

NOTICE OF COUNCIL MEETING

Pursuant to the provisions of section 84 (1) of the
Local Government Act 1999

Audit Committee Meeting of the



will be held in

**Council Chamber
Redbanks Road
Mallala**

on

Monday 3 July 2023 at 4.30pm

A handwritten signature in black ink, appearing to read "James Miller", is positioned above the printed name and title.

James Miller
CHIEF EXECUTIVE OFFICER

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1 ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges that we meet on the traditional country of the Kurna people of the Adelaide Plains and pays respect to elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land and we acknowledge that they are of continuing importance to the Kurna people living today.

2 ATTENDANCE RECORD

3 MINUTES

3.1 Confirmation of Minutes - Audit Committee Meeting - 3 April 2023

“that the minutes of the Audit Committee Meeting held on Monday 3 April 2023 (MB Folios 252 to 258, inclusive), be accepted as read and confirmed.”

MINUTES

of the

Audit Committee Meeting



Held, pursuant to the provisions of the
Local Government Act 1999, in the

**Council Chamber
Redbanks Road
Mallala**

on

Monday 3 April 2023 at 4.30pm

The Chairperson formally declared the meeting open at 4.30pm.

1 ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges that we meet on the traditional country of the Kurna people of the Adelaide Plains and pays respect to elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land and we acknowledge that they are of continuing importance to the Kurna people living today.

2 ATTENDANCE RECORD

2.1 Present

Mr Alan Rushbrook (Chairperson)

Mr Peter Fairlie-Jones (Independent Member)

Mayor Mark Wasley

Deputy Mayor Marcus Strudwicke

Councillor Margherita Panella (*by electronic means*)

Also in Attendance

Acting Chief Executive Officer

Mr Rajith Udugampola

Director, Corporate Services

Ms Sheree Schenk

Director, Infrastructure and Environment

Mr Thomas Jones

Group Manager, Development and Community

Mr Michael Ravno

Accountant

Ms Carmel Vandermolen

Senior Information Technology Officer

Mr Thomas Harris-Howson

Governance Administration Officer/Minute Taker

Ms Stacie Shrubsole

Team Leader Customer Service and Administration Officer

Ms Abbey Cook

3 MINUTES**3.1 CONFIRMATION OF MINUTES – AUDIT COMMITTEE MEETING – 13 FEBRUARY 2023****COMMITTEE RESOLUTION 2023/018**

Moved: Deputy Mayor Strudwicke

Seconded: Mayor Wasley

“that the minutes of the Audit Committee Meeting held on Monday 13 February 2023 (MB Folios 244 to 251, inclusive), be accepted as read and confirmed.”

CARRIED

4 BUSINESS ARISING

Nil

5 DECLARATION OF MEMBERS’ INTEREST

Nil

6 REPORTS FOR DECISION**6.1 2023/2024 DRAFT ANNUAL BUSINESS PLAN, BUDGET AND REVISED LONG TERM FINANCIAL PLAN 2024-2033****COMMITTEE RESOLUTION 2023/019**

Moved: Mayor Wasley

Seconded: Councillor Panella

“that the Audit Committee, having considered Item 6.1 – *2023/2024 Draft Annual Business Plan, Budget and Revised Long Term Financial Plan 2024-2033*, dated 3 April 2023, receives and notes the report and in doing so acknowledges that the draft operating deficit of \$1.923m as presented in this report is higher than anticipated in the current Long-Term Financial Plan due to the following:

1. Increase in operating costs as a result of high inflation;
2. Additional depreciation associated with growth (donated assets) and high inflation;
3. Increase in interest expenses as a result of higher interest rates; and
4. Conscious decisions taken by the Council to invest in growth-related initiatives which have been funded by short-term borrowings.”

CARRIED

The Chairperson sought leave of the meeting to suspend meeting procedures pursuant to Regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013* for a period of up to ten (10) minutes to facilitate informal discussions regarding the wording of a draft motion in relation to Item 6.1 – *2023/2024 Draft Annual Business Plan, Budget and Revised Long Term Financial Plan 2024-2033*.

Leave was granted.

The meeting was suspended at 5.43pm.

The meeting resumed at 5.51pm.

COMMITTEE RESOLUTION 2023/020

Moved: Deputy Mayor Strudwicke

Seconded: Mr Fairlie-Jones

“that the Audit Committee, having considered Item 6.1 – 2023/2024 Draft Annual Business Plan, Budget and Revised Long Term Financial Plan 2024-2033, dated 3 April 2023, recommends to the Council that consideration is given to the following items in future drafts of the 2023/2024 Annual Business Plan and Budget:-

- Allocation of funding based on the timing of the employment of new staff;
- Reviewing increase of CWMS charges;
- Apply rates income received through property growth to reduce deficit;
- Flexible application of rating principles to achieve a more consistent rate increase across differentials ;
- Increasing fixed-charge;
- Identifying additional savings; and
- Review of the wage increase for staff costs following the March quarter CPI figure.”

CARRIED

COMMITTEE RESOLUTION 2023/021

Moved: Mayor Wasley

Seconded: Mr Fairlie-Jones

Councillor Panella disconnected from the meeting at 6.12pm.

Councillor Panella reconnected to the meeting at 6.20pm.

“that the Audit Committee, having considered Item 6.1 – 2023/2024 Draft Annual Business Plan, Budget and Revised Long Term Financial Plan 2024-2033, dated 3 April 2023, and specifically, the Long-Term Financial Plan projections updated for the period 2024-2033, notes the significant deficits forecast over the 10-year period and recommends to Council the development of strategies to eliminate the deficit within four (4) years.”

CARRIED

6.2 LOCAL GOVERNMENT ADVICE – ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA**COMMITTEE RESOLUTION 2023/022****Moved: Deputy Mayor Strudwicke****Seconded: Mayor Wasley**

“that the Audit Committee, having considered Item 6.2 – *Local Government Advice – Essential Services Commission of South Australia*, dated 3 April 2023, receives and notes the report and in doing so recommends to Council that it adopt the response outlined within Attachment 3 to this report as the Council’s response to the ESCOSA Local Government Advice – February 2023.”

CARRIED**6.3 UPDATE ON AUDIT COMMITTEE ANNUAL WORK PROGRAM 2022/2023****COMMITTEE RESOLUTION 2023/023****Moved: Mr Fairlie-Jones****Seconded: Deputy Mayor Strudwicke**

“that Council, having considered Item 6.3 – *Update on Audit Committee Annual Work Program 2022/2023*, dated 3 April 2023, receives and notes the report and in doing so recommends to Council that Council acknowledge the progress made to complete the activities identified for the Audit Committee during the 2022/2023 Financial Year.”

CARRIED**7 REPORTS FOR INFORMATION****7.1 COMMITTEE RESOLUTIONS****COMMITTEE RESOLUTION 2023/024****Moved: Mr Fairlie-Jones****Seconded: Deputy Mayor Strudwicke**

“that the Audit Committee, having considered Item 7.1 – *Committee Resolutions*, dated 3 April 2023, receives and notes the report.”

CARRIED**7.2 ACCOUNTING TREATMENT OF THE INCOME AND EXPENDITURE FOR THE TWO WELLS LEVEE****COMMITTEE RESOLUTION 2023/025****Moved: Mayor Wasley****Seconded: Mr Fairlie-Jones**

“that the Audit Committee, having considered Item 7.2 – *Accounting Treatment of the Income and Expenditure for the Two Wells Levee*, dated 3 April 2023, receives and notes the report.”

CARRIED

8 QUESTIONS WITHOUT NOTICE

Nil

9 MOTIONS WITHOUT NOTICE

Nil

10 URGENT BUSINESS

Nil

11 CONFIDENTIAL ITEMS**11.1 INFORMATION TECHNOLOGY UPDATE****COMMITTEE RESOLUTION 2023/026****Moved: Deputy Mayor Strudwicke****Seconded: Mr Fairlie-Jones****“that:**

- 1. Pursuant to section 90(2) of the *Local Government Act 1999*, the Audit Committee orders that all members of the public, except the Acting Chief Executive Officer, Director Corporate Services, Director Infrastructure and Environment, Group Manager – Development and Community, Accountant, Senior Information Technology Officer, Governance Administration Officer/Minute Taker and Team Leader Customer Service and Administration Officer be excluded from attendance at the meeting of Audit Committee for Agenda Item 11.1 – *Information Technology Update*;**
- 2. The Audit Committee is satisfied that pursuant to section 90(3)(e) of the *Local Government Act 1999*, Item 11.1 – *Information Technology Update* concerns matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person, being a report in relation to information technology of the Council; and**
- 3. The Audit Committee is satisfied that the principle that Committee meetings should be conducted in a place open to the public has been outweighed by the need to keep the information, matter and discussion confidential.”**

CARRIED

Councillor Panella disconnected from the meeting at 6.51 pm.

Councillor Panella reconnected to the meeting at 6.54pm.

COMMITTEE RESOLUTION 2023/027

Moved: Mayor Wasley
Seconded: Mr Fairlie-Jones

“that Council, having considered Item 11.1 – *Information Technology Update*, dated 3 April 2023, receives and notes the report.”

CARRIED

COMMITTEE RESOLUTION 2023/028

Moved: Deputy Mayor Strudwicke
Seconded: Councillor Panella

“that the Audit Committee, having considered Item 11.1 – *Information Technology Update*, dated 3 April 2023 in confidence under sections 90(2) and 90(3)(e) of the *Local Government Act 1999*, resolves that:

- 1. The report, Attachment 1, Attachment 2 and Attachment 3 pertaining to Item 11.1 – *Information Technology Update* remain confidential and not available for public inspection until further order of the Council except such disclosure as the Chief Executive Officer determines necessary or appropriate for the purpose of furthering the discussions or actions contemplated;**
- 2. Pursuant to section 91(9)(a) of the *Local Government Act 1999*, the confidentiality of the matter will be reviewed every 12 months; and**
- 3. Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Committee delegates the power to revoke this confidentiality order to the Chief Executive Officer.”**

CARRIED

12 NEXT MEETING

To be advised.

13 CLOSURE

There being no further business, the Chairperson declared the meeting closed at 7.00pm.

Confirmed as a true record.

Chairperson:.....

Date: ___/___/___

3.2 Confirmation of Minutes – Special Audit Committee Meeting – 21 June 2023

“that the minutes of the Special Audit Committee Meeting held on Wednesday 21 June 2023 (MB Folios 259 to 264, inclusive), be accepted as read and confirmed.”

CONFIDENTIAL

MINUTES

of the

Special Audit Committee Meeting



Held, pursuant to the provisions of the
Local Government Act 1999, in the

**Council Chamber
Redbanks Road
Mallala**

on

Wednesday 21 June 2023 at 3.30pm

The Chairperson formally declared the meeting open at 3.35pm.

1 ACKNOWLEDGEMENT OF COUNTRY

The Committee acknowledges that we meet on the traditional lands of the Kurna and the Narungga people and pays respect to elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land and we acknowledge that they are of continuing importance to the Kurna and Narungga people living today.

2 ATTENDANCE RECORD

2.1 Present

Mr Alan Rushbrook (Chairperson) *(by electronic means)*

Mr Peter Fairlie-Jones (Independent Member) *(by electronic means)* from 3.54pm

Mayor Mark Wasley *(by electronic means)*

Deputy Mayor Marcus Strudwicke *(by electronic means)*

Councillor Margherita Panella *(by electronic means)*

Also in Attendance

Chief Executive Officer	Mr James Miller
Director, Corporate Services	Ms Sheree Schenk
Director, Finance	Mr Rajith Udugampola
Director, Growth and Investment	Mr Darren Starr
Director, Infrastructure and Environment	Mr Thomas Jones
Group Manager, Development and Community	Mr Michael Ravno
Governance Administration Officer/Minute Taker	Ms Stacie Shrubsole
Information Technology Officer	Mr Sean Murphy
Chair, Norman Waterhouse Lawyers	Mr Sean Keenihan
Principal, Alinea Group	Mr Ben Koop
Managing Director, Powell & Co Pty Ltd	Mr David Powell
Director, BRM Advisory	Mr Mark Booth
Councillor	Mr John Lush

3 BUSINESS ARISING

Nil

4 DECLARATION OF MEMBERS' INTEREST

Nil

5 QUESTIONS WITHOUT NOTICE

Nil

6 MOTIONS WITHOUT NOTICE

Nil

7 URGENT BUSINESS

Nil

8 CONFIDENTIAL ITEMS**8.1 TWO WELLS TOWN CENTRE MARKET ENGAGEMENT – SELECTION OF PREFERRED TENDER****COMMITTEE RESOLUTION 2023/029**

Moved: Deputy Mayor Strudwicke

Seconded: Councillor Panella

“that:

1. Pursuant to section 90(2) of the *Local Government Act 1999*, the Audit Committee orders that all members of the public, except Chief Executive Officer, Director Corporate Services, Director Finance, Director Growth and Investment, Director Infrastructure and Environment, Group Manager – Development and Community, Governance Administration Officer/Minute Taker, Mr Sean Keenihan of Norman Waterhouse Lawyers, Mr Ben Koop of Alinea Group, Mr David Powell of Powell and Co, Mr Mark Booth of BRM Advisory and Councillor John Lush, be excluded from attendance at the meeting of the Audit Committee for Agenda Item 8.1 – *Two Wells Town Centre Market Engagement – Selection of Preferred Tender*.
2. The Audit Committee is satisfied that pursuant to section 90(3)(b) of the *Local Government Act 1999*, Item 8.1 – *Two Wells Town Centre Market Engagement – Selection of Preferred Tender* concerns commercial information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting business, or to prejudice the commercial position of Council, being information relating to ongoing negotiations, and would on balance be contrary to the public interest;
3. The Audit Committee is satisfied that the principle that Council meetings should be conducted in a place open to the public has been outweighed by the need to keep the information, matter and discussion confidential.”

CARRIED

Subject to Confirmation

COMMITTEE RESOLUTION 2023/034**Moved:** Mayor Wasley**Seconded:** Deputy Mayor Strudwicke**“that:**

- 1. The staff report, minutes, Attachment 1, Attachment 2, Attachment 3, Attachment 4 and Attachment 5 pertaining to Item 8.1 – *Two Wells Town Centre Market Engagement - Selection of Preferred Tender* remain confidential and not available for public inspection until further order of the Council except such disclosure as the Chief Executive Officer determines necessary or appropriate for the purpose of furthering the discussions or actions contemplated;**

- 2. Pursuant to section 91(9)(a) of the *Local Government Act 1999*, the confidentiality of the matter will be reviewed every 12 months; and
- 3. Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Council delegates the power to revoke this confidentiality order to the Chief Executive Officer.”

CARRIED

9 NEXT MEETING

Monday 3 July 2023 at 4.30pm.

10 CLOSURE

There being no further business, the Chairperson declared the meeting closed at 5.12pm.

Confirmed as a true record.

Chairperson:.....

Date: ___/___/___

Subject to Confirmation

4 BUSINESS ARISING

5 DECLARATION OF MEMBERS' INTEREST

6 REPORTS FOR DECISION

6.1 DRAFT 2023/2024 ANNUAL BUSINESS PLAN, BUDGET AND REVISED LONG TERM FINANCIAL PLAN 2024-2033

Record Number: D23/25432

Author: Director Finance

Authoriser: Chief Executive Officer

Attachments:

1. Draft 2023/2024 Annual Business Plan and Budget released for public consultation on 10 May 2023 [↓](#) 
2. Revised Long Term Financial Plan 2024-2033 released for public consultation on 10 May 2023 [↓](#) 
3. Public Submission from Alvin Jenkin, Secretary, Parham and District Action Group [↓](#) 
4. Public Submission from Rob Goodwin [↓](#) 
5. Public Submission from Ian Telfer [↓](#) 

EXECUTIVE SUMMARY

- The purpose of this report is to provide for Audit Committee's information and consideration following documents post-public consultation before the final consideration by the Council on 10 July 2023:
 - 2023/2024 Draft Annual Business Plan (the ABP), Budget (the draft Budget); and
 - revised (10-year) Long-Term Financial Plan for the period 2024-2033 (the revised LTFP).
- At a Special Council meeting held on 1 May 2023, Council resolved that the Draft Budget and the revised LTFP be released for public consultation. It forecast an operating deficit of \$1.200m which consists of recurrent budget deficit of \$0.429m and operating project budget of \$0.771m.
- In addition, draft documents also identified: -
 - Capital project budget of \$4.827m;
 - Average rate increase of 7% plus growth of 2.55%;
 - Increase in fixed charge from \$123 to \$185; and
 - New borrowings of \$2.229m.
 - Break-even budget in 2027/2028 (Year 5) of the revised LTFP
- Kerbside waste collection levy was expected to increase by 20%, mainly due to increase in collection and disposal costs. Annual CWMS service charges have been estimated based on a 7% increase for Mallala and Middle Beach respectively (**Table 8**).
- During the public consultation period, Council received three (3) submissions on the draft Budget and the revised LTFP.
- As of 10 June 2023, growth from development is 3.78% and the updated budget position is as follows: -

- Operating deficit of \$0.898m (**Table 2**) which consists of recurrent budget deficit of \$0.112m and operating project budget of \$0.786m (**Table 3**);
 - Capital project budget of \$4.627m (**Table 4**);
 - Average rate increase of 7% plus growth of 3.78%;
 - Increase in fixed charge from \$123 to \$185;
 - New borrowings of \$1.711m (**Table 9**); and
 - Break-even budget in 2027/2028 (Year 5) of the revised LTFP;
- As reported to the Elected Body and the Audit Committee by the CEO, a presentation will be provided at the meeting in response to questions around salaries, labour, productivity improvements, efficiencies and growth which the CEO intends to include the Elected Members in the meeting to glean information ahead of budget adoption on 10 July 2023.

RECOMMENDATION 1

“that the Audit Committee, having considered Item 6.1 – *Draft 2023/2024 Annual Business Plan, Budget and Revised Long Term Financial Plan 2024-2033*, dated 3 July 2023, receives and notes the report and in doing so recommends to Council that it adopts consulted *Draft 2023/2024 Annual Business Plan and Budget* as contained in the Attachment 1, subject to the following changes:-

- 1. Changes to the draft budget post-public consultation as identified in Table 1 of this report;**
- 2. Updated final valuation reports from the Valuer General; and**
- 3.”**

RECOMMENDATION 2

“that the Audit Committee, having considered Item 6.1 – *Draft 2023/2024 Annual Business Plan, Budget and Revised Long Term Financial Plan 2024-2033*, dated 3 July 2023, receives and notes the report and in doing so recommends to Council that it adopts consulted *Revised Long Term Financial Plan 2024-2033* as contained in the Attachment 2, subject to the following changes:-

- 1. Changes to the revised long term financial plan post-public consultation as identified in Table 1 of this report;**
- 2. Updated final valuation reports from the Valuer General; and**
- 3.”**

BUDGET IMPACT

Estimated Cost:	\$ 0.898m (operating deficit)
Future ongoing operating costs:	Interest expenses associated with new borrowings to finance capital expenditure
Is this Budgeted?	Yes (In the draft budget estimates)

RISK ASSESSMENT

Financial Risk

Council's current borrowing capacity with the Local Government Finance Association (LGFA) is \$14.9m. Therefore, proposed borrowings identified in this report will reduce the ability to borrow more funds for future activities of the Council.

LGFA has indicated recently that with the rapid population growth, a period of higher than 100% Non-Financial Liability Ratio may be acceptable as long as Council's long term financial planning justifies that it can handle the extra debt.

However, given the potential high debt level of the council and the projected operating deficits until 2027/2028, LGFA may place financial covenants on any new loans that aligns with projections in the LTFP to ensure that the Council commit to the LTFP projections.

Liquidity Risk

Overdue rates have increased significantly over the last few years. Council's current overdue rates balance is \$1.271m as of 16 June 2023, an increase of 38% when compared to the overdue rates balance of \$0.922m as of 30 June 2022. Therefore, any significant increase in overdue rates poses a considerable liquidity risk for the Council which may need to be funded via short-term borrowings in addition to the new borrowings estimated in this report.

Council already has commenced process under Section 184 of the *Local Government Act 1999*, to recover rates overdue for more than three (3) years. The total outstanding from these properties is \$0.208m recovery of which will provide a significant reduction in overdue rates.

DETAILED REPORT

Purpose

The purpose of this report is to provide for Audit Committee's information and consideration following documents post-public consultation before the final consideration by the Council on 10 July 2023:

- 2023/2024 Draft Annual Business Plan (the ABP), Budget (the draft Budget); and
- revised (10-year) Long-Term Financial Plan for the period 2024-2033 (the revised LTFP).

Background

Audit Committee feedback on the ABP, budget and the revised LTFP

The Audit Committee at its meeting held on 3 April 2023 resolved as follows:

COMMITTEE RESOLUTION 2023/019**Moved: Mayor Wasley****Seconded: Councillor Panella**

“that the Audit Committee, having considered Item 6.1 – 2023/2024 Draft Annual Business Plan, Budget and Revised Long Term Financial Plan 2024-2033, dated 3 April 2023, receives and notes the report and in doing so acknowledges that the draft operating deficit of \$1.923m as presented in this report is higher than anticipated in the current Long-Term Financial Plan due to the following:

- 1. Increase in operating costs as a result of high inflation;***
- 2. Additional depreciation associated with growth (donated assets) and high inflation;***
- 3. Increase in interest expenses as a result of higher interest rates; and***
- 4. Conscious decisions taken by the Council to invest in growth-related initiatives which have been funded by short-term borrowings.”***

CARRIED**COMMITTEE RESOLUTION 2023/020****Moved: Deputy Mayor Strudwicke****Seconded: Mr Fairlie-Jones**

“that the Audit Committee, having considered Item 6.1 – 2023/2024 Draft Annual Business Plan, Budget and Revised Long Term Financial Plan 2024-2033, dated 3 April 2023, recommends to the Council that consideration is given to the following items in future drafts of the 2023/2024 Annual Business Plan and Budget: -

- Allocation of funding based on the timing of the employment of new staff;***
- Reviewing increase of CWMS charges;***
- Apply rates income received through property growth to reduce deficit;***
- Flexible application of rating principles to achieve a more consistent rate increase across differentials;***
- Increasing fixed-charge;***
- Identifying additional savings; and***
- Review of the wage increase for staff costs following the March quarter CPI figure.”***

CARRIED**COMMITTEE RESOLUTION 2023/021****Moved: Mayor Wasley****Seconded: Mr Fairlie-Jones**

“that the Audit Committee, having considered Item 6.1 – 2023/2024 Draft Annual Business Plan, Budget and Revised Long Term Financial Plan 2024-2033, dated 3 April 2023, and specifically, the Long-Term Financial Plan projections updated for the period 2024-2033, notes the significant deficits forecast over the 10-year period and recommends to Council the development of strategies to eliminate the deficit within four (4) years.”

CARRIED**Public Consultation**

Pursuant to Section 123 of the *Local Government Act 1999* (the Act), the Council is required to prepare an ABP for each financial year and that the ABP be adopted by the Council after 31 May for the ensuing financial year and, except in a case involving extraordinary administrative difficulty, before 15 August for the financial year.

21-day public consultation was undertaken from Wednesday, 10 May 2023 to Tuesday 30 May 2023. In addition, as part of the public consultation process, a Special Council Meeting was held at the Mallala Council Chamber on Monday 22 May 2023 from 7.30pm to 8.30pm, to receive verbal

submissions on the Draft 2023/2024 ABP, Budget and Revised LTFP. **Attachment 1** and **Attachment 2** contains a copy of the consulted draft ABP, budget and the revised LTFP.

Discussion

Public Submission to the Draft Budget

During public consultation period, Council received three (3) written submissions on the draft ABP, draft Budget and the revised LTFP. Following is a summary of the submissions received. Please refer to **Attachments 3 to 5** for the copy of the submissions.

Submission 1: Alvin Jenkin, Secretary, Parham and District Action Group

- \$15k has not been allocated in the budget for development of a master plan for the Parham Foreshore.

Management Comment: To be included in the updated Operating Project Program.

- No budget for Parham Horse Float Parking (\$50k).

Management Comment: This is carry-over project from 22/23 financial year.

- No funding for actual works of sealing The Esplanade at Parham.

Management Comment: Thompson and Webb Beach design works are in progress, potentially to be completed by 30 June. Report is to provide to the Chamber once design work is completed.

- No budget for public consultation on green waste collection in coastal communities.

Management Comment: Public consultation will be carried out through the existing operating budget hence no separate funding allocation has been made in the draft budget.

- No funding to initiate activity to create camp ground at Dublin.

Management Comment: At the Council meeting held on 22 May 2023, Council resolved to instruct Chief Executive Officer to enter into discussion with the Mallala and Districts Lions Club to determine the possibility of leasing land for the development of a bush camp by the Lions Club in Dublin and bring back a report to Council with all relevant considerations and costings. These discussions can be undertaken by Council staff. This will however, not impact proposed Kerbing work on South Terrence Dublin.

- Community consultation on Parham - Old Playground Block.

Management Comment: This is a carry-over project from 22/23 and community consultation will occur in 23/24.

- No funding for a grant writer.

Management Comment: Existing staff resources will be used for Council's grant applications. Community can seek assistance from Council's Community Development Officer for their grant applications.

- It is encouraging to see Township Entrance Signs in the draft budget.

Rob Goodwin, Mallala

- Cleaning of drain cover near 33 Butler Street, Mallala.

Management Comment: Cleaning work was completed on 9 June.

Ian Telfer

- General comments about the 23/24 budget and not investing enough money in Thompson Beach.

Management Comment: Council's undertake various assets renewal and new/upgrade activities throughout the district based on its Strategic Plan 2021-2024 and Infrastructure and Assets Management Plans.

Budget Changes Post-Public Consultation

Following changes have been made to the draft Budget and the revised LTFP following public consultation.

Table 1 – Changes to the draft budget and the revised LTFP Post-Public Consultation

Budget Change	Financial Impact
In the May Federal budget, government confirmed the continuation of Supplementary Local Road Funding for SA. APC is expected to receive \$0.134m in the next year.	Additional operating income of \$0.134m.
Updated growth information from GV (Growth increased from 2.55% to 3.78%).	Additional rates income of \$0.150m.
\$0.015mk has been allocated for Parham Foreshore Master Plan (Resolution 2023/075 of March I&C Committee).	Increase in cost of Operating Project program by \$0.015m.
Remove Hart Reserve Master Plan Development – Stage 2 from the Capital Program until grant funding opportunity are available.	Reduction in the Capital budget by \$0.200m.
Financial returns associated with the TW Town Centre development has been excluded pending formal Council resolutions and finalisation of relevant contractual discussions/agreements.	Proceeds from the sale of land, future rates income, future development application income, donated assets and its depreciation excluded from the LTFP.

Draft Statement of Comprehensive Income (Profit & Loss Statement)

As shown in **Table 2** below, based on a 7% increase in average rates and 3.78% growth, it is estimated that for 2023/2024 Financial Year, there will be an Operating Deficit of \$0.898m from recurrent and operating project activities (*based on property valuation data as of 10 June 2023*).

Table 2: Draft Statement of Comprehensive Income (\$'000)

Description	2022/2023	2023/2024		Budget Movement	
	Adopted Budget (\$)	Draft Budget (\$)	(%)	\$	%
RECURRENT INCOME					
Rates					
- General Rates - Existing Assessments	10,820	12,310	72	1,490	14
- General Rates - New Assessments	179	138	1	(41)	
- Rate Rebates	(107)	(114)	(1)	(7)	7
- Waste Levy	710	897	5	188	26
- Regional Landscape Levy	197	319	2	122	62
- Other Rates Income	84	105	1	21	25
- CWMS Charges	262	281	2	18	7
Statutory charges	589	520	3	(69)	(12)
User charges	193	229	1	37	19
Grants, subsidies & contributions	1,955	2,240	13	285	15
Interest Income	3	3	0	(0)	(6)
Reimbursements	123	139	1	15	13
Other Income	48	48	0	(1)	(1)
TOTAL RECURRENT INCOME	15,056	17,114	100	2,058	14
RECURRENT EXPENSES					
Employee Costs	6,465	7,075	41	(610)	(9)
Materials, contracts and other	5,191	5,736	33	(545)	(10)
<i>Including legal expenditure of</i>	<i>200</i>	<i>150</i>	<i>1</i>	<i>50</i>	<i>25</i>
Depreciation	3,144	3,517	20	(373)	(12)
Interest Expenses	272	820	5	(548)	(201)
Share of loss from GRFMA	79	79	0	-	-
TOTAL RECURRENT EXPENSES	15,151	17,226	100	(2,075)	(14)ⁱ
RECURRENT DEFICIT	(95)	(112)	(1)	(17)	18
Cost of growth initiatives (Operating Projects)	(934)	(786)	(5)	148	(16)
OPERATING DEFICIT	(1,029)	(898)		130	

Proposed Operating Project Program 2023/2024

The Operating Projects budget encompasses programs and activities that are outside the 'business as usual' services and are considered discretionary in nature, i.e., the Council is under no obligation to provide the services, activities or programs or if required to undertake the activity, are irregular in nature (For example, Local Government Elections). Operating Projects may be one off activities or programs, an expansion of an existing service or program or proposals to introduce a new service

or program. Operating projects are funded via new borrowings. The cost of the draft Operating Project program as summarised in **Table 3** below is estimated to be \$1.132m.

Table 3: Proposed Operating Projects Program for 2023/2024 (\$'000)

Operating Project Name (Including brief project description)	Rationale	Cost
ENVIABLE LIFESTYLE		
1. Street/Verge Tree Planting <i>Continue to deliver street trees to local streets</i>	C	30
2. Two Wells Library - Salt damp treatment <i>Repair salt damp damage to the heritage listed building to reduce further damage. (Potential to reduce costs through a grant application).</i>	C	50
3. New Cemetery Management System <i>Introduction of new software to manage cemetery leases, burials, cremations records/certificates and management of plots.</i>	D	54
EMERGING ECONOMY		
4. Two Wells Land Development <i>Continue to engage consultants to develop two (2) land parcels in Two Wells purchased by the Council from State Government</i>	B	35
5. Additional Labour Resources <i>To address growth and current gaps to mitigate risk and improve business efficiency, productivity and service levels</i>	B	241
6. Undergrounding of Power - Two Wells Main Street (Stage 2) **	A/B/C	600
REMARKABLE LANDSCAPES		
7. GRFMA Business Case <i>Provision of financial contributions toward completion of the Department for Environment and Water, (Gawler River) Business Case.</i>	A	52
8. Two Wells Cemetery – landscaping <i>Replacement of the deteriorate Two Wells cemetery landscaping</i>	D	20
PROACTIVE LEADERSHIP		
9. Community and Civic Hub Investigation - Phase 2 <i>Develop a strategy/plan (including governance, risk management, procurement etc) based on information and feedback gathered from the community with regard to the next phase and direction of the Community and Civic Hub Investigation</i>	A/B	25
10. Donaldson Road - Design to include Water Sensitive Urban Design and open space elements <i>Investigations/design to address stormwater management issues identified within the Two Wells Stormwater Management Plan.</i>	C	10
11. Parham Foreshore Master Plan <i>Develop the foreshore at Parham between First Street and South Terrace</i>	A	15
Total Estimated Costs		1,132

Rationale

- A. Previous Council resolutions/Elected Members' feedback;
- B. Investment for growth/Economic Development;
- C. Infrastructure and Assets Management Plans; and
- D. Staff initiatives to reduce cost and improve productivity/service standard

** It is proposed that \$0.345m that has been allocated to the Council under the round 4 of the Local Roads and Community Infrastructure Program be allocated to fund Undergrounding of Power in Two Wells.

Proposed Capital Project Program for 2023/2024

The Capital Works budget encompasses projects which renew, upgrade or create new infrastructure assets. Examples of projects are the Civil Infrastructure Whole-of-Life Program (renew), streetscape (New).

Renewal Capital Projects are funded through Rate Revenue, via the depreciation charge, with new or upgrade works being funded through borrowings.

Draft 2023/2024 capital programme is summarised below. The estimated cost of the capital works program is \$4.627m of which \$3.693m (80%) would be spent on assets renewals in line with Council's assets management plans. The remaining expenditure of \$0.934m (20%) is proposed to be spent on new/upgraded assets.

Table 4: Proposed Capital Works Program (\$'000)

Capital Project Category	Estimated Costs
Plant, Fleet & Equipment	1,181
Street Scape	155
Site Improvements	495
Sealed Roads	901
Unsealed Roads	1,260
Car Parks & Traffic Control	195
Pram Ramps	10
Building	70
Kerbing	285
Stormwater	60
CWMS	15
Total Capital Expenditure	4,627

Capital Project Category	Estimated Costs
New/Upgrade	934
Renewal	3,693
Total Capital Expenditure	4,627

Required renewal expenditure as per I& adopted on 25 October 2021 is as follows.

Capital Project Category	Estimated Costs
New/Upgrade	5,040
Renewal	3,091
Total Renewal Assets Renewal Funding Ratio	8,131

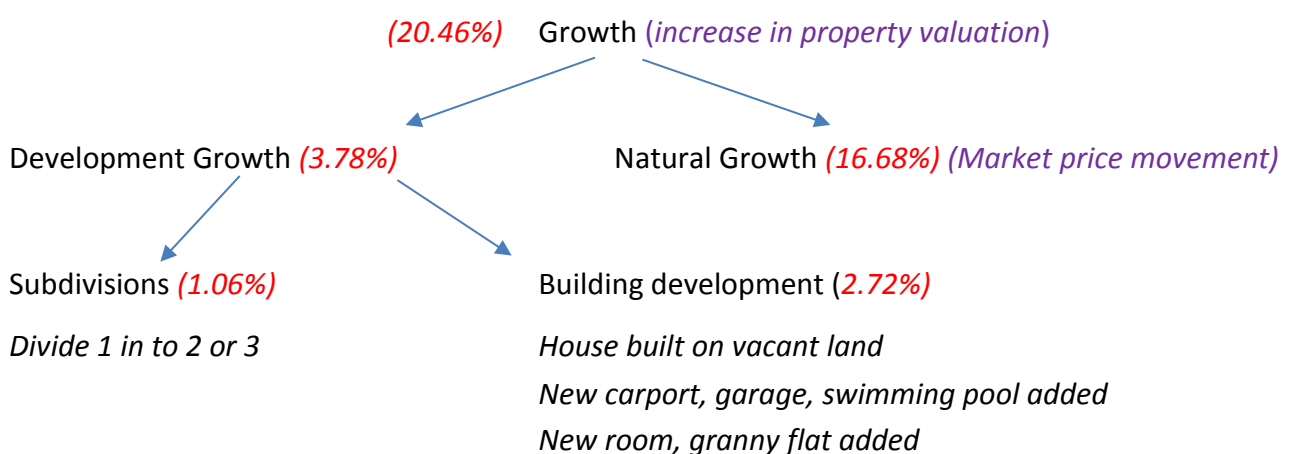
Total Proposed Budget for 2023/2024

Table 5 below shows the total budget proposed for next financial year including Recurrent, Operating and Capital projects. Total net budget of the Council is \$5.282m.

Table 5 – Proposed Total Budget (\$'000)

Description	Recurrent Budget	Operating Project	Capital Projects	Total Budget
Rates	13,936	-	-	13,936
Statutory charges	520	-	-	520
User charges	229	-	-	229
Grants, subsidies and contributions	2,240	345	-	2,585
Investment Income	3	-	-	3
Reimbursements	139	-	-	139
Other Income	48	-	243	291
TOTAL INCOME	17,114	345	243	17,703
Employee Costs	7,075	241	788	8,104
Materials, contracts and other services	5,815	891	3,839	10,545
Depreciation	3,517	-	-	3,517
Interest Expenses	820	-	-	820
TOTAL EXPENSES	17,226	1,132	4,627	22,985
Budget Deficit	(112)	(786)	(4,384)	(5,282)
Operating Deficit		(898)		
No of FTEs	62.86	3.00	8.10	73.96

Growth as defined by Valuer-General (10 June)



Rates Modelling – Property Valuation

An extract from the latest (10 June 2023) property valuation data available from Valuer-General (VG) is given below in **Table 6** in comparison to similar information for prior years. Total development growth as of 10 June is 3.78%.

Table 6: Valuation data from the VG (30 June)

Description	10/06/23	2022	2021	2020
Increase in number of properties through sub-division	124	146	257	173
Sub-Division Growth (valuation increase) - \$'Mn	26	29	39	24
Building Development Growth (valuation increase) - \$'Mn	66	76	27	54
Total Development Growth - \$'Mn	92	105	66	78
Total Development Growth - %	3.78	4.73	3.20	2.04
Increase in Rates income due to Sub-Division Growth - \$'Mn	0.170	0.179	0.256	0.197
Increase in Rates income due to Sub-Division Growth - %	1.54	1.77	2.67	2.15
Natural Growth (valuation inc. due to reasons other than dev.) - %	16.68	5.04	4.46	1.86

Council is proposing to change the relativity between land use categories

For the current financial Year, the Council has determined that the following differential rates will be applied to all of its rateable assessments: -

- a) Residential/Vacant Land/Other 1.00
- b) Commercial/Industry 1.30
- c) Primary Production 0.91

However, due to significant fluctuations in the properties values among different land use categories, following differential rates are proposed to be applied to all of its rateable assessments in 2023/2024 Financial Year. They are: -

- a) Residential/Other 1.00
- b) Vacant Land 1.20
- c) Commercial/Industry 1.45
- d) Primary Production 0.98

Above proposed changes to the differential rates will ensue: -

- a) the impact of significant valuation fluctuations on rates is smoothed out. *(This will not generate additional rates income but will only change the % of rates being contributed by particular land use category);*
- b) address ESCOSA comment in relation to Adelaide Plains Council having high residential rates;
- c) discourage land holding/banking in relation to vacant land parcels;
- d) reduce the time between dev. approval for land sub-divisions and issuing of land title;
- e) encourage economic and residential activity through the development of vacant land; and
- f) achieve a maximum number of ratepayers with a rate increase of less than 7%

What 7% increase in average rates means on individual property)?

General Council rates of a property are determined by three (3) factors:

- valuation of a property as determined by the Valuer of General of South Australia;

- rates in the dollar specific to land use code (LUC) of the property which is determined by the Council; and
- annual fixed charge

Accordingly, Annual rates charge on a property is calculated as follows.

$$\text{Rates Charge} = (\text{Property Value} \times \text{Applicable Rate in the } \$) + \text{Fixed Charge}$$

Therefore, how 7% increase in average rate per property will impact on an individual property based on various property values under each differential rate is shown in the below **Table 7**. Accordingly:-

- as the property value increases, rates payable also increases;
- as rate in the \$ has reduced by 11.80% and fixed charge has increased by 50%, the percentage change in rates is determined by the changes in the property values;
- if the property value has decreased, rates will also reduce by more than the reduction in property values.

Table 7: Examples of 7% increase in average rates

Year	A		B		C		(A x B) + C		Change of Rates in 23/24 (%)
	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24	
Land Use	Property Value (\$'000)		Rate in the \$		Fixed Charge		Rates Levy (\$)		
Residential	190	200	0.00441	0.00389	123	185	961	963	0.21
	350	300	0.00441	0.00389	123	185	1,666	1,352	-18.88
	400	485	0.00441	0.00389	123	185	1,887	2,071	9.78
Commercial/ Industry	400	420	0.00573	0.00564	123	185	2,416	2,553	5.70
	800	700	0.00573	0.00564	123	185	4,708	4,132	-12.23
	1,000	1,200	0.00573	0.00564	123	185	5,855	6,952	18.74
Primary Production	100	121	0.00401	0.00381	123	185	524	646	23.35
Vacant Land	1,200	1,027	0.00401	0.00381	123	185	4,933	4,099	-16.91
	1,750	2,191	0.00401	0.00381	123	185	7,138	8,536	19.58
Total	100	105	0.00441	0.00467	123	185	564	675	19.70
	300	260	0.00441	0.00467	123	185	1,446	1,398	-3.28
	400	600	0.00441	0.00467	123	185	1,887	2,985	58.22
Total	6,990	7,609					33,985	36,363	
Average Rate (Total Rates Income divided by number of properties)							2,832	3,030	7.00

Kerbside Waste Collection Services

For 2023/2024 Financial Year, it is estimated that the total cost of the kerbside waste collection program is expected to be increased by 17.69% to \$0.831m (inclusive of new services). In addition, due to high inflation, a deficit of \$0.040m is expected in the current financial year. Therefore, to cover this year shortfall and next year expected costs, the annual waste collection service charge is expected to increase from \$172 to \$206, an increase of 20%.

CWMS Charges

CWMS charges for both Mallala and Middle Beach is proposed to increase by 7% to \$740 and \$488 respectively in order to cover the costs associated with operation of the scheme including maintenance. However, the income generated for Mallala CWMS is not sufficient to cover cost of capital as required under ESCOSA Pricing Requirement.

Table 8: Budgeted CWMS Income and Expenses for 2023/2024 (\$')

Description		Mallala	Middle Beach
Depreciation		144,200	7,519
Other operating costs		100,316	27,382
Total Operating Costs (Excluding Costs of Capital)	- A	244,516	34,901
Cost of Capital (CoC)			
Cost of capital - 3% real interest		54,150	8,421
Cost of capital - 0.70% for risk premium		87,664	1,965
Total Cost of Capital	- B	141,814	10,386
Total Operating Costs (Including Costs of Capital)	- C	386,330	45,287
No. of units serviced	- D	345	52
Cost per connection based on ESCOSA Pricing Requirement (<i>C divided by D</i>)		1,120	871
Cost per connection based on ESCOSA Pricing Requirement (Ex. CoC)		709	671
	<i>(A divided by D)</i>		
Proposed CWMS Charge for 2023/2024		740	488

Financing the budget

At the end of the 2022/2023 Financial Year, Council is expected to have only one (1) outstanding fixed rate long-term borrowings with a value of \$1.790m in relation to Council's investment in Mallala CWMS.

Council has already made several resolutions to borrow funds to deliver annual budgets and some of the capital programs being delivered in partnership with State/Federal Governments. However, in compliance with Council's Treasury Management Policy, so far Council has been able to meet those expenses with short-term borrowings which attract lower interest charge compared to fixed rate long-term borrowings. Based on Third Budget Update, the estimated short-term borrowings at the end of this financial year would be \$12.904m.

An operating deficit means, Council is spending more than what it generates as income in delivering services to the community. In addition, Council has loan and interest obligations as well as the need to fund new assets. Therefore, if the Council decides to continue the same level of service and draft project program as included in this report with an average rate increase of 7%, it has to borrow

\$1.711m to deliver operating and capital projects identified above and meet its loan repayment obligations as summarised in the **Table 9** below. Out of the new borrowings;

- \$0.176m will be allocated for assets renewal program;
- \$0.934m will be spent on new assets across the Council district; and
- \$0.600m will be used to deliver operating project program proposed.

While the maximum amount to be borrowed is \$1.711m, the timing of the actual borrowings would depend on the progress of the capital works program.

Table 9: Estimated Funding Shortfall for 2023/2024 (\$'000)

Description	Amount
Cash shortfall due to Operating Deficit	(898)
Cash injection from sale of surplus/replaced assets	243
Share of operating loss from GRFMA (non-cash transactions)	79
To fund capital Program - Money available through depreciation	3,517
- Proposed assets renewal expenditure	(3,693)
- Proposed new capital expenditure	(934)
Grants specifically for new or upgraded assets	-
Loan Repayment	(24)
Total estimated funding shortfall for 2023/2024	(1,711)

➤ Revised Long Term Financial Plan 2023/2024 to 2032/2033

Background

Section 122(1a) of the *Local Government Act 1999* requires councils to develop and adopt:

- a Long-Term Financial Plan (LTFP) for a period of at least 10 years; and
- an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years (and these plans will also be taken to form part of the council's strategic management plans).

Section 122 (4) the Act requires that the:

- LTFP be reviewed on an annual basis.
- Council must undertake a comprehensive review of its LTFP within two (2) years after each general election of the council.

The purpose of a Council's LTFP is to express, in financial terms, the activities that it proposes to undertake over the medium to longer term to achieve its stated objectives. It is similar to, but usually less detailed than, the annual budget.

Just like the budget, it is a guide for future action although its preparation requires the Council to think about not just one year but the longer-term impact of revenue and expenditure proposals. The aggregation of future strategic plans and business initiatives and their intended outlays and anticipated revenues, enables the accumulating overall financial and economic implications to be

readily identified and, if warranted, proposed future activities to be revised. The LTFP should specify and take account of:

- Expected expenses and capital outlays for each year of the plan;
- Expected revenues for each year and their source;
- Any variations in net debt required as a result of expected cash flow needs;
- Performance measures to enable assessment of the Council's financial sustainability over the period of the plan.

Long Term Financial Objective of the Adelaide Plains Council

The Long-Term Financial Objective of Adelaide Plains Council is to be *"a Council which delivers on its strategic Objectives by managing its financial resources in a sustainable and equitable manner by incremental growth and service cost containment to reduce the operating deficit over time; as opposed to burdening the ratepayers of the Council with short term excessive increases to their annual council rate bill"*.

Financial sustainability means having a financial position capable of meeting long-term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or cuts to services. The Long-Term Financial Plan has been developed based on following budget principles. They are;

Principle 1: Breakeven budget

Cost of annual Council's services and programs, including depreciation of assets, are fully funded by the current ratepayers being the consumers of those Council services, programs and assets.

Principle 2: Rate Stability

Annual rate collections are fair and equitable for the ratepayers with the aim to keep rate revenue increases stable over the medium term.

Principle 3: Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the Council's Infrastructure Asset Management Plans.

Principle 4: Prudent Debt Management

Prudent use of debt to invest in new long-term assets to ensure intergenerational equity between current and future users.

The LTFP provides the financial projections and budget framework to guide the development of the detailed annual budget and provide a level of assurance to Elected Members and the community on the sustainability of Council operations.

A 10-year Long Term Financial Plan summarises the financial impacts of Council's strategic directions and provides an indication of the sustainability of these plans. By evaluating our financial strategies over a planning horizon of 10 years:-

- a) Council can determine how decisions it makes now and for the Draft Budget will impact on the future; and
- b) ensure that the impact of rates is spread equitably across generations of ratepayers,

so that planned service standards over the long term and infrastructure levels can be met without unplanned and disruptive increases in rates or cuts to services.

The LTFP is prospective information. Actual results are likely to vary from the information presented. Consequently, the information presented is prepared on the basis of best estimate assumptions as to future events which Council expects are likely to take place. These estimates arise from information known in April 2023.

The Long-Term Financial Plan has been developed as part of Council's ongoing financial planning to assist Council to plan within a longer-term strategic framework. Key inputs and influences on the Long-Term Financial Plan include:

- An assessment of Council's current financial position for achieving longer term financial sustainability;
- Alignment with the Strategic Plan;
- Consideration of Council's appropriate role and responsibilities;
- Alignment with Council Programs;
- Alignment with Corporate Programs and internal support strategies;
- Alignment with agreed service provision and delivery standards;
- Alignment with Infrastructure and Asset Management Plans.

Public consultation of the revised LTFP

Public consultation of the revised Long Term Financial Statements 2024-2033 and long-term financial indicators for the 10-year period was undertaken together with the draft budget from 10 May 30 May. **Attachment 2** contains a copy of the consulted revised LTFP.

Following the public consultation, revised LTFP has been updated to reflect post-consultation changes identified in the **Table 1** of this report.

Revised Long Term Financial Statements 2024-2033 and long-term financial indicators post-consultation are given below.

ADELAIDE PLAINS COUNCIL
LONG TERM STATEMENT OF COMPREHENSIVE INCOME

\$'000

	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
	Adopted	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
INCOME											
Rates	12,145	13,936	14,888	15,901	16,986	18,147	19,389	20,718	22,141	23,673	25,304
Statutory charges	589	520	535	550	566	582	599	616	634	652	671
User charges	193	229	237	244	251	259	267	275	284	293	302
Grants, subsidies and contributions	1,955	2,240	2,307	2,376	2,447	2,521	2,596	2,674	2,754	2,837	2,922
Investment Income	3	3	3	3	3	3	3	3	3	3	3
Reimbursements	123	139	139	139	139	139	139	139	139	139	139
Other Income	48	48	48	48	48	48	48	49	49	49	49
TOTAL INCOME	15,056	17,114	18,155	19,261	20,440	21,698	23,040	24,473	26,003	27,645	29,390
EXPENSES											
Employee Costs	6,465	7,075	7,358	7,652	7,958	8,276	8,607	8,952	9,310	9,682	10,069
Materials, contracts and other services	5,192	5,736	5,872	6,086	6,314	6,556	6,914	7,289	7,582	7,903	8,304
Depreciation	3,144	3,517	3,692	3,877	4,071	4,274	4,488	4,712	4,948	5,195	5,455
Finance Costs	272	820	876	907	889	724	655	566	463	68	179
Share of loss - joint ventures & associates	79	79	63	63	63	63	63	63	63	63	63
TOTAL EXPENSES	15,151	17,226	17,862	18,585	19,295	19,893	20,728	21,582	22,366	22,912	24,071
RECURRENT SURPLUS / (DEFICIT)	(95)	(112)	294	675	1,145	1,805	2,313	2,891	3,637	4,734	5,319
Net Operating Project Expenses	(934)	(786)	(1,038)	(1,034)	(1,416)	(1,713)	(2,118)	(2,446)	(2,841)	(2,859)	(2,941)
OPERATING SURPLUS / (DEFICIT)	(1,029)	(898)	(744)	(359)	(271)	92	195	445	796	1,875	2,378
Asset Disposal & Fair Value Adjustments	231	243	100	100	100	100	100	100	100	100	100
Amounts received for new/upgraded assets	1,195	-	-	-	-	-	-	-	-	-	-
Physical resources received free of charge	5,300	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
NET SURPLUS (DEFICIT)	5,697	4,345	4,356	4,741	4,829	5,192	5,295	5,545	5,896	6,975	7,478
OTHER COMPREHENSIVE INCOME											
Changes in assets revaluation surplus	1,500	2,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Share of Operating loss at GRFMA	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)
TOTAL COMPREHENSIVE INCOME	7,142	6,790	6,301	6,686	6,774	7,137	7,240	7,490	7,841	8,920	9,423

ADELAIDE PLAINS COUNCIL
LONG TERM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

\$'000

	22/23 Adopted	23/24 Year 1	24/25 Year 2	25/26 Year 3	26/27 Year 4	27/28 Year 5	28/29 Year 6	29/30 Year 7	30/31 Year 8	31/32 Year 9	32/33 Year 10
ASSETS											
Current Assets											
Cash and cash equivalents	415	415	416	416	417	416	416	415	415	414	2,393
Trade & other receivables	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031
Inventories	154	154	154	154	154	154	154	154	154	154	154
Total Current Assets	1,600	1,600	1,601	1,601	1,602	1,601	1,601	1,600	1,600	1,599	3,578
Non-Current Assets											
Financial Assets (Investment in GRFMA)	5,795	5,661	5,543	5,425	5,307	5,189	5,071	4,953	4,835	4,717	4,599
Infrastructure, Property, Plant and Equipment	145,664	158,371	166,793	175,044	180,480	186,391	192,088	197,560	202,797	207,787	212,517
Other Non-current Assets	15	15	15	15	15	15	15	15	15	15	15
Total Non -Current Assets	151,474	164,047	172,352	180,485	185,802	191,595	197,174	202,529	207,648	212,519	217,131
Total Assets	153,074	165,647	173,953	182,086	187,404	193,196	198,775	204,129	209,247	214,118	220,709
LIABILITIES											
Current Liabilities											
Trade & Other Payables	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353
Borrowings	7,744	14,347	16,378	17,852	16,425	15,110	13,480	11,380	8,691	4,678	1,884
Provisions	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,007	1,005
Total Current Liabilities	10,106	16,709	18,740	20,214	18,787	17,472	15,842	13,742	11,053	7,038	4,242
Non-current Liabilities											
Borrowings	1,743	1,718	1,691	1,664	1,635	1,604	1,573	1,540	1,505	1,469	1,431
Provisions	220	220	220	220	220	220	220	218	220	220	220
Total Non-current Liabilities	1,963	1,938	1,911	1,884	1,855	1,824	1,793	1,758	1,725	1,689	1,651
Total Liabilities	12,069	18,647	20,651	22,098	20,641	19,296	17,635	15,500	12,778	8,727	5,893
NET ASSETS	141,005	147,000	153,302	159,988	166,763	173,900	181,140	188,629	196,469	205,391	214,816
EQUITY											
Accumulated Surplus	55,035	58,585	62,941	67,683	72,512	77,704	82,999	88,543	94,439	101,413	108,892
Asset Revaluation Reserve	83,910	86,410	88,410	90,410	92,410	94,410	96,410	98,410	100,410	102,410	104,410
Other Reserves	2,061	2,006	1,951	1,896	1,841	1,787	1,732	1,676	1,621	1,566	1,511
TOTAL EQUITY	141,005	147,001	153,302	159,988	166,762	173,901	181,141	188,628	196,469	205,391	214,817

ADELAIDE PLAINS COUNCIL
LONG TERM STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE

\$'000

	22/23 Adopted	23/24 Year 1	24/25 Year 2	25/26 Year 3	26/27 Year 4	27/28 Year 5	28/29 Year 6	29/30 Year 7	30/31 Year 8	31/32 Year 9	32/33 Year 10
ACCUMULATED SURPLUS											
Balance at end of previous reporting period	49,337	54,241	58,585	62,941	67,683	72,512	77,704	82,999	88,543	94,439	101,413
Net Result for Year	5,697	4,345	4,356	4,741	4,829	5,192	5,295	5,545	5,896	6,975	7,478
Balance at end of period	55,035	58,585	62,941	67,683	72,512	77,704	82,999	88,543	94,439	101,413	108,892
ASSET REVALUATION RESERVE											
Balance at end of previous reporting period	82,410	83,910	86,410	88,410	90,410	92,410	94,410	96,410	98,410	100,410	102,410
Gain on revaluation of infrastructure, property	1,500	2,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Balance at end of period	83,910	86,410	88,410	90,410	92,410	94,410	96,410	98,410	100,410	102,410	104,410
OTHER RESERVES											
Balance at end of previous reporting period	2,116	2,061	2,006	1,951	1,896	1,841	1,786	1,731	1,676	1,621	1,566
Share of other comprehensive income - GRFMA	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)
Balance at end of period	2,061	2,006	1,951	1,896	1,841	1,786	1,731	1,676	1,621	1,566	1,511
TOTAL EQUITY AT END OF REPORTING PERIOD	141,005	147,000	153,302	159,988	166,762	173,900	181,140	188,628	196,469	205,391	214,816

**ADELAIDE PLAINS COUNCIL
LONG TERM STATEMENT OF CASH FLOWS FOR THE YEAR**

\$'000

	22/23 Adopted	23/24 Year 1	24/25 Year 2	25/26 Year 3	26/27 Year 4	27/28 Year 5	28/29 Year 6	29/30 Year 7	30/31 Year 8	31/32 Year 9	32/33 Year 10
CASH FLOWS FROM OPERATING ACTIVITIES											
<i>Receipts</i>											
Rates - general & other	12,145	13,936	14,888	15,901	16,986	18,147	19,389	20,718	22,141	23,673	25,304
Fees & other charges	589	520	535	550	566	582	599	616	634	652	671
User charges	193	229	237	244	251	259	267	275	284	293	302
Investment receipts	3	3	3	3	3	3	3	3	3	3	3
Grants utilised for operating purposes	1,955	2,240	2,307	2,376	2,447	2,521	2,596	2,674	2,754	2,837	2,922
Reimbursements	123	139	139	139	139	139	139	139	139	139	139
Other revenues	48	48	48	48	48	48	48	49	49	49	49
<i>Payments</i>											
Employee costs	(6,548)	(7,075)	(7,358)	(7,652)	(7,958)	(8,276)	(8,607)	(8,952)	(9,310)	(9,682)	(10,069)
Materials, contracts & other expenses	(5,933)	(6,522)	(6,910)	(7,120)	(7,730)	(8,269)	(9,032)	(9,735)	(10,424)	(10,762)	(11,245)
Finance payments	(272)	(820)	(876)	(907)	(889)	(724)	(655)	(566)	(463)	(68)	(179)
Net Cash provided by (or used in) Operating Activities	2,303	2,697	3,011	3,581	3,863	4,429	4,746	5,220	5,807	7,133	7,897
CASH FLOWS FROM INVESTING ACTIVITIES											
<i>Receipts</i>											
Grants specifically for new or upgraded assets	1,195	-	-	-	-	-	-	-	-	-	-
Sale of surplus assets	-	-	-	-	-	-	-	-	-	-	-
Sale of replaced assets	231	243	100	100	100	100	100	100	100	100	100
<i>Payments</i>											
Expenditure on renewal/replacement of assets	(4,593)	(3,693)	(3,835)	(3,162)	(2,186)	(2,965)	(2,965)	(2,965)	(2,965)	(2,965)	(2,965)
Expenditure on new/upgraded assets	(10,618)	(934)	(1,280)	(1,966)	(320)	(220)	(220)	(220)	(220)	(220)	(220)
Net Cash provided by (or used in) Investing Activities	(13,785)	(4,384)	(5,015)	(5,028)	(2,406)	(3,085)	(3,085)	(3,085)	(3,085)	(3,085)	(3,085)
CASH FLOWS FROM FINANCING ACTIVITIES											
<i>Receipts</i>											
Proceeds from New Borrowings	11,615	1,711	2,029	1,474	-	-	-	-	-	-	-
<i>Payments</i>											
Repayments of Borrowings	(23)	(24)	(25)	(27)	(1,456)	(1,344)	(1,661)	(2,135)	(2,722)	(4,048)	(2,832)
Net Cash provided by (or used in) Financing Activities	11,592	1,687	2,004	1,447	(1,456)	(1,344)	(1,661)	(2,135)	(2,722)	(4,048)	(2,832)
Net Increase (Decrease) in cash held	110	(0)	0	1	0	(0)	(0)	(0)	(0)	(0)	1,979
Cash & cash equivalents at beginning of period	306	416	415	416	416	417	416	416	415	415	414
Cash & cash equivalents at end of period	416	415	416	416	417	416	416	415	415	414	2,393

ADELAIDE PLAINS COUNCIL
LONG TERM UNIFORM PRESENTATION OF FINANCES FOR THE YEAR

\$'000

	22/23 Adopted	23/24 Year 1	24/25 Year 2	25/26 Year 3	26/27 Year 4	27/28 Year 5	28/29 Year 6	29/30 Year 7	30/31 Year 8	31/32 Year 9	32/33 Year 10
Operating Revenues	15,056	17,460	18,155	19,261	20,440	21,698	23,040	24,473	26,003	27,645	29,390
<i>less</i> Operating Expenses	(16,085)	(18,358)	(18,899)	(19,619)	(20,711)	(21,607)	(22,846)	(24,028)	(25,207)	(25,771)	(27,012)
Operating Surplus / (Deficit) before Capital Amounts	(1,029)	(898)	(744)	(359)	(271)	92	195	445	796	1,875	2,378
<i>less</i> Net Outlays on Existing Assets											
Capital Expenditure on renewal and replacement of Existing Assets	4,593	3,693	3,835	3,162	2,186	2,965	2,965	2,965	2,965	2,965	2,965
<i>less</i> Depreciation, Amortisation and Impairment	(3,144)	(3,517)	(3,692)	(3,877)	(4,071)	(4,274)	(4,488)	(4,712)	(4,948)	(5,195)	(5,455)
<i>less</i> Proceeds from Sale of Replaced Assets	(231)	(243)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
<i>less</i> Net Outlays on New and Upgraded Assets	1,218	(67)	43	(815)	(1,984)	(1,409)	(1,623)	(1,847)	(2,083)	(2,330)	(2,590)
Capital Expenditure on New and Upgraded Assets	10,618	934	1,280	1,966	320	220	220	220	220	220	220
<i>less</i> Amounts received specifically for New and Upgraded Assets	(1,195)	-	-	-	-	-	-	-	-	-	-
	9,423	934	1,280	1,966	320	220	220	220	220	220	220
Net Lending / (Borrowing) for Financial Year	(11,670)	(1,766)	(2,067)	(1,510)	1,394	1,281	1,598	2,072	2,659	3,985	4,749

Financial Ratios	22/23 Adopted	23/24 Year 1	24/25 Year 2	25/26 Year 3	26/27 Year 4	27/28 Year 5	28/29 Year 6	29/30 Year 7	30/31 Year 8	31/32 Year 9	32/33 Year 10
Operating Surplus Ratio											
<u>Operating Surplus</u>	(6.83)	(5.25)	(4.10)	(1.86)	(1.32)	0.42	0.85	1.82	3.06	6.78	8.09
Total Operating Revenue											
<p>This ratio expresses the operating surplus as a percentage of total operating revenue. Target : 0% average over long term</p>											
Net Financial Liabilities Ratio											
<u>Net Financial Liabilities</u>	71	101	106	107	94	82	70	57	44	26	8
Total Operating Revenue											
<p>Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue. Target : Greater than 0% but no more than 100% on average over long term</p>											
Asset Renewal Funding Ratio											
<u>Net Asset Renewals</u>											
Infrastructure & Asset Management Plan rec	120	112	110	124	78	115	115	92	78	106	93
<p>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new acquisition of additional assets. Target : Greater than 90% but less than 110% on average over long term</p>											

Long-term borrowings

In addition to new borrowings of \$1.711m in 2023/2024 (Year 1), further \$2.029m and \$1.474m is forecast to borrow in Year 2 and Year 3 respectively. No further borrowings are required after 2026/2027 based on current assumptions and draft projects budget. Council will start repaying its loan in 2026/2027 (Year 4).

Can the Council borrow more money?

Due to current and proposed borrowings in the draft LTFP, Council's Net Financial Liability (NFL) Ratio is expected to exceed 100% in the short to medium terms. However, the Local Government Financing Authority (LGFA) has indicated that while its Credit Policy has some guidelines around specific financial metrics, the 'borrowing capacity' discussion really is related to a variety of other factors such as: -

- a) the ongoing financial viability of capacity to borrow and debt payback;
- b) the stage that the council is in its lifecycle.

Therefore, for Adelaide Plains with the rapid population growth, a period of higher than 100% NFL may be acceptable, as long as Council's long term financial planning justify that it can also handle the extra debt. Therefore, LGFA has indicated that Council's future budget decisions should be based on the revised LTFP projections and any significant variations from revised LTFP may impact Council's future borrowing capacity.

Conclusion

The Draft 2023/2024 Annual Business Plan, Budget and revised 2024-2033 LTFP as presented in this report is based on the expected growth and Council continuing to deliver its existing services, program and activities.

To ensure that a responsible budget is set, the Council has adopted at its February 2023 meeting a series of Budget Parameters, to guide Council Staff in preparing their respective budget estimates. As detailed in this report, the Draft Budget has been delivered with reference to these guidelines and where the parameters have not been achieved, the reasons have been provided.

2023/2024 will be particularly challenging year given the impacts that world events are having on the cost of delivering services with the Consumer Price Index (CPI) currently at 7.9% for South Australia. Given the costs of delivering services in Local Government often exceed CPI, the focus of the draft budget has been to review expenditure to enable the impact on rates, which are Council's primary source of revenue, to be held below CPI in 2023/2024 while investing in the future.

Financial sustainability underpins the Council's Financial Goals and Outcomes, which are set out in the Long-Term Financial Plan. In general terms, financial sustainability is ensuring that the Council has the financial resources to meet the long-term service and infrastructure needs of the community, without any unexpected sharp increases in rate revenue or cuts in service provision and standards.

Decisions regarding the Draft Budget and LTFP need to take into account the impact on the Council's ability to continue to meet its operational and financial outcomes and achieve objectives identified in Council's strategic documents.

References

Legislation

Regulation 9 of the Local Government (Financial Management) Regulations 2011

Section 123 (13) of the Local Government Act 1999

Council and Other Policies/Plans

ESCOSA Local Government Advice (February 2023)

Budget Management Policy

Council Vehicle Policy

Rating Policy

Funding Policy

Treasury Management Policy

Strategic Plan 2021-2024 (Adopted on 27 January 2021)

Infrastructure and Asset Management Plan (Adopted on 25 October 2021)

Long Term Financial Plan 2023-2032 (Adopted on 28 February 2022)

DRAFT

2023/24

**ANNUAL BUSINESS
PLAN AND BUDGET**



FOR PUBLIC CONSULTATION

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Endorsed by the Council 1 May 2023

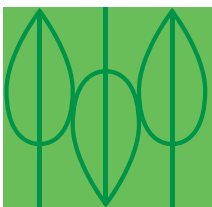
ACKNOWLEDGEMENT OF COUNTRY

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



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1

PREAMBLE

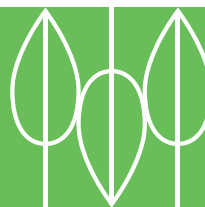
Under section 123 of the *Local Government Act 1999* (the *Local Government Act*), a council must have a budget for each financial year. This budget must be considered in conjunction with the council's annual business plan (and be consistent with that plan) and must be adopted before 15 August for the financial year.

Adelaide Plains Council therefore prepares, as part of its budget development process, an Annual Business Plan. Section 123(2) of the *Local Government Act* provides that each annual business plan of a council must:

- A** include a summary of the council's long-term objectives (as set out in its strategic management plans);
- B** include an outline of:
 - I** the council's objectives for the financial year;
 - II** the activities that the council intends to undertake to achieve those objectives; and
 - III** the measures (financial and non-financial) that the council intends to use to assess the performance of the council against its objectives over the financial year;
- C** assess the financial requirements of the council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue;
- D** set out the rates structure and policies for the financial year;
- E** assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the council;
- F** take into account the council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the council; and
- G** address or include any other matter prescribed by the regulations.

Before a council adopts its annual business plan it must prepare an annual business plan and undertake a public consultation process that, as a minimum, meets the requirements of section 123(4) of the *Local Government Act*.

This document presents Adelaide Plains Council's draft 2023/2024 Annual Business Plan and Budget for public comment. This draft document has been developed in consultation with the Council Members, Infrastructure & Environment Committee, Audit Committee and the Council management, in the context of Council's Strategic Plan 2021-2024.





2

MESSAGE FROM THE MAYOR



Hello again everyone.

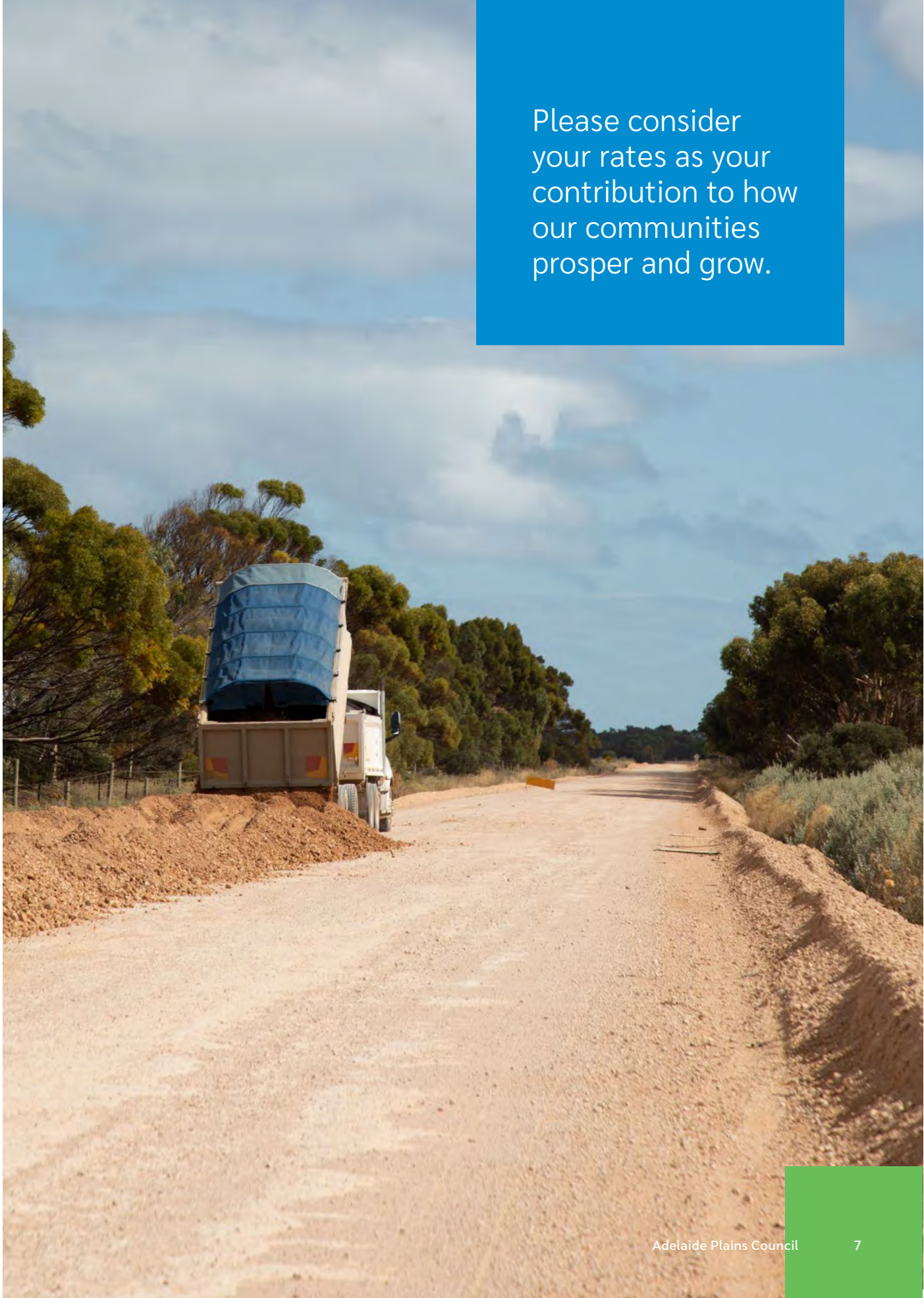
This time of the year finds the Adelaide Plains Council preparing the 2023/2024 Annual Business Plan and Budget. What does this mean? For Council to continue to provide existing services, improving and delivering new items across the district we must carefully look at the known costs and take into account the expected costs using the best information available.

Councils are not immune to rising costs like inflation, interest rates, fuel and materials. We feel the pinch like you do. Our goal is to reach a breakeven point that provides the services that the community needs without increasing rates unnecessarily. This is the balance Council must seek to achieve. We live in a user pays world whether we like it or not and like you at home, Council has to make priorities on what is important and what gets trimmed.

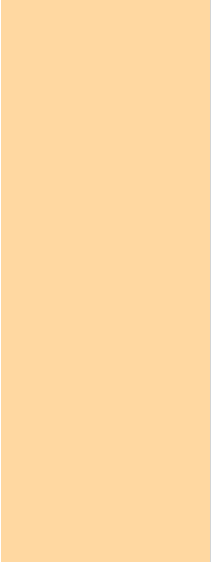
Your newly elected Council has been carefully and responsibly putting this Annual Business Plan and Budget together to not only retain existing Council services for the community during tough economic times but to also start work in earnest for the coming challenges.

I am confident that as further residential/commercial/retail and tourism events begin to accelerate, your Council is well placed to be prepared and meet these tasks. Please consider your rates as your contribution to how our communities prosper and grow. Every day in one way or another, we all use Council infrastructure and facilities.

MARK WASLEY
MAYOR



Please consider
your rates as your
contribution to how
our communities
prosper and grow.



3

MESSAGE FROM THE CEO



Of the eight forewords I have penned in my time as Chief Executive Officer of Adelaide Plains Council, the preparation of the 2023/2024 Annual Business Plan (ABP) and Budget has been, by far, the most challenging.

Inflation, CPI, cost of living, access to and rising cost of materials, price of fuel; it all compounds making the preparation of this year's budget all the more difficult.

That said, the elected body and management has diligently taken all influencing factors into account in the preparation of the draft ABP and Budget.

The draft program for 2023/2024 will deliver \$3.693m for asset renewals and \$1.134m for new assets with said amounts to be primarily spent on roads, footpaths, stormwater management and open space improvements; all of which is in line with our Infrastructure and Asset Management Plan forecasts.





With Council’s growth rate now the second fastest only behind Mt Barker District Council, we must continue to keep an eye on the future needs of the Council and work will continue to evolve in the following spaces:

- Two Wells Main Street undergrounding of power and streetscape upgrade
- Two Wells Town Centre commercial and retail hub
- Civic and Community Centre investigations and community engagement

Being a growth council, staff numbers will of course need to grow to keep up with demand for services, however, Council has managed to plan for a moderate increase in staff numbers in line with LTFP projections and will account for 43% of operating income; a justifiable figure in the context of the lower percentage attributed to ‘materials, contractors and other’ expenses.

From a rating perspective, Council has elected to adopt Option 3 of our modelling which proposes an average rate increase across all land use categories of 7.03% plus growth of 2.55%.

The elected body and I now look forward to community participation throughout the public consultation period as we continue to advance work on our 2023/2024 ABP and Budget.

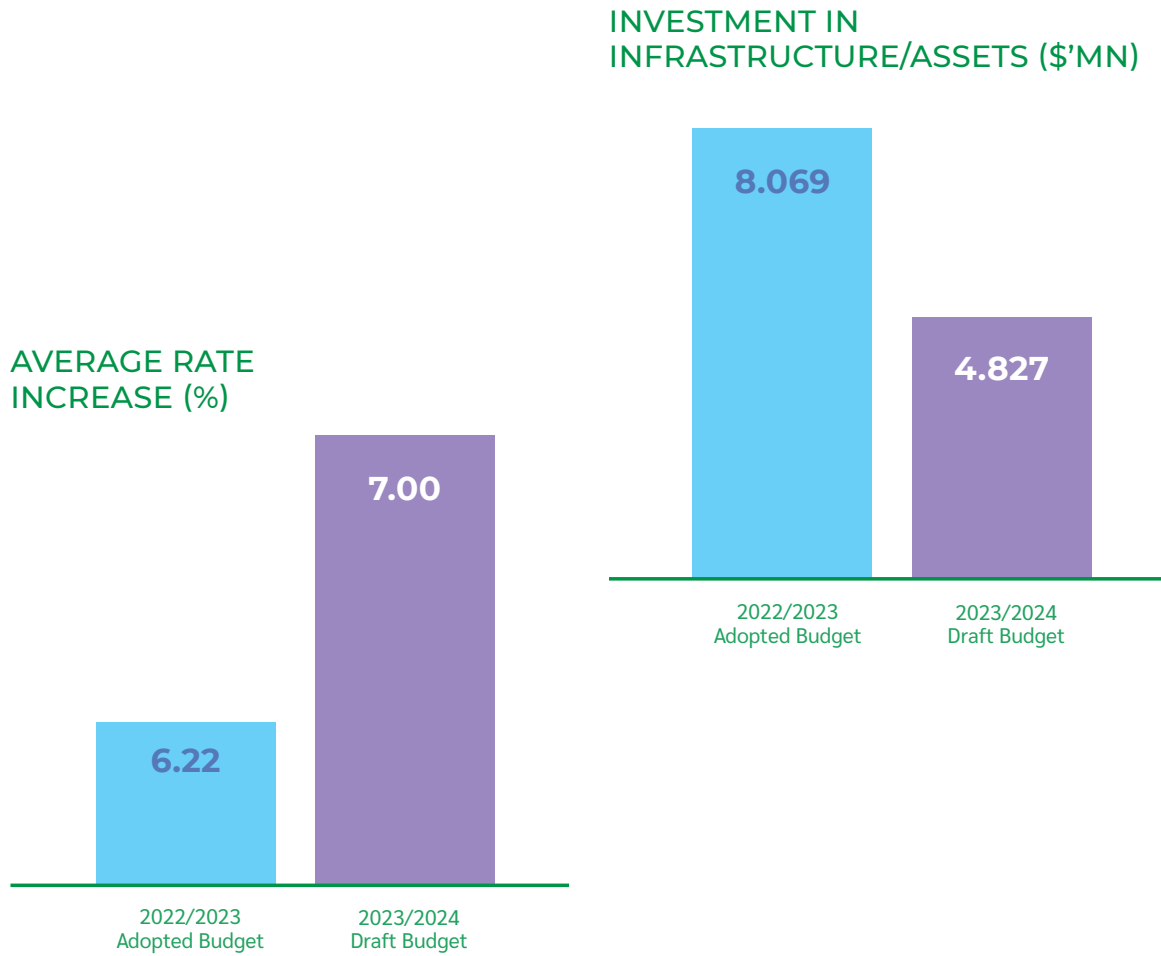
JAMES MILLER
CHIEF EXECUTIVE OFFICER



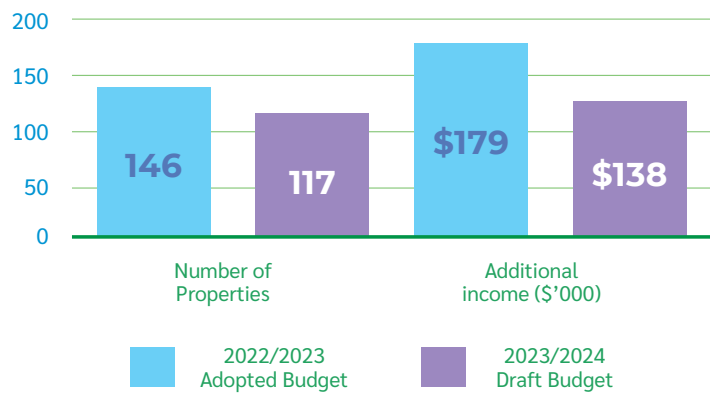
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SNAPSHOT OF 2023/2024 BUDGET





GROWTH FROM DEVELOPMENT





5

STRATEGIC PLAN 2021-2024

Adelaide Plains Council's strategic management plan, 'Strategic Plan 2021-2024' provides Council with strategies, potential ideas for implementation, the relevant stakeholders/partners and indicators and measures to identify progress towards its vision for 2024. It also guides the Council's decision making towards achieving the overall aim of community wellbeing.

Council strategies are grouped under four (4) key themes that reflects the sentiment of Adelaide Plains community and identifies key issues and opportunities for Council. They are;

1 ENVIABLE LIFESTYLE

Strategies

- A** Manage growth to sustain and activate our townships;
- B** Provide, support and acquire facilities, assets, services and programs that build community capacity, health and connection; and
- C** Advocate for increased health, education, aged care and youth services, welfare and emergency facilities and services.

3 REMARKABLE LANDSCAPES

Strategies

- A** Protect and enhance our coastal and riverine landscapes, native vegetation and heritage;
- B** Mitigate the impacts of adverse natural events on the community;
- C** Improve resource recovery and carbon and waste management.

2 EMERGING ECONOMY

Strategies

- A** Support the growth of primary industries and the introduction of value-add employment generators;
- B** Facilitate greater access to local opportunities from public and private investment; and
- C** Reinforce Adelaide Plains Council as a place of choice for business, residents and visitors.

4 PROACTIVE LEADERSHIP

Strategies

- A** Actively seek funding and partnerships to deliver Council initiatives;
- B** Actively engage with and inform our communities;
- C** Strategic and sustainable financial management; and
- D** Proactively engage in Local Government Reform and continuous improvement.



Council aims to deliver a budget that not only contributes to its strategic objectives, but is also financially sound and allows the Council to meet its financing commitments from cash derived from operating activities without placing:

- A** a burden on ratepayers through excessive and/or ad-hoc rate revenue increases; or
- B** borrowing money to deliver current Council services that will create **intergeneration inequity**.

Therefore, the focus in developing the draft 2023/2024 Budget has been on ensuring that the Council can maintain the service standards for its existing services (business as usual) and that those services receive appropriate funding, balanced with ensuring that the community does not face significant/ad-hoc increases in their annual rates contribution in next year or future years.

To achieve above objectives, Council has applied ‘zero based budgeting’ by reviewing its current actual level of income and expenditures and comparing it with proposed activities for the next financial year to estimate the appropriate level of income and expenditures.

At the Ordinary Council meeting held on 27 January 2021, Council adopted updated strategic plan for the period 2021–2024. In addition, Council adopted updated Infrastructure and Asset Management Plan (I&) on 25 October 2021 and Long-Term Financial Plan 2023-2032 (LTFP) on 28 February 2022.

Accordingly, draft budget for next year has been prepared based on strategies and objectives of the updated ‘Strategic Plan 2021-2024’ and services levels in the I& in line with updated LTFP.



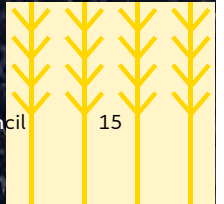
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INFRASTRUCTURE AND ASSET MANAGEMENT PLAN

One of the strategies under ‘Proactive Leadership’ is ‘*strategic and sustainable financial management*’. A key service that contributes to proactive leadership is long term asset management and financial planning.

According to sound asset management principles, Council should (on average) spend annually on assets renewal an amount equal to its annual depreciation expenses. Upon updates to Council’s I&, it has become evident the gap that previously existed between the annual capital works program and the LTFP, caused by asset renewal deferral and the compounding effect into future capital works programs, has now closed.

The assets renewal strategy/funding allocations outlined in this report attempts to undertake asset renewal close to their expiry date over a ten (10) year period, with consideration given to current internal resources capacity to deliver such program.



7

ASSESSMENT OF THE 2022/2023 STRATEGIC OBJECTIVES

Following table shows Council’s strategic objectives for 2022/2023 Financial Year and the assessment of whether the activities Council has undertaken as of 24 April 2023 have achieved those objectives.



TABLE 1: ASSESSMENT OF STRATEGIC OBJECTIVES FOR 2022/2023 FINANCIAL YEAR

PROJECTS TO ACHIEVE COUNCIL'S STRATEGIC OBJECTIVES		PROGRESS UPDATE
REMARKABLE LANDSCAPES		
1	Street/Verge Tree Planting	In progress*
2	Heritage Survey - Part 2	In progress*
3	Parham - Old Playground Block (Sell or Develop Site)	In progress*
4	Deliver an annual capital construction and renewal program	In progress*
5	Delivery of annual plant/fleet replacement program	In progress*
6	Sealing of Aerodrome Road	Completed
7	Sealing of Barabba Road	Completed
8	Sealing of Middle Beach	In progress*
ENVIABLE LIFESTYLE		
9	Open Space & Recreation Strategy	In progress*
10	Social & Community Infrastructure Plan	In progress*
11	Roadside Vegetation Management Plan	In progress*
12	Two Wells - Liberty and Eden Estates, Recycled Water Use for Parks/Reserves	In progress*
13	Donaldson Road - Design to include Water Sensitive Urban Design and open space elements	In progress*
14	Mallala Stormwater Flood Plain Management Plan	In progress*
EMERGING ECONOMY		
15	Parham Campground - Formalise Land	In progress*
16	Two Wells Oval - Master Plan - Design/Costing/Consultation (Stage 1)	In progress*
17	Dublin - Township Growth & Tourism Master Plan	In progress*
18	Thompson Beach Esplanade and Webb Beach Road - Detailed design and cost estimates for sealing	In progress*
19	Economic Zones	Discontinued
PROACTIVE LEADERSHIP		
20	Council Election – November 2022	Completed
21	Grant Writer to apply for government grants	Discontinued
22	Labour resources (Outside staff)	Completed
23	Upgrade to Council's Electronic Records Management System	In progress*
24	Network Shared Drive Migration Strategy (Shared Folders)	In progress*
25	Microfiche Records Digitisation Project	Completed
26	Redundancy and Backup Servers for Council's Information technology systems	In progress*
27	Council Member Computer Hardware Refresh following 2022 LG Elections	Completed

* Expected to be completed by 30 June 2023

* Expected to carry-over to 2023/2024 Financial Year



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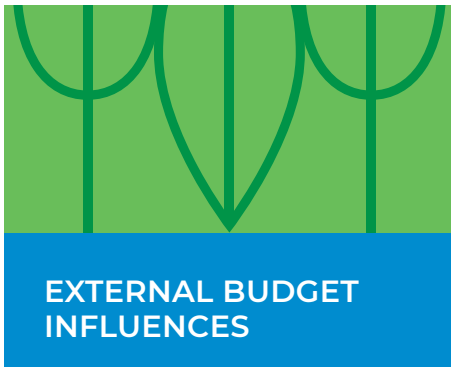
SIGNIFICANT BUDGET INFLUENCES AND ASSUMPTIONS

The Annual Business Plan is Council's key annual operational and financial planning document. It describes what services and projects Council plans to deliver to the community in the relevant financial year and how to finance those planned services and projects.

The Annual Business Plan has been developed in the context of delivering Council's long term strategic direction as set out in the *Strategic Plan 2021-2024 and I&*, and as required under the Local Government Act.

In this context, in preparing Draft ABP and Budget, Council has considered several significant factors/assumptions. These include:






- The Reserve Bank of Australia (RBA) has an inflationary target of between 2.00% and 3.00% per annum. The RBA has indicated that it will continue to increase cash rates until the inflation is within its target range.
- The 2022-23 Federal Budget released in October 2022 predicts that the CPI for Australia would be 3.50% in 2023/2024 through the year to June 2024.
- Australian unemployment is expected to remain under 5% in 2023 and 2024.
- Deloitte Access Economics is predicting that the state’s GDP growth will slow to 3.9% in 2022-23 before dropping to just 1% in 2023-24.
- The CPI for South Australia in 2023/2024 is forecast to be 4%.
- Increase in population due to new residents moving in to the Council district. For example, following new rateable properties were created by the Council in recent years:
 - 2019/2020 Financial Year: 173 + donated assets of \$5.3m
 - 2020/2021 Financial Year: 257 + donated assets of \$5.4m
 - 2021/2022 Financial Year: 146 + donated assets of \$4.7m
 - 2022/2023 Financial Year: 117 for the period July-April 2022. (Growth of 2.55%). Similar period last year, it was 83 properties.

- Increased demand for updated IT infrastructure to ensure cyber security, connectivity, data integrity and facilitate work from home due to pandemic related precautions.
- Increase in community demand for new assets such as sealing of unsealed roads and stormwater drainage. For example, the following roads have been approved for sealing in recent years by the Council.

2019/2020	2020/2021	2021/2022	2022/2023
Shannon Road		Coats Road	Middle Beach Road
	Carslake Road	Wheller Road	Glover Road
		Cheek Road	Buckland Park Road
		Aerodrome Road	
		Barabba Road	

- Adelaide Plains Council population had grown by nearly 5.5% from 2011 to 8,801 in 2016. It is projected to grow by 10,557 persons to a population of 19,358 by 2050 at 1.20% per annum compared to 0.90% for Greater Adelaide.
- The Estimated Resident Population within the district as per Australian Bureau of Statistics is 9,977 as of 30 June 2021;
- Commitments to projects and partnership initiatives continuing over more than one year e.g. Regional Procurement Group, Regional Development Australia Barossa Inc, Central Local Government Region of South Australia and Local Government Association of South Australia.
- Potential flood mitigation works by Gawler River Floodplain Management Authority that is expected to cost a significant amount of money, however the GRFMA’s current policy position is such that no capital costs for the proposed Northern Floodway are borne by constituent councils.





INTERNAL BUDGET INFLUENCES

- Cost of maintaining infrastructure assets handed over to the Council from new housing development. Budget for next financial year will be developed on the assumption that the new infrastructure will have same service level as previously provided by the developer unless Council decides otherwise.
- Increase in overdue rates (as summarised below) which requires Council to rely on short-term borrowings to delivery its services to the community.

• 30/06/2020	\$0.810m
• 30/06/2021	\$1.050m
• 30/06/2022	\$0.922m
• 18/04/2023	\$1.094m
- Additional depreciation expenses associated with significant infrastructure spending in 2021/2022 and 2022/2023 Financial Years and significant increase in unit rates since 1 July 2022.
- Increase in salaries/wages as per enterprise bargaining agreement (EBA);
 - From the first full pay period following the 1 July 2023, both inside and outside staff are entitled to a 2% wage increase or a wage increase equal to Adelaide March 2023 Quarter CPI, whichever is the greater.
 - Adelaide CPI is 8.6% for the year ending 31 December 2022.
- Council's long-term financial objective of being financially sustainable by achieving an operating break-even position and the need to exercise prudent financial management practices to ensure financial sustainability.
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, kerbing, footpaths, Community Waste Management Scheme, storm water drainage, parks and gardens, Council's buildings, plants, machinery, equipment, furniture and fittings in consistent with the Infrastructure and Asset Management Plans.



Council is committed to ongoing reviews of its operations in order to provide optimum benefit to the community and also to ensure that Council delivers quality services in the most cost-effective and efficient manner. Therefore, Council will aim to:

- Continuously review, prioritise and validate current services and programs;
- Continuously review systems and procedures to ensure that internal operations are effective and efficient; and
- Empower community organisations with appropriate support to manage and maintain specific community assets by the community itself. It is believed that this will enhance the autonomy of these organisations through site ownership and control.

Figure 1 below shows the growth in Council’s operating expenditure since the 2017/2018 Financial Year. While Employee Costs have remained consistent, around \$4.800m from 2017/2018 to 2019/2020 Financial Years, it has increased since 2020/2021 to strengthen Council’s internal capacity to respond to significant increases in economic development opportunities and residential growth within the district.

FIGURE 1: GROWTH IN COUNCIL’S OPERATING EXPENSES - \$’000



Material, Contracts and Other Expenses are showing an upward trend over the period mainly due to increased costs associated with high inflation in relation to contracting kerbside waste collection and disposal service, fuel, information technology, general maintenance, water, electricity, insurances, legal fees and the delivery of several new initiatives partially funded by the Federal/State Governments. A significant increase in material, contract and other expenses in 2022/2023 Financial Year is due to \$1.650m to be spent on Two Wells Stormwater Levee which is 100% funded by grants.

Interest Expenses have decreased over the years mainly due to a reduction in Council’s short-term (CAD) loan. In addition, new interest expense of \$0.742m has been budgeted for 2023/2024 financial year based on estimated new borrowings shown in Table 10.

Depreciation Expenses have increased by \$0.373m or 12% in 2023/2024 when compared to 2022/2023 Financial Year mainly due to:

- increase in value of Council’s infrastructure assets due to inflation;
- additional depreciation associated with new assets handed over to the Council by developers following the completion of initial maintenance obligations and the impact of higher inflation.

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REVIEW OF EFFICIENCY/ EFFECTIVENESS OF COUNCIL OPERATIONS

Ratepayers have expectations that Council delivers the best value for money and the *Local Government Act 1999* outlines Council's legislative responsibilities for effective and efficient service delivery. To this end, Council management and staff consistently endeavour to actively pursue more efficient and effective systems and processes and continuous improvement to address the ever-increasing needs and demands from the community.

There is always room for continuous improvement and benefit to be gained from:

- group procurements;
- the use of renewable energy;
- better use of information technology;
- internal review of Council's operations, systems and procedures; and
- external reviews and comparison to similar local government authorities.

To achieve financial savings, and maintain existing levels of service to our community, Council will endeavour to continue to review its services, processes and systems.

Recent productivity improvements achieved by the Adelaide Plains Council are provided below.

IMPROVEMENTS ACHIEVED

Following are the list of improvements that the Council has achieved in recent years. Noting that the Council don't have dedicated staff to manage business improvement or organisational developments, the staff have achieved all of the following improvements by working collaboratively across the organisation, sometimes in consultation with other Councils and external consultants.

- 1 Council had been successful in obtaining government grants of \$11m since 2016 following a competitive application process without engaging any external grant writer consultants;
- 2 Outsourced Kerbside Waste Collection Service in 2018 delivering considerable savings to the community;
- 3 Insourced CWMS maintenance work;
- 4 Improved Council's internal financial controls;
- 5 Improved internal processes to strengthen budget management process (staff training and software upgrade);
- 6 Streamlined section 7 searches;
- 7 Engagement of Strategic Project Officer on a short-term contract to replace external consultants;
- 8 Centralised process to manage Council's procurements to ensure compliance and value for money;
- 9 Installation of solar panels on Council's admin buildings and at Mallala CWMS;
- 10 Cross training/upskilling Customer Service Officers and Admin Support Officers to back-fill short-term vacancies;



- 11 Staff training in different disciplines to undertake back up and higher duties;
- 12 Online timesheet/leave system for inside staff and streamlined review and approval process;
- 13 Implementation of electronic signatures and associated process, saving time and costs of printing of documents;
- 14 Electronic invoice approval system across the Council;
- 15 Electronic purchase order system;
- 16 Installation of software for electronic assessment and signing tool for planning and building assessment;
- 17 Internal process improvements associated with electronic lodgement and management of Planning and Building Consent applications with the introduction of the SA Planning Portal;
- 18 Implementation of InfoCouncil software to centralise and streamline the agenda and minute preparation process for all Council and Committee Meetings;
- 19 Streamlined the system that's being used to record water, fuel, plant and rubble usage by the depot staff for various projects;
- 20 Continued investment in new software and hardware to strength Council's cyber security and data integrity;
- 21 Centralised process to receive and capture legal advice for the Council;
- 22 Engagement of community organisations to manage Mallala and Parham camping sites;
- 23 Signing of new contract with the SAPN to manage public lighting in new subdivisions;
- 24 Review of organisation structures including departmental and service reviews;
- 25 Team building exercises and all staff meetings to improve internal communication, resilience and motivation;
- 26 Substantial completion of digitising legacy records;
- 27 Substantial completion of recommendations from independent records management audit;
- 28 Introduction of Employee Core value award and other People and Culture initiatives intended to enhance employee involvement and performance;
- 29 Introduction of delegation software centralising storage and access to maintain Council delegations current in line with relevant legislation;
- 30 Upgraded Council's mapping system;
- 31 Reconciliation and physical stock take of Council's major and minor plants;
- 32 Review of Business Continuity Plan;
- 33 Recording of Council Meetings has resulted in a more efficient process for the review and distribution of meeting minutes; and
- 34 Review of staff working arrangements has resulted in decrease costs to Council (e.g. fuel and office running costs).

PROPOSED IMPROVEMENTS

Council is planning to deliver following improvements in the 2023/2024 Financial Year subject to relevant budget approval by the Elected Members, in consultation with external software providers.

- Upgrading Council's main software system (Civica Authority);
- Ongoing cyber security training to Elected Members and staff;
- Digitising cemetery maps;
- Electronic Cemetery Management System;
- Online timesheet system for outside staff; and
- Electronic file sharing system.



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2023/2024 RECURRENT AND PROJECT BUDGETS

Council's 2023/2024 Budget consists of Recurrent Budget, Operating Projects and Capital Projects Budgets.

RECURRENT BUDGET

The Recurrent Budget includes the amount of operating income that Council will receive in 2023/2024 Financial Year from general rates, service charges, government grants, fees and charges and investment. It also includes operating expenditures to provide Council's day-to-day operations and services in the course of its normal operating activities (on a 'business as usual' basis) such as kerbside rubbish collection, street lighting, parks and ovals maintenance and issuing building consents. Recurrent budget also includes costs related to the capital expenditure program such as interest on loan obtained for capital program, maintenance of Council assets and depreciation.

OPERATING PROJECTS

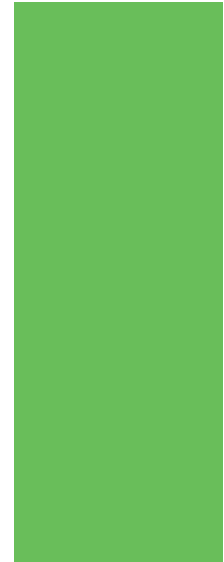
Some programs/activities of Council are categorised as Operating Projects rather than Recurrent Budget, where that program or activity does not make up part of Council's regular core services or there is a finite funding life required.

CAPITAL PROJECTS

The expenditure included in the Capital Projects category is the amount of money Council will invest in renewing and upgrading existing assets or in the creation of new assets in accordance with the Council's Strategic Plan objectives and Infrastructure and Asset Management Plans.



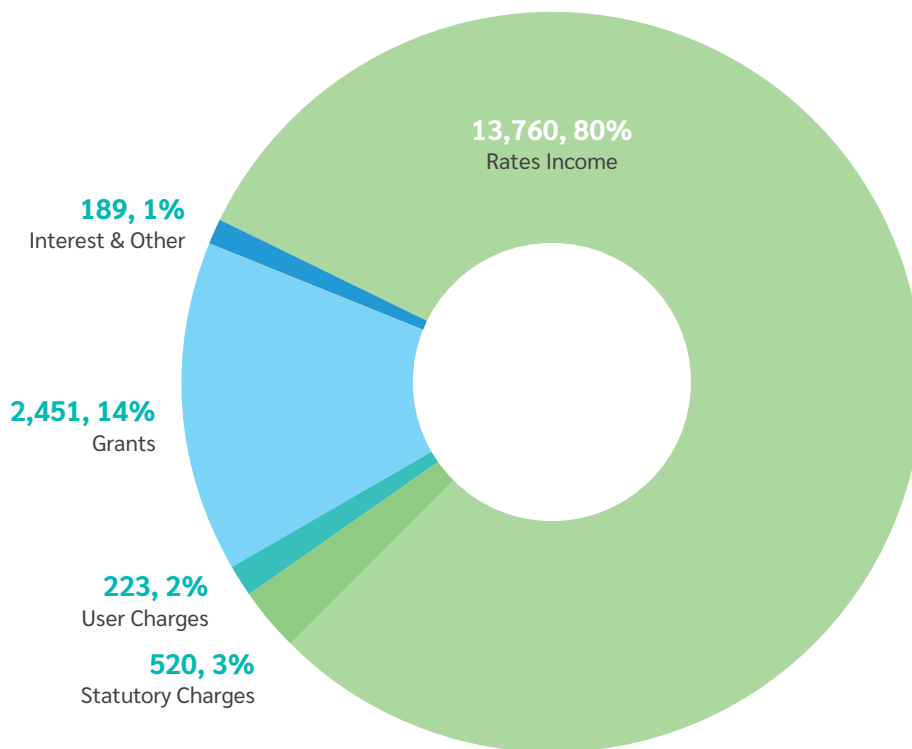




10.1 SOURCES OF COUNCIL REVENUE

In order to fund its operations and programs, Council collects revenue from sources such as general rates, fees and charges levied on Council services (Statutory Charges and User Charges), grants from State and Federal Governments, interest income from investing excess cash in short-term investments, reimbursements and other sundry revenue sources. Figure 2 below illustrates the main sources of the estimated Council revenues in 2023/2024 Financial Year.

FIGURE 2: DISTRIBUTION OF 2023/2024 DRAFT OPERATING INCOME (\$'000)



RATES

Rates are the main sources of funding for the Council. A total of \$13.760m (\$12.145m in 2022/2023) are to be collected in 2023/2024 Financial Year, to help pay for essential, non-discretionary services such as roads maintenance, public lighting, kerbside waste collection and disposal, citizenship ceremonies, public health and safety as well as discretionary services such as Council libraries, parks and garden, outdoor cinemas, and assistance to community programs and events.

STATUTORY CHARGES

Statutory Charges relate mainly to fees and fines levied in accordance with legislation and include development application fees, animal registrations, health act registrations and parking fines. It is estimated that the Council will collect statutory charges of \$0.520m in 2023/2024 Financial Year (\$0.589m in 2022/2023).

USER CHARGES

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include rent income from Mallala Aged Homes, charges for the use of Council facilities, library printing and photocopy charges, Section 7 property searches and burial fees. User charge income is expected to increase by 16% from \$0.193m in 2022/2023 Financial Year to \$0.223m in 2023/2024 Financial Year.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

Grants include monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Grants income has been budgeted based on confirmed funding only. The main sources of grants to be received by the Council are;

TABLE 2: ESTIMATED OPERATING GRANTS INCOME (\$'000)

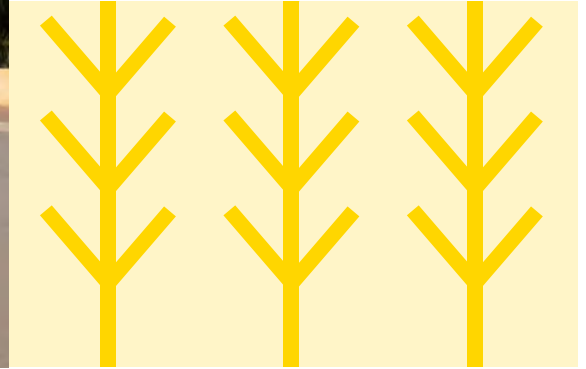
GRANT PROGRAM	AMOUNT
Financial Assistance grant (FAG) from Federal Government	1,705
Local Roads and Community Infrastructure (LRCI) Program	345
Roads to Recovery (R2R) grant from Federal Government *	263
Coastal Officer Grant (Green Adelaide formerly NRM Board) **	108
Library operating grant from State Government	30
TOTAL GRANTS, SUBSIDIES AND CONTRIBUTIONS INCOME	2,451

* For accounting purpose R2R grant is recorded as operating income. However, as per R2R guidelines, grant should be spent on roads renewal/upgrades (Capital)

** Approximately 34% of the Regional Landscape Levy collected from Adelaide Plains Council is invested back in the region through this grant.

REIMBURSEMENT, INTEREST AND OTHER INCOME

Council is estimated to receive reimbursements, interest and other income of \$0.189m next year.



10.2 HOW COUNCIL’S REVENUE IS SPENT

EMPLOYEE EXPENSES

Employee expenses include all labour related expenditure such as salaries, wages, allowances and on-costs (Annual Leaves, Long Service Leaves, Superannuation, Workers Compensation Insurances etc.). For 2023/2024 Financial Year, employee costs are expected to increase to \$7.315m compared to \$6.549m in 2022/2023, an increase of 12%. This increase has been reported due to EBA/contract increases, reclassifications, growth planning and increase in superannuation contribution from 10.50% to 11.00% in 2023/2024.

TABLE 3: ESTIMATED EMPLOYEE EXPENSES FOR 2023/2024 FINANCIAL YEAR (\$'000)

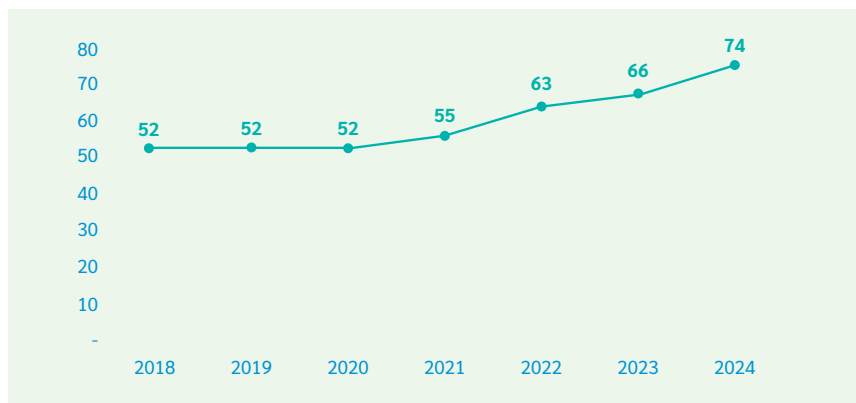
DESCRIPTION	COSTS
Salaries & Wages	6,147
Long Service Leave	156
Superannuation	708
Workers Compensation Insurance	304
TOTAL EMPLOYEE COST BUDGET	7,315



Figure 3 below shows Council’s staff levels at the end of each financial year from 30 June 2018 and the budgeted staff numbers on 30 June 2023 and 30 June 2024 on a full-time equivalent (FTEs) basis including temporary contract positions. Number of FTEs budgeted for next financial year is 74, an increase of 6 FTEs over current year due to following reasons.

- Council approved one (1) FTE as part of 2022/2023 budget;
- Further two (2) FTEs were approved as part of 2022/2023 quarterly budget revisions;
- Three (3) contract position (3 FTEs) were added to delivery strategic projects primarily funded by external grants;
- Contract library trainee position (0.88 FTE) was replaced with part-time employment with the Council;
- CWMS maintenance work that was outsourced in previous years has been in-sourced (1 FTE) to reduce CWMS operating costs;
- Further new three (3) FTEs are proposed as part of the draft Operating Project program for next year.

FIGURE 3: ADELAIDE PLAINS COUNCIL WORKFORCE (FTEs) AS AT 30 JUNE



MATERIALS, CONTRACTS AND OTHER EXPENSES

Materials include items such as electricity, water, fuel, road products, library books, printing and stationery costs. Contracts relate to the provision of Council services by external providers and include items such as kerbside waste collection, street sweeping, security, leases and infrastructure repairs and maintenance.

Other Expenses relate to a range of unclassified items including staff training, postage, legal fees, bank charges, advertising, insurances, motor vehicle registrations, payment of the Regional Landscape levy and other miscellaneous expenditures.

It is estimated that the Council will spend \$6.691m in 2023/2024 Financial Year on Materials, Contracts and Other Expenses, compared to \$6.120m in 2022/2023 Financial Year, an increase of \$0.570m or a 9% mainly due to increase in fuel, electricity, building, reserve & sealed road maintenance, regional Landscape Levy and kerbside waste collection and disposal costs.

DEPRECIATION, AMORTISATION AND IMPAIRMENT

Depreciation is an accounting charge which measures the usage of Council's property, plant and equipment (including infrastructure assets such as roads and drains) over the estimated effective useful life of the assets. In 2023/2024 the forecast amount of depreciation is \$3.517m compared to \$3.144m for 2022/2023, an increase of \$0.373m or 12% mainly due to new depreciation expenses associated with infrastructure assets handed over to the Council by developers after the initial maintenance period and increase in value of Council's infrastructure assets due to inflation.



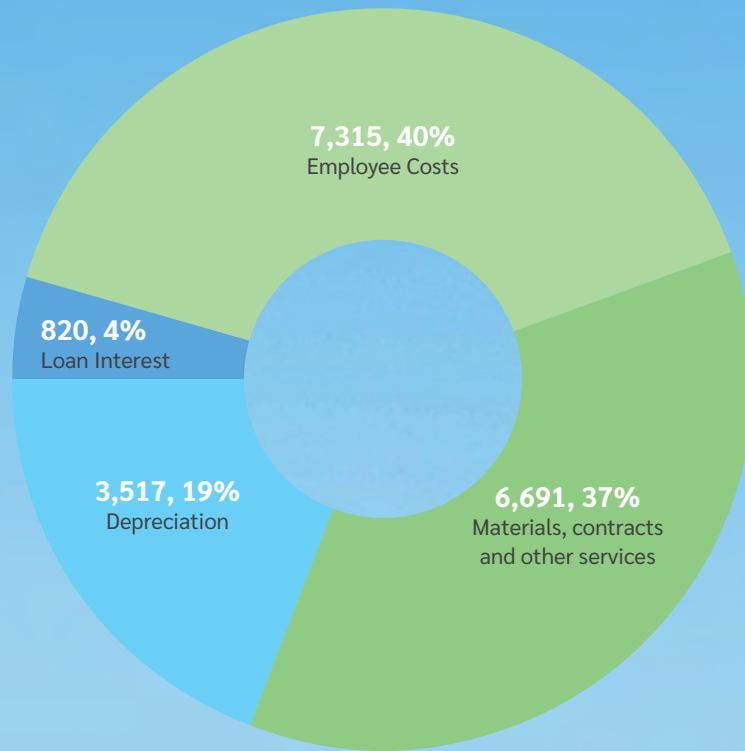
FINANCE CHARGES

Finance charges relate to interest charged by the Local Government Financing Authority on funds that have been borrowed by Council. Interest costs have been estimated based on Council's loan portfolio as at June 2023 and expected new borrowings for the next year.

Interest costs are expected to increase by 201% from \$0.272m in 2022/2023 Financial Year to \$0.820m in 2023/2024, mainly due to the combined impact of;

- Increase in interest rates by the RBA since May 2022;
- interest being paid reduced progressively when repaying loan instalments over time;
- additional interest expenses on new borrowings made in the current year; and
- interest expenses associated with estimated new borrowings required for 2023/2024.

FIGURE 4: DISTRIBUTION OF 2023/2024
DRAFT OPERATING EXPENSES



10.3 BUDGETED STATEMENT OF COMPREHENSIVE INCOME

For the 2023/2024 Financial Year, the estimated operating deficit is \$1.200m from recurrent and operating project activities based on 7% increase in average rates. The estimated operating deficit consists of;

- Recurrent budget deficit of \$0.429m; and
- Net Operating Project budget of \$0.771m.





TABLE 4: STATEMENT OF COMPREHENSIVE INCOME (\$'000)

DESCRIPTION	2022/2023	2023/2024		BUDGET	
	ADOPTED	DRAFT BUDGET		MOVEMENT	
	BUDGET (\$)	(\$)	(%)	(\$)	(%)
RECURRENT INCOME					
Rates					
General Rates - Existing Assessments	10,820	12,160	72	1,340	12
General Rates - New Assessments	179	138	1	(41)	
Rate Rebates	(107)	(123)	(1)	(16)	15
Waste Levy	710	880	5	170	24
Regional Landscape Levy	197	319	2	122	62
Other Rates Income	84	105	1	21	25
CWMS Charges	262	281	2	18	7
Statutory charges	589	520	3	(69)	(12)
User charges	193	223	1	30	16
Grants, subsidies & contributions	1,955	2,106	13	151	8
Interest Income	3	3	0	(0)	(6)
Reimbursements	123	139	1	15	13
Other Income	48	48	0	(1)	(1)
TOTAL RECURRENT INCOME	15,056	16,797	100	1,741	12
RECURRENT EXPENSES					
Employee Costs	6,465	7,075	41	(610)	(9)
Materials, contracts and other	5,191	5,736	33	(545)	(10)
<i>Including legal expenditure</i>	200	150	1	50	25
Depreciation	3,144	3,517	20	(373)	(12)
Interest Expenses	272	820	5	(548)	(201)
Share of loss from GRFMA	79	79	0	-	-
TOTAL RECURRENT EXPENSES	15,151	17,226	100	(2,075)	(14)
RECURRENT (DEFICIT)	(95)	(429)	(2)	(334)	352
Cost of growth initiatives (Operating Projects)	(934)	(771)	(4)	163	(17)
OPERATING DEFICIT	(1,029)	(1,200)		(172)	

10.4 OPERATING INCOME AND EXPENDITURE BY COUNCIL FUNCTIONS/SERVICES

The following table shows operating income and expenditure for the 2023/2024 Financial Year by the Council functions/ service including operating projects.



TABLE 5: OPERATING INCOME AND EXPENDITURE BY COUNCIL FUNCTIONS/SERVICES (\$'000)

NATURE OF SERVICE	COUNCIL SERVICES/FUNCTIONS	INCOME	EXPENSES	NET COSTS
Discretionary	Volunteer Administration	-	5	5
Discretionary	Economic Development	(20)	366	346
Discretionary	Children & Youth Services	-	11	11
Discretionary	Community Events/Bus/Donations	(1)	81	80
Statutory	Bridges and Culverts Maintenance	(4)	25	21
Statutory	Illegal Roadside Dumping	(1)	40	40
Statutory	Heritage	(1)	23	22
Discretionary	Cemeteries	(40)	126	86
Discretionary	Mallala Aged Units	(67)	53	(14)
Discretionary	Street Lighting	-	100	100
Statutory	Emergency Services and Fire Prevention	(9)	92	83
Statutory	Community Safety	(3)	91	88
Statutory	Street Cleaning	-	90	90
Discretionary	Public Conveniences	-	70	70
Statutory	Resource Recovery Centre	(78)	102	24
Discretionary	Ovals, Playgrounds & Other Sporting Facilities	-	77	77
Discretionary	Community Services	-	157	157
Statutory	Stormwater Management	-	180	180
Discretionary	Coastal Conservation	(108)	130	22
Discretionary	Flood Prevention	-	134	134
Statutory	Environmental Health	(79)	210	131
Statutory	Dog & Cat Control	(226)	174	(53)
Statutory	Elected Members	-	-	-
Discretionary	Building Maintenance	-	324	324
Statutory	Footpaths & Kerbing Maintenance	-	202	202
Discretionary	Libraries	(31)	525	495
Discretionary	Community Wastewater Management	(280)	358	78
Discretionary	Parks, Gardens & Reserve Maintenance	-	775	775
Statutory	Depot Operation	(12)	716	704
Statutory	Kerbside Waste Collection	(880)	873	(6)
Statutory	Plant Maintenance	-	773	773
Statutory	Planning & Compliance	(202)	1,442	1,240
Statutory	Roads Maintenance	(1)	3,139	3,139
Statutory	Government Grants	(1,967)	-	(1,967)
Statutory	Governance	-	772	772
Statutory	Council Administration*	(12,788)	5,762	(7,026)
TOTAL INCOME AND EXPENSES		(16,797)	17,998	1,200
Discretionary		(547)	3,292	2,745
Statutory		(16,250)	14,706	(1,544)
TOTAL INCOME AND EXPENSES		(16,797)	17,998	1,200

* Council administration covers functions such as financial management, Chief Executive Officer, Council offices and chambers maintenance, customer service, human resources management, communications & public relations, payroll management, information technology, public administration, governance, Work, Health and Safety & Risk management, records management and Council's assets management.

Adelaide Plains Council

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10.5 2023/2024 OPERATING PROJECT PROGRAM

The Operating Projects budget encompasses programs and activities that are outside the 'business as usual' services and are considered discretionary in nature. i.e. the Council is under no obligation to provide the services, activities or programs or if required to undertake the activity, are irregular in nature (For example, Local Government Elections). Operating Projects may be one off activities or programs, an expansion of an existing service or program or proposals to introduce a new service or program.

Operating projects are funded via rate revenue or a fee for service charge. The cost of the draft Operating Project program as summarised in Table 6 is estimated to be \$1.117m.



TABLE 6: OPERATING PROJECTS PROGRAM (\$'000)

OPERATING PROJECT NAME (INCLUDING BRIEF PROJECT DESCRIPTION)		RATIONALE	EST. COST
ENVIABLE LIFESTYLE			
1	Street/Verge Tree Planting Continue to deliver street trees to local streets.	C	30
2	Two Wells Library - Salt Damp Treatment Repair salt damp damage to Two Well Library (Heritage listed building) to reduce further damage.	C	50
3	New Cemetery Management System Introduction of new software to manage cemetery leases, burials, cremations records/certificates and management of plots.	D	54
EMERGING ECONOMY			
4	Two Wells Land Development Continue to engage consultants to develop two (2) land parcels in Two Wells purchased by the Council from State Government.	B	35
5	Additional Labour Resources To address growth and current gaps to mitigate risk and improve business efficiency, productivity and service levels.	B	241
6	Undergrounding of Power - Two Wells Main Street (Stage 2).*	A/B/C	600
REMARKABLE LANDSCAPES			
7	GFRMA Business Case Provision of financial contributions toward completion of the Department for Environment and Water, (Gawler River) Business Case.	A	52
8	Two Wells Cemetery - landscaping Replacement of the deteriorate Two Wells cemetery landscaping.	D	20
PROACTIVE LEADERSHIP			
9	Community and Civic Hub Investigation - Phase 2 Develop a strategy/plan (including governance, risk management, procurement etc) based on information and feedback gathered from the community with regard to the next phase and direction of the Community and Civic Hub Investigation.	A/B	25
10	Donaldson Road - Design to include Water Sensitive Urban Design and open space elements Investigations/design to address stormwater management issues identified within the Two Wells Stormwater Management Plan.	C	10
TOTAL ESTIMATED COSTS			1,117

RATIONALE

- A** Previous Council resolutions/Elected Members' feedback;
- B** Investment for growth/Economic Development;
- C** Infrastructure and Assets Management Plans; and
- D** Staff initiatives to reduce cost and improve productivity/service standard

* It is proposed that \$0.345m that has been allocated to the Council under the round 4 of the Local Roads and Community Infrastructure Program be allocated to fund Undergrounding of Power in Two Wells.



10.6 2023/2024 CAPITAL PROJECTS PROGRAM

Adelaide Plains Council is responsible for a large portfolio of assets with a value of \$184m as of 30 June 2022 and an estimated depreciation expense of \$3.517m in 2023/2024 Financial Year. It is therefore critical for the long term sustainability of assets that the Council engages in practises that optimise assets useful lives for the benefit of the community.

The Capital Works budget encompasses projects which renew, upgrade or create new infrastructure assets. Examples of projects are the civil infrastructure whole-of-life program (renew), streetscape (New) etc. Capital expenditures are funded through:

- Rate Revenue; and/or
- the depreciation charge; and/or
- new or upgrade works being funded through borrowings.

Draft 2023/2024 capital program is summarised below. The estimated cost of the capital works program is \$4.827m of which \$3.693m (77%) would be spent on assets renewals in line with Council's Infrastructure and Assets Management Plans (I&) adopted on 25 October 2021. The remaining capital expenditure of \$1.134m (23%) is proposed to be spent on new assets.

Next year capital program is planned to deliver;

- A** 32 km of road resheeting;
- B** 9.5 km of road resealing;
- C** 1 km of new footpath, kerbing and street trees

TABLE 7: DRAFT CAPITAL WORKS PROGRAM (\$'000)

CAPITAL PROJECT CATEGORY	ESTIMATED COSTS
Plant, Fleet & Equipment	1,181
Street Scope	155
Site Improvements	695
Sealed Roads	901
Unsealed Roads	1,260
Car Parks & Traffic Control	195
Pram Ramps	10
Building	70
Kerbing	285
Stormwater	60
CWMS	15

TOTAL CAPITAL EXPENDITURE **4,827**

CAPITAL PROJECT CATEGORY	ESTIMATED COSTS
New/Upgrade	1,134
Renewal	3,693

TOTAL CAPITAL EXPENDITURE **4,827**

Required renewal expenditure as per I& adopted on 25 October 2021 is as follows.

CAPITAL PROJECT CATEGORY	ESTIMATED COSTS
New/Upgrade	5,040
Renewal	3,091

TOTAL RENEWAL ASSETS RENEWAL FUNDING RATIO **8,131**

NEW ASSETS TO BE DELIVERED IN NEXT YEAR

New assets to the value of \$1.134m will be funded from new borrowings. Please refer to Table 8 below for the reasons for these spending on new assets.

TABLE 8: DRAFT NEW ASSETS PROGRAM (\$'000)

DESCRIPTION	BUDGET	COMMENT
Street Scope (Footpath, Kerbing and Street Trees)	416	To provide 1 footpath in the Townships of Two Wells, Mallala & Dublin over a 10 year period. Program is within I&.
Stage 2 - Hart Reserve Development - Implementation	200	As part of IAMP & LTFP
Two Wells Mainstreet - Pedestrian Refuges/Crossing	195	As part of IAMP & LTFP (differed from 22/23)
Township Entrance Signs	140	As part of IAMP & LTFP
Mallala Oval Stormwater and Road Upgrade	60	Requests from the leasee (Mallala Football Club and RSL)
Streetscape/Water Sensitive Urban Design	50	As part of IAMP & LTFP
IT Infrastructure Upgrade	33	To improve data security
Street & Reserves/Parks Furniture Program	20	As part of IAMP & LTFP
Lewiston Dog Park Shelters	20	Funded from dog registration fees
TOTAL EXPENDITURE ON NEW/UPGRADED ASSETS	1,134	



Adelaide Plains Council

10.7 2023/2024 CAPITAL PROGRAM IN DETAILS

Table 9 below provides details of the capital program endorsed for 2023/2024 Financial Year.

TABLE 9: DRAFT CAPITAL PROJECT BUDGET IN DETAILS (\$'000)

CAPITAL PROJECT TO ACHIEVE COUNCIL'S STRATEGIC OBJECTIVE	TYPE	COSTS
Plant and Equipment Replacement	Renewal	900
Fleet Replacement	Renewal	248
IT Infrastructure Upgrade	New/Upgrade	33
INVESTMENT IN PLANT & EQUIPMENT PROGRAM		1,181
Intersection upgrade - Gawler River Rd (Germantown Rd and Bethesda Rd)	Renewal	100
Dublin Road - Hill Road to Earl Road - Pavement Rehabilitation	Renewal	80
Bailey Road East - Old Port Wakefield Road to End	Renewal	91
Baker Road – Gawler River Road to River	Renewal	87
Boundary Road - Hayman Road to Dawkins Road	Renewal	65
Garden Avenue - Artesian Road to Southern End	Renewal	85
Germantown Road – Gawler Road to Dawkins	Renewal	142
Jenkin Court - Butler Road to End	Renewal	77
Seventh Street – South Terrace to Fifth Street	Renewal	69
Third Street (Dublin) - Sixth Street to End of Seal	Renewal	23
Williams Road – Dawkins Road to Hayman Road	Renewal	82
INVESTMENT IN ROAD RESEALING		901
Streetscape - South Terrace (Dublin) - Old Port Wakefield Rd to Seventh St	New/Upgrade	46
Streetscape - Irish Street - Butler Street to Redbanks Road	New/Upgrade	31
Streetscape - Rowe Crescent - Drew Street to Applebee Road	New/Upgrade	16
Streetscape - Chivell Street - Mary Street to End	New/Upgrade	38
Keerbing - Sth Terrace (Dublin) - Old Port Wakefield Road to Seventh Street	New/Upgrade	285
Tangari Reserve - Footpath	Renewal	24
INVESTMENT IN STREET SCAPE (FOOTPATH, KERBING AND ST TREES)		440
Bakers Road - Slant Road to Ridley Road	Renewal	104
Gallipoli Road - Curnow Road to Jarmyn Road	Renewal	78
Germantown Road - Verner Road to Seal	Renewal	134
Harris Road - Schlodder Road to Bubner Road	Renewal	19
Hart Road - Port Wakefield Road to Smith Road	Renewal	140

CAPITAL PROJECT TO ACHIEVE COUNCIL'S STRATEGIC OBJECTIVE	TYPE	COSTS
North Parham Road - Lowey Road to Gilberts Road	Renewal	75
Owen Road - March Road to Woods Road	Renewal	121
Paddys Bridge Road - Mallala - Two Wells Road to Germantown Road	Renewal	287
Schlodder Road - Clonan Road to Schutt Road	Renewal	39
Wasleys Road - Cheek Road to Woolsheds Road	Renewal	263
INVESTMENT IN UNSEALED RD PROGRAM		1,260
Street & Reserves/Parks Furniture Program	Renewal	20
Site Improvements Renewal	Renewal	200
Fuel supply upgrade	Renewal	45
Street & Reserves/Parks Furniture Program	New/Upgrade	20
Streetscape and Water Sensitive Urban Design	New/Upgrade	50
Township Entrance Signs - Allocation	New/Upgrade	140
Lewiston Dog Park Shelters	New/Upgrade	20
Stage 2 - Hart Reserve Development - Implementation	New/Upgrade	200
INVESTMENT IN SITE IMPROVEMENTS PROGRAM		695
Mallala - Replacement of Property Pumps	Renewal	15
INVESTMENT IN COMMUNITY WASTE MANAGEMENT SCHEMES		15
Mallala Oval stormwater and road upgrade	New/Upgrade	60
INVESTMENT IN STORMWATER		60
Two Wells Mainstreet - Pedestrian Refuges/Crossing	New/Upgrade	195
INVESTMENT IN CAR PARKS & TRAFFIC CONTROL		195
Pram Ramp renewal to comply with <i>Disability Discrimination Act 1992</i>	Renewal	10
INVESTMENT IN PRAM RAMP		10
Dublin Oval - Toilet Block	Renewal	70
INVESTMENT IN BUILDINGS		70
TOTAL COUNCIL INVESTMENT IN INFRASTRUCTURE AND ASSETS IN 2023/2024 FINANCIAL YEAR		4,827
Renewal of existing assets as per Assets Management Plans	Renewal	3,693
New assets	New/Upgrade	1,134
TOTAL COUNCIL INVESTMENT IN INFRASTRUCTURE AND ASSETS IN 2023/2024 FINANCIAL YEAR		4,827

11

LOAN BORROWINGS

In developing the Long Term Financial Plan, borrowing was identified as an important funding source, particularly for bridging short-term cash flow gaps. Borrowings are undertaken in accordance with Council's *Treasury Management Policy* which underpins Council's decision-making, financing its operations in the context of cash flow, budgeting, borrowings and investments.

As borrowing is an important financial management tool in the overall context of funding Council's expenditures, Council's Treasury Management Policy links closely to the overall strategic management plans in the context of:

- Strategic planning for the future of the Council, covering short, medium- and long-term spending and investment issues;
- Current and estimated future revenues and the ability to increase the revenue stream through council rates, user charges or additional grant funds;
- Intergenerational equity considerations in terms of the ratepayers who benefit from the expenditure and therefore on a user pay basis who should pay for the costs associated with such expenditure;
- Current and future funding needs for both operating and capital expenditures;
- Potential movements in interest rates; and
- Any other strategic imperative such as development of local economy that is linked to revenue and expenditure capacities (for example, sealing of major freight routes servicing commercial sector).



11.1 CURRENT SHORT AND LONG-TERM BORROWINGS

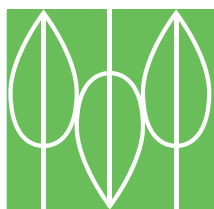
At the end of 2022/2023 Financial Year, Council is expected to have only one (1) outstanding fixed rate long-term borrowings with a value of \$1.790m in relation to Council's investment in Mallala CWMS.

Council has already made several resolutions to borrow funds to deliver annual budgets and some of the capital programs being delivered in partnership with State/Federal Governments. However, in compliance with Council's Treasury Management Policy, so far Council has been able to meet those expenses with short-term borrowings which attract lower interest charge compared to fixed rate long-term borrowings. Based on Mid-Year Budget Review, the estimated short-term borrowings at the end of this financial year would be \$12.611m.

The expected average interest rate for budget purpose is 5.88% for next financial year and therefore expected interest expense on CAD loan is \$0.742m ($\$12.6m \times 5.88\%$).

In addition, interest expense for Mallala CWMS loan is \$0.078m in the next year.

Therefore, interest expenses are expected to increase from \$0.272m in this year to \$0.820m next financial year.





11.2 NEW BORROWINGS FOR 2023/2024 FINANCIAL YEAR

An operating deficit means Council is spending more than it generates as income in delivering services to the community. In addition, Council has loan and interest obligations to pay as well as the need to fund new assets. Therefore, if the Council decides to continue the same level of service and draft operating project programs as included in this report with an average rate increase of 7%, it has to borrow \$2.229m to deliver operating and capital projects identified above and meet its loan repayment obligations as summarised in the Table 10 below. Out of the new borrowings;

- \$0.176m will be allocated for assets renewal program;
- \$1.134m will be spent on new assets across the Council district;
- \$0.771m will be used to deliver operating project program proposed; and
- remaining \$0.148m (approximately 1.2% of rates income) will be allocated for day-to-day Council's operations.

While the maximum amount to be borrowed is \$2.229m, the timing of the actual borrowings would depend on the progress of the capital works program.

TABLE 10: FUNDING SHORTFALL FOR 2023/2024 (\$'000)

DESCRIPTION	AMOUNT
Cash shortfall due to Operating Deficit	(1,200)
Cash injection from sale of surplus/replaced assets	243
Share of operating loss from GRFMA (non-cash transactions)	63
To fund capital Program - Money available through depreciation	3,517
Proposed assets renewal expenditure	(3,693)
Proposed new capital expenditure	(1,134)
Grants specifically for new or upgraded assets	-
Loan Repayment	(24)
TOTAL ESTIMATED FUNDING SHORTFALL FOR 2023/2024	(2,229)



\$0.176m will be allocated for assets renewal program



12

RATING STRUCTURE AND POLICY

12.1 WHAT ARE RATES?

Rates are levied as a tax on property in accordance with the provisions of the Local Government Act. Rates are not a service or user charge. For example, some property owners may choose to not use the library, but nevertheless make a contribution to the service through their rates. Because rates are levied on the value of property, those in higher valued properties pay more in rates than those in lower valued properties.

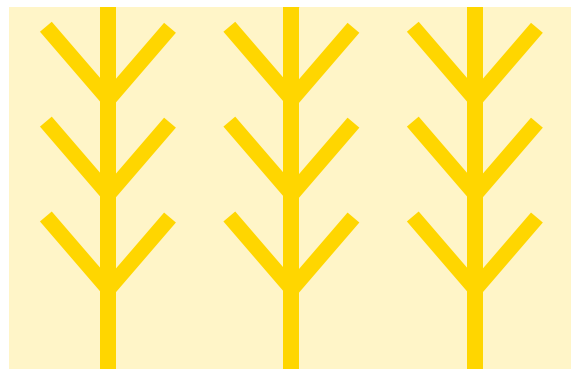
General Rates are the principal source of funding for Council services representing approximately 80% of total operating income in 2023/2024.

12.2 STRATEGIC FOCUS

In estimating rates for the 2023/2024 Financial Year, Council will consider its *Strategic Plan 2021-2024*, the current economic climate, specific issues faced by the community and the budgetary requirements for the financial year.

Land use categories as provided in the *Local Government (General) Regulations 1999* are used as the basis of Council's general rate calculation.





12.3 METHOD USED TO VALUE LAND

All land within a council area is rateable, except for land specifically exempt e.g. Crown land, council occupied land. Council continues to use capital value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the fairest method of distributing the rates across all ratepayers because:

- Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates and therefore, it is the most appropriate measure of relative wealth in the community;
- As a measure of wealth it most closely reflects property owners’ capacity to pay; and
- It accords with the taxation principle, that people should contribute to the community social and physical infrastructure, in accordance with their capacity to pay, as measured by property wealth.

Other valuation methods available are site value (value of land only) and annual value (value of rental potential of property). These are not considered appropriate with regard to Adelaide Plains Council.

Council will be adopting the valuations made by the Valuer-General and which are applicable for the financial year commencing 1 July 2023. If a property owner is dissatisfied with a property valuation, then an objection may be made to the Valuer-General in writing, within 60 days of receiving notice of the valuation, explaining the basis for the objection. Further contact details can be obtained from Council’s Rates Officer on (08) 8527 0200. **It is important to note that Council has no role in the valuation process.**





12.4 IMPACT OF RATES

General Council rates of a property are determined by three (3) factors:

- valuation of a property as determined by the Valuer of General of South Australia;
- rates in the dollar specific to land use code (LUC) of the property which is determined by the Council; and
- annual fixed charge

RATES MODELLING – PROPERTY VALUATION

An extract from the latest (8 April 2023) property valuation data available from Valuer-General (VG) is given below in Table 11 in comparison to similar information for prior years. Additional rates income from the development growth is 2.55% whereas 2.75% was factored in the LTFP.

However, it is too early to exactly know the development growth rate for next year. From the experience of prior years, VG is expected to finalise development growth mid to late May 2023. Council expects a significant development growth this year, however, may not be as big as last year due to slowdown in new subdivisions.

TABLE 11: AN EXTRACT FROM LATEST VALUATION DATA FROM THE VG

DESCRIPTION	8/04/23	22/23	21/22	20/21
Increase in number of properties through sub-division	117	146	257	173
Sub-Division Growth (valuation increase) - \$'Mn	24	29	39	24
Building Development Growth (valuation increase) - \$'Mn	38	76	27	54
Total Development Growth - \$'Mn	62	105	66	78
Total Development Growth - %	2.55	4.73	3.20	2.04
Increase in Rates income due to Sub-Division Growth - \$'Mn	0.154	0.179	0.256	0.197
Increase in Rates income due to Sub-Division Growth - %	1.26	1.77	2.67	2.15
Natural Growth (valuation increase due to reasons other than dev.) - %	16.69	5.04	4.46	1.86



RATES MODELLING – OPTIONS TO CONSIDER

Given a significant increase in ‘Natural Growth’, to achieve a 7% increase in average rate, a reduction in rate in the dollar will be applied in the rates modelling calculations. However, this will also benefit properties;

A that have reported an increase in valuations due to ‘Development Growth’; and

B high value properties.

Following table shows the impact of various rates modelling while maintaining 7% increase in average rate unchanged plus 2.55% growth. While Option 1 assumes no changes to the relativity between various land use categories (LUCs), all other options assume a change in relativity to smooth out the impact of inconsistent valuation changes between LUCs. Accordingly, Options 3 provides better results as it generates the highest percentage of ratepayers with a rate increase of less than 7%.

TABLE 12: : OPTIONS FOR RATES MODELLING

	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5	OPTION 5	OPTION 6
RELATIVITY BETWEEN LUC							
Residential	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Vacant Land	1.00	1.00	1.20	1.00	1.20	1.00	1.20
Commercial/Industry	1.30	1.45	1.45	1.45	1.45	1.45	1.45
Primary Production	0.91	0.98	0.98	0.98	0.98	0.98	0.98
Increase in Fixed Charge	50%	50%	50%	75%	75%	100%	100%
Reduction in Rate in the \$	-8.50%	-11.10%	-11.80%	-12.40%	-13.10%	-13.65%	-14.35%
New Fixed Charge	185	185	185	216	216	246	246
INCREASE IN AVERAGE RATE							
	%	%	%	%	%	%	%
Residential	12.60	9.69	8.86	9.90	9.07	10.07	9.28
Commercial	1.39	8.78	8.02	9.59	8.83	10.38	9.63
Commercial - Other	0.30	8.07	7.28	7.87	7.08	7.69	6.90
Industry - Light	0.56	7.89	7.14	8.70	7.95	9.48	8.74
Industry - Other	(4.58)	3.19	2.40	2.15	1.36	1.15	0.35
Primary Production	5.07	9.79	9.06	9.18	8.36	8.60	7.78
Vacant Land	11.46	8.83	25.94	10.69	27.05	12.66	28.62
Other	14.79	11.79	10.98	11.82	11.01	11.86	11.05
TOTAL	9.56	9.56	9.58	9.56	9.55	9.56	9.55
GROWTH	(2.55)	(2.55)	(2.55)	(2.55)	(2.55)	(2.55)	(2.55)
AVERAGE RATE INCREASE	7.01	7.01	7.03	7.01	7.00	7.01	7.00

	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5	OPTION 5	OPTION 6
GENERAL RATES REVENUE (\$'000)							
Existing Properties	12,158	12,159	12,146	12,157	12,142	12,156	12,140
New Properties	140	138	154	140	155	142	156
GENERAL RATES (GROSS)	12,298	12,298	12,300	12,297	12,297	12,298	12,296

BREAKDOWN OF INCREASE OF PERCENTAGE							
Decrease	5.23%	3.60%	3.48%	3.10%	3.11%	3.25%	3.29%
0.01% to 1.25%	1.26%	1.12%	0.73%	1.29%	1.35%	0.87%	0.89%
1.25% to 2.00%	1.05%	0.51%	0.73%	0.72%	0.66%	0.68%	1.03%
2.01% to 2.25%	0.87%	0.63%	0.56%	0.44%	0.82%	0.63%	1.47%
2.25% to 3.25%	0.93%	0.80%	1.43%	1.29%	1.80%	1.78%	2.45%
3.25% to 5%	2.34%	5.42%	8.73%	6.79%	8.80%	7.49%	8.47%
5.01% to 7%	4.53%	15.01%	16.21%	13.01%	14.29%	11.63%	12.47%
Less than 7%	16.21%	27.09%	31.89%	26.64%	30.84%	26.34%	30.07%
7.01% to 10%	21.08%	24.30%	19.14%	22.02%	18.84%	21.13%	18.93%
10.01% to 15%	31.94%	16.49%	13.07%	14.69%	11.00%	14.20%	10.43%
15.01% to 20%	12.44%	17.16%	15.71%	17.77%	16.98%	14.71%	15.34%
20.01% to 30%	10.84%	6.79%	11.47%	10.29%	11.16%	14.50%	12.45%
30.01% to 40.00%	0.86%	1.64%	1.70%	1.73%	3.92%	1.89%	4.81%
40.01% to 50.00%	0.54%	0.56%	0.77%	0.77%	0.86%	1.03%	1.33%
50.01% or more	3.01%	2.89%	3.18%	3.01%	3.32%	3.11%	3.57%
CHANGE IN RATES	96.92%	96.92%	96.92%	96.92%	96.92%	96.92%	96.92%
No Charge in Rates	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%
New Properties	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%





WHY THE COUNCIL IS PROPOSING TO CHANGE THE RELATIVITY BETWEEN LAND USE CATEGORIES?

For the current financial Year, the Council has determined that the following differential rates will be applied to all of its rateable assessments:

A Residential/Vacant Land/Other	1.00
B Commercial/Industry	1.30
C Primary Production	0.91

However, due to significant fluctuations in the properties values among different land use categories, following differential rates are proposed to be applied to all of its rateable assessments in 2023/2024 Financial Year. They are:

A Residential/Other	1.00
B Vacant Land	1.20
C Commercial/Industry	1.45
D Primary Production	0.98

Above proposed changes to the differential rates will ensue;

- A** the impact of significant valuation fluctuations on rates is smoothed out. (This will not generate additional rates income but will only change the % of rates being contributed by particular land use category);
- B** address ESCOSA comment in relation to Adelaide Plains Council having high residential rates;
- C** discourage land holding/banking in relation to vacant land parcels;
- D** reduce the time between development approval for land subdivisions and issuing of land title;
- E** encourage economic and residential activity through the development of vacant land; and
- F** achieve a maximum number of ratepayers with a rate increase of less than 7%.



encourage economic and residential activity through the development of vacant land

WHAT 7% INCREASE IN AVERAGE RATES MEANS ON INDIVIDUAL PROPERTY BASED ON OPTION 3?

Annual rates charge on a property is calculated as follows.

Rates Charge = (Property Value X Applicable Rate in the \$) + Fixed Charge

Therefore, how 7% increase in average rates will impact on an individual property based on various property values under each differential rate is shown in the below table. Accordingly:

- A** as the property value increases, rates payable also increases;
- B** as rate in the \$ has reduced by 11.80% and fixed charge has increased by 50%, the percentage change in rates is determined by the changes in the property values;
- C** if the property value has decreased, rates will also reduce by more than the reduction in property values.

TABLE 13: EXAMPLE OF CHANGES TO AVERAGE RATES AND RATES ON INDIVIDUAL PROPERTY

LAND USE	A		B		C		(A X B) + C		CHANGE OF RATES IN 23/24 (%)
	PROPERTY VALUE (\$'000)		RATE IN THE \$		FIXED CHARGE		RATES LEVY (\$)		
	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24	
Residential	190	200	0.00441	0.00389	123	185	961	963	0.21
	350	300	0.00441	0.00389	123	185	1,666	1,352	-18.88
	400	485	0.00441	0.00389	123	185	1,887	2,071	9.78
Commercial/ Industry	400	420	0.00573	0.00564	123	185	2,416	2,553	5.70
	800	700	0.00573	0.00564	123	185	4,708	4,132	-12.23
	1,000	1,200	0.00573	0.00564	123	185	5,855	6,952	18.74
Primary Production	100	121	0.00401	0.00381	123	185	524	646	23.35
	1,200	1,027	0.00401	0.00381	123	185	4,933	4,099	-16.91
	1,750	2,191	0.00401	0.00381	123	185	7,138	8,536	19.58
Vacant Land	100	105	0.00441	0.00467	123	185	564	675	19.70
	300	260	0.00441	0.00467	123	185	1,446	1,398	-3.28
	400	600	0.00441	0.00467	123	185	1,887	2,985	58.22
TOTAL	6,990	7,609					33,985	36,363	
AVERAGE RATE							2,832	3,030	7.00

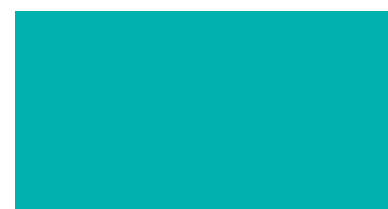


12.5 UNIFORM PRESENTATION OF EXPECTED RATES REVENUE

Following information has been provided as required under Local Government (Financial Management) Regulations 2011 (the Regulations), Regulation 6 as a result of Local Government Reform changes.

TABLE 14: UNIFORM PRESENTATION OF EXPECTED RATES REVENUE

	2022/23 (AS ADOPTED)	2023/24 (ESTIMATED)	CHANGE	COMMENTS
GENERAL RATES REVENUE				
General Rates (existing properties)	\$10,820,189	\$12,145,875 (a)		For 2023/24, an expected increase in total General Rates revenue of around 11.83% is projected inclusive of estimated growth (refer n) of 2.05% from new properties that have been created over the last year.
General Rates (new properties)	\$178,776	\$154,066 (b)		
General Rates (GROSS)	\$10,998,965	\$12,299,941 (c)		
Less: Mandatory Rebates	(\$69,220)	(\$76,803) (d)		
GENERAL RATES (NET)	\$10,929,745	\$12,223,138 (e)	11.83%	
		(e)=(c)+(d)		
OTHER RATES (INCLUDING SERVICE CHARGES)				
Regional Landscape Levy (RLL)	\$196,863	\$319,213 (f)		The RLL is not retained by council.
Waste collection	\$701,937	\$882,958 (g)		\$206 for standard 3 or 2 bin service.
CWMS	\$262,452	\$280,676 (h)		\$740 and \$488 for each property unit at Mallala and Middle Beach.
	\$12,090,997	\$13,705,984		
Less Discretionary Rebates	(\$37,819)	(\$37,586) (i)		
EXPECTED TOTAL RATES REVENUE	\$11,856,315	\$13,349,186 (j)	12.59%	Excluding the RLL and minus Mandatory & Discretionary Rebates.
		(j)=(e)+(g)+(h)+(i)		



	2022/23 (AS ADOPTED)	2023/24 (ESTIMATED)	CHANGE	COMMENTS
GROWTH IN NUMBER OF RATEABLE PROPERTIES				
Number of rateable properties	5,602 Actual	5,717 Estimated	(k) 2.05%	Growth is expected to account for around 1.40% of the estimated increase in General Rates to be collected (refer b).
<p>'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.</p>				
AVERAGE GENERAL RATES PER RATEABLE PROPERTY (n)=(c)/(k)				
Average per rateable property	\$1,963	\$2,151 (l)	9.58%	These 'averages' are based on the total of all rateable properties and are therefore not necessarily indicative of either the rate or change in rates that all ratepayers will experience.
<p>Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total rates paid by all rateable properties will equal the amount adopted in the budget.</p>				

Notes

- (d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:
 - Health Services - 100%
 - Religious purposes - 100%
 - Public Cemeteries - 100%
 - Educational purposes - 75%
 - Community Services - 75%

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
- (e) Presented as required by Regulation 6(1)(ea) of the Local Government (Financial Management) Regulations 2011.

Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

- (f) Councils are required under the Landscape South Australia Act 2019 to collect the levy on all rateable properties on behalf of the State Government. The Regional Landscape Levy is not retained by council.
- (h) Community Wastewater Management Systems
- (i) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
- (j) Expected Total Rates Revenue excludes other charges such as penalties & interest for late payment and legal and other costs recovered.
- (k) 'Growth' as defined in Regulation 6(2) of the Local Government (Financial Management) Regulations 2011.

Please note that these figures represent a considered estimate of Expected Rate Revenue based on the most current information available as at 8 April 2023. This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the 2023/2024 Annual Business Plan & Budget which is expected to occur in early July 2023.



DIFFERENTIAL RATES

	TOTAL EXPECTED REVENUE (\$)			NO. OF RATEABLE PROPERTIES		AVERAGE PER RATEABLE PROPERTY (\$)			RATE IN THE \$	
	2023/2024	2023/2024	CHANGE	2022/2023	2023/2024	2022/2023	2023/2024	CHANGE	2023/2024	
LAND USE (GENERAL RATES - GROSS)										
Residential	6,288,002	7,032,830	11.85%	3,424	3,518	1,836	1,999	(m)	163	0.0038891
Commercial	39,283	42,434	8.02%	28	28	1,403	1,516	(m)	113	0.0056392
Commercial - Other	177,868	193,322	8.69%	76	77	2,340	2,511	(m)	170	0.0056392
Industry - Light	9,899	10,606	7.14%	7	7	1,414	1,515	(m)	101	0.0056392
Industry - Other	94,477	96,746	2.40%	15	15	6,298	6,450	(m)	151	0.0056392
Primary Prod.	3,769,346	4,153,901	10.20%	1,430	1,445	2,636	2,875	(m)	239	0.0038113
Vacant Land	521,174	664,467	27.49%	569	576	916	1,154	(m)	238	0.0046669
Other	98,917	105,634	6.80%	53	51	1,866	2,071	(m)	205	0.0038891
GRAND TOTAL (GROSS)	10,998,965	12,299,941	11.83%	5,602	5,717	1,963	2,151	(m)	188	

FIXED CHARGE

	TOTAL EXPECTED REVENUE			CHARGE		
	2022/2023	2023/2024	CHANGE	2022/2023	2023/2024	CHANGE
Fixed Charge	\$640,640	\$983,830	54%	\$123	\$185	(n) \$62

A Fixed Charge ensures all rateable properties pay a base amount to the cost of administering council activities and maintaining the services and infrastructure that supports each property. Rates based on values are then applied in addition to the fixed charge. Council is limited to the amount that can be raised by the fixed charge in that it cannot raise more than 50% of its general rate revenue from the fixed charge component. In 2023/24 council proposes to raise 8% of its general rate revenue by way of the fixed charge.

This revenue amount is **included** in the General Rates GROSS figure at (c).



ADOPTED VALUATION METHOD

CAPITAL VALUE

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land;

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

Annual Value – a valuation of the rental potential of the property.

Council continues to use **Capital Value** as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth.
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

Notes

- (m) Average per rateable property calculated as General Rates for category, including any fixed charge but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.
- (n) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.





ACTUAL RATE RISES

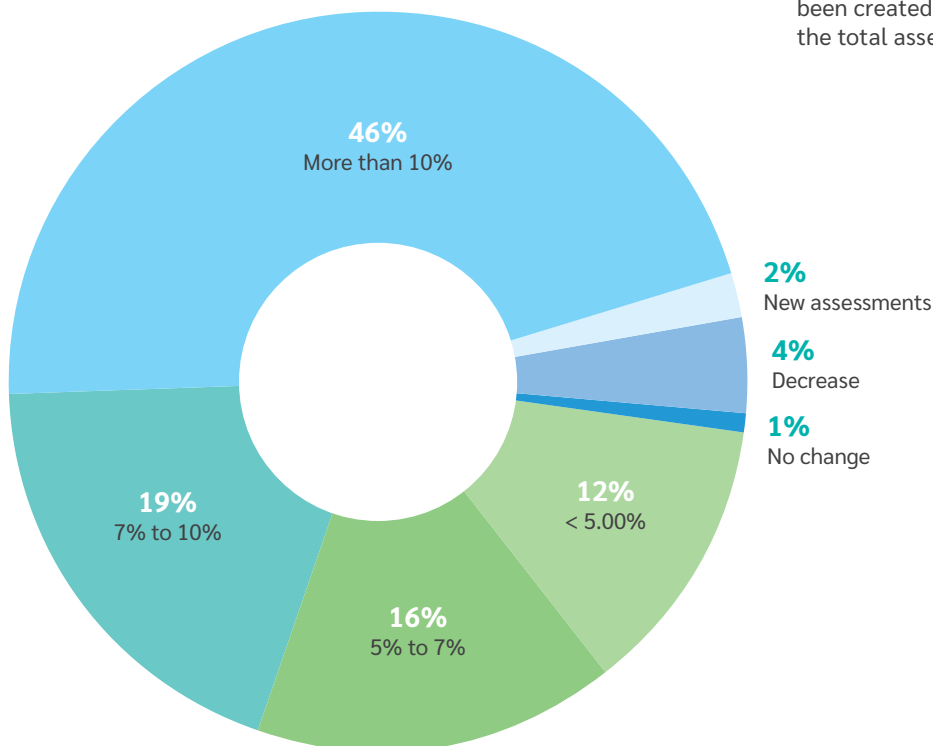
As Council rate is determined by multiplying capital value of the property (decided by the VG) by the rate in the dollar (decided by the Council) applicable to the property, average rate calculated above does not show the actual general rate rises. Actual rate rises is also determined by a combination of other factors such as;

- A** development/improvement on the land resulting value of the property being increased,
- B** general valuation increase/decrease by VG due to market conditions.

For example, Figure 5 below shows that with 7% average rate increase;

- A** 3.48% of the properties will have their rates reduced next year;
- B** 1.03% of the properties will have their rates remained unchanged;
- C** 12.19% of the properties will have their rates increased by less than 5%;
- D** 16.21% of the properties, will have their rate increased between 5% and 7%;
- E** 19.14% of the properties, will have their rate increased between 7% and 10%;
- F** 45.90% of the properties will have their rates go up by more than 10.00%; and
- G** 117 new assessments have been created which is 2.05% of the total assessments.

FIGURE 5: BREAKDOWN OF GENERAL RATES INCREASE BY PERCENTAGE (INCL. DEVELOPMENT GROWTH)





12.6 DIFFERENTIAL GENERAL RATES

Every resident will benefit from the general amenity of the Council area in some way, whether that is at the present time or in the future. The amenity includes the local economy, general Council operations and the option to use Council facilities.

It is acknowledged that the system of council rates is in essence a system of taxation against property prescribed through the provisions of the Local Government Act. However, Council has assessed that the level of differential rating imposed is governed in part by the ability to pay, the potential for income tax deductions and the perception of accessibility or useability of council services by the residents and consumers. To this end, Council has determined the following.

COMMERCIAL PROPERTIES

Commercial properties generally have available to them, their employees and customers the same services as other ratepayers. However, in most cases commercial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided. In addition, commercial properties have potential taxation benefits.

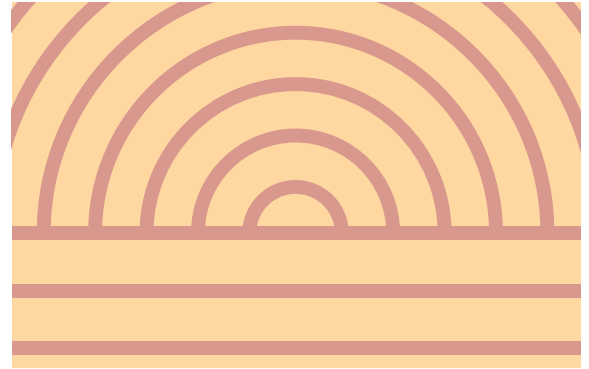


INDUSTRIAL PROPERTIES

Industrial properties generally have available to them, their employees and customers the same services as other ratepayers. However, in most cases industrial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided, particularly where, for example, large amounts of raw or unrefined product is delivered to site for processing utilising Council's infrastructure. Similar to commercial properties, industrial properties have potential taxation benefits.

PRIMARY PRODUCTION PROPERTIES

Primary Production properties tend to be more remote from some of the services provided by Council. In terms of infrastructure adjacent to their properties, they may not have sealed or formed roads, footpaths or street lighting. However, they do have capacity to enjoy the formed roads, footpaths or street lighting and enjoy the same level of amenity as other residents of the Council area. Primary production properties also have potential taxation benefits.



VACANT LAND

Council is proposing to increase differential rates on vacant land in the 2023/2024 Financial Year. Whilst, there have been considerable changes within the Adelaide Plains landscape, there is also recognition that capital valuations alone do not always produce equitable results in all communities. By increasing the differential rates on vacant land, Council is planning to encourage development in the Council area and achieve a more equitable distribution of the rates distribution.

Increasing vacant land differential rate would only mean that the proportion of rates contributed by the vacant land category increases while the rates contribution across the other land categories reduce, with the total rates revenue remaining the same.

12.7 REGIONAL LANDSCAPE LEVY

The whole of the Council area is located within the boundaries of the Northern & Yorke Natural Resource Management Board. An estimated contributions of \$0.319m are sought for 2023/2024 Financial Year (\$0.197m in 2022/2023). Council is operating as a revenue collector for the Northern & Yorke Natural Resource Management Board in this regard. It does not retain this revenue or determine how the revenue is spent.



12.8 SERVICE CHARGES

COMMUNITY WASTEWATER MANAGEMENT SYSTEM (CWMS)

CWMS charges for both Mallala and Middle Beach is proposed to increase by 7% to \$740 and \$488 respectively in order to cover the costs associated with full operation of the scheme including maintenance and loan repayments.

Notwithstanding the above service fee increase, the income generated for Mallala CWMS is not sufficient to cover its operating expenses as shown below in Table 15 and not compliant with National Water Initiative Pricing Principles and Essential Services Commission's (ESCOSA) price determination that is applicable to CWMS.

TABLE 15: CWMS BUDGET FOR 2023/2024 (\$'000)

DESCRIPTION		MALLALA	MIDDLE BEACH
Depreciation		144,200	7,519
Other operating costs		100,766	27,382
TOTAL OPERATING COSTS (EXCLUDING COSTS OF CAPITAL)	- A	244,966	34,901
COST OF CAPITAL (COC)			
		MALLALA	MIDDLE BEACH
Cost of capital – 3.00% real interest		54,150	8,421
Cost of capital – 1.60% for risk premium		87,664	4,491
TOTAL COST OF CAPITAL	- B	141,814	12,912
TOTAL OPERATING COSTS (INCLUDING COSTS OF CAPITAL)	- C	386,780	47,813
No. of units serviced	- D	345	52
Cost per connection as per ESCOSA Pricing Requirement		1,121	919
	(C divided by D)		
Cost per connection as per on ESCOSA Pricing Requirement (Ex. CoC)		710	671
	(A divided by D)		
PROPOSED CWMS CHARGE FOR 2023/2024		740	488



KERBSIDE WASTE COLLECTION CHARGES

For 2023/2024 Financial Year, it is estimated that the total cost of the kerbside waste collection program is expected to be increased by 17.69% to \$0.831m (inclusive of new services). In addition, due to high inflation, a deficit of \$0.040m is expected in the current financial year. Therefore, to cover this years shortfall and next years expected costs, the annual waste collection service charge is expected to increase from \$172 to \$206, an increase of 20%. Accordingly, following waste collection charges are applicable to 2023/2024 Financial Year.

TABLE 16: WASTE COLLECTION SERVICE CHARGE FOR 2023/2024 (\$'000)

WASTE SERVICE DESCRIPTION	ANNUAL WASTE LEVY (\$)
Standard 3-bin or 2-bin waste Service	206
Additional Organic Bin	87
Additional Recycle Bin	64
Additional General Waste Bin	100
Waste Service 1 (distance to pick up point) - 25% discount	155
Waste Service 2 (distance to pick up point) - 50% discount	103

Where the service is provided to rebated land, a service charge is still levied against the land.

Some residents may have to utilise one of 21 collection points to have their bin emptied as the waste collection truck does not traverse all roads in the district. Those residents are entitled to the following waste levy reductions if the resident’s collection point is greater than 500 metres from the access point to their land:

- 1 If greater than 500 metres but no more than 2 kilometres from the resident’s access point to their land, 75% of the annual levy is charged;
- 2 If greater than 2 kilometres but less than 5 kilometres, 50% of the annual levy is charged;
- 3 If 5 kilometres or more from the resident’s access point to their land, no annual levy is charged.

12.9 MANDATORY TOWNSHIP KERBSIDE WASTE COLLECTION CHARGES

The waste levy is mandatory for properties located within the townships of Mallala, Two Wells and Dublin.



Adelaide Plains Council

12.10 PAYMENT OF RATES

Under section 181 of the Local Government Act, Council must provide the opportunity for all ratepayers to pay rates by quarterly instalments. Council payment dates for the 2023/2024 Financial Year will be 1 September 2023, 1 December 2023, 1 March 2024 and 7 June 2024.

LATE PAYMENT OF RATES

The Local Government Act provides that Council may impose an initial penalty of 2% on any payment for rates, whether by instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Council allows a further three working days after the due date for payment as a grace period. Thereafter late payment penalties are applied in accordance with the Local Government Act.

Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 28 days after the issue of the final notice, then Council will refer the debt to their debt collection agency for collection. All Court costs incurred by Council in the recovery of outstanding rates and fines are payable by the ratepayer. When Council receives a payment in respect of overdue rates, Council applies the money received as follows:

- I firstly – in payment of any costs awarded to, or recoverable by, the Council in any court proceedings undertaken by the Council for the recovery of the rates;
- II secondly – in satisfaction for any liability for interest;
- III thirdly – in payment of any fine;
- IV fourthly – in satisfaction of liabilities for rates in the order in which those liabilities arose in payment of rates, in date order of their imposition (starting with the oldest account first).





12.11 REMISSION AND POSTPONEMENT OF RATES

POSTPONEMENT OF RATES - HARDSHIP

Section 182 of the Local Government Act permits Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates, they are invited to contact Council's Rates Officer, on (08) 8527 0200 to discuss the matter. Such enquiries are treated confidentially by Council.

SENIORS RATE POSTPONEMENT

Section 182A of the Local Government Act provides the option for State Senior Card holders to apply to postpone part of their council rates on a long term basis. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the disposal or sale of the property. Postponement is similar to a reverse mortgage by relying on the equity in the property. A ratepayer who has a State Seniors Card may apply for postponement of a portion of the council rates payable on property they own if it is their principal place of residence and if no other person other than their spouse has an interest as owner of the property and there is appropriate equity in the property. Further information can be obtained from Council's Rates Officer on (08) 8527 0200.





12.12 REBATE OF RATES

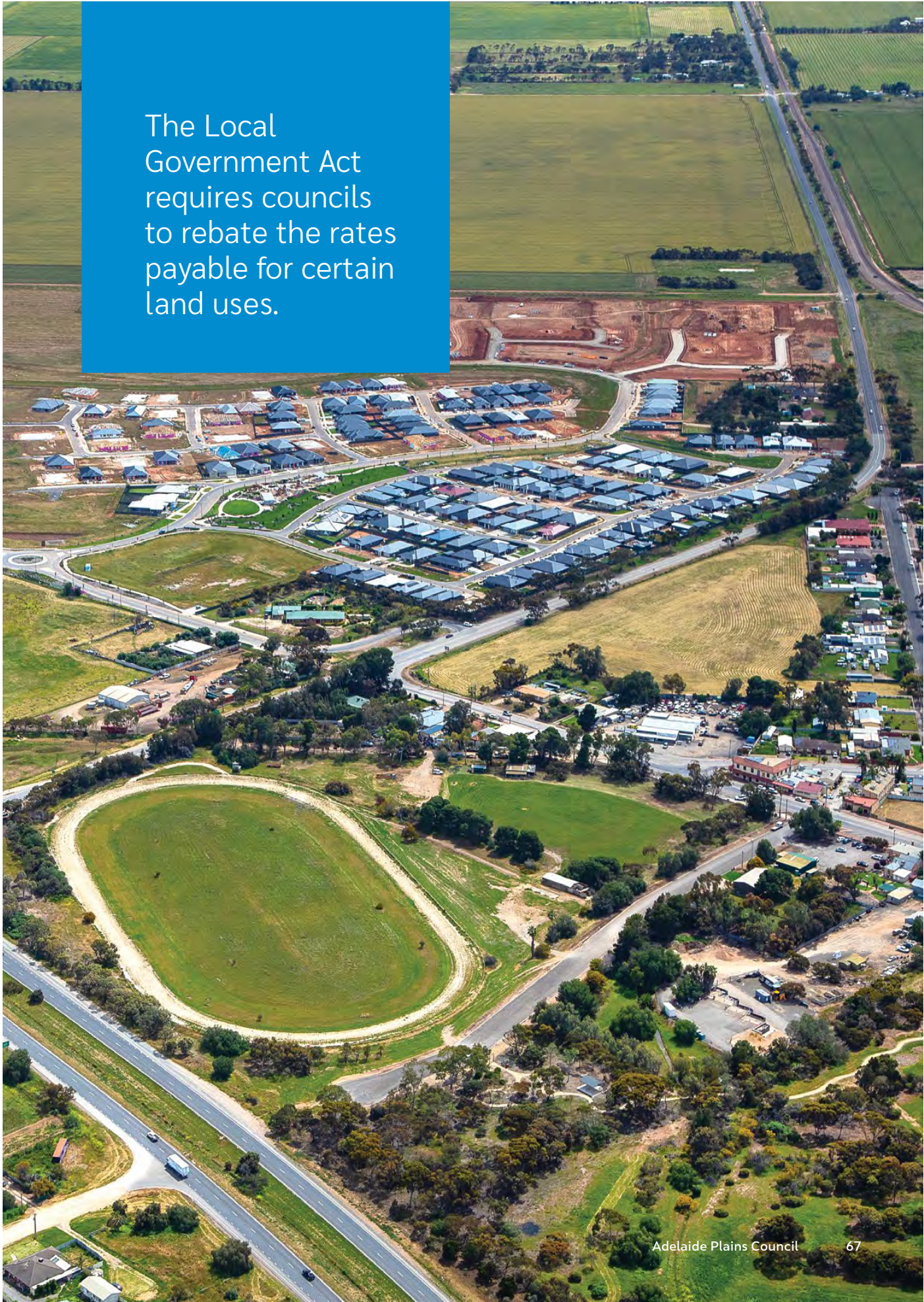
The Local Government Act requires councils to rebate the rates payable for certain land uses. This includes a 100% rate rebate granted on places of worship, public cemeteries, hospitals and land occupied by universities, and 75% rate rebates have been granted on educational facilities (subject to some qualifications).

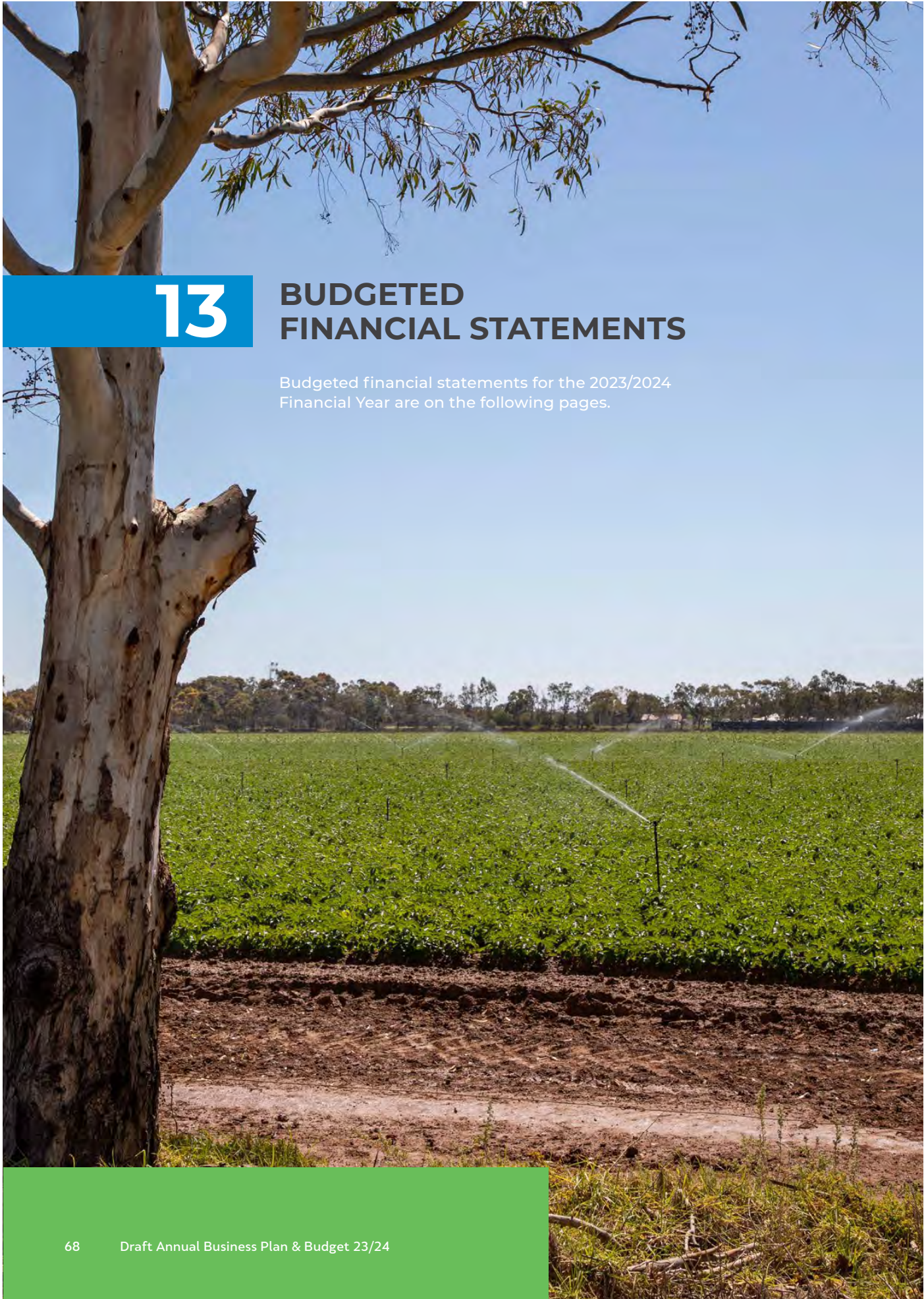
Discretionary rebates may be applied by the Council under section 166 of the Local Government Act. Council annually considers many applications for rate rebates and has in the past, and is again for the 2023/2024 Financial Year intend to rebate rates charged to various district community and sporting organisations.

12.13 SALE OF LAND FOR NON-PAYMENT OF COUNCIL RATES

The Local Government Act provides that a council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide one (1) months' notice to the principal ratepayer and the owner (if not the same person) of the land of its intention to sell the land and provide the owner with details of the outstanding amounts. If payment of the outstanding amount is not received within one month the property may be sold. Except in extraordinary circumstances, Council enforces the sale of land for arrears of rates, in accordance with the Local Government Act.

The Local Government Act requires councils to rebate the rates payable for certain land uses.





13

**BUDGETED
FINANCIAL STATEMENTS**

Budgeted financial statements for the 2023/2024
Financial Year are on the following pages.

ADELAIDE PLAINS COUNCIL
DRAFT STATEMENT OF COMPREHENSIVE INCOME FOR 2023/2024

INCOME	\$'000
Rates	13,760
Statutory charges	520
User charges	223
Grants, subsidies and contributions	2,106
Investment Income	3
Reimbursements	139
Other Income	48
TOTAL INCOME	16,797
EXPENSES	
Employee Costs	7,075
Materials, contracts and other services	5,752
Depreciation, Amortisation & Impairment	3,517
Finance Costs	820
Share of loss - joint ventures & associates	63
TOTAL EXPENSES	17,226
OPERATING SURPLUS / (DEFICIT)	(429)
Net Operating Project Expenses	(771)
OPERATING SURPLUS / (DEFICIT)	(1,200)
Asset Disposal & Fair Value Adjustments	243
Amounts specifically for new or upgraded assets	-
Physical resources received free of charge	5,000
NET SURPLUS (DEFICIT)	4,043
OTHER COMPREHENSIVE INCOME	
Changes in assets revaluation surplus	2,500
Share of other comprehensive income - GRFMA	(55)
TOTAL COMPREHENSIVE INCOME	6,488

ADELAIDE PLAINS COUNCIL
DRAFT STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

ASSETS		\$'000
CURRENT ASSETS		
Cash and cash equivalents		416
Trade & other receivables		1,031
Inventories		154
TOTAL CURRENT ASSETS		1,601
NON-CURRENT ASSETS		
Financial Assets (Investment in GRFMA)		5,677
Infrastructure, Property, Plant and Equipment		158,571
Other Non-current Assets		15
TOTAL NON-CURRENT ASSETS		164,263
TOTAL ASSETS		165,864
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables		1,353
Borrowings		14,865
Provisions		1,009
TOTAL CURRENT LIABILITIES		17,227
NON-CURRENT LIABILITIES		
Borrowings		1,718
Provisions		220
TOTAL NON-CURRENT LIABILITIES		1,938
TOTAL LIABILITIES		19,165
NET ASSETS		146,699
EQUITY		
Accumulated Surplus		58,283
Asset Revaluation Reserve		86,410
Other Reserves		2,006
TOTAL EQUITY		146,699

ADELAIDE PLAINS COUNCIL
DRAFT STATEMENT OF CASH FLOWS FOR 2023/2024

CASH FLOWS FROM OPERATING ACTIVITIES		\$'000
RECEIPTS		
Rates - general & other		13,760
Fees & other charges		520
User charges		223
Investment receipts		3
Grants utilised for operating purposes		2,106
Reimbursements		139
Other revenues		48
PAYMENTS		
Employee costs		(7,075)
Materials, contracts & other expenses		(6,523)
Finance payments		(820)
NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES		2,379
CASH FLOWS FROM INVESTING ACTIVITIES		
RECEIPTS		
Grants specifically for new or upgraded assets		-
Sale of replaced assets		243
PAYMENTS		
Expenditure on renewal/replacement of assets		(3,693)
Expenditure on new/upgraded assets		(1,134)
NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES		(4,584)
CASH FLOWS FROM FINANCING ACTIVITIES		
RECEIPTS		
Proceeds from New Borrowings		2,229
PAYMENTS		
Repayments of Borrowings		(24)
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES		2,205
NET INCREASE (DECREASE) IN CASH HELD		-
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD		416
CASH & CASH EQUIVALENTS AT END OF PERIOD		416

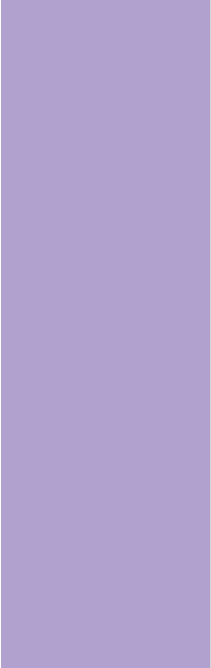
ADELAIDE PLAINS COUNCIL
DRAFT STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2024

ACCUMULATED SURPLUS	\$'000
Balance at end of previous reporting period	54,241
Net Result for Year	4,043
BALANCE AT END OF PERIOD	58,283
ASSET REVALUATION RESERVE	
Balance at end of previous reporting period	83,910
Gain on revaluation of infrastructure, property, plant & equipment	2,500
BALANCE AT END OF PERIOD	86,410
OTHER RESERVES	
Balance at end of previous reporting period	2,061
Share of other comprehensive income - GRFMA	(55)
BALANCE AT END OF PERIOD	2,006
TOTAL EQUITY AT END OF REPORTING PERIOD	146,699

ADELAIDE PLAINS COUNCIL
DRAFT UNIFORM PRESENTATION OF FINANCES FOR 2023/2024

	\$'000
Operating Revenues	17,143
less Operating Expenses	(18,343)
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	(1,200)
LESS NET OUTLAYS ON EXISTING ASSETS	
Capital Expenditure on renewal and replacement of Existing Assets	3,693
less Depreciation, Amortisation and Impairment	(3,517)
less Proceeds from Sale of Replaced Assets	(243)
	(67)
LESS NET OUTLAYS ON NEW AND UPGRADED ASSETS	
Capital Expenditure on New and Upgraded Assets	1,134
less Amounts received specifically for New and Upgraded Assets	-
	1,134
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(2,268)





14

HOW TO MEASURE COUNCIL PERFORMANCE

Council's success is measured by the achievement of the strategic objectives outlined in the Strategic Plan 2021-2024, which also identifies the desired outcomes expected from the strategic objectives.

The Council measures its achievements and financial performance through the following processes:

- Regular financial reporting to Council and Audit Committee;
- Annual review and public consultation of the Long-Term Financial Plan;
- Production of the Annual Report with audited Financial Statements;
- Quarterly budget reviews in accordance with legislation;
- Monthly project progress reports to the Council;
- Monthly outstanding resolutions report to the Council;
- Annual Audit Committee works program endorsed by the Council and the Audit Committee;
- Outstanding resolution report to the Audit Committee;
- Annual Progress reports against the Annual Business Plan;
- Regular Community Survey;
- Customer request and complaint systems;
- Annual Business Plan and Budget consultation; and
- Financial Sustainability oversight by Essential Services Commission of South Australia every four (4) year.

In addition to the strategic outcomes, Council also measures its achievements through the following financial indicators.





FINANCIAL INDICATORS

When evaluating activities undertaken during any given financial year, Council considers a number of factors, one being its future financial sustainability.

A series of financial indicators have been developed by the local government sector to assist in determining whether a council is financially sustainable or moving to a position of financial sustainability.

Financial indicators which are used by the Council to measure performance and financial sustainability as recommended by the Model Financial Statements approved by the Minister for Local Governments and Local Government Association of South Australia are:

- 1 Operating Surplus Ratio - Desired level is 0% and 10% on average over long term;
- 2 Asset Renewal Funding Ratio - Desired level is greater than 90% but less than 110% on average over long term; or
- 3 Net Financial Liabilities Ratio- Desired level is greater than 0% but no more than 100% on average over long term.

The graph on the following page shows, Council’s draft financial indicators for 2023/2024 Financial Year in comparisons to:

- actual financial indicators since 2016/2017 Financial Year; and
- budgeted financial indicators for 2022/2023.



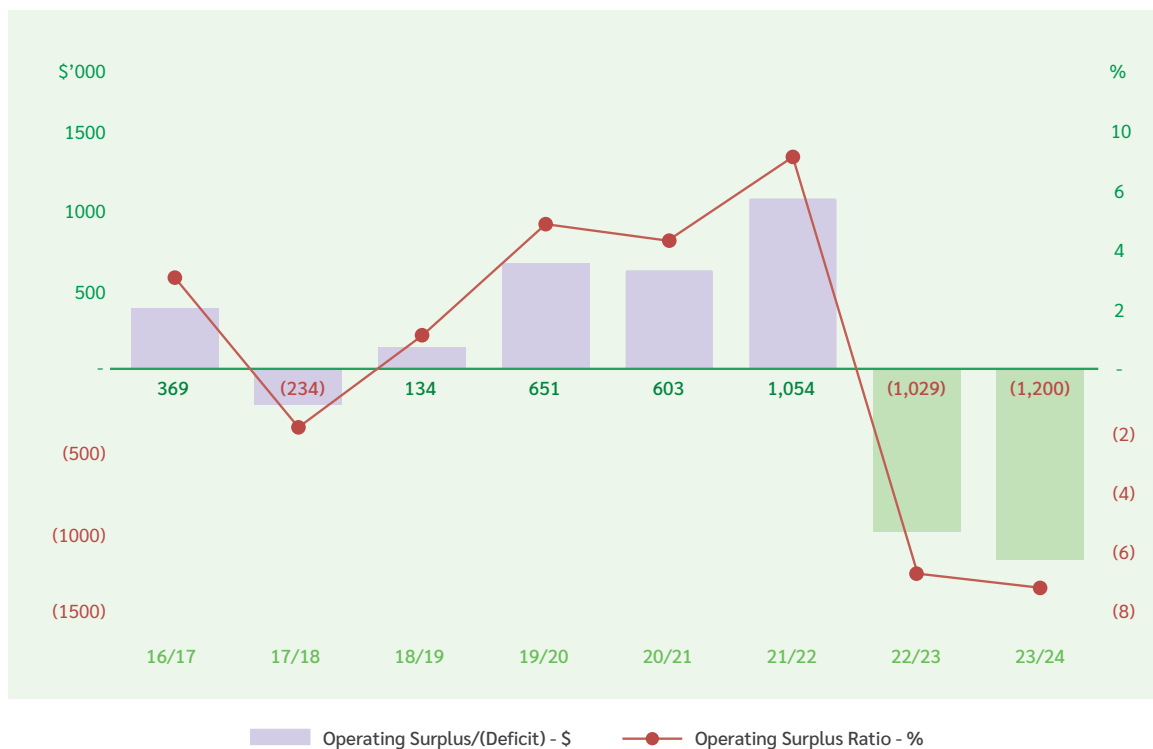


OPERATING SURPLUS/ (DEFICIT) RATIO

Council’s long term financial sustainability is dependent upon ensuring that, on average over time, its operating income is higher than operating expenses (i.e. an operating surplus).

The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of operating income. A positive ratio indicates the percentage of operating income available to help fund planned capital expenditure. A negative ratio indicates the percentage increase in operating income or the approximate decrease in operating expenses required to achieve a break-even operating result. Council has reported an actual operating surplus throughout the period, except for in 2017/2018 Financial Year.

FIGURE 6: OPERATING SURPLUS/ (DEFICIT) RATIO



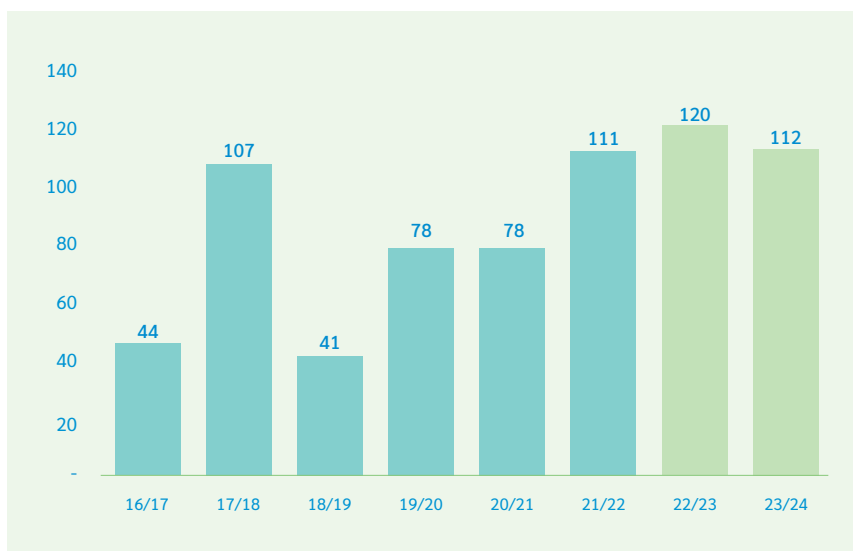
For 2023/2024 Financial Year, Council is forecasting an operating deficit ratio of 7% which is higher than LTFP forecast of 0%. This is mainly due to some of the operating projects identified in the LTFP being deferred to 2023/2024 Financial Year due to operational reasons (For example, Two Wells, Main street - Underground Powerlines) and increase in operating expenses due to high inflation.



ASSET RENEWAL FUNDING RATIO

Asset Renewal Funding Ratio measures whether Council is renewing or replacing existing physical assets (roads, footpaths, stormwater drainage, buildings, plant and equipment and furniture and fittings etc.) at the same rate the stock of these assets is wearing out. The ratio is calculated by measuring actual capital expenditure on renewal or replacement of assets, relative to the expenditure on renewal or replacement of assets as per Council’s Infrastructure and Asset Management Plan.

FIGURE 7: ASSET RENEWAL FUNDING RATIO (%)



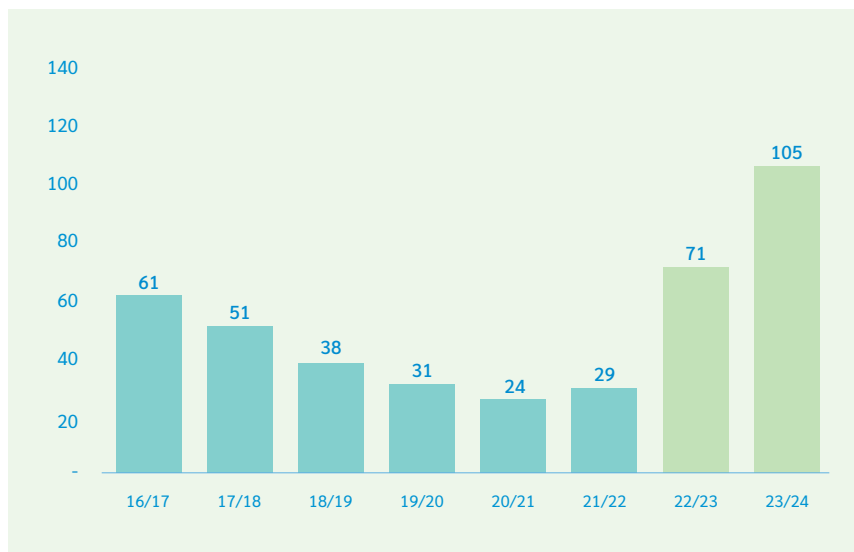


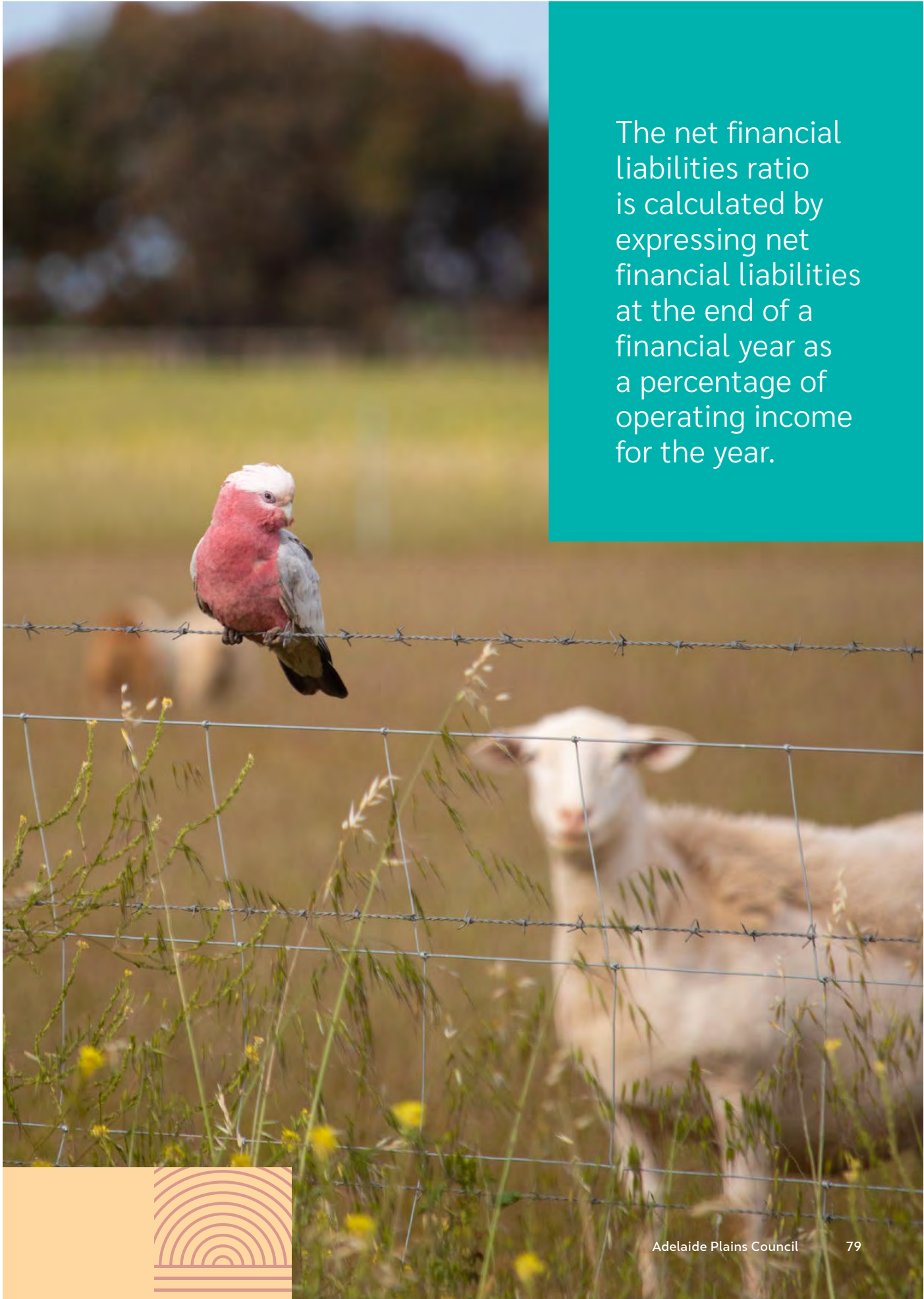
NET FINANCIAL LIABILITIES RATIO

This ratio indicates the extent to which the net financial liabilities of Council or its total indebtedness can be met by Council’s total operating revenue. Net financial liabilities measure a council’s indebtedness. It is a broader measure than net debt as it includes all of a council’s obligations including provisions for employee entitlements and creditors.

The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. Net financial liabilities equals total liabilities less financial assets where financial assets include cash, investments, and loans to community groups, receivables and prepayments. Where the ratio is increasing, it indicates a greater amount of a council’s operating revenues is required to service its financial obligations.

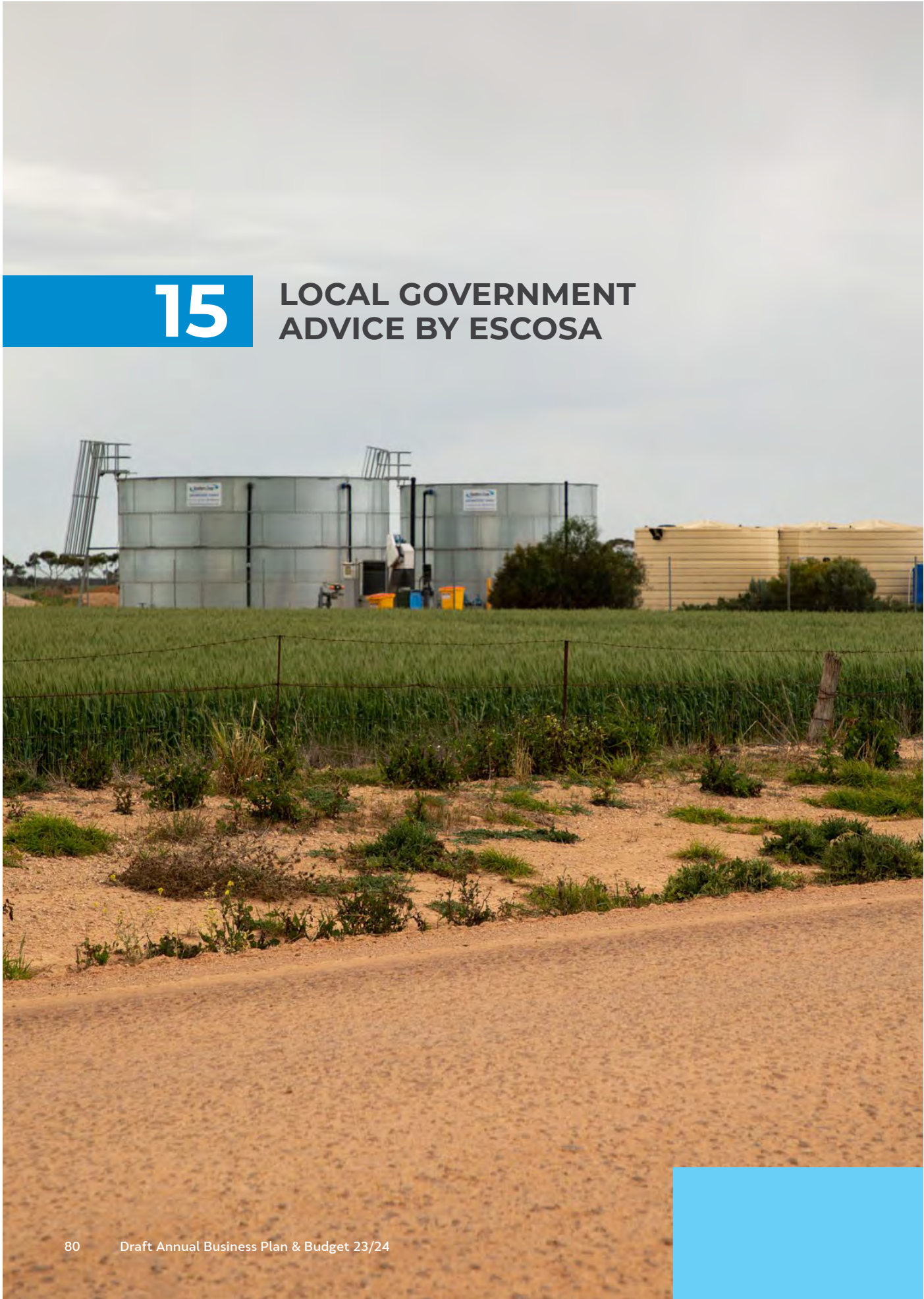
FIGURE 8: NET FINANCIAL LIABILITIES RATIO (%)





The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year.






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**LOCAL GOVERNMENT
ADVICE BY ESCOSA**

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Advice

Local Government Advice

Adelaide Plains Council

February 2023

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Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

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Local Government Advice: Adelaide Plains Council

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Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Adelaide Plains Council
CWMS	Community Wastewater Management System
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGCC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

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1 The Commission's key advice findings for the Adelaide Plains Council

The Essential Services Commission (**Commission**) finds the Adelaide Plains Council's (**Council's**) current financial position sustainable with a small operating surplus achieved historically and growing surpluses forecast. The Council's projected improvement to its financial performance is reliant on a period of service consolidation, at a minimum, and continued rate increases above inflation.

The Commission suggests the following steps to ensure that the Adelaide Plains Council annually reviews its long-term financial plan, manages its costs and growth profile efficiently, renews its asset base to meet sustainable service levels, and ultimately, constrains the extent of further rate increases:

Governance considerations

1. **Review** its long-term financial plan annually (including its 10-year projections and all relevant assumptions (including for inflation)) to better inform its decision-making and any relevant consultation processes.

Budgeting considerations

2. **Review** the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.
3. **Report** its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.
4. **Improve** the transparency and consistency of borrowing assumptions in its long-term financial plan, particularly in the calculation of 'net lending/borrowing' as per the Uniform Presentation of Finances.

Refinements to asset management planning

5. **Consider** including bridges, and plant and equipment assets in new or existing asset management plans to support the prioritisation of renewal expenditure in its long-term financial plan.
6. **Review** the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better align with the allocations in its long-term financial plan as necessary, including the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.

Containing rate levels

7. **Review** and consider limiting future increases above inflation on its average residential rates (for which average rate levels are high) to help reduce any emerging affordability risk in the community.
8. **Consult** directly with its community about future rate increases and service levels (for example through a community survey or discussion forum).

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2 About the advice

The Essential Services Commission (**Commission**), South Australia's independent economic regulator and advisory body, has been given a role by the State Government to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (**SMPs**) and on the proposed revenue sources, including rates, which underpin those plans.¹

One of the main purposes of the Local Government Advice Scheme (**advice or the scheme**) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (**LTFPs**) and infrastructure and asset management plans (**IAMPs**)² – both required as part of a council's SMP.³ Financial sustainability is considered to encompass intergenerational equity,⁴ as well as program (service level) and rates stability in this context.⁵ The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, outlined in the LTFP.⁶ In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.⁷

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 15 councils for advice in the first scheme year (2022-23), including the Adelaide Plains Council (**Council**).

This report provides the Local Government Advice for the Adelaide Plains Council in 2022-23.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2023-24 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.⁸ It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website⁹), nor is it compelled under the LG Act to follow the advice. The Commission thanks the Adelaide Plains Council for providing relevant information to assist the Commission in preparing this advice.

2.1 Summary of advice

Historically, the Adelaide Plains Council's community has had strong rateable property growth accompanied by strong infrastructure growth and increasing contributions from ratepayers and government grants. In general, the Commission finds the Council's current financial position sustainable, on balance, with a small operating surplus achieved historically and growing surpluses forecast. However, there are some significant risks to the income and expense forecasts.

The Adelaide Plains Council cost base is expected to rise rapidly in the short term, driven by further growth projections, with the Council anticipating an average of 150 new properties each year to

¹ Amendments to the *Local Government Act 1999* (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

² Commonly referred to as asset management plans.

³ The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.

⁴ 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

⁵ Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

⁶ LG Act s122(1f)(a) and (1g)(a)(ii).

⁷ LG Act s122(1f)(b) and (1g)(b).

⁸ LG Act s122(1h).

⁹ The Commission must publish its advice under LG Act s122(1i)(a).

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2031-32. This cost growth will become embedded into the underlying cost base of the Council. In addition, the Council has factored this growth into its additional rate revenue estimates. Therefore, the future sustainability of the Council is strongly linked to its expectations regarding the further development of the community.

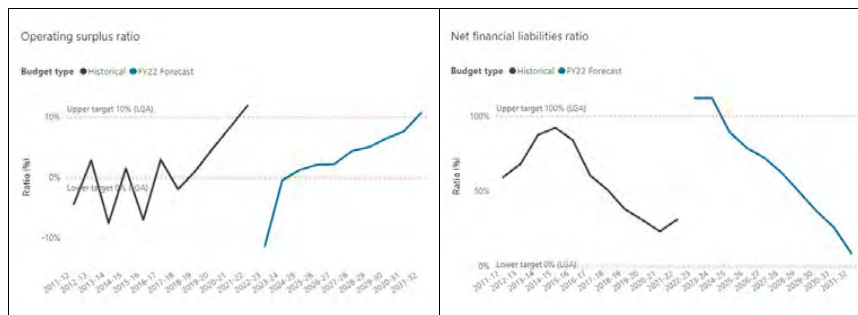
In the short term (to 2023-24), the Adelaide Plains Council is estimating that its capital expenditure will significantly increase with annual operating deficits accordingly. The Council's longer-term projections from 2024-25, comprise a decline in capital expenditure from these levels and an improving financial sustainability outlook, because operating revenue growth outpaces expense growth, with:

- ▶ continued rate increases on the community, above the rate of forecast inflation
- ▶ lower longer-term average cost growth than it has experienced over the past 10 years, and
- ▶ a moderate level of new borrowings of \$4.5 million in the 2022-23 adopted budget.

The Commission considers that there may be opportunities to achieve greater savings and efficiencies in the Council's recurrent budget and encourages it to review and report on this. This includes a review of the asset-related assumptions feeding into its estimated depreciation expenses. In general, a focus on managing its growth-related assumptions and consulting with its community about rate contributions and service levels, should help the Council to identify and act upon opportunities to reduce affordability risk to the community.

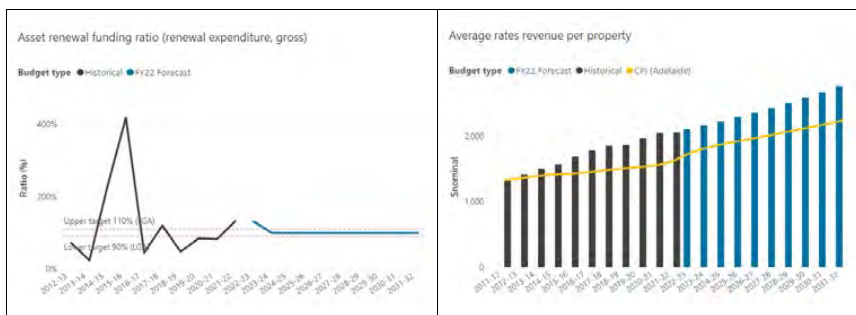
The charts below of the Adelaide Plains Council's past and projected operating surplus ratio, net financial liabilities ratio, asset renewal funding ratio, and average rate revenue per property, together support these findings.

The 'heat map' diagram over the page summarises the Commission's findings with reference to whether the Council has met the suggested Local Government Association (LGA) target ranges for the three main financial sustainability indicators¹⁰ and the level of cost control and affordability risk identified for the Council over time.



¹⁰ The suggested LGA target range for the ratios are discussed in more detail in the attachment.

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Summary of the Adelaide Plains Council's financial sustainability performance and the Commission's risk assessment

Financial sustainability indicators:	Last 10 years from 2011-12 (Actual performance)	2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)
Operating surplus ratio (target 0-10%)	Operating deficits	Improved performance	Operating deficits
Net financial liabilities ratio (target 0-100%)	Ratio met historically		Exceeds target
Asset renewal funding ratio (target 90-110%)	Volatility in renewal works spending & some years below target range	Ratio below target range	Higher renewal works spending in 2021-22 and 2022-23 and ratio within target range for remaining projections
Identified Risks:			
Cost control risk	Operating expenses per property average growth 3.1% p.a. to 2021-22 (CPI 2.0%)		Budget pressures (2022-23)
Affordability risk	High rates revenue per property average growth of 4.4% p.a. to 2021-22 (CPI 2.0%)		Projected rate revenue per property average growth above forecast CPI (CPI 2.8%)

- Ratio outside suggested LGA target range or higher risk
- Ratio close to suggested LGA target range or medium risk
- Ratio within suggested LGA target range or lower risk

2.2 Detailed advice findings

The next sections summarise the Commission's more detailed observations and advice findings regarding the Adelaide Plains Council's material changes to its 2022-23 plans, its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure) and its current and projected rate levels.

In providing this advice, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (F&A). The attachment explores these matters further.¹¹

¹¹ The attachment will be available on the Commission's website with the Advice.

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2.2.1 Advice on material plan amendments in 2022-23

The Adelaide Plains Council has not proposed any amendments to the forward projections in its 2022-23 LTFP, nor is there an updated 2021-22 LTFP to use as a basis of comparison. The Council's Audit Committee considered updating the previous LTFP at its meeting on 12 April 2021, however the Council choose to defer this until various strategic documents were updated and initiatives costed, such as the IAMPs and Tourism and Economic Development Strategy.¹²

As such, the Commission provides commentary on the most recent material changes (identified by the Commission) arising from the 2022-23 budget,¹³ as follows:

- ▶ Reduction in 'project operating expenses' by \$1.0 million due to the deferral of some projects to 2023-24, for example the Two Wells Main Street – Underground Powerlines, and the Relocation of the Two Wells Waste Transfer Station.¹⁴
- ▶ Reduction in total capital expenditure by 9.5 percent to \$8.1 million. The changes in the budget reflect an increase in asset renewals expenditure of \$0.4 million to \$4.6 million; offset by a decrease in new asset expenditure of \$1.3 million, to \$3.5 million.
- ▶ Reduction in new borrowings to \$4.5 million, compared to \$10.3 million proposed in the LTFP.

The Commission also notes significant cost increases in the 2022-23 budget (compared to the 2021-22 unaudited estimates) for 'employee' expenses and 'materials, contracts and other' expenses, by 18.1 percent and 24.0 percent, respectively.

The Council states this is to strengthen its internal capacity to respond to significant increases in economic development opportunities and residential growth within the district. The Commission notes that the Council experienced growth of 4.9 percent in rateable property numbers in 2021-22 (with 254 more properties), following 1.2 percent average annual growth in the preceding 9 years.¹⁵ Further, the Council noted how it has been accumulating significant new assets which must be managed, including \$5 million per annum in donated assets over the last three years.¹⁶

Additionally, as there was a period where the Council's LTFP was not updated, it is not clear whether the community understands the potential implications of the LTFP, the importance of the Adelaide Plains Council's forecasts of rateable property growth and economic activity in supporting the outcomes of LTFP, or the risks to ratepayers and the Council if these forecasts do not occur. An annual review of the LTFP should cover the Council's assumptions concerning growth as well as inflation and other relevant factors.

Therefore, the Commission would encourage the Council to:

¹² Adelaide Plains Council, *Ordinary Council Meeting Agenda – 27 April 2021, Item 14.1 Draft 2021/2022 Annual Business Plan and Budget for Public Consultation*, p. 76, available at https://www.apc.sa.gov.au/_data/assets/pdf_file/0024/883014/Agenda-Ordinary-Council-Meeting-27-April-2021.pdf.

¹³ Adopted by the Council in July 2022. The Commission has taken this approach as the Council's prior LTFP (the pre-2022-23 LTFP) was not updated since the 2018-19 LTFP was adopted on 9 July 2018.

¹⁴ Adelaide Plains Council, *2022/2023 Annual Business Plan and Budget*, July 2022, p. 73, available at https://www.apc.sa.gov.au/_data/assets/pdf_file/0021/931611/2022-2023-Annual-Business-Plan-and-Budget.pdf.

¹⁵ Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice).

¹⁶ Adelaide Plains Council, *2022/2023 Annual Business Plan and Budget*, July 2022, p. 9.

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1. **Review** its long-term financial plan annually (including its 10-year projections and all relevant assumptions (including for inflation)) to better inform its decision-making and any relevant consultation processes.

2.2.2 Advice on financial sustainability

Operating performance

The Adelaide Plains Council has run a mix of operating surpluses and operating deficits¹⁷ historically but the average from 2011-12 to 2020-21 is a small surplus of 0.1 percent. Growth in the average expenses per property has been 3.1 percent per annum over this period, higher than average Consumer Price Index (CPI) growth (of 1.7 percent per annum),¹⁸ and led by growth of 5.8 percent per annum, on average, in 'materials, contracts and other' expenses.

In the last four years, the operating surplus ratio has averaged 6.9 percent per annum.¹⁹ The ratio is not forecast to meet the suggested LGA target range (with a surplus) until 2024-25 (when it will be 1.5 percent), and then it progressively trends towards the upper level of the suggested LGA target range by 2031-32 (then reaching 10.7 percent).²⁰

Looking forward to 2031-32, following the step change in costs in 2022-23, the Council has estimated a reduction in the rate of growth in operating expenses (to average 2.5 percent per annum, which is lower than the Reserve Bank of Australia (RBA)-based forecast inflation of 2.8 percent²¹). In combination with higher rate increases (which are discussed more in section 2.2.3 below), the Council's operating performance gradually improves, resulting in a positive operating surplus ratio from 2024-25. In future years, this might provide an opportunity for the Council to restrict further rate increases to reduce the extent of the surpluses forecast.

Average operating expenses per rateable property are projected to be stable in nominal terms, therefore declining in real terms by the amount of inflation. At the same time, average operating income per property is forecast to increase by 2.5 percent (nominally), still below the impact of forecast inflation. These projections indicate the importance of the forecast growth in rateable properties in minimising the impact of rising costs on households. The reduced costs and revenue per property in real terms is reliant on the Council's assumed average growth of 2.4 percent per annum (to 2031-32) in rateable properties, which is notably higher than historical growth of 1.5 percent per annum (10 years to 2021-22).

If this forecast growth does not occur, the operating expenses per rateable property will rise, if the Council cannot reverse the increases in costs in the short-term (if contracts are locked in), and this could place further pressure on rate levels. Also, the Commission notes the LTFP was last updated 12 months ago (in February 2022) and the economic environment facing the Adelaide Plains Council

¹⁷ This means the Council's operating expenses (including depreciation) have exceeded operating income (including rates and other revenue sources but excluding capital grants, subsidies, and contributions).

¹⁸ CPI (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 1.9 percent), available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

¹⁹ The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 (**LGA SA Financial Indicators Paper**), p. 6).

²⁰ Adelaide Plains Council, *2023-2032 Long Term Financial Plan*, February 2022, p. 20, available at https://www.apc.sa.gov.au/_data/assets/pdf_file/0029/1113995/Long-Term-Financial-Plan-2023-2032.pdf.

²¹ The forecast average annual growth in the CPI from 2022-23 to 2031-32 is estimated to be 2.8 percent based on the RBA forecasts for the CPI (Australia-wide) to June 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

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may have become less favourable since then. This further emphasises the value of the Council being flexible and responsive in managing its growth-related costs. Therefore, the Commission has found that it would be appropriate for the Council to:

2. **Review** the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.
3. **Report** its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

Net financial liabilities

The Adelaide Plains Council has consistently used borrowing and other financing options to supplement any annual shortfall of funds, and over time, this has been within the suggested LGA target range for the net financial liabilities ratio.²² The Council's net debt has historically averaged \$4.5 million annually, or 72.6 percent of its net financial liabilities. On 30 June 2022, net debt was \$2.6 million, or 53.5 percent of net financial liabilities.

In its 2022-23 LTFP, the Council is projecting to initially increase borrowings, in part to fund its relatively large capital expenditure programme in 2022-23. The projections show that the ratio will decrease from a peak of 112.2 percent (exceeding the suggested LGA target) in 2022-23 to 8.9 percent to 2031-32. The reduction is projected to come from a progressive repayment of borrowings financed via higher operating income.

As noted in section 2.2.1 (above) the Council's 2022-23 budget materially reduces its borrowing requirements to \$4.5 million (compared to \$10.3 million in the LTFP). This appears to be related to cash flow inconsistencies identified in the Council's Uniform Presentation of Finances (included in the LTFP).

To address this, the Commission has found it would be appropriate for the Council to:

4. **Improve** the transparency and consistency of borrowing assumptions in its long-term financial plan, particularly in the calculation of 'net lending/borrowing' as per the Uniform Presentation of Finances.

Asset renewals expenditure

In 2021-22, the Adelaide Plains Council spent more on new and upgraded assets than on the renewal and rehabilitation of its existing stock. Between 2011-12 and 2020-21, its spending on new or upgraded assets averaged \$1.9 million per annum, compared with \$1.7 million on the renewal of its asset base.

Historically, the Adelaide Plains Council's expenditure on asset renewals has been highly volatile but on average, higher than the level recommended by its AMPs. Between 2011-12 and 2020-21, the average asset renewal funding ratio (IAMP-based) was 125 percent which is above the suggested LGA target range of 90 percent to 110 percent.²³

²² The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

²³ The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9).

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In 2021-22 and 2022-23, the ratio is estimated to be high (around 130 percent) before returning to 100 percent consistently from 2023-24 (with asset renewal expenditure then projected to align with the AMP-recommended expenditure). The Council's spending on renewal assets is projected to average \$2.9 million per annum to 2031-32 (in nominal terms).

In the short term, one of the reasons the Council is spending more on the renewal of its assets, is that expenditure has been added to the LTFP that is outside of the AMPs. For example, the Council has advised that AMPs have not been prepared for bridge assets (\$1 million renewal in LTFP; 80 percent being grant funded), and plant and fleet assets (\$0.7 million renewals in LTFP). For this reason, the Commission would encourage the Council to:

5. **Consider** including bridges, and plant and equipment assets in new or existing asset management plans to support the prioritisation of renewal expenditure in its long-term financial plan.

Even with the projected spending on asset renewals aligned with its AMP requirements from 2023-24, the Council's depreciation expenses, which represent the rate of asset consumption, are projected to continue to exceed its renewal spending. Renewal spending is forecast to account for 82 percent of depreciation expenses on average to 2031-32.²⁴ One area that might be leading to higher depreciation expense forecasts, relative to annual asset renewal expenditure needs, is the Council's recent accumulation of new assets. Another risk that arises when depreciation expenses exceed spending on asset renewals is that the asset lives are assumed to be shorter (in the depreciation calculation) than occurs in practice. The implication of projecting higher than necessary depreciation expenses is that higher operating income (and potentially higher rates revenue) is required to generate an operating surplus for the Council.

Therefore, it would be appropriate for the Council to:

6. **Review** the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better align with the allocations in its long-term financial plan as necessary, including the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.

Further, the Council is budgeting for higher capital expenditure on new or upgraded works that is larger than the \$3.8 million per annum average over the last 10 years. Practically and logistically, this maybe challenging to achieve.

2.2.3 Advice on current and projected rate levels

The Adelaide Plains Council has a history of high rate rises with average annual growth of 4.4 percent in rate revenue per property between 2011-12 and 2021-22. As a result, its residential rates are relatively high.²⁵ The Council implemented a 6.2 percent increase to its rates in 2022-23, higher than previously consulted upon (3.25 percent).²⁶ And the 2022-23 LTFP forecasts an average increase of \$655 to

²⁴ The Council's asset renewal funding ratio by the depreciation-based method (where asset renewal/replacement expenditure is divided by depreciation expenses) is forecast to average 87 percent to 2031-32. This ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the estimated rate at which these assets are used or consumed.

²⁵ Refer to Councils in Focus rates data for 2019-20 available at https://councilsinfocus.sa.gov.au/councils/adelaide_plains_council. The Commission is not relying on these rate comparisons for its advice; the data source provides just one indicator, among many, which has informed its advice on the appropriateness of the rate levels.

²⁶ Adelaide Plains Council, *2022/2023 Annual Business Plan and Budget*, July 2022, p. 49.

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existing rates by 2031-32 (to \$2,758), which represents an increase of approximately \$200 above the Council's assumed inflation growth.²⁷

Residential ratepayers (contributing approximately 57 percent of general rates revenue) are estimated to pay an average increase of 5.5 percent. Lower increases were levied on primary production ratepayers (4.0 percent), which account for approximately 34 percent of general rates revenue.

The Council has forecast average rate revenue per property growth of 3.1 percent to 2031-32, which is higher than RBA-based average forecast inflation growth (2.8 percent). Given that the Council has assumed high growth in rateable properties over this period, the total rates revenue growth will be higher – averaging 5.6 percent per annum. As stated, this revenue estimate relies on growth of 150 properties per annum being achieved.

Affordability risk for the increases currently appears moderate. The Commission notes that the Adelaide Plains Council area has a high Socio-Economic Indexes for Areas (**SEIFA**) ranking with relatively strong access to economic resources and higher capacity to pay for higher rate levels than some other areas.²⁸ However, the current economic environment is putting more pressure on most communities' capacity to pay for further rate increases, including Adelaide Plains. Further, it is not evident that the Council has tested the support for the rate increases through community consultation (for example, with a survey or discussion forum about rate increases and service levels). Given that residential rates are already comparatively high in the Council area,²⁹ the Commission considers that it would be appropriate for the Adelaide Plains Council to:

7. **Review** and consider limiting future increases above inflation on its average residential rates (for which average rate levels are high) to help reduce affordability risk in the community.
8. **Consult** directly with its community about future rate increases and service levels (for example, through a community survey or discussion forum).

2.3 The Commission's next advice and focus areas

In the next cycle of the Scheme, the Commission will review and report upon the Adelaide Plains Council's:

- ▶ ongoing performance against its LTFP estimates (including review of growth assumptions)
- ▶ progress in improving the accuracy and consistency in its LTFP, and alignment of capital expenditure estimates included in its plans.
- ▶ actions to address any misalignment between the capital expenditure and depreciation estimates in its LTFP and various AMPs, and
- ▶ how it has sought to reduce any affordability risks.

²⁷ The Council's projected CPI inflation is 2.25 percent plus an allowance of 0.25 percent to fund new assets/programs (Adelaide Plains Council, *2022-23 to 2031-32 Long Term Financial Plan*, February 2022, p. 6). This is different to the CPI line in charts throughout this Advice which are based on RBA forecasts and then, a return to long run averages from 2025-26 (with growth of 2.5 percent per annum).

²⁸ The Adelaide Plains Council area is ranked 65 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics Socio-Economic Indexes for Areas Index of Economic Resources (2016), where a lower ranking (eg. 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20lga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&27.03.2018&Latest>.

²⁹ See footnote 25.



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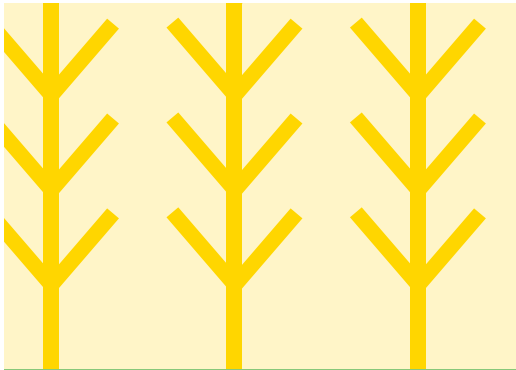
ADELAIDE PLAINS COUNCIL'S RESPONSE TO THE LOCAL GOVERNMENT ADVICE BY ESCOSA

Adelaide Plains Council (the Council) acknowledges the receipt of Essential Services Commission of South Australia's (ESCOSA) strategic management plans (SMP) Advice dated 28 February 2023.

The Council has reviewed the advice provided by ESCOSA and makes the following response/commentary for the Advice.

ESCOSA ADVICE	COUNCIL COMMENT	IMPLEMENTATION TIMEFRAME
GOVERNANCE CONSIDERATIONS		
<p>1 Review its long-term financial plan annually (including its 10-year projections and all relevant assumptions - including for inflation) to better inform its decision-making and any relevant consultation processes.</p>	<p>Due to uncertainties surrounding the impact of COVID-19, Council deferred updating LTFP in 2020.</p> <p>It was deferred again in 2021 until various strategic documents were updated and costed.</p>	<p>LTFP is currently being updated as part of 2023/2024 budget process. Expected to be completed by July 2023.</p>
BUDGETING CONSIDERATIONS		
<p>2 Review the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.</p>	<p>As part of developing 2023/2024 budget, rateable property growth is being reviewed.</p> <p>If the projected growth does not occur, Council will adjust growth related expenditure specially in the area of new labour resources.</p>	<p>As part of 2023/2024 budget process and ongoing every year.</p>
<p>3 Report its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.</p>	<p>Past and future cost savings will be reported in the 2023/2024 Annual Business Plan and Budget as recommended.</p>	<p>As part of 2023/2024 budget process and ongoing every year.</p>
<p>4 Improve the transparency and consistency of borrowing assumptions in its long-term financial plan, particularly in the calculation of 'net lending/borrowing' as per the Uniform Presentation of Finances.</p>	<p>Uniform Presentation of Finances will be updated to ensure transparency in the calculation of net lending/borrowing.</p>	<p>As part of 2023/2024 budget process and ongoing every year.</p>

ESCOSA ADVICE	COUNCIL COMMENT	IMPLEMENTATION TIMEFRAME
REFINEMENTS TO ASSET MANAGEMENT PLANNING		
<p>5 Consider including bridges, and plant and equipment assets in new or existing asset management plans to support the prioritisation of renewal expenditure in its long-term financial plan.</p>	<p>Transport - Infrastructure Asset Management Plan updated in 2021 has already covered bridges.</p> <p>Assets management plan will be updated to include all major plant and equipment assets when next comprehensive review of Council's assets management plans occurs following the review of strategic plan.</p>	<p>As part of next update to the Council's assets management plan. Expect to occur in 2024.</p>
<p>6 Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better align with the allocations in its long-term financial plan as necessary, including the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.</p>	<p>Assumptions will be reviewed as part of the next review of Council's asset management plans.</p>	<p>In 2024.</p>
CONTAINING RATE LEVELS		
<p>7 Review and consider limiting future increases above inflation on its average residential rates (for which average rate levels are high) to help reduce any emerging affordability risk in the community.</p>	<p>Some of the Council's expenses have increased by more than inflation in recent years (For example, fuel, electricity, insurance, road construction/maintenance).</p> <p>In addition, APC is a growth Council, resulting more and more high value new houses being built every year.</p> <p>Therefore, average residential rates could be increased above inflation, however, this will mostly impact residential properties with increased value.</p> <p>For example, although average residential rates were increased by 5.46% in 2022/2023, 34% of the residential rate payers had their rates increased by less than 5.46%. (The inflation in the December 2022 quarter is 8.6% in Adelaide).</p>	<p>As part of 2023/2024 budget process and ongoing every year.</p>
<p>8 Consult directly with its community about future rate increases and service levels (for example through a community survey or discussion forum).</p>	<p>With a dedicated Marketing and Communications Officer on board, Council will explore options/avenues to directly engage with the community about future rate increases and service levels.</p>	<p>In 2024 as part of 2024/2025 budget process.</p>



DRAFT

2024 - 2033 LONG TERM FINANCIAL PLAN

For public
consultation



ACKNOWLEDGEMENT OF COUNTRY

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

ADELAIDE PLAINS COUNCIL

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Endorsed by the Council 1 May 2023

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Adelaide Plains Council 3



1 INTRODUCTION

BACKGROUND

Section 122(1a) of the Local Government Act requires councils to develop and adopt:

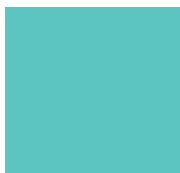
- a Long Term Financial Plan (LTFP) for a period of at least 10 years; and
- an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years.

Section 122(4) (a) the Local Government Act requires that the LTFP should be reviewed on an annual basis. However, section 122(4)(b) of the Local Government Act specifies that the Council must undertake a comprehensive review of its Long Term Financial Plans within two (2) years after each general election of the council.

PURPOSE OF LTFP

The purpose of a Council’s LTFP is to express, in financial terms, the activities that it proposes to undertake over the medium to longer term to achieve objectives stated in its strategic documents. It is similar to, but usually less detailed than the annual budget. Just like the budget, it is a guide for future actions, although its preparation requires the Council to think about not just one year but the longer-term impact of revenue and expenditure proposals/decisions.

LTFP also provide a level of assurance to Elected Members and the community on the sustainability of Council’s operations. The aggregation of future strategic plans, programs & initiatives, their intended costs and anticipated revenues, enables the accumulation of overall financial and economic implications to be readily identified and, if warranted, future activities to be revised/deferred.



LTFP AS A DECISION-MAKING TOOL

A 10 year LTFP summarises the financial impacts of Council’s strategic directions and provides an indication of the sustainability of these plans. By evaluating Council’s financial strategies over a planning horizon of 10 years, Council can determine how decisions that it makes now will impact on the future and ensure the impact of rates is spread equitably across generations of ratepayers so that planned service standards and infrastructure levels can be met over the long term without unplanned and disruptive increases in rates or cuts to services.

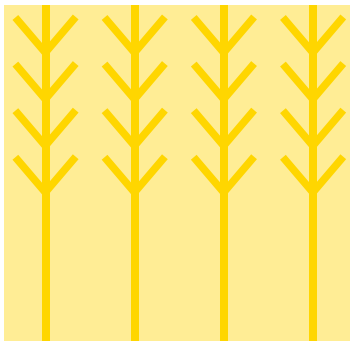
LTFP IS A FLUID DOCUMENT

The LTFP presents prospective information which will be updated and amended over time as circumstances change. Actual results are likely to vary from the information presented. Consequently, the information in this LTFP is prepared based on best estimate assumptions as to future events which Council expects are likely to take place. Therefore, LTFP will be annually reviewed, modified and refined as new information is discovered, usually as part of the adoption of the annual budget.



It is similar to, but usually less detailed than the annual budget. Just like the budget, it is a guide for future actions





2

CHIEF EXECUTIVE OFFICER STATEMENT ON FINANCIAL SUSTAINABILITY

Adelaide Plains Council (APC) is one of the fastest growing local government areas in South Australia, second only to Mount Barker, and this trend is anticipated to accelerate over the next ten year period.

With residential land releases well underway at Two Wells, we are seeing upwards of 500 new residents moving to our region each year. Growth projections indicate that by the year 2033, our Council will have grown by approximately 5,000 people to a population of 15,000.

Strategically positioning APC to be 'growth ready' has been front of mind since 2021 and we have progressed a number of key blueprints which now inform the draft Long Term Financial Plan (LTFP). Our 2021-2024 Strategic Plan and Infrastructure and Asset Management Plan have shaped the draft LTFP now before you.

The review of the Infrastructure and Asset Management Plan and its subsequent adoption on 25 October 2021 now guides much of the draft LTFP. With our asset base valued at \$184m and with \$5m worth of donated assets coming into our ownership each and every year from the new residential growth at Two Wells, the allocation of funds to our various infrastructure categories becomes all the more important.

APC's draft LTFP foreshadows that we will be able to sufficiently maintain and/or replace/renew our ever expanding suite of assets over the life of the Plan while still maintaining current service levels with no adverse impact surrounding rate hikes. In recognition of this, it is our intent to implement a rating strategy that seeks to achieve a reasonable degree of stability and predictability in the overall rates distribution over the life of the Plan.

Financial sustainability is key to ensuring APC is able to continue to effectively manage current and projected growth for the benefit of both present and future generations. Financial sustainability means having a financial position capable of meeting long term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or cuts to services.

The key financial indicators used by the Council in this draft LTFP to assess Council’s long term financial sustainability include:

- Operating Surplus/(Deficit) Ratio
- Asset Renewal Funding Ratio
- Net Financial Liabilities Ratio

Over the next ten year period, APC is proposing to invest \$56.210m in operating and capital projects while maintaining current Council services in order to achieve the objectives of the Infrastructure & Assets Management Plans and Strategic Plan 2021-2024.

Out of total project budget of \$56.210m, \$6.020m (11%) would be spent on new and upgraded assets, \$19.523m (35%) will be spent on new initiatives or programs in line with growth projections and \$30.666m (54%) will be spent on asset renewals.

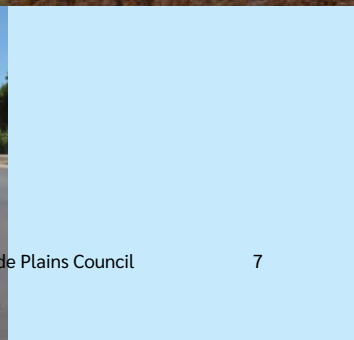
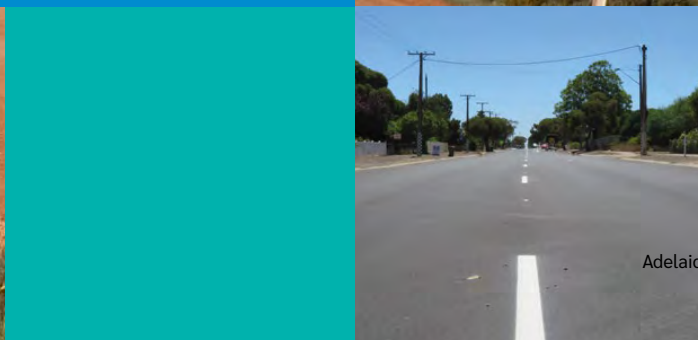
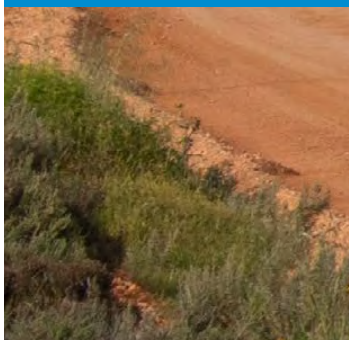
As a result, Council is forecasting operating deficits from Year 1 to 4 of the draft LTFP and a surplus budget thereafter. New borrowings of \$4.628m is forecast in the first two (2) years with repayments to start from Year 3 (i.e. 2025/2026).

This draft LTFP is perhaps the most important of any delivered by this Council, particularly with the unprecedented level of activity and growth on our doorstep. Prudent financial management remains at the forefront of all that we do here at APC and this is no better evidenced than through the delivery of this draft LTFP.

I commend the draft 2024-2033 Long Term Financial Plan to you and look forward to receiving constructive feedback ahead of Council formally considering same for adoption.

JAMES MILLER
CHIEF EXECUTIVE OFFICER

Over the next ten year period, APC is proposing to invest \$56.210m in operating and capital projects

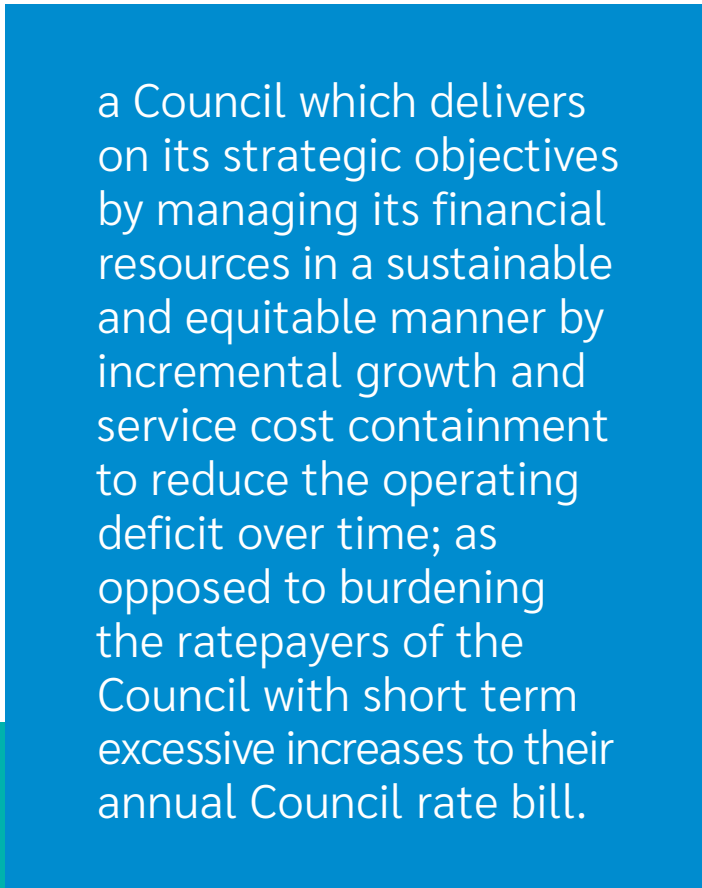






3

LONG TERM FINANCIAL OBJECTIVE OF THE ADELAIDE PLAINS COUNCIL

**The Long Term Financial Objective of
Adelaide Plains Council is to be:**



a Council which delivers on its strategic objectives by managing its financial resources in a sustainable and equitable manner by incremental growth and service cost containment to reduce the operating deficit over time; as opposed to burdening the ratepayers of the Council with short term excessive increases to their annual Council rate bill.



Financial sustainability means having a financial position capable of meeting long term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or cuts to services. Therefore, LTFP has been developed based on following budget principles.

Principle 1

Breakeven Budget

Annual cost of Council’s services and programs, including depreciation of assets, are fully funded by the current ratepayers being the consumers of those services, programs and assets.

Principle 2

Rate Stability

Annual rate collection is fair and equitable for the ratepayers with the aim to keep rate revenue increases stable over the medium term.

Principle 3

Infrastructure and Asset Management

Maintain infrastructure and assets in line with the Council’s Infrastructure Asset Management Plans.

Principle 4

Prudent Debt Management

Prudent and strategic use of debt to invest in new long term assets to ensure intergenerational equity between current and future users.



4

KEY INFLUENCES AND RISKS

This Long Term Financial Plan generates information that is used to guide decisions about Council operations into the future. However as with any long term plan, the accuracy of this LTFP is subject to many inherent influences. These variables and risks can be divided into three main groups:

4.1

EXTERNAL INFLUENCES – ITEMS OUTSIDE OF COUNCIL’S CONTROL

- Unforeseen economic changes or circumstances such as:
 - interest rates fluctuations (For example, Reserve Bank of Australia (RBA) forecast up to early 2022 that the cash rate would not be increased until inflation is within the 2% to 3% target range which was then not expected to occur until 2024. However, since May 2022, Australia has seen 10 consecutive rate rises by the RBA);
 - localised economic growth – residential and commercial development;
 - Adelaide Consumer Price Index (CPI), Local Government Price Index (LGPI); and,
 - changes in specific grant programs such as Financial Assistance Grants, Special Local Roads Grant, Roads to Recovery Grant etc.
- Unforeseen political changes or circumstances such as:
 - changes to levies and their conditions (e.g. EPA Solid Waste Levy, Regional Landscape Levy);
 - cost of natural resources such as electricity, fuel and water;
 - a change in the level of legislative compliance; and,
 - cost-shifting (e.g. Increase in Emergency Services Levy).
- Variable climatic conditions such as flooding, bushfire and drought and the resulting impact on insurance.
- Others
 - ESCOSA full cost recovery requirement for CWMS service charges;
 - ESCOSA Local Government Advice; and
 - Infrastructure assets donated by developers (\$5m per year).



4.2 INTERNAL INFLUENCES – ITEMS THAT COUNCIL CAN CONTROL

- Strategic Plan 2021-2024;
- Infrastructure & Asset Management Plans and service levels;
- Additional labour resources (outside and inside staff) needed, commensurate with growth;
- depreciation (although valuations can be considered an external influence);
- rate increases and other financial influences;
- performance management;
- productivity and efficiencies in service delivery;
- Enterprise Bargaining Agreements (EBA) and associated employee costs; and
- Council investment in IT infrastructure and data security.

4.3 COMMUNITY DRIVERS

- Community needs, expectations and the outcome of the community survey.

To minimise the inherent risks of long term financial planning, the Council will review and update its Long Term Financial Plan regularly and ensure that the most recent economic data and forecasts are being used as the basis for developing and updating the Council's Long Term Financial Plan.





5

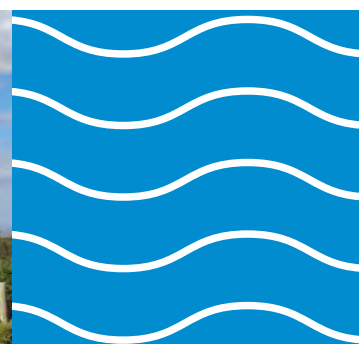
BASIS OF PREPARATION

The LTFP consolidates the funding requirements from Council’s Infrastructure and Asset Management Plan and provides a holistic view which helps ensure Council operates sustainably over the 10 year period. It enables Council to effectively and equitably manage service levels, asset funding and revenue-raising decisions, balanced with achieving its financial strategy and key performance indicators.

In developing the LTFP, key financial principles have been established that underpins Council’s forecast financial performance and position over a 10-year time frame. The LTFP incorporates a number of statutory and discretionary reports and assumptions as part of a statutory requirement (within the Local Government Act 1999). Due to the variable nature of these assumptions and changes in the economy, an annual review of the LTFP will provide the Council with the opportunity to review the financial principles to easily adapt to these external influences, changes in proposed service levels or projects. This involves concerted input from the Elected Members, Audit Committee and the community.

The financial projections and targets contained within this LTFP, indicate Council’s direction and financial capacity into the future and are intended to be viewed as a guide to future actions or opportunities. This in turn encourages Council to analyse the future effects and impacts of current decisions made by Council.

For this LTFP, 2023/2024 budgeted financial statements form the basis for year 1. Years 2 to 10 present nine (9) inclusive years of financial projections underpinned by the base data.



5.1 LTFP FRAMEWORK

The LTFP has been prepared within the following framework:

- Maintaining existing Council services at current service levels.
- Continue to invest in growth to ensure future financial sustainability of the Council;
- Support the achievement of the Strategic Plan 2021-2024 objectives.
- Maintains, on average, a break-even or positive funding (cash) position over the LTFP.
- Achieve long term financial sustainability.
- Maintain intergenerational equity.
- Continues to improve the maintenance of assets in accordance with Council’s Infrastructure and Asset Management Plans, with a priority on;
 - maintenance before renewal, and
 - renewal before new when it is cost effective to do so.
- Council only approves new major projects where it has identified funding capacity to do so including Prudential Review where required.
- Council continues to fund the full life-cycle costs of any new or enhanced services or construction of new assets through savings, rate increases, grant funding or new borrowings.
- Review existing services and assets to ensure they meet prioritised community needs.
- Responsible changes in rating policy while maintaining regulatory compliance.

5.2 LTFP INPUTS

The LTFP has various inputs, including:

- Audited financial statement for 2022/2023 Financial Year.
- Budget adopted by the Council for 2022/2023 Financial Year and quarterly budget revisions.
- Assumptions on the inflation of various revenue and expenses.
- Relevant Enterprise Bargaining Agreement.
- Strategic Plan 2021-2024 and Infrastructure and Asset Management Plans.
- Feedback from the Audit Committee, Elected Members and the community.
- ESCOSA Local Government Advice.



5.3 KEY DRIVERS AND ASSUMPTIONS

It is important that Council's LTFP reflects the most recent economic data and forecasts available. Therefore, LTFP has been developed based on a number of assumptions and any shift in the actual results compared to the assumptions will cause variations to the LTFP forecast. Further, material variations between the assumptions and actuals over several years would have a very significant impact on the LTFP forecast results due to the compounding effect year on year into the future. A number of underlying key assumptions used in the LTFP have been listed in Table 1.



ADELAIDE CONSUMER PRICE INDEX (CPI) / LOCAL GOVERNMENT PRICE INDEX (LGPI)

The average operating cost increases for local government materials, contracts and other service costs are estimated using the LGPI as prices of these items move in different ways to how average household prices move. The LGPI is similar to CPI but represents the movements of prices associated with goods and services consumed by local government in South Australia. It is prepared and updated on a quarterly basis by the South Australian Centre for Economic Studies.

The Reserve Bank of Australia has an inflationary target of between 2% and 3% per annum for Australia. While Adelaide CPI and LGPI through the year to June 2022 have increased by 4.20% and 4.10% respectively, it is expected that both price indices would stay higher in the short to medium term due to cost pressures as a result of pandemic recovery, low unemployment, and flow-on effect of high inflation on salary and wages. Therefore, for this LTFP, an annual CPI/LGPI of 6% has been factored when estimating income and expenses for Year 1 (2023/2024) and 4% thereafter.

However, it should be noted that on average for the period 2014/2015 to 2021/2022 (2020/2021 is excluded as the inflation for 2020/2021 is considerably lower due to COVID-19 related restrictions and government assistance to households and business), LGPI has been 0.23% higher than CPI as shown below.

ANNUAL INFLATION CHANGES

YEAR	LGPI	CPI (ADELAIDE)	LGPI VS CPI
June 2015	1.70%	1.60%	0.10%
June 2016	0.90%	0.90%	0.00%
June 2017	1.80%	1.50%	0.30%
June 2018	2.90%	2.30%	0.60%
June 2019	2.60%	1.50%	1.10%
June 2020	1.40%	1.80%	(0.40%)
June 2021		Excluded	
June 2022	4.10%	4.20%	(0.10%)
AVERAGE	2.20%	1.97%	0.23%



Prices of these items move in different ways to how average household prices move.

Adelaide Plains Council 15

The key economic indicators and drivers used in this LTFP are summarised in Table 1 below based on best available information as of March 2023.

TABLE 1: KEY DRIVERS AND ASSUMPTIONS USED IN THE LTFP

DESCRIPTION	ASSUMPTIONS
CPI/LGPI	6% in Year 1 and 4% thereafter over the next 9 years
General Rates Income	Increase in existing rates - Year 1 – 7.00% and 4.00% thereafter Growth - Year 1 - 2.55% and 2.75% thereafter
CWMS Charge	7% Year 1 and 4% thereafter over the next 9 years to comply with ESCOSA requirement for CWMS pricing.
Waste Charge	20% in Year 1 and 10.00% increase thereafter inclusive of growth.
Regional Landscape Levy	Year 1 - As advised by the Landscape Board. Thereafter, 3% increase.
Statutory charges	Income from planning applications, waste water applications and dog registration is estimated based on expected growth within Council district for the next 10 years. (2.9% on average)
User charges	3% increase from year 1 to 10.
Grants	Estimates are based on confirmed grant programs such as Financial Assistance Grants, Special Local Roads Grant, Roads to Recovery Grant, Library Operating Grant etc. on the assumption that these grants program will continue during the 10 year period.
Employee Costs	Year 1 increase is to be confirmed in late April 2023 when March 2023 quarter Adelaide CPI is published. 4% increase from Year 2 to 10.
Materials, contracts and other	3% to 4% on average over the 10 year period (excluding additional expenses associated with growth which are captured under Operating Projects).
Depreciation	5.00% per annual from Year 1 to 10.
Finance Costs	Based on current and estimated new borrowings required.
Receivable, trade payables and provisions	No significant increase in overdue rates, trade receivable, trade payables and provisions.
Donated Assets	Council is expected to receive donated assets of \$5m on average over the 10 year period from developers.



5.4

GROWTH PROJECTIONS

Growth over the life of the LTFP has been estimated at 2.75% which is based on the expected addition of 250 new properties across the Council district through sub-divisions. The population is expected to increase by 500 persons every year throughout the 10 year period. The following table shows the expected change within Council district with regard to population, number of rateable properties, infrastructure assets and development applications in 2023 and 2033.

TABLE 2: GROWTH PROJECTIONS

DESCRIPTION	2023	2033	INCREASE
Population	10,500	15,000	43%
No of Rateable Properties	5,700	8,450	48%
Value of Infrastructure Assets (\$Mn)	172	307	78%
No of Development Applications per year	600	800	33%

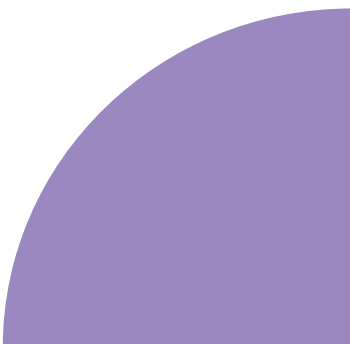
While growth brings in additional income in the form of;

- Rates, development application fees;
- dog registration fees;
- waste water application fees;

it also adds cost pressures such as;

- additional electricity costs on public lighting;
- sealed roads maintenance, footpath maintenance, street sweeping;
- stormwater maintenance, reserve and parks maintenance;
- road signs and line-marking, weed spraying; and
- additional labour resources.

Accordingly, Council has factored in additional income and expenses in to the LTFP to account for the growth based on current service standards for infrastructure maintenance costs and current income levels.



6

10 YEAR CAPITAL AND OPERATING PROJECT PROGRAM

6.1 OPERATING PROJECT PROGRAM

In order to achieve the objectives of the Strategic Plan 2021-2024 and the Infrastructure & Assets Management Plans, Council is planning to undertake the following 19 programs and initiatives with an estimated cost of \$19.523m over the 10 year period. (Final budgets and the timing of these programs will be confirmed as part of future annual budget deliberations).



TABLE 3: OPERATING PROJECT PROGRAM (\$'000)

PROJECT NAME	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	TOTAL
ENVIALE LIFESTYLE											
1. Roadside Vegetation Management Plan		-	-	-	-	50	-	-	-	-	50
2. New Cemetery Management System	54	-	-	-	-	-	-	-	-	-	54
3. Two Wells Library - Salt damp treatment	50	-	-	-	-	-	-	-	-	-	50
4. Open Space & Recreation Strategy		-	-	-	-	50	-	-	-	-	50
5. New Residents Kits and Business & Community Directory	-	23	-	23	-	-	23	-	-	-	69
6. Street/Verge Tree Planting	30	30	30	30	30	30	30	30	30	30	300
EMERGING ECONOMY											
7. Two Wells Land Development	35	-	-	-	-	-	-	-	-	-	35
8. Additional labour resources commensurate with growth*	241	626	911	1,218	1,548	1,903	2,283	2,691	2,799	2,911	17,131
9. Undergrounding of Power - Two Wells Main Street	600	-	-	-	-	-	-	-	-	-	600
REMARKABLE LANDSCAPES											
10. Levee, Hickinbotham Development in Two Wells	-	269	23	-	-	-	-	-	-	-	292
11. GRFMA Business Case	52	-	-	-	-	-	-	-	-	-	52
12. Two Wells Cemetery - landscaping	20	-	-	-	-	-	-	-	-	-	20
13. Two Wells - Recycled Water Use	-	40	70	75	55	85	90	70	-	-	485
PROACTIVE LEADERSHIP											
14. Bridges - Condition Assessments		-	-	-	50	-	-	-	-	-	50
15. Community Hub Investigation - Phase 2	25	-	-	-	-	-	-	-	-	-	25
16. Community Survey	-	-	-	20	-	-	20	-	-	-	40
17. Council Elections	-	-	-	50	-	-	-	50	-	-	100
18. Donaldson Rd - Design to include WSUD and open space elements	10	50	-	-	-	-	-	-	-	-	60
19. Review of Strategic Plan	-	-	-	-	30	-	-	-	30	-	60
TOTAL ESTIMATED COSTS	1,117	1,038	1,034	1,416	1,713	2,118	2,446	2,841	2,859	2,941	19,523

* As additional labour resources are needed commensurate with growth, if the rate of actual growth is lower than what has been factored in the LTFP, provision of additional resources will be adjusted accordingly.

6.2 CAPITAL WORKS PROGRAM

Capital Works Program for the next 10 years is summarised in the Table 4 below. It includes budgetary allocations of \$36.686m across the 10-year period as follows;

- Renewal and Replacement of existing assets totalling \$30.666m which is higher than the renewal/replacement expenditure required under the Council's assets management plan for next 10 years; and
- \$6.020m on New and Upgraded assets (Table 5).

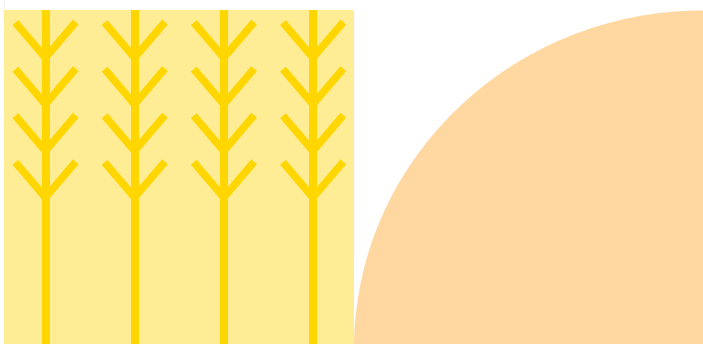
TABLE 4: CAPITAL PROJECT PROGRAM (\$'000)

EXPENDITURE CATEGORY	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Plant, Fleet & Equipment	1,181	1,300	1,015	236	1,015	1,015	1,015	1,015	1,015	1,015
Street Scape	155	100	100	100	100	100	100	100	100	100
Site Improvements	695	1,430	1,580	440	340	340	340	340	340	340
Sealed Roads	901	700	1,296	700	700	700	700	700	700	700
Unsealed Roads	1,260	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Car Parks & Traffic Control	195	60	45	-	-	-	-	-	-	-
Pram Ramps	10	10	10	10	10	10	10	10	10	10
Building	70	-	-	-	-	-	-	-	-	-
Kerbing	285	280	-	-	-	-	-	-	-	-
Stormwater	60	210	55	-	-	-	-	-	-	-
CWMS	15	25	27	20	20	20	20	20	20	20
TOTAL EXPENDITURE	4,827	5,115	5,128	2,506	3,185	3,185	3,185	3,185	3,185	3,185

EXPENDITURE CATEGORY	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
New/Upgrade	1,134	1,280	1,966	320	220	220	220	220	220	220
Renewal	3,693	3,835	3,162	2,186	2,965	2,965	2,965	2,965	2,965	2,965
TOTAL EXPENDITURE	4,827	5,115	5,128	2,506	3,185	3,185	3,185	3,185	3,185	3,185

AN EXTRACT FROM THE I& – 10 YEAR CAPITAL EXPENDITURE FORECAST

EXPENDITURE CATEGORY	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
New/Upgrade	5,040	6,585	5,433	227	445	190	290	165	500	500
Renewal	3,091	3,390	2,461	2,661	2,493	2,486	3,102	3,650	2,691	3,069
TOTAL EXPENDITURE	8,131	9,975	7,894	2,888	2,938	2,676	3,392	3,815	3,191	3,569



6.3 NEW CAPITAL ASSETS IN DETAIL

Table 5 provides the details of the 10 year **new capital program**. These new projects have been included in the LTFP due to the following reasons;

- New footpath – Existing townships don’t have footpaths and therefore to provide standard level of service.
- New kerbing – To improve drainage in townships and to provide standard level of service
- New car parks – To improve safety and cater for growth & tourism related demand.
- New Openspace – To provide level of service outlined in the assets management plan.

TABLE 5: NEW CAPITAL PROJECT PROGRAM IN DETAIL (\$'000)*

PROJECT NAME	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
PLANT AND EQUIPMENT										
IT Infrastructure Upgrade	33	-	-	-	-	-	-	-	-	-
STREETSCAPE										
South Terrace (Dublin) - Old Port Wakefield Road to Seventh Street	46	-	-	-	-	-	-	-	-	-
Irish Street - Butler Street to Redbanks Road	31	-	-	-	-	-	-	-	-	-
Rowe Crescent - Drew Street to Applebee Road	16	-	-	-	-	-	-	-	-	-
Chivell Street - Mary Street to End	38	-	-	-	-	-	-	-	-	-
Future Street Scape Program Allocation	-	100	100	100	100	100	100	100	100	100
KERBING										
South Terrace (Dublin) - Old Port Wakefield Road to Seventh Street	285	-	-	-	-	-	-	-	-	-
SEALING OF UNSEALED ROADS										
Sealing of Wasleys Road (Cheek Rd To Boundary Rd - Special Local Rd)	-	-	596	-	-	-	-	-	-	-

CAR PARKS & TRAFFIC CONTROL										
Two Wells Mainstreet - Pedestrian Refuges/Crossing	195	-	-	-	-	-	-	-	-	-
Ruskin Road (Thompson Beach) - Car Parking	-	60	-	-	-	-	-	-	-	-
Coastal Carpark Formalise, Adelaide International Bird Sanctuary	-	-	45	-	-	-	-	-	-	-
SITE IMPROVEMENTS										
Lewiston Dog Park Shelters	20	-	-	-	-	-	-	-	-	-
Street & Reserves/ Parks Furniture Program	20	20	20	20	20	20	20	20	20	20
Streetscape and WSUD	50	50	50	50	50	50	50	50	50	50
Lewiston Wetland Trails - Seating, paths, signage	-	50	-	-	-	-	-	-	-	-
Bakers Wetland - Seating, paths, signage	-	-	50	-	-	-	-	-	-	-
Middle Beach - Foreshore upgrade	-	300	-	-	-	-	-	-	-	-
Open Space & Recreation Strategy Outcomes (Allocation)	-	50	50	-	50	50	50	50	50	50
Trail Strategy Outcomes (Allocation)	-	-	100	-	-	-	-	-	-	-
Township Entrance Signs - Allocation	140	-	-	-	-	-	-	-	-	-
Stage 2 - Hart Reserve Development - Implementation	200	-	-	-	-	-	-	-	-	-
Stage 2 - Two Wells/Mallala Ovals - Implementation	-	500	-	-	-	-	-	-	-	-
Stage 2A - Two Wells/Mallala Ovals - Implementation	-	-	500	-	-	-	-	-	-	-
Stage 3 - Two Wells Oval - Additions, Support to Area	-	-	350	-	-	-	-	-	-	-
Stage 1 - Police Block - Shelter, Skate Park, Masterplan/Concepts	-	-	50	-	-	-	-	-	-	-
Stage 2 - Police Block - Shelter, Skate Park, Masterplan/Concepts	-	-	-	150	-	-	-	-	-	-
STORMWATER										
Redbanks Road from Mallala - Two Wells Road to Irish Street	-	100	-	-	-	-	-	-	-	-
Mallala Stormwater Urban Management Plan Outcomes	-	50	55	-	-	-	-	-	-	-
Mallala Oval stormwater and road upgrade	60	-	-	-	-	-	-	-	-	-
TOTAL NEW PROJECT BUDGET	1,134	1,280	1,966	320	220	220	220	220	220	220

* While the estimates given above are based on best available information in April 2023, exact budgets allocation and the timing of the delivery of these capital program will be confirmed as part of future annual budget deliberations.

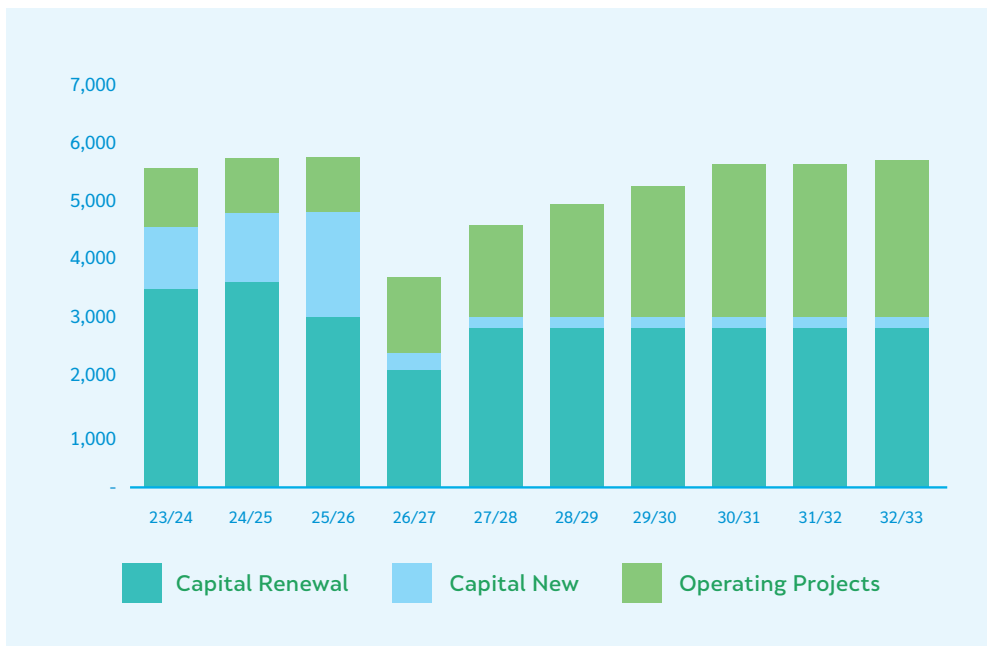


TOTAL PROJECTS BUDGET FOR NEXT 10 FINANCIAL YEARS

The graph below shows the budgeted total capital and operating project program for the next 10 years.

The proposed budget in Table 3 and Table 4 would result in a significant increase of project expenditures, with a considerable spike in the first three (3) years. The total project budget over the 10-year period is \$56.210m.

FIGURE 1: TOTAL CAPITAL AND OPERATING PROJECT EXPENSES (\$'000)



6.4 PROJECTS EXCLUDED FROM THE LTFP

Financial implications of the following projects have not been factored in the LTFP pending further information, prudential reviews and formal Council resolutions although these initiatives have been identified in the Council's Strategic Plan 2021-2024. These two (2) projects are expected to cost \$14.500m approximately should the Council decide to proceed without any government grants.

- Office accommodation review outcome;
- Two Wells Community Waste Management System.

In addition, Council contribution towards potential flood mitigation works by Gawler River Floodplain Management Authority (GRFMA) has also not been included in the LTFP although these works are expected to cost a significant amount of money. This is because of GRFMA's current policy position that no capital costs for the proposed Northern Floodway are borne by constituent councils.



6.5 LONG TERM FINANCING STRATEGY

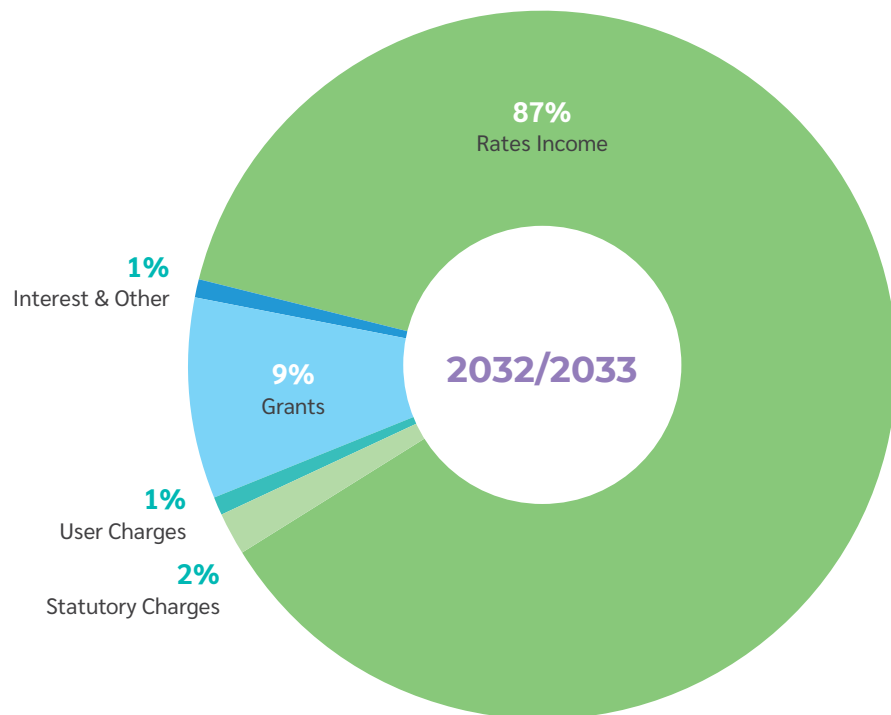
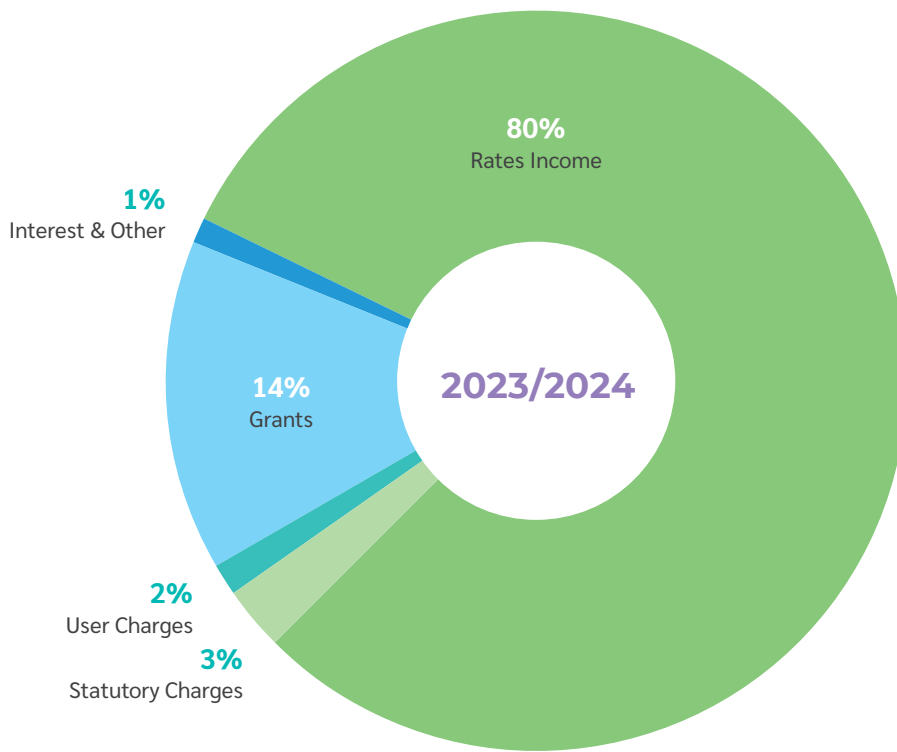
In order to deliver the current range of Council services at current levels as well as fund project programs identified in Table 3 and Table 4, Council is planning to utilise following revenue sources as well as new borrowings in line with its long term financial planning objectives.

- Rates income
- Statutory Charges, User Charges
- Grants, Subsidies and contributions
- Interest and other income

The following pie charts show the changes in the mix of various funding sources in the financing strategy in 2023/2024 and 2032/2033 Financial Years. Accordingly, rates income contributes more than other income sources and plays a very important role going forward in the delivery of Council’s services, programs and projects.



FIGURE 2: DISTRIBUTION OF OPERATING INCOME BASED ON LTFP ESTIMATES





6.6 PROJECTED DEBT LEVELS

A major component of services Council provides are asset intensive which often requires a large investment, initially for the acquisition of assets and ongoing as a result of maintenance and renewal of those assets. Without the use of debt, it is very difficult for Council to finance the acquisition/ construction of new assets, while at the same time finance asset renewals.

In the absence of adequate debt, Council either need to seek grant funding and/or charge higher rates against current ratepayers. Other options available for the Council is simply to defer the acquisition/ construction of new assets until Council’s financial position improves.

Charging higher rates against current ratepayers to fund new assets would also lead to issues with intergenerational inequity while future ratepayers would continue to derive the benefit of the new assets. Therefore, using debt when done equitably and responsibly, will help alleviate the issues of intergenerational inequity.

The LTFP shows that the Council is required to borrow \$2.229m and \$2.399m respectively in Year 1 and Year 2 and no further borrowings thereafter. From Year 3 onwards, Council will be in a position to commence repaying its borrowings.

Assuming that the Council will initially borrow short-term cash advance (CAD) loans from the Local Government Financing Authority (LGFA) as it is flexible and the interest rate is lower than long term debentures rates, the following table shows estimated debt level at the end of the relevant financial year and the associated interest expense.



**TABLE 6:** : SUMMARY OF FORECAST DEBT LEVEL AT THE END OF FINANCIAL YEAR (\$'000)

DESCRIPTION	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Debenture Loans	1,718	1,691	1,664	1,635	1,604	1,573	1,540	1,505	1,469	1,431
Short-term Loans	14,865	17,265	15,127	9,843	4,451	2,609	323	33	34	36
TOTAL BORROWINGS	16,583	18,957	16,791	11,478	6,056	4,182	1,863	1,538	1,504	1,467
EXPECTED RATES	5.88%	5.38%	4.88%	4.38%	3.88%	3.38%	2.88%	2.88%	2.88%	2.88%
INTEREST EXPENSE	743	800	843	663	382	150	75	9	1	1

It should be noted that Council's future borrowings will be made in accordance with its Treasury Management Policy which states that:

To ensure an adequate mix of interest rate exposures, Council will restructure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve and thereafter maintain on average in any year, of not less than 30% of its gross debt in the form of fixed interest rate borrowings.

Therefore, any decisions to borrow short-term or long term funds will be made after taking in to consideration;

- Prevailing interest rates;
- Whether Council is successful in securing grants for some of the projects;
- Progress of the Council's annual project budget; and
- When rates instalments are due etc.

Indicative interest rates with the LGFA as of 18 April 2023 are:

- Short-term Cash Advance 5.55%
- 5 yrs 4.89%
- 10 yrs 5.09%
- 15 yrs 5.28%



7 LONG TERM FINANCIAL STATEMENTS

The following pages shows Council's Long Term Financial Plan for the 10 year period.

ADELAIDE PLAINS COUNCIL LONG TERM STATEMENT OF COMPREHENSIVE INCOME

	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
INCOME										
										\$'000
Rates	13,760	14,699	15,699	16,770	18,100	19,350	20,688	22,099	23,619	25,236
Statutory Charges	520	535	550	566	582	599	616	634	652	671
User charges	223	230	237	244	251	259	267	275	284	293
Grants, subsidies and contributions	2,106	2,169	2,234	2,301	2,370	2,441	2,514	2,590	2,667	2,748
Investment Income	3	3	3	3	3	3	3	3	3	3
Reimbursements	139	139	139	139	139	139	139	139	139	139
Other Income	48	48	48	48	48	48	49	49	49	49
TOTAL INCOME	16,797	17,822	18,910	20,070	21,493	22,839	24,275	25,788	27,412	29,138
EXPENSES										
Employee Costs	7,075	7,358	7,652	7,958	8,276	8,607	8,952	9,310	9,682	10,069
Materials, contracts and other services	5,736	5,876	6,090	6,318	6,560	6,918	7,293	7,586	7,907	8,308
Depreciation	3,517	3,692	3,877	4,071	4,274	4,488	4,713	4,948	5,196	5,455
Finance Costs	820	908	939	660	437	236	181	148	126	67
Share of loss - joint ventures & associates	79	63	63	63	63	63	63	63	63	63
TOTAL EXPENSES	17,226	17,898	18,621	19,070	19,610	20,313	21,201	22,055	22,974	23,963
RECURRENT SURPLUS/ (DEFICIT)	(429)	(76)	288	1,001	1,883	2,526	3,074	3,733	4,439	5,175
Net Operating Project Expenses	(771)	(1,038)	(1,034)	(1,416)	(1,713)	(2,118)	(2,446)	(2,841)	(2,859)	(2,941)
OPERATING SURPLUS/ (DEFICIT)	(1,200)	(1,114)	(746)	(416)	170	408	628	892	1,580	2,234
Asset Disposal & Fair Value Adjustments	243	100	100	4,100	4,100	100	100	100	100	100
Physical resources received free of charge	5,000	5,000	5,000	5,000	5,000	7,000	5,000	5,000	5,000	5,000
NET SURPLUS	4,043	3,986	4,354	8,684	9,270	7,508	5,728	5,992	6,680	7,334
OTHER COMPREHENSIVE INCOME										
Changes in assets revaluation surplus	2,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Share of Operating loss at GRFMA	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)
TOTAL COMPREHENSIVE INCOME	6,488	5,931	6,299	10,629	11,215	9,453	7,673	7,937	8,625	9,279



ADELAIDE PLAINS COUNCIL LONG TERM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
ASSETS										
\$'000										
CURRENT ASSETS										
Cash and cash equivalents	415	417	416	416	415	415	414	2,907	6,625	11,257
Trade & other receivables	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031
Inventories	154	154	154	154	154	154	154	154	154	154
TOTAL CURRENT ASSETS	1,600	1,602	1,601	1,601	1,600	1,600	1,599	4,092	7,810	12,442
NON-CURRENT ASSETS										
Financial Assets (Investment in GRFMA)	5,661	5,543	5,425	5,307	5,189	5,071	4,953	4,835	4,717	4,599
Infrastructure, Property, Plant and Equipment	158,571	166,993	171,244	176,680	182,591	190,287	195,760	200,997	205,986	210,716
Other Non-current Assets	15	15	15	15	15	15	15	15	15	15
TOTAL NON-CURRENT ASSETS	164,247	172,552	176,685	182,002	187,795	195,374	200,728	205,847	210,719	215,330
TOTAL ASSETS	165,847	174,154	178,286	183,603	189,395	196,974	202,327	209,939	218,529	227,772
LIABILITIES										
CURRENT LIABILITIES										
Trade & Other Payables	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353
Borrowings	14,849	17,250	15,111	9,828	4,435	2,592	309	16	18	19
Provisions	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,007	1,005
TOTAL CURRENT LIABILITIES	17,211	19,612	17,473	12,190	6,797	4,954	2,671	2,378	2,378	2,377
NON-CURRENT LIABILITIES										
Borrowings	1,718	1,691	1,664	1,635	1,604	1,573	1,540	1,505	1,469	1,431
Provisions	220	220	220	220	220	220	218	220	220	220
TOTAL NON-CURRENT LIABILITIES	1,938	1,911	1,884	1,855	1,824	1,793	1,758	1,725	1,689	1,651
TOTAL LIABILITIES	19,149	21,523	19,357	14,044	8,621	6,747	4,428	4,103	4,067	4,029
NET ASSETS	146,699	152,631	158,929	169,559	180,775	190,228	197,899	205,836	214,462	223,744
EQUITY										
Accumulated Surplus	58,283	62,270	66,624	75,308	84,578	92,086	97,814	103,806	110,485	117,819
Asset Revaluation Reserve	86,410	88,410	90,410	92,410	94,410	96,410	98,410	100,410	102,410	104,410
Other Reserves	2,006	1,951	1,896	1,841	1,787	1,732	1,676	1,621	1,566	1,511
TOTAL EQUITY	146,699	152,631	158,929	169,559	180,775	190,228	197,899	205,836	214,462	223,744



ADELAIDE PLAINS COUNCIL LONG TERM STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE

	23/24 YEAR 1	24/25 YEAR 2	25/26 YEAR 3	26/27 YEAR 4	27/28 YEAR 5	28/29 YEAR 6	29/30 YEAR 7	30/31 YEAR 8	31/32 YEAR 9	32/33 YEAR 10
ACCUMULATED SURPLUS										
	\$'000									
Balance at end of previous reporting period	54,241	58,283	62,270	66,624	75,308	84,578	92,086	97,814	103,806	110,485
Net Result for year	4,043	3,986	4,354	8,684	9,270	7,508	5,728	5,992	6,680	7,334
BALANCE AT END OF PERIOD	58,283	62,270	66,624	75,308	84,578	92,086	97,814	103,806	110,485	117,819
ASSET REVALUATION RESERVE										
Balance at end of previous reporting period	83,910	86,410	88,410	90,410	92,410	94,410	96,410	98,410	100,410	102,410
Gain on revaluation of infrastructure, property, plant & equipment	2,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
BALANCE AT END OF PERIOD	86,410	88,410	90,410	92,410	94,410	96,410	98,410	100,410	102,410	104,410
OTHER RESERVES										
Balance at end of previous reporting period	2,061	2,006	1,951	1,896	1,841	1,786	1,731	1,676	1,621	1,566
Share of other comprehensive income - GRFMA	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)
BALANCE AT END OF PERIOD	2,006	1,951	1,896	1,841	1,786	1,731	1,676	1,621	1,566	1,511
TOTAL EQUITY AT END OF REPORTING PERIOD	146,699	152,631	158,929	169,559	180,775	190,228	197,899	205,836	214,462	223,744



ADELAIDE PLAINS COUNCIL LONG TERM STATEMENT OF CASH FLOWS FOR THE YEAR

	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
CASH FLOWS FROM OPERATING ACTIVITIES										
										\$'000
RECEIPTS										
Rates - general & other	13,760	14,699	15,699	16,770	18,100	19,350	20,688	22,099	23,619	25,236
Fees & other charges	520	535	550	566	582	599	616	634	652	671
User charges	223	230	237	244	251	259	267	275	284	293
Investment receipts	3	3	3	3	3	3	3	3	3	3
Grants utilised for operating purposes	2,106	2,169	2,234	2,301	2,370	2,441	2,514	2,590	2,667	2,748
Reimbursements	139	139	139	139	139	139	139	139	139	139
Other revenues	48	48	48	48	48	48	49	49	49	49
PAYMENTS										
Employee costs	(7,075)	(7,358)	(7,652)	(7,958)	(8,276)	(8,607)	(8,952)	(9,310)	(9,682)	(10,069)
Materials, contracts & other expenses	(6,507)	(6,914)	(7,124)	(7,734)	(8,273)	(9,036)	(9,739)	(10,428)	(10,766)	(11,249)
Finance payments	(820)	(908)	(939)	(660)	(437)	(236)	(181)	(148)	(126)	(67)
NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	2,395	2,642	3,194	3,718	4,507	4,959	5,403	5,903	6,838	7,753
CASH FLOWS FROM INVESTING ACTIVITIES										
RECEIPTS										
Sale of surplus assets	-	-	4,000	4,000	4,000	-	-	-	-	-
Sale of replaced assets	243	100	100	100	100	100	100	100	100	100
PAYMENTS										
Expenditure on renewal/ replacement of assets	(3,693)	(3,835)	(3,162)	(2,186)	(2,965)	(2,965)	(2,965)	(2,965)	(2,965)	(2,965)
Expenditure on new/upgraded assets	(1,134)	(1,280)	(1,966)	(320)	(220)	(220)	(220)	(220)	(220)	(220)
NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(4,584)	(5,015)	(1,028)	1,594	915	(3,085)	(3,085)	(3,085)	(3,085)	(3,085)
CASH FLOWS FROM FINANCING ACTIVITIES										
RECEIPTS										
Proceeds from New Borrowings	2,213	2,399	-	-	-	-	-	-	-	-
PAYMENTS										
Repayments of Borrowings	(24)	(25)	(2,166)	(5,313)	(5,422)	(1,874)	(2,319)	(325)	(35)	(36)
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	2,189	2,374	(2,166)	(5,313)	(5,422)	(1,874)	(2,319)	(325)	(35)	(36)
NET INCREASE (DECREASE) IN CASH HELD	(0)	0	0	(1)	(0)	0	(0)	2,493	3,719	4,631
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	416	415	417	416	416	415	415	414	2,907	6,625
CASH & CASH EQUIVALENTS AT END OF PERIOD	415	417	416	416	415	415	414	2,907	6,625	11,257

ADELAIDE PLAINS COUNCIL LONG TERM UNIFORM PRESENTATION OF FINANCES FOR THE YEAR

	23/24 YEAR 1	24/25 YEAR 2	25/26 YEAR 3	26/27 YEAR 4	27/28 YEAR 5	28/29 YEAR 6	29/30 YEAR 7	30/31 YEAR 8	31/32 YEAR 9	32/33 YEAR 10
	\$'000									
Operating Revenues	17,143	17,822	18,910	20,070	21,493	22,839	24,275	25,788	27,412	29,138
less Operating Expenses	(18,343)	(18,935)	(19,655)	(20,486)	(21,324)	(22,431)	(23,648)	(24,896)	(25,833)	(26,904)
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	(1,200)	(1,114)	(746)	(416)	170	408	628	892	1,580	2,234
LESS NET OUTLAYS ON EXISTING ASSETS										
Capital Expenditure on renewal and replacement of Existing Assets	3,693	3,835	3,162	2,186	2,965	2,965	2,965	2,965	2,965	2,965
less Depreciation, Amortisation and Impairment	(3,517)	(3,692)	(3,877)	(4,071)	(4,274)	(4,488)	(4,713)	(4,948)	(5,196)	(5,455)
less Proceeds from Sale of Replaced Assets	(243)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
	(67)	43	(815)	(1,985)	(1,409)	(1,623)	(1,848)	(2,083)	(2,331)	(2,590)
LESS NET OUTLAYS ON NEW AND UPGRADED ASSETS										
Capital Expenditure on New and Upgraded Assets	1,134	1,280	1,966	320	220	220	220	220	220	220
	1,134	1,280	1,966	320	220	220	220	220	220	220
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(2,268)	(2,436)	(1,897)	1,249	1,359	1,811	2,255	2,755	3,690	4,605



7.1 LONG TERM FINANCIAL INDICATORS

Council's Key Financial Indicators are primarily based on those included in the Model Financial Statements and recommended by the Local Government Association of South Australia (LGA) as appropriate for measuring financial sustainability in Local Government. These ratios provide the Local Government sector accepted approach to analysing and comparing Council's performance from year to year.

The following graphs provide a summary of Council's long term financial indicators in comparison to actual ratio for 2021/2022 and 2022/2023 budgeted ratios.

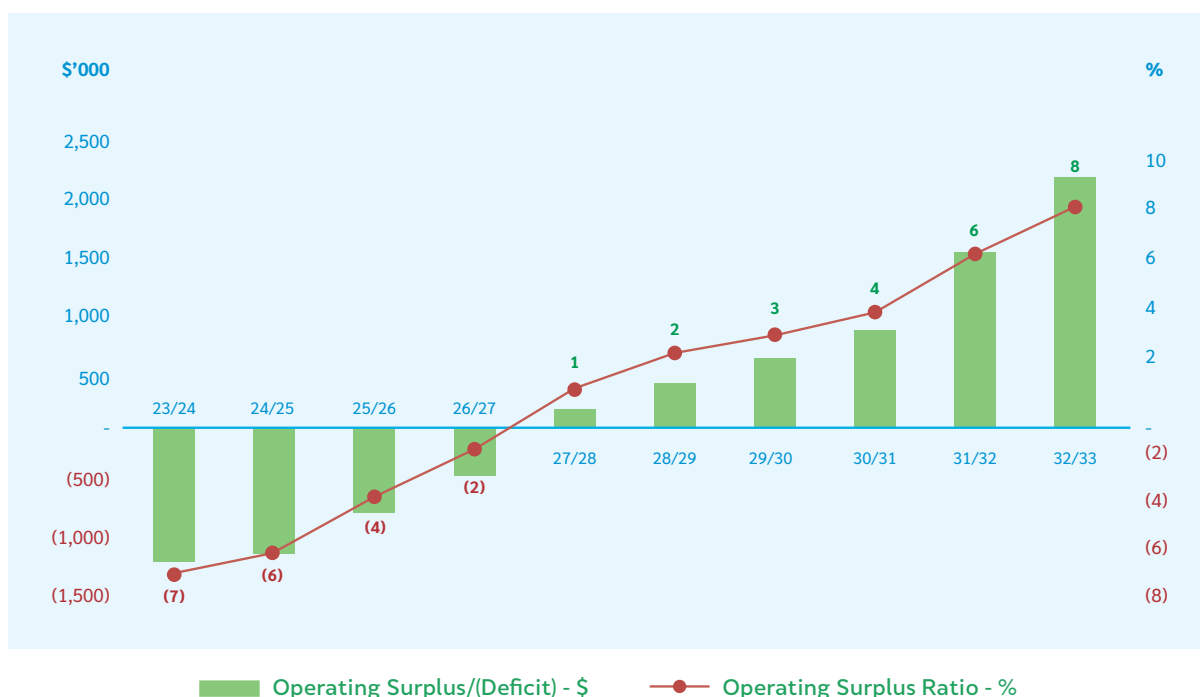


OPERATING SURPLUS/ (DEFICIT) RATIO

The Operating Surplus/ (Deficit) ratio expresses the operating results as a percentage of total operating income. Therefore, the Operating Surplus/(Deficit) Ratio indicates the extent to which operating revenue is sufficient to meet all operating expenses and whether current ratepayers are paying for their consumption of resources.

A negative ratio indicates the percentage increase in total operating income required to achieve a break-even operating result. A positive ratio indicates the percentage of total operating income available to fund capital expenditure over and above the level of depreciation expense without increasing council’s level of net financial liabilities.

FIGURE 3: OPERATING SURPLUS/DEFICIT RATIO



LGA Recommended Target Range :
 Surplus ranging from 0% to 10% on average over long term
10 Year LTFP Forecast Range : Range of negative 7% to positive 8%

LTFP forecasts operating deficits from Years 1 to 4 and operating surpluses from 2027/2028.



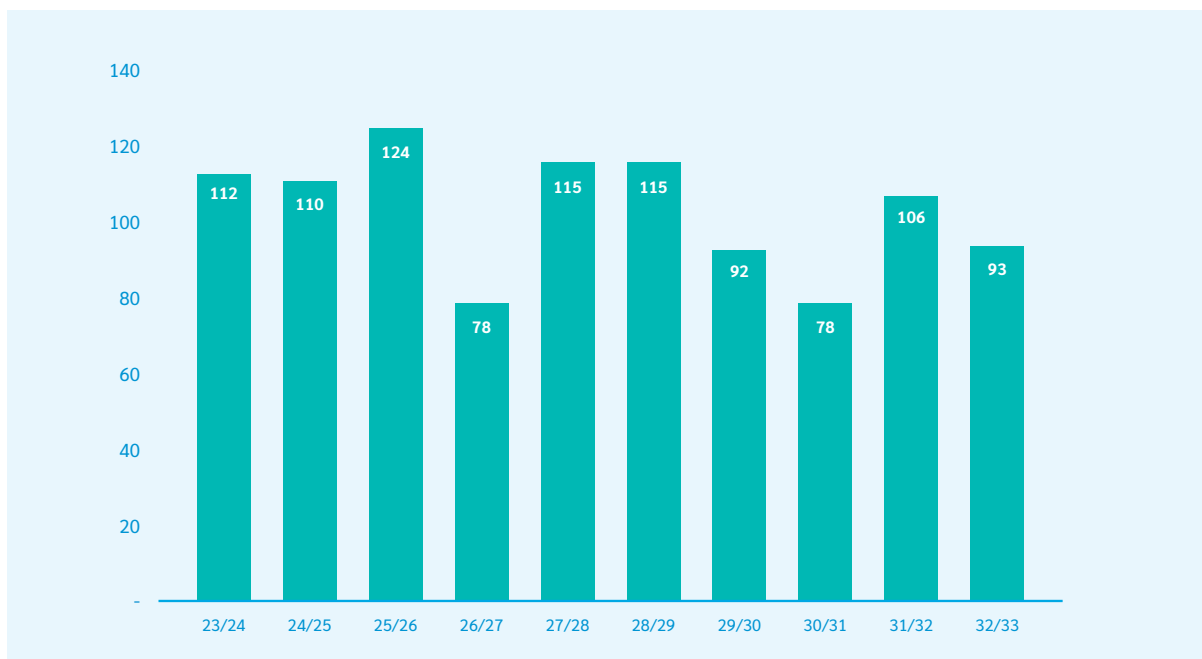
ASSET RENEWAL FUNDING RATIO (%)

This is a measure of the extent to which Council is renewing or replacing existing infrastructure assets that ensures consistent service delivery as determined by the Infrastructure & Asset Management Plans (I&s). This ratio simply measures if Council is performing the required work to replace/renew assets and maintain the level of service.

Council’s I&s determine, for the given level of service, when assets need to be replaced to ensure that level of service is maintained. If Council is achieving close to 100% for this measure, then it is maintaining the current service levels delivered by assets and Council is not having assets renewal backlog.

LGA Recommended Target Range :
90% to 110% on average over long term
10 Year LTFP Forecast Range : 78% to 124%

FIGURE 4: ASSET RENEWAL FUNDING RATIO (%)



Appropriate funding allocations has been made in the LTFP to ensure Council infrastructure assets are maintained in line with I& which will ensure that there won't be any significant infrastructure renewal backlog in to the future.

NET FINANCIAL LIABILITIES RATIO (%)

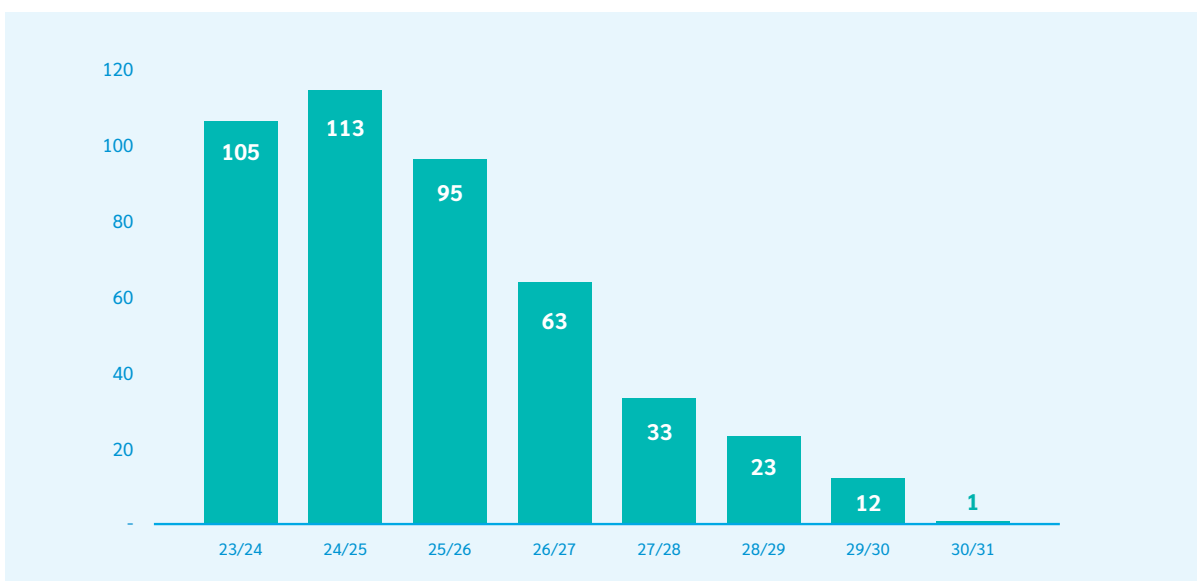
Net Financial Liabilities (NFL) is an indicator of the Council’s total indebtedness and includes all Council’s obligations including provisions for employee entitlements and creditors.

This ratio measures the extent to which Council is managing its debt. It’s a broader measure of debt than simply looking at borrowing levels. It highlights those borrowings are often an effective means of financial sustainability, rather than trying to fund all assets and services from operating income. The ratio expresses Council’s NFL as a percentage of Council’s total operating income.

A steady ratio means Council is balancing the need to borrow against the affordability of debt. An excessive ratio means Council is borrowing beyond their means and can’t generate the income required to service assets and operations. The level of debt affects the amount of interest that Council pays which in turns affects the operating results of the Council.

LGA Recommended Target Range :
0% to 100% on average over long term
10 Year LTFP Forecast Range : 9% to 113%

FIGURE 5: NET FINANCIAL LIABILITIES RATIO (%)



WHY COUNCIL IS FORECASTING A HIGHER NFL RATIO?

NFL ratio should be analysed against what Council is planning to do with the borrowed funds. In other words, to ensure that NFL forecasts are meaningful and sustainable, NFL ratio should be considered in the context of strategic direction of the Council.

As Adelaide Plains Council is in a significant development stage, a temporary increase in NFL ratio in Year 1 and Year 2 may be acceptable as financial strategy, programs and projects have been developed based on;

- A Current service levels and range;
- B Council’s assets management plans; and
- C Strategic Plan 2021-2024 objectives.





**Parham & District
Action Group**

A Committee of
PORT PARHAM SPORTS AND SOCIAL CLUB INC
PO BOX 184 DUBLIN SA 5501
Email: padag1876@gmail.com

Chair: John Coles
Ph 0428 122 334

Secretary: Alvin Jenkin
Ph 08 8529 2504

27 May 2023

James Miller,
Chief Executive Officer
Adelaide Plains Council
PO Box 18
MALLALA SA 5502

Dear Mr Miller and the elected body, Adelaide Plains Council

Submission – Draft 2023/2024 Annual Business Plan and Budget, and Revised Long Term Financial Plan 2024 – 2033.

Thank you for the opportunity to provide feedback on the above documents. We recognise that under the current economic environment Council has many challenges in presenting a budget and Long Term Financial Plan. However, we have some concerns regarding the consistency of the draft documents with decisions made by the elected body during the 2022/23 financial year, particularly as they impact on our area of activity.

The Parham and District Action Group has a remit to consider activities in the areas of Parham and District which includes Parham, Webb Beach, Dublin, Windsor etc. To this end we have produced a Port Parham and Webb Beach Community Plan which was formally presented to Council in January 2021, and we have been active in consultation for development plans for Dublin.

On Page 21 of the draft budget there is a clause under “Internal Budget Influences”

“• Empower community organisations with appropriate support to manage and maintain specific community assets by the community itself. It is believed that this will enhance the autonomy of these organisations through site ownership and control.”

In order to achieve this, it may be necessary for Council to expend some funds to enable community organisations, such as ourselves, to achieve the development and operation of community assets. This expenditure would be minor, and primarily concerned with meeting Council obligations with regard to public consultation on the use of Council managed lands. We anticipate that due to PADAGs involvement with the Parham Camp Ground that we will have significant revenue flow and potential to obtain grants over the next few years which will enable us to develop such assets, and thus reduce the requirement for Council to fund and maintain such assets.

The following comments therefore refer to projects which have been previously identified in Council meetings and documents which appear to have not been considered in this draft business plan and Long Term Financial Plan.

- The development of a master plan for the Parham Foreshore. Resolution 2023/075 of 27th March 2023 required that an amount of \$15,000 be incorporated as a part of the 2023/24 draft budget. This item does not appear in the draft budget despite the resolution.

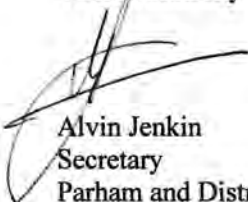
- Parham Horse Float Parking: An amount of \$50,000 has previously been allocated for works associated with upgrading the site. We understand that Council has now made a decision to proceed with the Main Street Site, but the funding does not appear in the 2023/24 draft budget.
- It is noted that funding for design work for sealing Webb Beach Road and Thompson Beach Esplanade has been carried over but there is no allocation in the budget nor the Long Term Financial Plan for the actual works of sealing The Esplanade at Parham nor the above 2 projects. This is very disappointing to us and we ask that some mention is made of these projects in the LTFP
- Green waste collection in coastal communities. Resolution 2023/073 of 27th March required that public consultation be carried out on this issue. It does not appear that this has been included in the 2023/24 draft budget.
- Dublin Camp Ground: Our understanding is that a decision was made at the Council meeting of 22nd May 2023 to initiate activity to create this camp ground. (resolution 2023/123). There will be some expenses associated with this activity including public consultation, land identification etc. Whilst this issue was raised after the draft budget was placed for public consultation, these costs need to be identified in the final budget. This project may also impact on the project “Kerbing - Sth Terrace (Dublin) - Old Port Wakefield Road to Seventh Street” identified on page 40 of the draft budget.
- Parham - Old Playground Block (Sell or Develop Site) is a carry over item from the 2022/23 budget. PADAG have been waiting for the opportunity to comment on this. Our community plan proposes that this site be developed as a park/community garden, and we are opposed to more community land being disposed of following the wholesale resumption of such land for the Adelaide International Bird Sanctuary National Park which has restricted opportunities for development of recreation facilities all along the coast. If Council sees fit to retain the site for future development in accord with our plan it will save some costs in the budget.

Other Comments

- It was disappointing that Council has decided not to employ a grant writer. A person with these skills would be of considerable benefit to volunteer organisations such as ourselves who do not have the skills or resources to prepare grant submissions.
- Township Entrance Signs. It is encouraging to see this as an item on the draft budget. PADAG have been developing concepts as part of our Community Plan, and the Coalition of Coastal Communities have identified this need in their Strategic Plan. We trust that Council will consult with these and other like bodies (eg Two Wells Regional Action Team, Thompson Beach Progress Association) in developing a consistent badging for the communities within the Adelaide Plains Council area.

Submitted for Council's consideration.

Yours Faithfully



Alvin Jenkin
Secretary
Parham and District Action Group

Rajith Udugampola

From: info@apc.sa.gov.au
Sent: Tuesday, 30 May 2023 2:21 AM
To: Info
Subject: Public Consultation Response - Adelaide Plains Council Draft 2023/2024 Annual Business Plan and Budget, and Revised Long Term Financial Plan 2024-2033

Contact Information

First Name: Rob
Last Name: Goodwin
Address: [REDACTED] Mallala SA 5502
Email Address: [REDACTED]
Phone: [REDACTED]

Which document does your submission relate to?

Select One: Both

What is your submission about?

Select all that apply: Request for a new project/work
Other (please specify):

Please let us know your feedback

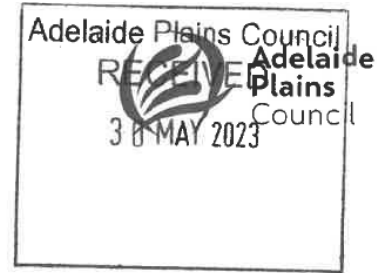
Feedback: Hi, please include works to cover cleaning of drain cover near 33 Butler Street, to flush out drainpipes from drain cover to open drain on 33 Butler Street, and to clean out open drain and also to remove/reduce the fire load that has built up over the years in the open drain from 33 Butler Street down the whole fence line. I can supply photos if needed?

Would you like a reply?

Response Options: Yes

Have Your Say

Draft 2023/2024 Annual Business Plan and Budget Revised Long Term Financial Plan 2024-2033



Consultation closes 5pm Tuesday 30 May 2023.

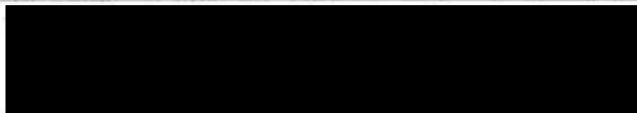
Visit: www.apc.sa.gov.au/publicconsultation

Council is inviting all members of the Adelaide Plains community to have their say on the Draft 2023/2024 Annual Business Plan (ABP), Budget and Revised Long Term Financial Plan 2024-2033 (LTFP).

Full name:

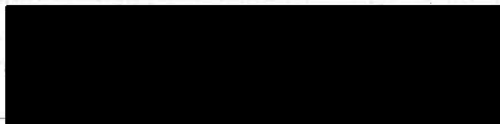
IAN TELFER

Address:

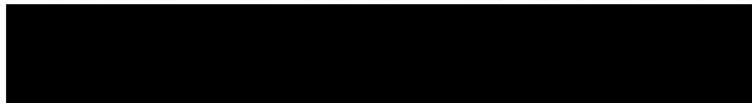


THOMPSON BEACH

Phone number:



Email address:



Which document does your submission relate to?

- 2023/2024 Draft Annual Business Plan and Budget (ABP)
- Revised Long Term Financial Plan 2024 – 2033 (LTFP)
- Both

What is your submission about?

- | | |
|---|--|
| <input type="checkbox"/> Support for a project budget | <input type="checkbox"/> General support for the LTFP |
| <input type="checkbox"/> Concern for a project budget | <input type="checkbox"/> General concern for the LTFP |
| <input type="checkbox"/> Request for a new project/work | <input type="checkbox"/> A savings suggestion |
| <input type="checkbox"/> Comment on Council rates | <input checked="" type="checkbox"/> Other (please specify) |
| <input type="checkbox"/> General support for the ABP | |
| <input type="checkbox"/> General concern for the ABP | |

Submission - Draft 2023-24 ABP and 2024-33 LTFP

Page 1 of 2

Please let us know your feedback:

The Council Strategic Plan 2021-2024 gives us a window into the APC approach to reporting.

That particular strategy was based on projections made on 2018 figures and applied forward 6 years, through the period of a pandemic. How accurate was that going to be?

The 2023-2024 Annual Budget contains nominated sums that will provide funds to cover the regular overruns of things like staff salaries, as staff numbers radically increase, interest expenses, massive consultant's fees etc.. And the GRFMA allocations are a joke.

If we take for granted what is printed, by 2032/33, Thompson Beach ratepayers will have gone 40 years with their rate payments being spent in every Council area except their own. Most of it going on excessive staff salaries and project cost overruns.

Sections 6(b) and (c) of the Local Government Act require a Council to :-

- Deliver socially just decisions and performance,
- Improve the quality of life of the community.

We wait patiently.


Would you like a reply?

Yes

No

Thank you for providing your feedback.

Consultation ends 5pm 30 May 2023. If you have requested a reply to your feedback, you will receive an email when submissions are presented to Council.

6.2 UPDATE ON AUDIT COMMITTEE ANNUAL WORK PROGRAM 2022/2023**Record Number:** D23/23696**Author:** General Manager - Finance and Business**Authoriser:** Chief Executive Officer**Attachments:** 1. **Audit Committee Annual Work Program 2022/2023 – July 2023 Update**
[↓](#) **EXECUTIVE SUMMARY**

- The purpose of this report is to provide the Audit Committee (the Committee) with a progress update on the activities identified in the Audit Committee Annual Work Program for the 2022/2023 Financial Year (Annual Work Program).
- At its meeting held on 8 August 2022, the Audit Committee approved its Annual Work Program.
- Since August 2022, Audit Committee had four (4) ordinary meetings and two (2) special meetings.
- As part of the agenda of those six (6) meetings, the Committee received fifteen (15) decision reports, ten (10) information reports and four (4) confidential reports as summarised in **Table 1**.

RECOMMENDATION

“that the Audit Committee, having considered Item 6.2 – *Update on Audit Committee Annual Work Program 2022/2023*, dated 3 July 2023, receives and notes the report and in doing so recommends to Council that Council acknowledge the progress made to complete the activities identified for the Audit Committee during the 2022/2023 Financial Year.”

BUDGET IMPACT

Estimated Cost:	Not applicable
Future ongoing operating costs:	Not applicable
Is this Budgeted?	Not applicable

RISK ASSESSMENT

The Audit Committee must ensure that the Annual Work Program addresses the statutory obligations and focuses on the adequacy of the Councils’ systems and practices with respect to risk management, financial reporting, the internal control environment and other financial management systems. The ongoing monitoring of the Annual Work Program assist minimisation of exposure to associated risks allowing for adequate resourcing for mitigation strategies by the Council.

DETAILED REPORT**Purpose**

The purpose of this report is to provide the Audit Committee with the progress update on the activities identified in the Audit Committee Annual Work Program for 2022/2023 Financial Year.

Background

At its meeting on 8 August 2022, the Audit Committee approved the 2022/2023 Annual Work Program.

Discussion

To ensure that the requirements of the *Local Government Act 1999* and the Terms of Reference of the Audit Committee are fulfilled, the Committee must develop a Work Program each year.

A regular update on the Annual Work Program will assist the members of the Committee to monitor their planned activities, and **Attachment 1** to this report shows progress to date.

Table 1 below provides a summary of reports received by the Audit Committee from November 2022.

Table 1 – Audit Committee Decision and Information Report Summary

Report Title	Report Type
7 November 2022 meeting	
1. Draft Audited Annual Financial Statements 2021/2022	Decision
2. Review of Risk Management Policy	Decision
3. Review of Audited Financial Results for 2021/2022 against Adopted Budget	Information
4. Reporting of Credit Card Transactions	Information
5. Update on Finance Related Policies	Information
6. TW Town Centre Market Engagement and Expression of Interest Update	Information
7. Information Technology Update	Confidential
31 January 2023 special meeting	
8. TW Town Centre Market Engagement	Confidential
13 February 2023 meeting	
9. GRFMA - Overview and Risk Assessment	Decision
10. 2023/2024 ABP, Budget and 2024-2033 LTFP Development Framework	Decision
11. Draft Rating Policy	Decision
12. Policy Review - Credit Card Policy	Decision
13. Policy Review - Disposal of Land and Other Assets Policy	Decision
14. Update on overdue Council rates	Information
15. Financial Performance for the period July-December 2022	Information
16. Review of Internal Financial Controls	Information
3 April 2023 meeting	
17. 2023/2024 Draft ABP, Budget and Revised 2024-2033 LTFP	Decision
18. Local Government Advice – Essential Services Commission of South Australia	Decision
19. Accounting Treatment of the Income and Expenditure for the TW Levee	Information
20. Information Technology Update	Confidential
21 June 2023 special meeting	
21. Two Wells Town Centre Market Engagement - Selection of Preferred Tender	Confidential
3 July 2023 meeting	

22. Draft 2023/2024 ABP, Budget and Revised LTFP 2024-2033	Decision
23. Review of Audit Committee Terms and Reference	Decision
24. Policy Review – Treasury Management Policy	Decision
25. Policy Review – Asset Management Policy	Decision
26. Draft Annual Work Program for 2023/2024 Financial Year,	Decision
27. Growth and Labour Resources	Decision
28. Business Continuity Plan	Information
29. Interim Audit 2022- 2023 - Management Report	Information

In addition to the above reports, following standard reports were provided to each Audit Committee meeting (excluding special meetings);

- Update on Audit Committee Annual Work Program 2022/2023; and
- Outstanding committee resolutions.

Conclusion

Since the adoption of the 2022/2023 Annual Work Program in August 2022, relevant reports are being provided for the consideration by the members of the Audit Committee at subsequent meetings.

References

Legislation

Section 126 of the Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Council Policies/Plans

Audit Committee Terms of Reference.

Audit Committee Annual Work Program 2022/2023 – July 2023 Update

Activity	Target Meeting	Current Status/Outcome	Action Taken	Date Completed
1. Financial Reporting (LGA – Section 126(4)(a))				
1.1 Ensure that financial information included in following publications for external audiences accurately reflects key accrual based financial information and where appropriate sector-endorsed financial indicators and provide commentary and or recommendation to Council: <ul style="list-style-type: none"> ▪ Annual Business Plan; ▪ Annual Financial Statements; 	April & June 2023 November 2022 and August 2023	2021/2022 Annual Financial Statements were presented to 7 November 2022 meeting.		7 November 2022
1.2 Annual Review of financial performance indicators provided to Council as part of Budget Reviews.	November 2022	An information report was presented to 7 November 2022 meeting.		7 November 2022
2. Strategic Management and Annual Business Plans (LGA – Section 126(4)(ab))				
2.1 The Audit Committee should satisfy itself regarding the: <ul style="list-style-type: none"> ▪ Review of Strategic Management Plan 2020-2024 for consistency with Council’s long-term financial plan and annual business plan; ▪ Review of Long-Term Financial Plan for consistency with its infrastructure and asset management plan (I&AMP); ▪ soundness of the I&AMP; e.g. Is it supported by engineering and other professional assessments regarding the condition of Council’s infrastructure assets; 	April & June 2023 April & June 2023	Please refer to the agenda of the 3 July meeting for updated LTFF.		3 April 2023 3 July 2023

Audit Committee Annual Work Program 2022/2023 – July 2023 Update

<ul style="list-style-type: none"> ▪ likely impact on Council’s ongoing financial sustainability of implementation of its suite of strategic management plans; ▪ appropriateness of the indicators (financial and other) to measure achievements of the strategic plan and annual business plan. ▪ Review of draft Annual Business Plan and Budget before it is released for public consultation 	<p>April 2023</p>	<p>Please refer to the agenda of the 3 July meeting for updated LTFFP.</p>		<p>3 April 2023 3 July 2023</p>
<p>3. Exercise of Powers under Section 130A (LGA – Section 126(4)(ac))</p>				
<p>3.1 Determine whether a recommendation to the Council is required to request its auditor or some other person to examine and report on any matter considered significant relating to financial management or the efficiency and economy of the management of Council’s resources that would not be addressed or included as part of the annual audit.</p>	<p>Ongoing</p>			
<p>4. Liaising with External Auditor (LGA – Section 126(4)(b))</p>				
<p>4.1 An in-camera meeting with Council’s external auditors during the 2022/2023 financial year to:</p> <ul style="list-style-type: none"> ▪ discuss any points of concern raised by the External Auditor in their interim audit; ▪ assess the appropriateness of the Council’s response to matters raised in the interim audit; ▪ discuss any qualifications raised in the most recent audit or comments made in the accompanying management letter; ▪ assess the appropriateness of the Council’s response to matters so raised. 	<p>November 2022 November 2022 November 2022 November 2022</p>	<p>A decision report was presented to 7 November 2022 meeting. Meeting with the auditors was occurred on 7 November 2022.</p>		<p>7 November 2022</p>

Audit Committee Annual Work Program 2022/2023 – July 2023 Update

<ul style="list-style-type: none"> ▪ whether an assessment has been undertaken to identify foreseeable events with potentially catastrophic consequences and actions established to minimise their likelihood and effect e.g. ✓ whether a business continuity plan has been developed in case of major damage to key Council properties or other (e.g. computer, assets); ✓ whether there are significant risks that have been identified by Council’s insurers that have not been reasonably addressed and therefore could jeopardise insurance cover in this regard; ✓ adequacy of insurance coverage. 				
<p>5.4 Review of Council’s Risk Management Plan and Strategic Management Plan</p>	<p>To be confirmed</p>	<p>Strategic Management Plan will be reviewed in the next financial year using internal resources</p>		
<p>5.5 Review the appropriateness of the range and content of Council’s financial policies and practices. Policies due for review are:</p> <ul style="list-style-type: none"> ✓ Risk Management Policy ✓ Disposal of Land and Other Assets Policy ✓ Asset Management Policy ✓ Council Vehicle Policy ✓ Procurement Policy ✓ Credit Card Policy ✓ Rating Policy 	<p>November 2022 February 2023 June 2023 June 2023 June 2023 February 2023 February 2023</p>			<p>7 November 2022 13 February 2023 3 July 2023 In progress In progress 13 February 2023 13 February 2023</p>
<p>5.6 Review list of finance-related policies and their currency</p>	<p>November 2022</p>	<p>An information report was presented to 7 November 2022 meeting</p>		<p>7 November 2022</p>
<p>5.7 Risk Management of Major Projects</p>	<p>Ongoing</p>			

Audit Committee Annual Work Program 2022/2023 – July 2023 Update

5.8 Review Information Technology audit reports	Ongoing	An information report was presented to 7 November 2022 meeting. Please refer to the agenda of 3 April Audit Committee meeting		7 November 2022 3 April 2023
5.9 Update on Gawler River Floodplain Management Authority	Ongoing	Report was provided to 13 February meeting		13 February 2023
6. Public Interest Disclosures				
6.1 Review Council’s Public Interest Disclosure Procedure (Last reviewed in February 2019)	To be confirmed			
7. Reporting				
7.1 Ensure progress of the outstanding Audit Committee resolutions are followed up regularly.	Ongoing	Report on the outstanding committee resolutions was provided to each meeting		
7.2 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to Council.	Ongoing	Report on the annual works program of the committee was provided to each meeting		
7.3 Report annually to the Council; <ul style="list-style-type: none"> ▪ outlining outputs relative to the audit committee’s work program and the results of a self-assessment of performance for the preceding period including whether it believes any changes to its Terms of Reference are appropriate; ▪ outlining any identified training needs; ▪ Audit Committee Self-Assessment Survey ▪ advise on future work program proposals; and invite comment from the Council on all of the above. 	To be confirmed To be confirmed To be confirmed To be confirmed			

6.3 DRAFT ANNUAL WORK PROGRAM FOR 2023/2024 FINANCIAL YEAR**Record Number:** D23/26590**Author:** Director Finance**Authoriser:** Chief Executive Officer**Attachments:** 1. **Draft Audit Committee Annual Work Program 2023-2024**  **EXECUTIVE SUMMARY**

- The purpose of the report is to provide the Audit Committee with the Draft Work Program for the year ended 30 June 2024 for review and comment by the members before being implemented by the Council management during 2023/2024 Financial Year.
- It reflects the yearly activities of the Council as required under Section 126 of the *Local Government Act 1999* and the Audit Committee Terms of Reference.

RECOMMENDATION

“that the Audit Committee, having considered Item 6.3 – *Draft Annual Work Program for 2023/2024 Financial Year*, dated 3 July 2023, receives and notes the report and in doing so adopts Draft 2023/2024 Audit Committee Work Program”

BUDGET IMPACT

Estimated Cost: Not Applicable

Future ongoing operating costs: Not Applicable

Is this Budgeted? Not applicable

RISK ASSESSMENT

The Audit Committee must ensure that the Annual Work Program addresses the statutory obligations and focuses on the adequacy of the Councils’ systems and practices with respect to risk management, financial reporting, the internal control environment and other financial management systems. The ongoing monitoring of the Annual Work Program aides minimisation of exposure to associated risks allowing for adequate resourcing of mitigation strategies by the Council.

DETAILED REPORT

Purpose

The purpose of the report is to provide the Audit Committee with the Draft Work Program for the year ended 30 June 2024 for review and comment by the members before being implemented by the staff during 2023/2024 Financial Year.

Background

Pursuant to Section 126 of the *Local Government Act 1999* and as detailed in the Audit Committee's Terms of Reference, the Audit Committee is responsible for facilitating:

- a) the enhancement of the credibility and objectivity of internal and external financial reporting;
- b) provision of information relevant to a review of the Council's Strategic Management Plans and Annual Business Plan;
- c) the review and reporting on any matter relating to financial management or the efficiency and economy with which the Council manages its resources;
- d) effective management of financial and other risks and the protection of the Council's assets;
- e) compliance with laws and regulations related to financial and risk management as well as use of best practice guidelines;
- f) the provision of an effective means of communication between the external auditor, management and the Council;
- g) the review of the exercise of powers under Section 130A of the *Local Government Act 1999*.
- h) review of the Annual Financial Statements to ensure that they present fairly the state of affairs of the Council;
- i) liaising with the Council's Auditor; and
- j) reviewing the adequacy of accounting, internal control reporting and other financial management systems and practices of the Council on a regular basis.

Discussion

To ensure that the requirements of the *Local Government Act 1999* and the Terms of Reference of the Audit Committee are fulfilled, it must develop a Work Program each year. A draft 2023/2024 Work Program, based on above requirements is contained in **Attachment 1**. The Committee can either endorse the Work Program or amend the document as appropriate.

Conclusion

Adoption of the work program for 2023/2024 Financial Year allows the members of the Audit Committee to monitor their activities in a formal way while providing a clear reporting framework to the staff to support the activities of the Audit Committee for 2023/2024 Financial Year.

References

Legislation

Section 126 of the Local Government Act 1999.

Local Government (Financial Management) Regulations 2011.

Council Policies/Plans

Audit Committee Terms of Reference.

LGA Financial Sustainability Information Paper 3 - Audit Committees

Draft Audit Committee Annual Work Program 2023/2024

Activity	Target Meeting	Current Status/Outcome	Action Taken	Date Completed
1. Financial Reporting (LGA – Section 126(4)(a))				
1.1 Ensure that financial information included in following publications for external audiences accurately reflects key accrual based financial information and where appropriate sector-endorsed financial indicators and provide commentary and or recommendation to Council: <ul style="list-style-type: none"> • Annual Business Plan; • Annual Audited Financial Statements; • Long Term Financial Plan; • Infrastructure and Assets Management Plans 	April & June 2024 November 2023 April & June 2024 June 2024			
1.2 Annual Review of financial performance indicators provided to Council as part of Budget Reviews.	November 2023			
2. Strategic Management and Annual Business Plans (LGA – Section 126(4)(ab))				
2.1 The Audit Committee should satisfy itself regarding the: <ul style="list-style-type: none"> • Review of Strategic Management Plan 2020-2024 for consistency with Council’s long-term financial plan and annual business plan; • Review of Long-Term Financial Plan for consistency with its infrastructure and asset management plan (I&AMP); • soundness of the I&AMP; e.g. Is it supported by engineering and other professional assessments regarding the condition of Council’s infrastructure assets; • likely impact on Council’s ongoing financial sustainability of implementation of its suite of strategic management plans; 	April & June 2024 April & June 2024			

Draft Audit Committee Annual Work Program 2023/2024

<ul style="list-style-type: none"> • appropriateness of the indicators (financial and other) to measure achievements of the strategic plan and annual business plan. • Review of draft Annual Business Plan and Budget before it is released for public consultation 	<p>April 2024</p>			
<p>3. Exercise of Powers under Section 130A (LGA – Section 126(4)(ac))</p>				
<p>3.1 Determine whether a recommendation to the Council is required to request its auditor or some other person to examine and report on any matter considered significant relating to financial management or the efficiency and economy of the management of Council’s resources that would not be addressed or included as part of the annual audit.</p>	<p>Ongoing</p>			
<p>4. Liaising with External Auditor (LGA – Section 126(4)(b))</p>				
<p>4.1 An in-camera meeting with Council’s external auditors during the 2022/2023 financial year to:</p> <ul style="list-style-type: none"> • discuss any points of concern raised by the External Auditor; • assess the appropriateness of the Council’s response to matters raised by the auditors; • discuss any qualifications raised in the most recent audit or comments made in the accompanying management letter; • assess the appropriateness of the Council’s response to matters so raised. 	<p>July 2023 November 2023 July 2023 November 2023 November 2023 November 2023</p>			
<p>4.2 Ensure compliance with regulation 22 (1) of the Local Government (Financial Management) Regulations 2011 which prevent a Council from engaging its auditor to provide any</p>	<p>Ongoing</p>			

Draft Audit Committee Annual Work Program 2023/2024


<p>consequences and actions established to minimise their likelihood and effect e.g.</p> <ul style="list-style-type: none"> ✓ whether a business continuity plan has been developed in case of major damage to key Council properties or other (e.g. computer, assets); ✓ whether there are significant risks that have been identified by Council’s insurers that have not been reasonably addressed and therefore could jeopardise insurance cover in this regard; ✓ adequacy of insurance coverage. 				
5.4 Review of Council’s Risk Management Plan and Strategic Management Plan	June 2024			
<p>5.5 Review the appropriateness of the range and content of Council’s financial policies and practices. Policies due for review are:</p> <ul style="list-style-type: none"> I. Budget Management Policy (<i>Last reviewed February 22</i>) II. Funding Policy (<i>Last reviewed April 2022</i>) III. Internal Financial Controls Policy (<i>Last reviewed April 22</i>) IV. Rates Arrears and Debtor Management Policy (<i>Last reviewed April 2022</i>) V. Fixed Assets Accounting Policy (<i>Last reviewed June 2022</i>) VI. Prudential Management Policy (<i>Last reviewed June 22</i>) VII. Procurement Policy (<i>Last reviewed April 2021</i>) VIII. Risk Management Policy (<i>Last reviewed December 2022</i>) IX. Council vehicle Policy (<i>Last reviewed August 2021</i>) X. <i>Fraud and Corruption Prevention Policy (new policy)</i> 	<p>February 2024</p> <p>April 2024</p> <p>April 2024</p> <p>April 2024</p> <p>June 2024</p> <p>June 2024</p> <p>September 2023</p> <p>November 2023</p> <p>September 2023</p> <p>September 2023</p>			
5.6 Review list of finance-related policies and their currency	November 2023			
5.7 Risk Management of Major Projects	Ongoing			
5.8 Review of Council’s Investments and Borrowings	September 2023			
5.9 Review of overdue Council rates	September 2023 February 2024			

Draft Audit Committee Annual Work Program 2023/2024

5.10 Review Information Technology audit reports	Ongoing			
5.11 Review of Audit Committee Terms of Reference	February 2024			
5.12 Review of Prudential Reports	Where necessary			
5.13 Two Wells Town Centre Project Risk be reassessed throughout the life of the project and report back to the audit	Ongoing			
5.14 Update on Gawler River Floodplain Management Authority	Ongoing			
6. Public Interest Disclosures				
6.1 Review Council's Public Interest Disclosure (PID) Procedure (i.e. polices for public officers to confidentially raise concerns) (Last reviewed in February 2019) <i>Note: PID Procedure is not mandatory for Councils. However, Adelaide Plains Council has adopted PID Procedure in August 2019 as a matter of best practice. LGA hasn't done any review/update on the current model documents since May 2019. There were some recent changes that occurred following the passage of the Independent Commissioner Against Corruption (CPIPC Recommendations) Amendment Act 2021, which haven't been reflected in the model LGA documents. These are mostly definitions or references to the ICAC or the ICAC Act and not expected to have material impact on the current PID Procedure</i>	To be confirmed			
7. Reporting				
7.1 Ensure progress of the outstanding Audit Committee resolutions are followed up regularly.	Ongoing			
7.2 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to Council.	Ongoing			

Draft Audit Committee Annual Work Program 2023/2024

<p>7.3 Report annually to the Council;</p> <ul style="list-style-type: none"> ▪ outlining outputs relative to the audit committee’s work program and the results of a self-assessment of performance for the preceding period including whether it believes any changes to its Terms of Reference are appropriate; ▪ outlining any identified training needs; ▪ Audit Committee Self-Assessment Survey ▪ advise on future work program proposals; and invite comment from the Council on all of the above. 	<p>To be confirmed</p> <p>To be confirmed</p> <p>To be confirmed</p> <p>To be confirmed</p>			
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6.4 REVIEW OF AUDIT COMMITTEE TERMS OF REFERENCE**Record Number:** D23/21714**Author:** Director Finance**Authoriser:** Chief Executive Officer**Attachments:** 1. **Marked-up version of the Audit and Risk Committee Terms of Reference.** [↓](#) **EXECUTIVE SUMMARY**

- The purpose of this report is for the members of the Audit Committee (the Committee) to make recommendations to the Council in relation to the review of the Committee's Terms of Reference.
- The Audit Committee's current Terms of Reference was last adopted by the Council in June 2021.
- To ensure its relevance, a review was undertaken in June 2023 by the Management. Accordingly, following changes are proposed:
 - Addition of five (5) new functions, which are already being fulfilled by the Audit Committee, under Clause 2;
 - Majority of the members of the committee to be independent member from 30 November 2023 as per local government reforms;
 - updated Clause 4 to explain the role of the Chairperson and voting rights of the Chairperson;
 - minor formatting changes;
 - changes to position titles based on current organisational structure;
 - change the name of the Committee to Audit and Risk Committee

RECOMMENDATION

“that the Audit Committee, having considered Item 6.4 – *Review of Audit Committee Terms of Reference*, dated 3 July 2023, receives and notes the report and in doing so recommends that Council endorse the updated Terms of Reference (to commence on 30 November 2023) as presented in Attachment 1 to this report subject to the following refinements:

1.**2.**”.**BUDGET IMPACT**

Estimated Cost:	Not applicable
Future ongoing operating costs:	Not applicable
Is this Budgeted?	Not applicable

RISK ASSESSMENT

Regulatory Risk

Having up-to-date terms of reference assists the Audit Committee in discharging its duties in line with the *Local Government Act 1999* and its regulations.

DETAILED REPORT

Purpose

The purpose of this report is for the members of the Audit Committee (the Committee) to make recommendations to Council in relation to the revised Terms of Reference of the Committee.

Background

The Adelaide Plains Council's Audit Committee has been established under Section 41 of the *Local Government Act 1999*. According to the Section 126 of the *Local Government Act 1999*, the principal objective of the Audit Committee is to add value to and improve, the Adelaide Plains Council's operations, by assisting the Council to meet its legislative and probity requirements as required by the *Local Government Act 1999* and other relevant Legislation, Standards and Codes.

Discussion

Local Government Reform – 'Audit and Risk' Committees

The Local Government Reform Program commenced in early 2019 and the *Statutes Amendment (Local Government Review) Act 2021* (the Act) commenced on 20 September 2021. Various changes to the Act and associated regulations have taken effect periodically since 2021.

The relevant amendments to the Act that are set to commence on 30 November 2023 and will include:

- Extending the work of council audit committees to audit and risk committees to provide independent assurance and advice to councils on accounting, financial management, internal controls, risk management and governance matters.
- Audit and risk committees will be required to consist of a majority of independent members and councils will have the ability to form regional audit and risk committees.
- New requirements for councils and their chief executive officers to ensure that effective policies, systems and procedures relating to risk management are established and maintained.
- New requirements for chief executive officers of a council that have an internal audit function to consult with the relevant audit and risk committee before appointing a person to be primarily responsible for the internal audit function.

Accordingly, from 30 November 2023 all councils will be required to have a 'audit and risk committee' instead of an 'audit committee'.

Relevantly, Regulation 14 of the *Local Government (Transitional Provisions) Regulations* commenced on 6 January 2022 and authorises any existing members of council audit committees to remain on the new audit and risk committee until the expiration of their current term of office.

Council is awaiting further guidance, both in the form of further Regulations and LGA material, in this regard and will facilitate the necessary committee reviews in due course.

Review of Current Terms of Reference

A review of the Audit Committee Terms of Reference has been conducted recently by the Council management and accordingly following changes are proposed;

- 1) Change the name of the Committee to Audit and Risk Committee;
- 2) Under the functions of the Audit Committee, following additional functions have been added which are already being fulfilled by the Committee.
 - Review of Strategic Management and Annual Business Plans (Clause 2.5);
 - Value and Efficiency Review (Clause 2.6);
 - Review Major Infrastructure Projects (Clause 2.7);
 - Prudential Reports (Clause 2.8); and
 - Regional Subsidiaries (Clause 2.9).
- 3) Clause 3.1 has been updated so that the Audit and Risk Committee will consist of a majority of independent members. i.e., three (3) independent members and two (2) Council members. However, this change will not take in to effect until 30 November 2023 as per local governments reforms;
- 4) Clause 4.1 has been added to explain the role of the Chairperson of the Committee.
- 5) Clause 4.3 has been added with regard to the deliberate vote by the Chairperson
- 6) minor formatting changes;
- 7) changes to position titles based on current organisational structure;

Revised Terms of Reference is contained under **attachment 1**.

Term of the current Audit Committee Members

With regard to the independent Chairman and independent member of the Audit Committee, at the April 2022 Council meeting Elected Members resolved to extended the appointments until 30 November 2024.

At the Council meeting held on 28 November 2022, Council resolved to appoint Mayor Wasley, Deputy Mayor Strudwicke and Councillor Panella as Council Members of the Audit Committee until 30 November 2023 to coincide with the transition from 'Audit Committee' to 'Audit and Risk Committee' under the Local Government Act 1999.

Conclusion

Council's Audit Committee Terms of Reference has been reviewed to provide an updated framework for the members of the Audit Committee to work on in discharging their duties and responsibilities.

References

Legislation

Section 126 (Audit committee) of the Local Government Act 1999

Section 128 (Auditor) of the Local Government Act 1999

Section 129 (conduct of audit) of the Local Government Act 1999

Section 130A (Other Investigations) of the Local Government Act 1999

Statutes Amendment (Local Government Review) Act 2021


Local Government (Procedures at Meetings) Regulations 2013

Council Policies/Plans

Internal Financial Controls Policy

Audit Committee Annual Work Program 2022-2023

Current Audit Committee Terms of Reference

 <p>Adelaide Plains Council</p>	Audit <u>and Risk</u> Committee	
	Terms of Reference	
	Adoption by Council:	28 June 2021 <u>TBC</u>
	Resolution Number:	2021/220 <u>TBC</u>
	Administered by:	General Manager – Finance and Business Director - Finance
	Last Review Date:	2021 <u>2023</u>
	Next Review Date:	2022 <u>2025</u>
DOCUMENT NO:	D21/24237 D23/21713	<u>Strategic Objective:</u> <u>Proactive Leadership Strategies:</u> Strategic and sustainable financial management

1. Establishment

- 1.1 Pursuant to Section 41 of the *Local Government Act 1999* (**the Act**) and the Regulations thereunder, for the purposes of Section 126 of the Act, the Council maintains a Committee to be known as the Audit and Risk Committee (**the Committee**).
- 1.2 The purpose of the Committee will be to monitor and assist Council in the effective implementation and conduct of its responsibilities for financial reporting, management of risk and maintaining a reliable system of internal controls. The Committee will enquire into and report to Council in respect of those matters conferred upon it, and as set out in these Terms of Reference.

2. Functions

Subject to compliance with all legislation, policies, plans and procedures of the Council, the functions of the Committee are as follows:

2.1 Financial Reporting

- 2.1.1 The primary objective of the Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk and maintaining a reliable system of internal controls.
- 2.1.2 The Committee shall monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgments which they contain.
- 2.1.3 The Committee shall review and challenge where necessary:
 - 2.1.3.1 the consistency of, and/or any changes to, accounting policies;
 - 2.1.3.2 the methods used to account for significant or unusual transactions where different approaches are possible;

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- 2.1.3.3 whether the Council has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor;
- 2.1.3.4 the clarity of disclosure in the Council's financial reports and the context in which statements are made; and
- 2.1.3.5 all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

2.2 Governance, Internal Controls and Risk Management Systems

The Committee shall:

- 2.2.1 ensure Council's compliance with legislative requirements, as well as use of best practice and Governance principles and guidelines;
- 2.2.2 keep under review the effectiveness of Council's internal controls and risk management framework;
- 2.2.3 review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management; and
- 2.2.4 understand the business of the Council to appreciate the risks it manages on a daily basis and to ensure that there are appropriate management plans to manage and mitigate identified business risks. This will include insurance matters, financial reporting, legal and regulatory compliance, business continuity, and statutory compliance. This can be facilitated by discussions with the Committee and external auditors and by presentations by management on how business risks are identified and managed.

2.3 Public Interest Disclosures

- 2.3.1 The Committee shall review Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

2.4 External Audit

The Committee shall:

- 2.4.1 develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter;
- 2.4.2 consider and make recommendations to the Council, in relation to the appointment, re-appointment and removal of the Council's external auditor;
- 2.4.3 oversee Council's relationship with the external auditor including, but not limited to:

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- 2.4.3.1 reviewing the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
 - 2.4.3.2 reviewing the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
 - 2.4.3.3 assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of any non-audit services;
 - 2.4.3.4 satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Council (other than in the ordinary course of business);
 - 2.4.3.5 monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners; and
 - 2.4.3.6 assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditor on the audit committee's own internal quality procedures).
- 2.4.4 meet with the external auditor as required. The Committee shall meet the external auditor at least once a year, with or without management being present; to discuss the external auditor's report and any issues arising from the audit;
- 2.4.5 review and make recommendations on the annual audit plan, and in particular its consistency with the scope of the external audit engagement;
- 2.4.6 review the findings of the audit with the external auditor. This shall include, but not be limited to, the following;
- 2.4.6.1 a discussion of any major issues which arose during the external audit;
 - 2.4.6.2 any accounting and audit judgments; and
 - 2.4.6.3 levels of errors identified during the external audit.
- The Committee shall also:
- 2.4.7 review the effectiveness of the external audit.
 - 2.4.8 review any representation letter(s) requested by the external auditor.
 - 2.4.9 review the management letter and management's response to the external auditor's findings and recommendations.

2.5 Review of Strategic Management and Annual Business Plans

Having regard to the challenges and implications arising from the continuing significant population growth in the Council area the Committee shall:

2.5.1 Review and provide advice on Council's strategic management plans (at the time

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of their preparation and scheduled review), which include the:

- Key principles and assumptions of the consolidated Council Long Term Financial Plan;
- Annual Business Plan and Budget; and
- Asset Management Plans.

2.5.2 The review and provision of advice by the Committee on such plans shall include the consideration of future community needs, risks and opportunities so as to assist Council with the identification and implementation of required strategies and policies to enable the delivery of short, medium and long term objectives in relation to financial sustainability, infrastructure and services.

2.6 Value and Efficiency Review

The Committee shall, when necessary, review Council's program and service delivery reviews in the context of efficient and effective delivery of the strategic plan and annual business plan.

2.7 Review Major Infrastructure Projects

The Committee shall review and provide advice on the proposed capital and recurrent funding strategies, timing, risk and due diligence, procurement strategies, governance and public engagement for infrastructure projects of major significance and the estimated cost of which triggers the requirement for a prudential report.

2.8 Prudential Reports

The Committee shall review the findings of any prudential reports prepared for Council and provide advice to Council. The amount that triggers a prudential report is as specified in the *Local Government Act 1999*.

2.9 Regional Subsidiaries

The Committee shall annually review and provide advice to Council on the management of risks and the adequacy of performance reporting associated with regional subsidiaries of which Council is a constituent Council.

3. Membership

3.1 Members of the Committee are appointed by the Council. From 30 November 2023, the Committee shall consist of five (5) members of which at least ~~The Committee shall consist of two (2)~~three (3) are independent members and ~~with three (3)~~two (2) members from the Elected Members of Council – consistent with any Regulations of the Act.

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- 3.2 Independent member(s) of the Committee shall have recent and relevant financial and / or risk management, internal audit etc. experience. The Chairperson of the Council shall be a member of the Committee.
- 3.3 Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision. However other individuals such as the Chief Executive Officer, ~~General—Managers~~[Directors](#) and other staff with relevant responsibilities may attend any meeting as observers or be responsible for preparing reports for the Committee. In accordance with the principles of open, transparent and informed decision making, Committee meetings must be conducted in a place open to the public. The agenda and minutes of the Committee meetings, subject to any items that are discussed in confidence under Section 90 of the Act and subsequently retained as confidential under Section 91 of the Act, are also required to be made available to the public.
- 3.4 Council's external auditors may be invited to attend meetings of the Committee.
- 3.5 Appointment to the Committee shall be for a period of up to four years (4), or until the end of the term of the Council. Appointees may be reappointed by Council.
- 3.6 The Council shall appoint the Chairperson of the Committee.
- 3.7 The evaluation of potential independent members of the Audit [and Risk](#) Committee will be undertaken by the Mayor and Chief Executive Officer and ~~two (2)~~ [one \(1\)](#) Elected Members appointed to the Audit [and Risk](#) Committee, taking account of the experience and qualifications of candidates and their likely ability to apply appropriate analytical and strategic management skills, and a recommendation for appointment put to Council.
- 3.8 Expressions of Interest from prospective Independent Members shall be sought by the Council by way of a public advertisement.
- 3.9 Remuneration will be paid to each Independent Member of the Committee (based on a set fee per meeting attended).
- 3.10 Membership of the Audit [and Risk](#) Committee continues for the term of the Committee, unless a Member resigns from the Committee or is removed earlier by resolution of Council.
- 3.11 If the Council proposes to remove a Member of the Committee, it must give written notice to the Member of its intention to do so and provide that Member with the opportunity to be heard at a Council meeting which is open to the public, if that Member so requests.

4. Chairperson

4.1 The role of the Chairperson is to:

- [Oversee the orderly conduct of meetings in accordance with the *Local Government Act 1999*, the *Local Government \(Procedures at Meetings\) Regulations 2013* and the *Council's Code of Practice – for Meeting Procedures*](#)
- [Ensure that the Guiding Principles at Regulation 4 of the *Local Government \(Procedures at Meetings\) Regulations 2013* are observed and that all Committee](#)

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[Members have an opportunity to participate in discussions in an open and responsible manner; and](#)

- [Liaise with Council administration between meetings regarding the preparation of the Committee's agenda and reporting to Council.](#)

[4.2](#) When the Chairperson is absent from a meeting the Committee Members may appoint a person from those present to act as Chairperson for the duration of the meeting

[4.14.3](#) [The Chairperson has a deliberative vote and does not have a casting vote.](#)

5. Quorum

5.1 The quorum necessary for the transaction of business shall be three (3) members of the Committee, including at least one (1) independent member. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee

6. Meetings

6.1 Voting

- 6.1.1 All decisions of the Committee shall be made on the basis of a majority decision of the members present.
- 6.1.2 Members present must vote on all resolutions of the Committee. Proxy votes are not permitted.

6.2 Meeting Frequency

- 6.2.1 The Committee shall meet at least four (4) times annually at appropriate times in the reporting and audit cycle and otherwise as required.
- 6.2.2 Ordinary meetings of the Committee will be held at times and places determined by Council or, subject to a decision of Council, the Committee. A special meeting of the Committee may be called in accordance with the Act.
- 6.2.3 Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and observers, no later than three (3) clear days before the date of the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) at the same time.
- 6.2.4 The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance are minuted and that the minutes otherwise comply with the requirements of the *Local Government (Procedures at Meetings) Regulations 2000/2013*.
- 6.2.5 Minutes of Committee meetings shall be circulated within five (5) days after a meeting to all members of the Committee and to all members of the Council and will (as appropriate) be available to the public.

6.3 Delegations

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- 6.3.1 Pursuant to Section 44 of the *Local Government Act 1999*, the Audit [and Risk](#) Committee does not enjoy the delegation of any powers, functions and duties of the Council. All decisions of the Committee will, therefore, constitute only recommendations to the Council.

6.4 Meeting Procedures

- 6.4.1 Procedures at meetings will be in accordance with Council's Code of Practice – Meeting Procedures and the requirements of the *Local Government (Procedures at Meetings) Regulations ~~2000~~2013*.

6.5 Administrative Resources

- 6.5.1 The Chief Executive Officer shall provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions. The Committee shall:
- 6.5.1.1 have access to reasonable resources in order to carry out its duties; subject to any budget allocation approved by Council;
 - 6.5.1.2 be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members;
 - 6.5.1.3 give due consideration to laws and regulations of the Act;
 - 6.5.1.4 make recommendations on co-ordination of the internal and external auditors;
 - 6.5.1.5 oversee any investigation of activities which are within its Terms of Reference;
 - 6.5.1.6 oversee action to follow up on matters raised by the external auditors; and
 - 6.5.1.7 at least once a year, review its own performance and Terms of Reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Council for approval.

7. Reporting Responsibilities

- 7.1 Pursuant to Section 41(8) of the Act the Committee is responsible to and reports direct to Council.
- 7.2 The Committee shall make whatever recommendations to the Council it deems appropriate on any area within its Terms of Reference where in its view action or improvement is needed.

8. Review

These terms of reference will be subject to review by the Council on a two (2) year basis, or as determined by Council.

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6.5 POLICY REVIEW - TREASURY MANAGEMENT POLICY

Record Number: D23/26580

Author: Director Finance

Authoriser: Chief Executive Officer

Attachments: 1. **Mark-up version of the Treasury Management Policy Reviewed in June 2023**  

EXECUTIVE SUMMARY

- The purpose of this report is to provide the Audit Committee with an opportunity to review Council’s Treasury Management Policy (the current policy).
- Council regularly reviews its policies to ensure they remain relevant and in line with current legislation and best practise.
- The current policy was last reviewed in April 2022 and therefore is not due for renewal.
- However, Council management have decided to review the current policy as a result of the recent review of the Council’s Long Term Financial Plan which forecast a net financial liability ratio above 100% in the short-to-medium term.
- It’s recommended to remove options to borrow funds on behalf of local community/sporting organisations so that Council has sufficient borrowing capacity to fund its own programs and projects.
- The proposed change, provided under **Attachment 1** to this report.
- In addition, minor changes have been made to the policy to reflect recently updated organisational structure.
- It is for the Audit Committee to consider whether it wishes to recommend any further amendments for consideration by the Council.

RECOMMENDATION

“that Audit Committee, having considered Item 6.5 – *Policy Review - Treasury Management Policy*, dated 3 July 2023, receives and notes the report and in doing so recommends to the Council that the updated Treasury Management Policy as presented in Attachment 1 to this report be adopted subject to following changes:-

a)”

BUDGET IMPACT

Estimated Cost:	Not applicable
Future ongoing operating costs:	Not applicable
Is this Budgeted?	Not applicable

RISK ASSESSMENTCouncil's borrowing capacity

Borrowings fund on behalf of local community and sports organisation may reduce Council's borrowing capacity to fund Council's own program and projects.

Collateral Risk

In the event of a default, local community and sports organisation may not have sufficient assets to provide as security against the loan from the Council which is a significant risk for the Council.

DETAILED REPORT**Purpose**

The purpose of this report is to provide Audit Committee with an opportunity to review Council's Treasury Management Policy (the current policy) and make appropriate recommendation to the Council for consideration at the July 2023 Ordinary Council meeting.

Background

The Treasury Management Policy was last reviewed by the Audit Committee, and subsequently reviewed and adopted by the Council, in April 2022.

Discussion

Adelaide Plains Council is currently in the process of updating Long Term Financial Plan for the ten (10) year period from 2023/2024 to 2032/2033. It forecasts a net financial liability ratio above 100% in the short-to-medium term. Therefore, in order to have adequate borrowing capacity to fund Council's planned operations, Council management recommends the removal of the ability to borrow funds on behalf of local community/sporting organisations (Clause 3.5) from the current policy.

In addition, above proposed change would save Council staff significant amount of time and effort that need to be invested in administering, evaluating and discussing requests for loan facility.

Furthermore, the current policy has also been updated to reflect Council's recently updated organisational structure including minor formatting changes.

Conclusion

It is proposed to update the Treasury Management Policy by removing the ability to borrow on behalf of local community/sporting organisations for operational efficiency and to ensure that Council has adequate borrowing capacity to fund its planned operations. It is for the Audit Committee to consider proposed changes and recommend any further amendments to the current policy for consideration by the Council.

ReferencesLegislation

Local Government Act 1999

Local Government (Financial Management Regulations) 2011

Other

LGA's Financial Sustainability Information Paper 15: Treasury Management

Audit Committee Annual Work Program

Revised Long Term Financial Plan 2024-2033

	Treasury Management Policy	
	Version Adoption by Council: 26 April 2022 TBC Resolution Number: 2022/091 TBC Current Version: V1.7 V1.8	
	Administered by: General Manager – Finance and Business Director - Finance	Last Review Date: 2022 2023 Next Review Date: 2024 2025
Document No: D22/6650D23/18426	Strategic Objective: Proactive Leadership Strategic and sustainable financial management	

1. Objective

Council is committed to adopting and maintaining a Long Term Financial Plan and operating in a financially sustainable manner.

This Policy establishes a decision framework to ensure that:

- funds are available as required to support approved outlays;
- interest rate and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed; and
- the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.

2. Scope

This Policy provides clear direction to Council and staff in relation to the treasury function of Council. It underpins Council’s decision-making regarding the financing of its operations as documented in its Annual Budget and Long Term Financial Plan and associated projected and actual cash flow receipts and outlays.

3. Specific Provisions/Responsibilities

3.1 Treasury Management Strategy

Council’s operating and capital expenditure decisions are made on the basis of:

- identified community need and benefit relative to other expenditure options;
- cost effectiveness of the proposed means of service delivery; and

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- affordability of proposals having regard to Council's long-term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Council's Net Financial Liabilities and Interest Cover ratios).

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

- maintain target ranges for its Net Financial Liabilities;
- not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties;
- borrow funds in accordance with the requirements set out in its Long Term Financial Plan; and
- 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.

3.2 Interest Rate Risk Exposures

Council has set range limits for both fixed and variable interest rate borrowings in order to minimise net interest costs on average over the longer term and at the same time manage interest rate movement risks within acceptable limits.

3.3 Fixed Interest Rate Borrowings

To ensure an adequate mix of interest rate exposures, Council will restructure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve and thereafter maintain on average in any year, of not less than 30% of its gross debt in the form of fixed interest rate borrowings.

In order to spread its exposure to interest rate movements, Council will aim to have a variety of maturity dates on its fixed interest rate borrowings over the available maturity spectrum.

In circumstances where Council needs to raise new fixed interest rate borrowings it will consider using medium to long term borrowings (3 years or more duration) that:

- have a fixed interest rate;
- require interest payments only; and
- allow the full amount of principal to be repaid (or rolled over) at maturity.

Council will ensure that no more than 25% of its fixed interest rate borrowings mature in any year.

3.4 Variable Interest Rate Borrowings

Council will restructure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve, and then maintain, not less than 30% of its gross debt on average in any year in the form of variable interest rate borrowings.

Note: Electronic version in Council's EDRMS is the controlled version. Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.

Council will establish, and make extensive use of, a long term variable interest rate borrowing facility/LGFA's Cash Advance Debenture facility, that requires interest payments only and that enables any amount of principal to be repaid or redrawn at call. The redraw facility will provide Council with access to liquidity when needed.

3.5 Borrowing for Council or Local Community/Sporting Organisations

No officer of the Council is authorised to undertake the establishment of a new loan facility without the authorisation of the Council.

~~Council will also not raise loan funds. Loans funds may be raised on behalf of local community and sporting organisation, that are situated within the Council area, the purpose of which should be for capital items or infrastructure.~~

~~Before providing loans to local organisation, the Council shall take into account:~~

- ~~the ability of the organisation to satisfactorily meet loan repayments~~
- ~~provision of security in the event that repayments cannot be met~~
- ~~a financial assessment must occur which shall include provision of the organisations' last three financial years activities and its projected activity following the provision of the loan funds~~

~~Each application made by a community or sporting organisation will be treated on a case by case basis. If approved, the Council shall disburse the funds to the organisation which shall provide an acquittal statement of use at the conclusion of the project being undertaken.~~

3.6 Investments

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 will be invested. The balance of funds held in any operating bank account that does not provide investment returns at least consistent with 'at call' market rates shall be kept at a level that is no greater than is required to meet immediate working capital requirements.

Council funds available for investment will be lodged 'at call' or, having regard to differences in interest rates for fixed term investments of varying maturity dates, may be invested for a fixed term. In the case of fixed term investments the term should not exceed a point in time where the funds otherwise could be applied to cost-effectively either defer the need to raise a new borrowing or reduce the level of Council's variable interest rate borrowing facility.

When investing funds Council will select the investment type that delivers the best value having regard to investment returns, transaction costs and other relevant and objectively quantifiable factors.

Staff may from time to time invest surplus funds in:

- deposits with the Local Government Financing Authority; and/or
- Interest bearing deposits with authorised Deposit-taking Institutions (ADIs) such as banks, building societies or credit unions where the Australian Government guarantees deposits up to \$250,000.

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Any other investment requires the specific approval of Council. Where Council authorises any investments of a type outside of those specified above, the amount so invested will be cumulatively limited to no more than 20% of the average level of funds expected to be available for investment by Council over the duration of the specific authorised investments.

3.7 Reporting

At least once a year Council shall receive a specific report regarding treasury management performance relative to this Policy. The report shall highlight:

- for each Council borrowing and investment – the quantum of funds, its interest rate and maturity date, and changes in the quantum since the previous report; and
- the proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period and an estimate of the average of these proportions across this period along with key reasons for significant variances compared with the targets specified in this Policy.

3.8 Reserves

Reserves are an allocation of Council's accumulated surplus. Council may establish various equity accounts called 'Reserves' to identify accumulated surpluses that will be used for specific future purposes. Separate bank accounts will not be established for reserves unless legally required to do so.

4. Related Documents

Annual Budget

Funding Policy

Long Term Financial Plan

Strategic Plan

5. Records Management

All documents relating to this Policy will be registered in Council's Record Management System and remain confidential where identified.

6. Document Review

This Policy will be reviewed periodically to ensure legislative compliance and that it continues to meet the requirements of Council its activities and programs.

Note: Electronic version in Council's EDRMS is the controlled version. Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.

7. References

Local Government Act 1999

LGA's Financial Sustainability Information Paper 15: Treasury Management (Revised February 2015)

8. Further Information

Members of the public may inspect this Policy free of charge on Council's website at <http://www.apc.sa.gov.au> or at Council's Principal Office at:

2a Wasleys Rd, Mallala SA 5502

A copy of this policy may be obtained on payment of a fee.

Any queries in relation to this Policy must be in writing and directed to the ~~General Manager – Finance and Business~~ [Director - Finance](#).

Note: Electronic version in Council's EDRMS is the controlled version. Printed copies are considered uncontrolled.
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6.6 POLICY REVIEW - ASSET MANAGEMENT POLICY

Record Number: D23/26581

Author: General Manager - Finance and Business

Authoriser: Chief Executive Officer

Attachments: 1. **Mark-up version of the Assets Management Policy Reviewed in June 2023** [↓](#) 

EXECUTIVE SUMMARY

- The purpose of this report is for Audit Committee to review Council’s current Asset Management Policy (the Current Policy)
- The Current Policy was last reviewed in August 2021.
- Council should regularly review its policies to ensure that they remain relevant and in line with current legislation and best practice.
- The Current Policy reviewed by the Council management is presented at **Attachment 1** to this report with no changes being proposed except for minor administrative and formatting changes.

RECOMMENDATION

“that Council, having considered Item 6.6 – *Policy Review - Asset Management Policy*, dated 3 July 2023, receives and notes the report and in doing so recommends to the Council that the updated Assets Management Policy as presented in Attachment 1 to this report be adopted subject to following changes:-

- a)”

BUDGET IMPACT

Estimated Cost:	Not applicable
Future ongoing operating costs:	Not applicable
Is this Budgeted?	Not applicable

RISK ASSESSMENT

The Asset Management Policy establishes a framework of broad principles relating to the management of Council’s assets to strategically manage assets to meet the long term needs of the Community.

Asset management practices impact directly on the core business of Council and responsible asset management is required to achieve Council’s strategic direction. A strategic approach to asset management will ensure that Council delivers the highest appropriate level of service and will assist in ensuring a consistent, fair and transparent approach regarding Council’s asset management.

DETAILED REPORT

Purpose

The purpose of this report is for Audit Committee to review Council's Asset Management Policy which provide a framework of broad principles relating to the management of Council's assets strategically to meet the long term needs of the Community.

Background

Council should regularly review its policies to ensure they remain relevant and in line with current legislation and best practise. As the Current Policy was adopted by Council in August 2021, it is timely that the Current Policy be reviewed.

Discussion

Attachment 1 provides marked-up version of the Asset Management Policy recently reviewed by the Council management review.

In addition to incorporating minor administrative/formatting changes, Council management is not proposing any changes to the current policy.

Conclusion

With a focus on ensuring Council Members and staff understand their obligations with regard to Asset Management strategic directions and objectives, Council management is satisfied that current policy provides clear direction and guidelines on Council's assets management.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Adelaide Plains Council's Infrastructure and Assets Management Plans

Audit Committee Annual Work Program 2022/2023

	Asset Management Policy	
	Version Adoption by Council: 23 August 2021 <u>TBC</u> Resolution Number: 2021/316 <u>TBC</u> Current Version: V1 <u>TBC</u>	
	Administered by: General Manager <u>Director</u> – Infrastructure and Environment	Last Review Date: 2021 <u>2023</u> Next Review Date: 2023 <u>2025</u>
DOCUMENT NO: D20/40631D23/18401	Strategic Outcome Enviably Lifestyle and Proactive Leadership Strategic Objective: Proactive Leadership Strategic and sustainable financial management	

1. Objective

This Policy has been developed to establish a framework of broad principles relating to the management of Council’s assets to strategically manage assets to meet the long term needs of the Community.

Asset management practices impact directly on the core business of Council and responsible asset management is required to achieve Council’s strategic direction. A strategic approach to asset management will ensure that Council delivers the highest appropriate level of service and will assist in ensuring a consistent, fair and transparent approach regarding Council’s asset management.

2. Scope

This policy applies to all Council activities; it provides the overall framework to guide the sustainable management of Council’s asset portfolio as a platform for service delivery and guidelines for implementing consistent asset management processes throughout the Council.

3. Definitions

Asset - property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than twelve (12) months;

Asset Management - the combination of management, financial, economic, and engineering and other practices applied to physical assets with the objective of providing the required service level in the most cost effective manner;

Levels of Service - service levels are a combination of functional criteria related to quality,

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quantity, reliability, responsiveness, environmental acceptability and cost, derived in consultation with clients, and used to measure an asset's performance;

Lifecycle Cost - the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs;

New Asset - the construction/purchase of an asset that is not currently part of Councils asset base;

Renewal - works required to upgrade, refurbish or replace existing assets with assets of equivalent capacity or performance capability.

4. Policy Statement

This Policy aims to ensure that adequate provision is made for the long-term replacement or renewal of assets by:

- ensuring that Council's services and infrastructure are provided in a sustainable and serviceable manner, with the appropriate levels of service to the community and environment;
- safeguarding Council's physical assets, including human resources, through the implementation of effective asset management strategies and the allocation of financial resources;
- creating an environment of awareness where Council employees take an integral part in the overall management of Council's assets;
- meeting legislative requirements for asset management;
- ensuring adequate resources are maintained and responsibility assigned for asset management; and
- demonstrating open, transparent and responsible asset management practices that align with best practice and Council's strategic direction.

5. Specific Provisions / Responsibilities

5.1 Background

Council is committed to implementing a systematic asset management framework, applying best practice principles across all areas of Council, ensuring that assets are planned, created, operated, maintained and renewed in accordance with Council's priorities for service delivery and legislative requirements.

Council's assets include:

- Buildings and Land;
- Community Waste Water Management Schemes (CWMS);
- Storm water and associated infrastructure;
- Transport and associated Infrastructure; and

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- Open Space Assets

A strategic approach to asset management will ensure Council delivers the highest appropriate level of service through its assets providing a positive impact on:

- the community, elected members and staff;
- Council's financial management;
- the ability of Council to deliver the expected level of service and infrastructure;
- the political environment in which Council operates; and
- Council legislative requirements.

5.2 Principles

5.2.1 A consistent Asset Management Strategy, inclusive of relevant legislative requirements, together with political, social and economic considerations must be taken in to account in the development of Council's asset management practices.

5.2.2 Asset management principles will be integrated within existing financial, planning and operational practices, this will include an inspection schedule ensuring agreed service levels are maintained and to identify asset renewal priorities.

5.2.3 Asset renewals, required to meet agreed service levels, and identified in the Asset Management Plans and Long Term Financial Plans will be fully funded in the annual budget estimates. Service levels defined in Asset Management Plans will be fully funded in the annual budget estimates. Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.

5.2.4 Systematic and cyclic reviews will be applied to all asset classes ensuring that assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.

5.2.5 Future life cycle costs will be assessed and reported with all decisions relating to new services and assets, and the upgrading of existing services and assets. Future service levels will be determined in consultation with the community and in accordance with Council's Public Consultation Policy.

5.5 Responsibility

The following key roles and responsibilities are identified in the management of this Policy:

5.5.1 Council

- to act as custodians of community assets; and
- to ensure sufficient resources are applied to manage the assets to legislative requirements.

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5.5.2 Chief Executive Officer

- to monitor and review the performance of employees in achieving the requirements of Council's Asset Management Strategy and associated plans; and
- to ensure sufficient resources are applied to manage the assets to legislative requirements.

5.5.3 Executive Management Team

- responsible for the development, management and review of an Asset Management Strategy, associated plans, practices and reporting on the status and effectiveness of Council's asset management;
- to monitor and review the performance of employees in achieving the asset management strategy, plans and practices;
- to ensure sufficient resources are applied to manage the assets to legislative requirements; and
- accountable for the management of assets within their areas of responsibility.

6. Related Documents

Fixed Assets Accounting Policy

Infrastructure and Asset Management Plans

Long Term Financial Plan

Residents Contributions to Road Sealing Policy

~~Strategic Plan 2017-2020~~ [Strategic Plan 2021-2024](#)

Public Consultation Policy

Disposal of Land & Assets Policy

Procurement Policy

Light Fleet, Plant and Heavy Vehicles Replacement Policy

7. Records Management

All documents relating to this Policy will be registered in Council's Record Management System and remain confidential where identified.

8. Document Review

This Policy will be reviewed periodically to ensure legislative compliance and that it continues to meet the requirements of Council its activities and programs.

9. References

Note: Electronic version in TRIM is the controlled version. Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.

Local Government Act 1999

10. Further Information

Members of the public may inspect this Policy free of charge on Council's website at www.apc.sa.gov.au or at Council's Principal Office at:

2a Wasleys Rd, Mallala SA 5502

On payment of a fee, a copy of this policy may be obtained.

Any queries in relation to this Policy must be in writing and directed to the [General Manager](#) [Director - Infrastructure and Environment](#).

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6.7 RISK MANAGEMENT FRAMEWORK UPDATE

Record Number: D23/26779

Author: People and Culture Advisor

Authoriser: Director Corporate Services

Attachments: Nil

EXECUTIVE SUMMARY

The purpose of this report is for Audit Committee to make a recommendation to Council for the Risk Management workshops to be undertaken by Bentleys with the support and participation of the Elected Members (and the Executive Management Team).

Council's management team facilitated a workshop with the Elected Body and Bentleys held on 8 May 2023, however, sadly participation by Members was low and the meeting did not embrace the subject matter, nor the presenters, leading to the Chief Executive Officer calling an early end to the workshop.

The scope of work is as follows:

- Engage with Elected Members and Executive Management on draft risk appetite statements
- Prepare and deliver risk appetite workshop with Elected Members - determine risk appetite by risk consequence
- Prepare and deliver risk tolerance workshop with Elected Members - determine risk tolerance levels against risk appetite
- Draft risk appetite statements with risk tolerance levels for Elected Member endorsement

RECOMMENDATION

“that Council, having considered Item 6.7 – *Risk Management Framework Update*, dated 3 July 2023, receives and notes the report and in doing so recommends to Council that the Risk Management workshops facilitated by Bentleys occur in August 2023, with full support and participation by the Elected Members.”

BUDGET IMPACT

Estimated Cost: \$ 10,000

Future ongoing operating costs: Nil

Is this Budgeted? Yes

RISK ASSESSMENT

A risk assessment was completed within 'Skytrust' and the risk rating score is **13 'High'**. In order to reduce the risk rating score to a residual risk rating score of **9 'Medium'**, it is critical the risk management workshops occur as per scope of works and the Risk Management Procedure (Framework) is reviewed, training is provided and process implemented by Council staff.

DETAILED REPORT

Purpose

The purpose of this report is for Audit Committee to make a recommendation to Council for the Risk Management workshops to be undertaken by Bentleys with the support and participation of the Elected Members (and the Executive Management Team).

Background

- The Risk Management Policy was last reviewed and endorsed by Council in November 2022.
- The Risk Management Procedure (Framework) was last reviewed in 2017 and was due to be reviewed in 2020.
- The Local Government Association Mutual Liability Scheme (LGAMLS) are currently assisting Council review the Risk Management Procedure (Framework) and provide training to the Elected Members, Executive Management Team and staff.
- An important element of this review is Council's Risk Appetite and Tolerance, however the LGAMLS were unable to assist with this piece of work and there was no capacity internally.
- Council therefore engaged an external consultant to undertake this piece of work (in line with Council's Procurement Policy) and Bentleys were successful in being selected.
- Workshops were scheduled to occur on 8 and 15 May 2023 with the Elected Members and Executive Management Team.
- During the first workshop on 8 May 2023, resistance by some Elected Members occurred, and the CEO and Mayor decided to abandon the workshop and postpone until July 2023, when all Elected Members were present and engaged in the process.

Discussion

A part of reviewing the Risk Management Procedure (Framework) is to review Council's Risk Appetite and Risk Tolerance, in consultation with the Elected Members and Executive Management Team.

As mentioned above, Bentleys have been engaged to facilitate the review of Council's Risk Appetite and Risk Tolerance and draft risk statements for Council.

The scope of work is as follows:

- Engage with Elected Members and Executive Management on draft risk appetite statements
- Prepare and deliver risk appetite workshop with Elected Members - determine risk appetite by risk consequence
- Prepare and deliver risk tolerance workshop with Elected Members - determine risk tolerance levels against risk appetite
- Draft risk appetite statements with risk tolerance levels for Elected Member endorsement

Engagement Approach

Bentleys engage and collaborate with their clients through structured risk workshop activities. This ensures that deliverables are informed by corporate knowledge, council vision, and community

expectations. This approach has the advantage of identifying staff with areas of knowledge and speciality that can contribute as 'risk champions' to continually enhance the culture and performance of risk at Council.

Conclusion

The Executive Management Team is satisfied with the scope of works provided by Bentleys and recommends these workshops occur to ensure the review of the Risk Management Procedure (Framework) is undertaken, staff training is provided, and Council's Risk Management System is implemented.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Risk Management Policy

Risk Management Procedure (Framework)

WHS and Risk Management Plan

7 REPORTS FOR INFORMATION

7.1 COMMITTEE RESOLUTIONS

Record Number: D23/26591

Author: Director Finance

Authoriser: Chief Executive Officer

Attachments: 1. Outstanding Audit Committee Resolutions [↓](#) 

OVERVIEW

Purpose

The purpose of this report is to provide an update to the Audit Committee on the outstanding Committee resolutions yet to be actioned.

Discussion

Audit Committee resolutions that require actioning by Council Management are captured in the Committee's Resolution Register and presented to each meeting of the Audit Committee.

One (1) resolution remains outstanding from the February 2020 Audit Committee meeting which requires staff to develop: -

- new policy framework in relation to Council's credit card and travel expenditure.

In addition, one (1) resolution from November 2022 Audit Committee is outstanding, which relates to:

- the development of Draft Fraud and Corruption Prevention Policy.

RECOMMENDATION

"that the Audit Committee, having considered Item 7.1 – *Committee Resolutions*, dated 3 July 2023, receives and notes the report."

References

Legislation

N/A

Council Policies/Plans

Audit Committee Annual Work Program 2022/2023

2020 Audit Committee Resolution Register								
D20/6624								
Meeting Date	Items No.	Title	Resolution Description	Resolution Number	Responsible Department	Status	Comment	Date Completed
10-Feb-20	9.1	Committee Resolution	“that the Audit Committee, recommend to Council that a report be prepared reviewing the adequacy of current Council policies in light of the recent Ombudsman reports on credit card and travel expenditure.”	2020/016	Finance and Corporate Services	Ongoing	<p>Progress update was provided to 7 November 2022 meeting. Refer to the agenda item 7.3 titled 'Reporting of Credit Card Transactions'. Of note, are the additional annual reporting requirements included in the LG reforms in relation to credit card reporting and interstate/international travel.</p> <p>Gifts and Benefits for council employees have also been elevated directly into the LG Act (as opposed to the previous Code of Conduct) and so no policy is required for this.</p> <p>The LGA CEO network is currently looking at a unified sector approach in discussion with the LGA to develop a policy framework on credit card and travel expenditure.</p> <p>With this guidance, Council will be in a better position to consider its policy position in this regard.</p>	

2022 Audit Committee Resolution Register								
D20/6624								
Meeting Date	Items No.	Title	Resolution Description	Resolution Number	Responsible Department	Status	Comment	Date Completed
44872	7.4	Update on Finance Related Policies	“that Council, having considered Item 7.4 – Update on Finance Related Policies, dated 7 November 2022, receives and notes the report and in doing so resolves to include an annual update of Council’s Policy Review schedule within the Audit Committee Annual Work Program and requests that the Chief Executive Officer bring back, to a future meeting of the Committee, a: 1. Draft Rates Policy and 2. Draft Fraud and Corruption Prevention Policy.”	2022/63	Finance	In progress	Draft Rating Policy was presented to 13 February Audit Committee meeting. New Fraud and Corruption Prevention Policy is currently been drafted and will be provided to September Audit Committee meeting after staff consultation.	

7.2 INTERIM AUDIT 2022/2023 - MANAGEMENT REPORT

Record Number: D23/26860

Author: Director Finance

Authoriser: Chief Executive Officer

Attachments: 1. Interim Management Report 2022/2023 Issued by Galpins  

RECOMMENDATION

“that the Audit Committee, having considered Item 7.2 – *Interim Audit 2022/2023 - Management Report*, dated 3 July 2023, receives and notes the report.”

Purpose

The purpose of this report is to present to the members of the Audit Committee, management report issued by Council Auditor Galpins following their interim audit visit for the 2022/2023 Financial Year that took place from 14 June 2023 to 16 June 2023.

Background

The objectives of the interim audit as advised by Galpins are to: -

- understand Council’s business, business cycles and processes relevant to the financial statements;
- understand the internal controls in place for the areas Galpins consider critical for the audit of the financial statements;
- design internal controls tests for the internal controls identified;
- perform the internal controls tests to determine the final risks of material misstatements in the financial statements to be addressed in our final audit; and
- review a prioritised list of internal financial controls Galpins consider critical for the purpose of issuing a controls opinion.

Section 129 (Clause 3) of the *Local Government Act 1999* states as follows with regard to audit opinion on internal financial controls: -

- (3) The auditor must provide to the council—
 - (a) an audit opinion with respect to the financial statements; and
 - (b) an audit opinion as to whether the controls audited under subsection (1)(b) are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law.
- (4) The auditor must also provide to the council written advice on particular matters arising from an audit.
- (5) The auditor must specifically identify in the advice under subsection (4) any irregularity in the council's accounting practices or the management of the council's financial affairs identified by the auditor during the course of an audit.

(5a) The auditor will provide the opinions under subsection (3) and the advice under subsection (4)—

(a) to the principal member of the council (who must ensure that copies of the documents are provided to the chief executive officer, and that copies are provided to the other members of council for their consideration at the relevant meeting under subsection (5b) or subsection (5c)); and

(b) to the council's audit committee.

Discussion

During the interim audit, the main focus was on Council's internal financial controls and its effectiveness in order to determine if there were any matters or concerns that would impact the decision-making ability of the users of the Council's annual financial report.

Galpins assessed 65 internal financial controls of the Council to ensure compliance with the *Local Government Act 1999* and *Local Government (Financial Management) Regulation 2011* and their 2023 findings are summarised in the table below in comparison to 2022 and 2021.

Business cycles	Controls Reviewed	Operating Effectively			2023 Findings			
		2023	2022	2021	H	M	L	BP
Purch/Procur/Contracting	7	5	5	6	-	1	1	-
Fixed Assets	8	8	8	6	-	-	-	-
General Ledger	8	7	7	5	-	-	1	-
Accounts Payable	8	8	7	7	-	-	-	-
Rates / Rates Rebates	8	8	7	7	-	-	-	-
Payroll	11	11	11	10	-	-	-	-
Banking	5	5	5	5	-	-	-	-
Credit Cards	5	5	5	4	-	-	-	-
Debtors	3	3	3	3	-	-	-	-
Receipting	2	2	2	2	-	-	-	-
Total	65	62	61	55	-	1	2	-

As indicated in the above table Galpins have brought to the attention of the Council management three (3) 'Moderate and Low Risk Weaknesses' in internal financial controls. They are;

- 1) Purchases for which evidence of procurement procedures undertaken were not provided;
- 2) Instance of a supplier with no formal contract in place; and
- 3) A need to review certain allocations of users and profiles to key finance roles in Authority;

Please refer to the Interim Management Letter contained under **Attachment 1** for the responses provided by the Council management for the three (3) controls weaknesses identified by Galpins.

Following the interim audit visit, Galpins have concluded that *'that there is a high likelihood of issuing an unmodified controls opinion at the end of the financial year. This will depend on the Council demonstrating continued progress towards addressing identified control weaknesses, ensuring that the existing core controls in place continue to operate effectively and that the annual internal control activities are performed at year end.'*

The final audit visit is expected to occur from 9 October to 11 October.

References

Legislation

Local Government Act 1999

Local Government (Financial Management) Regulation 2011

Council Policies/Plans

Audit Committee Annual Work Program 2022/2023

Audit Committee Terms of Reference

Galpins

Accountants, Auditors & Business Consultants

Financial Controls Review

Adelaide Plains Council

2022/23 Interim Management Letter



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Adelaide Plains Council

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 Financial Controls Review – Adelaide Plains Council

Interim management letter 2023

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1. EXECUTIVE SUMMARY

1.1 Background

During our interim audit we perform procedures to gain an understanding of the internal controls in place relevant to the financial statements and perform tests of design and effectiveness for these controls. Based on the results of the control testing, we then assess the audit risks to define the extent and nature of our substantive procedures (e.g. inspection of documents, recalculation, reconciliation, etc) for our final visit.

In addition to an opinion on the financial statements, section 129 of the Local Government Act 1999 requires auditors to provide an opinion regarding internal controls of councils. This opinion focuses on Council's obligations under s125 of the Local Government Act 1999:

"A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records."

The audit opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

In order to assist the Council in addressing the requirements of s129, we have reviewed a prioritised list of controls from the better practice model based on our initial audit risk assessment. Further details about our scope can be found in item 1.2 of this report.

1.2 Objectives and scope

The objectives of our interim audit were to:

- understand Council's business, business cycles and processes relevant to the financial statements
- understand the internal controls in place for the areas we consider critical for the audit of the financial statements
- design internal controls tests for the internal controls identified
- perform the internal controls tests to determine the final risks of material misstatements in the financial statements to be addressed in our final audit
- review a prioritised list of internal financial controls we consider critical for the purpose of issuing a controls opinion.

The scope of our audit included a review of internal controls we consider key controls to be in place for the purpose of addressing the requirements of s129.



These key internal controls consist of a prioritised list of controls from the better practice model. This list was defined based on our risk assessment to determine the key business cycles, and key risks within these business cycles, that we understand should be the focus of the Council's control self-assessment.

The identification of key core controls and key business risks included the following risk assessment procedures:

Risk review – A review of Council's inherent risk assessment for internal financial controls.

Financial statement review – A high level financial statement review performed to identify key accounts and transaction streams.

Internal / external audit results review – The findings and recommendations of internal / external financial audits are reviewed to identify known areas of weakness, and areas known to be attracting audit attention.

The key core controls for the following key business cycles have been identified as critical for the purpose of issuing a controls opinion this financial year:

- Purchasing and Procurement/Contracting
- Fixed Assets
- General Ledger
- Accounts Payable
- Rates / Rates Rebates
- Payroll
- Banking
- Credit Cards
- Debtors
- Receipting

We have included a list of key controls identified by the audit for these business cycles as an appendix to this report (see Appendix 1). This list does not represent a complete population of internal controls that the Council should have in place. There is an expectation that controls not in this list will still exist and be operating effectively within Council.

The list of controls is only intended to be a guide for Council to prioritise its resourcing in readiness for the audit opinion, and for the ongoing monitoring of internal controls i.e. it is a risk based listing of controls which may be desirable for Council to include in its ongoing monitoring program for internal financial controls.

The list should not be considered a minimum standard – rather, it is a starting reference point for Council to consider. It is expected that Council will have performed a risk assessment of financial risks, and given consideration to the need to monitor controls that address High / Extreme risks that may not be included in this listing.



1.3 Category of findings

In order to assist the Council in establishing the overall level of control effectiveness and prioritising areas for attention, we have provided an overall assessment of the business cycles for which we have identified performance improvements opportunities (this report is prepared on an exception basis).

We assessed each business cycle using our risk assessment which was focused on the risk of finding material weaknesses which could lead to a modified controls opinion in the 2022/23 financial year. An overall assessment of the risk of a potential modified audit opinion per business cycle is provided in item 1.5 of this report.

Detailed findings including the controls tested as per the Better Practice Model, findings and recommendations are provided in section 2 of this report. The individual findings are also rated to assist the Council in prioritising corrective actions.

The overall assessment of the risk of non-compliance with s125 of the Local Government Act 1999 and the related findings and recommendations were rated as follows:

Category	Description
High Risk Weaknesses	The issue described could lead to a material weakness in the Council’s internal controls and non-compliance with s125 of the Local Government Act.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the Council’s internal controls and non-compliance with s125 of the Local Government Act.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the Council’s financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the Council’s internal controls and non-compliance with s125 of the Local Government Act.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

The Council should also perform its own assessment of priority based not only on audit risks, but also other risks management considers relevant such as non-compliance with pertinent legislations and regulations, and reputational risks.



1.4 Overall review of the Council's internal controls

Overall the Council demonstrated a satisfactory level of compliance with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim visit we found that the majority of key internal controls reviewed were in place and were operating effectively (62 out of 65 core controls reviewed).

The principles underpinning the model were used by the Council in the identification of its business cycles, the establishment of its internal controls and the implementation of its financial risk management processes.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively			2023 Findings			
		2023	2022	2021	H	M	L	BP
Purch/Procur/Contracting	7	5	5	6	-	1	1	-
Fixed Assets	8	8	8	6	-	-	-	-
General Ledger	8	7	7	5	-	-	1	-
Accounts Payable	8	8	7	7	-	-	-	-
Rates / Rates Rebates	8	8	7	7	-	-	-	-
Payroll	11	11	11	10	-	-	-	-
Banking	5	5	5	5	-	-	-	-
Credit Cards	5	5	5	4	-	-	-	-
Debtors	3	3	3	3	-	-	-	-
Receipting	2	2	2	2	-	-	-	-
Total	65	62	61	55	-	1	2	-

We recommend that Council prioritises the high and moderate risk findings, as failure in compensating controls addressing the same risk or existence of multiple moderate weakness within the same business cycle may lead to a material weakness and non-compliance with s125 of the Local Government Act.

Audit have concluded that there is a high likelihood of issuing an unmodified controls opinion at the end of the financial year. This will depend on the Council demonstrating continued progress towards addressing identified control weaknesses, ensuring that the existing core controls in place continue to operate effectively and that the annual internal control activities are performed at year end.



1.5. Summary of findings

Business Cycle	Findings	Risk
Purch Procurement/ Contracting	2.1.1 Purchases for which evidence of procurement procedures undertaken were not provided	M
	2.1.2 Instance of a supplier with no formal contract in place	L
Fixed Assets	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
General Ledger	2.2.1 A need to review certain allocations of users and profiles to key finance roles in Authority	L
Accounts Payable	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
Rates	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
Payroll	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
Banking	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
Credit cards	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
Debtors	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A
Receipting	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act	N/A



2. DETAILED AUDIT FINDINGS

2.1 PURCHASE AND PROCUREMENT/CONTRACTING

2.1.1 Purchases for which evidence of procurement procedures undertaken were not provided		Moderate
Control	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflict of interest	
Risk	Council does not obtain value for money in its purchasing and procurement.	

Finding	Recommendations	Management Response												
<p>The Procurement Policy provides the following guidance on the procurement method to be used by Council:</p> <table border="1"> <thead> <tr> <th>Value of the purchase</th> <th>Method of procurement</th> <th>Decision Making responsibility</th> </tr> </thead> <tbody> <tr> <td>\$10,001 - \$100,000</td> <td>Three (3) Written Quotations or one (1) Written Quotation from Panel</td> <td>Chief Executive Officer and General Managers – within the limit of their delegated purchasing authority and the approved budget</td> </tr> <tr> <td>\$100,001 - \$500,000</td> <td>Open Tender or Select Tender (minimum three (3) tenderers) Where justification exists or three (3) Written Quotations from Panel. Also includes Request for Expression of Interest</td> <td>Chief Executive Officer. Where the CEO determines that a tender is of commercial or community sensitivity, approval must be obtained by Council resolution.</td> </tr> <tr> <td>\$500,001 and above</td> <td>Open Tender</td> <td>Council resolution</td> </tr> </tbody> </table>	Value of the purchase	Method of procurement	Decision Making responsibility	\$10,001 - \$100,000	Three (3) Written Quotations or one (1) Written Quotation from Panel	Chief Executive Officer and General Managers – within the limit of their delegated purchasing authority and the approved budget	\$100,001 - \$500,000	Open Tender or Select Tender (minimum three (3) tenderers) Where justification exists or three (3) Written Quotations from Panel. Also includes Request for Expression of Interest	Chief Executive Officer. Where the CEO determines that a tender is of commercial or community sensitivity, approval must be obtained by Council resolution.	\$500,001 and above	Open Tender	Council resolution	<p>Evidence of procurement procedures undertaken to select suppliers are documented and retained on file.</p> <p>Whenever procurement procedures are not undertaken as per policy and an exemption is provided, reasons for the exemption are documented in writing, approved as detailed in the procurement policy, and retained in Council’s records management system.</p>	<p>Council management agree with the audit recommendation with regard to the documentation of procurement method undertaken.</p> <p>Through training and education of staff, Council will ensure that the future procurements are well documented in line with the Procurement Policy.</p> <p>However, as from the management responses provided below on each example, Council has ensured value for money in its procurement activities and improvement required is in relation to:</p> <ul style="list-style-type: none"> - documentation of reasoning when departed from the Procurement Policy; and - relevant record keeping. <p>Supplier #86 - As per Council’s Procurement Policy, purchase order to engage supplier #86 was approved by the CEO. Invoice issued by the supplier was also approved by CEO. Evaluation form can be signed by the</p>
Value of the purchase	Method of procurement	Decision Making responsibility												
\$10,001 - \$100,000	Three (3) Written Quotations or one (1) Written Quotation from Panel	Chief Executive Officer and General Managers – within the limit of their delegated purchasing authority and the approved budget												
\$100,001 - \$500,000	Open Tender or Select Tender (minimum three (3) tenderers) Where justification exists or three (3) Written Quotations from Panel. Also includes Request for Expression of Interest	Chief Executive Officer. Where the CEO determines that a tender is of commercial or community sensitivity, approval must be obtained by Council resolution.												
\$500,001 and above	Open Tender	Council resolution												



<p>The Procurement Policy also provides that the Chief Executive Officer has the authority to provide an exemption from using the required method of procurement in order to pursue a method which will bring the best outcome for the Council. Reasons for any exemption to the procurement method must be documented and attached to the approved invoice and filed in Council’s records management system.</p> <p>The Procurement Procedure provides examples of documents where Council can record and summarise the evaluation method, results and recommendation for acceptance by an appropriate delegate. These include:</p> <ul style="list-style-type: none"> - RFQ Evaluation Report (for purchases between \$10,001 and \$100,000) - Tender Evaluation Matrix / Tender Evaluation report (for purchases over \$100,000). <p>For purchases over \$100,000, the Procurement Framework also provides that if the purchase amount is budgeted, the CEO can approve the execution of the agreement. If the purchase amount is not budgeted, Council must approve the execution of the agreement.</p> <p>Audit selected a number of suppliers for review based on cumulative spend and noted the following:</p> <ul style="list-style-type: none"> - Supplier #86 - Total cumulative spend for the first nine months of the 2022/23 FY: \$484,000. Council provided appropriate evidence of the procurement procedures undertaken to engage the supplier, however the evaluation form provided was not signed by the CEO. - Suppliers #3905 and #3431 – Total cumulative spend for the first nine months of the 2022/23 FY: \$135,760 and \$97,260 respectively. Council did not provide evidence of the procurement procedures undertaken to engage the supplier (i.e. no evaluation matrix and/or evaluation form was provided). 		<p>Director or CEO and in this instance, it was signed by the Director.</p> <p>Suppliers #3905 – Due to specialized nature of the work involves, Council undertook Request for EOI by directly contacting the supplier. As there was single EOI, evaluation matrix and/or evaluation form was not completed. However, Council did have a Minor Works Agreement with the supplier which was signed by the CEO.</p> <p>Supplier #3431 – This supplier provides short-term labor hire to the Council. Due to very competitive labor market and our past experience dealing with several labor hire companies, Council is of the view that Supplier #3431 provides reliable and skilled staff at a very competitive rates compared to others.</p> <p>Council has a service agreement with this supplier. However, it doesn’t have an end date because Council use these temporary staff on an ad-hoc bases not an ongoing basis.</p> <p>Supplier #3851 - Due to specialized nature of the work involves and the availability to undertake the work, Council undertook Request for EOI by directly contacting the supplier. As there was single EOI, evaluation matrix and/or evaluation form was not completed. Following the EOI, Council issued a purchase order which was approved by the CEO.</p> <p>Supplier \$3401 – Due to administrative oversight, the evaluation form was not signed by the CEO or a General</p>
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<ul style="list-style-type: none"> - Supplier #3851 - Total cumulative spend for the first nine months of the 2022/23 FY: \$107,628. Council only provided the quote submitted by the supplier. No other supporting document was provided demonstrating that council followed the procurement method required by the procurement policy. - Supplier #3401 – Total cumulative spend for the first nine months of the 2022/23 FY: \$90,277. Council provided appropriate evidence of the procurement procedures undertaken to engage the supplier, however the evaluation form (or any other document providing evidence of the approval for the award of the agreement) was not signed by the CEO or a General Manager. 		<p>Manager. However, Council has an agreement in place with the supplier which was signed by the Director.</p>
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2.1.2 Instance of a supplier with no formal contract in place		Low
Control	Employees must ensure that all purchases are in accordance with Council’s Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	
Risk	Council does not obtain value for money in its purchasing and procurement.	

Finding	Recommendations	Management Response															
<p>The Procurement Procedure provides the following guidance on contracting arrangements with suppliers:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #e0e0e0;">Amount</th> <th style="background-color: #e0e0e0;">Method of Procurement</th> <th style="background-color: #e0e0e0;">Contracting</th> </tr> </thead> <tbody> <tr> <td>Up to \$100,000</td> <td>Panel contracting purchasing</td> <td>Successful supplier should be issued with an appropriate agreement or purchase order.</td> </tr> <tr> <td>Less than \$10,000</td> <td>Informal quotation (not being panel contract purchase)</td> <td>Successful supplier should be issued with a purchase order.</td> </tr> <tr> <td>\$10,000 - \$100,000</td> <td>Three written quotes (not being panel contract purchase)</td> <td>Successful supplier should be issued with an appropriate agreement (e.g. Minor Works, Services Agreement, Agreement for Purchase of Goods).</td> </tr> <tr> <td>Over \$100,000</td> <td>Select and open tender</td> <td>A draft agreement should be developed using one of Council’s standard templates.</td> </tr> </tbody> </table> <p>Audit reviewed a sample of suppliers based on cumulative spend and noted the following supplier with no contract in place:</p> <ul style="list-style-type: none"> - Supplier #3851 (total cumulative spend for the first nine months: \$107,628) Required Method of Procurement: Select/Open Tender Project: Provision of Earthworks for Port Parham Camp Ground. <p>Management advised that council did not enter contracts with the supplier because there were purchase orders in place for these services. Audit acknowledges that issuing a purchase order (containing sufficient terms and conditions of the purchase) may be sufficient in some instances. However, the procurement procedure requires Council to</p>	Amount	Method of Procurement	Contracting	Up to \$100,000	Panel contracting purchasing	Successful supplier should be issued with an appropriate agreement or purchase order.	Less than \$10,000	Informal quotation (not being panel contract purchase)	Successful supplier should be issued with a purchase order.	\$10,000 - \$100,000	Three written quotes (not being panel contract purchase)	Successful supplier should be issued with an appropriate agreement (e.g. Minor Works, Services Agreement, Agreement for Purchase of Goods).	Over \$100,000	Select and open tender	A draft agreement should be developed using one of Council’s standard templates.	<p>Council ensures that there are formal agreements in place with suppliers with significant cumulative spend, and that works are not commenced prior to signing of contracts.</p> <p>Council reviews the procurement Policy / procedures with a view to providing:</p> <ul style="list-style-type: none"> - further clarity on when contracts must be used, and when purchase orders are sufficient, based on, for example, the nature of the goods / services, complexity, risks involved, and key terms and conditions required. - guidance on the use of purchase orders / entering of contracts for purchases up to \$100,000 procured through panel contracting (including consideration of overarching contracts established when joining the panel to reduce the need for specific contracts for individual services provided thereafter). 	<p>Agree with the Auditor’s recommendations.</p> <p>These comments have been noted and will be included in the current review of the Procurement Policy and Procedures including refresher training to staff that will be completed in the 2023/24 Financial Year.</p>
Amount	Method of Procurement	Contracting															
Up to \$100,000	Panel contracting purchasing	Successful supplier should be issued with an appropriate agreement or purchase order.															
Less than \$10,000	Informal quotation (not being panel contract purchase)	Successful supplier should be issued with a purchase order.															
\$10,000 - \$100,000	Three written quotes (not being panel contract purchase)	Successful supplier should be issued with an appropriate agreement (e.g. Minor Works, Services Agreement, Agreement for Purchase of Goods).															
Over \$100,000	Select and open tender	A draft agreement should be developed using one of Council’s standard templates.															

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enter into an agreement (i.e. contract) for the methods of procurement required to procure the supplier listed above.

Further, audit is of the view that the method of procurement used (as recommended by the procurement procedure) is not necessarily the only relevant factor to be considered when deciding whether to enter into a contract with a supplier. There are other important factors such as the nature of the goods or services to be provided, complexity and risks involved in their delivery, that are not addressed by the procurement procedures.

In addition, the procurement procedure does not provide guidance on when to use purchase orders versus when to enter a contract for panel contracting involving purchases of up to \$100,000 (current requirement is to issue a purchase order *'or'* a contract). It is important that Council has a well-defined process to provide clear direction on when a contract must be entered, and when a purchase order is sufficient to cover all terms and conditions.



2.2 GENERAL LEDGER

2.2.1 A need to review certain allocations of users and profiles to key finance roles in Authority		Low
Control	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	
Risk	General Ledger does not contain accurate financial information / Data contained within the General Ledger is permanently lost.	

Finding	Recommendations	Management Response
<p>Finance Management has implemented appropriate mechanisms to review lists of users with access to different finance modules in Authority.</p> <p>Audit performed a review of the users with access to key finance modules in Authority and noted the following access allocations:</p> <ul style="list-style-type: none"> Module: Accounts Payable <p>Menu access: data entry, enquiry, maintenance functions, periodic processing, processing, reports.</p> <p>Allocated users (12 users): CIVICA Pty Ltd, K L CLARKE (Finance Support Officer), S D Murphy (IT officer), R I Udugampola (finance director), T A HARRIS-HOWSON (senior IT officer), IT ADMINISTRATOR, APC DEVELOPMENT ACCOUNT, C BOWDEN (payroll and accounts officer), J HOOPER (customer service officer), J KLAHARN (procurement advisor), C VANDERMOLEN (accountant), H STRANGE (customer support officer).</p> 	<p>Finance Management assesses whether the number / nature of roles allocated to the profiles listed in the finding currently pose any risk to the business.</p> <p>Finance Management continues to review a list of users with access to key finance modules in Authority to ensure adequate segregation of duties in the finance system.</p>	<p>Annual review of access to finance module in Authority will be conducted in July. Going forward, it will be undertaken every quarter to ensure all the access controls are up-to-date.</p>



<ul style="list-style-type: none"> Module: Payroll Menu access: ATO reporting, Audit control, codes maintenance, data entry, employee kiosk control, employee names enquiry, leave, maintenance functions, monthly processing, PY enquiry, periodic processing, processing, reports – codes, reports – employees, reports – leave, reports – pay cycle processing, statistics, work pattern enquiry. Allocated users (12 users) – CIVICA Pty Ltd, K L CLARKE (Finance Support Officer), A ROSS (People and Culture Advisor), S D MURPHY (IT Officer), T A HARRIS-HOWSON (Senior IT Officer), IT ADMINISTRATOR, APC DEVELOPMENT ACCOUNT, N EDMONDS (Civica officer), C BOWDEN (Payroll and accounts officer), L R MCLENNAN (WHS and risk advisor), C VANDERMOLEN (accountant), T ABRAHAM (WHS and risk advisor). Module: Rates Menu access: Data Entry and Maintenance, Direct Debits, EOY/Rates Calculation, End of Month, Instalments, Miscellaneous, Modelling, Parameters, Pensioners, Rates Browser Enquiry, Rates Bulk Enquiry, Rates Enquiry, Reports, Revaluations, Supplementaries. Allocated users (10 users) – CIVICA Pty Ltd, K L CLARKE (Finance Support Officer), P BUCHMANN (rates officer), S D MURPHY (IT officer), R I UDUGAMPOLA (finance director), T A HARRIS-HOWSON (senior IT officer), IT ADMINISTRATOR, APC DEVELOPMENT ACCOUNT, C BOWDEN (payroll and accounts officer), C VANDERMOLEN (accountant). <p>Audit acknowledges that Management may consider some of the above access rights to be appropriate. The purpose of listing them here is to</p>		
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recommend that Management reviews and formally considers the access rights described above when next performing a formal review of a complete list of IT users' access rights.		
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APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS



Purchasing and Procurement

Risks

R1	Council does not obtain value for money in its purchasing and procurement.
R2	Purchase orders are either recorded inaccurately or not recorded at all.
R3	Purchase orders are made for unapproved goods and services.

RISKS	Control	Control Type
R1	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1	Employees must ensure all purchase orders are issued in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies	Core
R3	Purchase order numbers are either system generated and/or sequentially numbered.	Core
R3 R2	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core

CONTRACTING

Risks

R1	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.
R2	Council does not obtain value for money in relation to its Contracting.

RISKS	Control	Control Type
R1	Council maintains a current contract register.	Core
R2	Tender Documents are kept securely.	Core
R1	There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	Core



FIXED ASSETS

Risks

R1	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent.
R2	Fixed assets are inadequately safeguarded.
R3	Fixed Assets are not valued correctly initially or on subsequent revaluation.
R4	Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals.
R5	Fixed Asset maintenance and/or renewals are inadequately planned.

RISKS	Control	Control Type
R1	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Core
R5	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Core
R1	Asset register calculations are reviewed for accuracy.	Core
R4	Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Core
R1	Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Core
R1	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Core
R3	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans	Core
R1	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Core



GENERAL LEDGER

Risks

R1	General Ledger does not contain accurate financial information
R2	Data contained within the General Ledger is permanently lost.

RISKS	Control	Control Type
R1 R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	All journals, including manual entries, identify date posted, narration, author, journal and posting reference.	Core
R1 R2	Financial data is backed up and stored offsite.	Core
R1 R2	General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts is completed in accordance with a schedule of review and/or procedure.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core



ACCOUNTS PAYABLE

Risks

R1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
R2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
R3	Disbursements are not authorised properly.
R4	Accounts are not paid on a timely basis.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R5	Access to the supplier masterfile is restricted to authorised staff	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R5	Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately.	Core
R4	Relevant staff to review aged payables listing on a predetermined basis and investigate where appropriate.	Core
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Core
R2	Separation of Accounts Payable and Procurement duties.	Core



RATES / RATES REBATES

Risks

R1	Council does not raise the correct level of rate income.
R2	Rates and rate rebates are either inaccurately recorded or not recorded at all.
R3	The Property master file data does not remain pertinent.
R4	Rates are not collected on a timely basis.

RISKS	Control	Control Type
R3	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Core
R2	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Core
R2	Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Core
R2	Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process	Core
R4	There is a Process in place to ensure that rates are collected in a timely manner and overdue rates are followed up.	Core
R1	Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Core
R2	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run.	Core
R1	There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Core



PAYROLL

Risks

R1	Payroll expense is inaccurately calculated.
R2	Payroll disbursements are made to incorrect or fictitious employees.
R3	Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
R4	Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
R5	Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
R6	Employees termination payments are not in accordance with statutory and enterprise agreements.

RISKS	Control	Control Type
R5	All calculations for generating payroll payments are verified for accuracy.	Core
R2	Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Core
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core
R4	The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff.	Core
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R1 R3	There is a process in place to ensure accurate data entry of payroll source documents.	Core
R2	There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Core
R1 R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R2 R6	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R2	There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc).	Core
R3	Time recording and attendance exceptions such as TOIL or flexitime are based on relevant policies/agreement are identified, monitored and corrected.	Core



BANKING

Risks

R1	Banking transactions are either inaccurately recorded or not recorded at all.
R2	Fraud (i.e. misappropriation of funds)

RISKS	Control	Control Type
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1 R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core
R2	Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff.	Core
R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core
R2	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Core



CREDIT CARDS

Risks

R1	Credit Cards are issued to unauthorised employees.
R2	Credit Cards are used for purchases of a personal nature.
R3	Credit Card limits are set at inappropriate levels.

RISKS	Control	Control Type
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council.	Core
R1	Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	Core
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	Core
R3	There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency.	Core
R1 R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	Core



DEBTORS

Risks

R1	Debtors are either inaccurately recorded or not recorded at all.
R2	Debtors are either not collected on a timely basis or not collected at all.

RISKS	Control	Control Type
R1	Debtor's reconciliation is performed on a regular basis to the General Ledger and reviewed by an appropriate person.	Core
R2	Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts.	Core
R1	The organisation maintains a Debt Collection Policy and/or procedure.	Core

RECEIPTING

Risks

R1	Receipts are either inaccurately recorded or not recorded at all.
----	---

RISKS	Control	Control Type
R1	Receipt transactions are reconciled to the daily takings and out-of-balance banking is corrected promptly.	Core
R1	There is a review process for the authorisation of the reversal of transactions.	Additional

7.3 BUSINESS CONTINUITY PLAN

Record Number: D23/26546

Author: People and Culture Advisor

Authoriser: Director Corporate Services

Attachments: 1. **Business Continuity Plan - 2023**  

OVERVIEW

Bentleys were engaged in late December 2022 to review and develop Council's Business Continuity Plan (BCP).

The Scope of works was as follows:

- Review current BCP and emergency management arrangements
- Identify and validate BCP governance arrangements, critical services, and critical functions
- Develop a 'BCP Concept Plan' that complements other plans with an APC emergency management framework
- Engage with decision-makers to ensure that the 'Concept Plan' provides a scalable and intuitive approach to the management of BCP incidents
- Incorporate a support structure reflecting current issue resolution approach and the role of key technical staff
- Develop response and recovery plans for critical services and functions with maximum allowable outage (MAO), recovery time objective (RTO) analysis
- Produce a draft BCP for testing and review
- Exercise draft BCP through a simulated scenario approach
- Identify actions informed by MAO and RTO to enhance organisation resilience
- Produce a final BCP and present to Council's Audit Committee

Consultation and endorsement of the BCP occurred in May 2023.

RECOMMENDATION

"that the Audit Committee, having considered Item 7.3 – *Business Continuity Plan*, dated 3 July 2023, receives and notes the report."

Purpose

To purpose of this report is to advise the Audit Committee that the Business Continuity Plan (BCP) has been reviewed, updated and endorsed.

Background

In 2015 Adelaide Plains Council engaged Local Government Risk Services (LGRS) to develop a Business Continuity Plan. This plan was last reviewed in 2018 and was overdue for review.

Discussion

Work to review the BCP commenced in mid-2022 and at that time it was deemed that the scope of work required to bring the BCP to standard would be too time intensive to be completed internally. The procurement process was implemented and Bentleys were engaged in December 2022 to review and develop Council's BCP.

The Scope of works was as follows:

- Review current BCP and emergency management arrangements
- Identify and validate BCP governance arrangements, critical services, and critical functions
- Develop a 'BCP Concept Plan' that complements other plans with an APC emergency management framework
- Engage with decision-makers to ensure that the 'Concept Plan' provides a scalable and intuitive approach to the management of BCP incidents
- Incorporate a support structure reflecting current issue resolution approach and the role of key technical staff
- Develop response and recovery plans for critical services and functions with maximum allowable outage (MAO), recovery time objective (RTO) analysis
- Produce a draft BCP for testing and review
- Exercise draft BCP through a simulated scenario approach
- Identify actions informed by MAO and RTO to enhance organisation resilience
- Produce a final BCP and present to Council's Audit Committee

Review and consultation occurred with the key stakeholders including the Executive Management Team, Managers and specialist staff who have key roles and responsibilities within the Plan.

The Executive Management Team endorsed the BCP on 10 May 2023.

Attachment 1 is the finalised Business Continuity Plan.

Conclusion

Following endorsement of the BCP, Council is required to address the following key actions:

- ICT - Disaster Response Action Plan
- Generator Back up – Monitoring and Testing
- Investigate Lease/ Hire Service options
- Develop List of Suppliers/ Contractors
- Train all staff
- Consider connecting power to transfer station as contingency for Depot
- Schedule testing plan - biennially

References

Legislation

Local Government Act 1999

Council Policies/Plans

Emergency Management Policy

Emergency Management Plan



Business Continuity Plan

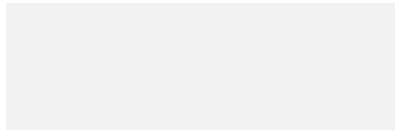


Business Continuity Plan – May 2023

Endorsement

This document has been reviewed and endorsed by Adelaide Plains Council Executive Management Team. As a result, these arrangements have been approved for use.

Signed





Version Control

Version	Date	Document Number	Summary of Changes	Author
1	May 2023	D23/10405	New issue	Bentleys and WHS and Risk Advisor

Business Continuity Plan – May 2023

Incident Coordination Centre locations

1st **Mallala Depot**
21 Aerodrome Road
MALLALA  8527 0200

2nd **Principal Office/Chamber**
2A Wasleys Road
MALLALA  8527 0200

3rd **Two Wells Service Centre**
69 Old Port Wakefield Road
TWO WELLS  8527 0200

The Mallala Depot is the **Primary** site.

The use of **back-up sites** will be on a needs basis to support the restoration of services.

Business Continuity Plan – May 2023

1. Introduction and Overview

Plan Structure

The Business Continuity Plan (BCP) is written in **six (6) sections**:

- 1. Introduction and Overview**
- 2. Incident Management Guidance**
- 3. Service Response and Recovery plans**
- 4. Essential Facilities plans**
- 5. Business Continuity Governance**
- 6. Supporting Information**

Relationship to other plans

While not a part of the Business Continuity Plan the Corporate Emergency Management Plan, Incident Operations Arrangements, Emergency Control Plan, ICT Business Continuity Plan, ICT Disaster Recovery Plan, and other related contractual documents such as Contracted Services Business Continuity & Recovery Plans provide support to achieve business continuity outcomes.

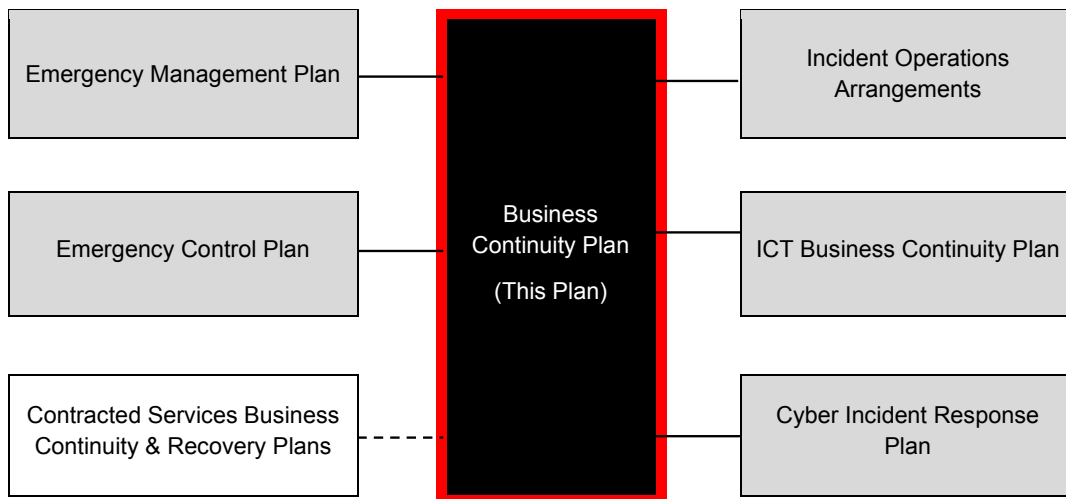


Figure 1. Depicts the relationship between the BCP and other emergency management and related plans.

Business Continuity Plan – May 2023

How the Plan is written

The Business Continuity Plan is written to reflect the capabilities and capacity of the organisation as well as the need to manage business continuity risk and respond quickly to a business continuity incident.

Throughout the plan you will note that there is an intention to provide for a scalable approach to reflect the organisation capabilities and current conventions. Scalability is provided through empowering staff to resolve service interruptions and supported is by an **Incident Management Structure** that is scalable relative to the incident severity and extent of services impacted.

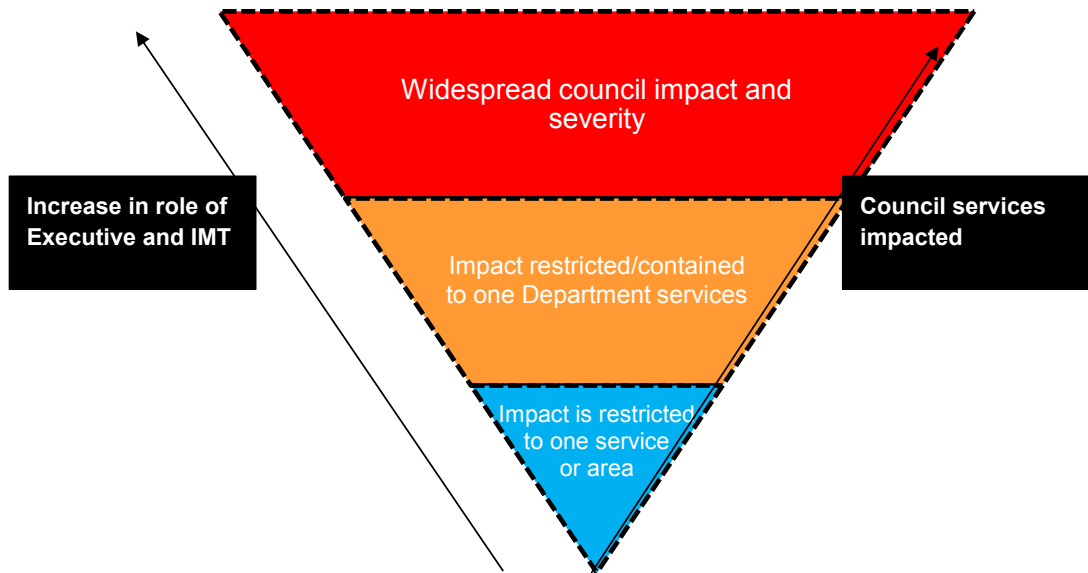


Figure2. Depicts how an increase in business continuity incident impact and severity will see an increase in the role of APC Executive and the formation of the IMT to coordinate the response and recovery.

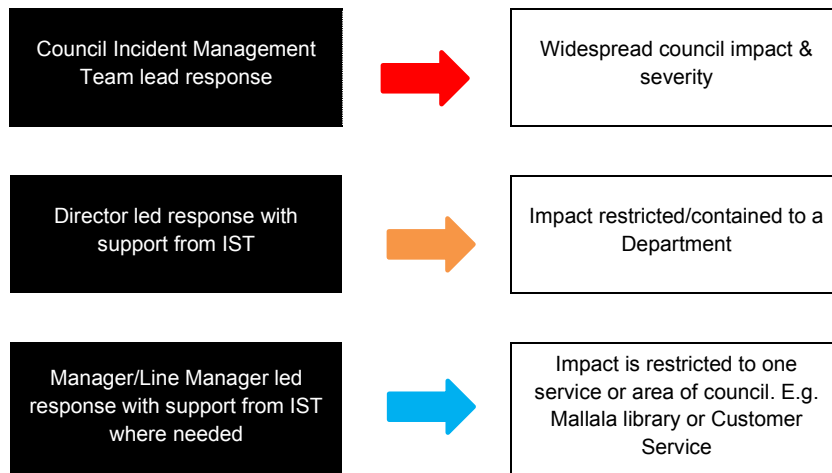


Figure 3. Provides an example of how the incident management structure may be applied relative to the business continuity incident severity and impact.

Business Continuity Plan – May 2023

2. Incident Management Guidance

Incident management structure

The Business Continuity Plan recognises the capability and knowledge that exists within the business and the need for a scalable incident management structure.

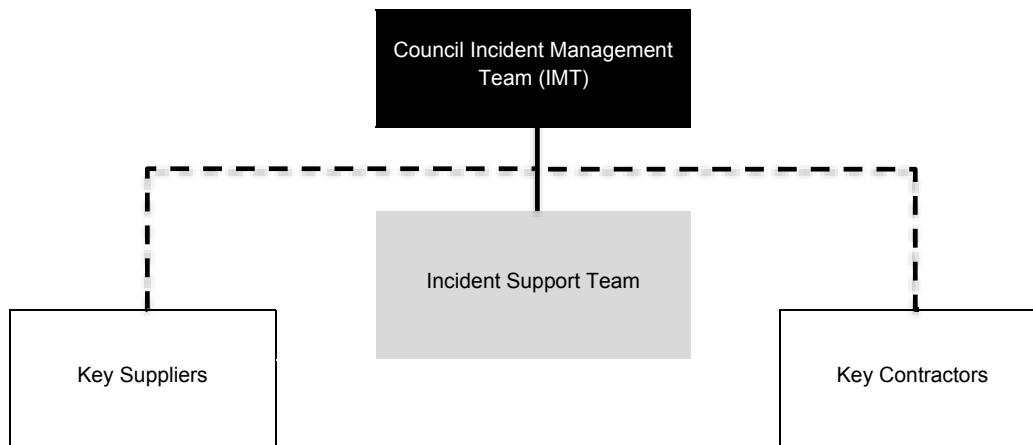


Figure 4. Depicts the incident management hierarchy structure provided by the Incident Management Tea, the Incident Support Team and support that can be provided by Key Suppliers and Key Contractors.

Council Incident Management Team

The Council Incident Management Team (IMT) comprises of the Executive Management Team.

IMT Chair

The Director Corporate Services is the IMT chair for business continuity incidents, and the CEO may assume the chair role in some circumstances.

If an IMT has been established for an emergency situation, the Director of Corporate Services will lead the business continuity efforts until the emergency response is complete then will assume the IMT Chair role.

IMT objective:

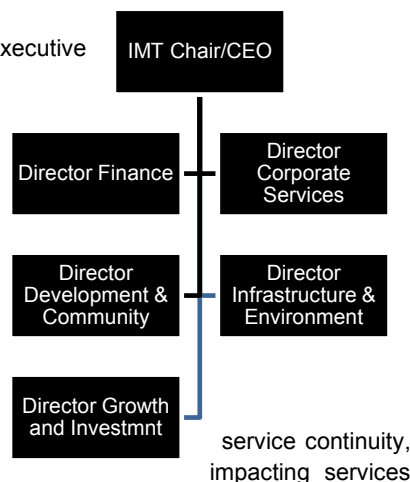
The primary objective of the IMT is to lead the organisation to maintain and to respond to and recover from a business continuity incident that is organisation wide.

The IMT achieves this through coordinating resources to reduce the impact and recover from any loss or disruption as soon as practicable.

In delivering the objective the IMT recognises the importance of:

- Frequent communication with and between staff, elected members, and stakeholders
- Supporting staff to achieve the required objectives/desired outcomes.
- Maintaining a 'span of control' to ensure that activity required is appropriately resourced and is delivered in an efficient, effective, and safe manner.
- Safety in the workplace.
- Maintaining record keeping during the incident.

The IMT is supported in the achievement of objectives by the **Incident Support Team (IST)** and **Key Suppliers/Contractors**.



Business Continuity Plan – May 2023

When is an IMT likely to form?

The forming of an IMT will generally only occur when:

- There is a widespread loss of council services, or,
- An emergency incident is occurring within the APC area and there is potential to impact upon many council services (at this stage an IMT may already be in place and Director Corporate Services will lead business continuity); or,
- There is a need to coordinate with many resources/suppliers external to council.

If there is a need to form an IMT there will also be a need for an IST to form to support the restoration of council services.

The *BCP Coordinator* provides support to a Director or the IMT and may be required to contact/coordinate the forming of the IST.

Incident Support Team (IST)

The Incident Support Team is comprised of managers/Line Managers and specialist staff from across council.

Staff occupying the positions detailed in the table below can be requested to perform as an Incident Support Team member. This will occur when their individual and collective knowledge and expertise is required to support the response and recovery from a business continuity incident.

In addition to the technical and specialist support provided by the IST members, they may also coordinate the services of key contractors and key suppliers during a business loss or interruption.

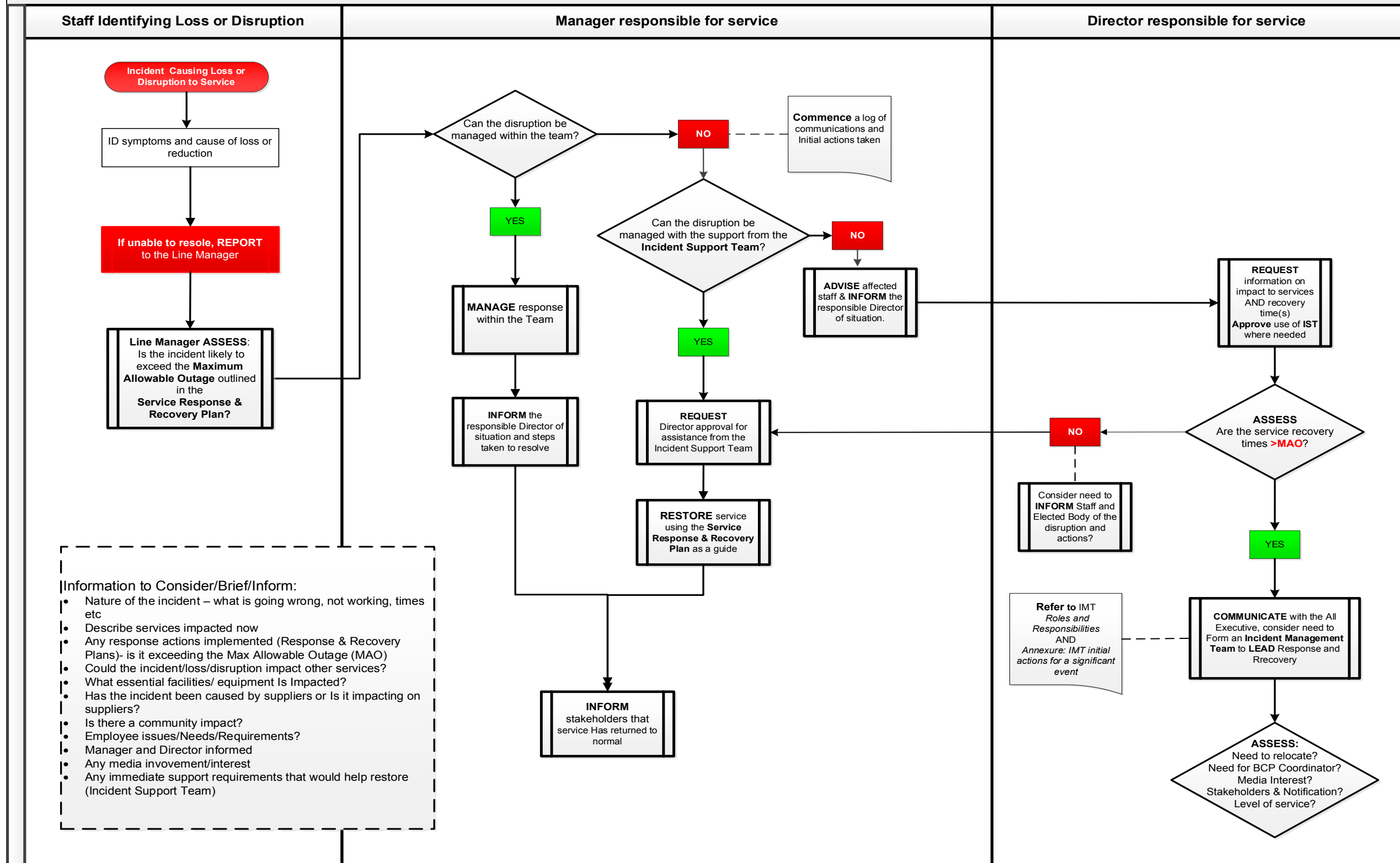
IST members:	Alternate:
WHS and Risk Advisor (BCP Coordinator)	An alternate IST member may be sought internally or from key suppliers/contractors based upon the incident and available expertise
Senior IT Officer	
Information Management Officer	
Marketing & Communications Officer	
People & Culture Advisor	
Manager, Engineering (Property & Buildings matters)	

Key Suppliers/Key Contractors

Key Suppliers and Key Contractors can provide support during a business continuity incident and provide key services in a similar manner to day-to-day operations.

Business Continuity Plan – May 2023

In Assess, Report, Manage, and Lead a disruption or loss of service continuity



Business Continuity Plan – May 2023

Council services with legal timeframes

Legislation	Service	Legal timeframe	Consequence
Section 7 Searches	Section 7 Searches	8 business days	Civil litigation
Planning, Development & Infrastructure Act, 2016	Development Services – planning assessment	5 days to 12 weeks from time of lodgement*	DA approved
Freedom of Information Act, 1991	Freedom of Information application processing	30 days	Possible Ombudsman investigation

Note to PDI legal time frame: When commencing development assessment, 12 weeks is allowed for more information to be provided. The assessment 'clock' restarts when the information is received - https://plan.sa.gov.au/development_applications/getting_approval/how_applications_are_assessed/assessment_stages

Services by Maximum Allowable Outage

The following services are assessed as critical services based upon the (Maximum Allowable Outage) MAO and impact to council/community from an unscheduled loss/interruption.

Services / Business Activity	MAO	Service Owner
Customer Service	1 hour	Director Corporate Services
Information Technology	1 hour	Director Finance
Community Safety	1 day	Director Development & Community
Environmental Health	1 day	Director Development & Community
Engineering	1 day	Director Infrastructure & Environment
Information Management	1 day	Director Corporate Services
Development Services	1 day	Director Community & Development
Civil Construction & Maintenance	2 days	Director Infrastructure & Environment
Library & Community Services	2 days	Director Development & Community
Governance	4 days	Director Corporate Services
Property	4 days	Director Corporate Services
Help Desk	5 days	Director Finance
Finance	5 days	Director Finance
Marketing & Communications	5 days	Director Corporate Services
Open Space & Environment	5 days	Director Infrastructure & Environment
People & Culture	5 days	Director Corporate Services
WHS & Risk	5 days	Director Corporate Services
Transfer station	10 days	Director Infrastructure & Environment
Procurement	20 days	Director Finance

Service response and recovery plans are contained by Department in *Section 2*.

Note: Further service plans may be added in the future, and a **blank template** is provided in Supporting Information for this purpose.

Business Continuity Plan – May 2023

Essential Facilities

Essential facilities are a facility or building that is essential for the delivery of council services.

Essential Facility	
Principal Office	Mallala Depot
Two Wells Library	Council chamber
Waste transfer station	Two Well Service Centre

Essential Facility Plans that support the continuity of services to the community are contained in *Section 3*

Essential ICT Infrastructure

Essential Infrastructure	MAO	Services Supporting
Telephone VOIP (Phone Server, SIP Box)	1 hour	All services
Network	1 hour	All services
NBN – internet & phones	1 hour	All services
Servers	1 hour	All services
YourDC	1 hour	All services
Firewall	1 hour	All services
Emails	1 hour	All services
CompNow	1 hour	All services
Website	2 hours	All services

Refer to Section 6 - Essential ICT infrastructure – Disaster Response Actions

Essential ICT Suppliers

Essential Suppliers	MAO	Services Supporting
Swoop (Internet & network provider)	1 day	All council services
NBN internet	1 hour	All council services
Telstra mobile network	1 hour	All council services
Servers (Your DC)	1 hour	All council services
Microsoft	1 hour	All council services
Ubuntu	1 hour	All council services
YourDC	1 hour	All council services
Civica	1 day	All council services
Konica – Minolta printers	2 days	All council services
CompNow	6 months	All council services
LGA Squiz website	2 hours	All council services

THE MAO is based up on the respective council service delivery. Refer to the *Cyber Incident Response Plan* for ICT response actions.

Business Continuity Plan – May 2023

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3. Service Response and Recovery plans by Department



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Corporate Services combined – Equipment & Resources

Equipment/ staff		No.	Minimum equipment/ staff		No.
Director		1	Director/Manager Governance		1
Manager Governance		1	WHS & Risk Advisor		1
Manager Business Improvement		1	People & Culture Advisor		1
Management Organisation Development		1	Marketing & Communications Officer		1
WHS & Risk Advisor		1	Property Officer		1
People & Culture Advisor		1	Senior/Information Management Officer		1
Marketing & Communications Officer		1	Customer Service officers		1
Property Officer		1	Administration Support		1
Governance Administration Officer		1	Laptop		9
Senior Information Management Officer		1	Desk		9
Information Management Officer		1	Mobile phone		8
Line Manager Customer Service/ Admin Support Officer		1			
Customer Service Officer		4			
Administration Support Officers		2			
Laptop		22			
Desk/Double Monitors		22			
Office phone		22			
Mobile phone		8			
Dependencies	Internal		Internal/External		External
		Essential ICT equipment		Council chamber	Utilities – Power/NBN
		Content Manager		Couriers/AusPost	Contractor- Telstra
		Info Council		Legal providers	LGA Website
	Council records/files		Lands Title website	YourDC	

Business Continuity Plan – May 2023

Corporate Services Response & Recovery Plans

Service	MAO
Governance	1 day

Council impact	External impact
Support for elected body	Community perception
Legal compliance	

Services/functions	MAO
Elected member support	1 day
Council agenda and minutes	1 day
Annual report	20 days

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Staffing	Resource from team	40	0hrs
Info Council	Revert to MS word	100	0hrs
Content Manager	Retain and register later	100	1hr
Printer	Seek another internally or retail	100	4 hrs
Council chamber	Use Two Wells of another suitable site	100	1 hr

Incident Support Team Members	
Senior IT Officer	
Information Management Officer	
Manager Governance	

Service key contacts

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Unable to access Building/Facility?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY exceed MAO?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Supplier/Service Provider	Phone/email	Other relevant information

Initial actions log

	Time/Date	Action required	Action taken
Advised Line Manager			
Advised Director (Where required)			
Advised Internal stakeholders			
Advised External Stakeholders (Where required)			
Other			

Business Continuity Plan – May 2023

Service	MAO
WHS and Risk	5 days

Council impact	External impact
People safety/wellbeing	Community safety
Legal compliance	Customer inconvenience
Financial	Community perception

Services	MAO
Policy and procedures	6 months
Assurance	40 days
Incident Investigation	5 days
Liaison with Worker’s Compensation Scheme	10 days

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Staffing	Staff to assume role	50	0hrs
Info Council	Revert to MS word	100	0hrs
Content Manager	Retain and register later	100	1hr
Printer	Seek another internally or retail	100	4 hrs
Skytrust	Contact supplier to invoke ICT BCP arrangements	100	0hrs

Incident Support Team Members
Senior IT Officer
WHS and Risk Advisor
Manager Organisation Development

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Unable to access Building/Facility?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

- Analyse the business impact:
- What is impacted?
 - Who is impacted?
- Request support to recover service
- Confirm a recovery time for service and dependencies
 - Will the FULL RECOVERY **exceed MAO?**

- <MAO**
- Restore fully or consider reduced service capacity/capability
 - Advise Director
 - Request IST support if required?

- >MAO**
- If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service key contacts			
Supplier/Service Provider	Phone/email	Other relevant information	
Initial actions log			
	Time/Date	Action required	Action taken
Advised Line Manager/Manager			
Advised Director (Where required)			
Advised Internal stakeholders			
Advised External Stakeholders (Where required)			
Other			

Business Continuity Plan – May 2023

Service	MAO
People and Culture	5 days

Council impact	External impact
People safety/wellbeing	Community perception
Legal compliance	
Financial	

Services	MAO
Policy and procedures	6 months
Recruitment and selection	5 days
Organisation review	20 days
Performance management	2 days
Training/Induction	5 days
EB negotiations	20 days

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Director to assume role with contractor support	50	0hrs
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Info Council	Revert to MS word	100	0hrs
Content Manager	Retain and register later	100	1hr
Authority	Use email and memo	100	4 hrs
Skytrust	Contact supplier to invoke ICT BCP arrangements	100	0hrs
Recruitment websites	Use LGA and/or council website	50	1 day
EAP	Seek another provider	100	5 days
Legal	Use LGA panel	100	8 hrs

Incident Support Team Members
Senior IT Officer
Manager Organisation Development
Contractors

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Loss of supplier?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY **exceed MAO?**

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service	MAO
Customer Service	1 hour

Council impact	External impact
People safety/wellbeing	Community safety
Legal compliance	Customer inconvenience
Financial	Community perception

Services	MAO
Receipt of monies	3 days
Customer requests/phone calls	1 hour
Lodge customer requests	4 hours
Section 7 searches	8 days

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Seek internal or temp staff	90	0hrs
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Printer(s)	Configure/use another	100	1hr
Info Council	Revert to MS word	100	0hr
Content Manager	Seek hardcopy of files	100	1hr
Authority	Manual receipt	100	4hrs
EFTPOS	Use/source another	100	1hr
Cash float	Defer customers to council website	100	0hr

Incident Support Team Members	
Senior IT Officer	
Manager Business Improvement	
Line Manager Customer Service/ Administration Support Officer	

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Unable to access Building/Facility?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY **exceed MAO?**

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service	MAO
Information Management	1 day

Council impact	External impact
Legal compliance	Community perception
Financial	

Services	MAO
Records management	5 days
Freedom of Information requests	15 days
Info Mailbox	1 day
Incoming Australia Post Mail	5 days
Content Management system administration	10 days
Training	10 days

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team or seek temp staff	60	0hrs
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Content Manager	Create a manual register/maintain email until IT recovery	30	0hr
Printer/Scanner	Use another printer/retail	100	1day
Sack truck	Source internal or purchase	100	1day
Hard-copy records	Update Content Manager to reflect event/location	100	5days

Incident Support Team Members
Senior IT Officer
Information Management Officer
Manager Business Improvement

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Unable to access Building/Facility?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

- Analyse the business impact:
- What is impacted?
 - Who is impacted?
- Request support to recover service
- Confirm a recovery time for service and dependencies
 - Will the FULL RECOVERY **exceed MAO**?

<MAO

- Restore fully or consider reduced service capacity/capability
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Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service		MAO
Property		4 days
Council impact		External impact
Legal compliance	Community perception	
Financial		

Services		MAO
Property management leasing and licensing	20 days	
Property maintenance	10 days	
Lease and licences	4 days	

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team or contractor	40	0hrs
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Content Manager	Seek hardcopy files (where relevant)	30	0hr
Printer	Use another printer/retail	100	1day
Legal provider	Select another from preferred supplier list	100	5days

Incident Support Team Members	
Property Officer	
Senior IT Officer	
Information Management Officer	
Manager Governance	

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Unable to access Building/Facility?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY **exceed MAO**?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service	MAO
Marketing and Communications	5 days

Council impact	External impact
Legal compliance	Community perception
Efficiency	Community wellbeing

Services	MAO
Marketing and communications	5 days
Social media	5 days
Website	5 days
Public Relations and Media management	20 days
Newsletter	20 days

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team or contractor	40	0 hrs
ICT system or PC failure	WFH/Alternate location	100	1 hr
	IT to repair/purchase	100	1 hr
Facebook, Twitter, Instagram	Use another social media platform or council website	60	1 hr
	Change strategy	100	1 mth
Mayor and/or Exec	Seek another to support	100	1 hr
Design supplier	Seek an alternate	100	5days
Print supplier	Seek an alternate	100	5days

Incident Support Team Members	
Property Officer	
Senior IT Officer	
Information Management Officer	
Manager Governance	

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Unable to access Building/Facility?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY **exceed MAO**?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

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If interruption exceeds MAO, then support Director to lead recovery

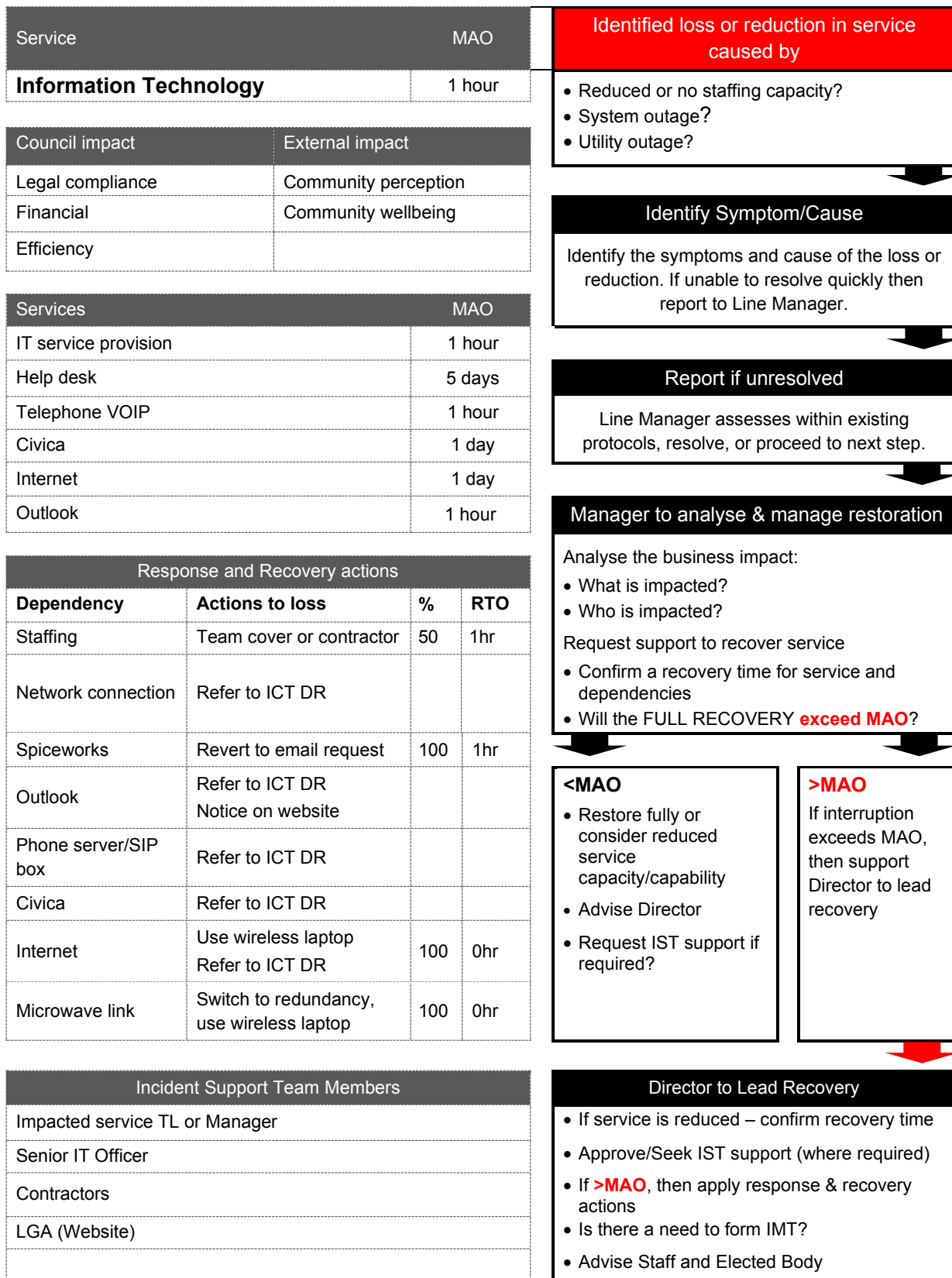
Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service key contacts			
Supplier/Service Provider	Phone/email	Other relevant information	
Initial actions log			
	Time/Date	Action required	Action taken
Advised Line Manager/Manager			
Advised Director (Where required)			
Advised Internal stakeholders			
Advised External Stakeholders (Where required)			
Other			

Business Continuity Plan – May 2023



Business Continuity Plan – May 2023

Finance combined – Equipment & Resources

Equipment/ staff	No.
Director – Finance	1
Accountant	1
Payroll & Accounts Officer	1
Finance Support Officer	1
Rates Officer	1
Procurement Officer	1
Laptop/docking station	8
Screens	16
Desk	8
Office phone	8
Mobile phone	1
Cheque printer	1
Printer	1

Minimum equipment/ staff	No.
Director – Finance /Accountant	1
Payroll & Accounts Officer/Finance Support Officer	1
Rates Officer/Payroll & Accounts	1
Office phone	2
Mobile phone	1
Printer	1

	Internal	External	External
Dependencies	MS Office suite	Civica	Utilities – Power/NBN Contractor- Telstra

Business Continuity Plan – May 2023

Finance Response & Recovery Plans

Service	MAO
Finance	5 days

Council impact	External impact
Legal compliance	Community perception
Financial	Community wellbeing
Asset condition	

Services/Functions	MAO
Treasury management	5 days
Statutory reporting	5 days
Annual business plan and budget	5 days
LTFP	20 days
Accounts Payable and Payroll	5 days
Accounts Receivable	20 days
Rates (date sensitive)	1 day
Cemetery (date sensitive)	3 days

Service Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team or contractor	50	1hr
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Printer	Use another/configure	100	1hr
Payroll	Revert to last pay	80	1hr
	Bank backup file	80	4hrs
Bank outage	Advise debtors and issue website notice	TBC	TBC

Incident Support Team Members
Accountant
Finance staff
Director Finance
Senior IT Officer

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- System outage?
- Utility outage?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY **exceed MAO**?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service	MAO
Procurement	20 days

Council impact	External impact
Legal compliance	Community perception
Financial	Community wellbeing
Efficiency	

Services	MAO
Procurement/Contract Management	20 days
Collaborative Procurement w Light and Gawler	40 days
Tendering	20 days
Purchasing	20 days
Policy and procedures	12 months
Training	12 months

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team or contractor	80	1hr
	Council staff to conduct own procurement activity	100	5days
	Seek support from Gawler and/or Light	50	1day
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Content Manager	Save and register later	100	0hr

Incident Support Team Members
Procurement Officer
Director Finance
Senior IT Officer

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- System outage?
- Utility outage?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

- Analyse the business impact:
- What is impacted?
 - Who is impacted?
- Request support to recover service
- Confirm a recovery time for service and dependencies
 - Will the FULL RECOVERY **exceed MAO**?

- <MAO**
- Restore fully or consider reduced service capacity/capability
 - Advise Director
 - Request IST support if required?

- >MAO**
- If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Civil Construction & Maintenance

Equipment/ staff	No.	Minimum equipment/ staff	No.
Line Manager	1	Line Manager/senior leading worker	1
Senior leading worker/grader operator	1	Leading worker	1
Construction Grader	2	Senior worker	1
Leading worker	3	Patrol grade operator	1
Senior worker	1	Construction Grader	1
Construction worker	9	Construction worker	4
Utility	4	Utility	3
Grader	3	Grader	2
Tipper trucks – tandem and single, tandem and dog trailer	3 of each	Tipper trucks – tandem/singe	1 of each
Water cart	1	Water cart	1
Front end loader	1	Front end loader	1
Backhoe	1	Backhoe	1
Skid steer	1	Skid steer	1
Excavator	1	Excavator	1
Double drum roller	1	Double drum roller	1
Crane truck	1	Crane truck	1
Tractor / roller	1	Tractor / roller	1
Tools and small plant	Assorted	Tools and small plant	Assorted
Mobile telephone	10	Mobile phone	6
Dependencies	Internal	Internal/External	External
	Essential ICT equipment	Waste Contractor	Utilities – Power/NBN
	Content Manager Info Council	Transfer station Quarry contractor	Vehicle/Plant maintenance Plant contractors

Business Continuity Plan – May 2023

Open Space & Environment

Equipment/ staff	No.	Minimum equipment/ staff	No.
Line Manager	1	Line Manager/Leading Worker	1
Leading Worker	1	Open Space and Environment Officer	1
Open Space and Environment Officers	3	Mobile phone	2
Trainee Open Space and Environment	1	Laptop	1
Mobile phone	6	Utility	1
Laptop	1	Weed spray utility	1
Utility	2	Trucks (Water)	1
Weed spray utility	1	Zero turn mower & Trailer	1
Trucks (Chipper & Water)	2	Water tank and pump	1
Zero turn mower & Trailer	1	Tractor with slasher	1
Chipper	1	Front deck mower	1
Water tank and pump	1	Small plant & tools	assorted
Tractor with slasher	1	Horticulture chemicals & tools	assorted
Front deck mower	1		
Small plant & tools	assorted		
Horticulture chemicals & tools	assorted		
Dependencies	Internal	External	External
	Essential ICT equipment	Horticulture contractors	Utilities – Power/NBN
	Content Manager	Retail suppliers/hire companies	Telstra
	Info Council	Temp agency	Chemical suppliers

Business Continuity Plan – May 2023

Infrastructure & Environment – Response & Recovery Plans

Service	MAO
Engineering	1 day

Council impact	External impact
Legal compliance	Community perception
Financial	Community safety & wellbeing
Asset condition	

Services/Functions	MAO
Asset maintenance	10 days
Wastewater management	1 day
Security and access control	20 days
Playground maintenance	5 days
Building maintenance	10 days
Public toilet maintenance	5 days
Stormwater pump station maintenance	1 day
Capital project management	20 days

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team or contractor	50	1hr
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Generator	Seek contractor pump/hire	100	1day
Tools/equipment	Purchase/hire	100	1day
Pump(s)	Hire, purchase, repair	100	5days
Waste pump	Hire, seek contractor	100	1day
Vehicle	Seek within Council/ hire	100	1hr

Incident Support Team Members
Maintenance & Project Officer
Asset Management Officer (TBC)
Manager Operations
Contractor

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- System outage?
- Utility outage?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY exceed MAO?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service	MAO
Civil Construction & Maintenance	2 days

Council impact	External impact
Asset condition	Community safety & wellbeing
Financial	Community perception
Legal compliance	

Services	MAO
Road maintenance	4 days
Re-sheet	20 days
Road construction	3 months
Signage maintenance	4 days
Waste Collection (Solo)	1 day
Stormwater	4 days
Transfer station (Refer to Essential Facility Plan)	14 days

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team, temp, or contractor	80	1day
Utility vehicle	Seek in council or hire	100	1day
Civil plant (general)	Hire, repair, contractor	100	1day
Grader	Hire, repair, contractor	100	4days
Crane truck	Hire, repair, contractor	100	10day
Tractor/roller	Hire, repair, contractor	100	20days
Tools/small plant	Hire, repair, contractor	100	10days
Solo waste	Resource from team	100	0hrs
Quarry/Heinrich	Procure/set up panel	100	2days
Downers	Seek another contractor	100	2days
Maintenance & plant hire contractors	Seek another contractor	100	2days
Quality Civil Service	Seek another contractor	100	1 day
Incident Support Team Members			
TL Civil Construction & Maintenance			
Manager Operations			
Contractor			

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Unable to access Building/Facility?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY exceed MAO?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

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Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service	MAO
Open Space & Environment	5 days

Council impact	External impact
Legal compliance	Community perception
Financial	Community safety & wellbeing
Asset condition	

Services/Functions	MAO
Irrigation	5 days
Amenity horticulture	10 days
Arboriculture	20 days
Mechanical vegetation pruning	6 months
Environmental weed control	20 days
Environmental fire protection	5 days
Sporting surface maintenance	10 days

Response and Recovery Actions			
Dependency	Actions to loss	%	RTO
Staffing	Team to cover or temp	80	1hr
Zero turn mower	Hire/borrow from another council	100	1day
Front-deck mower	Hire/contractor	100	1 day
Chipper	Hire or seek contractor	100	2days
Water tank w pump	Hire or seek contractor	100	1day
Weed spray equip	Use council vehicle/ hire weed spray/contractor	100	10days
Tools/equipment	Purchase/hire	100	1day
Tractor w slasher	Contract/hire	100	10days
Minor plant/tools	Hire/purchase	100	1day

Incident Support Team Members
TL Open Space & Environment
Manager Operations
Contractor

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- System outage?
- Utility outage?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY **exceed MAO**?

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- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

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Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service key contacts			
Supplier/Service Provider	Phone/email	Other relevant information	
Initial actions log			
	Time/Date	Action required	Action taken
Advised Line Manager/Manager			
Advised Director (Where required)			
Advised Internal stakeholders			
Advised External Stakeholders (Where required)			
Other			

Business Continuity Plan – May 2023

Development & Community – Equipment & Resources

Library & Community Services

Equipment/ staff	No.	Minimum equipment/ staff	No.
Manager	1	Manager/Library Technician	1
Library Technician	1	Community Development Officer	1
Digital Library Officer	1	Desk PC	2
Library Officer	1	Desk/Double Monitors	2
Community Development Officer	1	Office phone	2
Desk PC	5	iPad	1
Desk/Double Monitors	5	Borrowing PC	1
Office phone	5	Bar-code reader	1
iPad	4	Receipt printer	1
Borrowing PC	2	Label printer	1
Bar-code reader	2	Photocopier	1
Receipt printer	2	Public computers	1
Label printer	1	Arts and craft equipment	Assorted
Photocopier	1		
Public computers	3		
Arts and craft equipment	Assorted		
Dependencies	Internal	Internal/External	External
	Essential ICT equipment	Social media platforms	Utilities – Power/NBN
	Content Manager	Couriers/AusPost	Contractor- Telstra
	Library resources	Volunteers	One Library System

Business Continuity Plan – May 2023

Regulatory Services

Equipment/ staff	No.	Minimum equipment/ staff	No.
Manager	1	Manager	1
Community Safety Officers	2	Community Safety Officers	1
Environmental Health Officers	1.5	Environmental Health Officer	1
Laptop	5	Laptop	3
iPad	5	iPad	3
Desk/PC/Double Monitors	5	Mobile phone	3
Office phone	5	Printer	1
Mobile phone	5	Environmental health technical equipment	assorted
Printer	1	Lone worker device	1
Environmental health technical equipment	assorted	Vehicles	2
Lone worker device	2	PPE	Assorted
Vehicles	3	Animal control equipment	Assorted
PPE	Assorted	Animal holding pound	Hold 3
Animal control equipment	Assorted	Refrigerator/freezer	1
Animal holding pound	Hold 5		
Refrigerator	1		
Freezer	1		
Dependencies	Internal	Internal/External	External
	Essential ICT equipment	Light Regional Council (EHO backup)	Utilities – Power/NBN
	Content Manager	DACO system Community Safety Contractor	Contractor- Telstra AWL pound/Town of Gawler

Business Continuity Plan – May 2023

Development Services

Equipment/ staff		No.	Minimum equipment/ staff		No.
Manager Development Assessment		1	Manager/Planner with Level 1 accreditation		1
Senior Planning Officer		2	Senior Planning Officer		1
Planning Officer		1	Planning Officer		1
Graduate Planning Officer		1	Building Officer with Level 3 accreditation		1
Building Officer		2	Laptop		4
Laptop		7	Mobile phone		1
Desk/PC/Double Monitors		5	Printer		1
Office phone		5	PPE		Assorted
Mobile phone		1			
Printer		1			
PPE		Assorted			
Dependencies	Internal	Internal/External		External	
	Essential ICT equipment	Social media/marketing		Utilities – Power/NBN	
	Content Manager			Contractor- Telstra	
	Vehicle (pool)			PlanSA	

Business Continuity Plan – May 2023

Development & Community – Response & Recovery Plans

Service	MAO
Library & Community Services	2 days

Council impact	External impact
Legal compliance	Community perception
	Community safety & wellbeing

Services	MAO
Events	20 days
Two Wells Library, Learning & Community Support services	2 days
Mallala Library, Learning & Community Support services	5 days
Volunteer coordination	10 days

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team, temp, or contractor	80	1day
ICT system or PC failure	Use alternate location	100	1hr
	Repair/purchase/use another	100	1hr
One library system	Contact one library to gain software	100	1day
Receipt printer	Use another/retail printer	100	1hr
Barcode reader	Purchase/hire/use from another library site	100	1hr
Label printer	Hire/borrow/purchase	100	2days
RFID reader	Purchase new	100	2mths
Library resources	Purchase/seek donations	100	6mths
Arts & craft	Purchase/seek donation	100	2days
Event equipment	Purchase/hire	100	2days

Incident Support Team Members
TL Civil Construction & Maintenance
Manager Operations
Contractor

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Unable to access Building/Facility?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY **exceed MAO**?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service	MAO
Community Safety	1 day

Council impact	External impact
Legal compliance	Community perception
Financial	Community safety & wellbeing
Asset condition	

Services/Functions	MAO
Dog and Cat Management Act compliance	4 hours
Local Litter and Nuisance Act compliance	2 days
Fire Prevention (Date sensitive)	2 days
Council by-law compliance	5 days
Abandoned vehicles	2 days
PDI Act compliance	5 days
Dog pound management	1 day

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team/ contractor/another council	100	1hr
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
Vehicle	Seek within Council/ hire	100	1hr
Animal equipment	Borrow or purchase	100	1day
Printer	Use another/retail printer	100	1hr
Dog pound	AWL or Town of Gawler	100	1day
Lone worker device	Repair/purchase	100	5days

Incident Support Team Members
Community Safety Officer
Manager Regulatory Services
Contractor

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- System outage?
- Utility outage?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY **exceed MAO**?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

Business Continuity Plan – May 2023

Service	MAO
Environmental Health	1 day

Council impact	External impact
Legal compliance	Community perception
Financial	Community safety & wellbeing
Asset condition	

Services/Functions	MAO
Public Health Act compliance	1 day
Food safety inspections	1 day
Wastewater management activity	1 day

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team/ contractor/another council	100	1hr
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
	Use mobile phone	100	0
Vehicle	Seek within Council/ hire	100	1hr
Fridge/freezer	Use another/Purchase new	100	1day
Printer	Use another/retail	100	1hr
Test equipment	Borrow/purchase	100	5days

Incident Support Team Members
Environmental Health Officer
Manager Regulatory Services

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- System outage?
- Utility outage?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY **exceed MAO**?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

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Service	MAO
Development Services	1 day

Council impact	External impact
Legal compliance	Community perception
Financial	Community safety & wellbeing

Services/Functions	MAO
Planning, Development, Infrastructure Act compliance	1 day

Response and Recovery actions			
Dependency	Actions to loss	%	RTO
Staffing	Resource from team/ contractor/another council	100	1hr
ICT system or PC failure	WFH/Alternate location	100	1hr
	IT to repair/purchase	100	1hr
	Use mobile telephone	100	0
Vehicle	Seek within Council/ hire	100	1hr
Printer	Use another/retail	100	1hr

Incident Support Team Members
Senior Planning Officer
Manager Development Assessment

Service key contacts

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- System outage?
- Utility outage?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

- Analyse the business impact:
- What is impacted?
 - Who is impacted?
- Request support to recover service
- Confirm a recovery time for service and dependencies
 - Will the FULL RECOVERY **exceed MAO**?

- <MAO**
- Restore fully or consider reduced service capacity/capability
 - Advise Director
 - Request IST support if required?

- >MAO**
- If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If **>MAO**, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

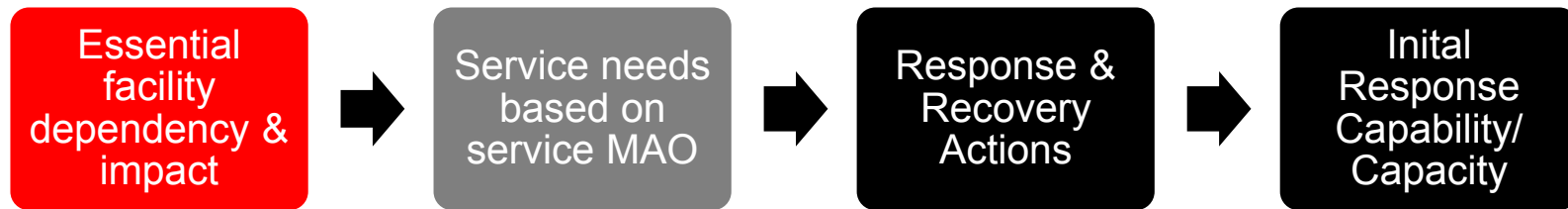
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Supplier/Service Provider	Phone/email	Other relevant information

Initial actions log

	Time/Date	Action required	Action taken
Advised Line Manager/Manager			
Advised Director (Where required)			
Advised Internal stakeholders			
Advised External Stakeholders (Where required)			
Other			

4. Essential Facilities Response & Recovery Plans



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Principal Office

MAO	Dependencies	Current capacity	Council Impacts	Authority to implement Response & Recovery
1 hour	<ul style="list-style-type: none"> • Power • Water • Sewerage • NBN • ICT 	<ul style="list-style-type: none"> • 20 staff • 20 desks • 10 carparks • 4 toilets, 2 (Public) and 1 Disabled (Public) 	<ul style="list-style-type: none"> • Widespread service impact • Legal compliance • Financial • Community perception 	Director/IMT
Service need (MAO)		Action if >MAO	Redundancy/Recovery	Response Capability
Power	1 hour – all services dependent upon ICT	Contact SAPN Request property to assess	Staff WFH or alternate location until rectified	100%
Water	15 minutes - toilets	Request property to assess Use chamber toilets if unaffected	Staff WFH or alternate location until rectified	100%
Sewerage	15 minutes - toilets	Request property to assess Use chamber toilets if unaffected	Staff WFH or alternate location Continue using chamber Hire portable toilets	100%
NBN	1 hour – all services dependent upon ICT	IT to respond in accordance with ICT DR procedures	Staff WFH or alternate location until rectified	100%

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Council Chamber (Mallala or Two Wells)

MAO	Dependencies	Current capacity	Council Impacts	Authority to implement Response & Recovery
1 day	<ul style="list-style-type: none"> • Power • Water • Sewerage • Network/Internet Service • ICT 	<ul style="list-style-type: none"> • Seating for 15-30 people (Mallala) • 1 boardroom table • 3 carparks (Mallala) • 2 toilets (Mallala) • Seating for 10 people (Two Wells) • 16 carparks (Two Wells) 	<ul style="list-style-type: none"> • Legal compliance • Financial • Community perception 	Director/IMT

	Service need (MAO)	Action if >MAO	Redundancy/Recovery	Response Capability
Power	1 hour – all services dependent upon ICT	Contact SAPN Request maintenance to assess Relocate to alternate site	Alternate location until rectified	100%
Water	15 minutes - toilets	Request property to assess Use Civic Centre toilets if unaffected	Alternate location until rectified	100%
Sewerage	15 minutes - toilets	Request property to assess Use Civic Centre toilets if unaffected	Alternate location Continue using alternate chamber	100%
NBN	1 hour – all services dependent upon ICT	IT to respond in accordance with ICT DR procedures	Alternate location until rectified	100%

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Mallala Depot

MAO	Dependencies	Current capacity	Council Impacts	Authority to implement Response & Recovery
1 day	<ul style="list-style-type: none"> Power Water Sewerage Network/Internet Service 	<ul style="list-style-type: none"> 10 staff 10 desks 3 Training room\meeting room 10,000sqm of parking Parking for 31 light vehicles Parking for 30 heavy vehicles 	<ul style="list-style-type: none"> Widespread service impact Legal compliance Financial Community perception 	Director/IMT
	Service need (MAO)	Action if >MAO	Redundancy/Recovery	Response Capability
Power	4 hours – all services dependent upon ICT	Contact SAPN Connect and use generator	Staff WFH or alternate location until rectified	100%
Water	15 minutes - toilets	Request property to assess Assess pump is working	Staff WFH or alternate location until rectified	100%
Sewerage	15 minutes - toilets	Request property to assess. Use Civic toilets	Staff work at alternate location/Hire portable toilets	80%
NBN	8 hours – all services dependent upon ICT	IT to respond in accordance with ICT DR procedures	Staff WFH or alternate location until rectified	100%
Parking	30 minutes for plant	Park vehicles at Principal Office and/or Two Wells office or Scout's shed. Consider need for a security guard.	Park on alternate site at Industrial area. Erect fencing and post security guarding.	100%
Workshop/sheds	8,000sqm of workshop and shedding	Seek contractor to provide workshop services. Seek support from another council. Use Two Wells Depot for workshop and transfer station for plant (where needed).	Lease/hire workshop buildings for partial which is not able to be able accommodated by Two Wells. Consider need to connect power to Transfer station.	80%

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Two Wells Library and Service Centre

MAO	Dependencies	Current capacity	Council Impacts	Authority to implement Response & Recovery
10 days (Library) 1 day (Services)	<ul style="list-style-type: none"> Power Water Sewerage NBN 	<ul style="list-style-type: none"> 24 staff 25 desks 16 carparks (further at Scout's shed) 3 toilets (including 1 disabled) 	<ul style="list-style-type: none"> Widespread service impact Legal compliance Financial Community perception Community wellbeing 	Director/IMT
Service need (MAO)		Action if >MAO	Redundancy/Recovery	Response Capability
Power	1 hour – all services dependent upon ICT	Contact SAPN Request property to assess	Staff WFH or alternate location until rectified	100%
Water	15 minutes - toilets	Request property to assess Use chamber if unaffected	Staff WFH or alternate location until rectified	100%
Sewerage	15 minutes - toilets	Request property to assess Use public toilets if unaffected	Staff WFH or alternate location Continue using chamber Hire portable toilets	80%
NBN	1 hour – all services dependent upon ICT	IT to respond in accordance with ICT DR procedures	Staff WFH or alternate location until rectified	100%

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Waste Transfer Station

MAO	Dependencies	Current capacity	Council Impacts	Authority to implement Response & Recovery
14 days	<ul style="list-style-type: none"> Water Sewerage Solo Waste Services 	<ul style="list-style-type: none"> 1-2 staff 1 desk 	<ul style="list-style-type: none"> Widespread service impact Legal compliance Financial Community perception Environmental health 	Director/IMT

	Service need (MAO)	Action if >MAO	Redundancy/Recovery	Response Capability
Water	15 minutes - toilets	Request property to assess	Staff WFH or alternate location until rectified	100%
Sewerage	15 minutes - toilets	Request property to assess Use Civic	Staff WFH or alternate location Hire portable toilets	80%
NBN	8 hours – all services dependent upon ICT	IT to respond in accordance with ICT DR procedures	Staff WFH or alternate location until rectified	100%
Waste Services	14 days – waste transfer	Seek alternative contractor/support from neighbouring Council	Same as initial action	100%

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5. Business Continuity - Governance Arrangements

Introduction

Purpose

The purpose of the Business Continuity Plan (BCP) is to support the delivery of critical services that underpin the delivery of services to the community.

Aim

To provide:

- A practical and user-friendly document that reflects the APC conventions to resolving internal service delivery issues
- A plan that supports good decision making when managing a loss or resumption of services to the community or within Council.

Applicability and Scope

The Plan is applicable to all council critical services that have been identified and contained herein.

The plan is **not to be used to coordinate an emergency incident** that is occurring in the community or council. Please refer to the **Emergency Management Plan** for guidance on managing an emergency.

Distribution

The intended audience for the Business Continuity Plan is:

- Executive Management Team.
- Staff who deliver and lead Council services (Staff, Line Manager, Manager).
- Incident Support Team(s).
- Council employees via intranet.

Request for changes to the BCP

Any request for change is to be forwarded to the WHS and Risk Advisor

General Roles and Responsibilities

Roles and responsibilities contribute to the effective management of a business continuity incident and ensure that the plan meets the needs of the organisation.

While the plan cannot resolve continuity issues, the allocation of roles and responsibilities outlined herein supports the organisation in determining who is responsible for making decisions when managing a service loss or interruption.

Note: Roles and responsibilities during a BCP incident are listed at the rear of the document in **Supporting Information**

Director Corporate Services

The Director has the following responsibilities:

- Ensuring that an accurate and usable BCP is in place covering critical services.
- Developing the APC's capability and capacity to respond to a BCP incident.
- Lead and coordinate the organisation's BCP response and recovery efforts to significant BCP incidents (where IMT formed or otherwise required.)

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The Director Corporate Services delegates the responsibility for coordinating and managing the development and implementation of an accurate and useable BCP to the WHS and Risk Advisor.

Note: The Director Corporate Services is the BCP Manager as referenced in *subsection 2.5.5 of the Incident Operations Arrangements* document.

WHS and Risk Advisor

The WHS and Risk Advisor has the responsibility for:

- Collaborating across Council during the development and implementation of an accurate and usable Business Continuity Plan.
- Providing guidance and assistance to the Directors, Managers, and Line Managers in fulfilling their business continuity roles and responsibilities.
- Coordinates training and exercises to build capability within the organisation
- Proactively maintains an awareness of incidents, events and factors that may potentially impact upon business continuity.
- Reviewing the plan periodically (as required herein) or after a significant BCP incident.
- Participates and supports response and recovery as an Incident Support Team member.
- Supports the Director Corporate Services in coordinating response and recovery of council wide business continuity incidents.

Staff

Staff have a shared responsibility to:

- Contribute to the development and testing of any critical service plan that their Team or Department has responsibly for.
- Participate in training and exercises.

Managers

Managers work collaboratively to:

- Develop accurate Service Response and Recovery Plans for the services that they are responsible for providing.
- Promote the awareness of roles and responsibilities to staff in their section.
- Support the development of their staff BCP knowledge.
- Exercise their discretion and leadership in coordinating the delivery, continuity, or resumption of services.

Directors

Directors:

- Have the responsibility for the development and accuracy of the critical service plans provided by their Department.
- Provide leadership to Management and Staff when responding to a loss or interruption to council services as well as ensuring that they receive all support necessary.

Roles and Responsibilities during a Significant BCP incident

Leadership is critical during any incident that impacts upon the level and continuity of service delivery. This is especially the case when experience and capability is limited; in these circumstances the coordination and leadership, as well as the provision of specialist knowledge becomes crucial to achieving an efficient and effective outcome.

In addition to the roles and responsibilities listed below, during a BCP incident there are some specific responsibility statements contained in *Supporting Information*.

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Staff role

During a loss or interruption staff have the responsibility to:

- Assist their manager and Line Manager in responding and recovering from a loss or interruption to the service(s).

Manager/Line Manager role

The role of Managers in providing service response and recovery:

- Exercise their discretion with knowledge of their area and how to resolve service loss or interruption.
- Deliver a section level response, consistent with the Service Response and Recovery Plan(s), to a loss or interruption to the service that are provided by their section/business unit.

Business Continuity Coordinator role

The Business Continuity Coordinator role is provided by the **WHS and Risk Advisor**.

During a significant loss or interruption to services the Business Continuity Coordinator role will:

- Provides business continuity information/support to Managers and Directors when requested.
- Establishes the Business Continuity Incident Coordination Centre (ICC) during large scale incidents when requested by a Director/IMT.

Refer to

Incident Support Team role

The Business Continuity Incident Support Team (IST) consists of managers, Line Managers and specialist staff from across Council that have the technical and specialist knowledge and capability to support the restoration of a critical service. Due to the technical and specialist nature of the IST roles, they are by nature not based upon hierarchy.

The IST also provides technical and specialist capability in preparing for a business continuity incident that may cause significant or widespread loss or interruption to many Council services (E.g., Ebolavirus, Coronavirus, Scrub fire).

Refer to *Supporting Information: Responsibility Statements Business Continuity Incident Support Team*.

Council Incident Management Team (IMT)

The **Executive Management Team** is the **Council Incident Management Team (IMT)**. The IMT leads the whole of organisation response to a significant incident that is causing or may lead to widespread loss or interruption of council services.

While coordinating the organisation response, IMT members retain responsibility for coordinating the response and recovery actions of their individual Department services.

In most circumstances an IMT will be formed due to an incident that is:

- Beyond the resource or capability of Council.
- A large-scale emergency incident has occurred/is occurring that is impacting council service delivery.
- In preparation for an incident that has or may cause significant or widespread loss or interruption to many council services.

Refer to *Supporting Information: Responsibility Statements Business Continuity Incident Support Team*

Chair of IMT during BCP activation – Director Corporate Services

The Director Corporate Services is the Chair of the IMT during an incident.

The CEO may assume the chair at their discretion and in situations where a widespread loss of council services is occurring or likely to occur.

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Activating the IMT for a BCP incident

Any member of the Executive Team may request the Director Corporate Services to form an IMT for a BCP incident.

In such situations, the Director Corporate Services may request that the WHS and Risk Advisor support the IMT and the formation of the Incident Support Team (IST).

Incident Coordination Centre - when to establish

An Incident Coordination Centre is intended to assist with planning the response and the management and leadership of a significant and widespread interruption to council services.

In most instances the Incident Coordination Centre will only be required where:

- The response to the incident is beyond the resource or capability of Council, for example Council may not have adequate staff resourcing which is indicative of a larger interruption event requiring an Incident Coordination Centre; or,
- A large-scale emergency incident is or has occurred, or is impacting the community; or,
- High volumes of communication requests are occurring with external parties requiring a coordinated and immediate response.

The authority to resource and establish an Incident Coordination Centre is the responsibility of the IMT Chair. Support will be gained from the IST.

Incident Coordination Centre Sites

Given the variable nature of business continuity incidents, the following sites have been identified and prioritised, the site will be chosen taking into consideration the nature and location of the interruption event and the attributes of the particular site. Refer also to Essential Facilities Plans:

- Principal Office
- Mallala Depot
- Council chamber
- Two Wells Library and Service Centre

These locations have been chosen as they provide some ICT Service capability.

Plan Consultation and Development

The development of the business continuity plan, including supporting information, was achieved through consultation and collaboration with service owners, key decision makers, specialist staff, managers, and Directors.

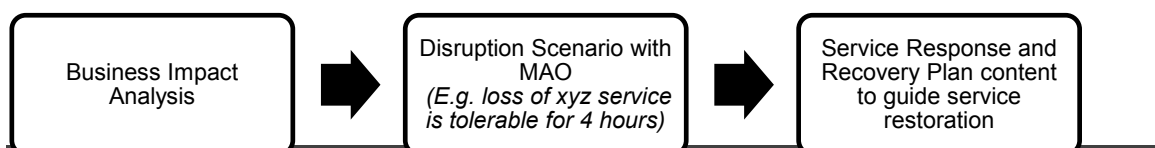
Continued consultation and collaboration through the life of the Plan will inform the monitoring, reviews, validation, and testing of service response and recovery plans.

Business Continuity Risk Analysis

The BCP risk assessment process aligns with ISO 22301:2019 and considers the Business Impact Analysis (BIA) and Maximum Allowable Outage (MAO) based upon the most likely unplanned disruption scenarios.

The BIA and MAO are informed by:

- Tolerability of service loss or reduce service capacity (including duration).
- Dependency upon/by other services.
- Capability and capacity to resume/recover the service fully or partially.
- The consequence(s) if any to the Community, Council, staff, and key stakeholders.



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Identifying Critical Services

The determination as to whether a service is a critical services or not was determined by the Business Impact Analysis and the Maximum Acceptable Outage.

Maximum Acceptable Outage

How long council can withstand the unplanned disruption or loss of one or more of the dependent activities/services (E.g., loss of power, ICT, staff) without significant and unacceptable loss is termed as Maximum Acceptable Outage (MAO).

The MAO is measured in units of time.

Service Dependency

Each services has a different dependency; this may range from a dependency on a vehicle or plant to deliver a service or staff or contractors. The tolerability of service dependency informs the service MAO.

Recovery Time Objective (RTO)

The Recovery Time Objective (RTO) is the required time after the loss or interruption event that the business activity or dependent service/activity is required to be fully '100%' recovered/reinstated.

Where response effort can provide partial, less than 100% recovery then further recovery action is needed.

The RTO should in all instances be less than the MAO, as featured in figure below.

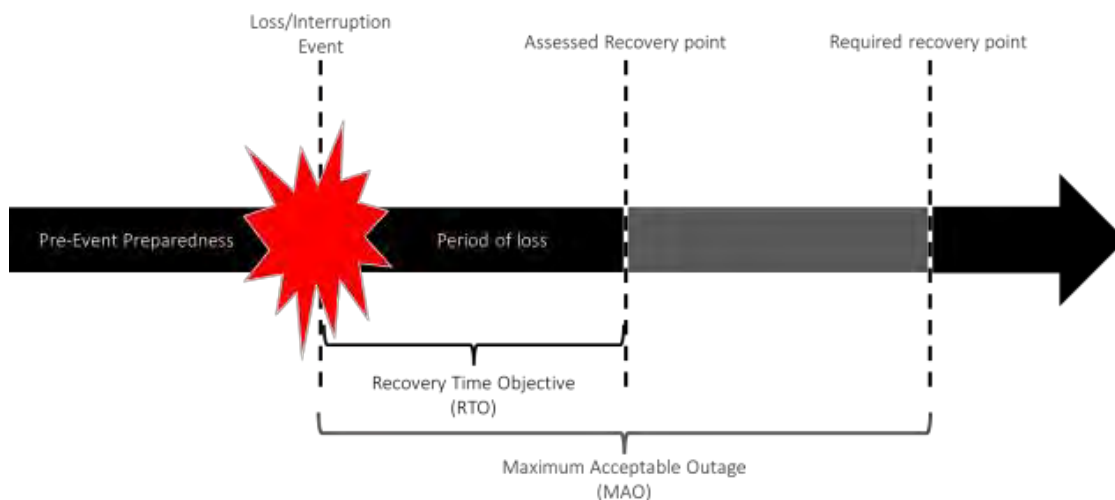


Figure 5. Depicts the preferred recovery time objective in relation to the maximum acceptable outage.

A recovery that is assessed as being after the MAO is deemed an *Unacceptable Risk Exposure* and requires risk treatment actions.

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Treating Unacceptable Risk Exposure

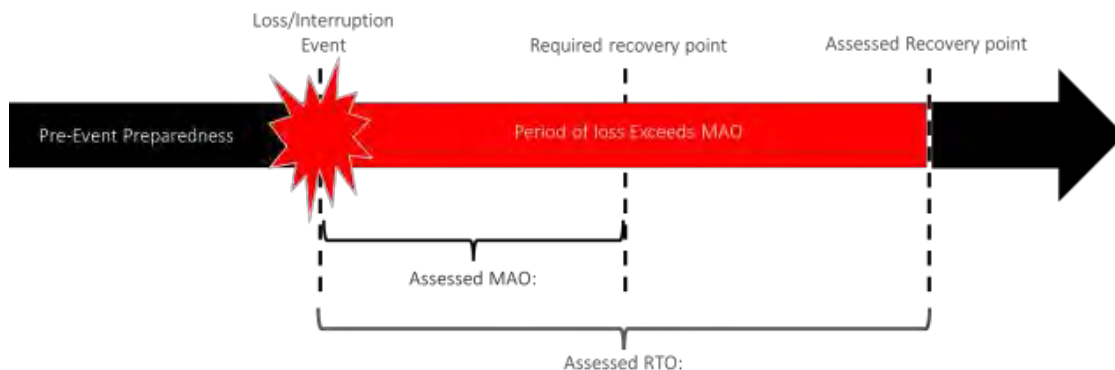


Figure 6. Provides a graphical representation of when a service recovery exceeds MAO.

If the resumption of business activity is greater than the MAO, then the risk is deemed unacceptable in meeting business continuity objectives. In such instances business continuity actions will need to be developed to reduce the risk to an acceptable level.

An example is the MAO for power is 1 hour, but the recovery time to fully restore power is 8 hours. Unless council is willing to tolerate/accept this risk exposure additional measures are needed to ensure that power can be provided within 1-hour of loss or interruption to achieve the MAO.

Response Actions

Response actions detailed in the service response and recovery plans reflect the initial actions to be taken to quickly restore or provide a level of continuity. Response Actions may not provide the full 100% recovery capacity/capability.

Recovery Actions

Recovery actions detailed in the service response and recovery plans reflect the ongoing actions that are required to fully restore the business activity to 100% capacity.

Building Corporate Knowledge and Training

A key objective of the plan is to increase the awareness within council of potential business continuity incidents and how to respond to and manage service recovery.

Training

The purpose of providing training is to increase the knowledge and competency of staff to meet their respective roles and responsibilities as outlined in the plan.

Training elements to be covered in awareness training

Training will cover the following four elements:

1. Knowledge of the plan, where to find, and how to use.
2. Knowledge of the service response and recovery plans.
3. Knowledge of all responsibilities outlined in the plan.
4. Knowledge of what action to take to respond to and recovery a service fully or partially.

Training methods

The following methods are recognised as training for the purpose of this plan:

- Online or in person training covering the training elements.
- Biennial testing and reviewing of a critical business plan.

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- Participation in a BCP Discussion Exercise (DISCEX) that requires the response and recovery of more than one critical business plan.
- Participating in the activation of the plan because of a reduction or loss to one or more critical business activity.

Training for All Staff

All staff will:

- Be provided with recurrent awareness training every 3 years on their roles and responsibilities as outlined in the four elements to be covered in awareness training.
- Participate in the biennial testing and review of a critical business plan.

Training for Executive Management Team

The Executive Management Team are to:

- Be provided with recurrent awareness training every 3 years on their roles and responsibilities as outlined in the 4 elements to be covered in awareness training.
- Participate in a BCP Discussion Exercise (DISCEX) that requires the formation of the IMT to lead and coordinate response and recovery.

Validation, Testing, Monitoring and Review

Business Continuity Management is a process and the testing of the Plan, and the Service Response and Recovery Plans will provide Council with assurance that the plan is effective and appropriate to needs.

The testing regime is based on the following:

- Desktop / paper audit to ensure that the appropriate documents are available and understood;
- Structured discussion exercise where a business interruption scenario is played out through at business unit, department or at the 'Whole of Council' level, and,
- Review and update by service owner.

Monitoring and Review

Monitoring and review is an integral component of the BCP management process. Council recognises this and is committed to ensuring that an achievable, yet effective monitoring and review strategy is implemented.

To ensure that Council is able to deliver on this commitment and maintain currency, the BCP and the service response and recovery plans will be reviewed and tested biennially (every two years).

Activity for Review	Accountability	Timeframe
Business Continuity Plan	WHS & Risk Advisor	Monitor and review biennially and action as required
Awareness training	WHS & Risk Advisor	Biennial awareness training or refresher session
Discussion exercise	WHS & Risk Advisor	Simulation discussion exercise (DISCEX) conducted biennially.
Audit	Director Corporate Services	Per the internal audit work plan
Service Response and Recovery Plans	Service Plan owner	Biennial Test and Review by Service Owner

Activation of the plan – recognised as an exercise for the purpose of plan validation

An activation of the plan to resume services to normal operational levels will be accepted as an exercise for the purposes of Validation, Testing, Monitoring and Review.

Any activation of the plan will require a consideration of the effectiveness in guiding managing service resumption; this will be achieved through a debrief meeting and report.

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The report should at least consider the following:

- Description of the business continuity incident
- Council impact (Internal & Services)
- Community impact
- Actions taken to recover and resume
- What worked well
- What did not work
- Actions (What is required, who has accepted responsibility, what date will it be complete)

Suggested Changes to Plan and Supporting Information

Any suggestion or recommendation for change to the BCP should be forwarded to the **WHS and Risk Advisor**.

Any suggested changes to the Service Response and Recovery Plans should be directed in the first instance to the responsible service manager/plan owner.

Version control of the Plan is co-ordinated, and changes are made consistent with Council policy.

Business Continuity Plan – May 2023

Abbreviations and Definitions

Term	Definition	Acronym/ Abbreviation
Business Continuity	Is the uninterrupted availability of key resources supporting Council services.	No abbreviation
Business Continuity Incident	An incident that by its duration impacts the delivery of the service and exceeds the Maximum Allowable Outage requiring the implementation of the BCP and Service Plans.	BCP incident
Business Continuity Management	Provides for the availability of processes and resources to ensure the continued achievement of critical objectives.	BCM
Business Continuity Plan	A collection of procedures and information that has been, developed, compiled, and maintained in readiness for use in the advent of an interruption to Council critical services and critical facilities.	BCP
Business Impact Analysis	The BIA identifies the impacts of the loss of service delivery including: <ul style="list-style-type: none"> • Tolerability and magnitude of service loss or reduce service capacity (including duration). • Dependency upon/by other services. • Capability and capacity of the Council to resume/recover the service fully or partially. • The consequence(s) if any to the Community, the Adelaide Plains Council, and key stakeholders. 	BIA
Chief Executive Officer	The role of the Chief Executive Officer of the Corporation of Adelaide Plains Council.	CEO
Critical Service	A service of council that based upon the BIA has been assessed as important due to impact, the tolerability of loss (both magnitude and duration), the dependency on the service, and capability and capacity to resume or recover the service fully.	No abbreviation
Executive Management Team	Executive Management Team membership consists of all Directors and the CEO.	EMT
Emergency Incident	Refer to the Emergency Management Plan(s).	No abbreviation
Essential facility	A facility or building that is essential for the continued delivery of critical services to the community.	No abbreviation
Director	The role of Director.	No abbreviation
Governance	A system by which the organisation is directed and controlled. Governance activities are represented as four principal components: direction, executive action, supervision, and accountability.	No abbreviation
Incident Coordination Centre	A central location to co-ordinate the response. To be established at a location at the discretion/direction of the IMT Chair.	ICC
Incident Management Team	An assembly of Executive Leadership Team formed for the express purpose of leading council response to a business continuity incident that may/has resulted in a prolonged interruption or widespread loss of Council services.	IMT
Incident Management Team Chair	The person who Chairs the Incident Management Team.	IMT Chair
Incident Support Team	The Business Continuity Incident Support Team (IST) provide a wide range of technical and advisory to support the response to a loss or interruption to council services.	IST
Maximum Allowable Outage	The maximum period that Council can accept/tolerate the loss of capability of a service. MAO recorded in units of hours, days, weeks, and months.	MAO

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Non-critical service	A service of council that is not critical due to the impact to council, community, and stakeholders and that the loss or interruption can be tolerated.	No abbreviation
Recovery Time Objective	The Recovery Time Objective is the time after the loss that the service or interdependency is/are required to be reinstated to at least partial capacity.	RTO
Risk Management	The culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects.	No abbreviation
Span of Control	The number of groups or individuals that can be successfully supervised by one person.	No abbreviation
Work From Home	Working from home or an alternate council or non-council premises.	WFH

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6. Supporting Information

Incident Management Team

Role:
Chief Executive Officer
Director – Corporate Services
Director – Finance
Director – Infrastructure & Environment
Director – Growth and Investment
Group Manager – Development & Community

Incident Support Team

The below staff can be gathered to form the Incident Support Team:

Role:	Alternate:
WHS and Risk Advisor (BCP Coordinator)	
Senior IT Officer	
Information Management Officer	
Marketing & Communications Officer	Alternate is based upon incident and available expertise
People & Culture Advisor	
Manager, Engineering (Property & Buildings matters)	

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Key contact information

Insert link/address

Business Continuity Plan – DRAFT – March 2023

IMT initial actions for a significant incident

Initial Meeting - Focus		
Element	Issues to be addressed/assigned	Actions Required (Note below)
Maintain Formal Record of meetings and actions	This must be a contemporaneous record of incidents and actions	
Support	Call in the Incident Support Team. Refer to Supporting Information	
Roles and Responsibilities	<ul style="list-style-type: none"> • Confirm IMT roles and responsibilities • Confirm the Incident Support Team • Appoint a Media spokesperson. • Ensure all attendees understand role and responsibilities (Responsibility Statements) 	
Communications	<ul style="list-style-type: none"> • Staff contacts • Elected Member contacts • External stakeholder/supplier contracts • Determine Communications requirements (request development of a crisis communication plan) 	
Incident Coordination Centre	Is an Incident Coordination Centre required to be established? WHS & Risk Advisor to establish	
Information update	Employees	
	Contractors	
	Buildings (damage/security)	
	Assets (damage/security)	
	Council Services impacted by Department	
	ICT provisions and equipment	
	Vital records	
	Emergency Services	
	Utility providers	
	Media enquiries	

Business Continuity Plan – DRAFT – March 2023

Initial Meeting - Focus		
Develop response strategy	<ul style="list-style-type: none"> Identify and prioritise Response and Recovery of critical services Alternate work location - Council building or home Refer - ICT Disaster Recovery Plan 	
Procurement	Confirm procurement requirements	
Delegations and sub-delegations	<ul style="list-style-type: none"> Review and confirm adequacy Notify employees of their delegation limitations 	
Communication externally	Media contact / public notification strategy	
Site visits	Schedule site visits where required	
Schedule of meetings	Schedule next meeting	

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Incident Management Team (IMT) Responsibility Statements

Incident Management Team (IMT) Chair			
Position	IMT Chair	Staff Position	Director Corporate Services
		Note: The IMT Chair retains the responsibilities of their substantive role.	
During absence, the Chair role will be assumed by (in order)		1. Director Finance 2. CEO	
Position Statement	The IMT Chair is required to oversee the resumption of activities in collaboration with members of the IMT. Note: <i>The CEO may assume the IMT chair role in some circumstances.</i> During a workplace emergency (i.e. an emergency occurs at a Council building site) the Chief Warden has authority until the workplace emergency is resolved and control of the workplace is returned to the CEO. This usually entails evacuation or lockdown of a building depending on the threat and is managed by WHS.		
Knowledge Requirements	1. High level knowledge of organisation activities and service delivery priorities 2. Key Community, Business and Regulatory contacts 3. Media management and protocols		
Responsibilities	The IMT Chair makes decisions as to the best strategy for the resumption of services based on advice provide by the IMT and IST members. Responsibilities include: <ul style="list-style-type: none"> • Maintain working knowledge of the Business Continuity Plan & relevant Department Service Response and Recovery Plan • Participate in monitoring and reviewing activities • Participate in and ensure appropriate levels of training is undertaken On Activation: <ul style="list-style-type: none"> • Request the BCP Coordinator form an IST. • Request the IST support incident response and recovery • Notify and liaise with stakeholders • Provide the focal point in communication to the staff, media and public where appropriate • Establish and chair all IMT meetings (may delegate) • Consult with the IMT and consider advice from IST • Authorise any detailed restoration plan • Monitor the gathering of business interruption incident information • Ensure the safety and welfare of staff • Ensure compliance with relevant legislation and Council’s WHS policies/ principles • Liaise with elected body via the Mayor • Oversee media management • Deliver communication briefings and information to public and customers • Schedule debriefing and evaluation processes 		

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Incident Management Team (IMT)			
Position	EMT member	Staff Position	All Directors
During absence, the Chair role will be assumed by (in order)		Acting Director (if such acting role exists)	
Position Statement	Provide leadership to the resumption of council services upon the activation of the IMT.		
Knowledge Requirements	<ol style="list-style-type: none"> 1. High level knowledge of organisation activities and service delivery priorities 2. Community, Business and Regulatory contacts 3. Media management and protocols 4. In-depth knowledge of their Department 		
Responsibilities	<p>Responsibilities include:</p> <ul style="list-style-type: none"> • Maintain working knowledge of BCP and relevant service response and recovery plan(s) • Participate in monitor and review activities • Participate in and ensure appropriate levels of training are undertaken with service response and recovery plan managers and Line Managers <p>On Activation:</p> <ul style="list-style-type: none"> • Operate as a member of the IMT • Ascertain the impact on Department activities and services and report to IMT • Determine and coordinate any Department based response and recovery efforts with IMT • Monitor implementation against the Business Continuity Plan • Determine a cost code for any incident costs • Maintain information and report on incident costs to IMT • Maintain communications with Department staff 		

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Incident Support Team (IST) - Responsibility Statements

IST – BCP Coordinator			
Position	IST – Risk & WHS	Staff Position	WHS and Risk Advisor
During absence, this role will be assumed by		Subject to incident - The person filling the role must be familiar with the business continuity plan and emergency management plan.	
Position Statement	The role is required to support the coordination of the BCP and provide support to the IMT.		
Knowledge Requirements	<ol style="list-style-type: none"> 1. High level knowledge of the Business Continuity Plan 2. Understanding of what services and the plans to respond and recover 3. Internal key contacts and responsibilities 		
Responsibilities	<p>Responsibilities include:</p> <ul style="list-style-type: none"> • Coordinating support and establishment of IST • Supporting the IMT • Maintain working knowledge of BCP and relevant Service Plans • Maintain high level of administration skills • Maintain contacts with LGA WCS • Provide support to service plan owners • Coordinating training and exercise <p>On Activation:</p> <ul style="list-style-type: none"> • Assist the IMT as required • If during an emergency incident, and at request of IMT, liaise with the LGFSG (either directly or through the Local Government Liaison Role) • If required, provide WHS and Injury Management advice and guidance. • Coordinate WHS performance • Coordinate return to work of workers • Coordinate with LGA WCS 		

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IST - Property & Buildings			
Position	IST – Buildings & Assets	Staff Position	Manager Operations
During absence, this role will be assumed by		Maintenance & Project Officer	
Position Statement	<ol style="list-style-type: none"> 1. Provide advice on status of Council properties 2. Coordinate repair of Council buildings 3. Coordinate provision of utilities 4. Coordinate implementation of redundancy measures for Council buildings 		
Knowledge Requirements	<ol style="list-style-type: none"> 1. Council Property and Buildings 2. Building Asset Management Plan 		
Responsibilities	<p>Responsibilities include:</p> <ul style="list-style-type: none"> • Maintain working knowledge of BCP and relevant Service Plans • High level knowledge of Council buildings • High level knowledge of utilities and redundancy measures • Maintain a working knowledge of council suppliers/contractors for buildings <p>On Activation:</p> <ul style="list-style-type: none"> • Coordinate repair of Council buildings and contractors for repair/recovery • Coordinate recovery of section services • Coordinate supply of utilities or alternate arrangements if building(s) unusable • Provide updates to IMT on status of Council buildings and utility service 		

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IST – Information and Communication Technology			
Position	IST- ICT	Staff Position	Senior IT Officer
During absence, this role will be assumed by		Director Finance	
Position Statement	Provide expert IT and Council communications systems advice Coordinate IT & Information Management Recovery		
Knowledge Requirements	<ol style="list-style-type: none"> 1. ICT systems 2. ICT services 3. ICT Disaster Recovery Plan and procedures 4. Records management requirements 5. ECM system 6. Vital records 		
Responsibilities	<p>Responsibilities include:</p> <ul style="list-style-type: none"> • Maintain working knowledge of BCP and relevant Service Response and Recovery Plans • Maintain ICT Disaster Recovery Plan and associated Procedures • Maintain high level of administration skills • Maintain working knowledge of BCP and relevant Service Response and Recovery Plans • High level knowledge of Content Manager system and vital records <p>On Activation:</p> <ul style="list-style-type: none"> • Provide ICT Advice • Provide updates on ICT service levels • Coordinate ICT recovery • Coordinate ICT contractors • Coordinate recovery of Content Manager with Records Management and verify contents • Commence continuity of records management service in Council • Provide updates to IMT on status of records management 		

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IST – People & Culture			
Position	IST- P&C	Staff Position	People & Culture Advisor
During absence, this role will be assumed by		TBC	
Position Statement	Provide People & Culture advice Coordinate Counselling and support needs		
Knowledge Requirements	<ol style="list-style-type: none"> 1. Industrial Relations 2. Awards 3. Business Continuity Plan content and use 4. Employee Assistance services and program 		
Responsibilities	Responsibilities include: <ul style="list-style-type: none"> • Industrial Relations knowledge and impact to workforce in a BCP or emergency event • Ensuring staff welfare is maintained • Coordinating Employee Assistance Program use and referral On Activation: <ul style="list-style-type: none"> • Support Director, IMT, and staff with knowledge and understanding of any industrial relations limitations • Support staff welfare and oversight providing advice to Director and IMT • Ensure that staff welfare is maintained 		

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IST – Marketing & Communications			
Position	IST- Marketing & Communications	Staff Position	Marketing & Communications Officer
During absence, this role will be assumed by		TBC	
Position Statement	Provide Marketing & Communications advice Coordinate marketing, public relations, and communications activity		
Knowledge Requirements	<ol style="list-style-type: none"> 1. Council marketing and communications strategy 2. Media contacts 3. Business Continuity Plan content and use 		
Responsibilities	<p>Responsibilities include:</p> <ul style="list-style-type: none"> • Understanding of how communications works in a crisis or emergency situation • Media and social media limitations • Coordinating marketing and communications with Executive and Elected Body <p>On Activation:</p> <ul style="list-style-type: none"> • Support Director and IMT with developing a crisis communications strategy • Engaging with media on behalf of Executive and Elected Member body • Providing regular social media updates 		

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IST – Information Management			
Position	IST- Information Management	Staff Position	Information Management Officer
During absence, this role will be assumed by		TBC	
Position Statement	Provide information management advice Coordinate marketing, public relations, and communications activity		
Knowledge Requirements	<ol style="list-style-type: none"> 1. Council information management systems and key records 2. Business Continuity Plan content and use 		
Responsibilities	<p>Responsibilities include:</p> <ul style="list-style-type: none"> • Understanding of information management systems and service dependencies • Legal timeframes and limitations with information management and records • Systems administration <p>On Activation:</p> <ul style="list-style-type: none"> • Support Director and IMT with determining any information management impacts and/or limitations • Coordinating with IT the recovery of council systems and records • Managing hard-copy records • Engaging with information management stakeholders at the request of Director or IMT 		

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Media Enquiry form and record

Business Continuity – Media Enquiry Record Form			
Taken by:			
Issue:			
Date:		Time of call:	
Journalist name:			
Journalist phone number:			
Journalist email address:			
Media outlet:			
Deadline:			
Publication date:			
Question:			
Taken by:			
Issue:			
Response by (name):			
Position:			
Response:			
Date:		Time:	

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Press release template

Option 1 – Something Council is responsible for:

Xxxx causes Xxxxxxxx

Council staff are currently working [or investigating] on rectifying a [*insert issue*] that has caused a disruption to services and impacted residents today.

This occurred at [*insert time*] today and means the following services are not available:

- [*list service*]

At this stage, it is not known how long it will take to fix the problem. However, regular updates will be sent to the media, and via Council's Twitter/Facebook account and Email, until the matter is resolved.

It is still business as usual for all other Council services.

Residents with any further concerns about this should call us on ***** or mobile 04** *** **

Media: (Insert contact) **Email:** [insert email](#)

Option 2 – something that State Government is responsible for, but we are assisting:
The Adelaide Plains Council and [*name State Govt agency*] are working together to resolve a xxxxx, disrupting [*name service*] services following an [*name incident*] earlier today.

Mayor/CEO said while [*name problem*] is a State Government responsibility, Council would continue to work with [*insert name of agencies*] on behalf of community.

The incident occurred at [*insert time*] today and means the following services are not available:

- [*list service*]

At this stage, it is not known how long it will take to fix the problem. However, regular updates will be sent to the media and via Council's Twitter/Facebook accounts until the matter is resolved.

It is still business as usual for all other Council services.

Businesses and residents with any further concerns about this should call Council on ***** or 04** *** **.

Media: (Insert contact) **Email:** [insert email](#)

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Supporting Information

- Supplier contacts
- Contact details for staff
- Other relevant information

Business Continuity Plan – DRAFT – March 2023

<Template> Plan

Service	MAO

Council impact	External impact

Services/functions	MAO

Response and Recovery actions			
Dependency	Actions to loss	%	RTO

Incident Support Team Members

Identified loss or reduction in service caused by

- Reduced or no staffing capacity?
- ICT service outage?
- Unable to access Building/Facility?

Identify Symptom/Cause

Identify the symptoms and cause of the loss or reduction. If unable to resolve quickly then report to Line Manager.

Report if unresolved

Line Manager assesses within existing protocols, resolve, or proceed to next step.

Manager to analyse & manage restoration

Analyse the business impact:

- What is impacted?
- Who is impacted?

Request support to recover service

- Confirm a recovery time for service and dependencies
- Will the FULL RECOVERY exceed MAO?

<MAO

- Restore fully or consider reduced service capacity/capability
- Advise Director
- Request IST support if required?

>MAO

If interruption exceeds MAO, then support Director to lead recovery

Director to Lead Recovery

- If service is reduced – confirm recovery time
- Approve/Seek IST support (where required)
- If >MAO, then apply response & recovery actions
- Is there a need to form IMT?
- Advise Staff and Elected Body

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Service key contacts			
Supplier/Service Provider	Phone/email	Other relevant information	
Initial actions log			
	Time/Date	Action required	Action taken
Advised Line Manager/Manager			
Advised Director (Where required)			
Advised Internal stakeholders			
Advised External Stakeholders (Where required)			
Other			

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Essential ICT infrastructure – Disaster Response Actions

Service infrastructure	MAO
Network	1 day

Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	MAO
Internet/NBN	1 day
Router	1 day
Switches	1 day
Wireless microwave	1 day

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Internet/NBN	Switch to redundancy internet	100	0
	Use wireless laptop connection	100	0
	Advise Internet Service Provider	100	5days
Switches	Connect critical systems to functioning switches	100	4hrs
	Use wireless access points where available	100	0
	Use cellular enabled laptop	100	0
Wireless microwave	Switch to redundancy internet connection.	100	0
	Use cellular enabled laptop	100	0
Router	Revert to laptop if both routers fail	100	0

Key suppliers for service	Contact
Swoop	
Telstra	
Kodo Technologies	
YourDC	

Incident Support Team Members	
Senior IT Officer	Contractors/Suppliers
Information Management	
Manager Business Improvement	

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Service infrastructure	MAO
Telephone VOIP	1 hour

Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	MAO
Network connection	1 hour
SIP Box	1 hour
Phone Server (Located at YourDC Edinburgh Park)	1 hour

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Internet/NBN	Switch to redundancy internet	100	0
	Contact provider	0	0
Server	Redirect phones via Telstra web-portal to mobiles	50	2hrs
	Add message to website	0	0
	Request a backup server and configure and restore	100	6hrs
	Purchase new	100	6mths
SIP Box	Redirect phones via Telstra web-portal to mobiles	50	2hrs
	Purchase new	100	6mths

Key suppliers for service	Contact
NBN	
Telstra	
Swoop	
YourDc (site access)	

Incident Support Team Members	
IT Support Officer	Contractors/Suppliers
Information Management	
Manager Business Improvement	

Business Continuity Plan – DRAFT – March 2023

Service infrastructure	MAO
Internet and Phone service	1 hour

Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	MAO
Internet/Fibre Connection	1 hour
Router	1 hour
Switches	1 hour

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Internet/NBN	Switch to redundancy internet	100	0
	Use wireless laptop connection	100	0
	Divert phones and update website	100	2hr
Switches	Connect critical systems to functioning switches	100	4hrs
	Use wireless laptop if all fail	100	0
Router	Revert to laptop if both routers fail	100	0
Fibre connection	Switch to wireless internet connection.	100	0
	Use laptop wireless connection	100	0
	Request contractor repair connection	100	5days

Key suppliers for service	Contact
NBN Co	
Telstra	
Swoop	
YourDC	

Incident Support Team Members	
IT Support Officer	Contractors/Suppliers
Information Management	
Manager Business Improvement	

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Service infrastructure	MAO
Servers within Council Network	1 hour

Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	MAO
Network connection	1 hour
Software –Windows, Ubuntu	1 hour
Server x 3 Onsite	1 hour
Server x 1 YourDC	

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Network	Switch to redundancy internet	100	0
	Use wireless connection	100	0
Air conditioning	Hire portable air conditioner	100	1day
Server outage - onsite	Request vendor to restore and recover	100	4hrs
Server loss - onsite	Purchase new server	100	6mth
Server outage - YourDC	Request vendor to restore and recover	100	4hrs
Server loss - YourDC	Purchase new server	100	6mth
Software	Engage vendor to restore and recover	100	6mth

Key suppliers for service	Contact
NBN	
YourDC	
Data#3	
Loftus Technet	

Incident Support Team Members	
IT Support Officer	Contractors/Suppliers
Information Management	
Manager Business Improvement	

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Service infrastructure	MAO
External Co-location Datacentre	1 hour

Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	MAO
Quarter rack allocated	1 hour
Cross connection to network vendors	1 hour

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Network connection	Obtain new Cross Connections to ISP	100	8hrs
	Staff to work from home or alternate location	60	1hr
	Use laptops	60	0
	Divert phones to mobile services	60	2hrs
Rack Space	Seek more space from YourDC	60	4hrs
Network Cross Connections	Obtain new cross connections to ISP and Secondary Site	100	8hrs
	Establish new cross connections to ISP at Secondary Datacentre Location	100	8hrs
Building Access	Seek "Remote Hand Support" to investigate any issues that arise	60	1hr
	Failover to Secondary Datacentre Location	80	2hrs
	Divert Phones to Mobile Services	60	2hrs
	Staff to use laptops	60	0

Key suppliers for service	Contact
YourDC	
Swoop Broadband	

Incident Support Team Members	
Senior Information Technology Officer	Contractors/Suppliers
Information Management	Information Technology Officer
Manager Business Improvement	

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Service infrastructure	MAO
Firewall	1 hour

Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	MAO
Network connection	1 hour
Air conditioner	1 hour

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Network connection	Use laptops	80	0
	Divert phones to mobile services	60	2hrs
Air conditioner	Hire portable air conditioner	100	1day

Key suppliers for service	Contact
Secureware	
YourDC (Site access)	

Incident Support Team Members	
IT Support Officer	Contractors/Suppliers
Information Management	
Manager Business Improvement	

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Service infrastructure	MAO
Emails	1 hour

Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	MAO
Network connection	1 hour
NBN	1 hour
Civica Servers	1 hour

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Network connection	Public notice on social media	0	0
	Post physical notice on council's public facing sites	0	0
	Contact Swoop – network provider	100	1hr
	Switch to wireless router	100	2hrs
Server	Contact Civica – restore and backup to DR site	100	4hrs

Key suppliers for service	Contact
NBN	
Civica	

Incident Support Team Members	
IT Support Officer	Contractors/Suppliers
Information Management	
Manager Business Improvement	

Business Continuity Plan – DRAFT – March 2023

Service infrastructure	MAO
Civica	1 day

Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	Quantity	MAO
Civica server	1	1 day
NBN	1	1 day

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Server	Request Civica to restore	100	4hrs
	Refer to the Civic Disaster Recovery Plan		
	Consider transfer to DR site, test, and restore	100	4hrs
	Hire a new server, test, and restore	100	5days
	Purchase a new server	100	6mths
NBN	Consider transfer to DR site, test, and restore	100	6mths

Key suppliers for service	Contact
NBN	

Incident Support Team Members	
IT Support Officer	Contractors/Suppliers
Information Management	
Manager Business Improvement	

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Service infrastructure	MAO
CompNow	6 months

Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	Quantity	MAO
Desktop computers	12	1 hour
Laptop computers	95	1 hour
Public computers - libraries	5	1 hour
UPS	4	1 hour

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Desktop computers	Issue spare laptops	100	2hrs
	Purchase new	100	6mths
Laptop computers	Issue spare laptops	100	2hrs
	Purchase new	100	6mths
Public computers - libraries	Issue spare desktops	50	2hrs
UPS	Transfer equipment onto mains, where possible, shut-down	100	2hrs
	Transfer to YourDC where possible	100	4hrs

Key suppliers for service	Contact
CompNow	

Incident Support Team Members	
IT Support Officer	Contractors/Suppliers
Information Management	
Manager Business Improvement	

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Service infrastructure	MAO
Website	2 hours

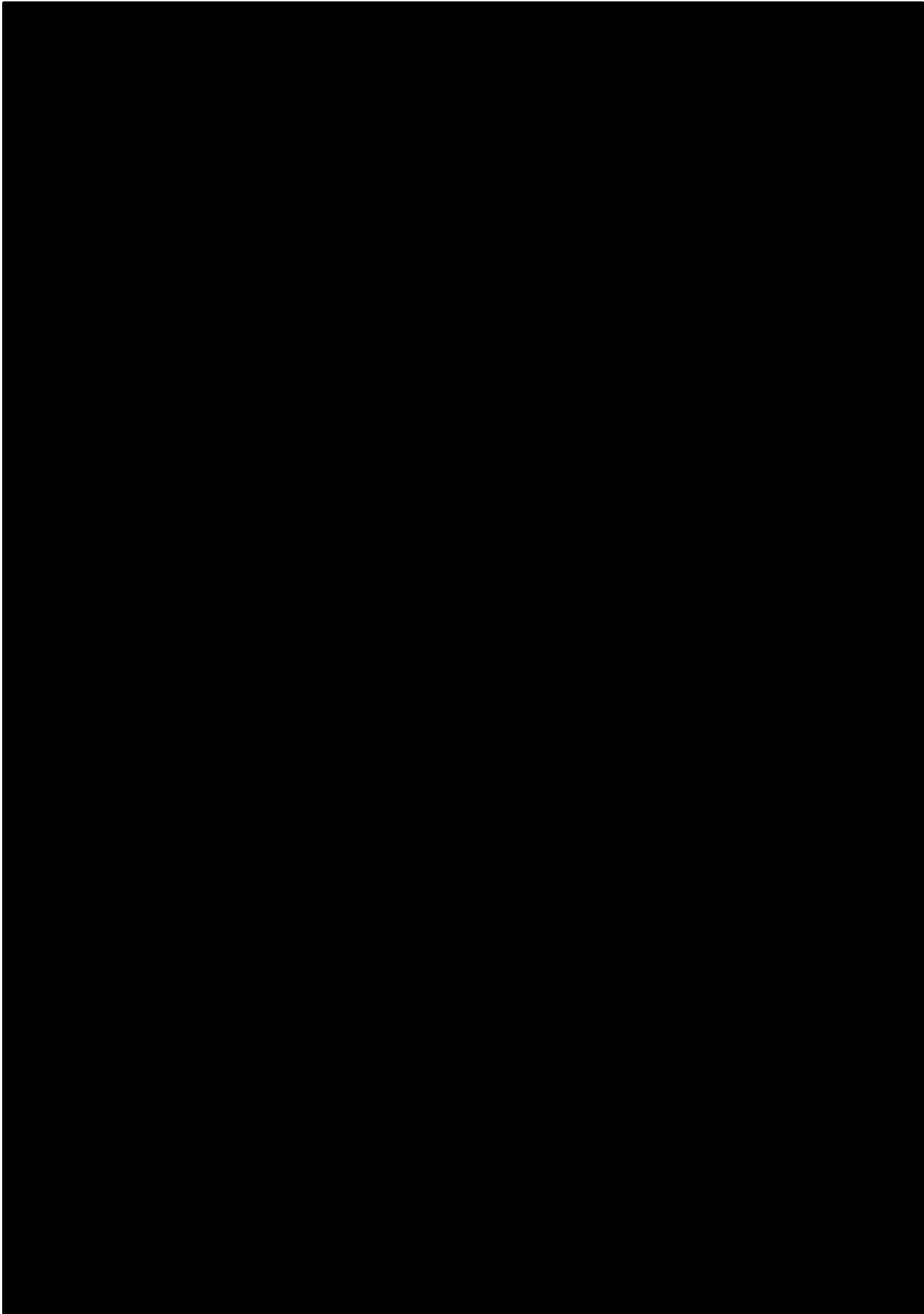
Council impact	External impact
Loss of capability	Community perception
Legal compliance	

Critical equipment	MAO
Network connection	2hrs
LGA service	2hrs
NBN	2 hrs

Response and Recovery actions			
Loss/Fail	Actions to loss	%	RTO
Network connection	Contact LGA and establish outage timeframe	0	1hr
	Public notice on social media	0	1hr
	Post physical notice on council's public facing sites	0	1hr
	LGA and Squiz to Switch to Redundant Connection	80	2hrs
Squiz Matrix service	Contact LGA and seek recovery time	0	1hr
	Public notice on social media	0	1hr
	Post physical notice on Council's public facing sites	0	1hr
	Failover to redundancy location	80	2hrs
Website Data	Speak with Squiz and LGA to Restore Data from Backup	100	2hrs

Key suppliers for service	Contact
Local Government Association	
Squiz Matrix	

Incident Support Team Members	
Senior Information Technology Officer	Contractors/Suppliers
Information Management	Information Technology Officer
Manager Business Improvement	



8 QUESTIONS WITHOUT NOTICE

9 MOTIONS WITHOUT NOTICE

10 URGENT BUSINESS

11 NEXT MEETING

12 CLOSURE
