3,328	3,332
TOTAL INCOME	3,328	3,332
NET IMPACT TO COUNCIL		
Road and Car Park Maintenance	(1,091)	(1,911)
Road Safety Engineering	520	540
Signs and Street Furniture	259	262
FULL COST ATTRIBUTION	9,919	
TOTAL NET IMPACT TO COUNCIL	9,606	(1,110)

Footpaths

Footpaths contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Footpath Maintenance A program of footpath auditing is conducted every two years to gather data which is used to quantify the overall condition of the network. This data is also used to identify priority areas for maintenance works based on proximity to critical pedestrian generating activities. Community requests for additional footpaths are investigated by the multidisciplinary Footpath Request Evaluation Team, and prioritised based on the destination of the path and the additional inclusion opportunities the footpath would give. Council also maintains footpaths and shared use paths through public reserves, with Council continuing to build the Green Trails network across the City.	• Provision of a footpath on one side of a road/street where appropriate as a minimum service standard. • Council minimum width of 1.5m. • Council repairs faults based on the risk assessment associated with the destination. For example Council has a focus on prioritising faults around Schools and Retirement Villages • Council repairs footpath failures throughout the year based on a program of priority works and on customer requests where appropriate.

Footpaths

Budgeted Footpaths Operating Expenditure ($'000)
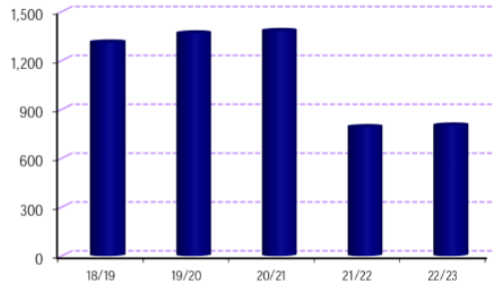
Footpaths (Expenditure)
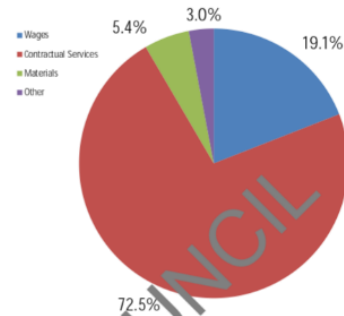
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Footpath Maintenance	793	803
DIRECT EXPENDITURE	793	803
FULL COST ATTRIBUTION	2,159	
TOTAL EXPENDITURE	2,952	803
NET IMPACT TO COUNCIL		
Footpath Maintenance	793	803
FULL COST ATTRIBUTION	2,159	
TOTAL NET IMPACT TO COUNCIL	2,952	803

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Foundations

The delivery of these foundations will be underpinned by Council's values of respect, accountability, collaboration and helpfulness.

- ✅ Members of our community receive an exceptional experience when interacting with Council
- ✅ We deliver quality outcomes that meet the needs of our community
- ✅ The City of Salisbury is recognised as a great place to work
- ✅ We plan effectively to address community needs and identify new opportunities
- ✅ We engage meaningfully and our community is aware of Council initiatives

Council's commitment to develop an organisation that is innovative and develops our business

Council will:

- > place the needs of our community first
- > meaningfully engage with our community and stakeholders as we plan and make decisions
- > consider the long term when we plan and innovate
- > use data to inform decision-making and understand community needs and expectations
- > seek partnerships to deliver facilities, services, programs and infrastructure to address community needs
- > promote Salisbury and advocate for its priorities
- > strengthen and promote the Salisbury brand
- > embed our organisational values in all we do
- > invest in the development of our staff and elected members
- > maintain sound financial management within a transparent and accountable organisation

Item 7.1.7 - Attachment 1 - Draft 2022/23 Long Term Financial Plan and Annual Business Plan

CRITICAL ACTIONS

Strategic Projects

Use technology so people can better access Council services

Implement a change plan so Council provides as exceptional community experience, delivers quality outcomes and is a great place to work

Upgrade Council's Operations Centre at Cross Keys Road to support business transformation

Provide opportunities for staff to be innovative and shape the next generation of Council business, investment and services

Deliver Council's COVID-19 response package

Budget Context

A key initiative in the 2022/23 budget will see the delivery of a new Customer Relationship Management system (CRM) to ensure the community interaction with Council is enhanced and leverages the digital medium but also provide the community with flexibility as to how they want to interact with Council.

Construction works are well underway with an expected completion date of August 2022.

Operational Focus

Improve how we use data to better inform decision making

Buy locally and sustainability with an emphasis on reuse and recycled materials

Deliver the commitments in our Annual Plan

Continuous Improvement Program

Meaningfully engage with our community so we better anticipate and respond to needs and opportunities

Improve communication with community members to increase awareness of Council initiatives

Acknowledge and celebrate the achievements of staff and our community

Budget Context

Building on the work completed in 2021/22 to establish a model to provide relevant and up to date data, this year will see the sharing of key Council information that the community can view, Examples will include graphical and textual information on Council's reserves so that the community can determine which reserves align with their needs. A dashboard on the City Plan key indicators will also be shared with live data and links to key supporting information, again to allow the community to access at their leisure data on Council's performance against the agreed indicators.

We continue to look at ways to increase spend with Salisbury LGA (and wider Northern Region) suppliers, which has been supported by a revised Procurement Policy to embed these practices into the organisation.

Work will also continue with the industry to support delivery of a circular economy.

The organisation is in the process of transitioning to the Agile methodology as part of the Business Transformation initiative. Continuous Improvement tools and support will continue to be provided for smaller, incremental initiatives, while the Agile methodology will support delivery of step changes in the way the organisation operates.

The new website was launched during 2021/22 with further enhancements being delivered. Linked to the CRM project, the website will be the interface for a community member portal where the community member can access the relevant information they may need to engage with Council.

Work will also progress on revising the community engagement model with the aim to utilise a digital tool that will assist Council in its community consultation and ensuring a wide range of feedback is gained on initiatives that require community engagement

We continue to enhance how we engage with the community to make them aware of the many projects and initiatives that Council delivers to improve the community's wellbeing. We continue to see an increase in the number of people accessing our social media platforms which will be used as the predominant medium to communicate with our community.

CRITICAL ACTIONS

Future Planning	Budget Context
Develop a digital strategy and framework to implement technology-based initiatives to improve the management of the City	A draft digital strategy titled Digital Salisbury has been developed aimed at transitioning the organisation to a contemporary digital platform. The strategy will provide the direction as to the 'what and how' Council will enhance and support smart technology in managing the City.
Review our community engagement strategy so the needs of diverse groups in our community are recognised at an early stage of planning	This action was not delivered in 2021/22 and has been scheduled to be delivered in 2022/23. It will see the review of the existing community engagement strategy and also consideration of an appropriate application to enhance the engagement process.
Review Council's 'Strategic Asset Management Plan'	An Interim Strategic Asset Management Plan will be considered by Council in April 2022 and staff and Elected Members will continue to investigate levels of service to further develop a final Plan in early 2023.
Enable the community to monitor Council's progress in implementing this Plan and compare performance with that of other Councils	A number of City Plan indicators have been published on a static dashboard on Council's website. Currently developing an online dynamic dashboard that will display the latest data on corporate and City Plan indicators.
Identify opportunities to increase non-rates revenue	The organisation has for some time ensured it maintains a strong financial position so it is able to meet emerging community needs. Work continues where appropriate to identify alternate revenue streams to support the ongoing financial sustainability of services to the community
Council governance and practices	

Advocacy Priorities	Budget Context
Develop deeper and more effective relationships with government agencies and other organisations to progress the priorities identified in this City Plan and its supporting strategies	

Innovation and Business Development

Innovation and Business Development contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Accounting Services Provides for business support, management accounting, financial accounting, tax compliance, external and statutory reporting. Further, the team provides reporting services to all departments/divisions of the organisation, the Executive Management and Council, including the preparation of the Council Budget and Annual Plan. Assets & Projects Accounting also provides specialised accounting services for infrastructure and other assets, particularly with respect to valuation and depreciation. Also provides financial support to Council projects as required and delivers the Accounts Payable service.	• Annual Plan and Budget • Annual Financial Statements • Long Term Financial Plan • Quarterly Budget Reviews and Monthly Reporting • Grant Acquittals • Divisional Planning support • Provide financial advice and support for Salisbury Water • Valuation and Depreciation for $2 billion of Council assets • Invoices processed: 30,000pa
Business Excellence Administration Provides for the Executive Management and associated support for the overall management and leadership of the Business Excellence Department.	• Leadership of the Business Excellence department and accountability for outcomes assigned to the department
Business Intelligence and Data Oversee the flow of corporate information in to and out of the organisation, ensuring information management legislation is complied with, including Freedom of Information responsibilities. Also responsible for maintaining data management to deliver better decision making and sharing of data with the Community.	• Compliance with organisational information management framework and South Australian Government information retention requirements • Response to Freedom of Information requests within legislative timeframes. • Lead the development of a Data Framework Policy
Business Systems and Solutions Information Technology Services are responsible for the delivery, management and enhancement of information technology solutions within the organisation.	• Solutions meet organisational availability and performance metrics Agreed services and solutions are under relevant maintenance and support contracts
Business Transformation Services Advocate and promote the use of improvement and transformation techniques and methodologies	• Organisational Business Transformation using Agile principles • Organisational reporting on improvement and business transformation initiatives
Planning and Business Engagement Services Responsible for the alignment of information technology solutions with organisational and Community needs. This also includes the transformational shift of the organisation to a digital and community centric approach, with technology to better support service delivery, and greater community activation.	• Digital and information technology related strategy, frameworks and standards
Service Desk Responsible for the delivery and support of productivity, mobility and audio visual solutions.	• Responsive service ensuring community facing service availability as required • Provision and distribution of productivity tools and services

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Innovation and Business Development continued

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Community Experience and Relationships Drives strategic outcomes by strengthening Council's relationship with the community and other key audiences, through proactive communications, via various media platforms and events.	• Communications and Customer Relations • Media liaison, press release preparation and public relations management • Proactive communications • Digital communications via social media platforms • External website management • Corporate publications • Corporate brand custodian • Corporate event management • Exhibition co-ordination • Public art program management
Customer Centre Provides a central point of contact for the Community and aims to assist customers to conduct their business with the Council efficiently and, where appropriate, links them to other Government and community services.	• Call volume: 65,871pa • Receipt numbers: 23,668pa • Counter enquiries: 17,000pa • Customer requests via Email/Website/post: 16,875pa
Insurance This area provides for the management of corporate insurance policies and associated claims.	• Administration of organisational insurance needs including processing of insurance claims and liaison with the LGA insurance service provider (Local Government Risk Services).
People and Culture Provide a range of people management services including general Human Resources and Employment Relations services, payroll, wellbeing and Work Health and Safety, Organisational Development, Learning and Development and strategic workforce development and planning. This includes providing policies, systems and processes used to manage the employment life cycle, guide decision-making and manage risk.	• Organisational development programs – change management, culture development, leadership development, team development, and individual capability and commitment programs. • Workforce planning and succession planning, HR Services including recruitment, induction, policy advice, payroll, workplace Health and Safety and wellbeing programs.
Rate Collection & Property Data This area involves the maintenance of the property data for rating and electoral purposes and the collection of rate and other revenue.	• Rateable Properties: 59,967pa • Total Rate Notices: 192,365pa, Overdue Notices: 42,853pa • Changes to Property Data: 11,447pa • Maintenance of voters roll
Strategic Procurement Management of contract and purchasing policies, procedures and delegations. Provision of support and advisory services as well as monitoring compliance.	• Benefit Target: capture, measure and monitor the tangible value added by Strategic Procurement (value for money). • Northern Region Economic Benefit: Focus on supporting northern region business where it represents value for money. • Environmental Preference: promote the procurement of environmentally friendly goods and services that satisfy value for money criteria, as well as fostering the development of products and processes of low environmental and climatic impact • Support the achievement of circular economy outcomes

Innovation and Business Development

Budgeted Innovation and Business Development Operating Expenditure ($'000)
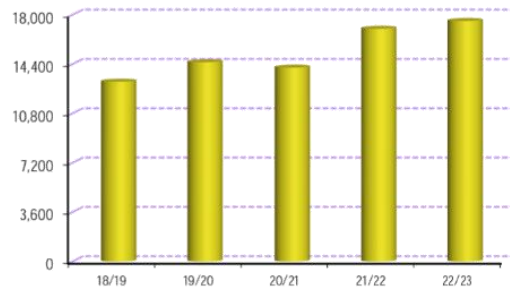
Innovation and Business Development (Expenditure)
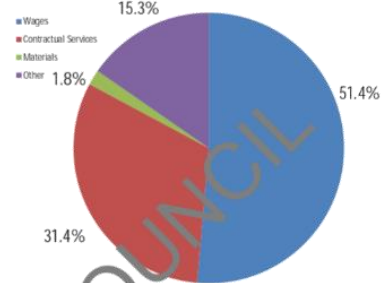
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Accounting Services	1,732	1,749
Business Excellence Administration	733	544
Business Intelligence and Data	805	690
Business Systems and Solutions	6,781	6,805
Business Transformation		854
Community Experience and Relationships	1,768	1,900
Customer Centre	1,017	935
Insurance	537	539
People and Culture	2,367	2,267
Rate Collection and Property Data	937	964
Strategic Procurement	373	375
DIRECT EXPENDITURE	17,049	17,621
FULL COST ATTRIBUTION	(12,747)	
TOTAL EXPENDITURE	4,302	17,621
INCOME		
Business Excellence Administration	12	
Community Experience and Relationships	12	12
People and Culture	553	553
Rate Collection and Property Data	18	19
TOTAL INCOME	595	584

Innovation and Business Development continued

	2021/22 Budget $000's	2022/23 Budget $000's
NET IMPACT TO COUNCIL		
Accounting Services	1,732	1,719
Business Excellence Administration	721	544
Business Intelligence and Data	805	690
Business Systems and Solutions	6,781	6,805
Community Experience and Relationships	1,756	1,888
Customer Centre	1,017	935
Insurance	537	539
People and Culture	1,814	1,714
Rate Collection and Property Data	919	945
Strategic Procurement	373	375
FULL COST ATTRIBUTION	(12,747)	
TOTAL NET IMPACT TO COUNCIL	3,708	16,182

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Council

Council contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Civic and Ceremonial Funds civic and ceremonial responsibilities of Council, including citizenship ceremonies.	• Organisation of civic events and citizenship ceremonies
Corporate Memberships Funds corporate memberships for required bodies.	• Local Government Association membership
Council Funds the management and administration of the Elected Member governance responsibilities.	• Production and distribution of business papers • Administrative support is provided to 7 standing committees, 6 sub-committees and Council • Monitor and review of the City's compliance with legislation • Elected Member training and development • Administration of Elected Member Allowances and Benefits
Elections Provides resources for elections within the City.	• Manage the Local Government election for over 90,000 eligible voters
Executive Management Funds the Chief Executive Officer and executive support function that is responsible for the management of the organisation, the support of and accountability to Council.	• Executive support for the Chief Executive Officer and Mayor
Governance Is a resource supporting Elected Members and staff in their decision making processes. The team provides information, advice and assistance to ensure obligations under legislation and policy frameworks are reflected in City of Salisbury work practices.	• Support Council and organisational Governance processes • Risk management, internal audit and insurance • Undertake annual risk review • Provide advice and support to ensure operational risks are minimised • Support the Audit Committee of Council • Facilitate the annual external audit • Undertake and co-ordinate internal audit • Application and monitoring of the Governance framework • Council meeting administration and support • Elected Member support & communications • Delegations • Application and monitoring - Policy and Procedure Framework • Coordination of legal advice and oversight of Council Solutions Legal Services contract

Council

Budgeted Council Operating Expenditure
($'000)
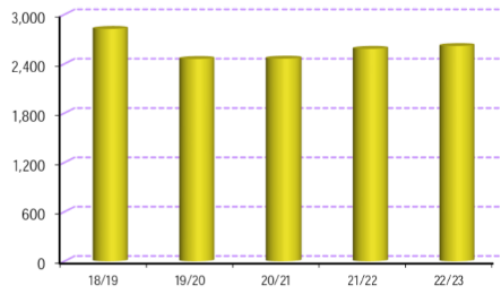
Council (Expenditure)
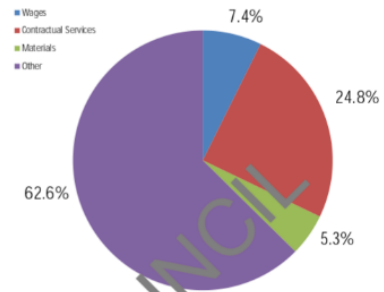
	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Civic and Ceremonial	44	44
Corporate Memberships	95	98
Council	716	722
Elections	197	197
Executive Management	751	759
Governance	781	799
DIRECT EXPENDITURE	2,583	2,618
FULL COST ATTRIBUTION	(36)	
TOTAL EXPENDITURE	2,547	2,618
INCOME		
Council	2	2
TOTAL INCOME	2	2
NET IMPACT TO COUNCIL		
Civic and Ceremonial	44	44
Corporate Memberships	95	98
Council	714	720
Elections	197	197
Executive Management	751	759
Governance	781	799
FULL COST ATTRIBUTION	(36)	
TOTAL NET IMPACT TO COUNCIL	2,545	2,616

Sundry

Sundry contains the following Service Areas, Activities and Service Levels

SERVICE AREAS
Accommodation The operating costs of Council's municipal offices.
Grants Commission Represents the general purpose Financial Assistance Grant provided by the Federal Government via the Grants Commission. The quantum is determined by population and "effort neutral" needs assessment.
Infrastructure Depreciation Provides for depreciation of public infrastructure where not provided for within functional cost centres.
Rates Provide for rates revenue, fines and penalties, rebates, concessions and discounts.
Treasury Provides for the transactions associated with borrowing and lending funds and the associated interest received or paid.
Wages and Salary Provision An allocation to provide for variations in remuneration as a result of agreements, contracts and reclassifications.

Sundry

Budgeted Sundry Operating Expenditure ($'000)
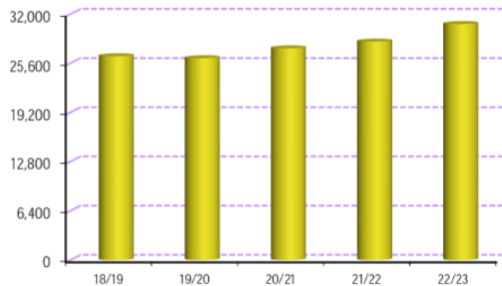
Sundry (Expenditure)

	2021/22 Budget $000's	2022/23 Budget $000's
EXPENDITURE		
Accommodation	376	381
Infrastructure Depreciation	24,846	26,595
Rates	2,237	2,325
Treasury	967	1,182
Wages and Salaries Provision		212
DIRECT EXPENDITURE	28,427	30,695
FULL COST ATTRIBUTION	(26,316)	
TOTAL EXPENDITURE	2,111	30,695
INCOME		
Grants Commission	6,100	6,871
Rates	725	820
Treasury	94	71
TOTAL INCOME	6,918	7,762
NET IMPACT TO COUNCIL		
Accommodation	376	381
Grants Commission	(6,100)	(6,871)
Infrastructure Depreciation	24,846	26,595
Rates	1,513	1,505
Treasury	874	1,111
Wages and Salaries Provision		212
FULL COST ATTRIBUTION	(26,316)	
TOTAL NET IMPACT TO COUNCIL	(4,807)	22,933

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Rating Strategy and Policy

What are Rates?

Rates are the principal source of funding for Council services, representing approximately 82% of the total operating revenue. Rates are levied as a tax on property in accordance with the provisions of the Local Government Act. They are not a service or user charge. Consequently, some property owners may choose not to use various council services but nevertheless make a contribution through their rates. As rates are levied on the value of property as determined by the Valuer-General, those in higher valued properties pay more than those in lower valued properties, noting the higher value property adjustment detailed on page XX.

Capital Value as a basis for Rating

The Council has adopted the capital value method to value properties in its area, in common with most other Adelaide metropolitan Councils. This method values the land and all of the improvements on the land.

While no valuation method is considered perfect the capital value method is considered the most equitable because:

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property
situation.

Strategic Focus

In setting its rates for the 2022/23 financial year the Council considered its City Plan 2035, and other strategic planning documents including Asset Management Plans and the Long Term Financial Plan.

Setting Rates

Apart from the need to ensure sufficient revenue to meet its expenditure needs, Council is always mindful of the impact and affordability of rates to the community, both residential and business, and regularly makes comparison of its rates across Council areas.

In 2020/21 Salisbury's average residential rate was the 3rd lowest of the metropolitan Councils.

The first action in setting the new rate is to adjust for the impact of the average increase or decrease in market property values over the past year so that the rate increase is not compounded by property value increases.

This year the 'market' movement also includes adjustments undertaken by the Valuer-General through the Revaluation Initiative. This project is a comprehensive review of market valuations to ensure accuracy which contributes to equity in the distribution of rates across assessments. More information regarding this project is available at:
_____/resources/what_is_the

changes in market value
evaluation Initiative,
up to limit the impact.
e Capping Rebate".

regarding the market
ation Initiative. As
verage market increase
dollar. The average
es are:

Residential	2.4%
Commercial / Industrial	1.4%

Secondly, Council considers the appropriate average rate increase to apply taking into account a number of factors. Council consider current service levels, and the community's current and future needs, and the methods by which services are provided. Council each year consider the budget in detail, and reviews requests for new expenditure and how it contributes to the delivery of the City Plan. Consideration is also given to having capacity to respond to the community's changing needs.

Rating Strategy and Policy

After critically reviewing expenditure priorities and income from other sources Council propose to increase residential rates by an average of XX% for properties not on the minimum rate. The minimum rate is also increasing by XX% from $1,044 to $XX for 2022/23. Noting that in 2020/21 Council determined a zero percent increase in rates to support the community in responding to the COVID-19 pandemic.

Council has maintained surplus operating budgets since 2008/09 which is a significant achievement. This has resulted from m
escalating costs
reviewing and re
property develop
resulting in lowe
savings of $XX h
a zero rate incre

Categories o

General Rates

General rates are
differential rating
valuations are performed independently by the Valuer General on an annual basis and an owner has up to 60 days from notification in which to object.

A minimum rate applies to all properties where the value falls below a certain level. The minimum rate is imposed to ensure all properties make a fair contribution to general community facilities.

No more than 35% of properties can be subject to the minimum rate. The minimum rate will increase to $XX from $1,044 for the 2022/23 year.

Differential Rating

Differential rates may be applied according to land use. A differential loading is applied to commercial and industrial properties and to vacant land. Residential and other properties pay the base rate.

a. The purpose of the differential on commercial and industrial properties is to:
- Recover from the business sector a greater share of costs relating to:
  o Economic development and promotion
                                              ing
                                              irements
                                              nage
                                              tibility

                                              s sector
                                              ues as

                                      nd is to:
                                      from

                                      cture

The differential rate for vacant land is 30% higher than for residential properties. This is consistent with the previous year which was also 30%.

TO BE UPDATED

NOT YET REVIEWED BY COUNCIL

Rating Strategy and Policy

Separate Rates

Council uses its separate rating powers to collect rates for three existing purposes:

Salisbury Business Association

Rates are collected for the Salisbury Business Association, from commercial and industrial properties within the Salisbury City Centre to enable it to market and promote the centre. All funds collected are passed on to the association.

Globe Derby Community Club Inc

Rates are collec̲ ̲
community club
common land, s
common land.

Landscape Adm

The Council acts
the Regional La
Resource Mana
not determined

Residential Impact Statement

Council propose a XX% average rate increase to residential rates in the 2022/23 year. However the actual increase for an individual property will vary depending on the actual changes in valuation above or below the average valuation increase of XX%.

In order to achieve the proposed average rate increase of XX% the rate (cents in the $) will increase from 0.4217o 0.XX.

An assessment of the resulting rate increases suggests
̲ ̲ ̲ ̲ ̲ ̲ y owners:

TO BE UPDATED

	ber of erties
	210
	268
	565
	388
	436
	729
	802
6.1 - 8.0%	2,966
8.1 - 10.0%	4
10.1 - 12.5%	5
>12.5%	74
Total Number of Properties	**55,547**

Rating Strategy and Policy

Payment of Rates

Quarterly Billing
Rates are payable in quarterly instalments due in September, December, March and June each year. Rate notices will be issued prior to each quarterly instalment.

Payment methods are described on the reverse of the rate notice.

Advance Payments
Ratepayers may choose to make fortnightly or monthly payments in advance towards their rates if this suits their budgetary circumstances. No interest is paid on these amounts due to the additional transaction processing costs associated with this service.

Seniors Postponement of Rates
Residential property owners with a Seniors Card may apply to postpone payment of rates until the property is sold. Seniors who opt to postpone rates are required by the Local Government Act to pay $500 in rates each year, with the balance being postponed. Postponed rates are a charge on the land and interest accrues on the balance of postponed r...

Adjustme...

High Value
Council has ...
are subject ...
low average ...
some other ...
to ensure th...
city.

To overcom...
adjustment for residential properties with a value over $483,000 provided the property is not used for commercial purposes or entitled to a mandatory rebate:

$483,001 to $536,000: a reduction of 10% of the general rates payable on the value above $483,000 up to and including $536,000, which is an increase on the 2020/21 tier of $472,001-$523,000.

$536,001 to $650,000: a reduction of 15% of the general rates payable on the value above $536,000 up to and including $650,000, which is an increase on the 2020/21 tier of $523,001-$635,000.

$650,001+: a reduction of 35% of the general rates payable on the value above $650,000, with the 2020/21 tier being $635,001.

Discretionary Rebates
The Local Government Act 1999 enables Council to grant discretionary rebates up to 100% for land used for the purposes of a community benefit.

Council has adopted a policy concerning such rebates, a copy of which is available from our Rates Section (Telephone 08 8406 8255).

Rate Capping Rebate
Council has a policy to cap rate increases in the following circumstances:

- **Market Valuation Increase Cap** - for residential property which is the ratepayers principal residence, and the ratepayer is a natural person, the maximum increase in the general rate will be 12.5% of that paid in the previous year (excluding the application of the COVID-19 capping rebate) where that increase is as a result of significant valuation movements but not as a result of improvements, a change ... e in ownership, or a ... re is an application ... e.

- ... Initiative Relief - In ... esulting from the Valuer- ... ouncil have endorsed an ... ximum increase in the ... % of that paid in the ... cation of the COVID-19 ... ement results from the ... tive and not as a result ... land use or zoning, a ... on to the property value.

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

Financial Hardship
Council is committed to providing support to ratepayers experiencing financial hardship with further information available on the City of Salisbury website.

Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDING 30 JUNE	2022 Budget Year 1 $000's	2023 Plan Year 2 $000's	2024 Plan Year 3 $000's	2025 Plan Year 4 $000's	2026 Plan Year 5 $000's	2027 Plan Year 6 $000's	2028 Plan Year 7 $000's	2029 Plan Year 8 $000's	2030 Plan Year 9 $000's	2031 Plan Year 10 $000's
INCOME										
Rates Revenues	106,336	110,444	114,641	119,112	123,?00	127,842	132,445	137,213	142,152	147,270
Statutory Charges	3,003	3,054	3,121	3,193	3,257	3,322	3,388	3,456	3,525	3,596
User Charges	5,358	5,449	5,569	5,697	5,?11	5,927	6,046	6,167	6,290	6,416
Grants, Subsidies & Contributions	13,435	13,860	14,124	14,399	14,755	14,914	15,076	15,242	15,411	15,583
Investment Income	94	94	94	94	94	94	94	94	94	94
Reimbursements	229	233	238	2?4	249	254	259	264	269	275
Other Income	831	845	864	8??	902	920	938	957	976	995
Total Income								**163,393**	**168,717**	**174,229**
EXPENSES										
Employee Costs								47,416	48,484	49,576
Materials, Contracts & Other Expenses								73,224	76,081	79,026
Depreciation, Amortisation & Impairment								39,346	40,726	42,144
Finance Costs								821	480	213
Total Expenses								**160,807**	**165,771**	**170,959**
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS								**2,586**	**2,946**	**3,270**
Asset Disposal & Fair Value Adjustments	2,940	2,448	8,453	5,659	2,887	4,561	3,558	1,310	1,911	2,114
Amounts Received Specifically for New or Upgraded Assets	15,779	594	590	1,166	1,166	1,166	1,166	1,166	1,166	1,166
Physical Resources Received Free of Charge	1,?00	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
NET SURPLUS/(DEFICIT)	**?1,403**	**5,293**	**11,366**	**9,339**	**6,829**	**8,606**	**7,961**	**6,062**	**7,023**	**7,550**
OTHER COMPREHENSIVE INCOME										
Changes in Revaluation Surplus - I,PP&E	41,671	48,754	50,766	47,767	48,335	48,862	49,386	49,907	50,424	50,936
Total Other Comprehensive Income	**41,671**	**48,754**	**50,766**	**47,767**	**48,335**	**48,862**	**49,386**	**49,907**	**50,424**	**50,936**
TOTAL COMPREHENSIVE INCOME	**63,074**	**54,047**	**62,132**	**57,106**	**55,164**	**57,468**	**57,347**	**55,969**	**57,447**	**58,486**

Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF FINANCIAL POSITION

YEAR ENDING 30 JUNE	2022 Budget Year 1 $000's	2023 Plan Year 2 $000's	2024 Plan Year 3 $000's	2025 Plan Year 4 $000's	2026 Plan Year 5 $000's	2027 Plan Year 6 $000's	2028 Plan Year 7 $000's	2029 Plan Year 8 $000's	2030 Plan Year 9 $000's	2031 Plan Year 10 $000's
INCOME										
Rates Revenues	106,336	110,444	114,641	119,112	23,400	127,842	132,445	137,213	142,152	147,270
Statutory Charges	3,003	3,054	3,121	3,193	3,257	3,322	3,388	3,456	3,525	3,596
User Charges	5,358	5,449	5,569	5,697	5,811	5,927	6,046	6,167	6,290	6,416
Grants, Subsidies & Contributions	13,435	13,860	14,124	14,39	14,755	14,914	15,076	15,242	15,411	15,583
Investment Income	94	94	94	94	94	94	94	94	94	94
Reimbursements	229	233	238	244	249	254	259	264	269	275
Other Income	831	845	864	884	902	920	938	957	976	995
Total Income	**129,286**	**133,979**	**138,65**	**43,623**	**148,468**	**153,273**	**158,246**	**163,393**	**168,717**	**174,229**
EXPENSES										
Employee Costs							5,371	47,416	48,484	49,576
Materials, Contracts & Other Expenses							0,352	73,224	76,081	79,026
Depreciation, Amortisation & Impairment							3,071	39,346	40,726	42,144
Finance Costs							1,215	821	480	213
Total Expenses							5,009	160,807	165,771	170,959
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS							2,237	2,586	2,946	3,270
Asset Disposal & Fair Value Adjustments	2,940	2,448	8,453	5,659	2,887	4,561	3,558	1,310	1,911	2,114
Amounts Received Specifically for New or Upgraded Assets	15,77	594	590	1,166	1,166	1,166	1,166	1,166	1,166	1,166
Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
NET SURPLUS/(DEFICIT)	**21,403**	**5,293**	**11,366**	**9,339**	**6,829**	**8,606**	**7,961**	**6,062**	**7,023**	**7,550**
OTHER COMPREHENSIVE INCOME										
Changes in Revaluation Surplus - I,PP&E	41,671	48,754	50,766	47,767	48,335	48,862	49,386	49,907	50,424	50,936
Total Other Comprehensive Income	**41,671**	**48,754**	**50,766**	**47,767**	**48,335**	**48,862**	**49,386**	**49,907**	**50,424**	**50,936**
TOTAL COMPREHENSIVE INCOME	**63,074**	**54,047**	**62,132**	**57,106**	**55,164**	**57,468**	**57,347**	**55,969**	**57,447**	**58,486**

YEAR ENDING 30 JUNE	2022 Budget Year 1 $000's	2023 Plan Year 2 $000's	2024 Plan Year 3 $000's	2025 Plan Year 4 $000's	2026 Plan Year 5 $000's	2027 Plan Year 6 $000's	2028 Plan Year 7 $000's	2029 Plan Year 8 $000's	2030 Plan Year 9 $000's	2031 Plan Year 10 $000's
INCOME										

Item 7.1.7 - Attachment 1 - Draft 2022/23 Long Term Financial Plan and Annual Business Plan

Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF CASH FLOWS

YEAR ENDING 30 JUNE	2022 Budget Year 1 $000's	2023 Plan Year 2 $000's	2024 Plan Year 3 $000's	2025 Plan Year 4 $000's	2026 Plan Year 5 $000's	2027 Plan Year 6 $000's	2028 Plan Year 7 $000's	2029 Plan Year 8 $000's	2030 Plan Year 9 $000's	2031 Plan Year 10 $000's
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Operating Receipts	128,602	134,389	138,455	142,39	148,263	153,077	158,048	163,190	168,513	174,020
Investment Receipts	93	94	94	94	94	94	94	94	94	94
Payments										
Operating Payments to Suppliers and Employees	(94,020)	(97,110)	(100,126)	(10?,560)	(107,222)	(110,783)	(114,520)	(118,386)	(122,285)	(126,267)
Finance Payments	(1,222)	(2,106)	(2,33.)	(2,216)	(1,835)	(1,651)	(1,215)	(821)	(480)	(213)
Net Cash provided by (or used in) Operating Activities							42,407	44,077	45,842	47,634
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Amounts Received Specifically for New/Upgraded Assets							1,166	1,166	1,166	1,166
Sale of Replaced Assets							522	522	522	522
Sale of Real Estate Developments							3,036	788	1,389	1,592
Repayments of Loans by Community Groups							40	42	43	45
Payments										
Expenditure on Renewal/Replacement of Assets							(21,748)	(22,125)	(22,511)	(22,903)
Expenditure on New/Upgraded Assets							(16,077)	(16,398)	(16,727)	(17,061)
Net Cash Provided by (or used in) Investing Activities	(?,??)	(??,??)	(??,??)	(??,??)	(??,??)	(??,??)	(33,061)	(36,005)	(36,118)	(36,639)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from CAD	37,147	5,833	-	-	-	-	-	-	-	-
Payments										
Repayments of CAD	-	-	(8,880)	(5,093)	(6,286)	(9,327)	(9,308)	(8,033)	(9,683)	(10,953)
Repayments of Borrowings	(1,735)	(1,321)	(1,409)	(1,504)	(636)	(36)	(38)	(39)	(41)	(42)
Net Cash provided by (or used in) Financing Activities	35,412	4,512	(10,289)	(6,597)	(6,922)	(9,363)	(9,346)	(8,072)	(9,724)	(10,995)
Net Increase/(Decrease) in Cash Held	-	-	-	-	-	-	-	-	-	-
Cash & Cash Equivalents at Beginning of Period	-	-	-	-	-	-	-	-	-	-

TO BE UPDATED

NOT YET REVIEWED BY COUNCIL

Appendix A: Long Term Financial Plan

SUMMARY STATEMENT OF CHANGES IN EQUITY

YEAR ENDING 30 JUNE	2022 Budget Year 1 $000's	2023 Plan Year 2 $000's	2024 Plan Year 3 $000's	2025 Plan Year 4 $000's	2026 Plan Year 5 $000's	2027 Plan Year 6 $000's	2028 Plan Year 7 $000's	2029 Plan Year 8 $000's	2030 Plan Year 9 $000's	2031 Plan Year 10 $000's
Opening Balance	1,560,139	1,623,213	1,677,260	1,739,393	1,796,499	1,851,662	1,909,131	1,966,478	2,022,446	2,079,892
Net Surplus / (Deficit) for Year						8,606	7,961	6,061	7,023	7,551
Other Comprehensive Income										
- Gain (Loss) on Revaluation of I,PP&E						8,862	49,386	49,907	50,424	50,936
Other Comprehensive Income						8,862	49,386	49,907	50,424	50,936
Total Comprehensive Income	63,074	54,048	62,133	57,105	55,164	57,468	57,347	55,968	57,447	58,487
Balance at end of period	1,623,213	1,677,261	1,739,393	1,796,498	1,851,663	1,909,130	1,966,478	2,022,446	2,079,893	2,138,379

TO BE UPDATED

UNIFORM PRESENTATION OF FINANCES

YEAR ENDING 30 JUNE	2022 Budget Year 1 $000's	2023 Plan Year 2 $000's	2024 Plan Year 3 $000's	2025 Plan Year 4 $000's	2026 Plan Year 5 $000's	2027 Plan Year 6 $000's	2028 Plan Year 7 $000's	2029 Plan Year 8 $000's	2030 Plan Year 9 $000's	2031 Plan Year 10 $000's
Income	129,286	133,979	138,651	143,623	148,468	153,273	158,246	163,393	168,717	174,229
less Expenses	(127,602)	(132,728)	(137,328)	(142,109)	(146,692)	(151,394)	(156,009)	(160,807)	(165,771)	(170,959)
Operating Surplus / (Deficit)	**1,684**	**1,251**	**1,323**	**1,514**	**1,776**	**1,879**	**2,237**	**2,586**	**2,946**	**3,270**
Less: Net Outlays on Existing Assets										
Capital Expenditure on Renewal/Replacement of Existing Assets						(21,377)	(21,748)	(22,125)	(22,511)	(22,903)
less Depreciation, Amortisation & Impairment						36,830	38,071	39,346	40,726	42,144
less Proceeds from Sale of Replaced Assets						522	522	522	522	522
						15,975	16,845	17,743	18,737	19,763
Less: Net Outlays on New and Upgraded Assets										
Capital Expenditure on New/Upgraded Assets	(64,809)	(24,160)	(15,150)	(15,150)	(15,453)	(15,763)	(16,077)	(16,398)	(16,727)	(17,061)
less Amounts Specifically for New/Upgraded Assets	15,779	594	590	1,166	1,166	1,166	1,166	1,166	1,166	1,166
less Proceeds from Sale of Surplus Assets	2,100	1,601	7,535	4,860	2,365	4,039	3,036	788	1,389	1,592
	(46,930)	**(21,965)**	**(7,025)**	**(9,124)**	**(11,922)**	**(10,558)**	**(11,875)**	**(14,444)**	**(14,172)**	**(14,303)**
Net Lending / (Borrowing) for Financial Year	**(37,152)**	**(6,859)**	**8,495**	**4,674**	**4,915**	**7,296**	**7,207**	**5,885**	**7,511**	**8,730**

TO BE UPDATED

Item 7.1.7 - Attachment 1 - Draft 2022/23 Long Term Financial Plan and Annual Business Plan

Uniform Presentation of Annual Business Plan and Budget (ABP&B)

Expected Rates Revenue

	2021/22 (as adopted)	2022/23 (estimated)		Change	Comments
General Rates Revenue					For 2022/23, an expected increase in total General Rates revenue of around 4.9 per cent is projected plus estimated growth *(refer n)* of 0.4 per cent from new properties that have been created over the last year. The average rate increase is 3.9%, with the balance made up of new construction that will be rated for the first time in 2022/23
General Rates (existing properties)		$111,020,654	(a)		
General Rates (new properties)		$385,185	(b)		
General Rates (GROSS)	$106,196,362	$111,405,839	(c)		
Less: Mandatory Rebates	($1,270,000)	($1,290,000)	(d)		
General Rates (NET)	**$104,926,362**	**$110,115,839**	(e)	**4.9%**	
		(e)=(c)+(d)			
Other Rates (inc. service charges)					
Regional Landscape Levy	$2,084,640	$2,139,763	(f)		The Regional Landscape Levy is **not retained** by council.
Separate and Special Rates	$124,930	$185,075	(g)		Separate rates are collected on behalf of the Salisbury Business Association and Globe Derby Community Club. These funds are not retained by Council
	$107,135,932	$112,440,677			
Less: Discretionary Rebates	($40,000)	($40,000)	(h)		
Total Rates Revenue	**$104,886,362**	**$110,075,839**	(i)	**4.9%**	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
		(i)=(e)+(h)			

Growth in number of rateable properties

	2021/22	2022/23		Change	Comments
Number of rateable properties	61,101	61,410	(i)	0.5%	Growth' of 0.5 per cent is expected to account for around 0.4 per cent of the estimated increase in General Rates to be collected *(refer b)* due to the mix of the new assessments created being lower capital value than average .
	Actual	*Estimate*			

'Growth' is defined in the regulations as where new properties have been created which have added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.

Average General Rates per rateable property

	2021/22	2022/23		Change	Comments
Average per rateable property	$1,738	$1,814	(j)	4.4%	These 'averages' are based on the **total of all rateable properties** and are therefore not necessarily indicative of either the rate or change in rates that all ratepayers will experience. The proposed average rate increase is 3.9%, with the balance resulting from new assessments and construction activities.
		(o)=(c)/(n)			

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).
The total rates paid by all rateable properties will equal the amount adopted in the budget.

Notes

d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

e) Presented as required by Regulation 6(1)(ea) of the *Local Government (Financial Management) Regulations 2011.*

Please Note: The percentage figure in *(e)* relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

f) Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The Regional Landscape Levy is **not retained by council.**

h) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

i) 'Growth' as defined in Regulation 6(2) of the *Local Government (Financial Management) Regulations 2011.*

Please note: The 2022/23 number of rateable properties is an estimate based on the most current information available at the time of going out to consultation on the ABP&B. This information is updated regularly and therefore may be subject to change at the time of adoption of ABP&B.

Uniform Presentation of Annual Business Plan and Budget (ABP&B)

Differential Rates

Land Use (General Rates - GROSS)	Total expected revenue			No. of rateable properties		Average per rateable property				Cents in the $
	2021/22	2022/23	Change	2021/22	2022/23	2021/22	2022/23		Change	2022/23
Residential	$80,885,529	$84,923,877	5%	56,726	56952	$1,426	$1,491	(p)	$65	0.251333
Commercial - Shop	$4,433,543	$4,593,852	4%	746	742	$5,943	$6,191	(p)	$248	0.825794
Commercial - Office	$1,147,959	$1,164,156	1%	210	207	$5,466	$5,624	(p)	$157	0.512695
Commercial - Other	$10,973,205	$11,519,186	5%	1,496	1,519	$7,335	$7,583	(p)	$248	0.512695
Industry - Light	$996,758	$1,041,704	5%	315	321	$3,164	$3,245	(p)	$81	0.251333
Industry - Other	$4,364,808	$4,563,083	5%	283	268	$15,423	$17,026	(p)	$1,603	0.978691
Primary Production	$454,833	$467,083	3%	200	201	$2,274	$2,324	(p)	$50	0.512695
Vacant Land	$2,002,297	$2,130,856	6%	964	1,042	$2,077	$2,045	(p)	-$32	0.810325
Other	$937,429	$1,002,044	7%	161	158	$5,823	$6,342	(p)	$520	0.382908
GRAND TOTAL (GROSS)	**$106,196,361**	**$111,405,841**	**4.9%**	**61,101**	**61,410**	**$1,738**	**$1,814**	(p)	**$76**	

Council uses a differential rating system, using Land Use Codes as the factor to apply such differential rates.
In applying differential general rates, council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all council areas, particularly as it relates to the various sectors of the business and wider community.

Minimum Rate

	No. of properties to which rate will apply			Rate		
	2022/23	% of total rateable properties		2021/22	2022/23	Change
Minimum Rate	10,762	17.5%		$1,044	$1,085 (r)	$41

The Minimum Rate provides a mechanism where lower valued properties do not pay less than a minimum amount as determined by the council. Typically, only a small number of all properties (with no more than 35%) pay a minimum amount. Council proposes to set a minimum rate of $1,085 which shall be applied to all rateable properties. This will affect 17.5% of rateable properties.

Adopted valuation method

Capital Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:
Capital Value – the value of the land and all improvements on the land;
Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or
Annual Value – a valuation of the rental potential of the property.

Council continues to use **Capital Value** as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:
- The equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth.
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided by* number of rateable properties within that category in the relevant financial year.

(r) 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.

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Operating Surplus Ratio
(Operating Surplus / Operating Revenue)

Legend:
- 1. Rates = CPI+0.6%
- 2. Rates Yr1=CPI, Yr2 =CPI+0.9%, then CPI+0.6%
- 3. Rates Yr1=2.95%, Yr2 onwards CPI+0.6%
- 4. Rates=CPI

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1.	1.19%	0.75%	0.76%	0.77%	0.84%	0.88%	0.99%	1.09%	1.18%	1.09%
2.	0.71%	0.50%	0.51%	0.50%	0.55%	0.58%	0.70%	0.82%	0.93%	0.85%
3.	0.43%	-0.03%	-0.04%	-0.07%	-0.05%	-0.04%	0.05%	0.20%	0.35%	0.31%
4.	0.71%	-0.22%	-0.72%	-1.26%	-1.79%	-2.36%	-2.91%	-3.35%	-3.81%	-4.41%

Item 7.1.7 - Attachment 2 - Budget Workshop 3 Scenario Graphs

Operating Surplus

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
—1.	1,610	1,066	1,141	1,198	1,349	1,469	1,719	1,967	2,209	2,106
—2.	958	706	752	776	885	969	1,212	1,481	1,737	1,636
—3.	578	(44)	(58)	(103)	(78)	(72)	81	354	646	594
—4.	958	(318)	(1,063)	(1,925)	(2,828)	(3,844)	(4,882)	(5,807)	(6,810)	(8,149)

Legend:
- 1. Rates = CPI+0.6%
- 2. Rates Yr1=CPI, Yr2 =CPI+0.9%, then CPI+0.6%
- 3. Rates Yr1=2.95%, Yr2 onwards CPI+0.6%
- 4. Rates=CPI

Item 7.1.7 - Attachment 2 - Budget Workshop 3 Scenario Graphs

Net Financial Liabilities Ratio

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1.	58%	53%	48%	41%	40%	33%	27%	21%	16%	11%
2.	58%	53%	49%	42%	41%	35%	29%	24%	18%	13%
3.	59%	54%	50%	44%	44%	38%	32%	28%	23%	18%
4.	58%	54%	51%	47%	48%	44%	42%	40%	39%	38%

Legend:
- 1. Rates = CPI+0.6%
- 2. Rates Yr1=CPI, Yr2 =CPI+0.9%, then CPI+0.6%
- 3. Rates Yr1=2.95%, Yr2 onwards CPI+0.6%
- 4. Rates=CPI

Item 7.1.7 - Attachment 2 - Budget Workshop 3 Scenario Graphs

Item 7.1.7 - Attachment 2 - Budget Workshop 3 Scenario Graphs

Operating Surplus Ratio
(Operating Surplus / Operating Revenue)

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
—5.	1.73%	1.28%	1.32%	1.42%	1.55%	1.60%	1.64%	1.67%	1.71%	1.60%
—6.	1.26%	0.80%	0.81%	0.90%	1.00%	1.03%	1.08%	1.15%	1.23%	1.12%
—7.	0.98%	0.51%	0.52%	0.60%	0.67%	0.69%	0.75%	0.82%	0.91%	0.84%

Legend:
- 5. ARI CPI+0.6% (High CPI)
- 6. ARI Yr1=CPI, Yr2 onwards CPI+0.6% (High CPI)
- 7. ARI Yr1=3.90%, Yr2 onwards CPI+0.6% (High CPI)

Item 7.1.7 - Attachment 3 - Additional Scenario Graphs

Net Financial Liabilities Ratio

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
5.	56.75%	50.69%	45.15%	37.86%	35.61%	29.38%	24.14%	19.24%	14.43%	9.57%
6.	57.49%	51.88%	46.77%	39.92%	38.14%	32.39%	27.58%	23.07%	18.60%	14.05%
7.	57.93%	52.57%	47.72%	41.14%	39.63%	34.15%	29.61%	25.34%	21.10%	16.73%

Legend:
- 5. ARI CPI+0.6% (High CPI)
- 6. ARI Yr1=CPI, Yr2 onwards CPI+0.6% (High CPI)
- 7. ARI Yr1=3.90%, Yr2 onwards CPI+0.6% (High CPI)

Item 7.1.7 - Attachment 3 - Additional Scenario Graphs

LTFP Assumptions	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Inflation	4.25%	3.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary & Wages	2.5%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Additional SGC	0.5%	0.5%	0.5%	0.5%						
5. Average Rate Increase CPI+0.6%	4.85%	3.9%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
6. ARI Yr1 CPI, Yr2 CPI+0.6% onwards	4.25%	3.9%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
7. ARI Yr1 3.9%, then CPI+0.6%	3.9%	3.9%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Rates Growth Increase in Number of Rate Assessments	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Rates Increase from Other Development Activity	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
Interest Rate	4.00%	4.00%	4.00%	4.00%	4.50%	4.50%	5.00%	5.00%	5.00%	6.00%

LTFP Initiatives (Today's Dollars)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Renewal Capital Expenditure	$18.8M	$22.4M	$20.8M	$19.9M	$19.6M	$19.9M	$20M	$19.5M	$19.7M	$19.6M
New & Upgrade Capital Expenditure	$50.9M	$9.5M	$9.5M	$9.1M	$14.6M	$8.4M	$9M	$8.3M	$9M	$9M
Uncommitted New Capital Funds (approx)		$6M	$6M	$6M	$6M	$6M	$6M	$6M	$6M	$6M
Operating Bids (approx)		$1M	$1M	$1M	$1M	$1M	$1M	$1M	$1M	$1M

ITEM	7.2.1
	AUDIT AND RISK COMMITTEE
DATE	12 April 2022
HEADING	Interim Strategic Asset Management Plan - Process Review
AUTHOR	Dameon Roy, Manager Infrastructure Management, City Infrastructure
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
	4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report, gives a brief overview of the Interim Strategic Asset Management Plan attached for Approval by Council as part of the 2022/23 Strategic Business Papers.

RECOMMENDATION

That Council:

1. Notes that the Audit and Risk Committee has reviewed and endorses for Council's approval the Interim Strategic Asset Management Plan process as included in Attachment 2 – Draft Interim Strategic Asset Management Plan 2022 (Audit and Risk Committee – 12 April 2022 – Item No 7.2.1– Interim Strategic Asset Management Plan – Process Review) and notes the content of the Interim Strategic Asset Management Plan provides alignment between the City Plan and Long Term Financial Plan as part of the City of Salisbury Strategic Management Plans, pursuant section 126(4)ab) of the *Local Government Act 1999.*

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Graph 3 - Interim Strategic Asset Management Plan Expenditure

2. Draft Interim Strategic Asset Management Plan 2022

1. BACKGROUND

1.1 Council has a Strategic Asset Management Plan (SAMP) that ensures service continuity including renewal, upgrade and at times new funding which reflects the costs of providing and maintaining services (through assets) to the endorsed or targeted levels of service. The SAMP is one of Council's strategic documents, along with the Long-Term Financial Plan (LTFP) and City Plan Documents, required under Section 122 (E) of the *Local Government Act 1999*.

1.2 The SAMP allows Council to consider what expenditure is required to manage, maintain and renew assets to deliver the endorsed levels of service and ensures that these requirements are aligned with the LTFP.

1.3 It is critical that Council endorses a SAMP that not only explains the targeted levels of service and associated financial forecasts, but that is also financially sustainable.

1.4 The attached document is regarded and in turn referred to as an Interim Strategic Asset Management Plan, and outlines the targeted levels of service and associated financial implications for the 2022/2023 financial year. Over the next 6 to 9 months, Council will review key asset classes, levels of service and associated financial forecasts with the outcome being the preparation of a revised SAMP for public consultation in early 2023 which will integrate with the City Plan and LTFP and subsequently form part of Council's approved Strategic Papers for 2023/2024.

2. CITY PLAN CRITICAL ACTION

2.1 The review of the SAMP is critical in enabling the Council to deliver on the 2035 City Plan Strategies.

3. REPORT

3.1 The SAMP is the mechanism for Council to undertake a review of levels of service and the effect on the revenue requirements to maintain the $1.6 Billion of existing assets and services for the City.

3.2 The SAMP has a twenty-year per-view, with a detailed focus on the next 10-year Service Continuity Program.

3.3 The assets are broken up into the following classes:
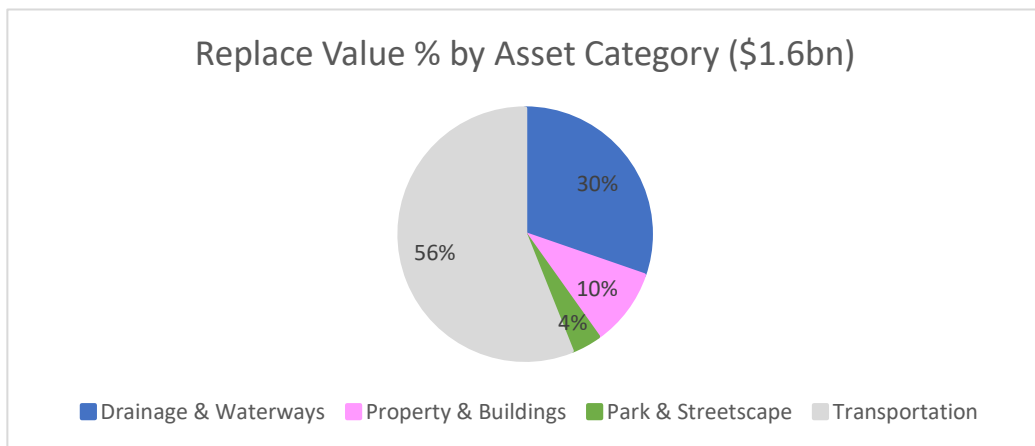
Graph 1 – Replacement value of Council's assets by percentage

3.4 The following is the overall renewal expenditure in the Capital Works Program:
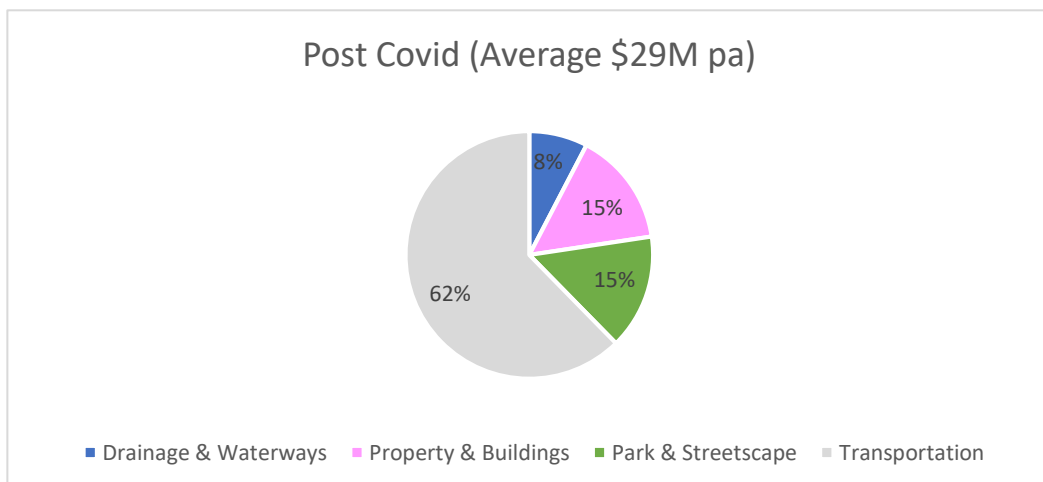
Graph 2 – Current service continuity expenditure by percentage

3.5 Where levels of service are significantly increased for an existing asset class, such as replacing them more regularly and/or with more elements, (for example, universal access for local playspaces), Council can either increase revenue to fund the increase in levels of services, and/or reduce other assets levels of service to fund these increases.

3.6 In the short term another acceptable option is to not replace/renew assets when they are due and manage the risk associated with this; however, this increases the number of asset renewals required in future years and may create an increase in maintenance costs due to older assets.

3.7 Over the last 3 years Council has endorsed a number of level of service increases (most notably playgrounds and buildings) and these have been included in the Capital Programs for those years, recognising that a detailed consideration of the long-term financial sustainability, when considering the total value of the increased levels of service across all the asset classes, needs to be undertaken.

3.8 To help accommodate this increased expenditure program Council has utilised its financial capacity, injecting an additional $7M per year into its budgets for both 2020/21 and 2021/22, which covered the increased level of service requirements for those years.

3.9 During the 2022/23 budget and financial planning process, Asset Managers have looked to continue to deliver Council agreed levels of service through the Capital Works Program. However, with the removal of the additional two year Capital Expenditure injection, adjustments to the renewal programs have had to be made to ensure that expenditure is consistent with the LTFP.

3.10 In the short term (2022/23) this has been primarily achieved in the Renewal Program by allowing a backlog of work in future years, rather than reducing any levels of service. For example, the number of playground renewals has been revised from 6 playgrounds per year currently, back to 3 playgrounds per year. Similarly, with respect to roads, the average condition of the local road network has been deliberately allowed to reduce in a managed way, so to reflect a closer alignment between service capability of the pavement/surface with the road function and alternate use of surface and pavement maintenance treatments to make savings to support other asset classes.

3.11 As previously mentioned, due to the long-term nature of most council assets, temporarily reducing the number of renewal projects/program expenditure undertaken in a financial year is acceptable as a short term strategy. However, this is not a viable option for the medium term, and needs to be addressed either by increasing funding to that program (in a financially sustainable manner), or reducing the targeted level of service for that asset class.

3.12 Graph 3 shows the Interim SAMP based on a reduction in projects/programs expenditure to deliver Current Endorsed Service Continuity which includes decreases in expenditure based on reductions in the pace of renewal of some assets, which is discussed in the Interim SAMP.
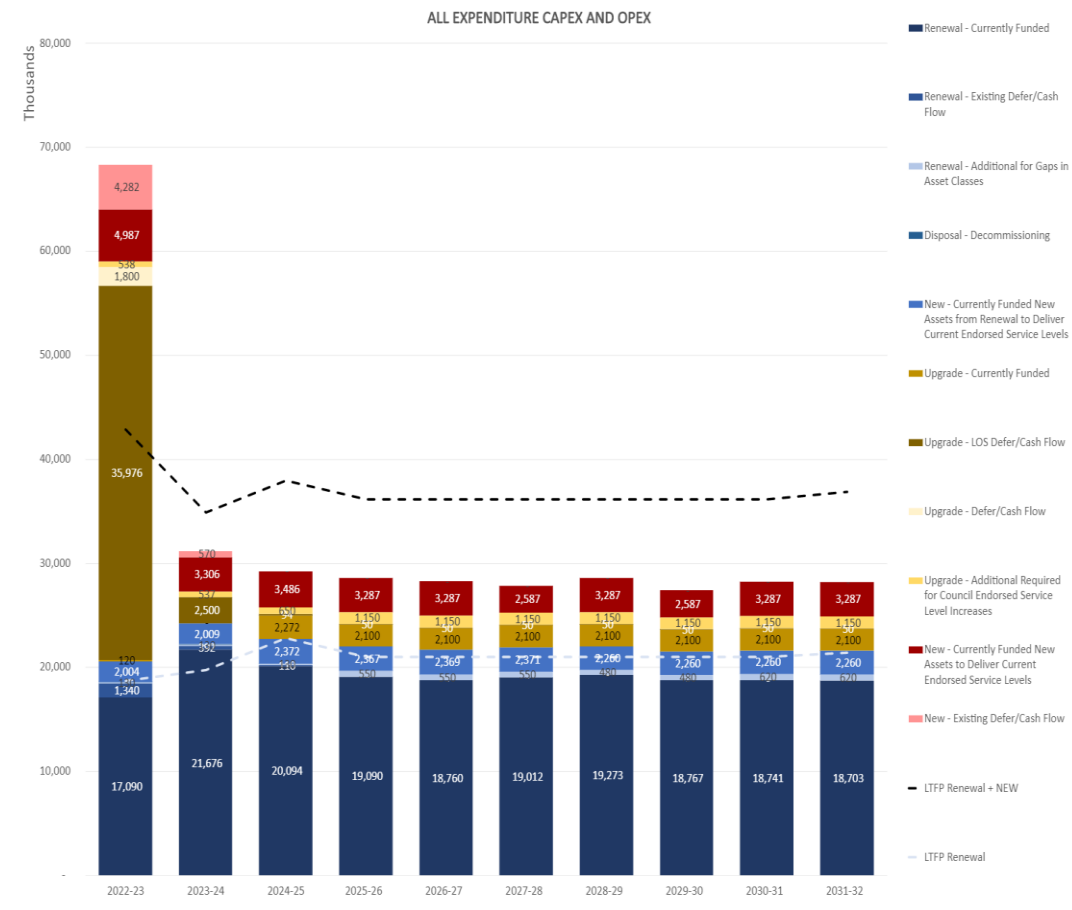
Graph 3 - Interim SAMP based on revised programs to ensure a sustainable LTFP (a larger copy of Graph 3 is attached).

3.13 As noted, Graph 3 assumes in the short term that there is the creation of an increase of assets that will not be replaced at the currently agreed end of life as per the 2015 SAMP, or the condition of some assets will be deliberately allowed to deteriorate further than previously expected. In deploying this approach Asset Managers are cognisant of managing any associated asset or service related risks.

3.14 This means that the Interim SAMP as attached, needs to be revised to ensure that Council can sustainably afford to maintain current assets and services at endorsed service levels for the longer term (10 to 20 years), while still providing the financial capacity to accommodate future new projects, particularly those outlined in the 2035 City Plan.

3.15 As per the 15 March 2022, Council Report *ASMC 3 – Strategic Asset Management Plan - Schedule,* a two stage approach to review key asset classes was endorsed by Council:

3.15.1 the first report based on a breakdown of each relevant asset class, and a proposed set of criteria to consider levels of service options and associated financial forecasts; and

3.15.2 the second report explaining the range of level of service options considered with associated costs, and seeking confirmation for endorsement of the preferred option for that asset class.

3.16 That report also endorsed the development of an Interim SAMP for approval in May. However, the draft Interim SAMP has been brought forward to April seeking Council's approval for the purpose of public consultation in line with the timeframes associated with Council's other Strategic Papers.

4. CONCLUSION / PROPOSAL

4.1 The existing SAMP was endorsed in 2015. Council was expected to approve a revised SAMP in 2019/20, however this was delayed because of the major adjustments to the budget and renewal programs as part of the COVID Response.

4.2 Due to increases in some levels of service an Interim SAMP has been developed to ensure endorsed levels of service can be delivered in a manner consistent with the LTFP while risks are adequately managed for the short term. This has involved a significant slowing of renewal and upgrade programs in some cases, with the lives of some assets, increasing significantly and the condition before replacement reducing in some asset categories.

4.3 These changes need to be reassessed over the next twelve months, weighing carefully the balance between community expectations, endorsed service levels, and long-term future expenditure by the Council, culminating in an updated SAMP being prepared. This is why the attached Interim Strategic Asset Management Plan, for Council approval, is noted clearly as being an interim document.

4.4 The SAMP includes a Risk Register, pulled in from the revised Asset Management Plans, which is in the Document which shows how Council is considering various elements of Risk related to each Asset Class. It is noted that the two risks considered as "high" are currently being addressed through audits currently underway.

4.5 As a short term solution, the Interim SAMP (Attachment 2), which has informed the 2022/23 Budget Bids is consistent with the LTFP and is acceptable from a management of asset related risk. However, it needs to be reviewed to ensure endorsed levels of service are financially affordable over the longer term (10 to 20 years), while still providing for future new projects, particularly those outlined in the 2035 City Plan.

ALL EXPENDITURE CAPEX AND OPEX

Legend:
- Renewal - Currently Funded
- Renewal - Existing Defer/Cash Flow
- Renewal - Additional for Gaps in Asset Classes
- Disposal - Decommissioning
- New - Currently Funded New Assets from Renewal to Deliver Current Endorsed Service Levels
- Upgrade - Currently Funded
- Upgrade - LOS Defer/Cash Flow
- Upgrade - Defer/Cash Flow
- Upgrade - Additional Required for Council Endorsed Service Level Increases
- New - Currently Funded New Assets to Deliver Current Endorsed Service Levels
- New - Existing Defer/Cash Flow
- — LTFP Renewal + NEW
- — LTFP Renewal

Item 7.2.1 - Attachment 1 - Graph 3 - Interim Strategic Asset Management Plan Expenditure

Interim
Strategic Asset
Management Plan
2022

Acknowledgement of Country

The City of Salisbury acknowledges that we are on the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

Contents

Contents continued

Executive Summary

The City of Salisbury is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of $1.6B of Assets, which enable Council to provide a wide range of Services to the Community.

These assets include land, buildings, parks, recreation areas, roads, footpaths, drainage systems, and associated operating assets and provide service essential to our community's quality of life.

This Strategic Asset Management Plan (SAMP) takes the organisational objectives in our Strategic Plans, reviews how the Community receives and uses the service and whether the organisation is providing community value.

The SAMP takes into account Key Legislative & Risk Mitigation such as:

- Universal Access (DDA)
- Inclusion / Female friendly
- Road Safety Framework linking to the School Framework
- Climate change (AR&R for example)

This Interim Strategic Asset Management Plan (SAMP) has understood the Community Expectations/Council Directions & Strategy with respect to improved levels of service in a number of areas:

- Verges & Street trees
- Urban Spaces (Universal Design)
- Playspaces & Facilities (Inclusive Design)
- Path Lighting (Improved Light levels to improve community safety)
- Shade
- Irrigation Areas Increased
- Playing Surfaces
- Sportsfield Lighting Management (now under Council Management)
- Community and Club Event Spaces

This Plan is an interim step in that it proposes expenditure across the Asset Classes to meet the endorsed levels of service, but has reduced the number of assets renewed or replaced, whilst a detailed review of assets is undertaken. Council is engaged in an Asset Management Improvement Process to further review Structure & Hierarchy of key Asset Classes and subsequent Community Levels of Service to ensure that the Council's Renewal Programs are Financially Sustainable and deliver Intergenerational Equity. In other words, Council makes sure we build infrastructure to provide a quality

of service that the Community needs, that Council can afford to maintain and renew and replace in years to come.

Strategic issues

Council is developing a Sustainability Strategy, finalising a Place Activation Strategy and Facilities Management model that will set out the long-term investment in Building and Infrastructure across the City. Similarly, there will be significant investment in Infrastructure, including regional drainage systems in the west of the City to support industry and community facilities, particularly with the development of up to 15,000 dwellings on the salt fields. Whilst not included in the SAMP, which focuses on Service Continuity, the total capability of Council to fund their component of new work needs to be considered together with the capacity of Council to fund the increases in levels of service of existing Assets.

Current situation

Asset Managers have been moving from Condition based to a Service Continuity based Asset Management Planning. They have been working closely with Council to determine the Community's Expectations and Levels of Service for key asset classes, which has been reflected in the Asset Management Operational Plans and the subsequent projects currently under construction and in the budget for 2022/23. However, over the next twelve months Council is working through a confirmation process of the Asset Structures and Hierarchy and Levels of Service to ensure that the upgrade component of the renewal program is financially affordable and sustainable in the long term, particularly with respect to current inflationary pressures, which is seeing the cost of construction and raw materials increase by in some cases over 20%.

Council have determined a number of measures to support the community, to look towards economic recovery through this COVID period, bringing forward $12M of renewal and upgrade works.

Financial implications

The SAMP is in line with the Long-Term Financial Plan, however because of the increases in Levels of Service in some classes, developed over the last 3 years, working with the Council, the cost to renew or build new to meet these levels of service, will increase substantially in the long term. This will mean either a smaller number of assets will be renewed, useful lives extended in some asset classes, or additional funding will be required. This needs to be addressed in the medium term to ensure the level of service is financially sustainable. Due to the long term lives of these assets an interim approach has been put in place, Council decides a more sustainable model, balancing the desired levels of service with affordability over the next twelve months.

Executive Summary - What does it cost?	($000)
10 year total cost [10 yr Ops, Maint, Renewal & Upgrade Proj Exp]	$338,125
10 year average cost	$33,813
10 year total LTFP budget [10 yr Ops, Maint, Renewal & Upgrade LTFP Budget]	$226,665
10 year average LTFP budget	$22,666
10 year AM financial indicator	100%
10 year average funding shortfall	$0

Opportunities

Council has been working through an Asset Management Improvement Plan (AMIP) since 2018 with initial phases completed to improve the accuracy of the asset register and move to field mobility and electronic work orders. Future phases of the AMIP have been identified to further improve asset management with key objectives identified and reported to internal stakeholders.

Risks

Risks previously identified in the Asset Risk Register have been reviewed and updated with most risks having been mitigated or eliminated.

There is a significant challenge with balancing the communities expectation of service levels and Council's long term financial sustainability. This will be mitigated by increasing the level of understanding within the community in regards to cost associated with changes in levels of services and balancing service levels between asset categories.

In undertaking the Confirmation process of Levels of Service over the next twelve months, this will enable Council to have an overarching view of the asset renewal program and consider the value of each service against another to determine whether there needs to be funding increases or reductions in expectations with respect to some assets.

Asset management approach

Council has introduced a new Sub Committee focused on Asset Management and progressing from asset centric based asset management to service based asset management.

Council recognises that the SAMP is an integral part of the Strategic Management Plans of the Council including the City Plan and Long Term Financial Plan. The SAMP is also cognisant of other key Council Strategies such as the Sustainability Strategy, Place Activation Strategy & Integrated Transport Plan.

The key outcomes from the SAMP include:

Increases in operating for buildings as Council continues to improve levels of service for its Community facilities

Increase in capital expenditure for Street and Verge Renewal Projects to transition Streets from Links to Destinations. ($800,000 per year)

Increase in operating costs due to improved Levels of service with significant increases in irrigated spaces and playground soft fall and infrastructure (inclusive play elements & toilet facilities). ($450,000 per year)

The next steps

The SAMP will be recommended to Council, for public consultation, in line with the long term financial plan. Once these comments have been received and any adjustments made, the updated SAMP will be recommended to Council for endorsement.

1.Introduction

The Strategic Asset Management Plan (SAMP) "includes documented information that specifies how organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans and the role of the asset management system in supporting achievement of the asset management objectives"[1].

This SAMP is an integral part of the organisation's planning framework. This includes the organisational strategic plan, asset management (AM) policy, AM strategy/SAMP, AM plans for individual portfolios and operational plans and work programs. There is a clear alignment from the organisational vision and objectives, AM policy, AM objectives, AM plans, operational plans, work programs through to performance measures as shown in **Figure 1**.

This SAMP is defined as a "Strategic Management Plan" in accordance with the legislative requirement of Section 122 of the Local Government Act 1999.

Figure 1 - Asset Management Planning Framework

The SAMP underpins a business process vital to the achievement of the strategic objectives, much in the same way as a financial strategy.

This SAMP is defined as a "Strategic Management Plan" in accordance with the legislative requirement of Section 122 of the Local Government Act 1999.

Organisational Strategic Plan.
Organisational vision, goals and objectives.

AM Policy.
Principles, requirements and responsibilities for AM, linked to organisational strategic objectives.

AM Strategy (Strategic AM Plan).
AM Objectives, AM Practices, Ation Plans for AM Improvement, Audit and Review Processes.

AM Plans.
Asset/Service Description, Levels of service, Demand Forecasts, Lifecycle Activities, Cashflow Forecasts.

Operational Plans and Work Programmes.
Guide day to day activities of staff and contractors.

Source, IIMM Fig 4.2.2, p 4|22.,
[1]IPWEA, 2015, IIMM, Sec 4.2.3, p 4|28.

1.1 Scope of Asset Management System

1.1.1 Asset Management System

The AM system is "the set of inter-acting elements of an organisation to establish AM policies and objectives, and processes to achieve those objectives"[2].

The AM system is applied to the delivery of AM objectives services/products from the following asset portfolios with additional detail in section 3.1.

- Drainage & Waterways
- Parks & Streetscapes
- Street Trees
- Public Lighting
- Transportation
- Property & Building
- Salisbury Water
- Plant & Fleet
- Information Technology (to be developed).

The AM system scope is determined after consideration of:

- AM objectives
- External and internal issues relevant to the purpose of the organisation
- Community Expectations and requirements

- Interaction/linkages with other management systems
- Criteria for AM decision making [3].

1.2 Purpose and Structure of Asset Management System

The AM system is to assist the organisation achieve its AM objectives. It includes "all the functions, people, processes, information and tools that deliver AM objectives" [4]. The AM objectives are the results to be achieved from the AM system. AM objectives are guided by organisational objectives and the AM policy and drive AM practices undertaken by the organisation [5].

The AM system structure includes

- AM Policy (Developed and Approved through the Asset Management Sub-Committee, or existing programs previously in place)

- AM Operational Plans for the asset portfolios

- Integration of AM processes, activities and data with other organisational functions including levels of service KPI's and subsequent service delivery, quality, financial and asset accounting, risk management, safety and human resources

- Reporting of AM objectives (Levels of Service) and resources needed to achieve the objectives in annual budgets

- Reporting of AM objectives achievements in annual reports.

1.3 The SAMP and our Planning Framework

The SAMP is an integral component of our planning framework. It is linked to the Organisation's strategic plan and sets the structure for AM Operational Plans for included asset portfolios. The AM Operational Plans are linked to the Strategic Asset Management plan which forms the basis for development of annual budgets to deliver agreed levels of service for available resources. The annual budget sets the framework for annual work plans and division and staff performance targets.

Figure 2 shows how the AM system integrates within our planning framework.

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[2] IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.
[3] IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.
[4] IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.
[5] IPWEA, 2015, IIMM, Sec 2.1.3, p 2|13.

Figure 2 - Strategic Asset Management fit in Asset Planning Process

Legal and Stakeholder Requirements and Expectations.

Organisational Strategic Plan
Vision, Mission, Goals & Objectives, Levels of Service, Business Policies and Risk.

ASSET MANAGEMENT POLICY.

STRATEGIC ASSET MANAGEMENT PLAN
Objectives, level of service target and plans Summarises Content of AM plans.

ASSET MANAGEMENT PLANS
Services & service levels to be provided, funds required to provide services.

OPERATIONAL PLANS
Service delivery in accordance with asset management plans.
Asset solutions – operate, maintain, renew, enhance, retire.
Non-asset solutions – partnerships, demand management, insurance & failure management.

Knowledge Management
Asset data and information systems.

Asset Management Planning

Asset Management Philosophy & Framework

Asset Management Planning

Service Delivery

Asset Management Planning

Knowledge

Strategic Planning

Tactical Planning

Operational Planning

1.4 Asset Management Objectives

The City of Salisbury's Asset Management Objectives is to deliver and manage assets to Achieve the City Plans Vision of a progressive, sustainable connected community.

The AM objectives are developed from our strategic plan and:

- Review of risks including the potential impacts from failure of:

  - Assets from a Material/Structural Perspective, or

  - AM activities, (Quality or Level of Renewal and Maintenance) which prevents Council from Achieving their agreed to Levels of Service for the Community, both individually or in combination

- Review of the importance of assets related to their intended outcomes, objectives and product or Community Experience levels of service requirements

- A check on the applicability of AM objectives during the AM planning process[6].

AM objectives are specific, measurable, achievable, relevant and time bound (SMART). AM objectives are developed in Section 4.

AM plans are to be formulated and documented to achieve the AM objectives. This includes documentation of decision making criteria, processes for managing the complete life cycle of assets, addressing risks and opportunities, activities to be undertaken, resources, responsibilities, timelines, performance criteria and financial implications[7].

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[6] ISO 2014, ISO 55002, Sec 6.2.1, p 9

[7] IPWEA, 2015, IIMM, Sec 4.2.3, p 4|29.

1.5 Responsibility for the SAMP

The Manager Infrastructure Management is responsible for development and maintenance of the SAMP. The SAMP is reviewed at regular intervals and presented to the Strategic Asset Management Group (SAMG), Executive (EXEC) and then to Council.

The Strategic Asset Management Group comprises of a select group of senior staff and report directly to EXEC. Additional internal working groups report to SAMG to deliver continuous improvement, develop and review Asset Management Operational Plans, service levels, asset structures and ensure ongoing general asset management planning.

COUNCIL

EXECUTIVE

STRATEGIC ASSET MANAGEMENT GROUP

Corporate Asset Management Group (Corporate links to other strategies and LTFP).

Technical Asset Management Group (Asset Management Operational Plans)
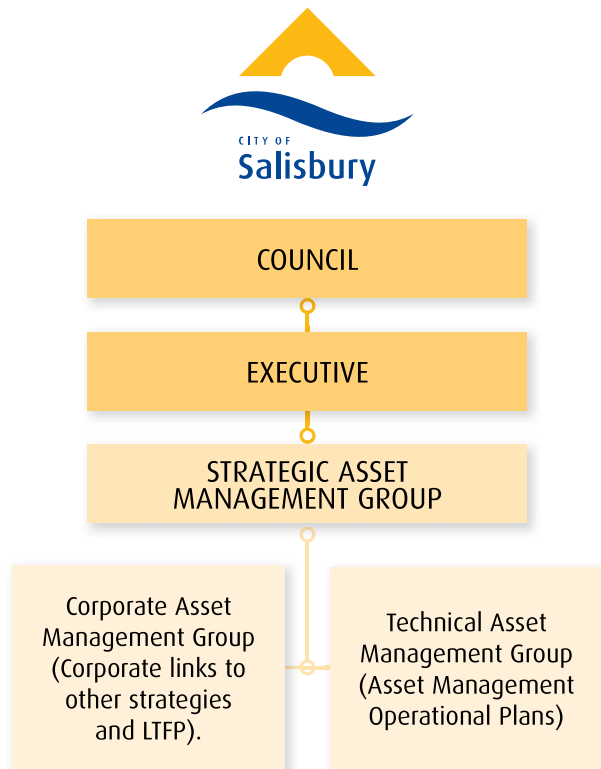
1.6. SAMP Planning Horizon

The SAMP has a planning horizon of 20 years, it is based on detail in existing Asset Management Operational Plans (AMOP) which has been updated and revised with updated AMOPs to follow as part of the Asset Management Improvement Plan (AMIP).

Like the other Strategic management Plans of Council the SAMP has a life of 4 years or as required when there is a major change in Strategy.

2. Strategic Organisational Context

This section details the Strategies of the organisation over the period of the plan and presents options for addressing those issues including those that cross all parts of the organisation as they are likely to impact on our ability to achieve our AM objectives.

2.1 Alignment to City Plan 2035

City Plan 2035 contains a vision for Salisbury to be 'a progressive, sustainable and connected community'. It has three directions that capture the social, environmental and economic influences on Salisbury, and one direction that addresses factors within the organisation itself.

Several 'Foundations' are then identified for each of the 4 directions. Council has determined that these Foundations are the goals that we will seek to achieve for Salisbury. They are supported by critical actions that outline the Council's priority deliverables over the life of the plan

Our critical actions range from operational and site-specific projects that will have immediate impact, to strategic objectives that will guide how and what Council achieves in the longer term.

Key critical actions that are linked to this Strategic Asset Management are listed on the following page.

A welcoming and liveable City

Strategic Projects

- Upgrade community hubs at Burton and Ingle Farm
- Implement St Kilda and Paddocks masterplans
- Complete the Bridgestone athletics facility and maximise its use
- Enhance the visual appearance and amenity of public space through an expanded verge maintenance program, appropriate lighting and more greening of reserves
- Improve our playgrounds and sporting facilities and cycle paths
- Implement the 'Ability Inclusion Strategic Plan', including providing more equipment in our playgrounds that is able to be used by people with different abilities.

Operational Focus

- Improve quality and cleanliness of residential areas
- Promptly remove rubbish dumped on public land
- Implement Council's community safety strategy, including CCTV coverage
- Ensure public spaces are accessible |and sporting facilities are maintained
- Provide support and grants to sporting and community groups
- Deliver Council's intercultural Strategic Plan to build connections and increase collaboration among community groups and service providers.

Future Planning

- Develop a place activation strategy
- Assess future social infrastructure needs
- Update the 'City Pride' strategy.

Advocacy Priorities

- Increased resourcing and services to make our community a safer place
- Improve public transport options.

A Sustainable City

Strategic Projects

- Replace all Council-owned street lights with
- energy-efficient lighting
- Improve the environmental performance of Council buildings
- Enhance our biodiversity corridors along Dry Creek and Little Para River and other environmentally sensitive areas such as coastal mangroves.

Operational Focus

- Use recycled or re-used materials where possible in construction and maintenance programs
- Adopt practices and infrastructure that make the City cooler in an increasingly warm climate
- Stabilise major creek lines and banks to improve biodiversity and reduce scour and silting
- Manage and plan assets so they are resilient to a changing climate.

Future Planning

- Review Council's sustainability strategy to include waste and energy management, cooler suburbs, biodiversity and water
- Complete the Dry Creek Stormwater Management Plan to protect the City from flooding
- Develop a business case to showcase good design techniques that improve the environmental performance of housing and streets.

Advocacy Priorities

- Integrate urban water planning.

A growing City that creates new opportunities

Strategic Projects

- Enhance the Salisbury City Centre by upgrading Church and John Streets and attracting investment by the private sector into surplus Council sites
- Deliver a residential development program by using surplus Council land.

Operational Focus

- Support new and existing businesses and industries to grow and create jobs
- Improve infrastructure, signage, safety, streetscapes and upkeep of commercial and industrial areas to support economic sustainability and growth. Improve parking in Salisbury City Centre and Mawson Lakes Central, business and recreation precincts.

Future Planning

- Develop a structure plan for the land west of Port Wakefield Road to open up new development opportunities while preserving the existing character of Globe Derby and St Kilda.

Advocacy Priorities

- Redevelopment of the Salisbury and Mawson Lakes Interchanges
- Improvements to east-west roads including increasing the capacity and safety of Kings Road and Waterloo Corner Road, duplication and extension of Elder Smith Road and road/rail grade separation of Park Terrace & Kings Road
- Edinburgh Parks to be business ready as a modern industrial area with efficient freight routes to the Northern Connector, fast digital connectivity and access to alternative energy sources and recycled water.

Innovation and Business Development	
Strategic Projects • Upgrade Council's Operations Centre at Cross Road to support business transformation • Deliver Council's Covid-19 response package.	**Operational Focus** • Improve how we use data to better inform decision making • Continuous improvement program.
Future Planning • Review Council's 'Strategic Asset Management Plan'.	**Advocacy Priorities** • Develop deeper and more effective relationships with government agencies and other organisations to progress the priorities identified in this City Plan and its supporting strategies.

2.2 Services Provided

We provide essential services to the 142,000 residents, visitors and businesses in the City of Salisbury community including:
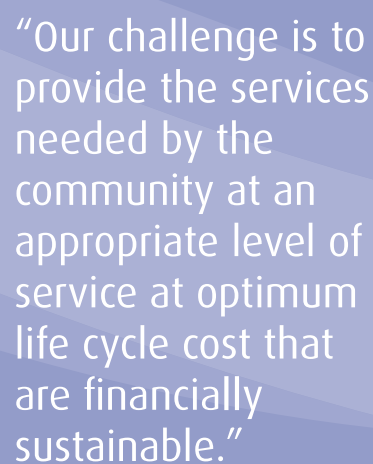
- Integrated Traffic Network of 900 km, including major off-road pedestrian cycling network in 50% of the City.

- Stormwater Flood management network that provides up 99% of homes flood proof to a 1 in 100 year event.

- 165 local, 32 District and 6 regional reserve/play spaces.

- A Hub model which is being developed to be incorporated across the City, which will see a reduction in the number of facilities, but an increase in service offering at a district level, providing Community Services including locating of neighbourhood centres, libraries and senior services and wellbeing services.

- Council Leases 120 Facilities to Clubs and Associations to deliver Sports and Recreation Across the City.

These services are an essential component to the liveability and economic prosperity of the community.

2.3 Our Community

We provide services to a range of customers and community users. These include:

- Residents
- Visitors staying in the area
- Businesses and industry within the area, and
- Business and industry users and visitors passing through the area.

"Our challenge is to provide the services needed by the community at an appropriate level of service at optimum life cycle cost that are financially sustainable."

2.4 Strategic Challenges & Opportunities

2.4.1 Place Making:

Council, in providing "Exceptional Community Experience", is transforming its Asset Management Planning Processes from an "asset centric" approach to a "service approach", with a focus on place and destination. This will enable service levels and associated budgeting to be focused on providing a service in a place or destination which includes grouped assets.

2.4.2 Climate Change:

Council is continuing to revise its' models with respect to Climate Change, particularly in the Drainage area. This has meant a continuation of the Major Flooding Program, and Stormwater Management Plan development as the Australian Rainfall and Runoff Guidelines continue to be modified to include changes in weather patterns, particularly with the increase in intensity of storms and levels of storm surge. The extended duration of Heat Wave events (greater than 10 days above 38) also has a direct effect on the road condition with the durability of asphalt compromised as loading occurs during more regular high heat periods, not allowing the road to rest, and subject to higher levels of brittleness & cracking.

2.4.3 Socio-Economic Conditions:

COVID response has seen a small number of rate payers under significant stress, due to loss of work, to pay rates. Council has in response not included an increase in rates and the bringing forward of $12M of renewal work. With the reduction in yard size across the City, Council has recognised the need and increased the availability of public irrigated space and playgrounds. Similarly, it has recognised the Streetscape (Street trees, verge & footpath) now as a key aspect of the Communities recreational area. This has meant that Council has and continues to significantly increase the level of service for the community in these areas. These two combined aspects are challenging Council's ability to pay for services.

2.4.4. Schooling Changes:

The State Government will complete the move of year 7's to high school for the start of 2022. Similarly Early Learning Centres are being developed in and around the primary school precincts. What this has meant is a significant increase in traffic management issues around state schools in the area, bearing in mind the private schools have undertaken the changes in the last 2 years. Unfortunately, whilst the changes have been made by the state,

Local Government has been left with the responsibility to invest in Traffic Infrastructure around the City. Council has developed a School Framework, which delivers over the next two years a significant capital program. Similarly, Council, whilst not receiving any financial support have developed a program to upgrade and redevelop bus stops, including bus pads, footpath connections and the replacement of old bus shelters.

2.4.5 Demographic Change

Table 1 - Demographic Change and Demand Impact

Item	Present Position	Expected Position	Demand Impact
Population & Demographics	142,555	153,520 by 2036	The City Plan 2035, initial expectations show no significant changes in Demographics, with the general trend being to an older population. This will have to be reassessed if and when the Salt Fields Development comes on line as a major project. Current demographic modelling predicts a significant increase in the proportion of retirement age from 2016 and 2036. This highlights the need for increases in universal access and inclusion with an additional focus on the diversification of Salisbury's population. Participation particularly in women's sport is significantly increasing the requirements of Council's sporting facilities and functional requirements. The initial additional estimated costs to improve the next group of sporting facilities is included in the additional costs of the paddocks master plan project and the Building Upgrade Program. These improvements will provide for an increase in change facilities to ensure appropriate facilities are provided.

Council are seeing a clear change in areas such as Para Hills and Salisbury North as the original landowners are aging and moving out, which is meaning that there is now becoming a significantly different suburb demographic. Similarly Salisbury's population continues to diversify with the ongoing increase in migrants into the area, which is challenging how to best target services in the area. An excellent example of this is playgrounds, that were built in new estates, 20 years ago, were built for the young family, needs upgrading to meet the needs across all ages, for example the inclusion of basketball courts etc. for youth. Council has significantly improved the Community Level of service in this area to increase availability of Playspaces but also investing more to diversify the type of equipment.

Figure 3 – Population Forecast

Forecast population, households and average household size
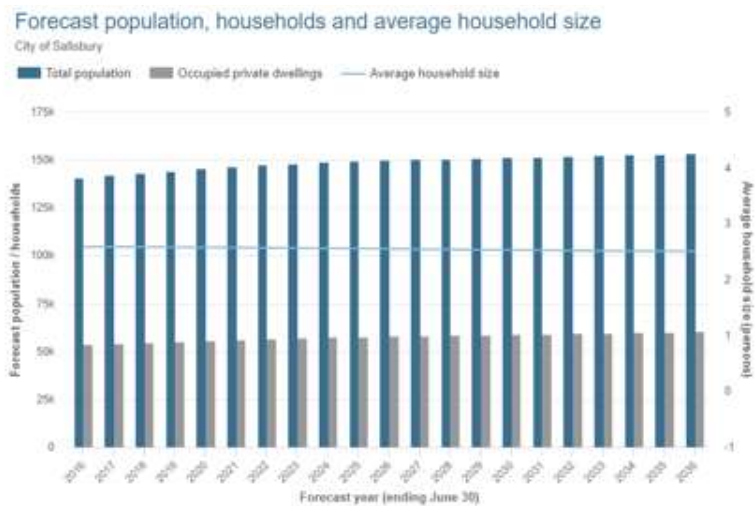
Figure 4 – Forecast age structure 2016 to 2036

Forecast age structure - 5 year age groups
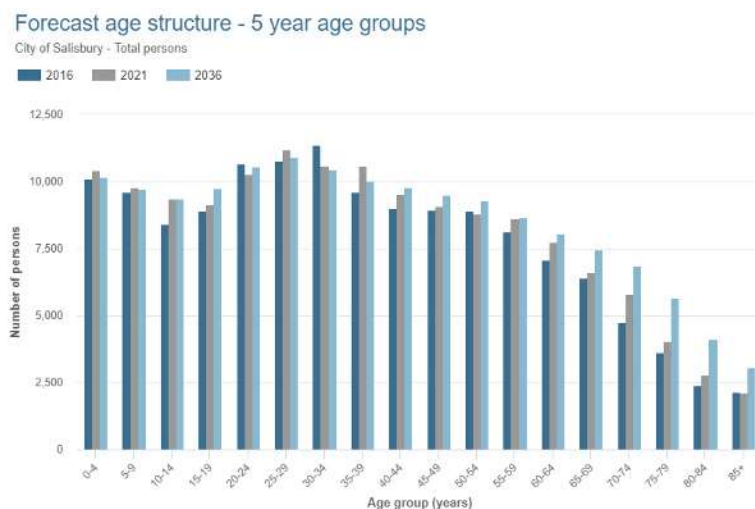
2.4.6 Legislative Requirements

Major legislative requirements are detailed in **Table 2** together with expected changes that may impact future operations.

Table 2 - Legislative Requirements

Legislation/Regulation	Major requirement
All portfolios	
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. Council is required to have an adopted plan covering a period of at least 4 years which meet the requirements of Section 122 of the Local Government Act 1999 for "strategic management plans".
Australian Accounting Standards	Set out the financial reporting standards relating to. Inter alia, the (re) valuation and depreciation of Assets.
Work Health & Safety Act 2012	To secure the health, safety and welfare of persons at work. To eliminate, at their source, risks to the health, safety and welfare of persons at work. To protect the public against risks to health or safety arising out of or in connection with the activities of persons at work, or the use of operation of various types of plant.
Disability Discrimination Act (DDA)	To ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community. *Council has adopted a more "Universal & Inclusive" aligned approach to infrastructure delivery. As per the discussion regarding adult change facilities this has significantly increase the cost to build and maintain Council's Regional facilities.*
Transportation	
Civil Liability Act, 1936	Liability of road authorities - Section 42, May 2004 inclusion in the Act to provide a replacement for the nonfeasance defence consequent to May 2001 High Court judgement.
Code of Technical Requirements for the Legal Use of Traffic Control Devices	Details the design and construction parameters to which traffic management devices installed by City of Salisbury must comply.
Highway Act 1926	Set out the Legislative framework for drainage of roads and road authorities' In SA.
Land Administration Act, 2002	Standard for land acquisition and management of land.
Road Traffic Act 1961	Contains powers for City of Salisbury to install and remove traffic control devices.
Water Resources Act 1997 (Department of Environment and Water)	Regulates Resource Management , e.g. requires 'Water Effecting Activities' permits for Diversions (harvesting), dams, bores etc.

Legislation/Regulation	Major requirement
Native Vegetation Act 1991	The Governor considers that the regulation should be made in order to enhance the preservation or management of an area that includes significant native vegetation, or in order to assist in the provision of a significant environmental benefit.
Community Land Management Act	Section 194 The Act places obligations and responsibilities on City of Salisbury to manage community land for the current and future benefit of the community.
Land Administration Act, 2002	Standard for land acquisition and management of land.

Streetscapes

Sewerage Act 1996	
Details species, location and damage responsibilities	Details species, location and damage responsibilities.
Electricity Act 1996	

Property & Buildings

Building Code Australia	
Disability (Access to Premises - Buildings) Standards 2010	These Standards set performance requirements and provide references to technical specifications to ensure dignified access to, and use of, buildings for people with disability. *Council has adopted a more "Universal & Inclusive" aligned approach to infrastructure delivery. As per the discussion regarding adult change facilities this has significantly increase the cost to build and maintain Council's Regional facilities.*

Plant, Furniture & Equipment

Australian Design Rules (ADRs)	The Australian Design Rules (ADRs) are national standards for vehicle safety, anti-theft and emissions. The ADRs are generally performance based and cover issues such as occupant protection, structures, lighting, noise, engine exhaust emissions, braking and a range of miscellaneous items.

Legislation/Regulation	Major requirement
Salisbury Water	
The Water Industry Act 2012 (ESCOSA) (OTR)	The Act requires a Water Retail Licence to be held by the City of Salisbury. Salisbury Water is the Division tasked with meeting Council's obligations as a licenced retailer. Regulate water price setting, customer service standards and customer issues. Regulate technical standards and safety issues.
Environment Protection Act 1993 (EPA)	Regulates activities that have the potential to pollute the environment *Requires a risk-based management approach including licences for Managed Aquifer Recharge (MAR) and brine disposal, with extensive monitoring and reporting.*
Water Resources Act 1997 (DEW)	Requires 'Water Effecting Activity' permits for diversions (harvesting), dams, wells etc. The Water Allocation Plan for the Northern Adelaide Plains Prescribed Area requires Water Licences to for injection, extraction and trading of allocations.
National Water Quality Management Strategy Australian Govt. Dept. of Agriculture and Water Resources	Australian Guidelines for Recycling - Managing health and environmental risks - Augmentation of drinking water supplies - Stormwater harvesting and reuse - Managed Aquifer Recharge.

2.4.7 Organisational Issues

Asset Management System

Council has made the appropriate structural changes to improve the focus on Asset Management Planning. There are some challenges to keep Level of Service Expectations from Council (Asset Management Sub-Committee) at sustainable levels in line with the long term financial plan, with financial implications of service level changes often only realised in the following year's budget cycle.

Asset Management Maturity

We have taken steps to improve our asset and associated financial management performance including assessing our asset management maturity against the 3 Frameworks of the Local Government Financial Sustainability National Assessment Framework (NAF). Our target is to achieve 'core' maturity with the Frameworks. **Figure 3** and **Figure 4** show the current and target 'core' and 'advanced' maturity scores for the eleven elements of the National Frameworks for asset and financial management.

A NAF maturity assessment was undertaken internally in 2013 prior to development of Asset Management

Plans and a more recent internal maturity assessment undertaken using the NAF for comparison. In future maturity assessments will be undertaken using the seven elements of ISO 55001 as the organisation aims to align to ISO 55001.

It is noted that Council is currently undertaking a level of service review of key assets, which from a maturity expectation, will not meet the "advanced level" between now and the next SAMP, and therefore has been reduced to an expectation of achieving an "intermediate" stage by the end of 2021. The long-term strategy will be to achieve an "advanced Level" over the next 3 years.

Improvement in 'core' maturity is indicated by movement of the blue ● (current maturity) line to the red ● ('core' maturity) and green ● (desired or aspirational target maturity) and significant improvement is visible in the comparative maturity assessments undertaken in 2013 (**Figure 3**) and 2019.

Figure 5 - 2013 Maturity Assessment

Salisbury CC - Maturity Assessment ID 292

Salisbury CC - Maturity Assessment ID 292
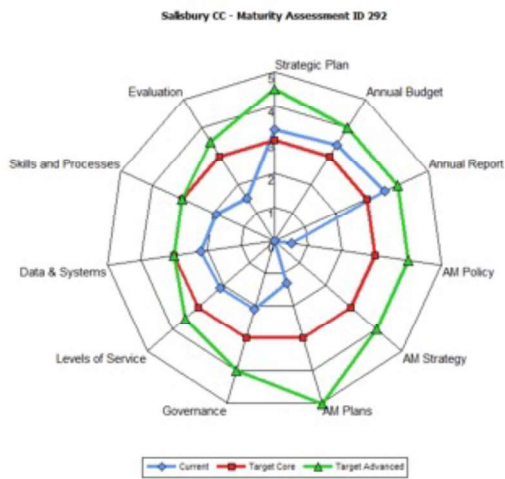
Figure 6 - 2019 Maturity Assessment

Salisbury CC - Maturity Assessment ID 668

Salisbury CC - Maturity Assessment ID 668
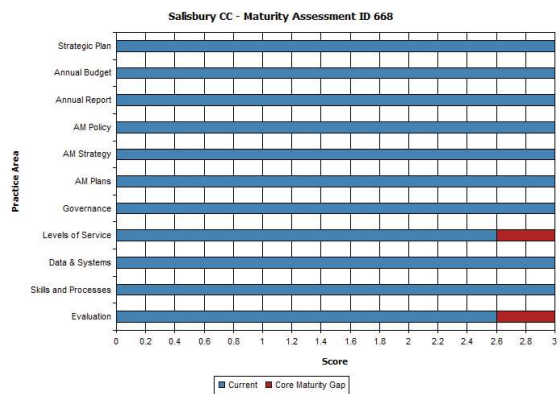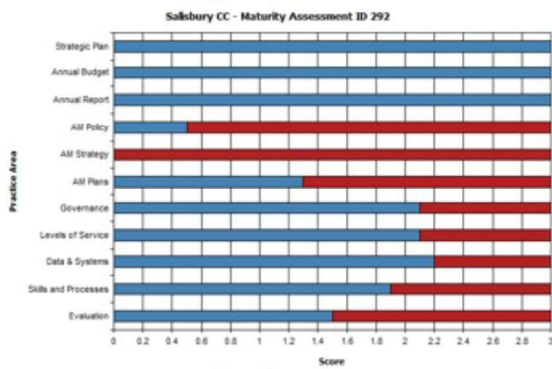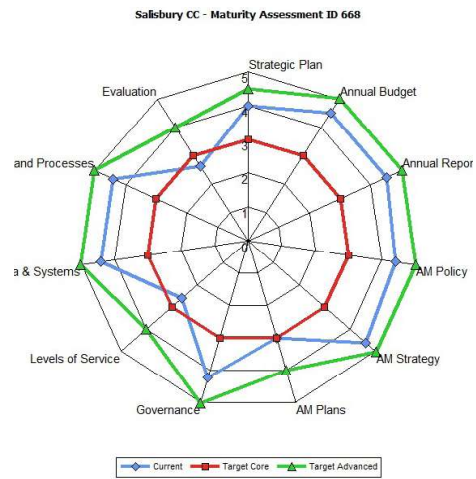
3. Asset Portfolio

3.1 Asset Dimensions and Value

Council manages a large number and variety of assets to provide services to our community. The assets provide the foundation for the community to carry out its everyday activities, while contributing to overall quality of life. **Table 3** highlights key assets by asset management area with the breakdown replacement cost by area shown in **Figure 7**.

Asset Management Area	Asset Summary
Drainage & Waterways	16,000 Stormwater Pits 500 km Stormwater Pipes 10 km Open Channels 20 Flood Dams
Parks & Streetscapes	163 Playspaces 30 Fitness Stations 297 Irrigation Systems 648 Bins 1,062 Seats/Tables 9 Dog Parks 182 Sports Courts/Grounds/Athletics Facilities
Streetscapes	77,000 Trees
Public Lighting	3,846 Public Lights 172 Solar Lights 155 Sports Lights
Transportation	6,288,079 m² Roads 18,12,320 km Kerbing 1,536,376 m2 Footpaths 11,086 Kerb Ramps 181 Car Parks 346 Traffic Control Devices 20,000 Signs
Property & Building	245 Buildings 45 Artwork 100 Historical Monuments/Plaques 185 Shelters/Gazebos 130 Statement Walls 1 Swimming Pool Facility 1 Golf Course CCTV Systems
Plant & Fleet	92 Heavy vehicles 125 Light vehicles 57 Trailers

Figure 7 - Asset Replacement Values

Asset Replacement Values ($'M)

Legend: Transportation, Drainage & Waterways, Parks & Open Space, Streetscapes, Property & Buildings, Lighting, Salisbury Water, Fleet

$10 M, $77 M, $11 M, $101 M, $2 M, $69 M, $778 M, $479 M
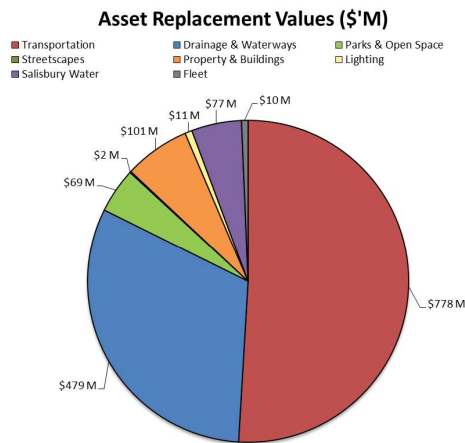
3.3 Asset register

This SAMP is based on information from our infrastructure asset register. Access to reliable asset information is critical to the success of good asset management in the organisation.

Council's asset register is continuously updated following the completion of capital works completed by Council or donation of assets from private developers or government departments. Asset structure and asset components are routinely reviewed with assets broken down into components where applicable to help manage asset accounting and asset reporting.

Council's asset register stores condition information against discrete assets and routine condition assessments are undertaken on various asset classes.

Asset performance information particularly maintenance data is being recorded at an individual level now, following the completion of the Asset Management Improvement Project in 2018/19.

Data trends are now becoming available and valuable to increase the knowledge around function and capacity of assets in the field. Decision making is now beginning to be made based on function and capacity and maintenance data rather than on Condition Assessment through Audits alone. This is enabling Asset Managers to be more targeted and efficient in the renewal programs."

As the Council moves to Digital Cloud based data management, it is expected that total integration between GIS, the Asset Management System, Customer Management System and the Financial System will allow further refinement and enable real time predictive modelling. This is currently being trialled with road assets as part of the update to the AMOP for roads, but will be able to be applied across the total asset base in the future as the register and maintenance information continues to develop in sophistication.

4. Asset Management Objectives

Council's Asset Management Objective is to provide "Exceptional Community Experience", is transforming its Asset Management Planning Processes from an "asset centric" approach to a "service based" approach with a focus on place and destination, aided by the use of high quality asset management data.

The AM objectives, developed in this SAMP provide the essential link between the organisational objectives and the AM plan(s) that describe how those objectives are going to be achieved. The AM objectives are developed from our strategic plan and a range of requirements including corporate goals and stakeholder, regulatory and legislative requirements.

The AM objectives are aligned to the organisational objectives in the strategic plans, with the objective of establishing alignment from the organisational objectives through the AM objectives to AM initiatives, projects and performance measures. It is expected that the Organisational objectives will be modified as the Council's Place Activation Strategy and Sustainability Strategy are formally adopted. A number of Organisational Objectives are included below but it is by no means a complete list.

The AM objectives incorporate our desire to ensure that infrastructure assets are managed in an efficient and sustainable manner and asset cost is optimised over the asset's lifecycle. AM objectives transform the required outcomes (product or service) to be provided by the assets, into activities typically described in the asset management plans.

Table 4 shows the AM objectives developed under each organisational objective with a performance target/timeline and responsible officer.

Table 4 - Asset Management Objectives

Organisational Objective AM Objective	Action / Strategy	Performance Target /Timeline
Financial Sustainability	Ensure the SAMP is routinely reviewed/ updated and informs the LTFP to ensure service delivery is financially sustainable.	Within 2 years of a Council election and/or following significant changes to asset management planning strategies.
Streetscape Renewal and improvement in aesthetic to create Place and Destination	Street Tree Renewal program modified to increase diversity of species into the City. Integrate Footpath, Street Tree & Kerb Renewal programs to develop a whole of street approach, where possible (trial underway)	Dec 2023
Environmental Sustainability Strategy	Continue to implement Circular Economy approach with respect to the delivery of the Capital and Operational Programs Improve Environmental Performance & Climate Resilience of Infrastructure (reduction in heat island in roads, natural creek design, sustainable resource use) Increase the use of recyclables in key renewal programs (Building, Road, Bridges, Outdoor Furniture).	Ongoing
Improved Management and efficiency and capacity of Public Lighting	Replacing Council owned luminaires with LED's.	2021-2028
Improved Access to Green Space –Increase in Irrigated Areas in Local Playspaces	Implement Program to increase supply of shaded Playgrounds within a maximum of 800m walking distance of residents and irrigated open space areas within 400m walking of residential areas.	2021 to 2030
Flood Management – Reduce Risk to Residential and Commercial Premises to above 1 in 100 year events.	Ongoing delivery of the Major Flood Mitigation Strategy.	2018 to 2028

5. Asset Management Planning Approach (Action Plan)

The AM planning approach provides direction for AM Plans to achieve the organisational objectives. This includes documentation of decision making criteria, processes for managing the complete life cycle of assets, addressing risks and opportunities, activities to be undertaken, resources, responsibilities, timelines, performance criteria and financial implications for Council.

5.1 Levels of Service

We have defined service levels in two terms.

Community Experience Levels of Service measure how the community receives and uses the service and whether the organisation is providing community value.

The following measures are typically used in AM Plans to monitor and report on asset performance against Community Experience Levels of Service.

Quality/condition	How good is the service?
Function	Does it meet users' needs?
Capacity/Utilisation	Is the service usage appropriate to capacity?

These measures will be gathered from asset inspections, community satisfaction surveys and feedback from the community through CRMs and other communication methods. Historically condition has been the primary focus for monitoring asset performance and improvement plans to include function, capacity and utilisation.

Our current and projected community levels of service for the services covered by this strategic asset management plan are summarised in this strategic asset management

plan with future revisions of the Asset Management Operational Plans based on agreed Structure, Hierarchy & Community Experience Levels of Service. These Community Experience & Subsequent Technical Levels of Service are being adjusted over the next twelve months.

Technical Levels of Service - Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as utility costs (water/electricity), cleansing, mowing, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g. road patching, unsealed road grading, building and structure repairs, cleaning

fire hydrants),

- Renewal – the activities that return the service capability of an asset similar to that which it had originally (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade/New – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).

Asset Managers plan, implement and monitor the achievement of technical service levels. Together the community and technical levels of service provide detail on service performance, cost and whether service levels are likely to stay the same, get better or worse.

Our current and projected technical levels of service for the services covered by this strategic asset management plan are being developed in the Asset management Operational Plans and are summarised in this strategic asset management plan in **Table 5** on the next page.

Table 5 - Community Experience Service Levels

Service Area	Current Level of Service	Customer Experience Level of Service
Community Facilities	The overall condition of the building and its fit-for purpose requirements are based on the Place Activation Strategy, for Regional, District and Local Facilities Hierarchies including maintenance response times. Design of replacement facilities are through direct engagement with the users of the facilities.	The Facility is suitable for use, based on function and capacity developed through direct engagement during the design phase, with users of the facilities, clubs, and relevant State Sporting Bodies, based on the Hierarchy of the Facility. Facilities utilised Universal and Inclusive Design principles where possible.
Drainage & Flooding	Homes and businesses will not have flood waters through their buildings and facilities in less than a 1 in 100 year flood event, other than those already identified and notified.	Homes and businesses will be safe in significant storm events (under 100mm of rainfall per hour). Transportation networks (roads, paths, bridges) will be accessible in a minor storm event (under 20mm per hour). Underpasses and ford crossings with be closed above a minor storm (over 20mm per hour) event to keep the community safe.

Technical Level of Service	Key Strategy/Program to Deliver
The technical level of service accepted as a minimum threshold for habitable and utilised Council buildings is a condition rating of "3 – Fair" With minor deterioration present and routine maintenance may be required. The assets are fit for purpose based on the PAS for regional and community facilities and maintenance response times.	**Strategy** · Place Activation Strategy Capital Renewal · Building Renewal/Upgrade Program. **Operating/Maintenance** · Programmed & Contracted Maintenance
Flood dams and major waterways are designed to cater for a 1 in 100 year flood event. Underground Stormwater network and overland flow paths and basins are designed to cater for a 1 in 10 year flood event. Council stormwater network is routinely cleaned on a 4 year cycle. Key stormwater infrastructure (such as known high risk areas) are inspected and cleaned prior to key storm events. Flood maps are reviewed and updated routinely on a 5 year cycle. Routine inspections are undertaken on a routine basis for key assets such as: Side Entry Pits, Trash Racks & Headwalls, Gross Pollution Traps to ensure water quality is maintained in the network.	**Strategy** • Flood Mitigation Strategy • Stormwater Management Plans **Capital Renewal** • Currently no budget exists as stormwater network has not reached renewal age. Capital Upgrade/New • Major Flood Mitigation Program • Minor Flood Mitigation Program • Dry Creek Stormwater Management Plan **Operating/Maintenance** • SEP Cleaning Program • Civil Maintenance Program **Water Quality** • Water Quality is monitored to ensure Watercourse Management Plan works continue to reduce the pollution to the Barker Inlet, and maximise harvesting.

Table 5 - Community Experience Service Levels

Service Area	Current Level of Service	Customer Experience Level of Service
Playspaces & Reserves	Irrigated Areas are located within 400m walking distance of residents Playgrounds are located with an 800m walking distance. Regional and District reserves deliver a higher community experience and are distributed within the City.	Playspaces are accessible by the community via walking. Playspaces will be renewed with universally accessible elements incorporated where applicable. Playspaces and irrigated open spaces will be accessible within 400m of residences. Regional and District informal recreational areas will be designed to provide facilities for visits over 1 hour, in accordance with universal and inclusive design principles.
Streetscape	Street Trees are provided based on 1 per residential property. The number of Street Trees in the City is to be maintained at approximately 80,000 trees. Verges are unirrigated and maintained to a neat standard, with a new program incorporating the renewal of Street Trees, Footpath, Kerb & Verge to be introduced in 2021/22 financial year. Street Tree Pallet to be modified to diversify the species mix.	Street Trees provide amenity for the streetscape and are maintained to a safe level to reduce risk to property damage ¦and infrastructure.

Technical Level of Service	Key Strategy/Program to Deliver
Council designs and manages informal recreational areas in accordance with the Place Activation Strategy – Informal Recreation Areas. Routine inspections are undertaken on a routine basis for key assets such as; · Playspaces · Irrigated open space · Sports court and equipment Reserve turf is cut on a routine basis. (check Paul M).	**Strategy** · Place Activation Strategy **Capital Renewal** · Playspace Program · Irrigation Program · Outdoor Furniture Program **Capital Upgrade/New** · Reserve Upgrade Program **Operating/Maintenance** · Parks maintenance program
Street Trees are pruned on a 10 year cycle. Street Tree target zones are managed to minimise risk based on species and location. Verges are slashed and debris removed at a minimum 8 times per year, subject to seasonal conditions. Routine inspections are undertaken on a routine basis for key assets such as; · Verge maintenance	**Strategy** · Urban Forrest Strategy **Capital Renewal** · Streetscape & Verge Renewal Program Capital Upgrade/New · Nil **Operating/Maintenance** · Tree Planting Program · Tree Maintenance Program · Verge Maintenance Program ·

Table 5 - Community Experience Service Levels

Service Area	Current Level of Service	Customer Experience Level of Service
Roads & Transport	Roads are maintained to an acceptable level with a focus on safety and ride ability. Footpaths are provided on at least 1 side of residential streets and both sides of major roads where possible. Provision of a Green Trails ring route around the City for pedestrian and cycle movement. Bus stops and path linkages are designed to be universally accessible with Bus Shelters provided on high usage bus stops. Public Lighting is provided on all road networks and key links with higher standards prioritised on risk.	Provide safe and efficient commuter use travel across the city. Efficient and effective heavy vehicle/freight movement throughout the city. Safe pedestrian and cycle movement through the City with a significant portion off road. Universally accessible public transport use between residential and business areas. Safe pedestrian and cycle travel at night on streets and key links.

[8] 0-6 Condition Rating with 0 being Brand New and 6 being End of Life.

Technical Level of Service	Key Strategy/Program to Deliver
Pavement Condition Index 3 (on a condition rating scale where 1 is new and 6 is undriveable). Council streets are designed based on AustRoads Guidelines and incorporating the "Safe System Approach". New Council footpaths are designed with universal access principles with minimum widths of 1.5m on residential streets and 1.8m on major roads where possible. Road defects such as minor pot holes and deformation will be completed within 10 days, with dangerous defects made safe within 24 hours. Public Lighting is designed to comply with AS1158 and P3 Category for new developments. Routine inspections are undertaken on a routine basis for key assets such as; · Roads · Footpaths · Kerbing · Bus Shelters · Signage	**Strategy** · Integrated Transport Plan **Capital Renewal** · Road Reseal Program · Irrigation Program · Outdoor Furniture Program · Bridge Program · Bus Shelter Renewal Program **Capital Upgrade/New** · Footpath Program · Minor and Major Traffic Improvement Programs · School Framework Program · City Wide Trails Program · Kerb Ramp Upgrade Program **Operating/Maintenance** · Road Maintenance Program · Footpath Maintenance Program · Kerb Maintenance Program · Bus Shelter Maintenance Program · Signage Maintenance Program

5.1 Community Experience Levels of Service under review over the next twelve months

Council's Asset Management Sub Committee are reviewing the service levels in the following areas, to be finalised over the next 12 months;

- **Playspaces (playgrounds)**

  - Universal access, providing for change in demographics, provision of coverage across the City, modern functionality/design
  - Consider the number of irrigated spaces and access to playgrounds which will require additional operating and maintenance budgets particularly for mowing, water usage and safety inspections and repairs.
  - Consider the provision of shade structures for playgrounds.
  - Consider the provision of universally accessible playgrounds
  - Consider the provision of toilet and adult change room facilities

- **Streetscapes (verge/trees/footpaths)**

  - Consider the verge renewal and management service level across City
  - Targeted approach to footpath management based on risk, usage and destination.

- Consider improvements to service level of footpaths to improve accessibility by increasing minimum standard widths within existing budgets for new footpath provision from 1.5 to 1.8m.
- Consider improvements to street trees range across the City engaging the community in decision making, including diversifying the tree pallet for the City.
- Canopy Cover, net neutral for street trees with increases in canopy cover in reserve open space (10,000 tree project).

- **Links and Destinations**

  - Public Lighting of destinations and level of lighting in key links.

- **Dog Parks**

  - Consider the provision of dog parks including separate areas for small dogs

- **Roads**

  - The Integrated Transport Plan has identified key intersections to be upgraded to improve heavy vehicle access into industrial areas with 6 intersections being prioritised for upgrade over the next 8 years with significant external funding being

sought or already approved.

- Current maintenance regimes and feedback from the community has indicated that the community is satisfied with the current level of service being provided and Council is using new treatment strategies to improve financial and environmental sustainability with no impact to community experience.

- **Drainage & Waterways**

  - Council continues to deliver the flood mitigation strategy and has further reduced the number of properties at risk of flooding during significant flood events.

- **Buildings**

  - Recent audit of buildings has shown the current condition of Council Buildings are in a good state. However through discussion with the Asset Management Sub Committee the community experience around the function and fit for purpose is not meeting the expectation. This has led to a service level review to define the required service level with a gap analysis being undertaken of Council's community and recreation facilities to identify future upgrade projects.

- The creation of Hubs has led to a significant increase in operating budgets and will continue to do so as additional hubs are completed as these have a higher level of service to the Community compared to the existing facilities.

5.2 Risk Management

Risks previously identified in the 2015 Strategic Asset Management Plan Risk Register have been reviewed and updated with 30 risks having been mitigated or eliminated. An updated risk register is attached in **Table 6** on the following page.

Table 6 - Risk Management Plan

Asset Providing the Service	What can happen	Risk Rating
All Assets	Premature asset failure.	High
All Assets	Donated/gifted assets do not meet service levels.	High
Flood Levee Banks	Flooding due to storm events.	High
All assets	Uninformed decision making for Asset Management Planning	High
Flood Dams	Failure to dam resulting in major flooding, overtopping and upstream siltation.	High
Reserve Trees	Failure, injury, loss of amenity, damage to infrastructure.	High
Roads	Increase in heavy vehicle traffic. Roads may not be designed or structurally suitable for heavy vehicles.	High
Major Road Intersections (Heaslip/ Diment & Heaslip/ Edinburgh)	Unsafe/unfit for purpose intersections for heavy vehicle movement along Heaslip Road and intersections with Diment Road and Edinburgh Road.	Very High
St Kilda Road	Road Failure due to heavy vehicle loadings.	High
Signage	Poor condition/function of asset could result in traffic accidents.	Very High
Council Maintained Street Lighting	Poor street lighting can lead to injuries to pedestrians, traffic accidents at traffic control devices and provide an unsafe environment.	High
Reserve Lighting	Poor lighting in reserves can lead to Injuries to pedestrians, undesirable activity and provide an unsafe environment.	High
New assets contributed from Northern Connector Project	Funding from State Government or Council is not sufficient to Maintain newly created assets.	High
Dry Creek	Flooding from river system resulting in property damage and/or personal injury.	High

Risk Treatment Plan	Residual Risk	Treatment Costs ($)
Regular asset/condition inspections by dedicated full time/contracted employees.	Medium	100,000 (p.a.)
Improve specification/handover process and relationships with Government Departments.	Medium	N/A (Within existing budget)
Undertake review of Levee Banks in 2022/23 and seek appropriate budget for capital works in 2022/23.	Medium	200,000
Ensure all staff undertake asset inspections in the AMIS (Confirm Connect) or ensure information is recorded in a compatible format that can be imported in a timely manner to ensure the AMIS and associated asset information is accurate and current.	Low	N/A (Within existing budget)
Dam Survey Audit (every 4 years).	High	100,000
Develop a reserve tree management renewal and maintenance programs and seek additional capital works budget in 2022/23.	High	50,000 (p.a.)
Evaluate land use changes which may impact on the local roads network, submit new budget bids when required. Budget for works will be supplemented by grants where possible.	Medium	500,000 (p.a. seek grant funding)
Seek grant funding from State and Federal Governments to upgrade both intersections from 2022/23.	Medium	5,000,000
Routine monitoring of St Kilda Road for road and drainage deterioration, Negotiations have occurred with SA Water to fully fund Robinson Road Upgrade works from 2022/23.	Low	N/A (externally funded)
Complete audit via contractors and undertake analysis and development of renewal and maintenance programs every 4 years.	Medium	40,000 (every 4 years)
Analysis of poor lighting areas has been completed and an upgrade program developed to be completed by 2023/24.	Medium	0 (within existing capital works/ budget bids)
Develop budget bid for reserve lighting upgrade program to seek appropriate funds for capital works program from 2022/23.	Medium	150,000 (p.a)
Negotiate with DIT to seek an ongoing operating/maintenance budget for landscaping and shared use paths.	Low	0 (seeking external funding from State Government)
Undertake SMP study in 2022/23 with results to be used to determine future Budget Bids from 2022/23.	Low	500,000 (p.a. for 5 years)

5.3 COVID19 Response

n response to the COVID 19 Pandemic Council endorsed an ongoing $2.4M Operating Saving, to offset the 0% Rate rise increase.

Key operational savings included:

- Reduction in footpath maintenance ($400k)
- Kerb Maintenance reduction of ($800k) in both Kerbing maintenance and Road Reseal Program.

This was based on current maintenance data which has shown a significant reduction in footpath and kerb faults and Customer requests in this area.

Council brought forward $12M of renewal works, to be delivered over 2021/22,2022/23, to support local businesses and employment to assist with stimulating the economy. The Asset Renewal Funding Ratio will not be in the medium term, but will move above and below the 100% ratio over the next 4 years, but net out in alignment with the Strategic Asset Management Plan, as shown in **Figure 8** below:

Figure 8 - Asset Renewal Funding Ratio following COVID19 Response
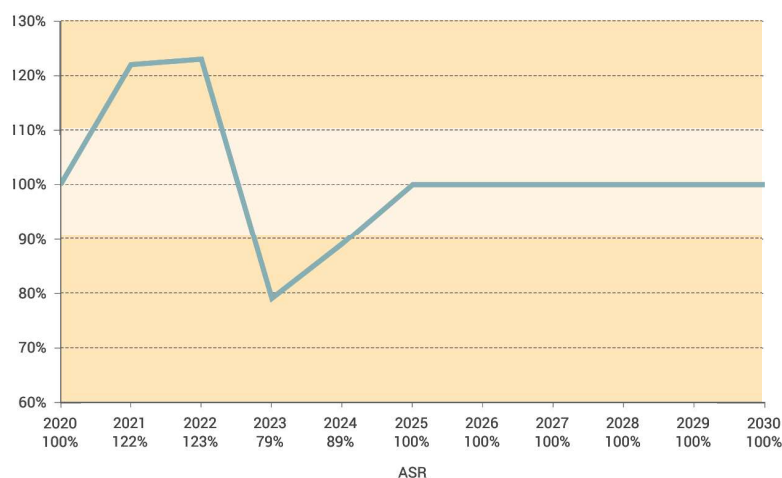
5.4 Demand Management

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet the increased demand for particular services by the Community.

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures. Examples of non-asset solutions including the provision of joint services, such as the new Burton Hub which provides, both Library and Community Facilities, or the integration of clubs into a joint facility that provides for summer sport for one club and winter sport for another, such as at the new Paddocks joint use facility.

Opportunities identified for demand management are shown in **Table 7**.

Table 7 - Demand Management Opportunities

Service Impact	Demand Management Plan
Sporting Facilities	Where new facilities are considered build Joint use facilities, enabling an increase in capacity for Functional Requirements but reducing the number of facilities needed to deliver that service. (New Paddocks Joint facility, replacing 3 buildings).
Sports Field Lighting Management	Council has moved to create a new renewal and maintenance program for Sports Field Lighting, bringing the care and control of Sports Field Lighting to maximise the efficiency of managing sports field lights across the City, rather than have each club individually supported to maintain their own lights.
Street Verges	Council is trialling a verge redevelopment program to improve the aesthetic of its streets with the hope residents will be inspired to take on more responsibility for the maintenance of the street thereby increasing City Pride but also reducing the long term burden of maintenance in the street.

5.5 Operations and Maintenance Strategies

Operations activities affect service levels including quality and function, such as cleanliness, appearance, etc., through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal.

Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in the respective AM Plan and service risks considered in the Infrastructure Risk Management Plan.

We will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. Proposed operations and maintenance strategies in this SAMP are:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner

- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost)

- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council/Board

- Review current and required skills base and implement workforce acquisition, training and development to meet required operations and maintenance needs

- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options

- Maintain a current hierarchy of critical assets and required operations and maintenance activities

- Develop and regularly review appropriate emergency response capability

- Review management of operations and maintenance activities to ensure we are obtaining best value for resources used.

Council uses the Asset Management System to monitor Councils proactive and reactive maintenance programs and compliance to these programs. Following the Asset Improvement Plan in 2018/19 Maintenance Managers and Strategic Assets Staff have been Automating the Proactive Maintenance programs, which has enabled resource efficiency to increase proactive Inspections and Scoping. At this point in time the has enabled better targeting of operational resources to asset maintenance strategies which means no additional requirements for maintenance beyond that for new services.

5.6 Renewal/Replacement Strategies

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

Council Plans Capital Renewal and Replacement projects, in consultation with the Councillors and Community, to meet levels of service objects and minimise infrastructure service risks by:

We will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner

- Consult with the Community and Elected members to during the scoping for all capital renewal and replacement projects to identify:

  - the service delivery 'deficiency', present risk and optimum time for renewal/replacement

  - the project objectives to rectify the deficiency

  - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency

  - and evaluate the options against evaluation criteria adopted by Council/Board, and

  - select the best option to be included in capital renewal program.

- Using optimal renewal methods (cost of renewal is less than replacement) wherever possible

- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and Residual risks after treatment to management and Council/Board

- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs

- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required

- Review management of capital renewal and replacement activities to ensure we are obtaining best value for resources used.

5.7 Renewal ranking criteria

Renewal ranking criteria was developed from consideration of renewal/replacement need for assets that:

- Have a high consequence of failure

- Have a high utilisation and subsequent impact on users would be greatest

- The total value represents the greatest net value to the organisation

- Have the highest average age relative to their expected lives

- Are identified in the AM Plan as key cost factors

- Have high operational or maintenance costs, and

- Where replacement with modern equivalent assets would yield material savings.

Criteria used for ranking renewal and replacement proposals are documented in the applicable AM Plans.

The ranking has enabled Council Staff to determine to the most critical asset classes to be reviewed by Council over the next 12 months, based on the above criteria, this includes Roads, Drainage, Buildings, Playspaces, Urban Assets – Park Furniture & Irrigation and Natural Systems – Waterways and City Trails.

5.8 New and Upgrade Assets Strategies

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets (donated or gifted assets) may also be acquired at no cost to the organisation from land development or arising from government grants.

Strategies for creation, acquisition of new assets and upgrade of existing assets proposed in this SAMP are:

Council Plans Capital upgrade and new projects, in consultation with the Councillor's and Community, to meet levels of service objectives in the most efficient manner by:

- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner

- Undertaking project scoping & consulting with the Community and Elected members to identify

  - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset

  - the project objectives to rectify the deficiency including value management for major projects

  - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency

  - management of risks associated with alternative options

  - and evaluate the options against evaluation criteria adopted by Council/Board, and

  - select the best option to be included in capital upgrade/new programs

- Review current and required skills base and implement staff acquisition, training and development to meet required construction and project management needs

- Review management of capital project management activities to ensure we are obtaining best value for resources used.

5.9 Proposal New/Upgrade Assets Selection Criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or customer/ community requests, proposals identified by strategic plans or partnerships with other organisations. Proposals are inspected to verify need and to develop preliminary CAPEX and OPEX estimates. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in the respective asset management plans.

5.10 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.

Assets identified for possible decommissioning and disposal are shown in the respective asset management plans summarised in this strategic asset management plan.

Council has just demolished the existing swim centre with the replacement Salisbury Recreation Precinct to be constructed over the next 2 years. Where there are major upgrades of facilities such as Burton and the Operations Centre, Council have demolished part or all of the existing facilities. Similarly, where there is a merging of facilities as at the Paddocks, 3 buildings are being replaced with a single facility.

5.11 Assumptions and Confidence Levels

This section details the key assumptions made in presenting the information contained in this strategic asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan and risks that these may change are shown in **Table 8**.

Table 8 - Key Assumptions made in Strategic Asset Management Plan

Key Assumptions	Risks of Change to Assumptions
Financial values have been forecast as current year costs.	Financial values will need to be adjusted for significant inflationary pressures in future annual and/or long term planning.
Level of Service modifications will be within the current budgets where possible.	Level of Service at current asset lives are not financially sustainable in the long term, with either an increase in replacement lives for some assets and/or a reduction in levels of service for some assets required in the long term, or an adjustment to funding requirements is made.
The hub & new facilities operational costs will be offset by building & operational efficiencies.	The increased Levels of Service have seen an offset to the efficiency gains of the new facilities, with a significant increase in operating cost being seen for new facilities, with operating increasing in the Building area by $500k.

The expenditure and valuations projections in this strategic asset management plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management.

The estimated confidence level for and reliability of data used in this strategic asset management plan is shown in **Table 9**.

Table 9 - Data Confidence Assessment for AM Plans summarised in Strategic AM Plan

AM Plan	Confidence Assessment	Comment
Drainage & Waterways	Medium	Majority of assets have long lives and are only part way through lifecycle, high risk assets are routinely audited (dams) however Council is increasing the CCTV inspection frequency to further increase confidence levels in the understanding of the Pipe Network Condition.
Parks & Streetscapes	High	Detailed playground audits are undertaken externally every 4-5 years and other minor asset classes are inspected routinely by internal staff.
Street Trees	High	Detailed audit undertaken in 2019 and asset management strategies are being revised for implementation based on new Levels of Service.
Public Lighting	High	Detailed audit undertaken in 2019 and asset management strategies are being revised for implementation.
Transportation	High	Council has completed a detailed audit this year of its roads, (both PCI and SCI) which gives high confidence in the development of the Renewal Program for the City over the next 5 years and confidence in the longer 20 year estimation of asset condition. Council's Footpath and Kerbs are audited every 2-3 years with renewal and maintenance programs revised accordingly.
Property & Building	High	Building condition data is up to date with an audit recently completed, with function and capacity now the key criteria based on Customer Service Levels.
Salisbury Water	High	Assets are relatively new compared to other asset classes with planned reviews of asset data to revise asset management strategies.
Plant & Fleet	High	Fleet assets are typically short lived compared to other asset classes and asset management strategies are in place.

Overall data sources and confidence in that data is assessed as high, however the valuations of the assets are of concern, with an expectation of revaluations significantly increasing, due to current inflationary pressures. This inflationary pressure will significantly increase the cost to deliver the Renewal Program and increased funding requirements, should service levels not be reduced.

5.12 Improvement Plan

The asset management improvement tasks identified from an asset management maturity assessment and preparation of this strategic asset management plan are shown in **Table 10**.

Table 10 - Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Undertake a review asset hierarchy for all asset classes.	Asset Managers	Asset Management Teams	JUN 2022
2	Undertake a review of key Asset Classes including recommendations regarding Levels of Service based on new Hierarchies.	Team Leader Strategic Assets / Asset Managers	Asset Management Teams	SEP 2022
3	Undertake financial modelling of Changes to service levels in key areas.	Asset Managers	Asset Management Teams	SEP 2022
4	Revise Council policies where applicable for key assets, in line with new service levels.	Asset Managers	Asset Management Teams	FEB 2023
5	Revise individual Asset Management Operational Plans	Asset Managers	Asset Management Teams	FEB 2023
6	Revise Strategic Asset Management Plan for sign off by new Council	Manager Infrastructure Management	Team Leader Strategic Assets / Asset Managers	APR 2023
7	Review 2023/24 budget bids based on service level changes completed in Sep 2022.	Asset Managers	Asset Management Teams	DEC 2022
8	Council undertake a detailed review of valuations for key assets.	Asset Managers & Finance	Consultancy	JUL 2022

6. Financial Summary

This section contains the collective financial requirements resulting from all the information presented in the previous sections of this SAMP and subordinate AM Plans. The financial projections to provide the targeted levels of service will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

6.1 Financial Indicators and Projections Asset Renewal Funding Ratio

The Asset Renewal funding ratio indicates to what extent asset renewal is funded in the Long Term Financial Plan. It is calculated by dividing the projected capital renewal expenditure provided in each year of the LTFP by the renewal expenditure contained within the SAMP. Over the next 10 years Council is forecasting it has 100% of the funds to renew and replace existing assets. This is based on service levels contained within this document. Where service levels are increased this may mean that assets are renewed on a short time frame, and/or it may requires upgrade expenditure to improve the asset to the planned new higher service level. As these decisions are taken, it requires consideration of trading off other asset service levels into, or accepting a need to increase funding for the service level increases. This must be done in a financially sustainable manner.

If service level decreases are not agreed as a long term change, and no additional funding is added, then this would create a gap between service level experienced and the service level desired but not funded, which is in effect what is termed a 'renewal backlog'. While this renewal backlog risk can be managed in the short to medium term it cannot be a long term solution as this generation of rate payers are not paying their fair share of the services they are consuming.

6.2 Funding Strategy

This Interim SAMP is consistent with Council's existing funding strategy and Long Term Financial Plan looking at both Capital and Operating Costs.

6.3 Expenditure Forecasts - Operations and Maintenance

The changes in operations and maintenance budgets as of 2020/21 are shown in **Figure 9** and **Figure 10**. Note that all costs are shown in current dollar values (i.e. real values). Potential operating increases are;

1. Resource Management NAWMA – Collection Contract increases

2. Northern Connector Asset & Land Handover – Yet to be finalised

3. Increased mowing and watering costs – due to new irrigated spaces

4. Increased verge maintenance – Additional no. of Cuts and Litter pickup

5. Increase in Levels of Service for some Informal and Formal Recreation destinations – including Fairbanks, Paddocks and an increase in Toilet Facilities in Reserves (4)

Figure 9 - Operations and Maintenance Expenditure Projections (pre 2020/21)
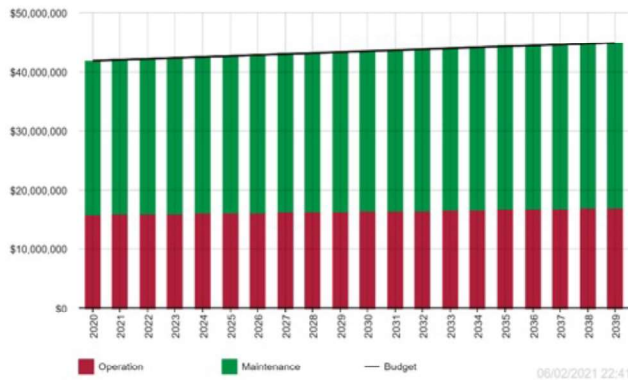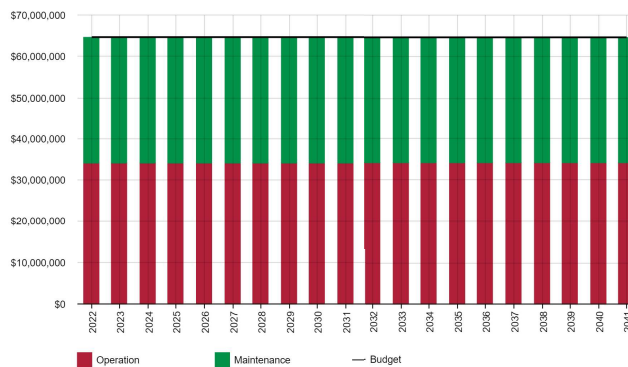

Figure 10 - Operations and Maintenance Expenditure Projections (post 2021/22)

Capital Renewal Expenditure Projections

Projected future renewal and replacement expenditures are forecast to increase over time as Council's assets reach the end of either their service or design lives. This forecast expenditure need has been accommodated in the organisation's long-term financial plan as shown in **Figure 11** and **Figure 12**.

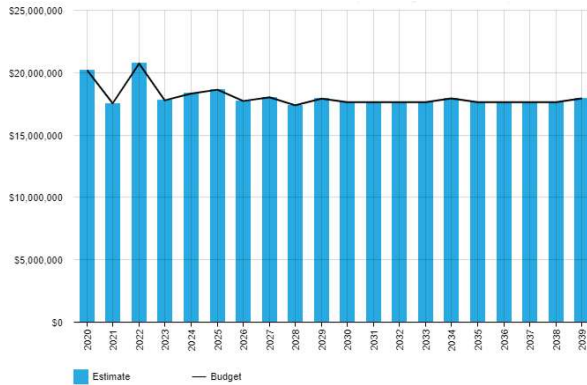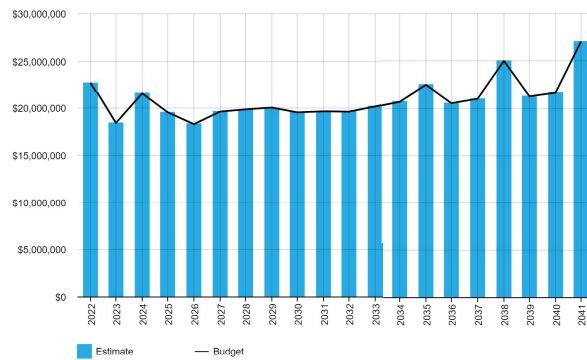## Figure 11 - Capital Renewal Projected Expenditure (pre 2020/21)

Figure 12 - Capital Renewal Projected Expenditure (post 2021/22)

Where renewal projections take into account asset register estimates of asset useful lives, the useful lives are documented in the relevant asset management plan(s).

Capital New/Upgrade Projections

Projected upgrade/new asset expenditures and estimated long-term financial plan outlays are summarised in **Figure 13** and **Figure 14**. All amounts are shown in today's dollars.

Figure 13 - Capital New/Upgrade Projected Expenditure (pre 2020/21)
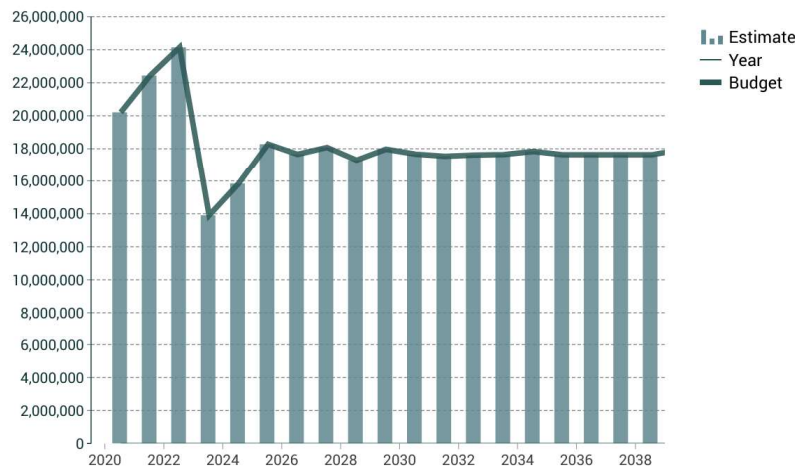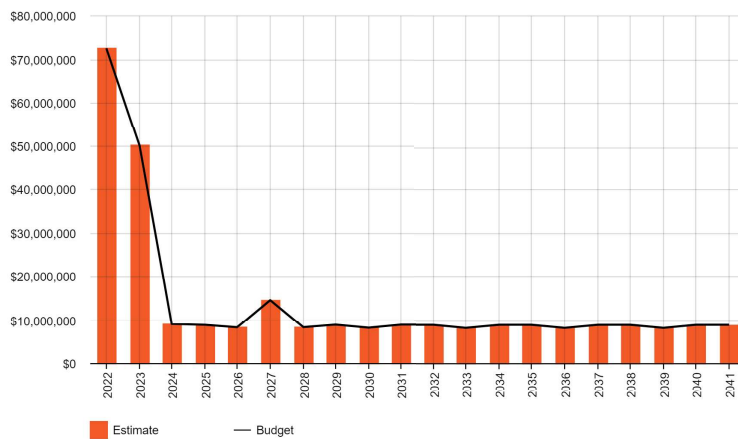

Figure 14 - Capital New/Upgrade Projected Expenditure (post 2021/22)

Expenditure Projections linked to Long-Term Financial Plan

Figure 15 and **Figure 16** show the projected operations, maintenance, capital renewal, capital upgrade/new expenditure and these amounts have been accommodated in outlays shown in the long-term financial plan. Some activities and/or projects have been deferred to the 3 years beyond the 10 year financial planning period to allow further consideration of service level needs and financing options.

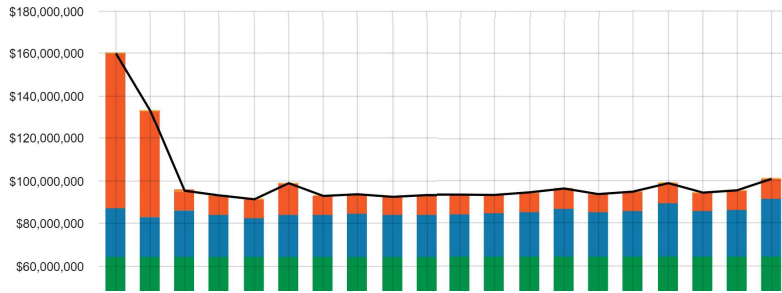## Figure 15 - Balanced Position Projected Operating and Capital
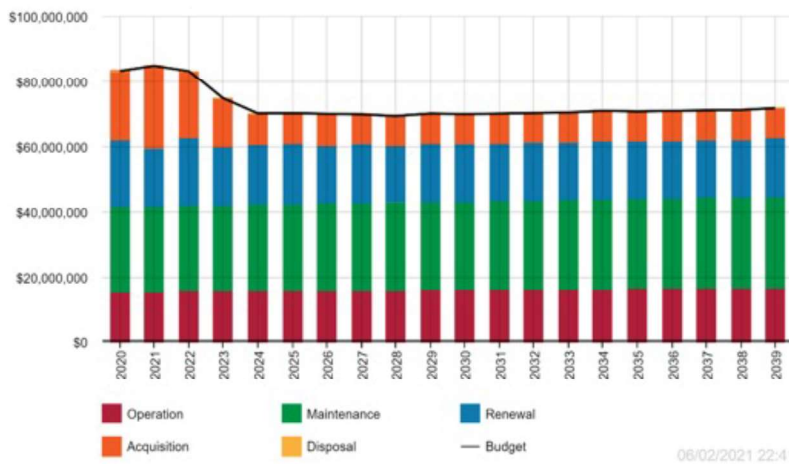

Figure 16 - Balanced Position Projected Operating and Capital Expenditure (post 2021/22)

The purpose of this strategic asset management plan is to develop the strategies to achieve the asset management objectives through balancing of asset service performance, cost and risk.

7. Conclusion

City of Salisbury is committed to continue to deliver a progressive, sustainable, connected community, providing Excellent Community Experience through it's services in a financially affordable and sustainable manner. The Asset Management Data has significantly improved over the last 5 years, particularly with Tablets now in the Field, enabling Council to manage and maintain its' Assets in a financially sustainable manner to deliver these services to agreed levels of service.

This Strategic Asset Management Plan is an interim step in that it proposes expenditure across the asset classes to meet the endorsed levels of service, but has reduced the number of assets renewed or replaced, in some asset classes; recognising and accepting the risk associated with this decision. This is not a long term solution, as, in the long term, it ultimately leads to increases in operating expenditure in trying to maintain assets that have already reached their service or design life, and also delays the replacement of assets that should be replaced, using that funding to meet increased service levels of other assets.

Council is engaged in an Asset Management Improvement Process to further review structure and hierarchy of key asset classes and subsequent community levels of service, over the next 12 months. This will ensure that the Council's renewal /upgrade programs are financially sustainable, intergenerational equity is maintained, and the preventative and reactive maintenance programs and associated costs meet the Council's agreed levels of service in future years.

Asset managers have been continuing the Asset Management Improvement Plan, re-evaluating assets based on place and community services rather than condition and useful life. This process will continue over the next 12 months to confirm Useful Lives, Valuations, Capitalisation, and Function & Capacity of Assets to deliver services.

This will enable the Council to, for the first time, set funding for renewal and upgrade of assets, based on service continuity rather than condition and depreciation. This work will complete the process, begun three years ago, of moving Salisbury's Strategic Asset Management Plan from **core maturity** to nearing **advanced maturity.**

8. References

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STRATEGIC ASSET MANAGEMENT PLAN 2022

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