

AGENDA

FOR FINANCE AND CORPORATE SERVICES COMMITTEE MEETING TO BE HELD ON

17 FEBRUARY 2025 AT THE CONCLUSION OF THE POLICY AND PLANNING COMMITTEE

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

MEMBERS

Cr B Brug (Chairman)
Mayor G Aldridge
Cr L Brug (Deputy Chairman)
Deputy Mayor, Cr C Buchanan
Cr J Chewparsad
Cr A Graham
Cr K Grenfell
Cr D Hood
Cr P Jensen
Cr M Mazzeo
Cr S McKell
Cr S Ouk
Cr S Reardon

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
Deputy Chief Executive Officer, Mr C Mansueto
General Manager City Infrastructure, Mr J Devine
General Manager Community Development, Mrs A Pokoney Cramey
General Manager City Development, Ms M English
Manager Governance, Mr R Deco
Governance Support Officer, Ms M Prasad

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Finance and Corporate Services Committee Meeting held on 18 November 2024.

REPORTS

For Decision

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QUESTIONS ON NOTICE

There are no Questions on Notice.

MOTIONS ON NOTICE

There were no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice, CEO Update)

ORDERS TO EXCLUDE THE PUBLIC

2.4.1 NAWMA (Northern Adelaide Waste Management Authority) First Quarter Budget Review 2024/25

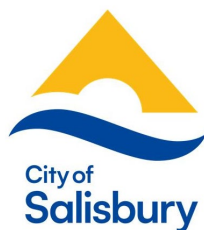
Recommendation

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if the Finance and Corporate Services Committee so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on grounds that:

1. *Pursuant to Section 90(2) and (3)(d)(i) and (d)(ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which would, on balance, be contrary to the public interest.*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *non-disclosure of the matter and discussions of this item in confidence would protect confidential information and Councils commercial position.*

*On that basis the public's interest is best served by not disclosing the **NAWMA (Northern Adelaide Waste Management Authority) First Quarter Budget Review 2024/25** item and discussion at this point in time.*
3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Finance and Corporate Services Committee orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

CLOSE



**MINUTES OF FINANCE AND CORPORATE SERVICES COMMITTEE MEETING HELD
IN LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,**

34 CHURCH STREET, SALISBURY ON

18 NOVEMBER 2024

MEMBERS PRESENT

Cr B Brug (Chairman)
Mayor G Aldridge
Deputy Mayor, Cr C Buchanan
Cr J Chewparsad
Cr K Grenfell
Cr P Jensen
Cr M Mazzeo
Cr S McKell
Cr S Ouk

STAFF

Chief Executive Officer, Mr J Harry
Deputy Chief Executive Officer, Mr C Mansueto
General Manager City Infrastructure, Mr J Devine
General Manager Community Development, Mrs A Pokoney Cramey
General Manager City Development, Ms M English
Team Leader Governance, Ms J O'Keefe-Craig
Governance Support Officer, Ms M Prasad
Governance Officer, Ms M Woods
Assessment Manager, Mr C Zafiroopoulos
Coordinator Fleet, Mr T Henderson
Manager Field Services, Ms M Purdie
Manager Infrastructure Design & Delivery, Mr J Collins
Manager Strategic Development Projects, Ms S Klein
Manager Urban, Recreation & Natural Assets, Ms J Foong
Senior Engineer, Mr D Pezzaniti
Manager Community Experience, Ms C Kroepsch

The meeting commenced at 6.35pm.

The Chairman welcomed the Elected Members, members of the public and staff to the meeting.

APOLOGIES

Apologies have been received from Cr L Brug, Cr A Graham, Cr D Hood and Cr S Reardon.

LEAVE OF ABSENCE

Nil.

PRESENTATION OF MINUTES

Moved Cr J Chewparsad
 Seconded Mayor G Aldridge

The Minutes of the Finance and Corporate Services Committee Meeting held on 21 October 2024, be taken as read and confirmed.

CARRIED

REPORTS

For Decision

2.1.1 First Quarter Budget Review 2024/25

Moved Cr C Buchanan
 Seconded Mayor G Aldridge

That Council:

1. Notes the 2024/25 First Quarter Budget Review report (Item 2.1.1, Finance and Corporate Services Committee, 18 November 2024).
2. Approves the budget variances identified in this review and contained in the Budget Variation Summary (Attachment 1, Item 2.1.1, Finance and Corporate Services Committee, 18 November 2024), and net capital and operating \$956,600 be credited to the Sundry Project Fund. This will bring the balance to \$956,600.
3. Approves the allocation of funding for the following **non-discretionary** net bids:

OPERATING

2025 Salisbury Fringe	\$26,000
Insurance Premiums	\$28,000
Salisbury Business Association (SBA) & Salisbury Christmas Parade	\$10,000
Shop Local Campaign	\$30,000
St Kilda Tramway – Australian Electric	\$17,000
Transport Museum (AETM) Sponsoship	

St Kilda Tramway – Repairs & Replacement Works between Mangrove St & St Kilda Playground	\$100,000
Street Tree Inspection & Pruning Program	\$160,400
Western Suburbs Transport Program – 6 Month Trial	\$82,000
CONFIDENTIAL: Legal Fees	\$104,000
CAPITAL	
Access Management System	\$80,400
Additional Budget Funding for Sports Lighting Program, Brahma Lodge Oval	\$200,000
Additional Funding to Seal Carisbrooke Park Northern Car Park	\$604,000
Burton Park Sports Clubroom - Medical & Recovery Room Fit Out	\$75,000
Carisbrooke Entrance	\$1,500,000
Dignam Drive Reserve, Paralowie - Reserve Upgrade	\$300,000
Field Fencing, Yalumba Drive Reserve, Paralowie	\$103,000
Harry Bowey, Salisbury Park Precinct Improvements	\$500,000
Lake Windemere Reserve, Salisbury North - Additional Playground Equipment	\$90,000
Salisbury Memorial Park and Mausoleum Building Renewal Works	\$350,000
Salisbury Recreation Precinct - Additional Car Parking	\$1,800,000
Sir Douglas Lake, Mawson Lakes - Wall Remediation Works	\$60,000
Sportsfield Lighting - Decommissioning & Replacement	\$300,000
St Kilda Tramway - Fencing at St Kilda Playground	\$120,000
Wiltshire Street, Salisbury, Pedestrian Access	\$180,000
Woodfield Drive Reserve, Salisbury Down - Seal Path & Picnic Shelter	\$200,000
Mario Reserve Playspace	\$300,000
Metala Reserve Playspace	\$300,000
TOTAL	\$7,619,800

NB: If parts 1, 2 and 3 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of (6,663,200).

4. Approves the allocation of funding for the following **Discretionary** net bids:

OPERATING

Licence Plate Recognition	\$25,000
Pound Coordinator Services	\$108,000

TOTAL **\$133,000**

NB: If parts 1, 2, 3 and 4 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of (\$6,796,200).

5. Approves the following transfers:

Budget Transfer from CEO Consulting to City Shaping for Sustainable Industrial Manufacturing Pacific (SIMPAC)	\$10,000
CONFIDENTIAL ITEM (resolution number 0784/2024 August 2024)	\$1,200,000
Salisbury Community Hub Facility & Safety Improvements - Budget conversion to align with nature of expenditure	\$50,000
Transfer Employee Costs within Business Excellence	\$84,750
Transfer from CEO Consulting Funds for Lower Greater Edinburgh Park Outfall Assessment	\$30,000
Transfer Insurance Premium budget from Field Services to Urban Recreation and Natural Assets	\$94,000
Transfer of Available Funds for Sports Lighting Audit	\$54,655
Transfer of Budget funds from Urban and Recreational Assets to Streetscapes and Open Assets	\$102,400
Transfer of funds for Communications and Marketing Advisor position from City Shaping to Community Experience (Linked to V2000781)	\$50,000
Transfer Operating Budget to Capital for Barker Road Pump Installation	\$10,900
Transfer Operating Budget to Capital for Seesaw Rocker at Laurence's Green	\$9,200

Transfer Streetscape Tree Planting \$183,000
Resourcing budgets

NB: If parts 1, 2, 3, 4 and 5 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of (\$6,796,200).

6. Approves the variation of Loan Borrowings to reflect the bids and transfers approved by Council detailed in parts 1 to 5 of this resolution.

NB: If parts 1 to 5 of this resolution are moved as recommended, loan borrowings in 2024/25 will increase by (\$6,796,200).

CARRIED

For Information

2.2.1 Council Finance Report - October 2024

Moved Mayor G Aldridge
Seconded Cr C Buchanan

That Council:

1. Notes the report.

CARRIED

QUESTIONS ON NOTICE

There were no Questions on Notice.

MOTIONS ON NOTICE

There were no Motions on Notice.

OTHER BUSINESS

(Question Without Notice, Motions Without Notice, CEO update)

There were no Other Business Items.

The meeting closed at 6.41pm.

CHAIRMAN.....

DATE.....

ITEM	2.1.1
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	17 February 2025
HEADING	Second Quarter Budget Review 2024/25
AUTHORS	Kate George, Manager Finance and Procurement Services, Business Excellence Joe Scordo, Senior Management Accountant, Business Excellence Brayden French, Assistant Accountant, Business Excellence
SUMMARY	This report provides a high-level summary of the financial impacts of the Budget Review contained in Attachment 1 and seeks Council's approval of associated budget review adjustments. The attachment provides an update on Council's delivery of both the operating and capital budgets through the program view and capital summary. It also provides valuable context to the budget review adjustments contained in this covering item.

RECOMMENDATIONThat Council:

1. Notes the 2024/25 Second Quarter Budget Review report.
2. Approves the budget variances identified in this review and contained in the Budget Variation Summary (Attachment 1, Item 2.1.1, Finance and Corporate Services Committee, 17 February 2025), and net capital and operating \$2,669,218 be credited to the Sundry Project Fund. This will bring the balance of the Sundry Projects Fund to \$2,669,218.
3. Approves the allocation of funding for the following non-discretionary net bids:

OPERATING

Community Grants 24/25	\$120,000
Confidential Item	\$50,000
Cost of Living Initiatives - Burton 2025	\$75,000
Little Para Landscape Structure Plan	\$120,000
Recreation Services Insurance Premiums	\$40,000
Youth Action Plan Initiatives 24/25	\$104,000

CAPITAL

BMX Upgrade Parafield Gardens Concept Development	\$100,000
Burton Community Hub New Door to Community Garden	\$100,000
Carisbrooke Northern Carpark Lighting	\$500,000
Codd Street Para Hills West Footpath Additional Expenditure Incurred	\$36,405
Minor Capital Works Grant Program	\$500,000
New Footpath Willochra Road, Salisbury Plain	\$100,000
Springbank Boulevard (inlet for the Kaurna Wetlands) aerator / fountain	\$100,000

TOTAL **\$1,945,405**

NB: If parts 1, 2 & 3 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of \$723,813.

4. Approves the allocation of funding for the following **Discretionary** net bids:

OPERATING

Materials & Supplies Dog Pound	\$10,000
Provision for WHS Initiatives	\$39,979
Salisbury Aquatic Centre Open Hours Extension	\$21,500

CAPITAL

City Centre Redevelopment	\$220,000
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TOTAL **\$291,479**

NB: If parts 1, 2, 3 & 4 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of \$432,334.

5. Approves the following budget timing adjustments which will result in a decrease in loan borrowings in the 2024/25 financial year and an increase in loan borrowings in the 2025/26 financial year:

Budget Adjustment to align with construction timing for Carisbrooke Park to Harry Bowey New Entrance Road	\$950,000
Budget Adjustment to align with expenditure for Happy Homes & Waterloo Corner Roads Entrance	\$200,000

TOTAL **\$1,150,000**

NB: If parts 1, 2, 3, 4 & 5 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of \$1,582,334.

6. Approves the following transfers:

Distribution of Growth Budget 2024/25	\$58,500
Reallocation of funds from Park Maintenance (Internal) Budget to Wetland and Native Landscape Budget	\$60,000
Salisbury Oval Cricket Practice Wicket Renewal	\$28,567
Transfer Department of Human Services (DHS) Grant Funding from Materials, Contracts and Other to Employee Costs	\$107,000
Transfer Employee Costs within Community Development	\$64,100
Transfer funds to Mawson Lakes Feature Landscape Works	\$80,000
Transfer funds to Road Safety Plan for Consultancy Costs	\$5,000
Transfer of Budget funds from Community Compliance Fire Prevention to Field Services Wetland and Native Landscape Maintenance	\$8,000
Transfer of cleaning budget	\$59,800

Transfer of Funds for Playspace Compliance Audits	\$120,000
Transfer of Legal Funds Budget from City Development Administration to Environmental Health	\$20,000
Transfer of Legal Funds budget from City Development Administration to Planning	\$35,000

NB: If parts 1, 2, 3, 4, 5 & 6 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of \$1,582,334.

7. Approves the variation of Loan Borrowings to reflect the bids and transfers approved by Council detailed in parts 1 to 6 of this resolution.

NB: If parts 1 to 6 of this resolution are moved as recommended, loan borrowings in 2024/25 will decrease by \$1,582,334.

ATTACHMENTS

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

- 2024/25 Second Quarter Budget Review Report

1. BACKGROUND

1.1 In accordance with Part 2 of the Local Government (Financial Management) Regulations 2011, Financial Accountability, the attached Second Quarter Budget Review for the financial year 2024/25 has been prepared.

2. CONSULTATION / COMMUNICATION

2.1 The processes of preparing the budget review requires extensive internal consultation to ensure that commentary reflects the operations of Council, and to identify funding needs, which typically have been subject of various Council reports leading up to the review.

3. REPORT

3.1 Council's financial position following the Second Quarter Budget Review remains an operating surplus, with a minor reduction from the First Quarter Budget Review position because of the allocations arising from new bids (Attachment 1, Section 2) included in this review.

3.2 The current forecast for the Operating Surplus / (Deficit) results in an operating surplus ratio within Council's financial targets.

3.3 The original 2024/25 budget was for an operating surplus of \$3,893, revised to a forecast surplus of \$3,919 following adoption of the 2024/25 first quarter budget review. The 2023/24 carry forwards budget is offset by the estimated 2024/25 carry forwards' budget. The revised forecast position, should Council approve the proposed 2024/25 second quarter budget review, decreases the forecast operating deficit endorsed at the first quarter budget review by \$561k to an operating surplus of \$3,358k.

Budget Bids

3.4 Budget Review Operating Bids total \$690k, and Capital Bids total \$6,462k. Most items requested have been subject to separate reports to Council with resolutions to refer to this budget review and are referenced within the bid details.

Borrowings and Net Financial Liabilities

3.5 Loan Borrowing requirements for 2024/25 were considered in September 2024. The original budget indicative net loan borrowings were \$16.9M. Additional facilities relating to 2023/24 of \$2.7M, and timing adjustments from 2023/24 of \$1.3M resulted in the establishment of new borrowing facilities of \$19.6M.

3.6 The outcome from First Quarter Budget Review variations was an increase in borrowing requirements of \$6,196k (resolution number 0790/2025). The loan borrowings position as proposed as part of the 2024/25 Second Quarter Review, should it be approved by Council, will result in a decrease in general borrowing requirements of \$1,582k, resulting in an indicative borrowings figure for the financial year of \$5,885k at the conclusion of Second Quarter.

Infrastructure Program

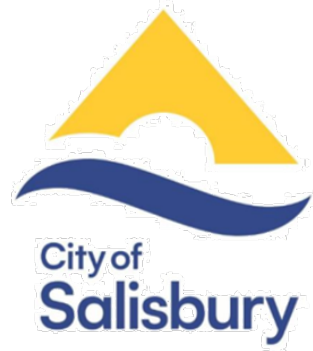
3.7 The original expenditure budget for the capital program was \$64.7M and has been increased through carry forward funds, budget timing adjustments, and changes resulting from grant funded projects to \$110.5M.

3.8 The table below provides percentage completed details, with further detail provided in Appendix 5 of Attachment 1.

		% of Original Budget (\$64.7M)	% of Revised Budget (\$110.5M)
Spent to Date	\$28.6M	44.2%	25.9%
Spend + Commitments	\$43.9M	67.9%	39.7%

4. CONCLUSION / PROPOSAL

4.1 It is proposed that Council considers the Second Quarter Budget Review 2024/25 Report attached and approves the Recommendations as detailed in Section 5 of the attached document and above.



**2024/25 SECOND QUARTER BUDGET REVIEW
REPORT**

**For the period ended
31 December 2024**

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1. Executive Summary

Council's financial position following the Second Quarter Budget Review remains an operating surplus, with a \$561k reduction from the First Quarter Budget Review position as a result of the allocations arising from new bids (Section 2) included in this review.

The Budget Review is a legislative requirement under Part 9 of the Local Government (Financial Management) Regulations 2011, and Council's approach to managing its budget throughout the year has been set within the Treasury Policy, Part E – Policy Statement, paragraph 1.2:

Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:

- *Maintain target ranges for its Net Financial Liabilities ratio;*
- *Generally, only borrow funds when it needs cash and not specifically for particular projects;*
- *Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.*

Budget Review Process/Funding Requests Arising throughout the financial year

- *Apply surplus contained within the Sundry Projects Fund, following adjustments for variations to existing estimates, to a reduction in borrowings.*
- *To ensure ongoing financial sustainability and appropriate deliberation of arising matters, it is imperative that wherever possible any new bids/projects arising through the year are to be referred to the budget process for the subsequent year as this enables Council to consider the merits of these proposals with all other bids/projects.*
- *To be considered for funding during the year the project must be urgent or advantageous to Council, and where possible Council should consider options for cancelling or deferring existing projects to enable funds to be made available. It should be considered a last resort to add to the program and increase borrowings as this does not enable Council to consider the merits of the specific project in light of all other proposed projects.*
- *From time to time a matter may be referred to the next quarterly budget review as a 'Non-discretionary Budget Review Bid'. This mechanism is only to be used when funds must be expended without delay, and consequently should be regarded as an extraordinary situation or advantageous to Council.*

This policy position has been set to strike a balance between being responsive to emerging issues and ensuring that budget Financial Targets are achieved.

Financial Sustainability Targets

Council commenced 2024/25 with a budgeted operating surplus of \$3,893k. Should Council approve the recommendations of the Second Quarter Budget Review, the forecast operating surplus will decrease to \$3,358k. The current forecast position with respect to the financial sustainability indicators is detailed in the table below.

	Target	Budget	Current Forecast
Operating Surplus		3,893	3,358
Operating Surplus Ratio	0.5%-5%	2.44%	2.08%
Net Financial Liabilities	<70%	59.43%	56.65%
Asset Renewal Funding Ratio	90%-110%	100%	138%

Note: The Current Forecast includes Operating Carry Forwards from 2023/24 into the 2024/25 financial year of \$2.9M, noting that estimated Operating Carry Forwards of \$4.2M from 2024/25 into the 2025/26 financial year have also been reflected in the Forecast Operating Surplus.

The decline in operating position results from a number of budget changes from the first two quarters. Significant adjustments this financial year include 2023/24 Operating Carry Forward Funds \$2,919k.

The current forecast for the Operating Surplus / (Deficit) results in an operating surplus ratio within Council’s financial targets. The current forecast for the Asset Renewal Funding Ratio is a result of Prior Year Carry Forward Funds for the infrastructure program, indicating an increase in renewal expenditure for the current program.

Consolidated Funding Statement

This statement (expanded upon in Section 3.3) details the movement between the original budget and Council’s budget position following the adoption of this review:

2024/25 Operating Budget Forecast	\$'000
Original Budgeted Operating Surplus	3,893
2023/24 Operating Carry Forward Funds	(2,919)
2024/25 Operating Carry Forward Funds - Estimated	4,200
First Quarter Budget Review Adjustments	(1,255)
Second Quarter Budget Review Adjustments	(561)
Forecast Operating Surplus/(Deficit)	3,358

The operating budget surplus forecast is \$3,358k following adoption of this review, inclusive of estimated 2024/25 carry forwards of \$4,200k.

The operating surplus is adversely impacted by the carry forward of prior year projects of \$2,919k into the current year. These projects were funded in last year’s operating budget and are being spent during 2024/25. Similarly, our estimate is there will be carry forwards of \$4,200k from this year into 2025/26, based on historical carry forward amounts over the past 5 years.

Capital Works Program

The Capital Program spend to date is \$28.6M or 25.9% of the revised capital budget of \$110.4M. A further \$15.2M of expenditure is committed at the conclusion of the second quarter, bringing total expenditure and commitment to \$43.9M or 39.7% of the revised budget.

Detailed analysis of the capital program and the status of individual projects are contained within Appendix 5.

Sundry Projects Fund

The overall impact of budget adjustments proposed in this review total a favourable \$1.6M, comprised of favourable operating and capital budget variations of \$2.7M as detailed in Appendix 1, allocations arising from net bids of \$2.2M contained in Section 2 of this review, and budget timing adjustments of \$1.2M as outlined in Appendix 2.

Loan Borrowings / Investments

Loan borrowing requirements for 2024/25 were considered in September 2024, with the original budget indicating net loan borrowings of \$16.9M and surplus facilities from 2023/24 of \$2.7M. This resulted in approved facilities of \$19.6M to support the delivery of the 2024/25 Budget (resolution number 0734/2024). These facilities have not yet been established and will be utilised as required.

The outcome from First Quarter Budget Review was an increase in borrowing requirements of \$6.2M (resolution number 0790/2025). As a result of Second Quarter budget variations contained in Appendix 1, new bids detailed in Section 2, and budget timing adjustments outlined in Appendix 2, general borrowing requirements will decrease by \$1.6M, resulting in an indicative net borrowings figure for the financial year of \$5.9M at the conclusion of Second Quarter. Further details are contained in Section 4 of this review.

2. New Bid Proposals

New/Additional Capital Bids	Expenditure	Funding	Net Bid
NON DISCRETIONARY - CAPITAL BIDS			
BMX Upgrade Parafield Gardens Concept Development			
NB0821 Engagement of a consultant to develop a cost estimate and concept plan for an upgrade of the BMX track adjacent to the Parafield Gardens Recreation Centre for subsequent community engagement. (resolution number 0794/2024 November 2024)	100,000	0	100,000
Burton Community Hub New Door to Community Garden			
NB0820 Installation of a new doorway from the Burton Community Hub to the community garden and workshop. (resolution number 0783/2024 October 2024)	100,000	0	100,000
Carisbrooke Northern Carpark Lighting			
NB0832 Supply and install lighting at the northern carpark of Carisbrooke Park, Salisbury Park, with work to be completed in conjunction with carpark renewal works commencing March 2025. (resolution number 0816/2024 December 2024)	500,000	0	500,000
Codd Street Para Hills West Footpath Additional Expenditure Incurred			
NB0836 Additional funding to cover the asphalt path expenditure incurred due to issues with path renewal within PR27067 Paddocks / Codd Street Asphalt Path Renewal. (resolution number 0814/2024 December 2024)	36,405	0	36,405
Minor Capital Works Grant Program			
NB0858 Additional budget provision to allow 4 more grants to be awarded this financial year. (resolution number 0795/2024 November 2024)	500,000	0	500,000
New Footpath Willochra Road, Salisbury Plain			
NB0834 Construct a new footpath on Willochra Road, Salisbury Plain, between Paraway Road and Saints Road. (resolution number 0814/2024 December 2024)	100,000	0	100,000
Springbank Boulevard (inlet for the Kaurna Wetlands) aerator / fountain			
NB0819 Install aerator and / or fountain at Springbank Boulevard (inlet for the Kaurna Wetlands) following completion of detailed design. (resolution number 0764/2024 October 2024)	100,000	0	100,000
TOTAL - NON DISCRETIONARY - CAPITAL BIDS	1,436,405	0	1,436,405
New/Additional Capital Bids	Expenditure	Funding	Net Bid
DISCRETIONARY - CAPITAL BIDS			
City Centre Redevelopment			
NB0843 Budget provision for the engagement of consultants to advise on waste, traffic management, commercial, legal and design review services specifically for the city centre.	220,000	0	220,000
TOTAL - DISCRETIONARY - CAPITAL BIDS	220,000	0	220,000
TOTAL CAPITAL BIDS	1,656,405	0	1,656,405

New/Additional Operating Bids	Expenditure	Funding	Net Bid	
NON DISCRETIONARY - OPERATING BIDS				
Community Grants 24/25				
NB0848	Increased funding for the Community Development Grant Program taking the total budget for 2024/25 to \$375,000. (resolution number 0795/2024 November 2024)	120,000	0	120,000
Confidential Item				
NB0874	Confidential (resolution number 0819/2025 January 2025)	50,000	0	50,000
Cost of Living Initiatives - Burton 2025				
NB0846	Funding of the "Hive – Community Resource Hub" at Burton Community Hub, which will be Council's major additional response to the cost-of-living crisis, providing a central point for people to gather information, build their capacity, develop connections and access resources and relief with specific focus on household costs, financial wellbeing and food insecurity. (resolution number 0783/2024 October 2024)	75,000	0	75,000
Little Para Landscape Structure Plan				
NB0844	Funding to enable the preparation of the Little Para Landscape Structure Plan. (resolution number 0814/2024 December 2024)	120,000	0	120,000
Recreation Services Insurance Premiums				
NB0829	Higher than forecasted insurance premiums associated with the Salisbury Aquatic Centre and strata insurance for the Ingle Farm Recreation Centre.	40,000	0	40,000
Youth Action Plan Initiatives 24/25				
NB0845	Youth Action Plan 2024 - 27 initiatives, including the Sonder Pilot Program, Resonate Music Program, Youth Summit and Period Poverty Projects. (resolution number 0768/2024 October 2024)	104,000	0	104,000
TOTAL - NON DISCRETIONARY - OPERATING BIDS		509,000	0	509,000

New/Additional Operating Bids	Expenditure	Funding	Net Bid	
DISCRETIONARY - OPERATING BIDS				
Materials & Supplies Dog Pound				
NB0857	Increased expenditure for consumable Pound supplies resulting from operational needs for the Pound and long-term holding of dogs.	10,000	0	10,000
Provision for WHS Initiatives				
NB0870	Council has recently received a Special Distribution of \$39,979 from the Mutual Liability Scheme in relation to Risk (per Appendix 1). It is proposed these funds are used to aid the prevention of workplace hazards, the development of systems supporting the prevention and reporting of work health and safety and implementation of emergency management measures, with the Executive Group to determine the specific improvements to be implemented.	39,979	0	39,979
Salisbury Aquatic Centre Open Hours Extension				
NB0866	Additional cost of extending opening hours for the Salisbury Aquatic Centre water slide and splash pad, indoor and outdoor pool and change facilities and administration centre. This aids in getting people to exit and the process to clean, check and close plant as a staged closure process. Additional security services for Australia Day 2025.	21,500	0	21,500
TOTAL - DISCRETIONARY - OPERATING BIDS		71,479	0	71,479
TOTAL OPERATING BIDS		580,479	0	580,479

3. Budget Review

3.1 Policy and Context

The Budget Review is a legislative requirement under Part 9 of the Local Government (Financial Management) Regulations 2011, and Council's approach to managing its budget throughout the year has been set within the Treasury Policy, Part E – Policy Statement, paragraph 1.2:

- 1.2 Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:
- Maintain target ranges for its Net Financial Liabilities ratio;
 - Generally, only borrow funds when it needs cash and not specifically for particular projects;
 - Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.
 - Apply surplus contained within the Sundry Projects Fund, following adjustments for variations to existing estimates, to a reduction in borrowings. Any new bids/projects arising through the year are to be referred to the budget planning process for the subsequent year, unless they are of sufficient urgency, in which case Council may finance such projects by reducing/cancelling an existing budgeted project or approving an increase to the borrowing requirement.

3.2 Sundry Projects Fund

The Sundry Projects Fund (SPF) represents a mechanism for dealing with budget variations and urgent bids. Its balance represents the projected surplus for the year, but it must be remembered that there are variations through the budget and the final result will be a combination of the SPF and these other variations. The status of the SPF as a result of this review is represented below:

	\$
Original Budget 1 July 2024	
Additions:	
First Quarter Budget Review (Resolution 0790/2024)	956,600
Allocations:	
First Quarter Budget Review (Resolution 0790/2024)	(7,152,800)
Impact on Loan Borrowings:	
Increase in borrowings - First Quarter Budget Review (Resolution 0790/2024)	6,196,200
Balance prior to the consideration of bids	-
Recommendations – Second Quarter Budget Review:	
Variations to Sundry Projects Fund – Appendix 1 Budget Variation Summary (Recommendation 2)	
Operating Variations	569,979
Capital Variations	2,099,239
Balance after Variations to the Sundry Projects Funds	2,669,218
Allocations arising from bids contained in Section 2	(2,236,884)
Budget Timing Adjustments (Appendix 2)	1,150,000
Movements in General Loan Borrowings / Investments:	
Decrease in Borrowings due to bids, Operating & Capital Variations and Timing Adjustments	(1,582,334)
Net Movements in General Loan Borrowings	(1,582,334)
Balance Remaining	-

The net favourable operating and capital budget variations of \$2,669k (detailed in Appendix 1), and allocations arising from net bids of \$2,237k contained in Section 2 of this review, and retiming of capital expenditure projects totalling \$1,150k (detailed in Appendix 2), result in a decrease in indicative borrowings of \$1,582k, as detailed in Section 4. It should be noted that timing adjusted projects will require funding in the 2025/26 financial year, and so the impact on borrowings is effectively a timing adjustment as well.

3.3 Consolidated Funding Statement

Consolidated Funding Statement	Second Quarter Revised Budget 2024/25	Original Budget 2024/25
	\$000's	\$000's
PART 1 - OPERATING		
Operating Revenue - Original Budget	159,271	159,271
First Quarter Budget Review Adjustments	864	
Proposed Adjustments:		
Operating Income Gains (Appendix 1)	605	
Operating Income Losses (Appendix 1)	(35)	
Operating Income Nil Effect Variations (Appendix 1)	317	
Developer Contributions	60	
Operating Revenue	161,081	159,271
Operating Expenditure - Original Budget	155,377	155,377
First Quarter Budget Review Adjustments	5,038	
Proposed Adjustments:		
Operating Expenditure Nil Effect Variations (Appendix 1)	317	
Operating New Bids (Considered as part of this Review)	580	
Transfers from Capital	18	
Transfers to Capital	(149)	
Transfers from Business Transformation Future Fund (BTFF)	741	
Operating Expenditure	161,923	155,377
Estimated 2024/25 Operating Carry Forwards	4,200	
Operating Surplus/(Deficit)	3,358	3,893
PART 2 - CAPITAL AND OTHER ADJUSTMENTS		
Capital Revenue - Original Budget	7,248	7,248
First Quarter Budget Review Adjustments	(239)	
Proposed Adjustments:		
Capital Income Nil Effect Variations (Appendix 1)	(271)	
Capital Revenue	6,739	7,248
Net Surplus/(Deficit) Resulting From Operations	10,097	11,142
Capital Expenditure - Original Budget	64,683	64,683
First Quarter Budget Review Adjustments	42,137	
Proposed Adjustments:		
Capital Expenditure Savings (Appendix 1)	(2,099)	
Capital New Bids (Considered as part of this Review)	1,656	
Capital Expenditure Nil Effect Variations (Appendix 1)	(271)	
Capital Expenditure Retimed (Appendix 2)	(1,150)	
Transfers to Operating	(18)	
Transfers from Operating	149	
Capital Expenditure	105,087	64,683
Principal Repayments	(1,504)	(1,504)
Net Transfers to and from Reserves	2,858	(206)
NAWMA Equity Adjustment	681	681
Prior Year Carry Forward Funds	36,700	
Estimated Current Year Operating Carry Forward Funds	(4,200)	
Add Back Depreciation of Non Current Assets	37,697	37,697
Cash Surplus/(Deficit/Borrowings)	(22,759)	(16,874)
Facilities Applied	16,874	
Proposed / Investment Balance/(Loan Borrowings)	(5,885)	(16,874)

The Consolidated Funding Statement (CFS) provides a comparison between the original budget and the revised position should this review be adopted. The statement identifies the projected Operating Surplus / (Deficit) which is a primary indicator of financial sustainability. The original budget was for an operating surplus of \$3,893k, revised to a forecast surplus of \$3,919k following the adoption of the 2024/25 First Quarter Review. The forecast position, should Council endorse the proposed 2024/25 Second Quarter Review, is a decrease in operating surplus of \$561k to a total operating surplus of \$3,358k.

This year’s operating budget has been impacted by 2023/24 carry forward of \$2,919k as reflected in the First Quarter Review, which is more than offset by our estimate of 2024/25 operating carry forward projects of \$4,200k.

Second Quarter Budget Review adjustments totalling unfavourable \$561k, incorporating variations and new operating bids result in a forecast operating surplus of \$3,358k. A reconciliation of the changes to Council’s budgeted operating surplus / (deficit) is shown below.

2024/25 Operating Budget Forecast	\$'000
Original Budgeted Operating Surplus	3,893
2023/24 Operating Carry Forward Funds	(2,919)
2024/25 Operating Carry Forward Funds - Estimated	4,200
First Quarter Budget Review Adjustments	(1,255)
Second Quarter Budget Review Adjustments	(561)
Forecast Operating Surplus/(Deficit)	3,358

The Consolidated Funding Statement also provides a summary of changes to capital income and capital expenditure with other impacts on cash also considered, to arrive at the overall projected borrowings / investment balance. If this budget review is endorsed, the increase in borrowing requirements from the original budget position will be \$5,885k.

3.4 Transfer of Funds – Chief Executive Officer Delegation

The Wages and Salaries Provision has a balance of \$222k as at 31 December 2024. This balance includes wages and salaries savings identified, and allocations made from the provision as authorised by the CEO during the first and second quarter of 2024/25. At this time a total of \$1,220k has been allocated to the Provision with a total of \$998k allocated from the provision to provide funding for various roles across the organisation to meet short term resourcing requirements and organisational matters.

3.5 Business Transformation Future Fund Transfers

The Business Transformation Future Fund (BTFF) has a balance of \$804k at the conclusion of the second quarter 2024/25. Transfers from the BTFF in accordance with resolution number 0724/2024, August 2024, during the first quarter totalled \$1,507k, with \$309k allocated to Business Transformation employee costs for the period 1 July 2024 to 30 September 2024, and \$1,149k allocated to the Enterprise Resource Planning (ERP) project budget. Additionally, in accordance with resolution number 0687/2024, April 2024, the CEO has delegated authority to allocate funding of up to \$100k per quarter from the BTFF to fund project software licences and other project costs to ensure the delivery of Project Connect. This authority has been exercised in the first quarter 2024/25 to allocate \$50k from the BTFF to Project Connect for consulting services necessary to deliver the training required to implement the new information assets (Objective) system. Transfers from the BTFF in accordance with resolution number 0724/2024, August 2024, during the second quarter totalled \$729k, with this amount allocated to Business Transformation employee costs.

3.6 Transfer of Funds Requests

It is proposed that the following transfer of budgets be incorporated as part of this review:

Item	Details	Transfer Amount
Transfer of Funds Requests		
	Distribution of Growth Budget 2024/25	
TR0872	Disbursement of City Growth funds to the relevant areas with \$20,000 being distributed to playground maintenance and \$38,500 being distributed to reserve maintenance.	58,500
	Reallocation of funds from Park Maintenance (Internal) Budget to Wetland and Native Landscape Budget	
TR0865	Reallocation of funds from Park Maintenance to Wetland and Native Landscape to provide sufficient budget for the Wetland and Native Landscape program.	60,000
	Salisbury Oval Cricket Practice Wicket Renewal	
TR0835	Transfer of the associated operating budget to capital for PR27949 Practice Cricket Wicket Synthetic Turf Renewal which was completed at Salisbury Oval. (resolution number 0814/2024 December 2024)	28,567
	Transfer Department of Human Services (DHS) Grant Funding from Materials, Contracts and Other to Employee Costs	
TR0863	Transfer of existing DHS Grant Funding from Materials, Contracts and Other to Employee Costs to enable the delivery of the program.	107,000
	Transfer Employee Costs within Community Development	
TR0867	Transfer of Employee Costs from Salisbury Memorial Park to Recreation and Events to align with current department structure.	64,100
	Transfer funds to Mawson Lakes Feature Landscape Works	
TR0842	Transfer of \$40,000 of available funding from PR31184 Ascot Drive Reserve New Irrigation, together with a \$40,000 of available funding from PR31203 Coogee Avenue Reserve Irrigated Green Space, to PR17103 SAMP Feature Landscapes Service Continuity Program to provide the required budget funding to complete a section of feature landscape along the southern edge of Sir Douglas Mawson Lakes Reserve, Mawson Lakes. (resolution number 0814/2024 December 2024)	80,000
	Transfer funds to Road Safety Plan for Consultancy Costs	
TR0825	Transfer of available budget funds from SAMP Investigation, Plan and Design for Future Works to Road Safety Project Plan to cover additional consultancy costs incurred. (resolution number 0793/2024 November 2024)	5,000
	Transfer of Budget funds from Community Compliance Fire Prevention to Field Services Wetland and Native Landscape Maintenance	
TR0864	Transfer of budget to the Field Services Wetland and Native Landscape program due to the redistribution of responsibility for this service.	8,000
	Transfer of cleaning budget	
TR0828	Budget correction from Maintenance Community Centres to Building Maintenance Community Centres.	59,800
	Transfer of Funds for Playspace Compliance Audits	
TR0853	Transferring the Level 3 compliance audits original budget from operating budget within Field Services to capital budget within Urban Recreation and Natural Resources.	120,000
	Transfer of Legal Funds Budget from City Development Administration to Environmental Health	
TR0869	Legal costs have increased due to unplanned legal advice for several public health notices and action under the Local Nuisance and Litter Control Act 2016 for enforcement action. Accordingly, transfer of available Legal Funds Budget from City Development Administration to Environmental Health Legal Budget.	20,000
	Transfer of Legal Funds budget from City Development Administration to Planning	
TR0850	Transfer of Legal Funds budget from City Development Administration to Planning Legal budget.	35,000

4. Loan Borrowings/Investments and Reserves

Details of the movement in the current year investments / borrowings:

	\$
Original Budget 1 July 2024	
Net Borrowings / (Investment)	16,874,000
Reinstate Timing Adjustments Projects	1,271,000
Borrowing Requirements Q3 Budget Review 2023/24 (Finance and Corporate Services - September 2024)	2,740,000
Budgeted Cash Advance Debenture Facilities (Finance and Corporate Services - September 2024)	(19,614,000)
Net Borrowings / (Investment) at September 2024	1,271,000
First Quarter Budget Review 2024/25	
Variation to General Borrowing Requirements resolved 0790/2025	6,196,200
Second Quarter Budget Review 2024/25	
Variation to General Borrowing Requirements recommended	(1,582,334)
Revised Increase / (Decrease) in Borrowing Requirements	4,613,866
Net Borrowings / (Investment) at conclusion of Second Quarter	5,884,866

Loan borrowing requirements for 2024/25 were considered in September 2024, with the original budget indicating net loan borrowings of \$16.9M and surplus facilities from 2023/24 of \$2.7M. This resulted in approved facilities of \$19.6M to support the delivery of the 2024/25 Budget (resolution number 0734/2024). These facilities have not yet been established and will be utilised as required.

The outcome from First Quarter Budget Review variations was an increase in borrowing requirements of \$6,196k (resolution number 0790/2025).

The loan borrowings position as proposed as part of the 2024/25 Second Quarter Review, should it be approved by Council, will result in a decrease in general borrowing requirements of \$1,582k, resulting in an indicative borrowings figure for the financial year of \$5,885k at the conclusion of Second Quarter.

Reserves

	Year to Date Actual \$000's	Full Year	
		Rev. Bud \$000's	Orig. Bud \$000's
Transfers to Reserves	841	841	0
Transfers from Reserves	3,604	3,163	206
Total	(2,763)	(2,322)	(206)

The table above summarises movements within Council's Reserve Accounts, e.g. Business Transformation Future Fund, Public Infrastructure and Developments, Open Space, Property Disposals etc., and are in line with budget expectations. Details of balances of Reserves are contained in Finance Reports presented periodically throughout the year to Finance and Corporate Services Committee, with the reporting cycle typically the same as for the budget review. The Year to Date Budget represents the Full Year Revised Budget, although the funds will be transferred from the Reserves when required by individual projects

5. Recommendations

That Council:

1. Notes the 2024/25 Second Quarter Budget Review report.
2. Approves the budget variances identified in this review and contained in the Budget Variation Summary (Appendix 1), and net capital and operating \$2,669,218 be credited to the Sundry Project Fund. This will bring the balance of the Sundry Projects Fund to \$2,669,218.
3. Approves the allocation of funding for the following **non-discretionary** net bids:

OPERATING

Community Grants 24/25	\$120,000
Confidential Item	\$50,000
Cost of Living Initiatives - Burton 2025	\$75,000
Little Para Landscape Structure Plan	\$120,000
Recreation Services Insurance Premiums	\$40,000
Youth Action Plan Initiatives 24/25	\$104,000

CAPITAL

BMX Upgrade Parafield Gardens Concept Development	\$100,000
Burton Community Hub New Door to Community Garden	\$100,000
Carisbrooke Northern Carpark Lighting	\$500,000
Codd Street Para Hills West Footpath Additional Expenditure Incurred	\$36,405
Minor Capital Works Grant Program	\$500,000
New Footpath Willochra Road, Salisbury Plain	\$100,000
Springbank Boulevard (inlet for the Kaurna Wetlands) aerator / fountain	\$100,000

TOTAL **\$1,945,405**

NB: If parts 1, 2 & 3 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of \$723,813.

4. Approves the allocation of funding for the following **Discretionary** net bids:

OPERATING

Materials & Supplies Dog Pound	\$10,000
Provision for WHS Initiatives	\$39,979
Salisbury Aquatic Centre Open Hours Extension	\$21,500

CAPITAL

City Centre Redevelopment	\$220,000
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TOTAL **\$291,479**

NB: If parts 1, 2, 3 & 4 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of \$432,334.

5. Approves the following budget timing adjustments which will result in a decrease in loan borrowings in the 2024/25 financial year and an increase in loan borrowings in the 2025/26 financial year:

Budget Adjustment to align with construction timing for Carisbrooke Park to Harry Bowey New Entrance Road	\$950,000
Budget Adjustment to align with expenditure for Happy Homes & Waterloo Corner Roads Entrance	\$200,000

NB: If parts 1, 2, 3, 4, & 5 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of \$1,582,334.

6. Approves the following transfers:

Distribution of Growth Budget 2024/25	\$58,500
Reallocation of funds from Park Maintenance (Internal) Budget to Wetland and Native Landscape Budget	\$60,000
Salisbury Oval Cricket Practice Wicket Renewal	\$28,567
Transfer Department of Human Services (DHS) Grant Funding from Materials, Contracts and Other to Employee Costs	\$107,000
Transfer Employee Costs within Community Development	\$64,100
Transfer funds to Mawson Lakes Feature Landscape Works	\$80,000
Transfer funds to Road Safety Plan for Consultancy Costs	\$5,000
Transfer of Budget funds from Community Compliance Fire Prevention to Field Services Wetland and Native Landscape Maintenance	\$8,000
Transfer of cleaning budget	\$59,800
Transfer of Funds for Playspace Compliance Audits	\$120,000
Transfer of Legal Funds Budget from City Development Administration to Environmental Health	\$20,000
Transfer of Legal Funds budget from City Development Administration to Planning	\$35,000

NB: If parts 1, 2, 3, 4, 5 & 6 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to a balance of \$1,582,334.

7. Approves the variation of Loan Borrowings to reflect the bids and transfers approved by Council detailed in parts 1 to 6 of this resolution.

NB: If parts 1 to 6 of this resolution are moved as recommended, loan borrowings in 2024/25 will decrease by \$1,582,334.

Appendix 1 – Budget Variation Summary as at 31 December 2024

Item	Details	Expense Increase/ (Decrease)	Revenue Increase/ (Decrease)	Net Increase/ (Decrease)
			<i>Includes Expenditure Recoveries</i>	<i>Sundry Projects Fund</i>
OPERATING VARIATIONS				
Income Gains				
IG0847	Community Centre Hall Hire		48,000	48,000
IG0827	Insurance Claim Proceeds		87,000	87,000
IG0851	Local Government Association (LGA) Workers Compensation Scheme - Special Distribution Funds		39,979	39,979
IG0868	Planning Income declaration		50,000	50,000
IG0871	Roads to Recovery Income Gain 2024/25		380,000	380,000
	Total Income Gains		604,979	604,979
Income Losses				
IL0855	Food Premises Inspection Fees		(25,000)	(25,000)
IL0831	Senior's Centres Membership Fee Removal (resolution number 0795/2024 November 2024)		(10,000)	(10,000)
	Total Income Losses	0	(35,000)	(35,000)
Adjustments - Nil Effect				
NG0826	Australia Day Grant 2025	10,000	10,000	0
NG0830	Care Finder Funding	26,200	26,200	0
NG0862	Community Centre Hall Hire	17,000	17,000	0
NG0852	Local Government Association Mutual Liability Scheme (LGAMLS) Risk Incentive Funding - Systems Integration for Training Compliance Data Reporting	9,720	9,720	0
NG0861	Recreation Services Utility Reimbursement ****	181,500	181,500	0
NG0859	Security Charges Reimbursements	10,000	10,000	0
NG0873	Small Business Fundamentals Grant ****	50,000	50,000	0
NG0854	Women in Business Networking Grant and related Expenses	12,500	12,500	0
	Total Nil Effect Adjustments	316,920	316,920	0
	Net Impact to Operating Result - Transfer to Sundry Projects Fund	316,920	886,899	569,979
**** Adjustments to budgets already processed.				
Item	Details	Expense Increase/ (Decrease)	Revenue Increase/ (Decrease)	Net Increase/ (Decrease)
			<i>Includes Expenditure Recoveries</i>	<i>Sundry Projects Fund</i>
CAPITAL VARIATIONS				
Expenditure Savings				
ES0840	Adams Oval Change Facility (resolution number 0814/2024 December 2024)	(500,000)		500,000
ES0838	Lindblom Park Change Facility (resolution number 0814/2024 December 2024)	(1,200,000)		1,200,000
ES0824	Resource Recovery Park project (resolution number 0793/2024 November 2024)	(149,239)		149,239
ES0841	SAMP Fleet Renewal Program (resolution number 0814/2024 December 2024)	(250,000)		250,000
	Total Expenditure Savings	(2,099,239)		2,099,239
Adjustments - Nil Effect				
NL0823	Qty Wide Trails Grant Funding (resolution number 0793/2024 November 2024)	(300,000)	(300,000)	0
NG0822	Minor Capital Works Grant (resolution number 0793/2024 November 2024)	29,074	29,074	0
	Total Nil Effect Adjustments	(270,926)	(270,926)	0
	Net Impact to Capital Program	(2,370,165)	(270,926)	2,099,239
Transfer To / (From) Sundry Project Fund				2,669,218
**** Adjustments to budgets already processed.				

Appendix 2 – Capital Budget Timing Adjustments

Policy Statement

There are projects that are funded in the current year budget that are unable to be progressed in the timeframes originally planned due to external factors, including but not limited to delays in external funding approvals, negotiations with third parties, community consultation and development approval processes. It is important that the Community is aware of the status of these projects which are included in Appendix 5 Capital Expenditure Report. The table below summarises timing differences resulting from external factors for the purposes of adjusting the current year and future years' budget. These changes are also reflected in our cash requirements through a reduction in borrowings in the current year and will then be funded in future years.

Item	Details	Revised Budget	Budget Timing Adjustment
Capital Budget Timing Adjustments			
Transportation			
Budget Adjustment to align with construction timing for Carisbrooke Park to Harry Bowey New Entrance Road			
BT0837	Ongoing negotiations with the current lease holder will delay the commencement of works for PR27700 Carisbrooke to Harry Bowey New Entrance Roadway. A budget timing adjustment of \$950,000 is required to re-align the budget from 2024/25 to 2025/26.	2,500,000	950,000
Budget Adjustment to align with expenditure for Happy Homes & Waterloo Corner Roads Entrance			
BT0839	Further engagement and approvals with the Department of Infrastructure and Transport (DIT) and South Australian Power Networks (SAPN) has resulted in the delay of the commencement of PR31131 Happy Homes New Entry Road. A budget timing adjustment of \$200,000 is required to re-align the budget from 2024/25 to 2025/26.	1,240,411	200,000

Appendix 3 – Statement of Comprehensive Income

	Year to Date			Full Year	
	Actual \$000's	Rev Budget \$000's	Variance \$000's	Rev Budget \$000's	Orig Budget \$000's
INCOME					
Rates	131,913	131,185	728	131,330	131,330
Statutory Charges	2,466	2,214	251	3,525	3,510
User Charges	2,903	2,769	134	6,307	6,312
Grants, Subsidies & Contributions	15,146	14,740	406	17,365	16,621
Investment Income	204	49	155	80	80
Reimbursement	582	494	88	764	364
Other Revenue	716	568	147	1,054	1,054
Total Income	153,929	152,019	1,909	160,426	159,271
EXPENSES					
Employee Costs	23,708	24,341	634	47,913	46,843
Materials, Contracts and Other Expenses	34,544	32,917	(1,626)	72,743	67,784
Finance Costs	135	469	335	2,372	2,372
Depreciation, amortisation & impairment	18,797	18,801	4	37,697	37,697
Share of Loss-Joint Ventures & Associates	0	0	0	681	681
Total Expenses	77,183	76,529	(654)	161,406	155,377
Operating Surplus/(Deficit) before Capital Amounts	76,746	75,491	1,255	(980)	3,893
Net gain (loss) on disposal or revaluation of assets	216	215	1	802	802
Amounts specifically for new or upgraded assets	7,047	6,241	806	6,241	6,241
Physical resources received free of charge	0	0	0	1,000	1,000
Other Comprehensive Income	0	0	0	0	0
Total Comprehensive Income	84,009	81,946	2,063	7,062	11,936

Note: - The above Statement of Comprehensive Income does not include the budget adjustments recommended within this Budget Review, however these adjustments have been reflected in the revised Financial Statements as contained within Appendix 8 Budgeted Financial Statements.

Commentary – Statement of Comprehensive Income

Year to Date: Actual compared to Revised Budget

The commentary on the Statutory Report is designed to explain variations greater than \$50k. No actions are required as, where necessary, they are dealt with elsewhere in the report.

Revenue

Rates – Favourable Variance \$728k

Rate revenue is favourable with higher rate revenue generated than budgeted through additional growth and adjustments to capital valuations.

Statutory Charges – Favourable Variance \$251k

The favourable variance in Statutory Charges revenue is due to Town Planning Fees (PDI Act Planning Application Fees) \$118k, with an income gain of \$50k declared as part of this review, refer IG0868, attributed to an increase in lodgements ahead of the construction code changes commencing October 1, 2024, noting the volume of applications has declined following the deadline and Development Fees (Planning, Development and Infrastructure (PDI) Act) from the Building Rules Certification Unit \$86k.

User Charges – Favourable Variance \$134k

The favourable variance in User Charges revenue is primarily from a favourable variance for Non-Residential Water Sales \$83k due to below average rainfall year to date. A favourable variance for Hall Hire Fees \$40k also contributes, with an income gain declared for the Second Quarter Budget Review at Appendix 1 for Community Centre Hire, refer IG0847, \$65k.

Grants, Subsidies & Contributions - Favourable Variance \$406k

The favourable variance is mostly related to higher than budgeted 2024/25 Roads to Recovery Grant Funding received from Department of Infrastructure and Transport (DIT), refer IG0871 (Appendix 1), Roads to Recovery Income Gain 2024/25, \$380k.

Investment Income – Favourable Variance \$155k

Investment income is favourable with higher levels of cash held during the financial year because of the timing of cash outflows for the infrastructure program.

Reimbursement – Favourable Variance \$88k

The favourable variance for Reimbursements consists of funds received from the Local Government Association Workers Compensation Scheme (LGAWCS) for system integration training initiatives, refer NG0852 (Appendix 1), \$10k; reimbursements received for security services provided, refer NG0859, \$10k; and other minor variances.

Other Revenue – Favourable Variance \$147k

The favourable variance for Other Revenue relates to \$40k received from the Local Government Association Workers Compensation Scheme for the 2023/24 Special Distribution, refer NG0851; and \$87k of Insurance Claims reimbursements received during 2024/25 for expenditure that occurred during 2023/24, refer NG0827.

Expenditure**Employee Costs - Favourable Variance \$634k**

The Employee Cost favourable variance at second quarter is \$634k, with vacant positions across the organisation contributing \$1,034k to this variance, and this reduced by unfavourable variances in overtime expenditure \$155k, unbudgeted COVID-19 Special Leave of \$60k and capitalised staff costs, which are \$292k unfavourable due to the under recovery of capital costs compared to budget, resulting from the timing of delivery for the capital infrastructure program. Agency expenditure (reported in Materials, Contract & Other) of \$1,096k has been incurred for staff engaged to backfill vacancies.

Materials, Contracts and Other Expenses - Unfavourable Variance \$1,626k

Materials, Contracts and Other Expenses is \$1,626k unfavourable at the conclusion of second quarter 2024/25. The unfavourable variance is comprised of Wages & Salaries – Agency \$1,096k and Additional Hours \$49k associated with the backfilling of vacant positions and are offset by savings in employee costs as detailed above. Other contributors to the unfavourable variance include, Insurance Premiums \$135k, refer NB0829; and Contractual Services \$287k for the Road Reseal Kerb and Gutter Replacement Program which is under review with any associated variations to be included in the third quarter review following completion of the program of works.

Finance Costs - Favourable Variance \$335k

The favourable variance is the result of higher cash holding than forecasted during the first and second quarters due to the timing of cash outflows for the infrastructure program, which has resulted in Council not requiring to draw down on existing cash advance debenture facilities.

Appendix 4 – Statement of Financial Performance – Key Directions

	Year to Date			Full Year	
	Actual \$000's	Budget \$000's	Variance \$000's	Rev Budget \$000's	Orig Budget \$000's
NET OPERATING RESULT: Surplus/(Deficit)	84,009	81,946	2,063	7,062	11,936
Represented By:					
KEY DIRECTION REVENUE					
The Living City:					
Recreation, Education & Leisure	1,013	986	27	1,179	883
Public Health & Safety	1,224	1,234	(10)	2,005	1,990
Community Development	2,357	2,245	112	5,091	5,035
The Sustainable City:					
Water Management	1,034	960	73	2,733	2,733
Waste Management	117	112	5	290	290
Parks & Landscape	53	67	(14)	133	133
The Prosperous City:					
Transport	4,763	4,383	380	4,551	3,770
City Planning & Economic Development	2,103	1,831	273	3,110	3,060
Enabling Excellence:					
Corporate Support	888	810	78	1,410	1,311
Governance	1	1	0	2	2
Treasury	204	49	155	80	80
Grants Commission	7,774	7,774	0	8,127	8,653
Rates	131,913	131,185	728	131,330	131,330
Other Miscellaneous Revenue	487	384	103	384	0
Total Operating Revenue	153,929	152,019	1,909	160,426	159,271
Capital Contributions	7,264	6,456	808	8,042	8,042
Total Revenue	161,192	158,475	2,717	168,468	167,313
KEY DIRECTION EXPENDITURE					
The Living City:					
Recreation, Education & Leisure	5,297	4,970	(327)	10,959	10,467
Public Health & Safety	3,614	3,521	(93)	7,233	7,190
Community Development	4,852	5,075	223	11,324	11,337
The Sustainable City:					
Water Management	2,869	3,118	249	5,009	4,959
Waste Management	8,804	8,928	124	20,941	20,808
Parks & Landscape	10,728	10,505	(223)	22,530	22,684
The Prosperous City:					
Transport	2,987	2,630	(357)	5,160	6,087
City Planning & Economic Development	3,703	3,695	(8)	7,704	7,177
Enabling Excellence:					
Corporate Support	15,350	15,376	26	32,103	26,377
Governance	441	447	6	1,338	1,129
Treasury	(395)	(94)	301	1,458	1,715
Depreciation	15,915	15,915	0	31,830	31,830
Other Miscellaneous Expenditure	3,017	2,442	(575)	3,818	3,617
Total Expenditure	77,183	76,529	(654)	161,406	155,377

The Full Year Revised Budget includes revisions to expenditure budgets for funds carried forward from 2023/24 to 2024/25. We anticipate a carry forward from 2024/25 to 2025/26, however, at this time specific programs cannot be identified, and this will be brought to account at the end of financial year.

Commentary – Key Direction**The Living City – Net Unfavourable Variance \$68k****Recreation, Education & Leisure – Net Unfavourable Variance \$300k****Revenue – Favourable Variance \$27k**

No material variances to disclose.

Expenditure – Unfavourable Variance \$327k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Recreation Services Contract Management	Community Development	(62)	The unfavourable variance is due to higher than forecasted insurance costs incurred for strata insurance at Ingle Farm Recreation Centre and insurance premiums for the Salisbury Aquatic Centre. A variation associated with this has been included as part of this review.	Refer Section 2 New Bids Recreation Services Insurance Premiums \$40k
Bridgestone Athletics Centre	Community Development	32	The favourable variance is caused by lower than anticipated internal maintenance costs incurred for the facility during first and second quarter, which is offset by an unfavourable variance for internal maintenance recovery in City Infrastructure.	
Sportsfield Cutting	City Infrastructure	(129)	Internal Water Supply charges are \$137k higher than forecasted due to drier than average conditions during the first two quarters. This budget area is reliant on weather conditions and will continue to be monitored with any variations to budget to be reported at third quarter.	

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Maintenance - Other buildings incl minor buildings	City Infrastructure	(21)	Higher than budgeted expenditure on unexpected general building maintenance year to date has result in this unfavourable variance. This will continue to be managed within the overall maintenance budget.	
Maintenance – Parafield Gardens Recreation Centre	City Infrastructure	(24)	Minor variances - nothing significant to report.	
Maintenance- Sports and Community Facilities	City Infrastructure	(40)	Higher than budgeted expenditure on general building maintenance has resulted in this unfavourable variance. This is being managed within the overall maintenance budget.	

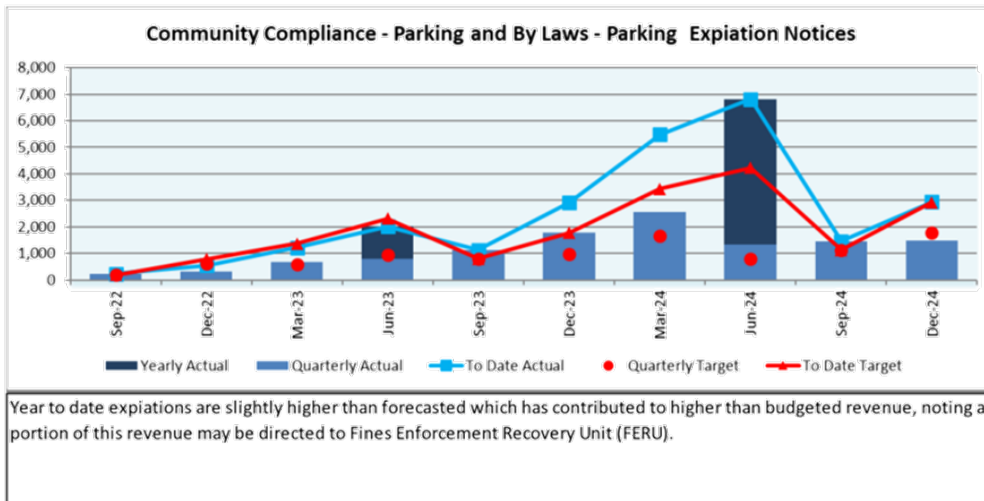
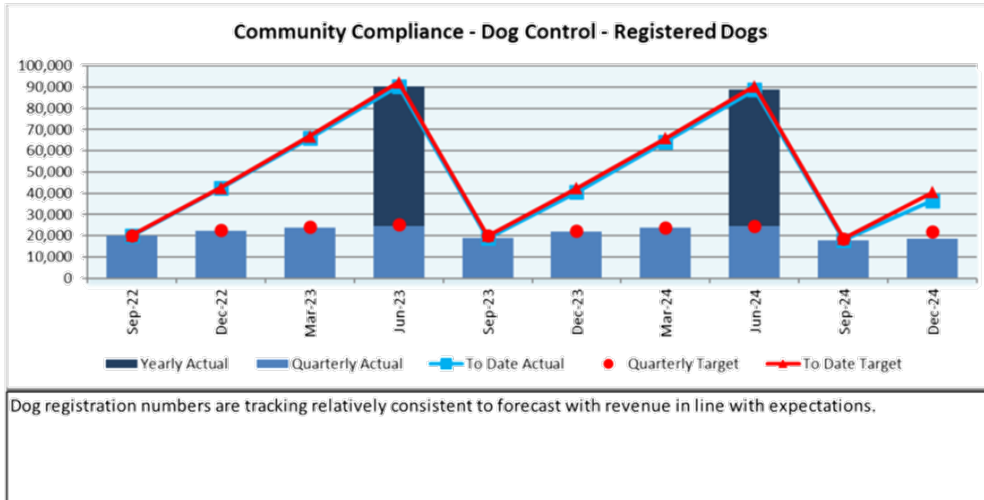
Public Health & Safety – Net Unfavourable Variance \$103k

Revenue – Unfavourable Variance \$10k

Budget Area	General Manager	Variance YTD '000s	Comment	Action Required
Animal Control	City Development	(37)	The unfavourable variance largely relates to prior year expiations forwarded to the Fines Enforcement Unit for collection. This will continue to be monitored over upcoming periods.	
Community Compliance	City Development	41	The favourable variance is due to higher than budgeted revenue from by-laws and litter fees during the quarter noting a portion of this revenue may be directed to Fines Enforcement Recovery Unit (FERU).	

Expenditure – Unfavourable Variance \$93k

No material variances to disclose.



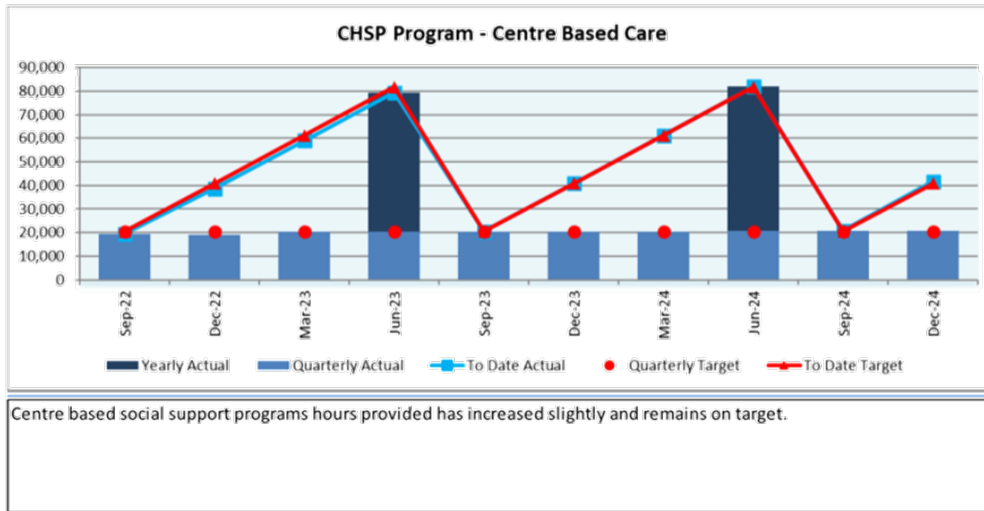
Community Development – Net Favourable Variance \$335k**Revenue – Favourable Variance \$112k**

Budget Area	General Manager	Variance YTD '000s	Comment	Action Required
Salisbury Memorial Park Cemetery	Community Development	25	The favourable variance relates to slightly higher than forecasted income for Vaults during the first and second quarters. This will continue to be monitored noting that the volume of sales can fluctuate each quarter.	
HCSP - Home and Community Services Program	Community Development	32	The favourable variance is due to higher than forecasted client contributions for services year to date particularly Transport and Home Maintenance. Continue to monitor over the coming quarter for a potential income gain variation.	Refer Appendix 1 Income Losses Senior's Centres Membership Fee Removal \$10k
CareFinder	Community Development	26	Additional grant funding has recently been received for the 2024/25 CareFinder program with a variation associated with this included as part of this review.	Refer Appendix 1 Nil Effect Income Gain Care Finder Funding \$26k

Expenditure – Favourable Variance \$223k

Budget Area	General Manager	Variance YTD '000s	Comment	Action Required
HCSP - Home and Community Services Program	Community Development	116	The favourable variance is from savings in employee costs due to vacancies during the first and second quarters. This program is grant funded and must be retained for acquittal at end of financial year with any unspent funds to be returned to the grant funding provider.	

Budget Area	General Manager	Variance YTD '000s	Comment	Action Required
Maintenance-Community Centres	City Infrastructure	21	Minor variances - nothing significant to report.	



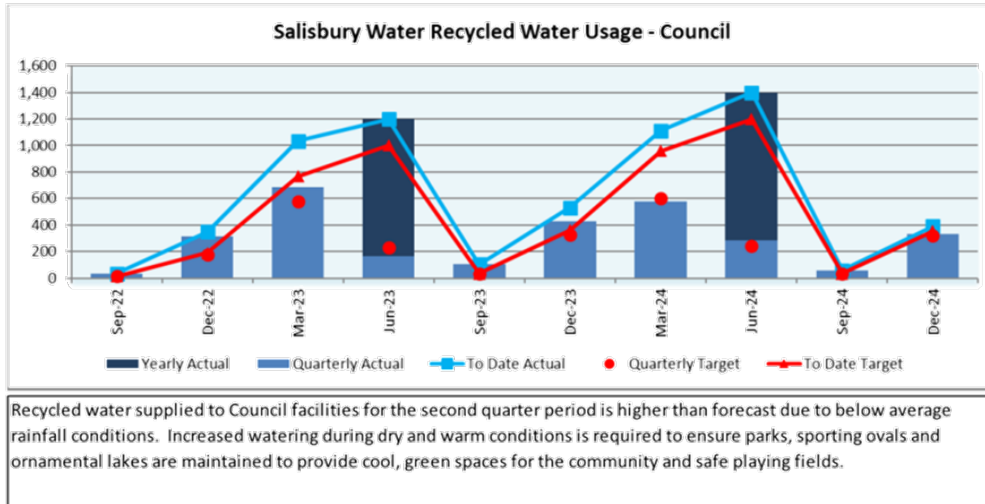
Item 2.1.1 - Attachment 1 - 2024/25 Second Quarter Budget Review Report

The Sustainable City – Net Favourable Variance \$213k**Water Management – Net Favourable Variance \$322k****Revenue – Favourable Variance \$73k**

Budget Area	General Manager	Variance YTD '000s	Comment	Action Required
Salisbury Water Retail - Marketing / Sales	Business Excellence	169	Water supplied for the period to non-residential facilities and Council owned assets is higher than budgeted due to below average rainfall conditions across the first and second quarter. This will continue to be monitored and adjustments may be included in the third quarter review.	

Expenditure – Favourable Variance \$249k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Salisbury Water Production - Water Factory	Business Excellence	86	The favourable variance is related to the timing of expenditure for materials driven by lower than predicted harvest volumes year to date. It is anticipated this will align to budget in future periods.	
Drainage Systems	City Infrastructure	39	The favourable variance is the result of reduced Side Entry Pit Cleaning works due to below average rainfall conditions year to date, noting this program is reactive in nature.	



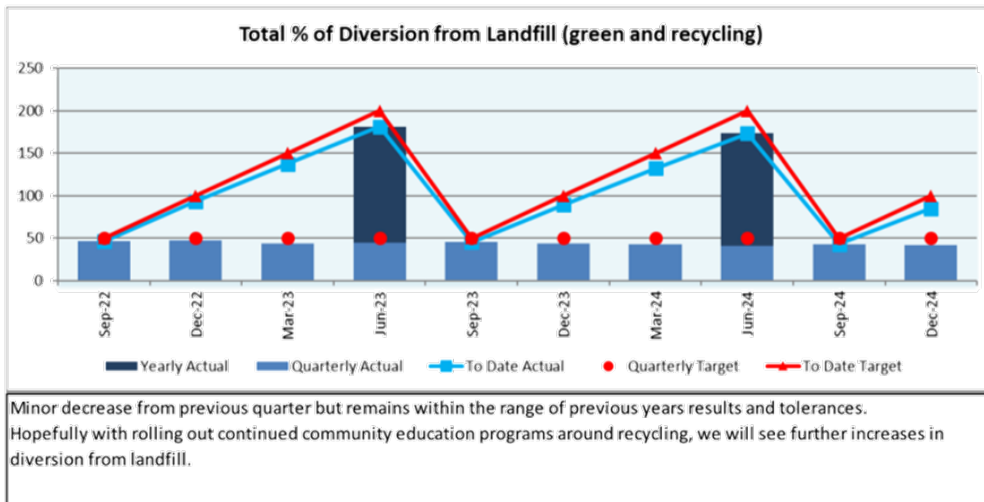
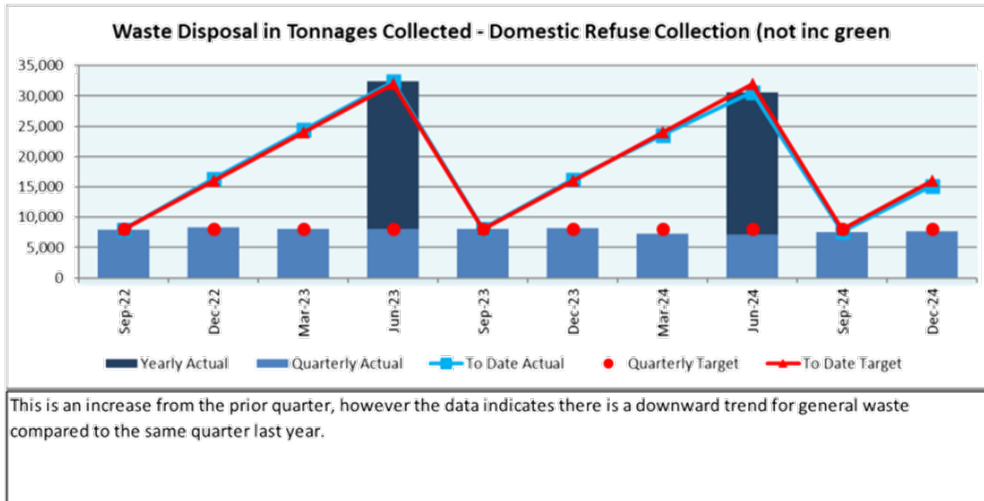
Waste Management – Net Favourable Variance \$129k

Revenue – Favourable Variance \$5k

No material variances to disclose.

Expenditure – Favourable Variance \$124k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Coleman Road Landfill	City Infrastructure	(30)	The unfavourable variance is due to unbudgeted ground water monitoring expenses incurred in November and December. This will continue to be monitored.	
Waste Management	City Infrastructure	151	This variance represents approximately 2.1% of the overall budget with no action required.	



Parks & Landscape – Unfavourable Variance \$237k**Revenue – Unfavourable Variance \$14k**

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Park Maintenance	City Infrastructure	(30)	Internal maintenance cost recovery for Bridgestone Athletics Centre is less than budgeted. This is offset by favourable expenditure in this area.	
Fleet Services Administration	City Infrastructure	(98)	Internal vehicle cost recovery is less than budgeted year to date with Heavy vehicles \$67.4k trailers \$18.9k and light vehicles \$17k all unfavourable. This variance is offset by favourable expenditure.	

Expenditure – Unfavourable Variance \$223k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Tree Management	City Infrastructure	52	The favourable variance is due to \$30k relating to Tree Inspections - these works are ad hoc and reactive in nature. There are other minor variances across the program that are anticipated to align to budget in future periods.	
Field Services Administration	City Infrastructure	(476)	Wages & Salaries are unfavourable \$97k with Agency staff utilised to backfill vacancies at a higher cost. Internal labour recovery is \$298k lower than forecasted with offsetting favourable variances mainly in Park Maintenance \$242k. Also contributing to the overall variance is \$64k lower than budgeted capitalised costs year to date.	

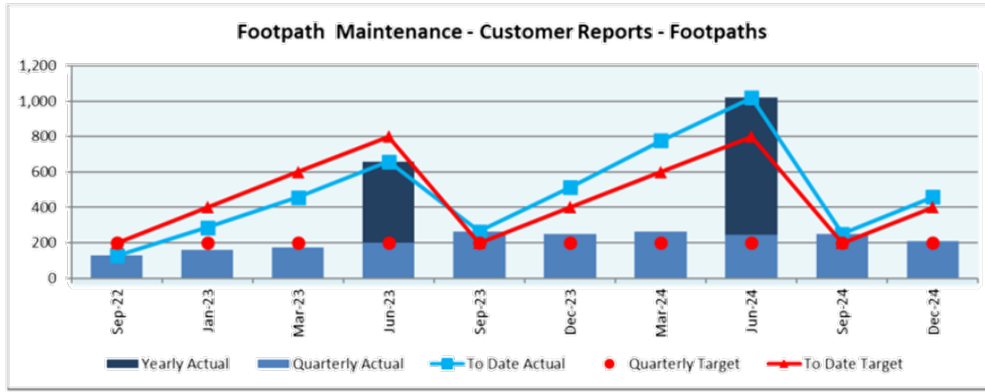
Budget Area	Department	Variance YTD '000s	Comment	Action Required
Urban Structures	City Infrastructure	(56)	Higher than budgeted staff time and vehicle hire associated with playground maintenance and reserve furniture works have resulted in this unfavourable variance.	
Park Maintenance	City Infrastructure	194	The favourable variance relates to lower productive staff time allocated to this area \$242k which is offset by higher than budgeted contractual expenditure of \$99k.	
Pest	City Infrastructure	(26)	Unplanned Corella management and Caltrap services during second quarter have contributed to the unfavourable variance. It is anticipated that this will be contained within existing budget allocations but will continue to monitor.	
Fleet Services Administration	City Infrastructure	37	The favourable variance relates to various minor items which will continue to be monitored over the coming quarter.	
Maintenance- Ops Centre	City Infrastructure	36	Minor variances - nothing significant to report.	
Store Administration	City Infrastructure	34	Favourable wages due to staff vacancies make up this variance.	

The Prosperous City – Net Favourable Variance \$288k**Transport – Net Favourable Variance \$23k****Revenue – Favourable Variance \$380k**

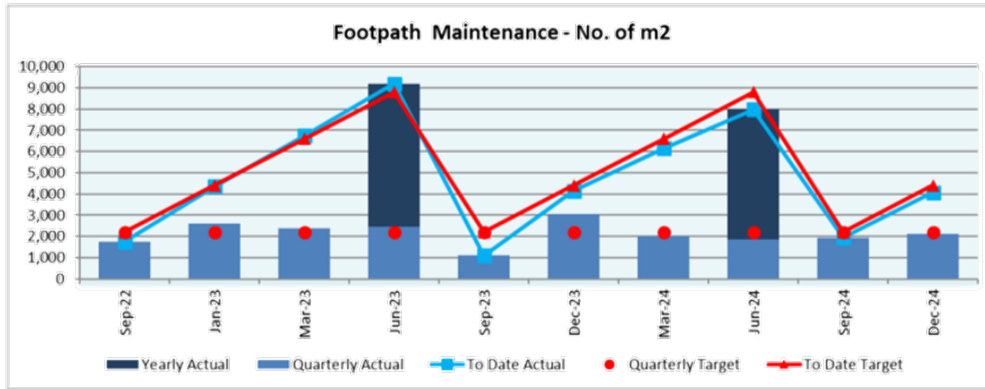
Budget Area	Department	Variance YTD '000s	Comment	Action Required
Untied Road Grants	City Infrastructure	380	The favourable variance relates to higher than expected Roads to Recovery grant funding with an income gain associated with this included in this budget review.	Refer Appendix 1 Income Gains Roads to Recovery Income Gain 2024/25 \$380k

Expenditure – Unfavourable Variance \$357k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Infrastructure Design & Delivery	City Infrastructure	(287)	The unfavourable variance is due to higher than anticipated works undertaken for the Road Reseal Kerb and Gutter Replacement program. This is currently under review with any associated variations to be included in the third quarter following completion of the program.	
Civil & Transport Assets	City Infrastructure	(63)	The unfavourable variance primarily relates to lower than budgeted staff time allocated to the capital program year to date, as a result of the mix of the current program of works, with more time being spent in operational activities. This will continue to be monitored during the coming quarter.	
Signs	City Infrastructure	38	Minor variances - nothing significant to report.	



Tracking above targeted rate, although a minor decrease from prior quarter.



Volume of work for the quarter was slightly below targeted but is anticipated to increase in future quarters.

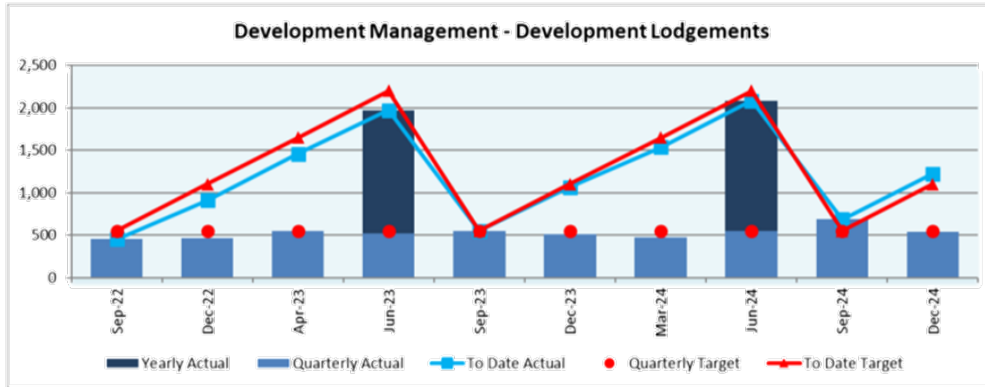
City Planning & Economic Development – Net Favourable Variance \$265k

Revenue – Favourable Variance \$273k

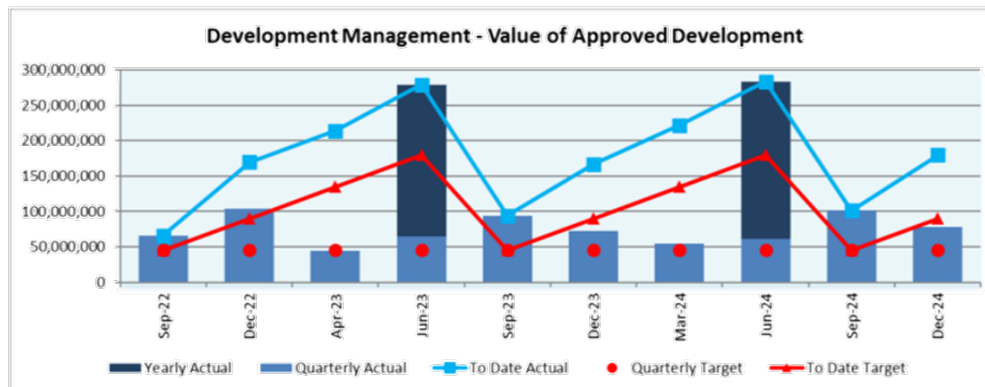
Budget Area	Department	Variance YTD '000s	Comment	Action Required
Planning	City Development	138	PDI Application fees are higher than budgeted as a result of an increase in applications lodged for buildings ahead of construction code changes implemented on 1 October 2024. This favourable variance is gradually decreasing and will continue to be monitored. A \$50k variation is included as part of this review.	Refer Appendix 1 Income Gains Planning Income declaration \$50k
Building	City Development	40	The favourable variance primarily relates to higher than anticipated Compliance Fees received year to date and will continue to be monitored.	
Building Rules Certification Unit	City Development	82	External client income is currently positive, but it is expected to align with the budget in the coming months as the Salisbury Development Services Unit comes to an end and the interim transition of clients concludes. Please note that a report on the future of the Salisbury Development Services Unit will be presented to the Council in February.	
Polaris Centre	City Development	24	The favourable variance is primarily due to \$23k in higher-than-expected Polaris Centre Mentoring Income with an income gain associated with this included as part of this review.	Refer Appendix 1 Nil Effect Income Gain Women in Business Networking Grant and related Expenses \$13k

Expenditure – Unfavourable Variance \$8k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Planning	City Development	(22)	Legal expenditure is currently \$36k over budget because of ongoing appeals and enforcements. A budget transfer from City Development Administration has been included in this review.	Refer Section 3.6 Transfer of Funds Requests Transfer of Legal Funds Budget from City Development Administration to Environmental Health 20k
City Development Administration	City Development	49	The favourable variance relates to underspent budget for legal expenditure in this area with a transfer of funds request to City Development Planning included in this review.	Refer Section 3.6 Transfer of Funds Requests Transfer of Legal Funds Budget from City Development Administration to Environmental Health 20k
Building	City Development	36	Favourable variance relates to vacant Building Officers contributing to both Buildings and Building Rules Certification Unit. The savings will be assessed when evaluating the future direction of the Salisbury Development Services (SDS) as part of third quarter.	
Building Rules Certification Unit	City Development	(86)	The unfavourable variance is attributed to costs for consultancy services to close out SDS applications and the new E-planning levy introduced by state government for certifications. This is partially offset by employee cost savings from vacancies. A report will be presented to Council in the upcoming quarter concerning the future of the SDS unit.	
Polaris Centre	City Development	(22)	The unfavourable variance mainly relates to Women Business Networking Program costs covered by grant funds for which a nil effect variation is included as part of this review.	Refer Appendix 1 Nil Effect Income Gain Women in Business Networking Grant and related Expenses \$13k



Application lodgements are slightly below quarterly trend which is consistent with general slow down over Christmas period.



The higher value of approved development reflects the continuing trend of development applications with a higher value, particularly industrial / commercial development.

Enabling Excellence – Net Favourable Variance \$822k**Corporate Support – Net Favourable Variance \$104k****Revenue – Favourable Variance \$78k**

Budget Area	Department	Variance YTD '000s	Comment	Action Required
People & Culture	Business Excellence	68	The \$68k favourable variance is comprised of unbudgeted income distributed from the Local Government Association Workers Compensation Scheme (LGAWCS) Risk Incentive and Special Distribution funds. Budget variations are included in this Review.	Refer Appendix 1 Income Gains Local Government Association (LGA) Workers Compensation Scheme - Special Distribution Funds \$40k Refer Appendix 1 Nil Effect Income Gain Local Government Association Mutual Liability Scheme (LGAMLS) Risk Incentive Funding - Systems Integration for Training Compliance Data Reporting \$10k
Urban & Recreation Assets	City Infrastructure	(21)	The unfavourable variance is due to a delay in December invoicing which is pending the leasing review currently being undertaken.	

Expenditure – Favourable Variance \$26k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Asset Systems & Support	City Infrastructure	(25)	The unfavourable variance relates to lower than budgeted staff time allocated to the capital program year to date.	
Design	City Infrastructure	22	Several miscellaneous variances that will continue to be monitored. No significant items to report.	
Streetscape & Open Space Assets	City Infrastructure	(78)	The unfavourable variance relates to lower than budgeted staff time allocated to the capital program year to date.	

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Corporate Governance	Chief Executive Office	30	The favourable variance is from savings in employee costs due to a vacancy. These funds are anticipated to be utilised over the course of the year.	
Procurement Services	Business Excellence	29	The favourable variance relates to employee costs savings from vacancies which are offset by agency costs. Agency staffing requirement will continue with the variance expected to be consumed over the remaining quarters.	
Accounting Services	Business Excellence	54	The favourable variance mostly relates to employee costs caused by the timing of leave taken year to date which is anticipated to revert to budget in future periods.	
Business Transformation	Business Excellence	43	The favourable variance relates to employee costs savings and is anticipated to be used over the course of the year.	
People & Culture	Business Excellence	(27)	The unfavourable variance is due to reimbursed expenditure for systems integration training with a Nil Effect Income Gain associated with this included as part of this review. An Income Gain and New Bid for expenditure for systems development for Work Health Safety (WHS) Initiatives is also included in this review.	Refer Appendix 1 Nil Effect Income Gain Local Government Association Mutual Liability Scheme (LGAMLS) Risk Incentive Funding - Systems Integration for Training Compliance Data Reporting \$10k Refer Section 2 New Bids Provision for WHS Initiatives \$40k
Computing	Business Excellence	27	The favourable variance is related to the timing of expenditure for consulting services which is anticipated to align with the budget in future periods.	

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Operations Centre	City Infrastructure	22	The favourable variance relates to the timing of expenditure for utilities such as water and electricity with the full year budget expected to be spent by end of financial year.	
Urban & Recreation Assets	City Infrastructure	(134)	The unfavourable variance is due to higher than budget expenditure for reserve lighting and increased time spent by staff in operational activities rather than capital.	
Property and Building Services Admin	City Infrastructure	21	Several miscellaneous variances that will continue to be monitored. No significant items to report.	

Governance – Net Favourable Variance \$6k

Expenditure – Favourable Variance \$6k

No material variances to disclose.

Treasury – Net Favourable Variance \$456k

Revenue – Favourable Variance \$155k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Treasury	Sundry	155	The favourable variance relates to investment income with higher levels of cash held during the first and second quarters than budgeted.	

Expenditure – Favourable Variance \$301k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Treasury	Sundry	301	The favourable variance is as a result of no interest costs incurred for cash advances this financial year, which is associated with reduced demand on loan funds from the timing of cash outflows for the infrastructure program.	

Miscellaneous – Net Favourable Variance \$256k**Revenue – Favourable Variance \$831k**

Budget Area	Department	Variance YTD '000s	Comment	Action Required
End of Financial Year Adjustments	Sundry	87	An adjustment for Insurance reimbursements received in the 24/25 financial year which related to but were not recognised in the 23/24 financial year is the reason for this favourable variation. An Income Gain has been declared as part of this budget review.	Refer Appendix 1 Income Gains Insurance Claim Proceeds \$87k
Rates	Sundry	728	This favourable variance is primarily related to additional growth and adjustments to capital values that were received after rates declaration.	

Expenditure – Unfavourable Variance \$575k

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Wages & Salaries Provision	Sundry	222	This variance represents Employee Cost savings identified less allocations authorised by the CEO during the first and second quarters. During the second quarter \$223k has been allocated to the provision with \$345k allocated to various areas of Council. Refer Section 3.4 Transfer of Funds.	
End of Financial Year Adjustments	Sundry	(36)	The unfavourable variance is due to the correction of an error in the 2023/24 financial statements, ensuring accurate reporting for 2024/25.	

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Inside Staff Oncosts	Sundry	(765)	The unfavourable variance relates to higher than forecasted expenditure for Annual Leave \$245k, Sick Leave \$257k, Parental Leave \$99k and Other Leave \$92k.	

Capital Contributions – Net Favourable Variance \$808k**Revenue – Favourable Variance \$808k**

Budget Area	Department	Variance YTD '000s	Comment	Action Required
Capital Grants, Subsidies & Contributions	Sundry	806	The favourable variance relates to the timing of capital grants received with several grants from prior year's capital program recognised in the current year in alignment with the accounting standards.	

Appendix 5 – Capital Expenditure Report as at 31 December 2024

With the 2024/25 Capital Program in progress, typically many projects in this period transition from investigation to detailed design and procurement phases. Towards the end of this period, works commenced on the development of the 2025/26 program in order to inform budget bids for the following quarter.

At the end of this quarter, \$28.6M (25.9%) has been spent or \$43.9M (39.7%) inclusive of commitments. These values are reflective for this time of the year with majority of projects moving to construction in the third and fourth quarter of the financial year.

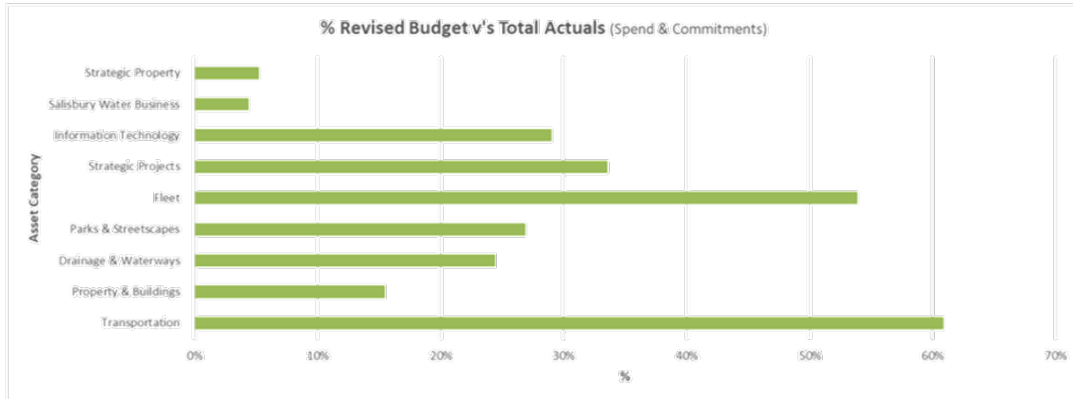
Description	Revised Budget	Actuals	Commitments	Total Actuals / Commitments	Balance Remaining
EXPENDITURE					
Transportation	31,566,003	12,100,125	5,748,769	17,848,894	13,717,108
Property & Buildings	12,744,565	3,385,556	610,008	3,995,564	8,749,001
Drainage & Waterways	4,406,088	834,696	382,105	1,216,801	3,189,287
Parks & Streetscapes	13,825,766	2,709,829	1,529,918	4,239,747	9,586,019
Fleet	7,251,190	2,650,218	3,277,343	5,927,561	1,323,629
Strategic Projects	14,897,270	3,292,040	2,253,724	5,545,764	9,351,505
Total City Infrastructure	84,690,881	24,972,464	13,801,868	38,774,332	45,916,549
Information Technology	1,952,578	596,015	267,475	863,489	1,089,089
Salisbury Water Business	10,202,882	512,800	405,333	918,133	9,284,749
Strategic Property	13,588,971	2,474,725	819,823	3,294,548	10,294,424
Total Other	25,744,431	3,583,539	1,492,631	5,076,170	20,668,261
	110,435,313	28,556,003	15,294,499	43,850,502	66,584,811
INCOME					
Transportation	(362,400)	(148,945)	0	(148,945)	(213,455)
Property & Buildings	0	(2,628,977)	0	(2,628,977)	2,628,977
Drainage & Waterways	(24,000)	(243,446)	0	(243,446)	219,446
Parks & Streetscapes	0	(20,000)	0	(20,000)	20,000
Strategic Projects	0	(6,296,476)	0	(6,296,476)	6,296,476
Total City Infrastructure	(386,400)	(9,337,844)	0	(9,337,844)	8,951,444
Salisbury Water Business	(5,616,000)	0	0	0	(5,616,000)
Strategic Property	0	(5,021,116)	0	(5,021,116)	5,021,116
Total Other	(5,616,000)	(5,021,116)	0	(5,021,116)	(594,884)
	(6,002,400)	(14,358,960)	0	(14,358,960)	8,356,560
NET	104,432,913	14,197,043	15,294,499	29,491,542	74,941,370



A noteworthy achievement this quarter is the opening of the new road bridge at Pratt Avenue, Pooraka. With the previous bridge reaching the end of its useful life, the constructed new bridge provides improved trafficability for vehicles and pedestrians. Works associated with services infrastructure and the adjacent roundabout will continue into the next quarter.

Spend

Across the asset categories, the following graph represents the percentage of Total Actuals (Spend & commitments) versus Revised Budget, as at the end of quarter two, 2024/25. This period is similar to last quarter where the high value for the Transportation category is reflective of the significant progress achieved as part of the SAMP Road Reseal Service Continuity Program, followed by the fleet program which is heavily committed and awaiting shipment of new plant and fleet items.



The current level of spend and commitments for this first quarter remains consistent with the values at this time last financial year, being \$28.6M versus \$22.1M spend, and \$43.9M versus \$41.4M of total actuals (spend + commitments) as follows;

Quarter 2	Actual Spend		Spend + Commitments	
	23/24	24/25	23/24	24/25
Asset Category				
Transportation	\$5.9	\$12.1	\$6.7	\$17.8
Property & Buildings	\$1.0	\$3.4	\$3.6	\$4.0
Drainage & Waterways	\$1.5	\$0.8	\$2.1	\$1.2
Parks & Streetscapes	\$1.8	\$2.7	\$3.4	\$4.2
Fleet	\$1.0	\$2.7	\$2.5	\$5.9
Strategic Projects	\$9.9	\$3.3	\$21.0	\$5.5
Total City Infrastructure	\$21.0	\$25.0	\$39.4	\$38.8
Information Technology	\$0.2	\$0.6	\$0.4	\$0.9
Salisbury Water Business	\$0.6	\$0.5	\$1.1	\$0.9
Strategic Property	\$0.3	\$2.5	\$0.6	\$3.3
Total Other	\$1.1	\$3.6	\$2.0	\$5.1
Total	\$22.1	\$28.6	\$41.4	\$43.9

The value of spend will typically uplift in quarter three and four with the majority of the Capital Works Program entering construction. Whilst most construction occurs in the later part of the financial year, some works are scheduled to optimise climate and resource conditions and therefore will enter construction earlier to enable works such as drainage to occur in a drier climate.

New Funding Adjustments

This quarter there were a series of new funding requests associated with the capital program as follows;

- In accordance with resolution 0764/2024, \$100,000 was allocated to enable the installation of an aerator and / or fountain at Springbank Boulevard (inlet for the Kaurna Wetlands).
- A functionality improvement at Burton Community Hub to the value of \$100,000 was endorsed to install a new doorway to the community garden and workshop, as per resolution 0783/2024.
- A new allocation of \$100,000, as per resolution 0794/2024, to enable the development of a cost estimate and plan regarding a potential upgrade to the BMX facilities at Parafield Gardens.
- As per resolution 0816/2024, \$500,000 was endorsed to support the installation of new lighting at the Carisbrooke Park, Salisbury Park, northern carpark.
- In order to construct a new footpath on Willochra Road, Salisbury Plain, \$100,000 was approved for these works in accordance with resolution 0814/2024.
- Due to an overspend associated with the poor subgrade of the Codd Street, Para Hills West, path renewal, an additional \$36,405 was required, as per resolution 0814/2024.
- New funding was endorsed in accordance with resolution 0814/2024 to support the development of the Little Para Landscape Structure Plan.
- Additional funding was approved for the Minor Capital Works Grant Program, to the value of \$500,000, as per resolution 0795/2024.

Income

As per resolution 0793/2024 an adjustment of \$29,074 has been included to reflect income received associated with a completed Minor Capital Works grant.

Due to unsuccessful grant funding associated with the City Wide Trails Program, as per resolution 0793/2024, an adjustment of \$300,000 to reflect this unsuccessful income is included this period, noting the balance is being retained to deliver a reduced scope of works.

Other Funding Adjustments

Other funding adjustments this quarter include;

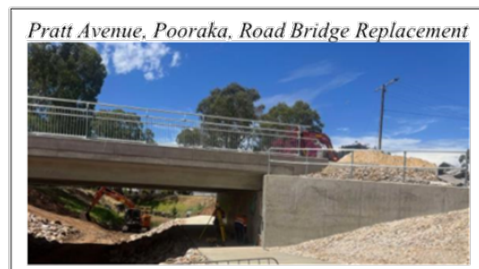
- Declaration of project savings associated with improvements completed at Resource Recovery Park is included this quarter as per resolution 0793/2024 to the value of \$149,239.
- To align budgets with forecast expenditure, the following adjustments were endorsed as per resolution 0814/2024;
 - Budget adjustment of \$950,000 within 2024/25 second quarter budget review from 2024/25 to 2025/26 for PR27700 Carisbrooke to Harry Bowey New Entrance Roadway to align the budget in the financial year where the expenditure is expected to be incurred due to ongoing negotiations with the current lease holder.
 - Budget adjustment of \$200,000 within 2024/25 second quarter budget review from 2024/25 to 2025/26 for PR31131 Happy Homes New Entry Road to align the budget in the financial year where the expenditure is expected to be incurred due to external circumstance delays associated with collaboration with Department of Infrastructure and Transport and South Australian Power Networks.
 - Budget declaration of \$1,200,000 within 2024/25 second quarter budget review and include within 2025/26 as non-discretionary budget associated with PR26716 Lindblom Park Change Facility to align the budget in the financial year where the expenditure is expected to be incurred.

- Budget declaration of \$500,000 within 2024/25 second quarter budget review and include within 2025/26 as non-discretionary budget associated with PR31175 Adams Oval Building Service Continuity Project to align the budget in the financial year where the expenditure is expected to be incurred.
- Budget declaration of \$250,000 within 2024/25 second quarter budget review and include within 2025/26 as non-discretionary budget associated with PR22843 SAMP Plant and Fleet Replacement Program and the acquisition of a tipper truck, to align the budget in the financial year where the expenditure is expected to be incurred.
- Due to a minor consultancy over spend, \$5,000 will be transferred between SAMP Investigation, Plan and Design for Future Works to Road Safety Project Plan in accordance with resolution 0793/2024.
- To align the nature of expenditure incurred associated with the renewal of practice cricket wickets at Salisbury Oval, this period \$28,567 of existing budget funding is proposed to be converted from operating to capital as per resolution 0814/2024.
- As per resolution 0814/2024, it was approved to transfer \$40,000 of available funding from PR31184 Ascot Drive Reserve New Irrigation, together with a \$40,000 of available funding from PR31203 Coogee Avenue Reserve Irrigated Green Space, to PR17103 SAMP Feature Landscapes Service Continuity Program to provide the required budget funding to complete a section of feature landscape along the southern edge of Sir Douglas Mawson Lakes Reserve, Mawson Lakes.
- Included this period is the transfer of \$120,000 of existing operating funding to capital for the Playspace Compliance Audits to align the nature of expenditure with the appropriate budget.

Asset Category Highlights

Transportation

With the Pratt Avenue, Pooraka, bridge reaching the end of its serviceable life, it has been upgraded with a new and improved bridge which is more trafficability for vehicles and pedestrians. This bridge was opened for use this quarter with services and modifications to the adjacent roundabout to occur in the following quarter.



*Parafield Gardens Oval
Carpark Renewal*



The renewal of the carpark at Parafield Gardens Oval was completed this quarter, whilst design documentation commenced for the renewal of the Walkley Park carpark next financial year. Next quarter the renewal of the northern carpark at Carisbrooke Park, Salisbury Park, will commence. This renewal will also include the installation of new lighting to this to reserve carpark.

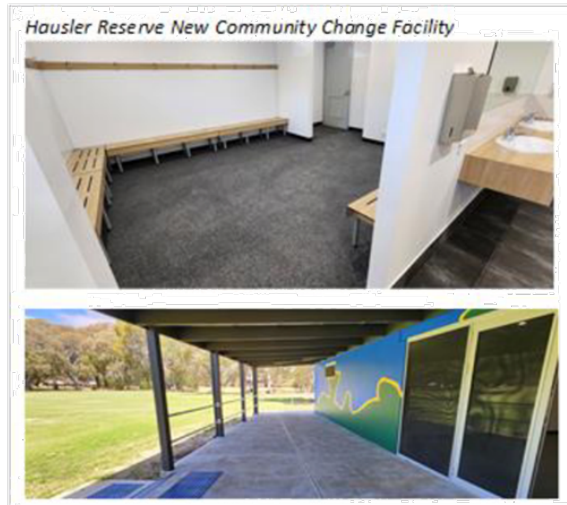
As part of the bridge program, following completion of design documentation, three bridges were able to be awarded for renewal early in 2025.

Salisbury Water

Construction works associated with the upgrade of the Myall Boulevard Reserve Groundwater Community well has progressed with installation of a new supply tank completed in December. On completion of minor connection works in the third quarter, this tank will assist with supply demands associated with the irrigation upgrade at the Little Para Golf Course.



Property and Buildings



The new change facilities and increased carparking at Hausler Reserve was completed and opened prior to Christmas 2024. This new facility supports community sport within our community.

Within the SAMP Building Service Continuity Program, air conditioning at the Watershed was completed this quarter. Also within this program, design documentation commenced as part of the renewal of clubrooms at Adams Oval, Salisbury North, and the lighting renewal of the main stadium at Ingle Farm Recreation Centre.

The creation of a new medical and recovery room at Burton Sports Park is now well advanced with the final works expected to be completed in February 2025.

Parks and Streetscape

The installation and activation of a new lake fountain was completed this quarter at Lake Windemere, Salisbury North. Further works will be occurring at this location which will be released for tender early in the new year to deliver new amenities including toilets, barbecue facilities and a dog park.

As part of the SAMP Playground Service Continuity Program, three playgrounds have been awarded for construction in 2025. The locations being Daniel Avenue Reserve, Bolivar, Louisa Reserve, Parafield Gardens and Lukin Avenue Reserve, Paralowie. These works will be followed by the tendering of shade sail replacements across five sites and selected play element replacements at St Kilda.



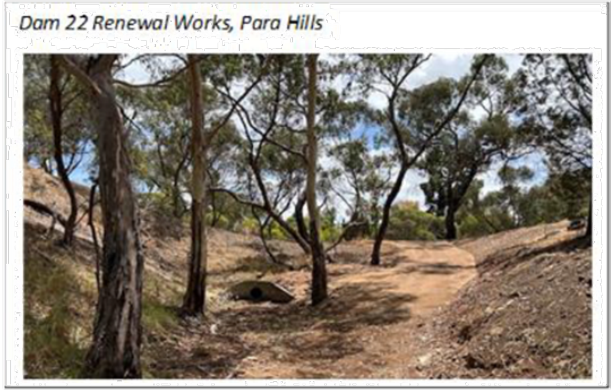
Fleet

The Fleet Program is progressively delivered and dependent upon the supply chain and international deliveries which can result in lengthy delivery timeframes. Currently the program has \$3.4M in purchases committed and pending delivery. Due to the supply chain, this program generally has a higher level of spend in the final quarters of the financial year.

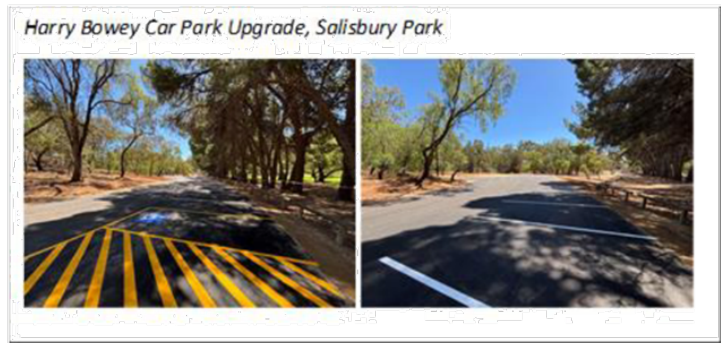
Drainage and Waterways

A Renewal works for Dam 22, Parkeston Court, Para Hills, were completed prior to Christmas 2024, which included the creation of a new access track for maintenance and clearing of vegetation to enable water flow.

As part of the Major Flood Mitigation Service Continuity Program, flood mitigation works at Walkley Heights for Brickwork Place was completed this quarter. Works included the installation of new pipe and pit infrastructure.



Strategic Projects



Supporting the newly opened Tree Climb at Harry Bowey, Salisbury Park, a series of traffic improvements were completed this quarter including an upgrade to the carpark and entrance into the reserve and traffic management improvements for the adjacent Riversdale Drive.

With the provision of State Government grant funding, the construction of new footpath and kerb ramps are able to be delivered to provide footpath network improvements within various streets at Ingle Farm and Pooraka. The program of works will be completed next quarter.

Works have been awarded to construct a new kiss and drop facility adjacent to Settlers Farm Primary School, Paralowie. These works will occur in the next school holidays and are being funded via the Local Roads and Community Infrastructure Program which is a Federal Government initiative.



Strategic Property

Strategic Development Projects is managing the Salisbury City Centre Project which includes partnering with Buildtec/Catcorp to revitalise the city centre in one of South Australia's most vibrant Centres. The development is progressing well. Lodgement of the planning application with SCAP has occurred and construction is due to commence in 2025.



The residential development of 35 allotments at Lake Windemere is now sold out and will deliver over 30% affordable housing and 4 specialist disability accommodation options. 25 settlements have occurred to date. Construction of the houses will commence in 2025.

The Walkleys Road development is progressing. Community engagement on the \$2m Baloo Street playspace has taken place and great feedback received that will inform the design. The planning application has been lodged with approval expected in the first quarter of 2025. Civil construction is due to commence mid 2025.

Next Quarter

Progression of the Capital Works Program will continue next quarter with many projects moving into tender and construction in preparation for completion prior to the end of the financial year. This program works will occur whilst simultaneously the next year's program will be developed to inform the annual budget bid process.

Next quarter will see the tender release for projects such the construction of the new change facilities at Lindblom Park, Pooraka, and the new amenities at Lake Windemere, Salisbury North. Also next quarter, sports lighting upgrades at Brahma Lodge Oval and Lindblom Park, Pooraka, will move into construction following the lead time of pole and luminaire supply.

Summary

The 2024/25 Capital Works Program continues to be progressively delivered. With the first two quarters being predominately investigation and design, the last quarters of the financial year generally move into more construction activities which results in an uplift in expenditure. The current spend as outlined within this report is reflective of the stage in the program and alike to the spend value of this time last financial year.

There are some noteworthy achievements for this period including but not limited to the completion and opening of the new Pratt Avenue bridge, Pooraka, and new community change facility at Hausler Reserve, Parafield Gardens.

Appendix 6 – Savings from Budget Bids

There are no savings from 2024/25 budget bids.

Appendix 7 – Business Unit Reporting

Salisbury Memorial Park

	Year to Date			Full Year		
	Actual	Budget	Variance	Orig.Budget	Rev.Budget	Forecast
Salisbury Memorial Park	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue	397	303	95	824	824	824
Expenditure	241	272	31	736	736	736
Surplus/(Deficit)	156	30	126	88	88	88

The overall position of the Salisbury Memorial Park at the close of the second quarter is a favourable budget variance of \$126,000. Revenue has been supported by a short-term employment agreement with Adelaide Cemeteries Authority for expertise to provide support for burials and other service enquiries which has contributed increased revenue in recent months.

Forecast budget will be tempered by the resource and time demand for the transition of management services. A review of changes in demand for end of life services, and the products and services offered, is warranted to help secure longer term financial stability.

Building Rules Certification Unit

	Year to Date			Full Year		
	Actual	Budget	Variance	Orig.Budget	Rev.Budget	Forecast
Building Rules Certification Unit	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue	622	540	82	820	820	650
Expenditure	474	388	(86)	742	727	650
Surplus/(Deficit)	148	152	(4)	78	93	0

Revenue from external client services, Salisbury Development Services (SDS) largely ceased after October 2024, following the resignation of the accredited professional that performed this function. Revenue from applications lodged directly within the Council area will continue. A report will be presented to Council in relation to this function ahead of the third quarter budget review, where the formal budget review items will be presented for Council's consideration.

Salisbury Water

	Year to Date			Full Year		
	Actual	Budget	Variance	Orig.Budget	Rev.Budget	Forecast
Salisbury Water	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
External Revenue	1,024	962	62	2,736	2,736	2,736
Internal Revenue	1,194	1,083	111	3,611	3,611	3,611
Total Income	2,218	2,045	173	6,347	6,347	6,347
Expenditure	3,039	3,145	106	6,487	6,537	6,537
Surplus/(Deficit)	(821)	(1,100)	279	(140)	(190)	(190)

The Salisbury Water Business Unit (SWBU) completed the first half of the 2024/25 financial year with a favourable variance of \$279k against the revised budget. The current full year outlook remains at a budget deficit of \$190k largely due to upward pressures from previous interest rate rises and CPI impacts on contractual services. This forecast is also dependent on weather conditions as the SWBU supply is highly geared to irrigation and whilst drier than average conditions are forecast across the next quarter this impact is difficult to predict. The full year outlook will be revised after the third quarter period.

Excluding the budgeted depreciation allowance of \$2,119K, it is anticipated that the business will deliver a positive net cash equivalent position of \$2,029K for the year.

Income totalling \$2,218k has been received to date, which is \$173k above the YTD budget. This variance is largely due to below average rainfall conditions and corresponding irrigation requirements by Council's own parks and gardens to maintain cool, green spaces for the community along with ongoing ornamental lake fill to maintain lake amenity and water quality.

Operational expenditure was \$106k below the YTD budget predictions. This result is largely due to minimal operational maintenance and failures across the first half of the year and lower than predicted harvest volumes. This will be offset over the next quarter with higher irrigation demand and supply schemes operating at peak capacity, including additional water treatment costs to address rising salinity levels in recovered MAR water.

A total of 871 ML of water was distributed to Salisbury Water customers during the first half of the year, 40ML above budget predictions. Of this, 392ML was supplied to irrigate Council reserves, sporting ovals and facilities across the City and 479ML was supplied to external customers including industry, schools and residents. Water supplied to Council facilities is higher than predicted and can be attributed to an earlier start to the irrigation season in the first quarter and continued warm conditions across the second quarter.

Adelaide has experienced below average rainfall conditions across the August to December period with 154mm of rainfall received, 92mm below average. This has resulted in 1,112 ML of stormwater harvested, compared to 1,759 harvested for the same time last year. Whilst BOM forecasts are leaning towards El Nino conditions, this may result in stronger demand from irrigation-based customers however this may be offset somewhat by more intense summer rain events which may provide periods of irrigation relief. As this is difficult to predict, supply forecasts will be reviewed after the third quarter period.

Appendix 8 – Budgeted Financial Statements

The Budgeted Financial Statements presented in this Appendix are as originally budgeted adjusted for the recommended changes as a result of this budget review.

City of Salisbury

Budgeted Statement of Comprehensive Income

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
INCOME		
Rates Revenues	131,330	131,330
Statutory Charges	3,550	3,510
User Charges	6,362	6,312
Grants, Subsidies & Contributions	17,804	16,620
Investment Income	80	80
Reimbursements	774	364
Other Income	1,181	1,054
Total Income	161,081	159,270
EXPENSES		
Employee Costs	48,021	46,843
Materials, Contracts & Other Expenses	68,953	67,784
Depreciation, Amortisation & Impairment	37,696	37,697
Finance Costs	2,372	2,372
Net loss - Equity Accounted Council Businesses	681	681
Total Expenses	157,723	155,377
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	3,358	3,893
Asset Disposal & Fair Value Adjustments	802	802
Amounts Received Specifically for New or Upgraded Assets	6,002	6,241
Physical Resources Received Free of Charge	1,000	1,000
NET SURPLUS/(DEFICIT)	11,162	11,936
OTHER COMPREHENSIVE INCOME		
Changes in Revaluation Surplus - I,PP&E	47,313	47,313
Total Other Comprehensive Income	47,313	47,313
TOTAL COMPREHENSIVE INCOME	58,475	59,249

City of Salisbury
Budgeted Statement of Financial Position

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
ASSETS		
Current Assets		
Trade & Other Receivables	7,357	7,272
Inventories	1,216	1,210
Total Current Assets	8,573	8,482
Non-Current Assets		
Financial Assets	60	60
Equity Accounted Investments in Council Businesses	4,870	4,870
Infrastructure, Property, Plant & Equipment	2,226,131	2,225,638
Intangible Assets	210	210
Other Non-Current Assets	33,572	33,572
Total Non-Current Assets	2,264,843	2,264,350
TOTAL ASSETS	2,273,416	2,272,832
LIABILITIES		
Current Liabilities		
Cash Advance Debentures	60,592	64,204
Trade & Other Payables	23,385	23,092
Borrowings	678	678
Provisions	10,407	10,407
Total Current Liabilities	95,062	98,381
Non-Current Liabilities		
Borrowings	1,188	1,188
Provisions	2,419	2,419
Total Non-Current Liabilities	3,607	3,607
TOTAL LIABILITIES	98,669	101,988
NET ASSETS	2,174,747	2,170,844
EQUITY		
Accumulated Surplus	416,838	412,935
Asset Revaluation Reserves	1,708,145	1,708,145
Other Reserves	49,764	49,764
TOTAL EQUITY	2,174,747	2,170,844

City of Salisbury
Budgeted Statement of Cash Flows

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	160,395	158,673
Investment Receipts	80	80
Payments		
Operating Payments to Suppliers and Employees	(113,275)	(113,922)
Finance Payments	(2,372)	(2,372)
Net Cash provided by (or used in) Operating Activities	44,828	42,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Amounts Received Specifically for New/Upgraded Assets	5,712	5,936
Sale of Replaced Assets	802	802
Sale of Real Estate Developments	0	0
Payments		
Expenditure on Renewal/Replacement of Assets	(48,390)	(34,585)
Expenditure on New/Upgraded Assets	(57,915)	(29,892)
Net Cash Provided by (or used in) Investing Activities	(99,791)	(57,739)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Proceeds from CAD's	56,557	16,874
Payments		
Repayments of Borrowings	(1,504)	(1,504)
Repayment of Finance Lease Liabilities	(90)	(90)
Net Cash provided by (or used in) Financing Activities	54,963	15,280
Net Increase/(Decrease) in Cash Held		
Cash & Cash Equivalents at Beginning of Period		
Cash & Cash Equivalents/Movements in Borrowings at End of Period		

City of Salisbury
Budgeted Statement of Changes in Equity

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
Opening Balance	2,116,272	2,111,594
Net Surplus / (Deficit) for Year	11,162	11,936
Other Comprehensive Income		
- Gain (Loss) on Revaluation of I,PP&E	47,313	47,313
Other Comprehensive Income	47,313	47,313
Total Comprehensive Income	58,475	59,249
Balance at end of period	2,174,747	2,170,844

City of Salisbury
Budgeted Uniform Presentation of Finances

	2025 Budget Revised \$000's	2025 Original Budget \$000's
YEAR ENDING 30 JUNE		
Income		
Rates	131,330	131,330
Statutory Charges	3,550	3,510
User Charges	6,362	6,312
Grants, Subsidies & Contributions	17,804	16,620
Investment Income	80	80
Reimbursements	774	364
Other Income	1,181	1,054
Net gain - equity accounted Council businesses		
Total Income	161,081	159,270
Expenses		
Employee Costs	48,021	46,843
Materials, Contracts & Other Expenses	68,953	67,784
Depreciation, Amortisation & Impairment	37,696	37,697
Finance Costs	2,372	2,372
Net loss - equity accounted Council businesses	681	681
Total Expenses	157,723	155,377
Operating Surplus / (Deficit)	3,358	3,893
Less: Net Outlays on Existing Assets		
Capital Expenditure on Renewal/Replacement of Existing Assets	(48,390)	(34,585)
less Depreciation, Amortisation & Impairment	37,696	37,696
less Proceeds from Sale of Replaced Assets	802	802
	(9,892)	3,913
Less: Net Outlays on New and Upgraded Assets		
Capital Expenditure on New/Upgraded Assets	(57,915)	(29,892)
less Amounts Specifically for New/Upgraded Assets	5,712	5,936
less Proceeds from Sale of Surplus Assets		
	(52,203)	(23,956)
Net Lending / (Borrowing) for Financial Year	(58,737)	(16,150)

**City of Salisbury
Budgeted Financial Indicators**

YEAR ENDING 30 JUNE	2025 Revised Budget \$000's	2025 Original Budget \$000's
Operating Surplus	3,358	3,893
Operating Surplus Ratio	2.08%	2.44%
Operating surplus divided by total operating revenue. This ratio expresses the operating surplus/(deficit) as a percentage of total operating revenue.		
Net Financial Liabilities	91,252	94,656
Net Financial Liabilities are defined as total financial liabilities less financial assets (excluding equity accounted investments in Council businesses).		
Net Financial Liabilities Ratio	56.65%	59.43%
Net Financial Liabilities divided by total operating revenue. Indicates the extent that council can meet its net financial liabilities out of operating revenue.		
Asset Renewal Funding Ratio	138%	100%
Net Asset Renewals divided by Asset Management Plan Renewal Expenditure. Indicates whether capital assets are being renewed as planned in the Asset Management Plans.		

ITEM	2.2.1
	FINANCE AND CORPORATE SERVICES COMMITTEE
DATE	17 February 2025
HEADING	Council Finance Report - January 2025
AUTHORS	Sadaf Hashim, Accountant, Business Excellence Melissa Hamilton, Team Leader Accounting Services, Business Excellence
CITY PLAN LINKS	4.3 Our council is recognised for delivering exceptional community experiences and quality outcomes
SUMMARY	This report provides key financial data as at 31 January 2025 for the information of Council.

RECOMMENDATIONThat Council:

1. Notes the report.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

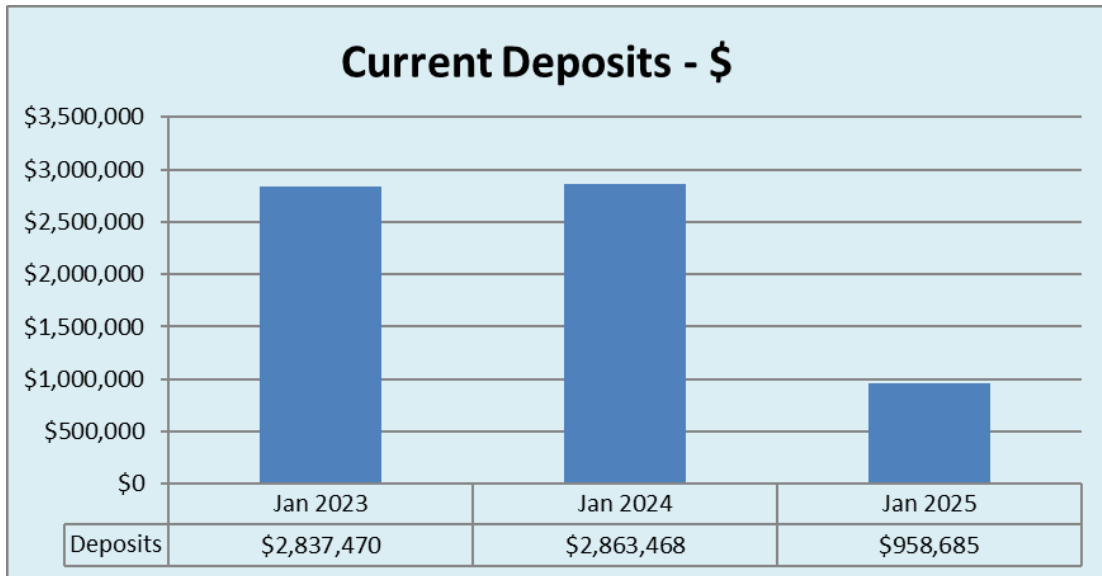
- 1.1 The Treasury Policy requires that a report be prepared detailing fixed borrowings and variable borrowings at the end of the preceding month, together with all investments held, their terms and interest rates. Also included is a summary of Reserve Balances and Rates and Debtor Information. The policy requires that the timing of these reports be November, February and May, with the end of year report as soon as practical as part of the end of financial year reporting.

2. REPORT

- 2.1 Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings are invested in accordance with Council's Treasury Policy. These investments are split between short term deposits (with variable maturity dates from 30-90 days) or at call with the Local Government Finance Authority (LGFA) or with the National Australia Bank (whichever offers the better interest rates).
- 2.2 Investments are selected considering which delivers the best value, having regard to investment returns, transaction costs and other relevant factors. It should be noted that there is a bonus paid on deposits with the LGFA each year, and whilst the percentage varies from year to year, typically it is around 0.20%.

2.3 Investments as at 31 January 2025

Date	Institution	%	Term-Days	Maturity	Value
31-Jan-2025	LGFA	4.65%	At Call	31-Jan-2025	22,384
31-Jan-2025	NAB	4.65%	At Call	31-Jan-2025	936,301
31-Jan-2024	2,863,468			31-Jan-2025	958,685



2.4 Cash has decreased compared to January 2024, as a result of the timing of the delivery of the infrastructure program in the first half of the 2024/25 financial year and the repayment of Cash Advance Debenture borrowings (CADs) utilized throughout the year. Due to the scale of Council's current infrastructure program, this cash outflow will continue in the second half of the financial year.

2.5 The Council has drawn down on its existing CADs facilities with a balance of \$5.5M as at 31 January 2025. This is in addition to \$12.5M drawn down earlier in the 2024/25 year which has since been fully repaid. This has resulted in an average drawn down position of \$1,717k for the year to 31/1/25, and an associated interest expense of \$64,245 incurred to date.

2.6 The Council's cash holdings and borrowings are closely monitored and when necessary, we will continue to draw down on the existing CAD facilities, noting that currently there are appropriate levels of facilities available to manage any cash shortfalls.

2.7 Reserves as at 31 January 2025

	Opening Balance as 1/07/2024	Transfer to Reserves	Transfer from Reserves	Current Balance
Open Space Reserve	1,994,043	676,225	-	2,670,268
Car Parking Reserve	1,030,527	28,471	-	1,058,998
Property Disposal Reserve	3,827,983	-	1,200,000	2,627,983
Mausoleum Perpetual Care Fund	1,082,160	29,897	-	1,112,057

ITEM 2.2.1

Salisbury Memorial Park Reserve	991,527	27,393	-	1,018,920
Developer and Public Infrastructure Reserve	2,371,800	450,568	206,000	2,616,368
Salisbury Water Business Unit Reserve	2,748,824	-	-	2,748,824
Northern Futures Fund Reserve	286,361	7,912	-	294,273
Business Transformation Reserve	2,933,534	71,973	2,198,029	807,478

2.8 Reserves are a device used to ensure that Council has allocated amounts for specific purposes. Transfers to the Reserves represent amounts received as contributions, indicative interest adjustments and property disposal proceeds. Transfers from the Reserves represent these amounts being applied to specific projects, or to reduce loan borrowing requirements.

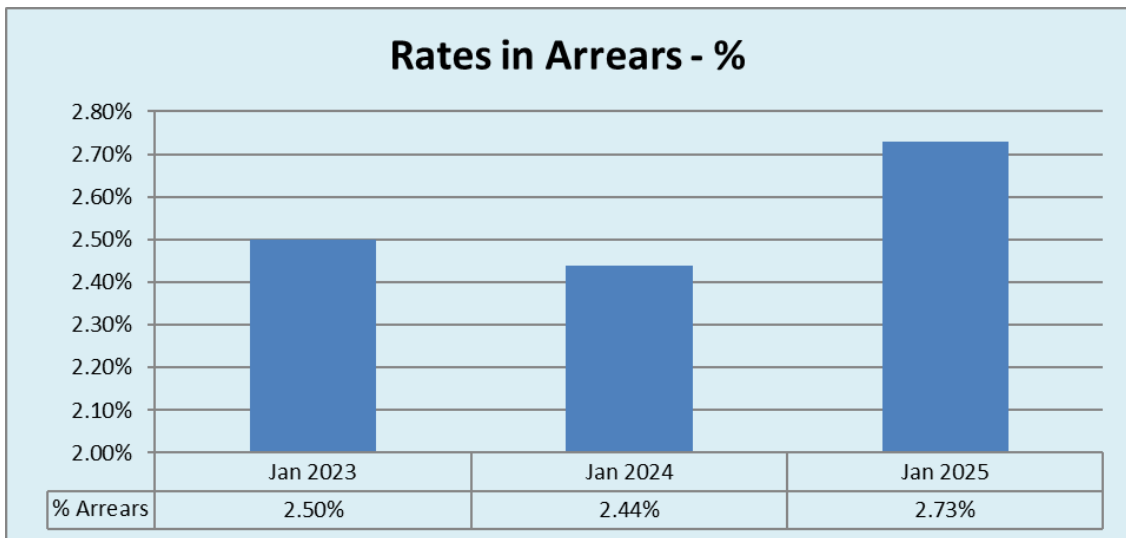
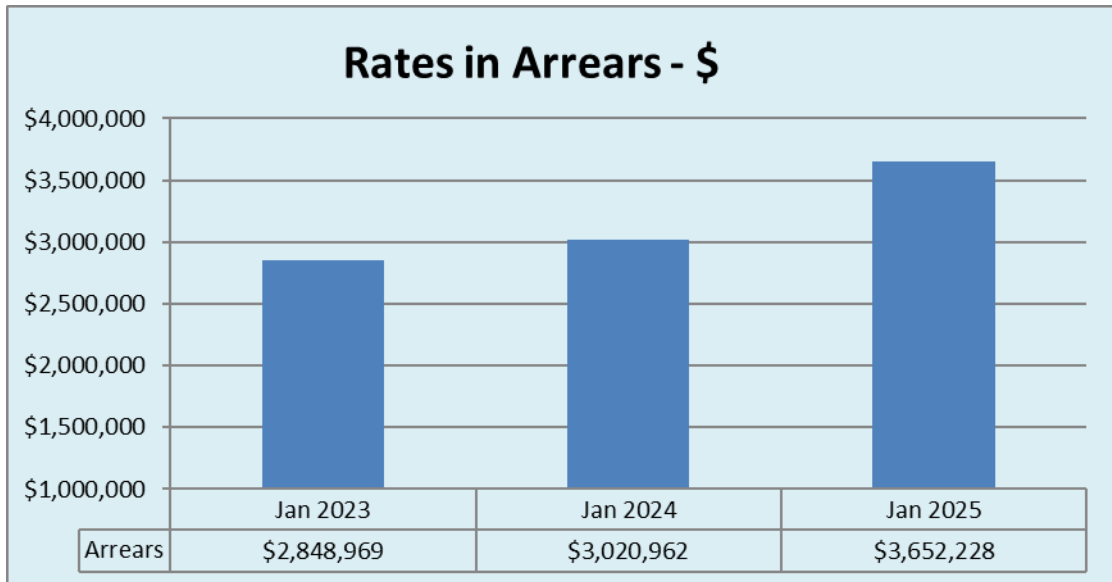
2.9 As at 31 January 2025, key movements include the Returned Funds of Developer Funded Program of \$199k into the Developer and Public Infrastructure Reserve for the works that were either not required or not completed in the 2023/24 financial year, offset by the 2024/25 allocation of \$206k approved through the budget process. There was also \$183k contributions received from various developers transferred to the Developer and Public Infrastructure Reserve. Other significant contributions include \$676k Open Space Reserve Contributions. Further, a transfer of \$2.2M from the Business Transformation Reserve to fund Business Transformation project expenses and a Property Disposal Reserve transfer of \$1.2M related to confidential item (resolution 0784/2024), with the remaining balance of the reserve retained to support working capital requirements.

2.10 Other amounts transferred to the Reserves relate to nominal interest totaling \$293k which is applied on the balances of the Reserves on a monthly basis based on the LGFA at call rate at the beginning of the month, with the Property Disposal Reserve and the Salisbury Water Business Unit Reserve being the only exceptions.

2.11 Recovery of Rates as at 31 January 2025

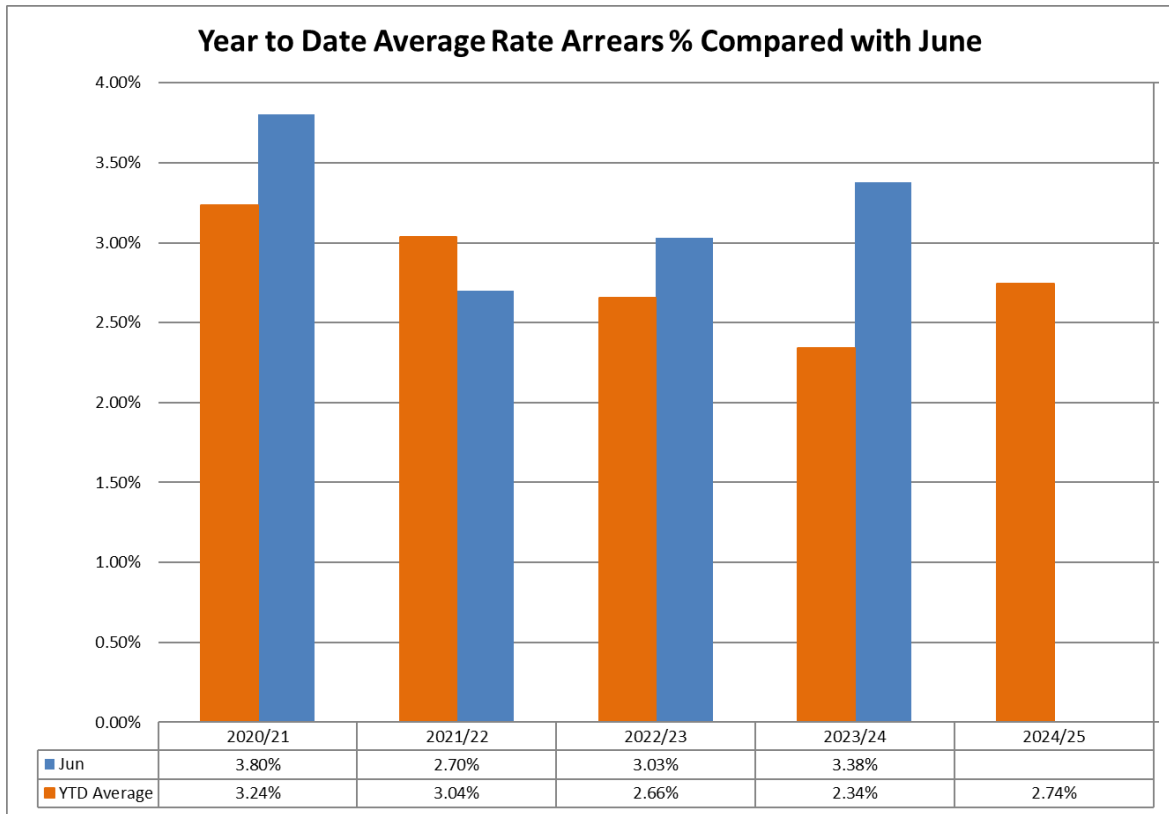
	\$	%
Outstanding Balance as at 31 January 2025*	52,984,495	40.23%
Outstanding Balance as at 31 January 2024*	48,942,811	40.13%
Outstanding Rates Arrears as at 31 January 2025	3,652,228	2.73%
Outstanding Rates Arrears as at 31 January 2024	3,020,962	2.44%

**The calculation of the outstanding balance is comprised of the amount outstanding at the time of the report, offset by payments that have been received in advance. In previous reports, these amounts had also included Water Debtors and comparisons have been adjusted accordingly.*



2.12 The level of Council Rates in arrears as at 31 January 2025 is 2.73% which is just above the target maximum level for Rates Arrears of 2.5%.

2.13 Rate arrears are cyclical in nature in that they peak in the month rate instalments fall due, and then typically trend downwards for the next two months, meaning that the rate arrears level at a point in time may be distorted, and that the average rate arrears normalises the cyclical impacts. The graph below depicts the average year to date rate arrears, with the average to January 2025 being 2.74%, which is just above the target of 2.5%.



2.14 Other Debtors as at 31 January 2025

Debtor Type	Current	30 – 60 days	60 - 90 days	Over 90 days	Total
Sundry	362,359	134,289	175,214	82,165	754,027
Salisbury Water	2,662	8,241	-	-	10,903
Health Licensing Fees	3,839	1,004	1,584	7,815	14,242
Property Management	70,045	24,255	7,610	5,745	107,654
Inflammable Undergrowth	0	0	0	3,642	3,642
TOTAL	438,905	167,789	184,408	99,367	749,622

2.15 The above aged analysis represents Council’s Sundry debtors as at 31 January 2025. The total Sundry debtors current balance of \$754k includes various debts, all of which are a normal part of Council’s operations and are expected to be paid in the upcoming period.

2.16 The above aged analysis also represents other amounts that are owing to Council from a variety of sources that are outstanding as at 31 January 2025. Debts outstanding greater than 90 days account for 13.3% of the total outstanding balance. Debts that are outstanding for greater than 30 days are subject to Council’s debt collection procedures, which include internal follow up and ultimately legal action through Council’s debt collection agency.

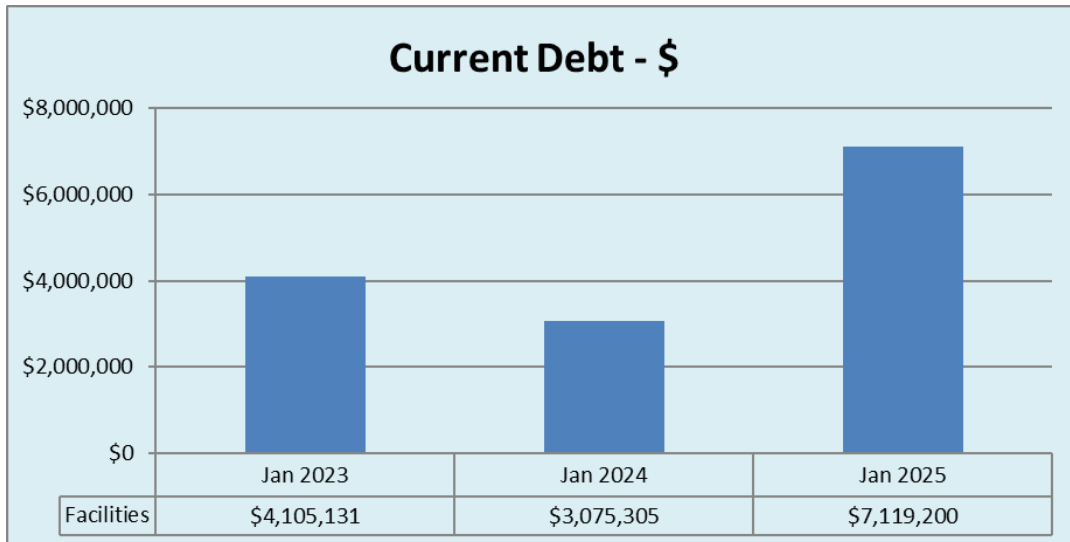
2.17 Loan Schedule as at 31 January 2025

Debenture Loans	
Principal Outstanding as at 1 July 2024	2,359,077
Loans Raised Year to Date	-
Repayments of Principal Year to Date	739,877
Loan Principal Outstanding - Debenture Loans	1,619,200
Cash Advance Debenture Borrowings (CADs)	
Total CAD's available	45,337,000
Current CAD's drawdown amount	5,500,000
Balance of CAD's available	39,837,000
Interest Payments (Debenture Loans and CADs)	
Interest Payments - Debenture Loans	75,194
Interest Payments - CAD's	64,245
Total Interest Payments	139,439

2.18 The above Loan Schedule summarises the position on loans taken for Council purposes. Fixed Term Borrowings detail total movements this financial year, with payments to be made half yearly; payments have already occurred in November and December 2024 and again in May and June 2025.

2.19 Council has drawn down on its existing cash advance debenture (CAD) facilities, with a balance of \$5.5 million as at 31 January 2025. Prior to this, \$12.5 million was drawn down in the first half of 2024/25, which has since been fully repaid. This has resulted in an overall interest expense of \$64,245 incurred to date.

2.20 The table below shows the level of fixed term loans together with the drawn down debt held by Council for the last three financial years. Debt has increased compared to Jan 2024, because of the CAD drawdown of \$5.5M however, there is a steady decrease in the fixed term debts. This has resulted from Council's decision to utilise property development proceeds to offset borrowing requirements in prior years, and the shift to CADs which are drawn down as required, and the timing of delivery of the infrastructure program.



2.21 Net Financial Liabilities Ratio Comparison



2.22 The graph above shows the net financial liabilities ratio (NFL) comparison for the 2024 and 2025 financial years as at the time of preparation of each Council finance report, with the 2024 end of financial year result updated to the audited amount. Council’s approved range for the NFL is less than 70% as adopted for the 2025 budget year which is represented by the green shaded area on the graph.

- 2.23 It should be noted that when the ratio is below zero, this represents a net financial assets position, which is when the financial assets (cash, receivables and financial assets) are greater than total liabilities. Effectively this means that a negative ratio is favorable. When financial assets are less than total liabilities it results in a net financial liability position, and a positive ratio.
- 2.24 As can be seen, the trend is that early in both financial years Council is in a strong net financial assets position. This reflects higher levels of cash holdings and trade receivables than levels of trade payables and debt. As the financial year progresses, cash holdings are reduced as the infrastructure program is delivered. At the end of the 2023/24 financial year Council was in a net financial liability position with a ratio of 27% which is in the approved range.
- 2.25 The budgeted ratio for 2024/25 for the net financial liabilities is 59.4%. The ratio is calculated as financial liabilities less financial assets, being net financial liabilities, and then this is divided by operating revenue. Currently the actual ratio is a net financial asset position of 22.8%, which means that Council has financial assets (e.g. cash and receivables) exceeding our financial liabilities (e.g. accounts payables, provisions, and loan borrowings).
- 2.26 Over the coming quarters as the Infrastructure program is delivered, cash holdings will be depleted and the levels of trade payables and debt will increase as drawdowns are made on the CAD facilities, resulting in the ratio moving from net financial asset position to a net financial liability ratio; trending upwards towards the budgeted figure.

3. CONCLUSION / PROPOSAL

- 3.1 The analysis above demonstrates that Council is currently in a sound financial position, with adequate Cash holdings and Net Financial Liabilities within the approved range. Reduction in cash balances and drawdowns of CAD facilities will occur as we expend the scheduled capital program. However, it should be noted that Council has appropriate levels of borrowing facilities to manage any cash shortfalls that may result.