



# NOTICE

of

## ORDINARY COUNCIL MEETING

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

TO BE HELD IN

**COUNCIL CHAMBERS  
PLAYFORD CIVIC CENTRE  
10 PLAYFORD BOULEVARD, ELIZABETH**

MEMBERS MAY PARTICIPATE BY ELECTRONIC MEANS

ON

**TUESDAY, 24 MAY 2022 AT 7:00PM**

THIS MEETING WILL ALSO BE VIEWABLE AT  
<https://www.youtube.com/user/CityOfPlayford>

**SAM GREEN  
CHIEF EXECUTIVE OFFICER**

Issue Date: Thursday, 19 May 2022

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### MEMBERSHIP

#### **MAYOR GLENN DOCHERTY – PRINCIPAL MEMBER**

Cr Akram Arifi	Cr Marilyn Baker	Cr Stephen Coppins
Cr Andrew Craig	Cr Veronica Gossink	Cr Shirley Halls
Cr David Kerrison	Cr Clint Marsh	Cr Misty Norris
Cr Jane Onuzans	Cr Peter Rentoulis	Cr Dennis Ryan
Cr Gay Smallwood-Smith	Cr Katrina Stroet	Cr Cathy-Jo Tame



**City of Playford  
Ordinary Council Meeting**

**AGENDA**  
**TUESDAY, 24 MAY 2022 AT 7:00PM**

**1 ATTENDANCE RECORD**

1.1 Present

1.2 Apologies

Cr Peter Rentoulis  
Cr Dennis Ryan

1.3 Not Present

**2 CONFIRMATION OF MINUTES**

**RECOMMENDATION**

The Minutes of the Ordinary Council Meeting held 26 April 2022 be confirmed as a true and accurate record of proceedings.

**3 DECLARATIONS OF INTEREST**

**4 MAYOR'S REPORT**

**5 REPORTS OF REPRESENTATIVES OF COUNCIL ON OTHER ORGANISATIONS**

**6 REPORTS BY COUNCILLORS**

**7 REPORTS OF REPRESENTATIVES (CONFERENCES & TRAINING PROGRAMS)**

**8 QUESTIONS WITHOUT NOTICE**

**9 QUESTIONS ON NOTICE**

**Cr Misty Norris**

**History**

At the Ordinary Council meeting held on 26 April 2022, the following question was asked by Cr Norris.

**Question**

Who is responsible for the maintenance of the Uley Road Cemetery?

**Answer**

The Uley Road Cemetery is under the care and control of Council.

**10 PETITIONS**

Nil

**11 DEPUTATION / REPRESENTATIONS****11.1 Public Hearing for 2022/23 Business Plans**

As per Section 123 of the *Local Government Act 1999* a council must invite interested persons to attend a public meeting to ask questions, and make submissions, in relation to the Draft Annual Business Plan for a period of at least 1 hour.

**12 MOTIONS WITHOUT NOTICE****13 MOTIONS ON NOTICE**

Nil

**14 COMMITTEE REPORTS****Chief Executive Officer Review Committee**

Nil

**Civic Events Committee**

Nil

**Corporate Governance Committee**

*Matters which cannot be delegated to a Committee or Staff*

14.1	Financial Sustainability Ratios and Targets Policy and Procedure Review (Attachments) .....	7
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**Policy Review Committee**

Nil

**Strategy and Services Committee**

*Matters which cannot be delegated to a Committee or Staff*

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*Matters for Information*

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*Matters for Information*

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**16 INFORMAL DISCUSSION**

Nil

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**STAFF REPORTS***Matters which cannot be delegated to a Committee or Staff*

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**18 CLOSURE**

# COMMITTEE REPORTS

## CORPORATE GOVERNANCE COMMITTEE

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***Matters which cannot be  
delegated to a Committee or Staff***

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## 14.1 FINANCIAL SUSTAINABILITY RATIOS AND TARGETS POLICY AND PROCEDURE REVIEW

**Responsible Executive Manager :** Dale Welsh

**Report Author :** Natalie Caon

**Delegated Authority :** Matters which cannot be delegated to a Committee or Staff.

**Attachments :**

- 1 [↓](#). Financial Sustainability Ratios and Targets Policy
- 2 [↓](#). Financial Sustainability Ratios and Targets Procedure

### PURPOSE

The purpose of this report is to seek endorsement from Council on the revised Financial Sustainability Ratios and Targets Policy and Procedure.

### STAFF RECOMMENDATION

Council endorse the revised Financial Sustainability Ratios and Targets Policy (Attachment 1) and Financial Sustainability Ratios and Targets Procedure (Attachment 2), noting that the next review is due in two years.

### COMMITTEE RECOMMENDATION

Council endorse the proposed Financial Sustainability Ratios and Targets Policy (Attachment 1) and Financial Sustainability Ratios and Targets Procedure (Attachment 2), noting that the next review is due in three years, and provides the following additional feedback:

- The Policy is updated to include the ratios and targets table from item 4.1 of the report entitled Financial Sustainability Ratios and Targets Policy and Procedure Review replacing the five dot points in Section 1 Statement of Intent, and
- Section 3.5.3 of the Financial Sustainability Ratios and Targets Procedure be updated from 10% to 8%.

### EXECUTIVE SUMMARY

The Financial Sustainability Ratios and Targets Policy supports the requirement for Council to ensure the sustainability of its long-term Financial Performance and position under section 8 and 123 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and to have the appropriate internal control policies under section 125 of the Act.

A review of has been undertaken and a slightly revised suite of ratios and targets are proposed.

## 1. BACKGROUND

Council creates and maintains a network of policies to set strategic direction and support effective decision making. Council's policies play an important role in communicating Council's intention and obligations and in setting our roles and responsibilities in decision making.

The Financial Sustainability Ratios and Targets Policy and Procedure were originally adopted by Council on 25 May 2021 (resolution number 4623). Recently a full review of the financial ratios was undertaken and presented to the Corporate Governance Committee at its meeting on 1 February 2022.

At this meeting the Corporate Governance Committee endorsed the updated ratios and targets noting that the Policy and Procedure would be subsequently amended.

## 2. RELEVANCE TO STRATEGIC PLAN

### Community Theme 5 – Using Money Wisely

Financial sustainability ratios and monitoring performance against these ratios demonstrates sound financial management in line with Council's Finance Strategy. It also ensures Council is meeting its legislative requirements under the *Local Government (Financial Management) Regulations 2011*.

## 3. PUBLIC CONSULTATION

There is no requirement for community consultation regarding the review of this policy and procedure. Once endorsed, the updated Policy and Procedure will be made available on Council's website.

It should be noted that the financial sustainability ratios and targets are incorporated within Council's Annual Business Plan and Long Term Financial Plan and both documents are placed on public consultation during May.

## 4. DISCUSSION

- 4.1 In February 2022, the Corporate Governance Committee considered a review of financial sustainability ratios and endorsed the retention of the existing 5 ratios with some slight changes to the target range as detailed in the table below.

Finance Strategy	Proposed Ratio	Target Range
Financial Performance	Operating Surplus Ratio	Between 1% and 10%
Debt Management	Net Financial Liabilities Ratio	Between 50% and 160%
Asset Management	Interest Expense Ratio	Between 4% and 8%
	Asset Sustainability Ratio	Between 90% and 110%
	Cash Flow from Operations	Between 90% and 110%

- 4.2 These adjustments have now been reflected in the Financial Sustainability Ratio Policy and Procedure.

## 5. OPTIONS

### Recommendation

Council endorse the revised Financial Sustainability Ratios and Targets Policy (Attachment 1) and Financial Sustainability Ratios and Targets Procedure (Attachment 2), noting that the next review is due in two years.

### Option 2

Council endorse the proposed Financial Sustainability Ratios and Targets Policy (Attachment 1) and Financial Sustainability Ratios and Targets Procedure (Attachment 2), noting that the next review is due in two years, and provides the following additional feedback:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

## 6. ANALYSIS OF OPTIONS

### 6.1 Recommendation Analysis

#### 6.1.1 Analysis & Implications of the Recommendation

The Financial Sustainability Ratios and Targets Policy supports the requirement for Council to ensure the sustainability of its long-term Financial Performance and position under section 8 and 123 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and to have the appropriate internal control policies under section 125 of the Act.

#### **Risk Appetite**

##### Regulatory Compliance

*Council has a zero tolerance for non-compliance with applicable legislation including but not limited to: Local Government Act (LGA) 1999; Independent Commissioner Against Corruption (ICAC) Act 2012; Work Health & Safety (WHS) Act 2012; Environment Protection Act (EPA) 1993; Development Act 1993; Equal Employment Opportunity legislation; and Public Consultation legislation.*

This decision will ensure compliance with relevant legislation.

#### 6.1.2 Financial Implications

There are no financial or resource implications, the policy and procedure is used to guide Council's decision making.

### 6.2 Option 2 Analysis

#### 6.2.1 Analysis & Implications of Option 2

The Policy and Procedure documents will be updated to include any additional amendments recommended by the Corporate Governance Committee and provided to Council for endorsement, with the next review proposed in three years.

### 6.2.2 Financial Implications

There are no financial or resource implications, however the policy and procedure is used to guide Council's decision making.

## Financial Sustainability Ratios and Targets Policy



Policy Author	General Manager – Strategy and Corporate
Date of next review	Marchy 20254

### 1. Statement of Intent

This policy sets out strategic financial sustainability principles and outlines the measures by which Council will assess the implications of financial decisions on its financial position and financial sustainability. These principles are aimed at establishing, maintaining and assessing Council's long term financial sustainability.

The measures defined in this policy will be used by Council in the development of the following:

- Annual budget
- Long Term Financial Plan
- Asset Management Plan
- Budget reviews
- Other financial decisions.

The policy establishes five measures to ensure Council assess, monitor and report the financial sustainability of its operations with a particular focus on intergenerational equity. In particular the ability to make financial decisions based around:

- Financial performance
- Asset Sustainability
- Debt management

The main five measures are:

- Operating Surplus Ratio (Local Government Act Core Ratio)
- Cash Flow from Operations (Existing Playford Ratio)
- Asset Sustainability Ratio (Local Government Act Core Ratio)
- Net Financial Liabilities Ratio (Local Government Act Core Ratio)
- Interest Expense Ratio (Used by Local Government Finance Authority)

Commented [KS1]: Added to help clarify the sentence below the dot points.

Administration may utilise additional ratios to the above.

### 2. Scope

This policy and the associated procedure applies to the development of the annual budget, long term financial plan, asset management plans, budget reviews and other financial decisions.

### 3. Application

Council	Adopt the Financial Sustainability Ratios and Targets Policy. Consider and approve the annual budget, long term financial plan, asset management plans, budget reviews and other financial decisions.
Chief Executive Officer	Responsible for implementing the policy and monitoring the organisation's financial position. Reports on Council's financial sustainability.
Corporate Governance Committee	Makes recommendations regarding targets. Reviews and provides input to financial plans. Reviews the financial sustainability of Council.
Senior Manager Finance	Leadership of the financial review process.
Finance Manager	Leadership of the financial review process. Provides analysis of Council decisions that includes the impact on targets.
Directors and Managers	Provide quality inputs for Council's financial performance reviews and reporting.

### 4. Legislation and References

This policy is to be read in conjunction with the Financial Sustainability Ratios and Targets Procedure.

- [Local Government Act 1999](#)
  - s8 - Principles to be observed by a council
  - s44 - Delegations
  - s137 - Expenditure of funds
  - Chapter 8 - Administrative and financial accountability
    - s122 - Strategic management plans
    - s123 - Annual business plans and budgets
- [Local Government \(Financial Management\) Regulations 2011](#)
  - Regulation 7 - Budgets
  - Regulation 9 - Review of budgets
- Local Government Association, Financial Sustainability Information Paper 9
- Asset Management Policy
- Treasury Policy
- Annual Business Plan
- Annual Report
- Long-Term Financial Plan
- Infrastructure and Asset Management plans
- City of Playford Global Glossary

This Policy should not be considered as the only document that may relate to financial sustainability and targets, other tiers of government, agencies or organisations may have legislation or policies that also apply.



## 5. Relevance to Risk Appetite Statement

### Financial Sustainability

The City of Playford has a **LOW** appetite for short-term financial risk that adversely impacts the Council's income. The Financial Sustainability and Targets Policy sets the principles and criteria with regard to financial sustainability.

### Reputation

The City of Playford has a **LOW** appetite for negative perceptions that compromise its credibility and reputation. The Policy assists Council in responsibly managing its financial position and performance.

### Regulatory Compliance

The City of Playford has **ZERO TOLERANCE** for non-compliance with applicable legislation including the legislation listed within this policy.

## 6. Feedback


Your feedback on this policy is invited and can be directed to the Manager Governance via email to [governance@playford.sa.gov.au](mailto:governance@playford.sa.gov.au) or by calling the Customer Contact Team on 8256 0333.

### Administration use only

ECM document set no.	3984933
Version no.	<del>43</del>
Procedure link	Financial Sustainability Ratios and Targets Procedure
Policy author	General Manager – Strategy & Corporate
Endorsed by	Council
Resolution no.	4623
Legal requirement	N/A
Review schedule	3 years
Date of current version	<del>Marche 2022y 2024</del>
Date of next review	<del>Marchy 2025</del> <sup>4</sup>

### Version history

Version no.	Approval date	Approval by	Change
1	22/03/2011	Council	New Policy



2	24/05/2016	Council	Policy updated to reflect current practice
3	25/05/2021	Council Resolution No. 4623	Policy document moved into new template. Document updated to include Risk Appetite Statement. Moved procedure content into procedure document, statement of intent expanded to ensure the intent of the policy is clear
4	<a href="#">29/03/2022</a>		<a href="#">Policy updated to reflect the ability to review additional measures and to adjust application to current practice.</a>

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## Financial Sustainability Ratios and Targets Procedure



Procedure Author	General Manager Strategy and Corporate
Date of next review	May 2024

### 1. Purpose

This procedure supports the Financial Sustainability Ratios and Targets Policy and outlines the financial measures to ensure a consistent approach in accordance with the policy. The measures are designed to ensure that Council adheres to its plans and remains focused on achieving and maintaining financial sustainability.

### 2. Application

Chief Executive Officer	Ensure workers understand financial monitoring and reporting requirements.
<del>General Managers</del> Directors and Senior Managers	Compile financial monitoring and review information for their respective areas of responsibility.
Finance Manager	Responsible for the carrying out and oversight of Council's annual reporting and budget process. Assist the <del>Directors</del> General Managers and Senior Managers with the monitoring and reviewing for their respective areas of responsibility.
Senior Manager – City & Corporate Planning	Ensures public consultation in accordance with section 123 of the <i>Local Government Act 1999</i> .

### 3. Procedure

#### 3.1 Ratio 1 – Operating Surplus Ratio (Financial Performance)

##### 3.1.1 Calculated as

The Operating Surplus Ratio is the Operating Result expressed as a percentage of / Council's Total Operating Income, as prescribed by the Local Government Association (LGA).

##### 3.1.2 Purpose:

This ratio is designed to highlight the financial performance for the year and is a key indicator for financial sustainability.

A positive result on this ratio indicates the services provided by Council are fully funded. It also suggests income may be available to fund capital or repay debt. A negative result indicates that Council is operating at a level beyond its means which, if chronic, will present long term financial issues.

Administration may monitor additional supporting ratios to consider long-term operating impacts.

### 3.1.3 Target:

In general Council should not be targeting operating deficits, nor should it be targeting large operating surpluses. Both of these results negatively impact on intergenerational equity.

The range was selected to target the generation of revenue sufficient to cover Council's operation without over rating the community. While the calculation should be done on a yearly basis, it is also beneficial to review the target in terms of a trend over time opposed to a single year.

Target
Between <del>10</del> % and 10%

## **3.2 Ratio 2 - Cash Flow from Operations (Asset Management)**

### 3.2.1 Calculated as:

Cash Flow from Operations divided by Asset Management Plan Replacement Annuity

### 3.2.2 Purpose:

This ratio measures whether Council is generating enough cash from its operations to cover the replacement of assets over-time. This ensures that Council is delivering intergenerational equity and also provides the capacity to repay the borrowings used to fund the large capital cost over time from a sustainable income source, thus putting Council in a position to be able to re-borrow funds for asset replacement in the future.

### 3.2.3 Target:

The target range is designed to accommodate annual variation, but in general Council should be targeting around 100%, to ensure enough cash from operations is available to cover the replacement of assets over time. This enables the delivery of intergenerational equity and a sustainable use of borrowings that can be repaid over the life of the asset and re-borrowed when the replacement is due.

A lower ratio indicates that Council is not generating enough cash from operations to cover asset replacement (less than 100%) and one of two things is potentially happening, neither of which is desirable. These are:

- Council is running down the condition of its assets by not replacing them at the rate they need to be replaced (declining service levels); or
- Council is funding the replacement of assets from unsustainable sources of income that will lead to an increasing level of borrowings over time.

Council has set its target range to reflect its desire to ensure it has sufficient funds from its operations to ensure that assets are being replaced regularly.

Target
Between 90% and 110%

### 3.3 Ratio 3 - Asset Sustainability Ratio (Asset Management)

#### 3.3.1 Calculated as:

This ratio is calculated by measuring Capital outlays on renewal, net of sale proceeds from replaced assets / amount planned to be spent in Asset Management Plans (AMPs).

#### 3.3.2 Purpose:

This is a measure of the extent to which Council is replacing assets at the rate that ensures consistent service delivery and levels determined by the AMPs.

Council's AMPs 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. This ratio measures if Council is performing the required work to replace assets and maintain the level of service.

#### 3.3.3 Target:

In general, Council should be targeting around 100% of the replacement works determined by the AMPs to ensure consistent service delivery.

A lower ratio suggests that Council is not maintaining assets and infrastructure in order to optimise assets. A higher ratio suggests that Council is replacing assets earlier than needed.

Council has accepted the target range recommended by the LGA, to reflect its desire to ensure assets are renewed and replaced in a responsible manner to maintain service levels for the community.

Target
Between 90% and 110%

### 3.4 Ratio 4 - Net Financial Liabilities Ratio (Debt Management)

#### 3.4.1 Calculated as:

The net financial liabilities expressed as a percentage of total operating income as prescribed by the LGA.

#### 3.4.2 Purpose:

This is a measure of the extent to which Council is managing its debt. It is a broader measure of debt than simply looking at borrowing levels. It highlights that borrowings are often an effective means of financial sustainability, rather than trying to fund all assets and services from operating income.

A steady ratio means council is balancing the need to borrow against their affordability of debt. An excessive ratio means Council is borrowing beyond its means and can't generate the income required to service assets and operations.

#### 3.4.3 Target:

In order to ensure this target is meaningful it needs to be set and aligned with the planning strategy of the Council. If Council is in a significant development stage then a higher range may be acceptable. The target needs to be flexible based on community needs and long term financial sustainability.

The target range has been approved by Council acknowledging its position as a high growth council. It also reflects Council's long term financial strategy, which includes using debt as a mechanism for funding new services and assets, as a way of achieving intergenerational equity.

Target
Between 50% and 160%

### 3.5 Ratio 5 - Interest Expense Ratio (Debt Management)

#### 3.5.1 Calculated as:

Interest expense (less interest income) / General Rate Income (less Natural Resource Management levy).

#### 3.5.2 Purpose:

This ratio measures the affordability of Council's debt and articulates the proportion of Council's general rate income that is being used to service debt.

#### 3.5.3 Target:

Interest expense greater than 10% of general rate revenue is considered to be an unacceptable level of servicing costs for borrowings. The target indicates Council's ability to afford the level of debt, as well as continue operations as usual.

A higher percentage means that more of Council's revenue is required to pay for debt rather than paying for community services and other benefits, which may require higher rate rises to maintain service standards.

If Council is in a significant development stage then a higher range may be acceptable and aligned with the planning strategy of the Council.

The target range set by Council acknowledges its position as a high growth council and its ability to use debt as a mechanism to fund new assets and services. It reflects Council's assessment of the interest expense that can be afforded, without impacting its ability to maintain services to the community.

Target
Between <del>4</del> 3% and <del>8</del> 10%

#### 4. Feedback

Your feedback on this policy is invited and can be directed to the Manager Governance via email to [governance@playford.sa.gov.au](mailto:governance@playford.sa.gov.au) or by calling the Customer Contact Team on 8256 0333

##### Administration use only

ECM document set no.	3984937
Version no.	<del>2</del> 1
Policy link	Financial Sustainability Ratios and Targets Policy
Procedure author	General Manager – Strategy and Corporate
Endorsed by	Council
Resolution no.	4623
Legal requirement	N/A
Review schedule	3 years
Date of current version	<del>April</del> May 2021
Date of next review	May 2024

##### Version history

Version no.	Approval date	Approval by	Change
1	25/05/2021	Council Resolution No. 4623	New Procedure document
<del>2</del>			<u>Adjusted target ranges on two ratios and minor updates to titles.</u>

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# COMMITTEE REPORTS

## STRATEGY AND SERVICES COMMITTEE

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***Matters which cannot be  
delegated to a Committee or Staff***

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**14.2 COMMONWEALTH HOME SUPPORT PROGRAM FUNDING AGREEMENT 2022-2023 FOR SIGNING UNDER COUNCIL SEAL**

**Responsible Executive Manager :** Tina Hudson

**Report Author :** Erin Findlay

**Delegated Authority :** Matters which cannot be delegated to a Committee or Staff

**PURPOSE**

To seek approval for the Council Seal to be applied to the Commonwealth Home Support Program Deed of Variation in relation to Home Support.

**STAFF RECOMMENDATION**

Council endorse application of the Seal to the Commonwealth Home Support Program Deed of Variation in relation to Home Support.

**COMMITTEE RECOMMENDATION**

**Council endorse application of the Seal to the Commonwealth Home Support Program Deed of Variation in relation to Home Support.**

**EXECUTIVE SUMMARY**

Application of the Council Seal to the Commonwealth Home Support Program (CHSP) Deed of Variation in relation to Home Support is a condition required by the Commonwealth under Department of Finance Regulations.

City of Playford has a current Grant Agreement with the Australian Government Department of Health valid until 30 June 2022 to deliver CHSP services to eligible residents aged 65 years and over.

This new Deed of Variation in relation to Home Support is for a total of \$1,956,329.71 to enable the Council to continue delivering these services for another year until 30 June 2023.

CHSP funding cannot be provided without the application of the Council Seal to the Deed of Variation.

**1. BACKGROUND**

City of Playford has a current Standard Grant Agreement with the Australian Government Department of Health, until 30 June 2022 to deliver CHSP services to eligible residents aged 65 years and over. The Last Deed of Variation in respect to this Funding Agreement was signed under Seal following Council Resolution 4080 made on the 23 June 2020.

Funding for delivery of CHSP services is provided to the Council to support residents aged over sixty-five years to remain living independently in their own homes and connected to their local community. City of Playford CHSP services are delivered by the Community Inclusion Team.

Under the current Agreement City of Playford is funded to deliver the CHSP services of Domestic Assistance, Home Maintenance, Home Modifications, Social Support Group, Social Support Individual, Meals and Transport to eligible residents aged over sixty-five years.

To continue receiving grant funding to deliver these services the Council Seal must be applied to the Deed of Variation in relation to these services.

## **2. RELEVANCE TO STRATEGIC PLAN**

Community Theme 3 – Connecting with the community and each other

The further year of CHSP grant funding to be provided through this Deed of Variation will enable continued delivery of high quality CHSP services for eligible older residents living in the City of Playford. This funding is vital in providing support and social connection for these residents.

## **3. PUBLIC CONSULTATION**

There is no requirement to consult with the community on this matter.

## **4. DISCUSSION**

- 4.1 \$1,956,329.71 of funding that will be provided through this Deed of Variation will enable the Community Inclusion Team to continue delivery of CHSP services for eligible older residents. There is no additional financial cost to the council incurred through continuation of this grant agreement. This grant agreement will differ slightly to previous agreements as payment in arrears will be introduced for the first time.
- 4.2 CHSP services are provided for eligible residents aged over sixty-five years to enable them to remain living independently in their own homes and connected to the community. Access to these services is via an assessment by the Commonwealth Regional Assessment Service (RAS) and referral is through the My Aged Care (MAC) portal to the resident's provider of choice.
- 4.3 City of Playford is consistently the provider of choice for older people in our region in need of CHSP services and has a very high retention and return rate of people who are highly satisfied with the quality and timeliness of service delivery, and the outcomes achieved in supporting them to meet their independence and wellbeing goals. The funding received through this Deed of Variation will enable continued delivery of CHSP services for a further year.

## **5. OPTIONS**

### Recommendation

Council endorse application of the Seal to the Commonwealth Home Support Program Deed of Variation in relation to Home Support.

## OPTION 2

Council endorse application of the Seal to the Commonwealth Home Support Program Deed of Variation in relation to Home Support, following receipt of the following additional, clarifying information:

- \_\_\_\_\_
- \_\_\_\_\_

## 6. ANALYSIS OF OPTIONS

### 6.1 Recommendation Analysis

#### 6.1.1 Analysis & Implications of the Recommendation

Application of the Council Seal to the Deed of Variation will enable the Council to receive a further one year of funding to enable continued delivery of CHSP services to the Community.

Without this funding Council will be unable to continue providing these services which will have a significant negative impact on the residents currently receiving these services and those being assessed as in need of services who will have reduced access in the region.

#### **Risk Appetite**

##### Financial Sustainability

*Council has a low appetite for short-term financial risk that adversely impacts on the delivery of the long term financial plan and the Council's overall stability and sustainability.*

This decision will ensure that the CHSP Program can continue to run for a further 12 months, with no financial impact to Council.

#### 6.1.2 Financial Implications

Within this funding agreement payments will be paid monthly in arrears, with the exception of the first payment made on 4<sup>th</sup> July 2022. This payment method differs from payment three months in advance to one month in arrears. Cash flow adjustments will be addressed.

### 6.2 Option 2 Analysis

#### 6.2.1 Analysis & Implications of Option 2

Application of the Council Seal to the CHSP Deed of Variation is a condition required by the Commonwealth under Department of Finance Regulations. Funding cannot be provided without the application of the Council Seal to the CHSP Deed of variation.

Without this funding the Council will be unable to continue providing CHSP services to the Community.

Clarifying information will be sought as soon as possible but may impact on Council's ability to finalise the Agreement within an appropriate timeline.

#### 6.2.2 Financial Implications

Without the endorsement of the application of the Council Seal for the Deed of Variation the funding cannot be received.

# **COMMITTEE REPORTS**

## **STRATEGY AND SERVICES COMMITTEE**

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### ***Matters for Information***

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### **14.3 RESPONSE TO TREE PLANTING PETITION - HOLYOAKE COURT HILLBANK - COUNCIL RESOLUTION 4758**

**Responsible Executive Manager :** Simon Blom

**Report Author :** Andy Slager

**Delegated Authority :** Matters for Information

#### **Purpose**

To provide an update following receipt of a petition on 6 September 2021

#### **STAFF RECOMMENDATION**

That the report entitled Response to Tree Planting Petition – Holyoake Court Hillbank – Council Resolution 4758 be received and noted.

#### **COMMITTEE RECOMMENDATION**

That the report entitled Response to Tree Planting Petition – Holyoake Court Hillbank – Council Resolution 4758 be received and noted.

#### **Relevance to Strategic Plan**

Community Theme 1 – Lifting City Appearance

#### **Relevance to Community Engagement Policy**

There is no link between the Community Engagement Policy and the response update

#### **Background**

Council has received a petition on 6 September 2021 from the residents of Holyoake Court, Hillbank.

The petition objected to the replanting of trees in Holyoake Court.

Thirteen signatories were included on the petition.

City Operations took the option to assess and action this request via Council's routine customer request processes.

#### **Current Situation**

The outcome is the following:

- 3 trees will be planted on the council verge adjacent to 2 properties on Holyoake Court. Planting will occur during the cooler months of 2022

- Extra trees will also be planted in the reserve adjacent to Holyoake Court
- A further 4 residents did want trees planted on the verge adjacent to their property, however, due to location, we are unable to plant a tree (constraints include underground services, space)
- 5 property owners did not return calls or answer our correspondence; however, we will continue to attempt to engage with these residents, particularly as we near tree planting

During the Strategy and Services Committee held on 12 April 2022 a recommendation to defer this item was carried to answer the following questions raised by Cr Kerrison.

***Is it still the case that residents in Holyoake Court that don't want a tree in front of their house have the option to not have a tree in front of their house?***

Yes

***The 3 trees that will be planted on the council verge are adjacent to which 2 properties?***

In agreement with the relevant property owners, 2 trees will be planted adjacent to number 2 and 1 tree will be planted in front of number 18

***Which, if any, of the 5 property owners that did not return calls or answer our correspondence are signatories to the petition of 6 September 2021 objecting to the replanting of trees in Holyoake Court?***

3 signatories of the petition did not return calls, door knocks or correspondence from Council

During the Ordinary Council meeting held on 26 April 2022 the committee recommendation to defer the report was resolved and the following additional question was raised by Cr Gossink:

***When and how many trees were removed?***

5 trees were removed from Holyoake Court in May 2019, consisting of 3 large trees and 2 (much) smaller trees.

## **Future Action**

Continued engagement with our customers and residents of Holyoake Court Hillbank regarding tree placement and planting along Holyoake Court Hillbank

## STAFF REPORTS

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***Matters which cannot be  
delegated to a Committee or Staff***

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## 15.1 NAWMA BUDGET

**Responsible Executive Manager :** Tina Hudson

**Report Author :** Kaarina Sarac

**Delegated Authority :** Matters which cannot be delegated to a Committee or Staff

**Attachments :** 1 [↓](#). Draft NAWMA Budget and Annual Plan 2022/23

### PURPOSE

To consider the 2022/23 NAWMA (Northern Adelaide Waste Management Authority) draft Budget and draft Annual Business Plan.

### STAFF RECOMMENDATION

Council endorses the draft NAWMA 2022/23 Budget and Annual Business Plan (Attachment 1).

### EXECUTIVE SUMMARY

This report presents the draft NAWMA Budget and Business Plan (Attachment 1) to Council for consideration as one of the three Constituent Councils of NAWMA. Traditionally a Service Level Agreement (SLA) is also considered with the budget, however NAWMA is undertaking a large-scale review which is on-going so the SLA will be forthcoming to Council at a future meeting. The 2022/23 Budget will continue the delivery of kerbside and hard waste collection services to households across the City of Playford. The main points of interest are:

- The budget repair pricing introduced in 20/21 for recycled items was removed for Constituent Councils.
- The hard waste service is continuing to be extremely popular, resulting in a significant uplift in the NAWMA budget associated with this. This has been factored into Council's Annual Business Plan considerations.
- There are no announced changes to the State Government Waste Levy currently set at \$146/tonne. NAWMA's budget will be adjusted in line with actual levy charges if these eventuate.

The financial implications to Council's share of the Joint Venture operating result is included in Council's Annual Budget.

### 1. BACKGROUND

NAWMA's Budget and Business Plan are reviewed on an annual basis and presented to each Constituent Council for endorsement in line with the NAWMA Charter. The 2022/23 Draft NAWMA Budget (Attachment 1) outlines the full operating costs of NAWMA, including Council-specific costs associated with the kerbside collection services and hard waste service.

The Annual Business Plan provides the direction for NAWMA's service delivery and performance targets it aims to meet.



## **2. RELEVANCE TO STRATEGIC PLAN**

This item relates to Community Theme 5: Using Money Wisely, using the filters of 'finishing what we have started in terms of our longer term projects that the community is expecting us to deliver' and 'sticking to our Finance Strategy'.

While waste management is a significant expenditure item, Council continues to benefit from a regional subsidiary ownership approach which results in competitive waste management rates along with involvement in innovative directions being undertaken by NAWMA.

Consideration of the NAWMA Budget and Business Plan is part of the governance associated with owning a regional subsidiary, to ensure continued appropriate service provision at a competitive price.

## **3. PUBLIC CONSULTATION**

There is no specific legislative responsibility to consult with the community regarding these items. However, Council's Annual Business Plan consultation includes the NAWMA Budget as it applies to the waste collection and management service provided to the community.

## **4. DISCUSSION**

- 4.1 NAWMA provides its Annual Budget and Annual Business Plan for Council consideration each year. Historically an SLA is also considered at this time, however the SLA continues to be under significant review and will be forthcoming to Council at a future meeting.
- 4.2 Each of the three Constituent Councils must endorse the NAWMA Budget. The operational implications of this on Council's budget are considered separately as part of the annual budget processes. This report will refer to those impacts, although they have already been included in Council's budget considerations.
- 4.3 The 2022/23 NAWMA Budget expects:
  - No significant changes to the State Government Solid Waste Levy currently set at \$146/tonne;
  - A slight easing of the strong demand for the hard waste collection service; and
  - continued commodity prices of recyclable items on the world markets, resulting in no further requirement for the 'budget repair mechanism' which was introduced in 2020/21.
- 4.4 The strong demand for the hard waste service has been included into Council's budget considerations within the Annual Business Plan.
- 4.5 The 2022/23 NAWMA Annual Business Plan is focussed on:
  - Continuing focus on strengthening its governance, risk and financial sustainability practices.
  - Operational efficiencies associated with improving access to the Pooraka Resource Recovery Centre, developing markets and marketability of product from the Materials Recovery Facility.

- Continuing the development of options for landfill alternatives in preparation for the now slightly earlier closure of the Uleybury Balefill facility in 2026 (compared to previously anticipated 2027 closure).
- Continuing and extending its community outreach, education and engagement work, including using this to inform future service collection considerations.

## 5. OPTIONS

### Recommendation

Council endorses the draft NAWMA 2022/23 Budget and Annual Business Plan (Attachment 1).

### Option 2

Council does not endorse the 2022/23 NAWMA Budget or Annual Business Plan (Attachment 1) at this time and requests staff to provide feedback to NAWMA as follows:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## 6. ANALYSIS OF OPTIONS

### 6.1 Recommendation Analysis

#### 6.1.1 Analysis & Implications of the Recommendation

Endorsing the NAWMA Budget and Annual Business Plan show continued support to its well-received waste management services. This will give NAWMA the assurance to continue to operate as per current practice.

### **Risk Appetite**

#### Financial Sustainability

*Council has a low appetite for short-term financial risk that adversely impacts on the delivery of the long term financial plan and the Council's overall stability and sustainability.*

This decision will continue to provide waste collection services at a cost that is in line with Council's Long Term Financial Plan.

#### 6.1.2 Financial Implications

This report focusses on endorsing NAWMA's operating budget from the perspective of a part-owner of the regional subsidiary.

NAWMA presents a budget which incorporates CPI, Solid Waste Levy, other contractual pressures, and a growth projection. Council budgets known costs such as CPI and announced Waste Levy changes but takes a cautious approach to budgeting demand for a service in order to avoid over-rating the community.

The table below outlines the differences in NAWMA and Council budgets, and outlines Council processes and management actions for these.

<b>Differences in NAWMA's Budget compared to Council budget</b>	<b>Management action by Council</b>
Assumed conservative increase to the Solid Waste Levy	Assumed conservative increase to the Solid Waste Levy aligned to CPI
Growth in residences is incorporated into the budget	Growth is not included at budget setting, rather being allocated at BR1
Anticipate continued increase to waste disposal per household as seen in the past two years	Monitor behaviour and determine whether a budget pressure is warranted at a future date
Continued increase in green organics participation above standard growth	Monitor and determine requirement for budget increase based on overall waste disposal behaviours
Continued, though easing, demand in hard waste service participation	Participation related cost pressure is included in the 22/23 budget

Overall, NAWMA is projecting a modest increase to costs associated with administration and recycling compared to 21/22. It is projecting continued growth in domestic waste disposal and in participation in the garden organics service.

It also projects a continued high demand for the hard waste service. This cost pressure is included in Council's budget setting for 22/23.

## **6.2 Option 2 Analysis**

### **6.2.1 Analysis & Implications of Option 2**

This option provides the opportunity for Council to provide feedback and raise concerns with specific aspects NAWMA's draft Budget and draft Annual Business Plan.

### **6.2.2 Financial Implications**

The financial impact of any adjustments will be considered with any revised budget arising from Council's feedback to NAWMA.



3/05/2022

Mr Sam Green  
Chief Executive Officer  
City of Playford  
12 Bishopstone Road  
Davoren Park SA 5113

Dear Mr Green,

RE: Draft 2022/2023 NAWMA Budget Document

NAWMA is pleased to forward the appended **Draft 2022/2023 NAWMA Budget Document** and **Draft 2022/2023 Annual Business Plan** for your Councils consideration.

The above documents were presented to the NAWMA Board on Thursday 28 April 2022.

We welcome the opportunity to present to Council the broader and strategic operating environment, cost pressures, and innovation opportunities for NAWMA in the coming year(s), and thank you for allowing myself and NAWMA's Chief Financial Officer Mrs Yi (Rachel) Zhou to present to your Council on Tuesday 10 May 2022.

In line with the NAWMA Charter, we would appreciate Council considering and, if appropriate, endorsing the Draft 2022/2023 Budget and Draft 2022/2023 Annual Business Plan prior to **30 June 2022**.

I can be contacted on [j.phillips@nawma.sa.gov.au](mailto:j.phillips@nawma.sa.gov.au) for any further discussion on this matter.

Yours sincerely

*John D Phillips*

John Phillips OAM  
Acting Chief Executive Officer

Box 10 MDC, Edinburgh North SA 5113  
Phone (08) 8259 2100  
[www.nawma.sa.gov.au](http://www.nawma.sa.gov.au)

**Northern Adelaide Waste Management Authority**

## Uniform Presentation of Finances

2021/22 \$000 BR1	2021/22 \$000 Proposed BR2		2022/23 \$000 Draft Budget
46,656	46,656	Operating Revenues	47,669
(46,622)	(46,610)	Operating Expenses	(47,730)
34	46	Operating Surplus / (Deficit)	(61)
<b>Net Outlays on Existing Assets</b>			
(10)	(10)	Capital Expenditure on renewal and replacement of Existing Assets	(15)
3,083	2,942	Depreciation, Amortisation and Impairment	3,558
-	-	Proceeds from Sale of Replaced Assets	-
3,073	2,932		3,543
<b>less Net Outlays on New and Upgraded Assets</b>			
(1,500)	(1,500)	Capital Expenditure on New and Upgraded Assets	(9,980)
-	-	Amounts received specifically for New and Upgraded Assets	5,520
-	-	Proceeds from Sales of Replaced Assets	-
(1,500)	(1,500)		(4,460)
1,607	1,478	Net Lending / (Borrowing) for Financial Year	(978)

**Northern Adelaide Waste Management Authority****Statement of Comprehensive Income**

2021/22 \$000 BR1	2021/22 \$000 Proposed BR2		2022/23 \$000 Draft Budget
		<b>Income</b>	
46,161	46,161	User Charges	46,944
167	167	Investment Income	252
-	-	Reimbursements	-
328	328	Other	473
<u>46,656</u>	<u>46,656</u>	<b>Total Income</b>	<u>47,669</u>
		<b>Expenses</b>	
3,961	3,961	Employee Costs	4,380
39,148	39,134	Materials, Contracts and Other Expenses	39,261
3,083	2,942	Depreciation, Amortisation and Impairment	3,558
430	573	Finance Costs	531
-	-	Other Expenses	-
<u>46,622</u>	<u>46,610</u>	<b>Total Expenses</b>	<u>47,730</u>
34	46	<b>Operating Surplus / (Deficit)</b>	<b>(61)</b>
-	-	Net Gain / (Loss) on Disposal of Assets	-
930	930	Amounts received specifically for new/upgraded assets	5,520
<u>964</u>	<u>976</u>	<b>Net Surplus / (Deficit)</b>	<u>5,459</u>
		<b>Other Comprehensive Income</b>	
-	-	Other Comprehensive Income	-
<u>964</u>	<u>976</u>	<b>Total Comprehensive Income</b>	<u>5,459</u>

## Northern Adelaide Waste Management Authority

## Statement of Cash Flows

2021/22 \$000 BR1	2021/22 \$000 Proposed BR2		2022/23 \$000 Draft Budget
		<b>Cash Flows from Operating Activities</b>	
46,489	46,489	Operating Receipts	47,417
167	167	Investment Receipts	252
(43,109)	(43,095)	Operating Payments	(43,967)
(430)	(479)	Finance Payments	(425)
<u>3,117</u>	<u>3,082</u>	<b>Net cash provided by (used in) operating activities</b>	<u>3,277</u>
		<b>Cash Flows from Investing Activities</b>	
-	-	Amounts specifically for new or upgraded assets	5,520
-	-	Sale of Replaced Assets	-
(10)	(10)	Expenditure on Renewal/Replacement Assets	(15)
(1,500)	(1,500)	Expenditure on New/Upgraded Assets	(9,980)
<u>(1,510)</u>	<u>(1,510)</u>	<b>Net cash provided by (used in) investing activities</b>	<u>(4,475)</u>
		<b>Cash Flows from Financing Activities</b>	
900	900	Proceeds from Borrowings	5,550
(1,205)	(1,205)	Repayment of Borrowings	(1,401)
(1,589)	(1,589)	Repayment of Lease Liabilities	(1,241)
<u>(1,894)</u>	<u>(1,894)</u>	<b>Net cash provided by (used in) financing activities</b>	<u>2,908</u>
(287)	(322)	<b>Net Increase (Decrease) in cash held</b>	1,710
7,167	7,167	<b>Cash &amp; Cash Equivalents at the beginning of the period</b>	6,845
<u>6,880</u>	<u>6,845</u>	<b>Cash &amp; Cash Equivalents at the end of the period</b>	<u>8,555</u>

## Northern Adelaide Waste Management Authority

## Statement of Financial Position

2021/22 \$000 BR1	2021/22 \$000 Proposed BR2		2022/23 \$000 Draft Budget
		<b>Current Assets</b>	
6,880	6,845	Cash & Cash Equivalents	8,555
4,167	4,167	Trade & Other Receivables	4,167
27	27	Stock on Hand	52
<u>11,074</u>	<u>11,039</u>	<b>Total Current Assets</b>	<u>12,774</u>
		<b>Non-Current Assets</b>	
-	-	Financial Assets	-
21,341	21,482	Infrastructure, Property, Plant and Equipment	27,919
<u>21,341</u>	<u>21,482</u>	<b>Total Non-Current Assets</b>	<u>27,919</u>
<u>32,415</u>	<u>32,521</u>	<b>Total Assets</b>	<u>40,693</u>
		<b>Current Liabilities</b>	
5,737	5,737	Trade & Other Payables	5,737
1,442	1,442	Borrowings	1,442
366	366	Provisions	366
<u>7,545</u>	<u>7,545</u>	<b>Total Current Liabilities</b>	<u>7,545</u>
		<b>Non-Current Liabilities</b>	
-	-	Trade & Other Payables	-
5,388	5,482	Provisions	5,287
9,703	9,703	Borrowings	12,611
<u>15,091</u>	<u>15,185</u>	<b>Total Non-Current Liabilities</b>	<u>17,898</u>
<u>22,636</u>	<u>22,730</u>	<b>Total Liabilities</b>	<u>25,443</u>
<u>9,779</u>	<u>9,791</u>	<b>Net Assets</b>	<u>15,250</u>
		<b>Equity</b>	
9,119	9,131	Accumulated Surplus	14,590
660	660	Asset Revaluation Reserve	660
<u>9,779</u>	<u>9,791</u>	<b>Total Equity</b>	<u>15,250</u>



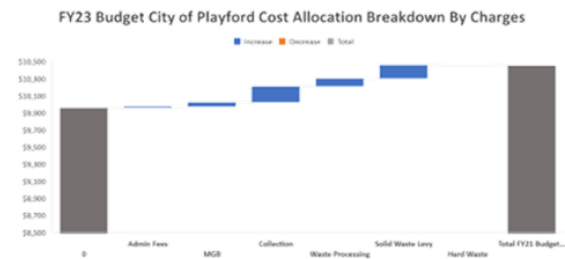
**Northern Adelaide Waste Management Authority****Statement of Changes in Equity**

2021/22 \$000 BR1	2021/22 \$000 Proposed BR2		2022/23 \$000 Draft Budget
		<b>Accumulated Surplus</b>	
8,155	8,155	Balance at beginning of period	9,131
964	976	Net Surplus / (Deficit)	5,459
-	-	Transfers from reserves	-
-	-	Transfers to reserves	-
-	-	Distribution to Councils	-
<u>9,119</u>	<u>9,131</u>	Balance at end of period	<u>14,590</u>
		<b>Asset Revaluation Reserve</b>	
660	660	Balance at beginning of period	660
-	-	Gain on Revaluation of Property, Plant and Equipment	-
-	-	Transfers from reserve	-
<u>660</u>	<u>660</u>	Balance at end of period	<u>660</u>
<u>9,779</u>	<u>9,791</u>	Total Equity	<u>15,250</u>

DRAFT

Breakdown of Cost Allocations to Individual Constituent Councils 2022/2023				
City of Playford				
Waste Category ('000)	2021/22 Budget Review One (BR1)	2022/23 Draft Budget	Variance 2022/23 BUD - 2021/22 BR1	YOY Weighted Variance (%)
Admin Fees	\$666	\$679	\$13	0.13%
MGB	\$160	\$210	\$50	0.50%
Domestic Waste Collection	\$1,506	\$1,588	\$83	0.83%
Domestic Waste Processing	\$1,166	\$1,234	\$69	0.59%
Solid Waste Levy - Domestic Waste	\$3,065	\$3,222	\$157	1.57%
Domestic Waste	\$5,736	\$6,035	\$299	3.00%
Recycling Waste Collection	\$782	\$809	\$27	0.28%
MRF Budget Repairs	\$8	\$0	-\$8	-0.08%
MRF Residual Waste	\$383	\$401	\$18	0.19%
MRF Glass Fines	\$136	\$138	\$2	0.02%
Recycling	\$1,308	\$1,348	\$40	0.40%
Garden Organics Collection	\$549	\$623	\$76	0.77%
Garden Organics Processing	\$252	\$272	\$20	0.21%
Garden Organic	\$801	\$896	\$97	0.97%
Total - Kerbside Waste Service	\$8,671	\$9,169	\$498	5.00%
Hard Waste Vouchers	\$406	\$419	\$13	0.13%
Hard Waste Collection	\$883	\$865	-\$18	-0.18%
Hard Waste	\$1,289	\$1,284	-\$5	-0.05%
Illegal Dumping	\$99	\$107	\$12	0.12%
Street Sweeping	\$173	\$185	\$12	0.10%
Clean Greens (FOGO CDP)	\$0	\$0	\$0	0.00%
Council Operations	\$270	\$292	\$22	0.22%
<b>Total</b>	<b>\$9,960</b>	<b>\$10,453</b>	<b>\$493</b>	<b>4.95%</b>

Charge Category ('000)	2021/22 Budget Review One (BR1)	2022/23 Draft Budget	Variance 2022/23 BUD - 2021/22 BR1	YOY Weighted Variance (%)
MGB	\$160	\$210	\$50	0.50%
Admin Fees	\$666	\$679	\$13	0.13%
Waste Processing	\$1,944	\$2,036	\$92	0.92%
Kerbside Collections	\$2,836	\$3,023	\$187	1.88%
Solid Waste Levy	\$3,065	\$3,222	\$157	1.57%
Hard Waste	\$1,289	\$1,284	-\$5	-0.05%
<b>Total</b>	<b>\$9,960</b>	<b>\$10,453</b>	<b>\$493</b>	<b>4.95%</b>





# Draft Annual Business Plan 2022–2023





## 1. Introduction:

The Business Plan, as prescribed in Clause 12 of the Charter, is to include an outline of NAWMA's objectives, that activities intended to be pursued, and the measurement tools defined to assess performance. It must also assess and summarise the financial requirements of NAWMA and set out the proposals to recover overheads and costs from the Constituent Councils.

The 2022/2023 Business Plan documents the objectives, activities, financial requirements and metrics for NAWMA to undertake the collection and management of waste, organics, and recycling for Constituent Councils in a sustainable, efficient, and competitive manner. The Business Plan is to be read in conjunction with the broader strategic planning framework including the *Strategic Plan 2018-2025*, Charter, Long Term Financial Plan, and any associated Board endorsed Policies (ie Treasury Management Policy).

The primary focus of the 2022/2023 Business Plan is the consolidation of work undertaken to enable the improvement of service delivery over the prior 12-18 months. A number of actions outlined in this year's plan are part of large pieces of work which are significantly advanced, providing NAWMA with the opportunity to deliver service excellence across all facets of the business.

## 2. Objectives

- 2.1. To provide a **governance framework** that allows a consultative approach to management of the Subsidiary by Constituent Councils, the Board and NAWMA Management Team
- 2.2. To actively seek **operational efficiencies** that improves NAWMA's competitive advantage in the arenas of recycling, food organics garden organics, waste management, kerbside collections and customer service
- 2.3. To consolidate incorporation of **Workplace Health, Safety and Risk** into decision making processes
- 2.4. To **educate and promote** within the community recycling, waste diversion, and contamination minimisation, in collaboration with Constituent Councils, staff and the Board
- 2.5. To provide a high-quality low-cost service and infrastructure to Constituent Councils where **financial performance** is underpinned by timely and accurate monitoring and reporting.

*The overarching objectives to;*

- *Deliver services efficiently and cost effectively*
- *Increase diversion from landfill*
- *Leadership in community education and information*

*...will be delivered by being bold, innovative, worlds best practicing and transformational, whilst delivering local employment and business opportunities of global significance.*

**Table 2.1: Current Service Levels by Constituent**

Constituent Council	Kerbside Collection Contract	Hard Waste Collection	Hard Waste Drop Off Codes	MSW Bin	Recycling Bin	FOGO Bin	Customer Service	Education and Promotion	MRF Processing	FOGO Processing	Landfill Disposal	Bin Repairs and Replacements	Bellchambers Road RRC/WPF	Research Road RRC	Bin Administration
City of Salisbury	x	x	x	x	x	Opt-In	x	x	x	x	x	x	x	x	x
City of Playford	x	x	x	x	x	Opt-In	x	x	x	x	x	x	x	x	x
Town of Gawler	x	x	x	x	x	Opt-In	x	x	x	x	x	x	x	x	x



### 3. Activities

#### 3.1. Corporate Governance

- 3.1.1. **Policy Review and development of an update program:** In order to meet legislative and operation requirements and to keep pace with NAWMA's fast growing and continually increasing levels of service to Constituent Councils, a thorough Corporate Governance Policy review and update is required. This action was commenced in FY22 as Year 1 of a two (2) year plan to establish required Policies and revitalise outdated Policies. Budget in FY23 has been allocated to accelerate the completion of this action through the utilisation of external resourcing and capabilities. NAWMA will complete its comprehensive Policy review to develop an update program for all Policies while continuing to establish and develop priority Policies.
- 3.1.2. **Implementation of a compliant Records Management System:** Under the *State Records Act 1997*, NAWMA has an obligation to maintain official records in its custody in good order and condition, including the capture, storage, maintenance and disposal of records in both physical and electronic forms. This action was commenced in FY22 as Year 1 of a two (2) year plan to investigate and implement a fit for purpose Records Management System. An investigation to determine the most appropriate system has been complete, with plans to contract the successful supplier to implement the system in FY23. The implementation of the system will include revising NAWMA's internal records management processes and undertaking intensive training for relevant employees.
- 3.1.3. **Staff Satisfaction Survey (full survey):** The alternate year pulse check Staff Satisfaction survey scheduled for completion in FY22, as directed by the NAWMA Board, was postponed due to internal management changes. Budget in FY23 has been allocated to engage an external consulting firm to undertake the Survey to provide anonymity and high-level analysis of staff responses. The survey will check in on staff's mood and fulfilment, and will identify areas for improvement and further focus. The feedback from the survey will be presented to the NAWMA Board by the engaged consultant and used to further develop the organisation and the employee experience.
- 3.1.4. **Review of NAWMA Charter:** In accordance with Clause 4.5 of NAWMA's Charter, the document must be reviewed at least once in every four (4) years. The review of the Charter is now due with a first draft completed by NAWMA's Management in FY22. Budget in FY23 has been allocated to engage an external resource to further review the draft changes to the Charter before presentation to the NAWMA Board. Necessary changes will be published in the South Australian Government Gazette as required.
- 3.1.5. **Review of NAWMA Board Governance Structure:** Through a self-assessment completed in early 2021, the NAWMA Board have also identified a review of the Board's Governance Structure as a priority. The current governance arrangements have and continue to serve NAWMA and its Constituent Councils very well and comply in full with the Local Government Act, Regulations and NAWMA Charter. However, given the rapid growth in size, scale and complexity of NAWMA, an opportunity to explore other governance models without losing the direct connectedness with Constituent Councils will be undertaken for presentation back to the NAWMA Board before decision.
- 3.1.6. **Internal Financial Controls Design:** A thorough internal assessment of NAWMA's internal financial controls was completed in FY22. An assessment procedure as business as usual was implemented and will continue to be undertaken. The second phase of this project will encompass the design of control measures to reduce risk levels on NAWMA's highest risk items. This will be undertaken by NAWMA's Finance Team in conjunction with external support.



**Table 3.1: Summary of activities to deliver on the Corporate Governance objectives**

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.1.1	Policy Review and development of an update program	Objective 3; Strategies 3 & 11	Completion of Policy Review and full development of update program
3.1.2	Implementation of a compliant Records Management System	All	Implementation of compliant Records Management System and completion of relevant training
3.1.3	Staff Satisfaction Survey (full survey)	Objective 3	Full Staff Satisfaction Survey complete by external provider and results presented to Board
3.1.4	Review of NAWMA Charter	All	Charter review complete and changes gazetted (if necessary)
3.1.5	Review of NAWMA Board Governance Structure	All	Completion of Governance Structure review and forward plan for implementation developed
3.1.6	Internal Financial Controls Design	Objective 3; Strategies 3 & 11	Design and implementation of internal financial controls for high risk items



### 3.2. Operational Efficiencies

- 3.2.1. **Upgrade of Pooraka Resource Recovery Centre:** In conjunction with site owner City of Salisbury, NAWMA have committed to the commencement and significant completion of the upgrade of the site in the 2022/2023 financial year. Pandemic related cost pressures, safety requirements and availability of required contractors saw delays to the project in the 2021/2022 financial year. NAWMA continue to work through the procurement and financial processes in constant discussions with City of Salisbury.
- 3.2.2. **Recycled Paper Polishing Plant:** NAWMA's Materials Recovery Facility (MRF) reduces contamination (impurities) in the recovered paper from yellow lid bins to around 6-8%, which is acceptable under current trading conditions. However, in order to comply with the impending Commonwealth Export Ban Legislation (recovered paper scheduled for 2024), further processing of NAWMA's fibre will be needed to reduce contamination levels to around 1-2%. NAWMA was successful in receiving funding of approximately \$8M (being 1:1 contribution from Commonwealth and State Governments). To activate the \$8M, NAWMA is investing another \$5.6M into the new Recycled Paper Polishing Plan that will be built adjacent to the NAWMA MRF given planning approvals. Planning and design works have commenced with the new facility to be commission in January 2024. This is Year 2 of a three (3) Year action.
- 3.2.3. **Material Recovery Facility Operating Infrastructure and Asset Investment:** NAWMA's MRF was commissioned in mid-2017. Machinery and technology were designed to primarily process material received from Constituent Councils and its Client Councils. The impact of external factors such as the China Sword bans and the collapse of a local recycler in 2018 resulted in NAWMA accepting volume over designed capacity, impacting on the life and planned downtime of the machinery and technology. In FY23 NAWMA will embark on a journey to invest back into the asset, with increased maintenance, repair and capital budgets reflective of this.
- 3.2.4. **Landfill Northern Toe Rock Batter Works:** NAWMA have engaged an external consultancy firm to provide options for the set-out for the northern toe of the landfill. Scope of works include context of floor earthworks, airspace capacity and landform/cap geometry. The intent of this work is to prepare a high level summary of options with consideration of relative airspace, capital costs and material demand to meet all EPA requirements in finalising the northern end of the landfill cell.
- 3.2.5. **Landfill Alternative Project:** The Landfill Alternative Working Group have continued to explore technologies and development options for landfill alternatives, bearing in mind the closure of Uleybury, currently estimated for May 2026. Substantive work has been undertaken by NAWMA to progress options with full consideration of these options an ongoing priority for the Project.

**Table 3.2: Summary of activities to deliver on the Operational Efficiency objectives**

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.2.1	<b>Upgrade of Pooraka Resource Recovery Centre</b>	Objectives 1, 2 & 3	Upgrade complete



3.2.2	<b>Recycled Paper Polishing Plant</b>	Objectives 1, 2 & 3 Strategies 4 & 10	Equipment ordered, planning, and building rules approved with building and civils complete
3.2.3	<b>Material Recovery Facility Operating Infrastructure and Asset Investment</b>	Objective 3 Strategies 3, 5, 7 & 11	Best in class 95% uptime to be maintained with finished goods continuing to meet market specifications
3.2.4	<b>Landfill Northern Toe Rock Batter Works</b>	Objective 3 Strategy 11	Design and budget estimates to be finalised and complete with EPA acceptance
3.2.5	<b>Landfill Alternative Project</b>	All	Decision points to allow consideration and recommendations of landfill alternatives.





### 3.3. Workplace Health, Safety, Risk and Quality

- 3.3.1. **LGAWCS and LGAMLS Risk Evaluation Action Plan:** Resulting from the Local Government Association Workers Compensation Scheme (LGAWCS) and Local Government (LGAMLS) 2019 Audit, NAWMA developed an Action Plan to review, monitor and inform actions required within a three (3) year period. These actions will move NAWMA to compliant WHS and Risk systems, with NAWMA in the infancy of its WHS and Risk journey. NAWMA's Administration and Management will continue to work closely with the Scheme towards conformance and progress on this plan. NAWMA will undertake an Audit with LGAWCS and LGAMLS in late 2022.
- 3.3.2. **Development of a Risk Management Framework and Corporate Risk Register:** In order to operate effectively, efficiently and in accordance with all required legislation and membership of the LGAWCS and LGAMLS, NAWMA are required to develop a Risk Management Framework and Corporate Risk Register. This action was commenced in FY22 as Year 1 of a two (2) year plan to work closely with the Scheme and leverage the experience and knowledge of NAWMA's Audit Committee to develop a sound Risk Management Framework and working Corporate Risk Register. The work undertaken in Year 1 of this action will be consolidated in Year 2 and culminate in two completed documents that will be used to inform NAWMA's goals and objectives.

**Table 3.3: Summary of activities to deliver on the Workplace Health & Safety, Risk objectives**

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.3.1	LGAWCS and LGAMLS Risk Evaluation Action Plan	Strategies 2 & 10	70% progress of Action Plan(s) at years end
3.3.2	Development of a Risk Management Framework and Corporate Risk Register	All	Completion of Risk Management Framework and Corporate Risk Register



### 3.4. Community Education and Engagement

- 3.4.1. **Phase 2 of NAWMA's Resident Engagement Strategy (RES):** Phase 2 of the Resident Engagement Strategy will build upon findings from Phase 1 (November 2020 – June 2021). Further audits will be undertaken to gauge whether behaviour change has continued in households which were part of the trial. Additional trials will be undertaken to test different kerbside collection service modifications, eg. 140 litre FOGO bins.
- 3.4.2. **Kerbside collection service review:** Data obtained from Phase 1 of the RES and the 2021 kerbside audit is being used to inform trials in Phase 2 of the RES. Upon completion of the trials, advice and recommendations will be provided to the NAWMA Board.
- 3.4.3. **NAWMA representation/support at community-focussed events:** To increase face-to-face engagement with residents of NAWMA's Constituent Councils, NAWMA's Education and Community Projects team will increase its presence at major community-focused events to at least two major events in each Constituent Council area each year. The increased representation will educate the community on how to access and correctly use NAWMA services.
- 3.4.4. **Customer Service Data Analytics:** With the newly installed customer service phone system and business as usual third party CRM platform, the Customer Service team will utilise these data sources to further enhance the experience provided to the communities of the Constituent Councils. Data from these systems will enable the team to provide targeted educational messaging and focus on the types of information residents are seeking from NAWMA's Customer Service team. Reporting provided to management will guide decision making pertaining to service levels, education and community engagement.

**Table 3.4: Summary of activities to deliver on the Community Education and Engagement objectives**

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.4.1	Phase 2 of NAWMA's Resident Engagement Strategy (RES)	Objective 2	Contamination levels within the household recycling bins in the trial area less than in non-trial areas; increase in food waste diversion in trial areas
3.4.2	Kerbside collection service review	Objectives 1 & 3 Strategy 9	Recommendation reports provided to NAWMA Board
3.4.3	NAWMA representation/support at community-focussed events	Objectives 1 & 2 Strategies 1 & 2	Presence at minimum six (6) relevant community-focussed events
3.4.4	Customer Service Data Analytics	Objectives 1 & 3 Strategy 2	Monthly reporting to Management Team



### 3.5. Financial Sustainability

- 3.5.1. **Business Intelligence Software Implementation:** In line with NAWMA's commitment to introducing Business Intelligence (BI) software into the organisation, the focus for FY23 will be determining and implementing a suitable fit-for-purpose BI tool to derive business insights from the multiple data platforms NAWMA operates. Through advanced data integration and data visualisation, a BI tool will provide comprehensive performance metrics in near real-time to help NAWMA's Management make timely and well informed decisions to support the organisations strategy.
- 3.5.2. **Asset Management Plan (AMP) Development:** Developing an effective and efficient management plan of existing infrastructure assets is a key objective of NAWMA. Our vision on asset management is to provide adequate control and maintenance to maximise the value through managing risk and opportunity to achieve the desired balance of cost, risk and performance in service delivery. Sustainable service delivery, stakeholder satisfaction, financial position and accepted risk are the key criteria for NAWMA's AMP. NAWMA's Administration will make further progress on the AMP over a two (2) year period.
- 3.5.3. **Robust ICT system upgrade:** FY22 has seen NAWMA implement an update telephone system for Customer Service, in addition to an upgrade and fit-for-purpose POS system in the Resource Recovery Centre Gatehouses. The next step in the plan for continuous improvement of ICT structures focuses on replacement of the organisations single server, which is approaching the end of its useful life, with a dual co-located server setup. This server will mitigate the significant risk of data loss and business interruption, and ensures NAWMA can maintain the high levels of service its Constituent Councils, residents and stakeholders experience with minimal chance of IT disruption.

**Table 3.5: Summary of activities to deliver on the Financial Sustainability objectives**

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.5.1	Business Intelligence Software Implementation	All	Integration and business as usual use of suitable BI tool
3.5.2	Asset Management Plan Development	Objective 2 Strategy 7	A tailored AMP completed
3.5.3	Robust ICT system upgrade	Objective 2	Implementation and successful testing of dual server setup



<b>2022/2023 Annual Business Plan Identified Priority Activities</b>	<b>Primary Responsible Officer(s)</b>
Policy Review and development of an update program	Corporate Services Manager
Implementation of a compliant Records Management System	Corporate Services Manager
Staff Satisfaction Survey (full survey)	Chief Executive Officer
Review of NAWMA Charter	Corporate Services Manager
Review of NAWMA Board Governance Structure	Corporate Services Manager
Internal Financial Controls Design	Chief Financial Officer
Upgrade of Pooraka Resource Recovery Centre	Chief Operations Officer
Recycled Paper Polishing Plant	Chief Operations Officer
Material Recovery Facility Operating Infrastructure and Asset Investment	Chief Operations Officer
Landfill Northern Toe Rock Batter Works	Chief Operations Officer
Landfill Alternative Project	Chief Executive Officer
LGAWCS and LGAMLS Risk Evaluation Action Plan	WHS and Environmental Officer and Corporate Services Manager
Development of a Risk Management Framework and Corporate Risk Register	Corporate Services Manager
Phase 2 of NAWMA's Resident Engagement Strategy (RES)	Education and Community Projects Coordinator
Kerbside collection service review	Education and Community Projects Coordinator
NAWMA representation/support at community-focussed events	Education and Community Projects Coordinator
Customer Service Data Analytics	Team Leader Administration
Business Intelligence Software Implementation	Chief Financial Officer
Asset Management Plan Development	Chief Financial Officer
Robust ICT system upgrade	Chief Financial Officer

# STAFF REPORTS

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## ***Matters for Information***

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## 15.2 BUDGET UPDATE REPORT

**Responsible Executive Manager :** Dale Welsh

**Report Author :** Trisca Price

**Delegated Authority :** Matters for Information

**Attachments :** 1 [↓](#). Budget Update Report

### Purpose

To inform Council on the organisation's financial performance to the end of April 2022

### STAFF RECOMMENDATION

Council note the Budget Update report for the Period ending 30 April 2022.

### Relevance to Strategic Plan

This item ensures we meet our legislative requirements under the *Local Government (Financial Management) Regulations 2011* and *S123 (13) of the Local Government Act 1999*. It also provides transparent financial reporting to our community by illustrating how our Finance Strategy is achieving long term financial sustainability.

### Relevance to Public Consultation Policy

There is no requirement to consult with the community for this Budget Update Report.

### Background

Council has responsibility under the *Local Government Financial Management Regulations 2011* and *S123 (13) of the Local Government Act 1999* to consider financial reports on the Council's financial performance and budget position.

### Current Situation

#### Budget Position

The Second Budget Review was adopted by Council on 22 March 2022. The revised operating surplus is \$3.5M, a decrease of \$3.3M from the First Budget Review operating surplus of \$6.8M. The movement is a direct result of an increase in depreciation costs arising from the revaluation of Council's assets.

The combined impact of both budget reviews has seen a net decrease of \$0.9M to the original budget operating surplus of \$4.4M as summarised in the table below:

Operating Position 2021/22	\$000's (Unfav)/Fav	\$000's
<b>Original Budget</b>		<b>4,404</b>
<b>Budget Review 1</b>		
Rates and Rebates	18	
Grant Funding (Federal Assistance Grant)	1,063	
Grant Funding (LRCI and SLR)	1,216	
New Parks Project	(27)	
Waste Levy	(40)	
Interest savings	77	
Operating cost associated with project not proceeding	13	
Continuous Improvement Savings - Grenville	87	
Operating costs associated with minor projects	(69)	
Continuous Improvement Savings for delivery of projects	69	
<b>Total Value of Changes</b>	<b>2,407</b>	
<b>Budget Review 2</b>		
Depreciation	(3,337)	
<b>Revised Budget</b>		<b>3,474</b>

The Net Capital budget decreased in the Second Budget Review by \$17.8M to \$44.8M. This reflects the updated project budgets based on actual work completed and an updated schedule of works for the remainder of the year which sees \$12.7M to be carried forward to 2022/23 capital works program.

Capital Budget 2021/22	Revenue \$000's	Expense \$000's	Net Capital \$000's
<b>Original Budget</b>	<b>(12,557)</b>	<b>60,220</b>	<b>47,663</b>
<b>Budget Review 1</b>			
Additional Funding from Grants (New Project)	(1,614)	1,614	-
Project Carry In's (from FY21)	(620)	14,945	14,325
New Projects		594	594
<b>Total Value of Changes BR1</b>	<b>(2,234)</b>	<b>17,153</b>	<b>14,919</b>
<b>Budget Review 2</b>			
Additional Funding from Grants (New Project)	(10)		(10)
New Projects	(25)	25	-
Project now undertaken by SA Water & Repurposing		(5,108)	(5,108)
Project Carry In's (from FY21)	(1)		(1)
Carry Forward 2022/23	3,100	(15,802)	(12,702)
<b>Total Value of Changes BR2</b>	<b>3,064</b>	<b>(20,885)</b>	<b>(17,821)</b>
<b>Revised Capital Budget</b>	<b>(11,727)</b>	<b>56,488</b>	<b>44,761</b>

### Operating Position

Year to date results to 30 April 2022 see an operating surplus of \$16.1M compared with a budgeted year to date operating deficit of \$0.8M. This is driven by savings on expenses being incurred, favourable interest rates compared to budget, higher than budgeted developer contributions and a 75% prepayment of 2022/23 Federal Government Assistance Grants.

The full year forecasted result as of 30 April 2022 is an operating surplus of \$15.4M compared with a budgeted operating surplus of \$3.5m, favourable by \$11.9M. The movement from March's forecasted surplus of \$10M, reflects actual payment of Financial Assistance Grants prepaid at 75% during April compared with prior years of 50%, additional developer contributions and further savings.

#### Capital Position

The full year Net Capital forecast of \$24.3M is \$20.4M less than the net capital budget of \$44.8M. This reflects savings and delays on projects to be carried into 2022/23.

Further detail in relation to this Budget Update Report can be found in Attachment 1.

#### **Future Action**

Further updates to be provided on a monthly basis.



Budget Update Report

April 2022

**YTD Result as at April 2022**

The table below shows the year to date position for income and expense with a year to date net Surplus of \$16.1M which is favourable to YTD Budget by \$16.9M.

	YTD Actual \$'000	YTD Budget \$'000	Variance Fav/(Unfav) \$'000	%	Explanation of variance where considered material
<b>Income</b>					
RATES REVENUES	71,916	72,248	(332)	(0%)	
STATUTORY CHARGES	2,397	1,872	525	28%	Higher application volume and Section 7 searches
					Lower ASR water usage and lower sales in Food Co-Op
USER CHARGES	4,703	5,060	(357)	(7%)	
INVESTMENT INCOME	7	9	(2)	(22%)	
REIMBURSEMENTS	642	522	120	23%	Higher utilities reimbursements
OTHER INCOME	203	329	(126)	(38%)	Higher LGFA Bonus offset by lower insurance rebates
GRANTS, SUBSIDIES, CONTRIBUTIONS	23,760	12,133	11,627	96%	22/23 Prepaid 75% FAGs grant received in April and higher developer contribution
<b>Total Income</b>	<b>103,628</b>	<b>92,173</b>	<b>11,455</b>	<b>12%</b>	
<b>Expense</b>					
EMPLOYEE COSTS	33,057	34,645	1,588	5%	Saving due to vacancies
MATERIALS CONTRACTS OTHER EXPENSES	30,692	33,185	2,493	8%	Delay in contractor expenditure partly offset by waste management cost
FINANCE COSTS	3,003	4,105	1,102	27%	Delay in capital projects and lower interest rates
DEPRECIATION, AMORTISATION & IMPAIRMENT	20,804	21,057	253	1%	
	0	0	0	0	
<b>Total Expense</b>	<b>87,556</b>	<b>92,992</b>	<b>5,436</b>	<b>6%</b>	
<b>Net Surplus/(Deficit)</b>	<b>16,072</b>	<b>(819)</b>	<b>16,891</b>		

Budget Update Report

April 2022

**Full Year Forecast Result as at April 2022**

The table below shows the full year forecasted result for income and expense with a net Surplus of \$15.4M which is favourable to Budget by \$11.9M.

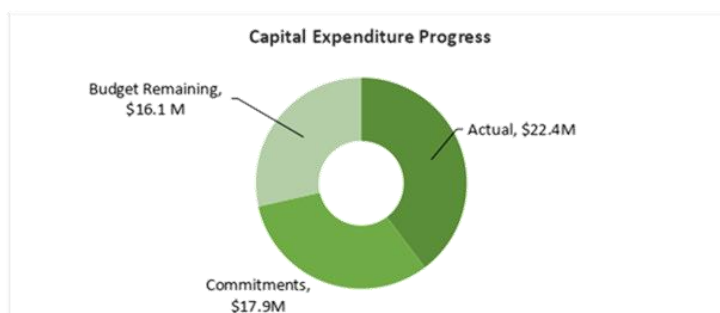
	Full Year Forecast \$'000	Full Year Budget \$'000	Variance Fav/(Unfav) \$'000	%	Explanation of variance where considered material
<b>Income</b>					
RATES REVENUES	86,364	86,632	(268)	(0%)	
STATUTORY CHARGES	2,755	2,115	640	30%	Higher application volumes and Section 7 searches
USER CHARGES	5,398	5,818	(420)	(7%)	Lower ASR water usage and lower sales in Food Co-Op
INVESTMENT INCOME	13	13	0	0%	
REIMBURSEMENTS	796	581	215	37%	Higher reimbursements for utilities and legal fees
OTHER INCOME	203	344	(141)	(41%)	Higher LGFA Bonus offset by lower insurance rebates
GRANTS, SUBSIDIES, CONTRIBUTIONS	29,492	21,893	7,599	35%	22/23 Prepaid 75% FAGs grant received in April and higher developer contribution
NET GAIN - JOINT VENTURES & ASSOCIATES	12	33	(21)	(64%)	Revised NAWMA full year expected outcome
<b>Total Income</b>	<b>125,033</b>	<b>117,429</b>	<b>7,604</b>	<b>6%</b>	
<b>Expense</b>					
EMPLOYEE COSTS	41,792	43,541	1,749	4%	Saving due to vacancies
MATERIALS CONTRACTS OTHER EXPENSES	39,432	40,173	741	2%	Delay in capital projects offset by Hard waste management costs
FINANCE COSTS	3,234	4,893	1,659	34%	Lower interest rates and debt balance
DEPRECIATION, AMORTISATION & IMPAIRMENT	25,034	25,246	212	1%	
NET LOSS- JOINT VENTURES & ASSOCIATES	101	102	1	1%	
<b>Total Expense</b>	<b>109,593</b>	<b>113,955</b>	<b>4,362</b>	<b>4%</b>	
<b>Net Surplus/(Deficit)</b>	<b>15,440</b>	<b>3,474</b>	<b>11,966</b>		

**Capital Full Year Movement (2021/2022)**

The table below shows the full year forecasted net capital expenditure of \$24.3M which is less than Budget by \$20.4M.

	Full Year Forecast	Full Year Budget	Variance Less/ (Greater)	Explanation of variance where considered material
Revenue	(8,366)	(11,727)	3,361	Fremont Park Stage 3, Park Road Drainage System and Virginia Main Street continuing into 22/23. McGilp Reserve Redevelopment deferred to 22/23
Expenses	32,699	56,488	(23,789)	Projects continuing or deferred into 22/23
<b>Total Net Capital Expenditure</b>	<b>24,333</b>	<b>44,761</b>	<b>(20,428)</b>	

	Full Year Forecast \$'000	Full Year Budget \$'000	Variance Less/ (Greater) \$'000	Explanation of variance where considered material
Buildings	3,492	4,781	(1,289)	CDFC Changeroom continuing into 22/23
Fleet	5,032	5,727	(695)	Vehicle delivery delays into 22/23
IT	696	714	(18)	Savings
Northern CBD	20	81	(61)	Prince Charles Street detailed design in 21/22 with construction in 22/23.
Other	1,588	1,567	21	Land Purchase at MP West Reserve completed
Playford Alive	4	1,063	(1,059)	Playford Alive works partly deferred to 22/23
Parks	6,404	11,274	(4,870)	Fremont Park Stage 3, Stebonheath Culvert and Virginia Institute Park construction and Elizabeth Oval Floodlights to continue into 22/23. McGilp Reserve Redevelopment deferred to 22/23.
Stormwater	760	2,422	(1,662)	Park Road Drainage System construction to occur in 22/23
Streetscapes	1,539	5,155	(3,616)	Virginia Main Street road construction to continue into 22/23. AMP Streetscapes and New Footpath program deferred to 22/23.
Transport	4,477	11,508	(7,031)	Stebonheath Stage 2 and 3 to continue into 22/23, Supplementary Local Roads to be allocated, Transport Infrastructure Deed Heaslip Road upgrade, Traffic Management Minor Works and AMP Kerbs and Reseal continuing to 22/23.
Wetlands	321	469	(148)	Savings
<b>Total Net Capital Expenditure</b>	<b>24,333</b>	<b>44,761</b>	<b>(20,428)</b>	

**Capital Expenditure Progress as at April**

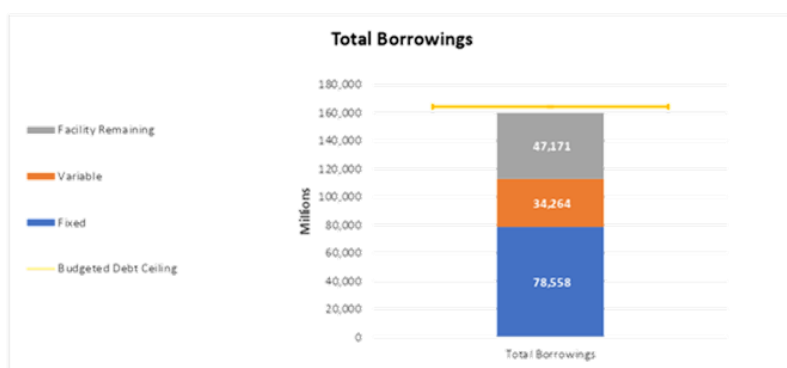
**Borrowings/Investment Summary (2021/2022)****Debt Mix:**

As at April 2022 the balance of Council's short-term investments is \$0.3M.

Council's total borrowings as at the end of April 2022 are \$112.8M, comprising \$78.6M in fixed rate borrowings and \$34.2M of variable rate borrowings; total facilities accumulate to \$160M.

Total borrowings, net of repayments, have decreased \$4.9M from \$117.7M the prior month. This is consistent with Council's capital spend timing and receipts.

The LTFFP has a budgeted debt ceiling of \$164.5M based on the assumption of full delivery of capital programs and an allowance for Treasury cash flow management. These borrowings fall within the approved budget, Council's adopted financial indicators and the LTFFP. Forecasted Debt as at 30 June 2022 is \$103.6M.

**Rates Recovery:**

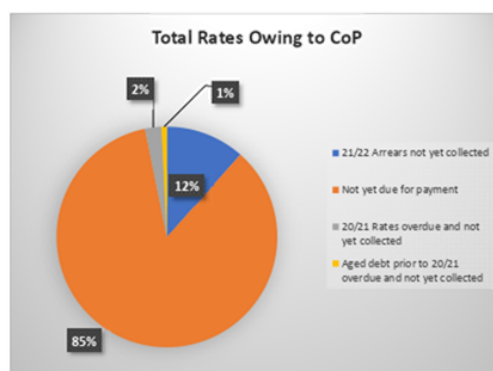
Total rates owing of \$17.8M as at Apr-22 reflects a decrease of \$0.3M compared to the total rates owing as at Apr-21.

The total aged rates owing greater than 12 months old of \$0.6M as at Apr-22 reflects a decrease of \$0.1M compared to \$0.7M at Apr-21.

The average aged amount owed per debtor of \$1215 as at Apr-22 reflects a decrease of 1.5% compared to \$1233 as at Apr-21.

Rates recovery has a direct impact on positive cash flow which then correlates to borrowings. By maximising cashflows, less borrowings are required to fund operational expenditure.

Rates KPI Comparison	Apr-22	Apr-21
Total Rates Owing to CoP	17,784,339	18,105,875
Total % Collected	80%	79%
Aged rates owed over 12 months	565,051	689,090
% Aged Rates Collected since 30 June	84%	85%
Average Aged Rates owing	1,215	1,233



**Reserves**

The reserves are a collation of developer contributions received over a number of periods and are managed as a cash offset against our debt. Under legislation we are required to apply interest income to the balance in reserves using the RBA average cash rate.

The forecasted balance of reserves as at 30 June 2022 is \$13.5M.

Below is a summary of the forecasted contributions, expenditure and estimated interest as at 2022.

Reserve	Opening Balance	Forecasted Developer Contributions & State Govt Grants	Forecasted Expenditure	Transfer	Estimated Interest	Forecasted Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	21/22
Open Space Reserve	7,942	2,284	(1,257)	-	13	8,982
Stormwater Infrastructure Deed - Virginia	14	-	(18)	(158)	-	(162)
Stormwater Infrastructure Deed - Angle Vale	49	-	(140)	(234)	-	(325)
Stormwater Infrastructure Deed - Playford North Extension	(327)	-	(14)	(250)	(1)	(592)
Social Infrastructure Deed - Virginia	108	30	-	-	-	138
Social Infrastructure Deed - Angle Vale	621	495	-	-	2	1,118
Social Infrastructure Deed - PNE	165	51	-	-	-	216
Supplementary Local Roads	1,302	658	-	-	3	1,963
Playford Alive Initiative Fund	180	319	(40)	-	1	460
Urban fund tree	7	6	(3)	-	-	10
Gawler Rail Vegetation Offset	-	-	-	243	-	243
Other one-off Reserves	1,407	-	(5)	-	2	1,404
	11,468	3,843	(1,477)	(399)	20	13,455



# **COMMITTEE REPORTS**

## **STRATEGY AND SERVICES COMMITTEE**

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### **Confidential Matters**

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**17.1 RATE REBATE REPORT**

Contact Person: Dale Welsh

**Why is this matter before the Council or Committee?**

Matters which cannot be delegated to a Committee or Staff

**Purpose**

For Council to make a determination on whether to deal with this matter in confidence.

**A. COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE****STAFF RECOMMENDATION**

Pursuant to Section 90 (2) of the Local Government Act 1999 an order is made that the public be excluded from attendance at the meeting, with the exception of:

- Chief Executive Officer;
- General Manager Strategy and Corporate;
- General Manager City Services;
- General Manager City Assets;
- Executive Strategic Advisor;
- Senior Manager Financial Services;
- Senior Manager City and Corporate Planning;
- Strategic Finance Analyst;
- Senior Manager Community Engagement and Experience;
- Senior Manager City Property;
- Governance Support;
- ICT Support;
- Minute Taker;

in order to consider in confidence agenda item 17.1 under Section 90 (3) (b) of the Local Government Act 1999 on the basis that:

(b) information the disclosure of which –

i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and

ii) would, on balance, be contrary to the public interest.

This matter is Confidential because Report contains financial information regarding specific community groups and organisations.

On the basis of this information, the principle that meetings should be conducted in a place open to the public has been outweighed in this instance; Committee consider it necessary to consider this matter in confidence.



*Section B below to be discussed in the confidential section of the agenda once the meeting moves into confidence for each item.*

**B. THE MATTERS AS PER ITEM 17.1**

**C. COMMITTEE TO DECIDE HOW LONG ITEM 17.1 IS TO BE KEPT IN CONFIDENCE**

**Purpose**

To resolve how long agenda item 17.1 is to be kept confidential.

**STAFF RECOMMENDATION**

Pursuant to Section 91(7) of the Local Government Act 1999, the Committee orders that the following aspects of Item 17.1 be kept confidential in accordance with Committee's reasons to deal with this item in confidence pursuant to Section 90 (3) (b) of the Local Government Act 1999:

- Report for Item 17.1
- Attachments for Item 17.1
- Minutes for Item 17.1

This order shall operate until the next scheduled annual review of confidential items by Council at which time this order will be reviewed and determined in accordance with Section 91(9)(a) of the Local Government Act 1999.

**COMMITTEE RESOLUTION**

Pursuant to Section 91(7) of the *Local Government Act 1999*, the Committee orders that the following aspects of Item 8.1 be kept confidential in accordance with Committee's reasons to deal with this item in confidence pursuant to Section 90(3)(b) of the *Local Government Act 1999*:

- Report for Item 8.1
- Attachments for Item 8.1
- Minutes for Item 8.1

This order shall operate until the next scheduled annual review of confidential items by Council at which time this order will be reviewed and determined in accordance with Section 91(9)(a) of the *Local Government Act 1999*.



# STAFF REPORTS

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## Confidential Matters

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**17.2 CODE OF CONDUCT MATTER**

Contact Person: Sam Green

**Why is this matter before the Council or Committee?**

Matters which cannot be delegated to a Committee or Staff

**Purpose**

For Council to make a determination on whether to deal with this matter in confidence.

**A. COUNCIL TO MOVE MOTION TO GO INTO CONFIDENCE****STAFF RECOMMENDATION**

Pursuant to Section 90 (2) of the Local Government Act 1999 an order is made that the public be excluded from attendance at the meeting, with the exception of:

- Chief Executive Officer;
- General Manager Strategy and Corporate;
- General Manager City Services;
- General Manager City Assets;
- Manager Governance
- Governance Support;
- ICT Support;
- Minute Taker;

in order to consider in confidence agenda item 17.2 under Section 90 (3) (a) of the Local Government Act 1999 on the basis that:

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

This matter is confidential as it contains personal information regarding the parties to the complaint and in accordance with the Code of Conduct for Council Members Complaints Handling Procedure.

On the basis of this information, the principle that meetings should be conducted in a place open to the public has been outweighed in this instance; Council consider it necessary to consider this matter in confidence.

*Section B below to be discussed in the confidential section of the agenda once the meeting moves into confidence for each item.*

**B. THE MATTERS AS PER ITEM 17.2****C. COUNCIL TO DECIDE HOW LONG ITEM 17.2 IS TO BE KEPT IN CONFIDENCE****Purpose**

To resolve how long agenda item 17.2 is to be kept confidential.

**STAFF RECOMMENDATION**

Pursuant to Section 91(7) of the Local Government Act 1999, the Council orders that the following aspects of Item 17.2 be kept confidential in accordance with Council's reasons to deal with this item in confidence pursuant to Section 90 (3) (a) of the Local Government Act 1999:

- Report for Item 17.2
- Attachment(s) for Item 17.2
- Minutes for Item 17.2

The CEO and Manager Governance are authorised to release the minutes containing the Council resolution to the parties involved and are further authorised to release the report, attachments and minutes to the Local Government Governance Panel or other relevant external body if required.

This order shall operate until further order or until the next scheduled annual review of confidential items by Council at which time this order will be reviewed and determined in accordance with Section 91(9)(a) of the Local Government Act 1999.