

Audit Committee Agenda & Reports

25 July 2022

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
Norwood
Payneham
& St Peters

21 July 2022

To all Members of the Audit Committee

Committee Members

- Mayor Robert Bria
- Cr John Minney (Presiding Member)
- Cr Mike Stock
- Ms Sandra Di Blasio (Independent Member)
- Ms Brigid O'Neill (Independent Member)

Staff

- Mario Barone (Chief Executive Officer)
- Sharon Perkins (General Manager, Corporate Services)
- Andrew Alderson (Financial Services Manager)

NOTICE OF MEETING

I wish to advise that pursuant to Sections 87 and 88 of the *Local Government Act 1999*, the next Ordinary Meeting of the Audit Committee, will be held in the Mayors Parlour, Norwood Town Hall, 175 The Parade, Norwood, on:

Monday 25 July 2022, commencing at 7.00pm

Please advise Sharon Perkins on 83664585 or email sperkins@npsp.sa.gov.au, if you are unable to attend this meeting or will be late.

Yours faithfully



Mario Barone
CHIEF EXECUTIVE OFFICER

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**

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VENUE Mayors Parlour, Norwood Town Hall

HOUR

PRESENT

Committee Members

Staff

APOLOGIES

ABSENT

TERMS OF REFERENCE:

The Audit Committee is responsible to facilitate:

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

1. CONFIRMATION OF MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 23 MAY 2022

2. PRESIDING MEMBER'S COMMUNICATION

3. QUESTIONS WITHOUT NOTICE

4. QUESTIONS WITH NOTICE

Nil

5. WRITTEN NOTICES OF MOTION

Nil

6. STAFF REPORTS

6.1 DRAFT ANNUAL REPORT TO COUNCIL

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA98586/A439835
ATTACHMENTS: A - C

PURPOSE OF REPORT

The purpose of this report is to endorse, the draft Annual Report, which details the activities undertaken by the Audit Committee for the year ended 30 June 2022.

BACKGROUND

The Audit Committee's 2021-2022 Work Program, requires an Annual Report to be provided to the Council which addresses the following:

- *outputs relative to the Audit Committee's Work Program and the results of a self-assessment of performance for the preceding period, including whether it believes any changes to its Terms of Reference are appropriate;*
- *any identified training needs;*
- *advising future work program proposals; and*
- *invite comment from the Council on all of the above.*

RELEVANT POLICIES & STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL IMPLICATIONS

Nil

SOCIAL ISSUES

Nil

CULTURAL ISSUES

Nil

ENVIRONMENTAL ISSUES

Nil

RESOURCE ISSUES

Nil

RISK MANAGEMENT

Nil

CONSULTATION

- **Committee Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

The Audit Committee's 2021-2022 Work Program has been updated to include all of the activities which have been completed. A copy of the updated Program is contained in **Attachment A**.

A copy of the Draft 2021-2022 Audit Committee Annual Report (the Report) to the Council is contained in **Attachment B**. The Committee is requested to review the Report, discuss any amendments which it wishes to make to the Report and endorse the Report.

The Annual Report to the Council also requires the Audit Committee to determine whether its Terms of Reference remain appropriate. The *Statutes Amendment (Local Government Review) Act 2021* (the Act) includes a number of changes to the operations of Audit Committees and as a consequence the Committees *Terms of Reference*. The new provisions, which relate to the operations of the Audit Committees are due to come into effect by November 2023. Notwithstanding this, the Council may elect to implement the changes prior to this date.

As Committee Members are aware, staff have undertaken a review of the existing *Terms of Reference* against the new provisions relating to the operation of Audit and Risk Committees (as it will now to be referred to) and have advised that the Audit Committee's existing *Terms of Reference* and Annual Work Program, includes a number of the reform provisions and as such the impact on the Audit Committee is considered minimal, with the exception of the membership of the Committee, which will require the majority of independent members who are not members of any Council. Given that the relevant provisions of the Act are yet to come into effect and that the term of the current Audit Committee expires on 31 October 2022, there are no changes recommended to the *Terms of Reference*. A copy of the *Terms of Reference* is contained in **Attachment C**.

A report on the establishment of the new Audit and Risk Committee will be provided to the Council for consideration following the Local Government Elections in November 2022.

OPTIONS

Not Applicable.

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

- That the draft 2021-2022 Audit Committee Annual Report as contained in **Attachment B**, be endorsed and submitted to the Council.
- That the Audit Committee Terms of Reference as contained in **Attachment C**, be recommended to the Council for adoption.

Attachment A

Draft Annual Report to Council

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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2021-2022 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
1 Financial Reporting (LGA – Section 126(4)(a))				
1.1 Ensure that financial information included in publications for external audiences accurately reflects key accrual based financial information and where appropriate sector-endorsed financial indicators:				
• Annual Business Plan;	March 2022 May 2022	The Draft Annual Business Plan and budget was presented to the Audit Committee at its May 2022 Meeting. The Audit Committee participated in Elected Member Budget Workshops held during the Budget Process		July 2022
• Annual Financial Statements;	October 2021	2020-2021 Annual Statements and Performance Indicators were considered by the Audit Committee at its October 2021 meeting and recommended to the Council for adoption.		October 2021
1.2 Review financial performance indicators provided to Council as part of Budget Reviews.	February 2022 May 2022	The Committee received and noted the Mid-year Budget and the 3 rd Quarter Budget Update		February 2022 May 2022
2 Strategic Management and Annual Business Plans (LGA – Section 126(4)(ab))				
2.1 The Audit Committee should satisfy itself regarding the:				
• consistency of the Council's strategic plan with its long-term financial plan (LTFP) and annual business plan;	October 2021 (LTFP)	The Council's LTFP was adopted by the Council in February 2021.		October 2021 (LTFP)
	May 2022 (ABP)	The Audit Committee considered a report on the Long Term Financial, which set out the financial impact of the 2021-2022 Annual Budget on the financial forecasts set out in the Long-term Financial Plan (LTFP).		
		The Draft Annual Business Plan and budget was presented to the Audit Committee at its May 2022 Meeting. The Audit Committee participated in Elected Member Budget Workshops held during the Budget Process		May 2022 (ABP)

2021-2022 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
<ul style="list-style-type: none"> consistency of Council's long-term financial plan with its infrastructure and asset management plan (IAMP); 	October 2021	A major review of the Council's IAMP's were completed in February 2021, as such a review of the IAMP's was undertaken during the 2021-2022 financial year. The financial forecasts included the Council's reflect the IAMP's adopted by the Council in February 2021.	The Council's IAMP's and LTFP will be reviewed following the Local Government Elections to be held in November 2022	
<ul style="list-style-type: none"> soundness of the I&AMP; e.g. Is it supported by engineering and other professional assessments regarding the condition of Council's infrastructure assets; 	October 2021	A major review of the Council's IAMP's were completed in February 2021, as such a review of the IAMP's was undertaken during the 2021-2022 financial year.	The Council's IAMP's and LTFP will be reviewed following the Local Government Elections to be held in November 2022	
<ul style="list-style-type: none"> likely impact on Council's ongoing financial sustainability of implementation of its suite of strategic management plans; and 	October 2021	<p>The Audit Committee considered the draft 2022-2023 Budget, which reflected the proposed Operating and Capital projects included in the draft 2022-2023 Annual Business Plan. The Audit Committee noted that <i>the Draft 2022-2023 Budget is ambitious, with minimal buffer for delays in project delivery or cost over-runs.</i></p> <p><i>The Audit Committee recommended to the Council;</i></p> <ol style="list-style-type: none"> <i>that once the 2022-2023 Budget is adopted, no further projects be approved by the Council unless fully funded (i.e., Grants/ Fee for Service) and that the Council adhere to the budget management principles considered by the Council at its meeting held on 17 January 2022</i> <i>a Rate Revenue increase for 2022-2023 be set between 5% and 6%; and</i> <i>savings of \$185,000 be made from the Operating Projects budget.</i> 		March 2022

2021-2022 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
<ul style="list-style-type: none"> appropriateness of the indicators (financial and other) to measure achievements of the strategic plan and annual business plan. 	May 2022	The financial indicators were reviewed when considering the draft 2022-2023 Annual Business Plan and Budget		May 2022
2 Exercise of Powers under Section 130A (LGA – Section 126(4)(ac))				
3.1 Determine whether a recommendation to the Council is required to request its auditor or some other person to: <ul style="list-style-type: none"> examine and report on any matter considered significant relating to financial management or the efficiency and economy of the management of Council's resources that would not be addressed or included as part of the annual audit. 	As required	No requests were made during the year		
4 Liaising with External Auditor (LGA – Section 126(4)(b))				
4.1 Meet with the Council's external auditor to: <ul style="list-style-type: none"> discuss any points of concern raised by the External Auditor in their interim audit; assess the appropriateness of the Council's response to matters raised in the interim audit; discuss any qualifications raised in the most recent audit or comments made in the accompanying management letter; and assess the appropriateness of the Council's response to matters so raised. 	October 2021	The External Auditors attended the Audit Committee meeting held in October 2021, when the Committee considered the Annual Financial Statements and the draft Audit Completion Report		October 2021
4.2 Ensure compliance with regulation 22 (1) of the <i>Local Government (Financial Management) Regulations 2011</i> , which prevent a Council from engaging its auditor to provide any services to the Council outside the scope of the auditor's functions under the <i>Local Government Act 1999</i> .	July 2021	No additional Services were requested		July 2021
5 Internal Controls and Risk Management Systems (LGA – Section 126(4)(c))				
5.1 Identify whether weaknesses in internal controls have been previously identified, (e.g. by management or Council's external auditor,) and if so whether action has been taken to have them addressed: <ul style="list-style-type: none"> consider the range of documented internal control policies and procedures; and whether they are being followed. 	July 2021	Finance Policies are considered by the Committee when they are reviewed. Refer to Item 5.5.		July 2021

2021-2022 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
5.2 Develop and monitor the delivery of the Council's Strategic Internal Audit Plan by; <ul style="list-style-type: none"> meeting with the Council's Internal Auditors to discuss any points of concern raised by the Internal Auditor, as part of the delivery of the Strategic Audit Plan; assessing the appropriateness of the Council's response to matters raised in the Internal Audit Reports; and annually review the appropriateness of the Council's three (3) year Strategic Internal Audit Plan. 	As required	<p>The contract with the Council's Internal Audit Service Provider expired in August 2021. Given that the Council has had the same Internal Auditor since 2015, at the conclusion of the current contract term, staff resolved that in consideration of Best Practice, the Council should re-test the market to ensure that the Council was receiving the best value for money for its Internal Audit Function.</p> <p>Bentley (SA) Pty Ltd were appointed, with the contract term commencing on 1 May 2022, as such not internal audits were undertaken during the year.</p>		
5.3 Review Management's assessment of the Council's major risks.	October 2021 February 2022	Reports considered at Audit Committee meetings held in October 2021, February 2021 and July 2021.		October 2020 February 2021 July 2021
5.4 Establish whether locally appropriate strategies exist to minimise the likelihood of occurrence and adverse consequence for obvious and major risks. Consider: <ul style="list-style-type: none"> whether an assessment has been undertaken to identify foreseeable events with potentially catastrophic consequences and actions established to minimise their likelihood and effect 	July 2022	<p>The Audit Committee along with the Executive Leadership team participates a risk assessment which guides the development of the Internal Audit Plan. The risks are monitored with regular reports provided to the Audit Committee (refer to item 5.3). The next risk workshop will be undertaken following the re-establishment of the Audit Committee post the Local Government Elections to be held in November 2022.</p> <p>The Audit Committee considered a report on the outcomes of the Risk Evaluation of the Council's Risk Management, Work Health & Safety and Injury Management Systems.</p>		February 2022

2021-2022 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
		The Audit Committee considered a report on the findings of an independent audit of the Council's Development Assessment function, to ensure compliance with all relevant requirements of the PDI Act and Planning & Design		February 2022
<ul style="list-style-type: none"> whether a business continuity plan has been developed in case of major damage to key Council properties or other, (e.g. computer, assets); 	July 2022	Business Continuity sub-plans are currently being reviewed by process owners to ensure they reflect the new Organisational Structure which comes into effect in September 2022	Updated Business Continuity Plans to be presented at the Audit Committee Meeting Scheduled for 24 October 2022	
<ul style="list-style-type: none"> whether there are significant risks that have been identified by Council's insurers that have not been reasonably addressed and therefore could jeopardise insurance cover in this regard; and 	July 2022	No significant risks identified during the year		July 2022
<ul style="list-style-type: none"> adequacy of insurance coverage. 	July 2022	Insurance program reviewed and placed in June 2022		July 2022
<ul style="list-style-type: none"> Annual Review of Insurance Claims 	July 2022	Report considered at Audit Committee Meeting scheduled for 25 July 2022.		July 2022
5.5 Review the appropriateness of the range and content of Council's financial policies and practices: <ul style="list-style-type: none"> as per Policy Development Timetable. 	October 2021 February 2022 May 2022 July 2022	<p>The following Policies were reviewed by the Committee and no changes were recommended to the Council.</p> <ul style="list-style-type: none"> Elected Members Communication Policy & Guidelines; Fees & Charges Policy; Financial Hardship Policy; Fraud and Corruption Prevention Policy; Asset Capitalisation & Depreciation Policy & Guidelines; Rate Rebate Policy; and Rate Rebate on Council Land Leased or Licenced. 		October 2021 February 2022 May 2022 July 2022

2021-2022 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
		<p>The following Policies were reviewed by the Committee and subject to minor administrative amendments, were recommended to Council for adoption;</p> <ul style="list-style-type: none"> • Payments Policy; • Expenditure Policy; • Bank Accounts Policy; • Fringe Benefits Tax Policy; and • Petty Cash Policy. <p>The following Policies underwent a major review or were developed and were recommended to Council for adoption;</p> <ul style="list-style-type: none"> • Rating Policy; • Treasury Management Policy; • Internal Control Policy; • Procurement Policy & Guidelines; and • Prudential Management Policy. 		
<p>5.5 Review the Council's financial governance arrangements and the effectiveness of those arrangements including:</p> <ul style="list-style-type: none"> • Management/reporting of Council's regional subsidiaries. • the processes in place to ensure: <ul style="list-style-type: none"> ◦ all Council Members and the executive team have appropriate knowledge of key financial governance principles, issues and reporting tools in the context of Local Government financial sustainability; and, ◦ where warranted, existing knowledge and skills are augmented with locally appropriate training and support 	<p>October 2021 February 2022 May 2022 July 2022</p>	<p>The Audit Committee considered reports on the following items;</p> <ul style="list-style-type: none"> • Regional Subsidiaries – Annual Financial Statements for the year ended 30 June 2021 • Long Term Financial Plan <ul style="list-style-type: none"> – Eastern Health Authority; – ERA Water • Budget Reviews • 2022-2023 Annual Business Plans and Budgets 		<p>October 2021 February 2022 May 2022</p>



2021-2022 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
6 Reporting				
6.1 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to Council:	As required			
6.2 Report annually to the Council; <ul style="list-style-type: none">outlining outputs relative to the audit committee's work program and the results of a self-assessment of performance for the preceding period including whether it believes any changes to its Terms of Reference are appropriate;outlining any identified training needs;advising future work program proposals; andinvite comment from the Council on all of the above.	July 2022	Agenda Item for meeting scheduled on 25 July 2022	July 2022	

Attachment B

Draft Annual Report to Council

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
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Payneham
& St Peters**



2021-2022

Audit Committee Annual Report



**City of
Norwood
Payneham
& St Peters**

Introduction

This report outlines the activities undertaken by the City of Norwood Payneham & St Peters Audit Committee during the 2021-2022 financial year, against the Committee's Annual Work Plan and the Committee's Terms of Reference.

Conduct of Meetings

In relation to the 2021-2022 Audit Work Program, the Committee met on five (5) occasions, with the following Members in attendance:

Date	Number of Members Attending
25 October 2021	3
28 February 2022	4
28 March 2022 (Special Meeting)	5
23 May 2022	4
25 July 2022	5

Committee Member	Number of Meetings Attended
Mayor Robert Bria	4
Cr John Minney (Presiding Member)	4
Cr Mike Stock	5
Ms Sandra DiBlasio	4
Ms Brigid O'Neill	4

Committee Activities

The following table sets out the principal issues addressed by the Committee during 2021-2022:

Principal Issues Examined	Comment/Status	Recommendations made to the Council
2020-2021 Annual Financial Statements	Completed	Adoption of Financial Statements recommended to the Council
Financial Performance against the Adopted Budget	Completed	Report be received and noted
External Auditors Correspondence <ul style="list-style-type: none"> • 2020-2021 Audit Completion Report • 2020-2021 Audit Opinion & Auditors report to Council • 2021-2022 External Audit Plan 	Completed	Report be received and noted

Principal Issues Examined	Comment/Status	Recommendations made to the Council
Strategic Management Plans <ul style="list-style-type: none"> • Long Term Financial Plan 	Completed	Adoption of the revised Long-Term Financial Plan financial projections, as revised in line with the decisions made by the Council when adopting the 2021-2022 Annual Business Plan and Budget recommended to the Council
Policies <ul style="list-style-type: none"> • Elected Members Communication Policy & Guidelines; • Fees & Charges Policy; • Financial Hardship Policy; • Fraud and Corruption Prevention Policy; • Asset Capitalisation & Depreciation Policy & Guidelines; • Rate Rebate Policy; • Rate Rebate on Council Land Leased or Licenced; • Payments Policy; • Expenditure Policy; • Bank Accounts Policy; • Fringe Benefits Tax Policy; • Petty Cash Policy; • Rating Policy; • Treasury Management Policy; • Internal Control Policy; • Procurement Policy & Guidelines; and • Prudential Management Policy. 	Completed	<p>The following Policies were reviewed by the Committee and no changes were recommended to the Council.</p> <ul style="list-style-type: none"> • Elected Members Communication Policy & Guidelines; • Fees & Charges Policy; • Financial Hardship Policy; • Fraud and Corruption Prevention Policy; • Asset Capitalisation & Depreciation Policy & Guidelines; • Rate Rebate Policy; and • Rate Rebate on Council Land Leased or Licenced. <p>The following Policies were reviewed by the Committee and subject to minor administrative amendments, were recommended to Council for adoption;</p> <ul style="list-style-type: none"> • Payments Policy; • Expenditure Policy; • Bank Accounts Policy; • Fringe Benefits Tax Policy; and • Petty Cash Policy. <p>The following Policies underwent a major review or were developed and were recommended to Council for adoption;</p> <ul style="list-style-type: none"> • Rating Policy; • Treasury Management Policy; • Internal Control Policy; • Procurement Policy & Guidelines; and • Prudential Management Policy.
Internal Controls & Risk Management Assessment (Regular Agenda Item)	Completed	Report be received and noted
Borrowing & Investment Performance	Completed	Report be received and noted
Internal Audit Reviews	Completed	<ul style="list-style-type: none"> • Procurement Post Implementation • Sale Service & Revenue Process • Contract Management Framework

Principal Issues Examined	Comment/Status	Recommendations made to the Council
Governance Arrangements – Council’s Regional Subsidiaries (Regular Agenda Item)	Completed	The following issues were considered <ul style="list-style-type: none"> Regional Subsidiaries – Annual Financial Statements for the year ended 30 June 2021 Budget Reviews 2022-2023 Annual Business Plans and Budgets
Local Government Finance Authority – Change in Lending Policy	Completed	Report be received and noted
Insurance Coverage and Claims	Completed	Report be received and noted
Budget Review <ul style="list-style-type: none"> Mid-Year Review Third Quarter Review 	Completed	Report be received and noted
2021-2022 Budgeted Vacant Positions	Completed	Report be received and noted
<i>Statutes Amendment (Local Government Review) Act 2021</i>	Completed	Report be received and noted
2021 Risk Evaluation Report	Completed	Report be received and noted
<i>Planning, Development & Infrastructure Act 2016 – Transition Audit</i>	Completed	Report be received and noted
Selection of Internal Auditor	Completed	Recommended the appointment of Bentleys (SA) Pty Ltd.
Service Review Project	Completed	Report be received and noted
Borrowing & Investment Performance Forecast For Year Ended 30 June 2022	Completed	Recommended the Borrowing and Investment Report be endorsed by the Council.
Annual Business Plan and Budget	Completed	1. That the Audit Committee notes the Draft 2022-2023 Budget is ambitious, with minimal buffer for delays in project delivery or cost over-runs.

Principal Issues Examined	Comment/Status	Recommendations made to the Council										
Annual Business Plan and Budget	Completed	<p>2. That the Audit Committee recommends that the Council determines by resolution that once the 2022-2023 Budget is adopted, no further projects be approved by the Council unless fully funded (i.e. Grants/ Fee for Service) and that the Council adhere to the budget management principles considered by the Council at its meeting held on 17 January 2022, namely:</p> <ul style="list-style-type: none"> • no new recurrent operating expenditure or projects approved without being matched by an increase in operating revenue (i.e., Grants/ Fee for Service) or a reduction in expenditure, elsewhere within the Council's operations; • expenditure over-runs are offset by deferral of discretionary expenditure or savings elsewhere within the Council's operations; • income shortfalls to be matched by operating expenditure savings; and • no new capital expenditure that requires additional borrowings. <p>3. That the Audit Committee recommends that the Rate Revenue increase for 2022-2023 be set between 5% and 6%</p> <p>4. That the following Operating Projects not be funded as part of the Draft 2022-2023 Budget:</p> <table style="margin-left: 40px;"> <tr> <td>Investment Prospectus</td> <td style="text-align: right;">\$20,000</td> </tr> <tr> <td>Smart City Technology Plan</td> <td style="text-align: right;">\$80,000</td> </tr> <tr> <td>25 Years of NPSP</td> <td style="text-align: right;">\$25,000</td> </tr> </table> <p>5. That the funding allocation for the following Operating Projects be reduced by the following amounts:</p> <table style="margin-left: 40px;"> <tr> <td>Tour Down Under</td> <td style="text-align: right;">\$50,000</td> </tr> <tr> <td>Review of Access & Inclusion Plan</td> <td style="text-align: right;">\$10,000</td> </tr> </table>	Investment Prospectus	\$20,000	Smart City Technology Plan	\$80,000	25 Years of NPSP	\$25,000	Tour Down Under	\$50,000	Review of Access & Inclusion Plan	\$10,000
Investment Prospectus	\$20,000											
Smart City Technology Plan	\$80,000											
25 Years of NPSP	\$25,000											
Tour Down Under	\$50,000											
Review of Access & Inclusion Plan	\$10,000											

During 2021-2022, Committee Members attended the following training courses/sessions:

Training Course/Session	Date(s)	Provider	Members Attending
Nil			

Audit Committee Evaluation

During July 2022, the Committee undertook a self-assessment of its Terms of Reference and its own performance for the year ended 30 June 2022. This self-assessment has taken into account, factors such as:

- the Committee's Work Program;
- the Committee's operating environment;
- the stage of maturity of the Committee;
- Council's strategic directions;
- Council's risk and control environment;
- current and emerging trends and factors;
- the outcomes of previous self-assessments.

The Committee's comments and recommendations resulting from the self-assessment of its Terms of Reference are set out in the table below:

Terms of Reference Item	Comment(s)	Recommendation(s)
Nil		

A summary of the conclusions of the Committee's self-assessment of its own performance are summarised below.

Issues	Comment(s)	Recommendation(s)
• the clarity of its role and purpose;	Considered appropriate.	Nil
• its capacity to operate independently;	Considered adequate.	Nil
• the expertise and experience of its members including training available;	Considered appropriate.	Nil
• the Committee Members' understanding of the Council, Local Government sector and external issues such as economic and environment impacts;	Considered appropriate.	Nil
• meeting operation – frequency, length, agenda papers, follow-up of outstanding issues etc.;	Considered appropriate.	Nil
• resources available to the Committee;	Considered satisfactory.	Nil
• the Committee's working relationship with Council and the senior management team;	No difficulties have been experienced since the formation of the Committee.	Nil
• the Committee Members' understanding of financial indicators (and targets for these) being used to assess the Council's performance;	The latest financial indicators submitted to the Council e.g. following Budget revisions.	Nil
• the appropriateness of its Work Program;	Considered to be adequate for 2021-2022	
• National Competition Policy compliance;	Content of report provided to the Council on 21 January 2008 previously discussed by the Committee.	Nil
• the Committee's access to appropriate Council information;	External Members comfortable with access to Elected Members, Council staff and information.	Nil
• the extent to which the Committee's advice is contributing to the effective operation of the Council;	No adverse reports have been received by Committee Members on the performance of the Committee.	Nil

Issues	Comment(s)	Recommendation(s)
<ul style="list-style-type: none"> matters for investigation. 	There are no matters before the Committee requiring investigation.	Nil

Following from its self-assessment process the Committee recommends training/professional development for its members:

Training/Professional Development Need	Committee Member
Opportunities for training through the Local Government Association to be provided by the General Manager, Governance & Community Affairs as they become available.	All Members.

Attachment C

Draft Annual Report to Council

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AUDIT COMMITTEE

TERMS OF REFERENCE

1. ESTABLISHMENT

- 1.1 The City of Norwood Payneham & St Peters Audit Committee is established under Section 41 of the *Local Government Act 1999* and the Regulations thereunder, for the purposes of Section 126 of the Act.
- 1.2 The Committee will be known as the Audit Committee.
- 1.3 The Committee may be wound up at any time by resolution of the Council.
- 1.4 These Terms of Reference were adopted by the Council on 3 December 2018.

2. OBJECTIVES

The principal objective of the Audit Committee is to add value to and improve, the City of Norwood Payneham & St Peters' operations, by assisting the Council to meet its legislative and probity requirements as required by the *Local Government Act 1999* and other relevant Legislation, Standards and Codes.

3. ROLE AND FUNCTIONS

- 3.1 The Audit Committee is an independent advisory Committee of the Council. The primary role of the Audit Committee is to assist the Council in the effective conduct of its responsibilities in respect to financial reporting, management of risk, maintaining a reliable system of internal controls that facilitates the organisation's ethical development.

The Audit Committee is established to assist the co-ordination of relevant activities of management and the external auditor in order to facilitate the achievement of organisational objectives in an efficient and effective manner.

As part of the Council's governance obligations to its citizens, the Council has constituted an Audit Committee to facilitate:

- the enhancement of the credibility and objectivity of internal and external financial reporting;
- propose and provide information relevant to a review of the Council's Strategic Management Plans and Annual Business Plan;
- the review and reporting on any matter relating to financial management or the efficiency and economy with which the Council manages its resources;
- effective management of financial and other risks and the protection of the Council's assets;
- compliance with laws and regulations related to financial and risk management as well as use of best practice guidelines;
- the provision of an effective means of communication between the external auditor, management and the Council;
- proposing and reviewing the exercise of powers under Section 130A of the *Local Government Act 1999*.
- review Annual Financial Statements to ensure that they present fairly the state of affairs of the Council;

- liaising with the Council's Auditor; and
- reviewing the adequacy of accounting, internal control reporting and other financial management systems and practices of the Council on a regular basis.

4. DELEGATED AUTHORITY

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

5. DUTIES AND RESPONSIBILITIES

- 5.1 The following are the duties and responsibilities of the Audit Committee:
- (a) To review the scope of the external audit plan and programme and the effectiveness of the proposed external audit work. This review should consider whether, over a period of years, the external audit plan systemically addresses:
 - internal controls over significant areas of risk, including non-financial management control systems;
 - internal controls over revenue, expenditure, assets and liability processes;
 - the efficiency, effectiveness and economy of significant Council programmes; and
 - compliance with regulation, policies, best practice guidelines, instructions and contractual arrangements.
 - (b) Review the appropriateness of special external audit assignments undertaken by external audit at the request of the Council or the Chief Executive Officer.
 - (c) Critically analyse and follow up any external audit report which raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues and any other matters relevant under the Committee's Terms of Reference. Review management's response to and actions taken as a result of the issues raised.
 - (d) Monitor the risk exposure of the Council by determining if appropriate risk management processes and adequate management information systems are in place.
 - (e) Monitor ethical standards and related party transactions by determining whether the systems of control are adequate.
 - (f) Review the Council's draft Annual Financial Report, focusing on:
 - accounting policies and practices;
 - changes to accounting policies and practices;
 - the process used in making significant accounting estimates;
 - significant adjustments to the financial report (if any) arising from the audit process;
 - compliance with accounting standards and other reporting requirements; and
 - significant variances from prior years.
 - (g) Recommend adoption of the Annual Financial Report to the Council. Review any significant changes that may arise subsequent to any such recommendation but prior to the financial report being signed.
 - (h) Discuss with the external auditor, the scope of the annual financial report audit and the planning of the audit.
 - (i) Discuss with the external auditor, issues arising from the annual financial report audit, including any management letter issued by the auditor and the resolution of such matters.

- (j) Review tendering policies and processes and advise the Council on appropriateness of those policies and any suggested amendments.
 - (k) Review the annual performance statement and recommend its adoption to the Council.
 - (l) Review issues relating to national competition policy, financial reporting by the Council's business units and comparative performance indicators.
 - (m) To review the scope of the internal audit plan and programme and the effectiveness of the proposed internal audit work. This review should consider whether, over a period of years, the internal audit plan systemically addresses:
 - internal controls over significant areas of risk, including non-financial management control systems;
 - the efficiency, effectiveness and economy of significant Council programmes
 - compliance with regulation, policies, best practice guidelines, instructions and contractual arrangements; and
 - business improvement and performance efficiency reviews.
 - (n) Identify and refer specific projects or investigations deemed necessary through the Chief Executive Officer and the Council if appropriate. Oversee any subsequent investigations, including overseeing of the investigation of any suspected cases of fraud within the organisation.
 - (o) Monitor the progress of any major litigation against the Council.
 - (p) Address issues brought to the attention of the Audit Committee, including responding to requests from the Council for advice that are within the parameters of the Committee's Terms of Reference.
 - (q) Report to the Council after each meeting, in the form of minutes or otherwise, and as necessary and provide an annual report to Council summarising the activities undertaken during the year.
 - (r) The Audit Committee in conjunction with the Council and the Chief Executive Officer should develop the Committee's performance indicators.
- 5.2 The Audit Committee, through the Chief Executive Officer and following authorisation from the Council and within the scope of its responsibilities, may seek information or obtain expert advice on matters of concern.

6. MEMBERSHIP AND CONDITIONS OF APPOINTMENT

- 6.1 Membership of the Committee will comprise:
- the Mayor;
 - two (2) Elected Members as determined by resolution of the Council; and
 - two (2) Independent Members who are appointed by the Council and who are determined by the Council to have experience relevant to the functions of the Audit Committee.
- 6.2 The Council will appoint one (1) of the Members as the Presiding Member,
- 6.3 The Membership of the Committee comprises of the following:
- Mayor Robert Bria;
 - Cr John Minney (Elected Member, Presiding Member)
 - Cr Mike Stock (Elected Member)
 - Ms Sandra DiBlasio (Independent Member); and
 - Ms Brigid O'Neill (Independent Member).

6.4 Conditions of Appointment shall include:

- (a) Independent Members will have senior business or financial management/reporting knowledge and experience, in particular, experience relevant to the functions of an audit committee and be conversant with the financial and other reporting requirements.

The evaluation of potential members will be undertaken by the Mayor and Chief Executive Officer and the two (2) Elected Members appointed to the Audit Committee taking account of the experience and qualifications of candidates and their likely ability to apply appropriate analytical and strategic management skills, and a recommendation for appointment put to Council.

- (b) At the end of each Committee term, sitting Independent Members, following an Expression of Interest, will be recommended for re-appointment for a further two (2) years.
- (c) Where a vacancy exists, Expressions of Interest from Independent Members shall be made by the Council by way of a public advertisement and be for a term of two (2) years or some other period as determined by the Council. The term of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's Elected Members.
- (c) Remuneration will be paid to each Independent Member of the Committee (based on a set fee per meeting attended).
- (d) Elected Members will be appointed for a term of two (2) years or some other period as determined by the Council.

7. REMOVAL OF A MEMBER

- 7.1 Membership of the Audit Committee continues for the term of the Committee, unless a Member resigns from the Committee or is removed earlier by resolution of Council.
- 7.2 If the Council proposes to remove a Member of the Committee, it must give written notice to the Member of its intention to do so and provide that Member with the opportunity to be heard at a Council meeting which is open to the public, if that Member so requests.

8. OPERATIONAL MATTERS

- 8.1. The Committee shall act at all times in strict accordance with the *Local Government Act 1999* and any other relevant legislation.
- 8.2 In particular, the Committee shall act at all times in strict accordance with the *Local Government Act 1999* and Part 2 of the *Local Government (Procedures at Meetings) Regulations 2000*, provided that the Committee may alter in whole or in part the application of Part 2 of the Regulations, where it forms the opinion that such alterations are necessary for the better operation of its meetings.
- 8.3 The Committee shall meet at the Norwood Town Hall, 175 The Parade, Norwood, in accordance with the responsibilities imposed upon it at Clause 5 of these Terms of Reference and otherwise on such dates and at such times as the Presiding Member of the Committee or the Committee, by resolution, may determine.
- 8.4 A quorum for a meeting of the Committee shall be three (3) members of the Committee, one (1) of whom shall be an Independent Member.
- 8.5 If the Presiding Member of the Committee is absent from a meeting, then the Members present will determine between themselves who will preside at the meeting.
- 8.6 All decisions of the Committee shall be made on the basis of a majority decision of the members present.
- 8.7 Insofar as the *Local Government Act 1999* and Regulations and these Terms of Reference do not prescribe the procedure to be observed in relation to the conduct of a meeting of the Committee, the Committee may determine its own procedure.

9. MEETINGS

- 9.1 The Committee shall meet at least quarterly (i.e., at least four (4) times each year) at appropriate times in the reporting and audit cycle and otherwise as required.
- 9.2 A schedule of meetings will be developed and agreed to by the Committee. As an indicative guide, meetings will be arranged to coincide with relevant Council reporting deadlines, the development of Strategic Plans, the Annual Business Plan and Budgets and to coincide with the finalisation of the Financial Statements and the draft Annual Report to the Minister.
- 9.3 Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Audit Committee, no later than three (3) clear business days before the date of the meeting. Supporting papers, reports and documents shall be sent to the Audit Committee Members at the same time.
- 9.4 Additional meetings shall be convened at the discretion of the Presiding Member or at the written request of any member of the Committee or external auditor.
- 9.5 The Chief Executive Officer should attend all meetings and other Members of the Council or the Council staff may be invited to attend at the discretion of the Committee, to advise and provide information when required.
- 9.6 Representatives of the external auditor may be invited to attend at the discretion of the Committee but **must** attend meetings at which the draft Annual Financial Report and results of the external audit are considered.
- 9.7 The Council shall provide secretarial and administrative support to the Committee, through the Chief Executive Officer or his delegate.

10. REPORTING TO THE COUNCIL

- 10.1 Pursuant to Section 41(8) of the *Local Government Act 1999*, all decisions of the Audit Committee will be referred to the Council as recommendations of the Committee. The reporting of the decisions of the Committee in this manner, in accordance with Clause 1.2 of these Terms of Reference, will satisfy the requirements of Section 41(8).
- 10.2 In addition, the Committee shall report annually to the Council summarising the activities of the Committee during the previous financial year.

11. MINUTES OF MEETINGS

- 11.1 The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Audit Committee, including recording the names of those present and in attendance, are minuted and that the minutes otherwise comply with the requirements of the *Local Government (Procedures at Meetings) Regulations 2000*.
- 11.2 Minutes of Audit Committee meetings shall be circulated within five (5) days after a meeting to all Members of the Audit Committee and to all Members of the Council and will (as appropriate) be available to the public.

12. TERM OF THE COMMITTEE

- 12.1 The Committee will be wound up without further action by the Council at the conclusion of the term of the Committee.
- 12.2 The term of the Committee expires on 31 October 2022.

6.2 DRAFT 2022-2023 AUDIT COMMITTEE WORK PROGRAM

REPORT AUTHOR: General Manager, Corporate Services
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA98586/A439843
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of the report is to provide the Audit Committee with the Draft Work Program for the year ending 30 June 2023.

BACKGROUND

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

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

RELEVANT POLICIES & STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this issue.

SOCIAL ISSUES

Nil

CULTURAL ISSUES

Nil

ENVIRONMENTAL ISSUES

Nil

RESOURCE ISSUES

Nil

RISK MANAGEMENT

The Audit Committee must ensure that the Work Program addresses the statutory obligations and focuses on the adequacy of the Councils' systems and practices with respect to risk management, financial reporting, the internal control environment and other financial management systems.

The Draft 2022-2023 Work Program contained in **Attachment A** reflects the requirements to the Audit Committee's Terms of References and meets the Council's statutory requirements.

CONSULTATION

- **Committee Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

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

A draft Work Program, based on prior years is contained in **Attachment A**.

OPTIONS

The Committee can either endorse the Work Program (contained in **Attachment A**) or amend the document as appropriate.

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

That the Draft 2022-2023 Audit Committee Work Program as contained in **Attachment A** be adopted.

Attachment A

Draft 2022-2023 Audit Committee Work Program

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**

Draft 2022-2023 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
1 Financial Reporting (LGA – Section 126(4)(a))				
1.1 Ensure that financial information included in publications for external audiences accurately reflects key accrual based financial information and where appropriate sector-endorsed financial indicators:				
• Annual Business Plan;		March 2023 May 2023		
• Annual Financial Statements;		October 2022		
1.2 Review financial performance indicators provided to Council as part of Budget Reviews.		February 2023 May 2023		
2 Strategic Management and Annual Business Plans (LGA – Section 126(4)(ab))				
2.1 The Audit Committee should satisfy itself regarding the:				
• consistency of the Council's strategic plan with its long-term financial plan (LTFP) and annual business plan;		October 2022 (LTFP) May 2023 (ABP)		
• soundness of the I& e.g. Is it supported by engineering and other professional assessments regarding the condition of Council's infrastructure assets;		February 2023		
• likely impact on Council's ongoing financial sustainability of implementation of its suite of strategic management plans; and		October 2022		
• appropriateness of the indicators (financial and other) to measure achievements of the strategic plan and annual business plan.		March 2023 May 2023		
2 Exercise of Powers under Section 130A (LGA – Section 126(4)(ac))				
3.1 Determine whether a recommendation to the Council is required to request its auditor or some other person to:		As required		
• examine and report on any matter considered significant relating to financial management or the efficiency and economy of the management of Council's resources that would not be addressed or included as part of the annual audit.				



Draft 2022-2023 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
4 Liaising with External Auditor (LGA – Section 126(4)(b))				
4.1 Meet with the Council's external auditor to: <ul style="list-style-type: none">discuss any points of concern raised by the External Auditor in their interim audit;assess the appropriateness of the Council's response to matters raised in the interim audit;discuss any qualifications raised in the most recent audit or comments made in the accompanying management letter; andassess the appropriateness of the Council's response to matters so raised.	October 2022			
4.2 Ensure compliance with regulation 22 (1) of the <i>Local Government (Financial Management) Regulations 2011</i> , which prevent a Council from engaging its auditor to provide any services to the Council outside the scope of the auditor's functions under the <i>Local Government Act 1999</i> .	July 2023			
5 Internal Controls and Risk Management Systems (LGA – Section 126(4)(c))				
5.1 Identify whether weaknesses in internal controls have been previously identified, (e.g. by management or Council's external auditor,) and if so whether action has been taken to have them addressed: <ul style="list-style-type: none">consider the range of documented internal control policies and procedures; andwhether they are being followed.	October 2022			
5.2 Develop and monitor the delivery of the Council's Strategic Internal Audit Plan by; <ul style="list-style-type: none">meeting with the Council's Internal Auditors to discuss any points of concern raised by the Internal Auditor, as part of the delivery of the Strategic Audit Plan;assessing the appropriateness of the Council's response to matters raised in the Internal Audit Reports; andannually review the appropriateness of the Council's three (3) year Strategic Internal Audit Plan.	As required			

Draft 2022-2023 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
5.3 Review Management's assessment of the Council's major risks.	October 2022 May 2023			
5.4 Establish whether locally appropriate strategies exist to minimise the likelihood of occurrence and adverse consequence for obvious and major risks. Consider: <ul style="list-style-type: none"> whether an assessment has been undertaken to identify foreseeable events with potentially catastrophic consequences and actions established to minimise their likelihood and effect whether a business continuity plan has been developed in case of major damage to key Council properties or other, (e.g. computer, assets); whether there are significant risks that have been identified by Council's insurers that have not been reasonably addressed and therefore could jeopardise insurance cover in this regard; and adequacy of insurance coverage. Annual Review of Insurance Claims 	February 2023 October 2022 July 2023 July 2023 July 2023	Risk Workshop to be held following the Local Government Elections (November 2022) and the re-establishment of the Audit Committee		
5.5 Review the appropriateness of the range and content of Council's financial policies and practices: <ul style="list-style-type: none"> as per Policy Development Timetable. 		Standing Agenda Item		
5.5 Review the Council's financial governance arrangements and the effectiveness of those arrangements including: <ul style="list-style-type: none"> Management/reporting of Council's regional subsidiaries. the processes in place to ensure: <ul style="list-style-type: none"> all Council Members and the executive team have appropriate knowledge of key financial governance principles, issues and reporting tools in the context of Local Government financial sustainability; and, where warranted, existing knowledge and skills are augmented with locally appropriate training and support 		Standing Agenda Item		



Draft 2022-2023 Audit Committee Work Program

Activity	Meeting for Consideration	Current Status / Outcomes	Follow-up Action	Date Completed
6 Reporting				
6.1		Ensure that significant, urgent matters identified through the work program are formally and promptly reported to Council:	As required	
6.2		Report annually to the Council; <ul style="list-style-type: none">• outlining outputs relative to the audit committee's work program and the results of a self-assessment of performance for the preceding period including whether it believes any changes to its Terms of Reference are appropriate;• outlining any identified training needs;• advising future work program proposals; and• invite comment from the Council on all of the above.		July 2023

6.3 2022-2023 ANNUAL BUSINESS PLAN AND BUDGET

REPORT AUTHOR: Financial Services Manager
GENERAL MANAGER: General Manager, Corporate Services
CONTACT NUMBER: 83664585
FILE REFERENCE: qA83739/A425583
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Audit Committee, the 2022-2023 Annual Business Plan and Budget as adopted by the Council.

BACKGROUND

Pursuant to Chapters 8,9,10 of the *Local Government Act 1999* (the Act), the Council is required to adopt both the Annual Business Plan and Annual Budget, after 31 May but before 15 August each year.

Part 2 of the Act, “*Annual Business Plans and Budgets*”, requires the Council to consider its budget in conjunction with the Council’s Annual Business Plan and adopt it following the adoption of the Annual Business Plan.

At its meeting held on 4 July 2022, the Council adopted the 2022-2023 Annual Business Plan and Budget and declared the Rates for the 2022-2023 Financial Year.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council’s Long Term Strategic directions are outlined in the Councils Strategic Management Plan, *City Plan 2030 – Shaping our Future*. The 2022-2023 Annual Business Plan and Budget, sets out the proposed services and programs and initiatives for the 2022-2023 Financial Year and explains how the Council intends to finance its continuing services, programs and initiatives which are to be undertaken during the year.

The Council’s Rating Policy sets the Council’s approach to determining and collecting rates from the community.

FINANCIAL AND BUDGET IMPLICATIONS

The Budget has been prepared in line within the Council’s Budget Guidelines that were endorsed by the Council on 17 January 2022 and incorporates the decisions which have been made by the Council at its meetings held on 13 April 2022, 9 May 2022 and 21 June 2022.

The adopted Budget, is based on a Rate Revenue increase of 6.0%. With valuation growth, the Rate-in-the-Dollar has **decreased** 15.3%. Revenue attributed to new development growth (combined new assessments and improvements) is 0.99% or \$369,000.

Since the last Committee meeting held on 23 May 2022, the Council considered the Draft Budget on two occasions and endorsed the following adjustments:

- **Inclusion of the Council’s share of the operating result of Highbury Landfill Authority**

The Council endorsed the Highbury Landfill Authority Draft 2022-2023 Budget on 6 June 2022. As a Constituent Council of the Highbury Landfill Authority, the Council is required to include in its Budget, the Council’s ownership share of the Highbury Landfill Authority operating result. The Council’s ownership share is 40.4%.

The Council’s share of the Net Gain - Joint Ventures & Associates, as set out on the Statement of Comprehensive Income has increased to \$ 20,900, an increase of \$5,250 due to the recognition of the budgeted Operating Surplus from the Highbury Landfill Authority.

- **Amendment to the Council's share of the Operating result of ERA Water**

The Council endorsed the ERA Water Draft 2022-2023 Budget on 13 April 2022. ERA Water subsequently amended its draft budget, which the Council considered and endorsed on 6 June 2022. As a Constituent Council of the ERA Water, the Council is required to include in its Budget, the Council's ownership share of the ERA Water operating result. The Council's ownership share is 33.3%.

The impact of the ERA Water Revised Draft Budget is an increase in the Councils share of the Net Loss - Joint Ventures & Associates to \$ 283,700, an increase of \$108,000 due the increase in the ERA Water budgeted Operating Deficit to \$803,000, an increase of \$324,000 on the draft ERA Water Budget.

- **Increase in the Council's contribution to Cats Assistance to Sterilisation (CATS) Inc.**

CATS Inc has been managing cats within the City of Norwood Payneham & St Peters for over 30 years, with the organisation dedicated to reducing cat numbers and cat related issues.

A part of the Council's public consultation process in respect to the draft 2022-2023 Annual Business Plan, the Council received a submission from CATS Inc requesting an increase in the annual funding contribution which the Council provides to CATS Inc from \$3,000 to \$6,000. The additional funds will be used to increase the number of cats desexed. The Council endorsed the increased contribution at its meeting held on 4 July 2022.

- **Increase in Waste Management Budget**

The Council was advised on 24 June 2022, of the potential increase in disposal costs associated with the Council's kerbside recyclables. As Committee Members are aware, in developing the Draft 2022-2023 Budget, the Council's Waste Management Budget was based on the existing contract between East Waste and NAWMA (which expired on 30 June 2022, as East Waste did not exercise the three (3) year extension clause). The disposal fee under the contract was in the order of \$90 per tonne. At its meeting held on 6 June 2022, given the increase in the number of MRF's, the Council approved East Waste's request to approach the market for a one-year contract. This process was however, not completed and East Waste has re-commenced negotiations with NAWMA. East Waste has subsequently advised that subject to the approval by the NAWMA Board, an "in principle" agreement has been negotiated with NAWMA to receive and process recyclable material volumes for the next 3-month period from 1 July 2022 to 30 September 2022, at a flat fee (including transport) of \$139 per tonne. East Waste has advised that it is working to secure a longer-term proposal with NAWMA, however it is not in a position to advise on the disposal cost post 30 September 2022. The full year impact on the Council's budget of the fee increase at \$139 per tonne is \$172,000. As East Waste only has approval to enter into a one-year contract, it is considered unlikely that East Waste will be in a position to negotiate a more favourable outcome for the remainder of the 2022-2023 Financial year and as such, the Council's Waste Management Budget, is based on the assumption that the recyclables disposal cost will be \$139 per tonne for the full year.

As a result, the Council's adopted Budget is forecasting an Operating Surplus of \$862,000, which is a \$278,000 reduction of the draft Operating Surplus of \$1.140 million included in the Draft 2022-2023 Annual Business Plan and Budget considered by the Audit Committee at its meeting held on 23 May 2022 and released for public consultation.

EXTERNAL ECONOMIC IMPLICATIONS

Nil

SOCIAL ISSUES

The *Local Government Act 1999*, provides a number of measures which the Council can provide rate relief to eligible ratepayers. Relief options includes, automatic rate capping, postponements of rates, remissions and payment plans.

CULTURAL ISSUES

Nil

ENVIRONMENTAL ISSUES

Nil

RESOURCE ISSUES

Nil

RISK MANAGEMENT

The Draft Budget was prepared in absence of the 2022-2023 State Budget, which was released on 2 June 2022.

A number of components of the Councils Draft Budget are impacted upon by decisions which are made by the State Government. A number of assumptions have been made with respect to those components of the Councils Draft Budget which are influenced by the decisions of the State Government.

Following consideration of the 2022-2023 State Budget, the assumptions and other decisions upon which the Draft Budget is based, have not been materially impacted by the State Budget.

As Elected Members are aware, the Federal Government advanced 75% of the 2022-2023 Financial Assistances Grants to the Council in April 2022. The cash advance is aimed at providing Councils immediate access to funds to help manage the cumulative impacts of floods and the COVID-19 pandemic. While this decision implies that the Council will only receive one (1) quarter of the Financial Assistance Grant in 2022-2023, past practice indicates that advance payments will continue, as such the Draft Budget has been prepared on the assumption that the equivalent of four (4) quarterly payments will be received.

If the Federal Government does not advance Financial Assistance Grants payments from the 2023-2024 funding allocation, the Operating Surplus will be reduced by \$1.071 million, with a corresponding decrease in the cash surplus. Since the commencement of advancing Financial Assistance Grant Funding in 2008 (in response Global Financial Crisis), with the exception of the 2015-2016 financial year, the Federal Government has made advance payments, however it is considered unlikely that the advance of three (3) quarters will continue and that the advance payments will return to two (2) quarters, which if this does eventuate, the Operating Surplus and cash surplus will be reduced by \$435,000.

On 24 June 2022, East Waste advised that it is anticipating further increases in fuel prices, which will impact on the operational costs of East Waste. The East Waste Budget, endorsed by the Council at its meeting held on 2 May 2022 and which the Council's Waste Management Budget is based, estimated an average fuel price of \$1.55 per litre across the 2022-2023 Financial year. East Waste has since advised that it anticipates fuel prices to increase to \$2.50 per litre. If this does eventuate it will add in order of \$1 million to the East Waste operational costs, with this Council's share being estimated at \$180,000. East Waste has advised that given it is susceptible to fuel price movements, there will be a need to re-forecast their budget and potentially increase the collection charges, however, given that Constituent Councils have or are near to adopting their respective budgets, any requests for an increase in the collection charge this will be addressed through the budget review process.

Given that the impact fuel prices (which could be higher or lower) are likely to become clearer as the year progresses, coupled with the past practice of East Waste refunding collection costs which are paid by the Constituent Councils (based on the actual cost incurred), the Council's 2022-2023 Budget was not updated to reflect the potential increase in the collection charge (due to increased fuel prices), as estimated by East Waste. If fuel price increase as East Waste is anticipating and is sustained at \$2.50 cents per litre for the 2022-2023 Financial year and collection charge is increased as a consequence, the Operating Surplus, without alternative savings, will be reduced by \$180,000, with a corresponding decrease in the cash surplus.

COVID-19 IMPLICATIONS

The focus in developing the Draft 2022-2023 Annual Business Plan and Budget, has been on ensuring that the Council maintains the service standards for its existing range of services which are aimed at supporting the delivery of the Strategic Objectives outlined in the Councils' Strategic Management Plan *CityPlan 2030*.

As such, the Budget is based on the premise that the programs, services and activities that were suspended or cancelled over the last two (2) years will be delivered and does not provide for the continuation of COVID-19 financial relief, as provided in the previous two (2) financial years. The Council's *Financial Hardship Policy* provides options for ratepayers with respect to the payment of rates.

CONSULTATION

- **Elected Members**

Elected Members have been involved throughout the preparation of the 2022-2023 Annual Business Plan and Budget process and have considered the various components of the Draft 2022-2023 Annual Business Plan and Budget at meetings held on 13 April 2022, 9 May 2022 and 21 June 2022 and made "*in principle*" decisions as appropriate to arrive at the 2022-2023 Annual Business Plan and Budget.

- **Audit Committee**

The Audit Committee considered the Draft Budget at its Special Meeting held on 28 March 2022. Mayor Bria, Councillor Minney and Councillor Stock are members of the Audit Committee.

- **Community**

In line with the requirements of the Act, public submissions on the Draft 2022-2023 Annual Business Plan were sought. Fourteen (14) written submissions were received and considered by Council at its meeting held on 21 June 2022.

- **Staff**

The review of Operating Expenditure and Special Projects and the Draft Annual Business Plan process, has been completed with the involvement of the Chief Executive Officer, General Managers and the various Responsible Officers.

- **Other Agencies**

Not Applicable.

DISCUSSION

As detailed in Table 1 below, based on 6.0% increase in Rate Revenue, the Operating Surplus is \$862,000, which is based on a Recurrent Operating Surplus of \$2.025 million and an Operating Deficit relating to Operating Projects of \$1.163 million. It should be noted that the Draft Operating Surplus includes \$363,000 from the Federal Governments' *Roads-to-Recovery Grant Program*, the Council's share of the Net loss from its Regional Subsidiaries (\$263,000) and carry forward expenditure (\$213,000) relating to projects approved in prior financial years which have yet to be completed. Adjusting for the Carry Forward expenditure and the Net Loss from Regional Subsidiaries, the underlying Draft Operating Surplus for the provision of continuing services and programs and new initiatives, is projected to be \$1.338 million.

The adopted Budget will deliver a Cash Surplus of \$814,000, after principal loan repayments of \$945,000. The closing cash balance at the 30 June 2023 is projected to be \$6.912 million.

TABLE 1: 2022-2023 BUDGETED STATEMENT OF COMPREHENSIVE INCOME

	Recurrent Operating 2022-2023 \$	Operating Projects 2022-2023 \$	Capital 2022-2023 \$	Proposed 2022-2023 \$
INCOME				
Rates	39,920,982	-	-	39,920,982
Statutory charges	2,006,750	-	-	2,006,750
User charges	3,737,711	-	-	3,737,711
Grants, subsidies and contributions	2,515,869	492,298	-	3,008,167
Investment income	45,500	-	-	45,500
Other income	517,740	-	-	517,740
Net Gain- Joint Ventures & Associates	20,694	-	-	20,694
Total Income	48,765,246	492,298	-	49,257,544
EXPENSES				
Employee costs	15,974,750	108,000	-	16,082,750
Materials, contracts & other expenses	18,451,188	1,547,394	-	19,998,582
Finance costs	515,000	-	357,424	872,424
Depreciation, amortisation & impairment	11,158,733	-	-	11,158,733
Net Loss- Joint Ventures & Associates	283,360	-	-	283,360
Total Expenses	46,383,031	1,655,394	357,424	48,395,849
OPERATING SURPLUS / (DEFICIT)	2,382,215	(1,163,096)	(357,424)	861,695
Net gain (loss) on disposal or revaluation of assets	-	-	25,000	25,000
Amounts specifically for new or upgraded assets	-	-	10,024,823	10,024,823
NET SURPLUS (DEFICIT)	2,382,215	(1,163,096)	9,692,399	10,911,518

BORROWINGS

Proposed capital expenditure of \$49.641 million (inclusive of 2022-2023 carry forward projects) is proposed to be funded as follows:

- Use of depreciation recovered through rate revenue \$11.159 million.
- Grant Funding \$10.025 million.
- Long Term Borrowings \$28.457 million

In determining the timing and the level of borrowings required to fund the capital program, consideration has been given to the cash flow requirements and to intergenerational equity between current and future users (that is, an asset is funded from loan borrowings which is paid off over the life of the asset rather than raising rate revenue from current rate payers to pay for the asset). Whilst these considerations have formed part of the budget model, they will be reviewed and reconsidered before the decision to take out any borrowings.

Given the nature of the major projects, which in some cases will be delivered over a number of financial years, to minimise the interest costs and debt servicing needs, it is recommended that the Council utilise the Cash Advance Facilities in place to fund the cashflow required during the construction phases as opposed to the utilisation of the standard fixed period debenture loans.

As detailed in the Budgeted Cash Flow Statement in the Annual Business Plan and Budget, the closing cash balance is projected to be \$6.912 million at the end of the financial year, after the loan principal repayments of \$945,000.

As Committee Members are aware, the financial goal is to be a Council which delivers on its Strategic Outcomes by managing its financial resources in a sustainable and equitable manner. To ensure the Council delivers on its financial goal, the Council has committed to achieving a number of financial outcomes and targets.

The Table 2 below sets out how these are being met in the 2022–2023 Budget.

TABLE 2: FINANCIAL PERFORMANCE INDICATORS

Outcome	Indicator	LTFP Target	2022-2023 Budget	Target Met
A Balanced Budget	Operating Ratio	Between 0% and 10%	1.8%	✓
Rate Stability	Annual Rate Revenue Increase	Between 3% and 6%	6%	✓
Infrastructure & Asset Management	Asset Sustainability Ratio	Between 90% and 110% on a rolling three-year average	96.6%	✓
Debt Management	Net Financial Liabilities Ratio	Less than 75%	80.4%	✗
	Debt Servicing Ratio	Less than 15%	4.7%	✓

RATING STRATEGY

The Council, having considered the 2022-2023 Annual Business Plan and Budget, declared differential general rates, based on the Capital Value of rateable land and a Rate Revenue increase of 6.0%. Impact of the Rating Strategy adopted is detailed in Table 3.

TABLE 3: RATING STRATEGY

	2022-2023
Proposed Rate Revenue Increases	6.0%
	\$'000
Gross General Rate Revenue	\$39,574
Increase on Previous Year	\$2,231
Operating Surplus/(Deficit) after rate revenue increases	862
Residential Rate	
Rate Payable per Average Residential Property	\$1,671
Average Rate Difference	\$108
Increase from previous year	6.9%
Rate-in-the-Dollar	0.001929
Increase/(Decrease) from previous year	(15.3%)
Commercial Rate	
Rate payable per Average Commercial Property	\$2,525
Average Rate Difference	(\$124)
Increase/(Decrease) from previous year	(4.7%)
Rate-in-the-Dollar	0.002315
Increase/(Decrease) from previous year	(15.3%)
Minimum Rate	\$1,132
Percentage of Assessment on Minimum Rate	33.8%

Pursuant to Regulation 6 (ec.) of the *Local Government (Financial Management Regulations) 2011*, the Council is now required to express the increase in rate revenue for each land use, as the average change in the expected rates for the financial year (expressed as a whole number of dollars) for each land use category declared, compared to the expected rates for each category for the previous financial year. This is expressed as the Average Rate and is calculated by dividing the rate revenue by the number of assessments. Table 4 below details the Average Rate and the change for each land use category compared to the 2021-2022 financial year.

TABLE 4: AVERAGE RATE BY LAND USE (as per *Local Government (Financial Management) Regulations 2011*)

Land Use	Average Rate	Increase (Decrease)	% change
Residential	\$1,812	\$135	8.1%
Commercial	\$2,635	(\$94)	(3.4%)
Industrial	\$2,253	(\$103)	(4.4%)
Primary Production	\$1,670	(\$89)	(5.0%)
Vacant Land	\$1,631	(\$73)	(4.3%)
Other	\$3,623	\$59	1.7%
	\$1,912	\$104	5.8%

OPTIONS

Nil

CONCLUSION

Through the adoption of the Long-term Financial Plan, the Council has a clear strategy of achieving financial sustainability. Financial sustainability means having a financial position capable of meeting long term service and infrastructure levels and standards, which are acceptable to the community plus having the financial capacity to meet its financial obligations from cash generated from operations or cash reserves.

The Annual Business Plan and Budget, as contained in **Attachment A**, aims to ensure that the Council's emerging and continuing priorities are appropriately funded.

COMMENTS

If Committee Members have any questions or require clarification in relation to specific budget items, and/or any issues raised in this report, do not hesitate to contact the General Manager, Corporate Services, Sharon Perkins on 8366 4585, prior to the meeting.

RECOMMENDATION

That the report be received and noted.

Attachment A

2022-2023 Annual Business Plan and Budget

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
Norwood
Payneham
& St Peters



Draft Annual Business Plan

2022–2023



City of
Norwood
Payneham
& St Peters

Our Vision

A City which values its heritage, cultural diversity,
sense of place and natural environment.

A progressive City which is prosperous,
with a strong community spirit.



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Mayor's Message

The City of Norwood Payneham & St Peters remains focused on financial sustainability, as we continue to recover from the impacts of the COVID-19 pandemic. This focus is balanced against the need to generate sufficient revenue to meet the demands for services and improvements to infrastructure, as well as repayment of loan borrowings, in order to fund capital works.



The City of Norwood Payneham & St Peters 2022–2023 Annual Business Plan, contains a Budget which highlights the Council's resilient financial position.

Like other Local Governments around Australia the City of Norwood Payneham & St Peters has not been immune from a range of factors impacting the economy, particularly those resulting from the COVID-19 pandemic.

Against this backdrop, properties in our City also experienced an extraordinary increase in property values over the past 12 months—an average of 26.5% growth for residential properties and 12.5% for commercial properties.

These increases have shaped the development of the 2022–2023 Annual Business Plan and Budget and in particular, the effect on rates.

In this regard, the combination of the increases in property values with the current inflation rate of 4.7%, has resulted in an average rate increase of 5.7%, which is required to continue to fund essential services, as well as the Council's comprehensive and ongoing program of Capital Works and major projects.

While the average rate is in line with the Adelaide Consumer Price Index (CPI), the annual change in actual rates payable by a ratepayer, will vary according to the individual property value, the land use and whether there has been development or improvements to the property.

Consistent with all previous Budgets, the Council has again strived to provide value for money with regard to expenditure, whilst ensuring at the same time, that any rate increase is commensurate with the standards of service and infrastructure, which are expected by the community.

The 2022–2023 Annual Business Plan and Budget continues the Council's commitment to a number of major infrastructure projects, some of which commenced in 2021–2022, aimed at

improving our City, the well-being and quality of life of our community and, in addition, helping to create local jobs.

This year, the Council will invest \$51.2 million in projects which includes a number of new initiatives. To find out more about some of our major projects—including the Payneham Memorial Swimming Centre redevelopment, The Parade Masterplan and upgrades to Dunstan Adventure Reserve, please see page 12.

The Council's whole-of-life Capital Works Program includes \$14.5 million to provide for the renewal of the City's stormwater drainage system, footpaths, kerbs, water tables, and resealing of roads.

The projected operating surplus of \$862,000 continues the Council's recent record of financial management and surpluses—money which is used to repay loan borrowings, thereby reducing the future debt burden on ratepayers and future generations.

I encourage you to read the Council's 2022–2023 Annual Business Plan and Budget and the details of the projects planned for the coming year.

Robert Bria
Mayor

Introduction



The City of Norwood Payneham & St Peters' Annual Business Plan is a key document in the Council's overall Planning Framework. It sets out the Council's proposed projects, services and programs for the 2022–2023 financial year.

The Annual Business Plan supports the Council's long-term strategic directions, which are outlined in the Council's strategic management plan: *CityPlan 2030: Shaping Our Future*, as well as the Long-term Financial Plan and Whole of Life Infrastructure and Asset Management Plans.

First endorsed by the Council in 2008, *CityPlan 2030*, focuses on developing the things which the community love, changing the things the community don't and creating the things our community wants in order to achieve a preferred future for our City.

As reflected in *CityPlan 2030* the future can be shaped, modelled and influenced by our actions today, for both the benefit of our community now and future generations.

In 2020, a mid-term review of *CityPlan 2030* was undertaken to ensure that it continues to capture the community's aspirations for the City. This assists the Council to establish directions which shape the City's future with the overall aim of achieving Community Well-being.



The vision for the City continues to be underpinned by the four outcomes of Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability. These four outcomes are the foundation upon which *CityPlan 2030* is based and this approach is referred to as 'Quadruple Bottom Line'.

Quadruple Bottom Line is a management tool which ensures that the Council's sustainability principles are embedded across all of its operations, projects and undertakings.

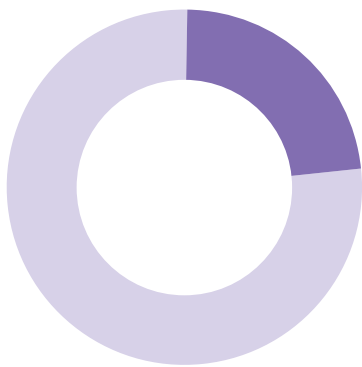
In line with *CityPlan 2030* and in developing this Annual Business Plan, the Council continues to work towards these outcomes, through the delivery of the programs, services, projects and initiatives set out within *CityPlan 2030*. The accompanying Budget details the Council's revenue and how it proposes to fund the programs, services, projects and initiatives which it intends to provide to the community during the 2022–2023 financial year.

Diagram 1. Quadruple Bottom Line Framework for Community Well-being.



City Snapshot

The City of Norwood Payneham & St Peters enjoys a reputation as one of Adelaide's most desirable places to live, work and visit.

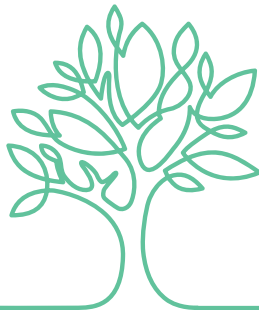


30.2%

of people in the City of Norwood Payneham & St Peters were born overseas, compared with 26.3% in Greater Adelaide.

341km
of footpaths

363km
of kerbing



local businesses

7,000*

Our business community values the City's unique and diverse business mix with strong connections and ability to work together.

171km of roads

20,000+ street trees



2 Swimming Centres



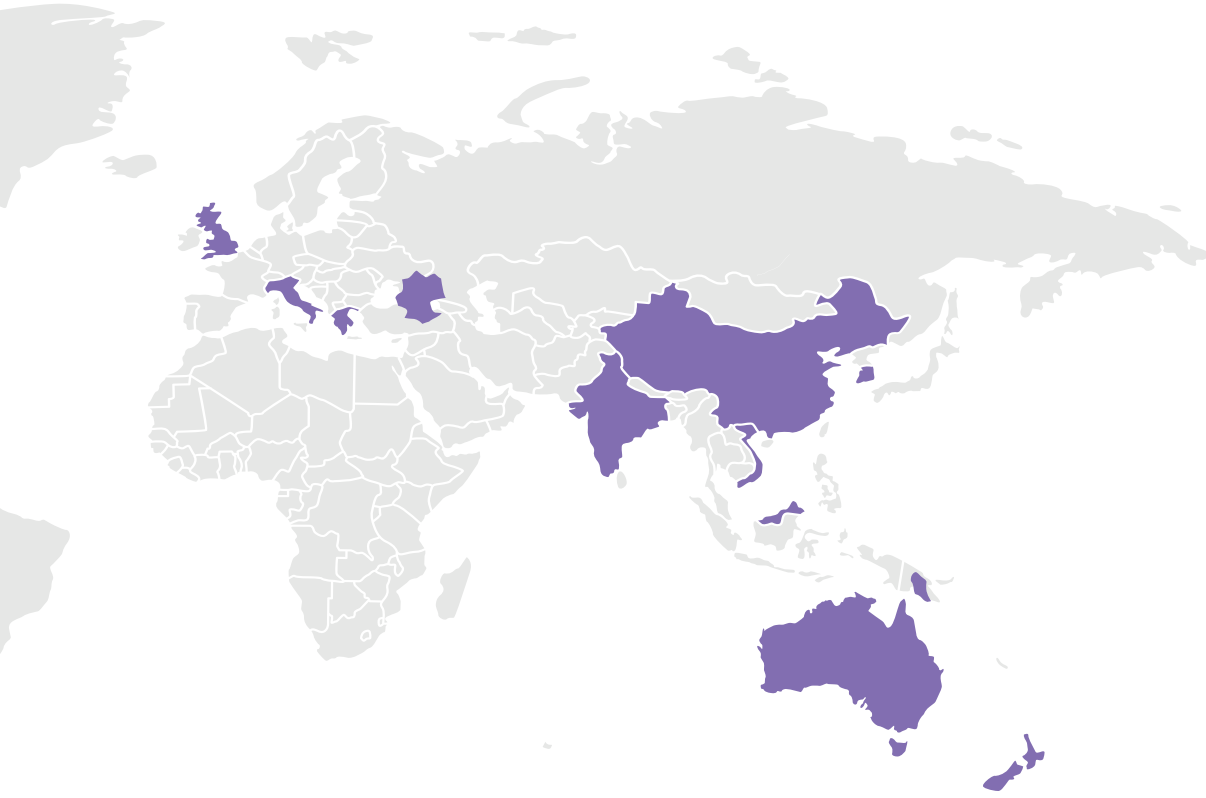
1 Child Care Centre & Pre-School



3 Libraries

Source: Australian Bureau of Statistics 2019 Estimated Resident Population

* Approximate figure



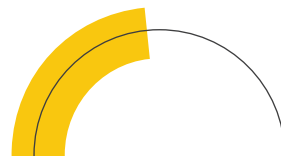
Top 5 origins of birth in the City

- 64.7%**
Australia
- 4.8%**
United Kingdom
- 4.3%**
Italy
- 4.0%**
China
- 2.6%**
India

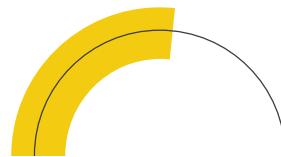
residents

37,056[#]

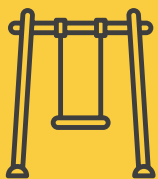
The median age of people is 40 years.
Children aged 0–14 years make up 14.3% of the population and people aged over 65 years make up 19.6%.



48% male



52% female



29 playgrounds



72 parks and reserves



180 hectares of open space

Strategic Direction

The City of Norwood Payneham & St Peters' strategic management plan, *CityPlan 2030: Shaping Our Future*, provides the strategic framework and directions which guide the Council's decision making towards achieving the overall aim of Community Well-being.

All programs, projects and services delivered by the Council fall under four outcome areas: Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability.



Outcome 1 Social Equity

An inclusive, connected, accessible and friendly community.

Objectives

1. Convenient and accessible services, information and facilities.
2. A people friendly, integrated and sustainable transport network.
3. An engaged and participating community.
4. A strong, healthy resilient and inclusive community.



Outcome 2 Cultural Vitality

A culturally rich and diverse City, with a strong identity, history and sense of place.

Objectives

1. An artistic, creative, cultural and visually interesting City.
2. A community embracing and celebrating its social and cultural diversity.
3. A City which values and promotes its rich cultural and built heritage.
4. Pleasant, well designed, and sustainable urban environments.
5. Dynamic community life in public spaces and precincts.



Linde Reserve, Stepney



Outcome 3 Economic Prosperity

A dynamic and thriving centre for business and services.

Objectives

1. A diverse range of businesses and services.
2. Cosmopolitan business precincts contributing to the prosperity of the City.
3. Attract new enterprises and local employment opportunities to our City.
4. A leading centre for creative industries.
5. A local economy supporting and supported by its community.



Outcome 4 Environmental Sustainability

A leader in environmental sustainability.

Objectives

1. Sustainable and efficient management of resources.
2. Sustainable streets and open spaces.
3. Thriving and healthy habitats for native flora and fauna.
4. Mitigating and adapting to the impacts of a changing climate.

Strategic Planning Framework

In working towards our vision, all of the programs, projects and services which the Council delivers are structured into four key outcome areas, referred to as the 'Four Pillars' of Community Well-being.



Objectives and Key Initiatives

In preparing the 2022–2023 Annual Business Plan and Budget, the Council has considered the strategic directions set out in *CityPlan 2030: Shaping Our Future* and has determined to undertake initiatives which respond to the Council’s vision and contribute to the overall well-being of our City and its community.



Second Creek Gross Pollutant Trap & Linear Park Path Upgrade

The projects, programs and initiatives which the Council proposes to undertake during 2022–2023, must meet the objectives of at least one of the four key outcome areas of *CityPlan 2030*: social equity, cultural vitality, economic prosperity and environmental sustainability. In some cases, projects and initiatives may contribute towards more than one outcome. Projects and initiatives have been listed against the outcome with which it has the strongest alignment.

Other priorities which have influenced the preparation of the 2022–2023 Annual Business Plan and Budget include:

- an increase in operating expenditure in line with the Local Government Price Index and Consumer Price Index;
- ensuring the maintenance and renewal program for existing infrastructure assets, including roads, footpaths, Council owned properties and open spaces, are consistent with the Whole of Life Infrastructure and Asset Management Plans;
- consideration of financial commitment to major projects which span more than one financial year; and
- sensible and prudent financial management to ensure financial sustainability for our City.

Major Projects



Payneham Memorial Swimming Centre Concept

Payneham Memorial Swimming Centre Redevelopment



The Payneham Memorial Swimming Centre will be transformed into an exciting aquatic park for swimmers, families and the wider community.

The Council will be investing \$16.5 million in 2022–2023. This is in addition to the Council's \$500,000 investment last financial year.

Once completed the total investment in the state-of-the-art facility will be in the order of \$24 million with \$5.6 million contributed from the State Government.

This redevelopment includes:

- two new pools (including an all season 25 metre pool);
- high platform waterslides;
- water play areas; and
- disability access ramps to facilitate the increased use of the existing facilities, as well as supporting greater independence for all patrons.

The redevelopment will also boost the local economy by creating jobs and a direct spend on construction.

The redevelopment was outlined in the Payneham Memorial Swimming Centre Strategy which was endorsed by the Council in 2017.

Dunstan Adventure Playground Upgrade



Local residents and the wider community will benefit greatly from a major upgrade to the Dunstan Adventure Playground.

In 2022–2023, the total investment to redevelop the Playground will be \$1.3 million, which includes \$450,000 from the State Government, with the remainder being funded by the Council.

The much-loved Dunstan Adventure Playground at St Peters, has several pieces of outdated play equipment requiring regular maintenance.

The redevelopment will include:

- the installation of new adventure themed play; equipment (and the removal of old equipment);
- carpark and entry improvements;
- new public toilets;
- a new shade structure;
- lighting; and
- better path integration with the River Torrens Linear Park.

The Playground was constructed in the 1970s and although it is still very popular, this redevelopment will ensure it remains contemporary, safe and practical for many years to come.

The redevelopment is planned to commence in October 2022.

To view the concept design and images visit the Council's website www.npsp.sa.gov.au/majorprojects

The Parade Masterplan



The Parade Masterplan forms part of the long-term strategic framework for the planning, redevelopment and activation of The Parade.

The Masterplan focuses on protecting the identity and appeal of Adelaide's premier mainstreet and how this significant economic, social and cultural asset can enhance the experience of people who choose to live, work and play on The Parade.

A prioritisation on pedestrian safety and movement is a key objective of The Masterplan. Other changes include:

- wider footpaths along the full length of The Parade;
- removal of on-street car parking between Edward and George Street;
- additional street trees and landscaping;
- new pedestrian crossings;
- new street furniture; and
- public art and lighting.

The next steps in the delivery of The Parade Masterplan is the preparation of detailed design, followed by construction.

The Council is currently in the process of selecting an experienced and qualified consultant team to commence the detailed designs.

The total cost allocated in the 2022–2023 budget is \$2 million. This includes the upgrade of George Street plus funding for the detailed design of The Parade between Fullarton Road and Portrush Road.

The upgrade to The Parade is currently planned to be undertaken over four years commencing in 2024.



Outcome 1 Social Equity

An inclusive, connected, accessible and friendly community.

2021–2022 Achievements

Capital Works Program

Completed the annual Capital Works Program, which includes upgrades to civil infrastructure (roads, footpaths stormwater drainage and kerbing), buildings and open space assets.

Community Survey

Completed the 2021 Community Survey. The biennial survey involved 601 face to face interviews with residents and/or business operators.

New Digital Look East

Launched a digital and interactive edition of the Council's community publication, Look East, and increased its production from twice a year to four times a year.

Zest for Life

Hosted Zest for Life – a program of events that encourage positive and active ageing and promote Community Well-being.

Annual Business Plan Objectives

- Continue to deliver services which are relevant, community focussed and cost effective.
- Continue to maintain and renew the City's infrastructure assets in line with the Council's whole-of-life framework for infrastructure.
- Deliver programs and activities that which engage our young people in the City's future.
- Provide a variety of events and programs that engage all citizens regardless of age, ability.
- Ensure fair and equitable rates for all ratepayers.

Proposed key initiatives for 2022–2023

- Deliver the Annual Capital Works Program in accordance with the respective infrastructure and asset management plans, including civil infrastructure (roads, footpaths and kerbing), buildings and open space assets.
- Commence construction of the state-of-the-art Payneham Memorial Swimming Centre.
- Continue the implementation of the 15 year Stormwater Drainage Program.
- Complete the redevelopment of Burchell Reserve.
- Complete Stage 2 of the River Torrens Linear Park Shared Path Upgrade Project.



Outcome 2 Cultural Vitality

A culturally rich and diverse city, with a strong identity, history and sense of place.

2021–2022 Achievements

Major Artwork

Commenced procurement of the Council's fourth Major Quadrennial Public Artwork.

Hosted Popular Events

Art on Parade
Movie in the Park
Twilight Carols
St Peters Fair
Concerts in the Park series



Annual Business Plan Objectives

- Promote our cultural diversity through the use of public art and events that complement the City's cultural heritage and enhance its sense of place.
- Provide opportunities for the community to contribute to the social and creative life of the City through events, activities, arts and cultural initiatives.
- Provide a variety of events and programs which engage all citizens, regardless of age, ability, gender or cultural background.

Proposed key initiatives for 2022–2023

- Deliver a number of programs and activities which are focussed on achieving the objectives set out in the Council's Youth Strategy.
- Installation of the Council's fourth Major Quadrennial Public Artwork.
- Host the Concerts in the Park series.
- Explore heritage protection opportunities through the Council's Built Heritage Strategy Action Plan.
- Host a Stage of the Tour Down Under which returns to South Australia in 2023.



Outcome 3 Economic Prosperity

A dynamic and thriving centre for business and services.

2021–2022 Achievements

Raising the Bar

Hosted Raising the Bar Adelaide and Eastside Happy Hour events across the City.

Business Initiatives and Competitions

Supported local businesses through a range of initiatives and competitions such as Win a Fiat on The Parade and Book a Holiday – Win a Holiday.

Eastside Business Awards

Hosted the fifth Eastside Business Awards to recognise the best small businesses in the City, as voted by the public.

Eastside Design for Living Booklet

Launched the Eastside Design for Living Booklet

Financial Support Package

Provided the third financial support package to local businesses impacted by State Government density restrictions.

Annual Business Plan Objectives

- Support the development of a prosperous local economy.
- Continue to engage, network and explore opportunities to grow the local businesses.

Proposed key initiatives for 2022–2023

- Host the sixth annual Eastside Business Awards to recognise the best small businesses, including retailers, restaurants, cafes, bars, venues, cultural experiences and entertainment venues in the City.
- Host Raising the Bar Adelaide in various venues — creating an environment of academia, learning and fun in laid back casual settings throughout the City.
- Commence detailed design associated with implementation of The Parade Masterplan.



Outcome 4 Environmental Sustainability

A leader in environmental sustainability.

2021–2022 Achievements

Tree Strategy

Developed the Tree Strategy 2022–2027.

E-scooter

Implemented e-scooter trials across the City.

Corporate Emissions Strategy

Commenced implementation of the Corporate Emissions Reduction Strategy actions.

Urban Greening

Implemented a range of urban greening initiatives.

Smart City Plan

Commenced implementation of the Smart City Plan actions.

Annual Business Plan Objectives

- Ensure any urban development that is undertaken enhances the environmental, social, cultural character and unique 'sense of place' of the City.
- Maximise use of the City's open space by providing a range of active and passive open space recreation opportunities.
- Promote recycling and environmentally sustainable practices throughout the City.

Proposed key initiatives for 2022–2023

- Continued support of Resilient East which aims to strengthen the resilience of the Council and its community in respect to the impacts of climate change project.
- Complete St Peters Streetscape Upgrade to improve connection with the River Torrens and upgrade existing infrastructure.
- Following a successful trial, continuation of the Urban Greening Program.
- Education program to encourage the community to adopt a tree.
- Install electric vehicle charging stations across the City.

Services

For every \$100 paid in rates, the breakdown in Council expenditure is as follows:




\$32.21

Infrastructure Management

- Asset management
- Strategic projects
- Civil infrastructure maintenance
- Streetscape maintenance
- Public lighting
- Stormwater drainage network
- Traffic Management




\$12.57

Waste & Recycling Services

- Kerbside collection of
 - Household waste
 - Recyclables
 - Green organics
- Hard waste collection and disposal
- Public litter bins
- Illegal dumping




\$17.43

Trees, Parks, Sport & Recreation

- Reserve maintenance
- Sports and recreational facilities
- Street trees
- Swimming centres




\$5.71

Economic Development, Regulatory Services, Environment & Planning

- City planning
- Building inspections
- Parking management
- Animal management
- Abandoned vehicles
- Business precinct management
- Economic development
- Environmental sustainability initiatives



Community, Health, Aged & Youth Services

- Environmental health and services
- Community programs
- Home care assist
- Youth services
- St Peters Child Care Centre & Pre-school
- Volunteer Services



Libraries & Community Facilities

- Library services
- Lifelong Learning Programs
- Facility hire (casual and long term)
- Norwood Concert Hall



Community Events, Arts & Heritage

- Community events
- Community arts
- Cultural heritage



Governance, Communications & Administration

- Corporate governance
- Financial management and services
- Information management and services
- Customer services
- People and organisational development
- Internal and external communications
- Media liaison
- Marketing

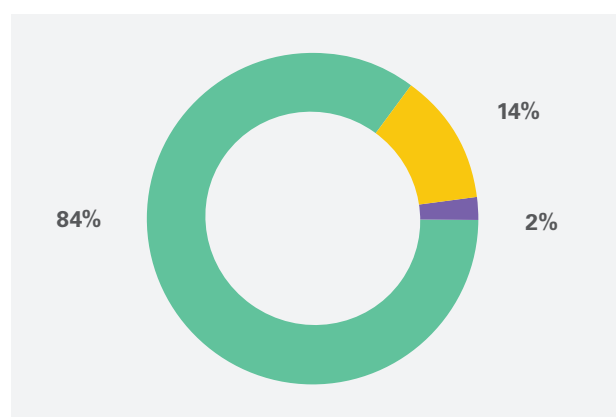


Infrastructure Management



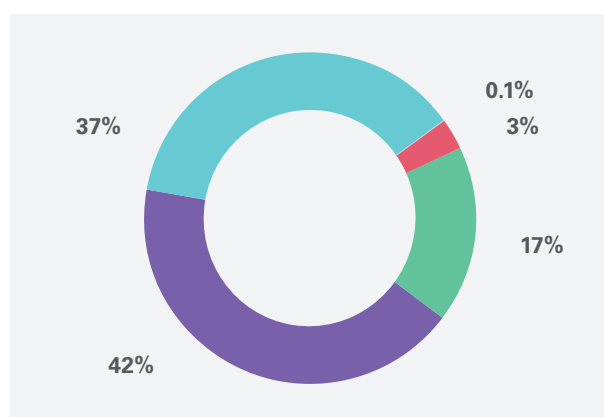
2022–2023 Budget \$29.755 million*

Where it is spent



● Recurring Expenditure	\$4,234,802
● Service Initiatives	\$481,000
● Capital Expenditure	\$25,039,164

Source of funds



● Operating Grant Funding	\$1,022,298
● Rates	\$12,024,836
● Capital Grant Funding	\$5,355,823
● Other Capital Funding	\$18,000
● Borrowings	\$11,356,821

Services Provided

- **Asset management**, which provides project management services for the capital works program, which includes;
 - road reseals;
 - footpath;
 - kerbing and watertable; and
 - stormwater drainage network system.
- **Civil infrastructure maintenance** which includes programmed and responsive maintenance of the Council's civil infrastructure assets
- **Road and traffic management**
- **Street lighting**
- **Streetscape maintenance**

Projects and Service Initiatives

- **Civil Infrastructure Capital Works Program**
- **Trinity Valley Storm Drainage Upgrade** which involves works to reduce the risk of flooding in St Morris, Maylands, Stepney and Trinity Gardens. The work will be delivered over the next three years commencing in 2022–2023.
- **Replacement of small plant and equipment used in maintenance activities**
- **Street lighting renewal and upgrade**
- **Implementation of 40km per hour speed limit in Norwood and Kent Town**

Further details are provided in Appendix 1.

*Includes carry forward projects.

Infrastructure Maintenance

Infrastructure Maintenance involves for both the programmed and responsive maintenance of the Council's civil infrastructure assets, so that these are maintained to the required standard.

Also included, is the management of the City-wide Street Cleansing and the Norwood Parade Footpath Sweeping Program.

Services undertaken by Civil Infrastructure Maintenance also includes:

- **Footpath, Kerb & Watertable**

Income	-
Expenditure	\$925,961
Net Cost/(Net Contribution)	\$925,961

- **Road & Traffic Management**

Income	\$660,000
Expenditure	\$1,442,137
Net Cost/(Net Contribution)	\$782,137

- **Stormwater Network**

Income	-
Expenditure	\$280,587
Net Cost/(Net Contribution)	\$280,587

- **Streetscape Maintenance**

Income	-
Expenditure	\$1,109,433
Net Cost/(Net Contribution)	\$1,109,433

- **Management of the Council's public lighting**

Income	-
Expenditure	\$618,500
Net Cost/(Net Contribution)	\$618,500

Asset Management

The Council's Asset Management staff are responsible for the maintenance, construction, renewal and disposal of Council's facilities and assets, including the preparation and implementation of the Capital Works Program. This unit is responsible for the expenditure of external infrastructure grants such as the Roads to Recovery Program and project specific grants.

Specific areas covered by the Asset Management unit include:

- **Capital project services** - This area provides project management services for capital works construction and contract management associated with Council assets, in particular, the delivery of road, kerb, footpath, water table and stormwater drainage capital works renewal projects. Staff also oversee external contracts associated with building maintenance services for Council buildings including cleaning, plumbing, carpentry, electrical, air conditioning, painting, general maintenance and renewal.
- **Open space planning and delivery** - Staff develop and implement open space policies and strategies; develop the public open space asset renewal and improvements program; undertake project management for capital works relating to open space improvements; provides internal technical advice and provide assistance to local community groups.
- **Assets and special projects** - Staff in this area maintain the Council's Whole-of-Life Asset Management Plans and prepares scope of works for major capital works projects.

Income	\$362,298
Expenditure	\$339,184
Net Cost/(Net Contribution)	(\$23,114)



East Waste truck at Materials Recovery Facility



Waste & Recycling Services



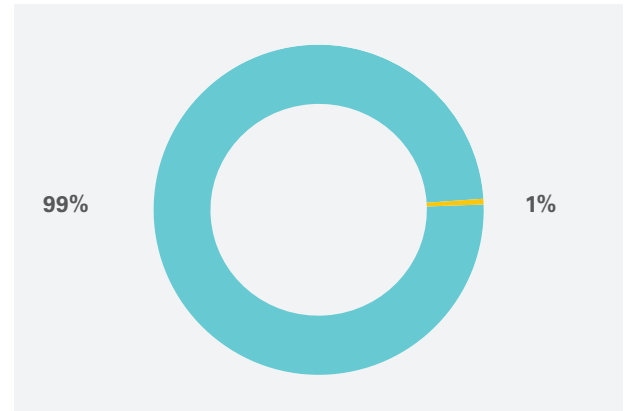
2022–2023 Budget \$4.709 million*

Where it is spent



● Recurring Expenditure \$4,708,706

Source of funds



● User Fees and Charges \$43,000
● Rates \$4,818,288

This service oversees external contracts responsible for kerbside recyclables and residual waste collection, illegally dumped rubbish, hard and green waste collection, street and parks rubbish bin collection.

*Includes carry forward projects.

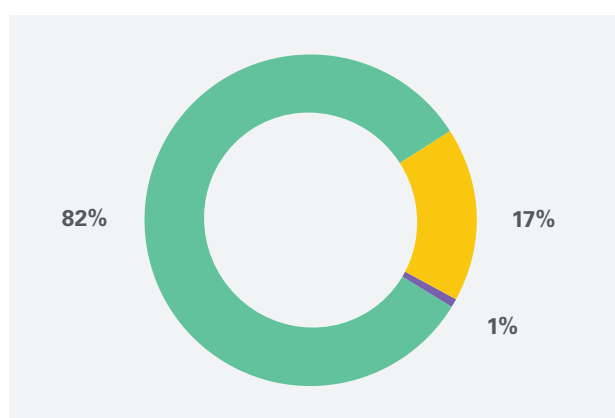


Trees, Parks, Sport & Recreation



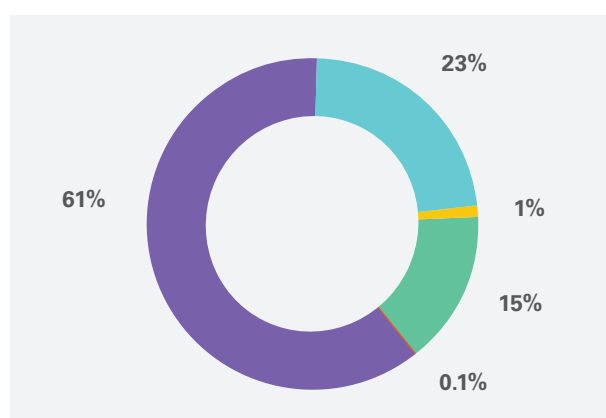
2022–2023 Budget \$27.197 million*

Where it is spent



● Recurring Expenditure	\$4,668,126
● Service Initiatives	\$162,000
● Capital Expenditure	\$22,366,577

Source of funds



● User Fees and Charges	\$309,041
● Rates	\$6,193,264
● Other Income	\$21,550
● Capital Grant Funding	\$4,559,000
● Borrowings	\$17,386,947

Services Provided

- Reserve maintenance includes parks, gardens and reserves
- Sporting and recreational facilities include recreational and sporting facilities such as sporting fields and tennis courts
- Street trees include the management of the City’s 23,000 street trees
- Swimming Centres include the Norwood Swimming Centre and the Payneham Memorial Swimming Centre

Projects and Service Initiatives

- Recreation and Open Space Works Program
- Additional street tree planting
- Commencement of the redevelopment of Payneham Memorial Swimming Centre
- Undertaking the Burchell Reserve Upgrade Project
- Commence redevelopment of Dunstan Adventure Playground
- Cruickshank Reserve Building Upgrade

Further details are provided in Appendix 1.

*Includes carry forward projects.

Reserve Maintenance

The Council has more than 180 hectares of reserves, parks gardens. This area is responsible for the ongoing maintenance of these areas.

Income	-
Expenditure	\$2,374,427
Net Cost/(Net Contribution)	\$2,374,427

Sporting and Recreational Facilities

The Council provides a wide variety of recreational, sporting and leisure facilities such as sporting fields and tennis/netball courts, which are available for either casual hire or seasonal hire or leased to home sporting clubs within the City.

This also includes administration of the hire of the Council's sporting facilities, as well as managing the ongoing maintenance of the open space and associated infrastructure which is provided at these facilities.

Income	\$95,450
Expenditure	\$532,747
Net Cost/(Net Contribution)	\$437,297

Street Trees

Approximately 23,000 street trees are located throughout the City with several thousand more trees located on reserves.

This area is responsible for the management of the Council's street trees, which includes inspection, condition assessment and ongoing maintenance such as watering, pruning, planting and removal.

Income	-
Expenditure	\$1,363,471
Net Cost/(Net Contribution)	\$1,363,471

Swimming Centres

The Council owns and operates two swimming centres, the Norwood Swimming Centre and Payneham Memorial Swimming Centre. Both Centres provide for lap swimming, swimming lessons and general recreational swimming.

Income	\$235,141
Expenditure	\$559,481
Net Cost/(Net Contribution)	\$324,340

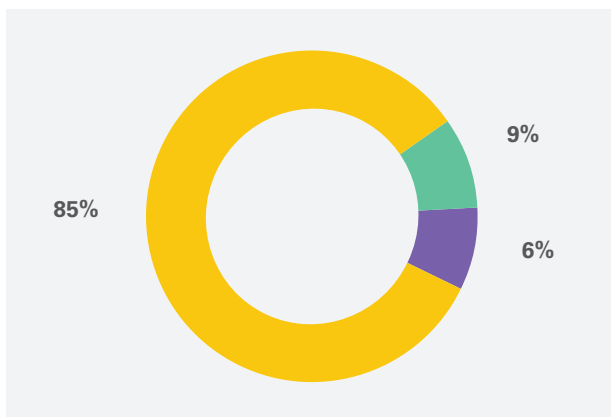


Economic Development, Regulatory Services, Environment & Planning



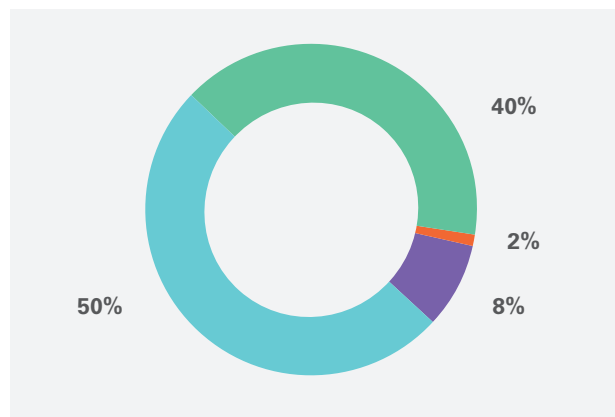
2022–2023 Budget \$4.604 million*

Where it is spent



Recurring Expenditure	\$3,927,919
Service Initiatives	\$276,000
Capital Expenditure	\$400,000

Source of funds



Statutory Fees	\$1,873,750
Rates	\$2,396,394
Other Income	\$70,000
Borrowings	\$400,000

Services Provided

- Business networking events
- Marketing The Parade and other business precincts throughout the City
- Ongoing promotion of the Eastside Wine & Ale Trail
- City planning
- Regulatory services
- Environmental management

Projects and Service Initiatives

- **Eastside Business Awards** – is an awards program that recognises the best small business, retailers, restaurants, cafes bars, venues and boutiques within the City.
- **Raising the Bar** – activates venues within the City as they are transformed into relaxed learning environments with the aim of making education part of popular culture.
- **Urban Greening Program**
- **Borthwick Park Creek Improvements**
- **Dog & Cat Management Plan education campaign**
- **Sustainable Garden Awards**

Futher details are provided in Appendix 1.

*Includes carry forward projects.

City Planning

Responsible for the development of strategic policy and planning across the City, this area issues planning permits, controls the use and development of land, land divisions, liquor licenses, administers heritage controls and advice, and sustainable urban design advice.

Income	\$398,500
Expenditure	\$1,697,586
Net Cost/(Net Contribution)	\$1,299,086

Building Control

This area issues building permits and administers and enforces the building code and legal requirements concerning building safety.

Income	\$100,000
Expenditure	\$249,803
Net Cost/(Net Contribution)	\$149,803

Economic Development

Provision of services and events which facilitate economic growth and development in the retail and commercial precincts throughout the City.

Income	\$343,500
Expenditure	\$995,078
Net Cost/(Net Contribution)	\$651,578

Environmental Management

This area leads the delivery of projects aimed at achieving a sustainable environment for the City and the organisation. This incorporates the support of a range of programs and events designed to engage the community on climate change and includes strategic planning in the areas of water, greenhouse emissions and climate change adaptation

Environmental Management also includes the management of First, Second, Third and Fourth Creeks and environmental pests such as European wasps and noxious weeds.

Income	\$54,000
Expenditure	\$456,491
Net Cost/(Net Contribution)	\$402,491

Regulatory Services

This area is responsible for administration of the Council's by-laws, policies and other legislation which the Council is charged with administering. Specific areas covered by Regulatory Services include:

- Animal Management – With more than 3,000 dogs residing in our City, it is important that provisions surrounding their care and control are applied. Regulatory Services staff administer the provisions of the *Dog & Cat Management Act 1995* which includes annual dog registration, managing barking and noise complaints, and ensuring dogs are not found wandering at large where they pose a significant threat to their own safety, as well as to that of other members of our community who may not be familiar with the best way to handle a distressed or wandering dog.
- On-street Parking Management – The Council is responsible for ensuring that the parking provisions (Part 12) of the Australian Road Rules as well as the *Private Parking Areas Act 1986*, are observed by motorists. In addition this area leads the management of resident parking permits in line with the Council's Resident Parking Permit Policy.

Regulatory Services is also responsible for the management of abandoned vehicles and the investigation and enforcement of alleged breaches of Council's local laws including issues associated with building site management, kerbside trading, amenity and litter control and flammable growth.

Income	\$1,262,750
Expenditure	\$804,961
Net Cost/(Net Contribution)	(\$457,789)

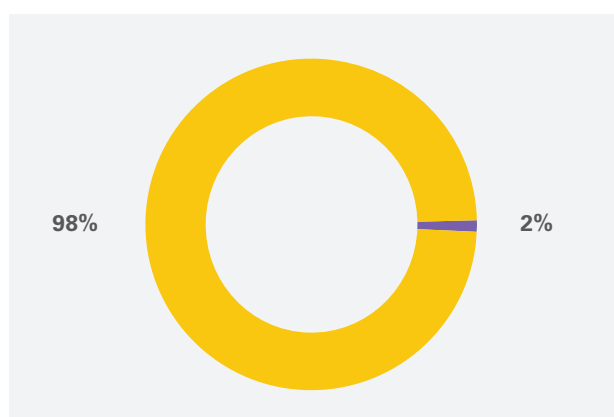


Community, Health, Aged & Youth Services



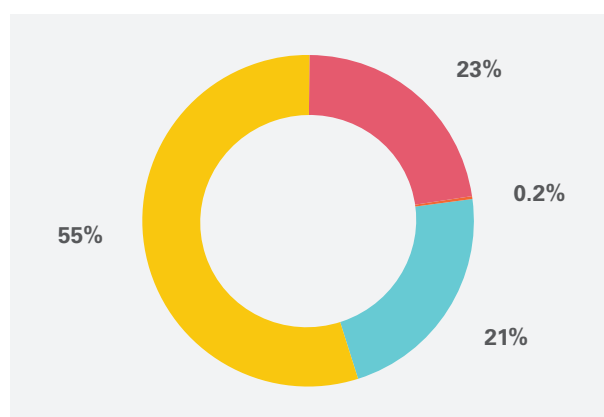
2022–2023 Budget \$4.799 million*

Where it is spent



● Recurring Expenditure	\$4,714,115
● Service Initiatives	\$85,000

Source of funds



● Recurring Expenditure	\$4,714,115
● User Fees and Charges	\$2,746,220
● Rates	\$1,140,458
● Other Income	\$10,080
● Grant Funding	\$1,057,869

Services Provided

- St Peters Child Care Centre & Preschool
- Home and community care
- Domestic care
- Home modifications
- Personal care
- Transport
- Health and fitness programs
- Social inclusion programs
- Youth programs
- Immunisations
- Environmental health inspections
- Volunteer services
- Community Visitors Scheme

Projects and Service Initiatives

- Review of the Access and Inclusion Strategy
- Canvas Youth Art and Events Project – is a youth art program which provides young people with the opportunity to work alongside industry professionals in visual art, photography and film.
- Youth Development - a program of events which include:
 - sports week;
 - community cooking;
 - skills development; and
 - Wheel Park.

*Includes carry forward projects.

Community Services

Community services offered by the Council include the Community Visitors Scheme that provides Volunteer visitors to socially or culturally isolated residents living in Federal Government subsidised aged care homes. Community Visitors are Council Volunteers who visit on a one-to-one basis.

Other programs provided include:

- health and fitness programs; and
- a range of social support activities designed to improve social connectedness and quality of life.

Income	\$78,500
Expenditure	\$116,372
Net Cost/(Net Contribution)	\$37,872

Home and Community Care Services

The Council's Home and Community Care (HACC) services is funded by the Federal and State Government to provide community care services for our City's frail aged and younger residents with a disability and their carers.

The services are designed to prevent social isolation, and provides individuals with assistance to maintain their independence and remain in their own homes for as long as possible. The range of services - which are available to help the frail and aged, people with a disability and their carers, who live within the community - include:

- home maintenance and safety and security assistance;
- personal care and cleaning; and
- transport services.

Income	\$1,127,169
Expenditure	\$1,245,856
Net Cost/(Net Contribution)	\$118,687

Youth Development

The Council is committed to providing opportunities for young people aged 12–25 years to be visible, valued and involved in shaping the current and future direction of the community. Services and programs delivered include Youth FM, Young Achievers Program and Eastern Region Youth Projects.

Income	-
Expenditure	\$197,053
Net Cost/(Net Contribution)	\$197,053

Volunteer Services

Volunteers play a vital role in ensuring that the Council can deliver a range of important services to our community.

Volunteer Services is responsible for the development and promotion of volunteering opportunities across the Council's full range of services and activities, including the recruitment, recognition and training of Council Volunteers.

Income	-
Expenditure	\$148,046
Net Cost/(Net Contribution)	\$148,046

St Peters Child Care Centre & Preschool

The Council owns and operates the St Peters Child Care Centre and Preschool. The Centre is licensed to provide child care and preschool services for 105 children between the ages of six weeks and five years of age. The St Peters Child Care Centre & Preschool provides a preschool program under the Government's Universal Access Program.

Income	\$2,608,500
Expenditure	\$2,496,788
Net Cost/(Net Contribution)	(\$111,712)

Environmental Health Services

These services are provided on behalf of the Council by the Eastern Health Authority. The area aims to enhance public health by managing the registration of all premises as required under the *South Australian Public Health Act 2011* along with the City's immunisation program.

Income	-
Expenditure	\$595,000
Net Cost/(Net Contribution)	\$595,000

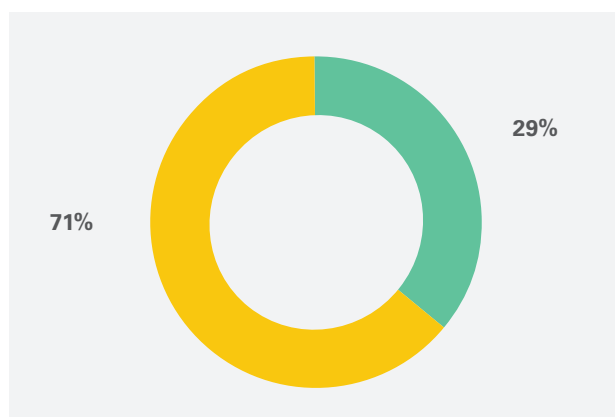


Libraries & Community Facilities



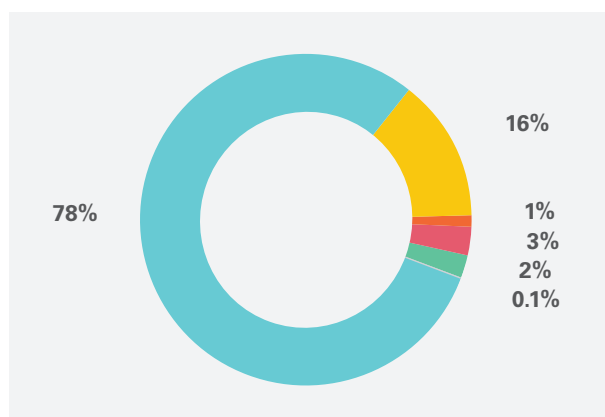
2022–2023 Budget \$4.250 million*

Where it is spent



● Recurring Expenditure	\$2,922,251
● Capital Expenditure	\$1,328,000

Source of funds



● User Fees and Charges	\$679,650
● Rates	\$3,499,134
● Other Income	\$43,160
● Grant Funding	\$123,000
● Capital Grant Funding	\$110,000
● Other Capital Funding	\$7,000

Services Provided

- **Libraries** – Library services are provided by the Council across three locations and include;
 - free use of computers and internet;
 - training programs;
 - home library;
 - infant and children programs; and
 - book groups.
- **Norwood Concert Hall** is a versatile event space that is available for hire for musical theatre production and functions such as balls.
- **Community Facilities** – are provided by the Council and are available to hire—from rooms to entire buildings—on a casual basis or under a long-term lease. From rooms for hire to entire buildings which can be hired on a casual basis or under a long-term lease.

Projects and Service Initiatives

- **Council Building Works Program**
- **Acquisition of Library resources** such as books, DVDs and other items.

Further details are provided in Appendix 1.

*Includes carry forward projects.

Libraries

The Council operates three Libraries at Norwood, St Peters and Payneham. The services provided include free access to educational and recreational resources including books, magazines, DVDs and CDs; online databases; public internet access; programs and events; local history services; and inter-library loans.

Income	\$148,000
Expenditure	\$1,798,834
Net Cost/(Net Contribution)	\$1,650,834

Community Facilities

The Council has a number of buildings and facilities available for casual hire or long-term lease. This area is responsible for the management of these facilities.

Income	\$322,210
Expenditure	\$784,893
Net Cost/(Net Contribution)	\$462,683

Norwood Concert Hall

The Norwood Concert Hall caters for events of all sizes, including Adelaide Festival productions, international acts, product launches, school concerts, cabaret acts, grand balls and weddings.

Income	\$375,600
Expenditure	\$338,524
Net Cost/(Net Contribution)	(\$37,076)

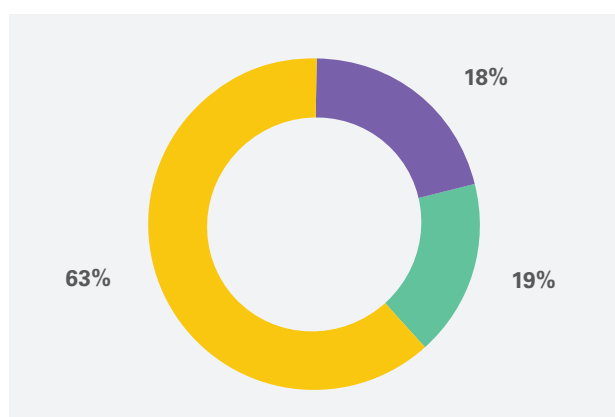


Community Events, Arts & Heritage



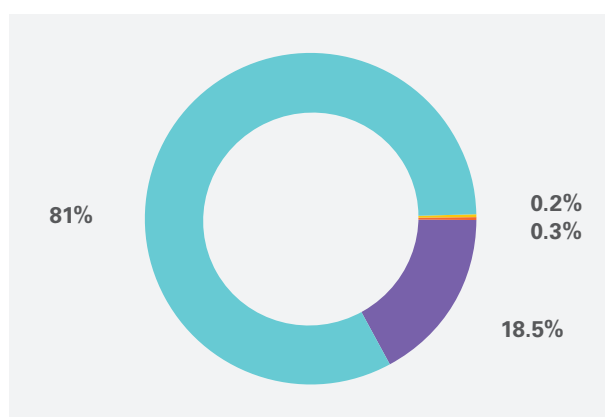
2022–2023 Budget \$1.475 million*

Where it is spent



● Recurring Expenditure	\$925,209
● Service Initiatives	\$266,000
● Capital Expenditure	\$283,762

Source of funds



● User Fees and Charges	\$2,800
● Rates	\$1,222,009
● Other Income	\$5,000
● Borrowing	\$283,762

Services Provided

- **Community Events** – are hosted by the Council across a diverse range of areas including festivals, concerts, performances and activities.
- **Community Arts** – initiatives are delivered in accordance with the Council's Public Art Policy and Program, which includes;
 - Art on The Parade;
 - public art throughout the City;
 - support of local artists through the SALA Festival; and
 - exhibitions in the Norwood Town Hall.
- **Cultural Heritage** activities and services which recognise the heritage of the City, including;
 - Cultural Heritage Centre;
 - SA History Festival Program of events; and
 - Cultural Heritage signs, walks and trails.

Projects and Service Initiatives

- 2023 Tour Down Under
- New Concerts series in Norwood Concert Hall
- Heritage Protection Opportunities
- Quadriennial Public Art Project

Futher details are provided in Appendix 1.

*Includes carry forward projects.

Community Events

This area coordinates and delivers a number of events held by the Council which cater to the wide demographic of our community. Events include:

- Norwood Christmas Pageant;
- Twilight Carols and Christmas Market;
- St Peters Fair;
- A Day of Fashion;
- Concerts in the Park;
- Australia Day Celebrations;
- Citizenship Ceremonies; and
- Tour Down Under.

Income	\$2,800
Expenditure	\$730,548
Net Cost/(Net Contribution)	\$727,748

Community Arts

As a culturally rich and socially diverse community, the City of Norwood Payneham & St Peters has a long tradition of valuing creativity and artistic expression. This area supports the Council's Public and Community Arts Programs which are informed by the Thinking Through The City Minor Public Artworks Strategic Plan 2009–2019 and the Council's Public Art Policy.

Income	\$5,000
Expenditure	\$203,296
Net Cost/(Net Contribution)	\$198,296

Cultural Heritage

The Council's Cultural Heritage Program assists the community to understand, celebrate and benefit from the City's rich and distinctive history through the provision of a number of specialist historical services and activities.

Income	-
Expenditure	\$257,365
Net Cost/(Net Contribution)	\$257,365

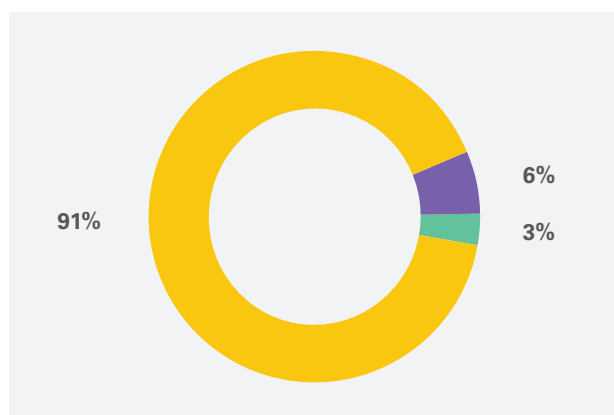


Governance, Communications & Administration



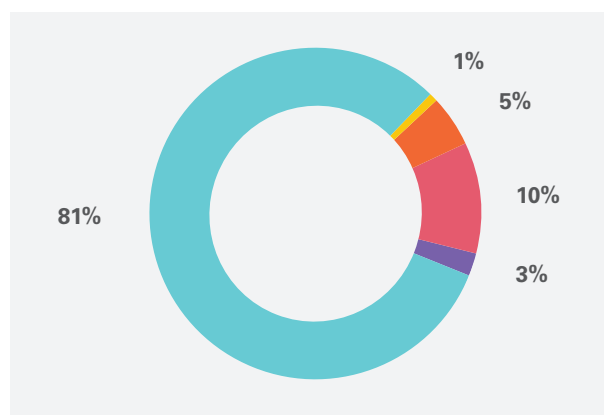
2022–2023 Budget \$7.550 million*

Where it is spent



● Recurring Expenditure	\$6,941,457
● Service Initiatives	\$385,394
● Projects	\$223,140

Source of funds



● User Fees and Charges	\$90,000
● Rates	\$6,414,322
● Other Income	\$369,950
● Grant Funding	\$805,000
● Borrowings	\$233,140

Services Provided

- Financial management and services
- Customer service
- Human resources and employee services
- Communications and public relations
- Information management
- Rates administration
- Governance
- Elected Members
- Risk management

Projects and Service Initiatives

- Local Government Elections
- Upgrades to the Council's Business Systems
- Website upgrades and refresh

Further details are provided in Appendix 1.

*Includes carry forward projects.

Governance

Corporate Governance supports the Council's decision-making processes, compliance with legislation and seeks to minimise risk to enable the Council to meet community needs and legislative requirements.

This area provides administrative support and assistance to the Mayor and Elected Members and handles enquiries and complaints from the public. Corporate Governance also includes the Chief Executive's Office which provides executive leadership through the coordination of policy development, communication of strategic directions and performance monitoring.

Income	\$340,000
Expenditure	\$2,241,262
Net Cost/(Net Contribution)	\$1,901,262

Communications

The Communications team manages the Council's internal and external communications including public relations, social media and preparation of publications.

Income	\$20,000
Expenditure	\$590,268
Net Cost/(Net Contribution)	\$570,268

Council Administration

Financial Management and Services

Financial Management and Services ensure the effective management and control of the Council's financial resources.

Financial management includes the provision of strategic financial management and leadership, budgeting and financial performance monitoring, preparation of annual financial statements and treasury management. Financial management also includes the Council's annual business planning, provision of project management support and advice and undertakes long-term financial planning, performance monitoring and reporting.

Financial Services incorporates the provision of financial activities, including;

- cost effective and efficient accounts payable and accounts receivable services;
- monitoring the application of financial internal controls;
- cost effective and efficient payroll services whilst contributing to the maintenance and development of the Council's Human Resource Information System;
- administration of the Council's insurance program;
- administration the Council's leased vehicle fleet; and
- asset reporting.

Income	\$805,000
Expenditure	\$1,421,839
Net Cost/(Net Contribution)	\$616,839

Rates

The Rates area maintains the Council's property rating database, facilitates the collection of rates and charges from the residents and ratepayers of the Council and provides property information to the community.

Income	\$97,700
Expenditure	\$387,005
Net Cost/(Net Contribution)	\$289,305

Customer Service

Customer Service is the primary interface between the Council, the community and the delivery of services. Customer Service staff provide information to the City's citizens via direct telephone, service desk and online request services, and provides over the counter payment options for the payment of rates and other fees and charges for Council services and administers the Council's electronic payment options.

Income	\$2,250
Expenditure	\$460,575
Net Cost/(Net Contribution)	\$458,325

Information Management and Services

This area provides support to deliver on organisational priorities and improved service delivery to the community through information and communication technology. Information management incorporates the maintenance of the Council's corporate records.

Income	-
Expenditure	\$1,557,100
Net Cost/(Net Contribution)	\$1,557,100

Organisational Development and Work Health & Safety and Risk

Organisational Development supports the Council's management and staff by providing advice in the areas of human resources, organisational development and performance.

Services provided include industrial advice and human resources, recruitment and training and development programs. Organisational Development staff also manage the business excellence program and the Council's work health and safety program.

Income	-
Expenditure	\$668,802
Net Cost/(Net Contribution)	\$668,802

Long-term Financial Plan

Overview

Financial sustainability is a key objective of the Council, as a sound financial base is essential to delivering on the strategic directions contained in the Council's strategic plan; *CityPlan 2030: Shaping Our Future*, and the delivery of programs and services set out in the Annual Business Plan.

The Council's Long-term Financial Plan supports the Council to achieve financial sustainability, particularly in the face of the significant challenge of being expected to deliver more with minimal increases in rate revenue. The Plan sets out the Council's financial strategies and commitment over the long-term to ensure that as a Council, we can meet this challenge. The Plan is driven by the need to deliver enhanced and improved services to our ratepayers and residents, by the most efficient and effective means possible.

The Council's long-term financial sustainability is dependent on ensuring that, on average over time, the Council's income can cover the cost of its operational expenses and generate sufficient cash flows to meet loan servicing requirements.

The Council's Operating Result, as shown in *Graph 1*, demonstrates how the Council has been able to achieve financial sustainability with sustained operating surpluses.

The Long-term Financial Plan provides a high level framework to guide the preparation of the Annual Business Plan and Budget, so that the Council understands the impact of decisions that are made today, have on the future, so we can be over the long-term.

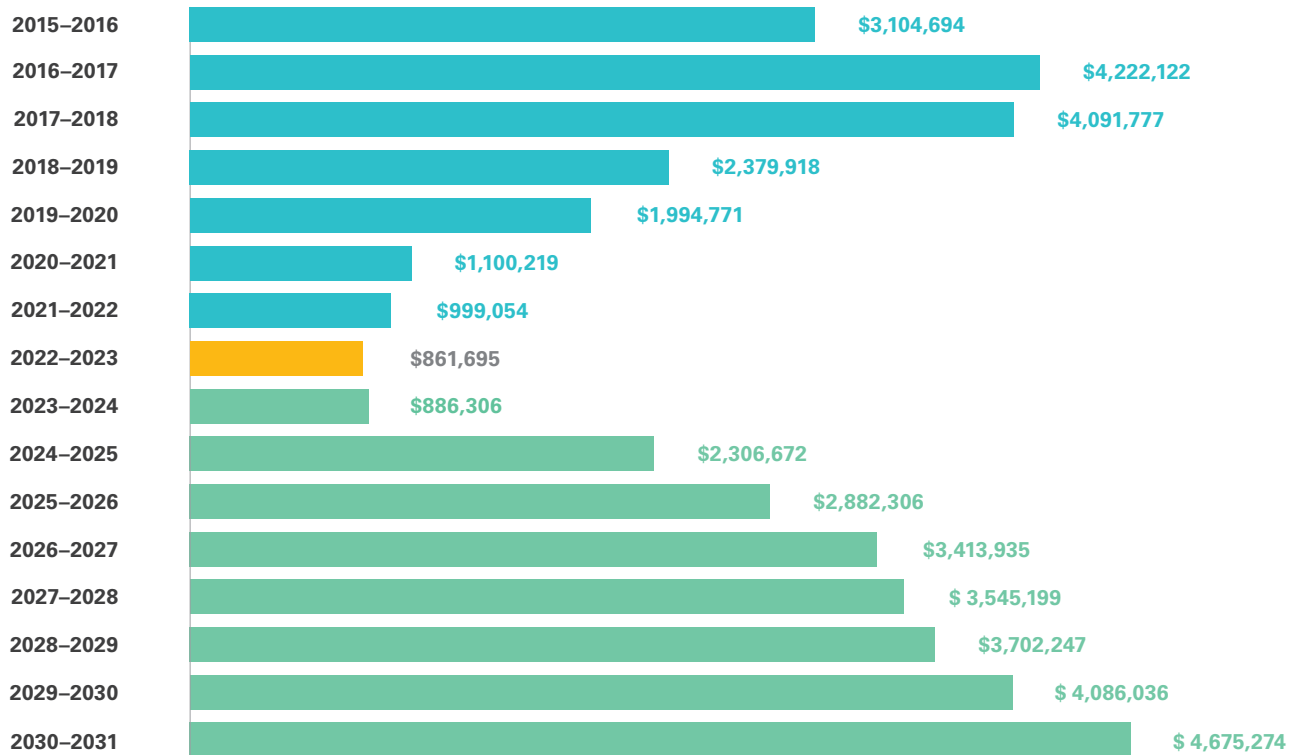
The Council undertakes an annual review of the Long-term Financial Plan and updates the financial estimates set out in the plan based on the decisions made in developing the 2022–2023 Annual Business Plan and Budget to ensure it is continuing to deliver on the outcomes set out in the Plan

A copy of the Council's Long-term Financial Plan is available at www.npsp.sa.gov.au

Graph 1

**Operating Surplus
2015–2016 to 2030–2031**

Actual Proposed Forecast



Rates

Council rates are a form of property taxation and are the main source of income which the Council uses to fund the planned projects, programs and services detailed in this Annual Business Plan, on behalf of the City.

Like all Local Governments around the nation, the City of Norwood Payneham & St Peters has not been immune from the various and unpredictable economic and social impacts, particularly as a result of the COVID-19 pandemic.

Rates are the main source of income for the Council as these fund essential services such as management of infrastructure, public health and safety, as well as major capital projects, the provision of community programs, events and festivals.

Over the 12 months to the March 2022 quarter, the Adelaide Consumer Price Index (CPI) rose by 4.7%—the highest reading since the introduction of the Goods and Services Tax in the early 2000s.

The increasing cost of goods and services has an immediate and direct effect on the Council's core activities and the cost of the delivery of major projects, which ultimately impacts a Council rates.

Coupled with increasing costs to deliver services and upgrading the City's infrastructure and other assets, there has been a steep increase in property values—an average of 24 per cent growth of all properties across the City—which needs to be taken into account when setting rates.

In preparing the Annual Business Plan and Budget, one of the key objectives for the Council is to ensure that rate revenue is kept to a responsible level, reflective of the service level of the City's infrastructure, services and programs provided and to ensure that rates are applied across the community as fairly and equitably as possible.

Over the past financial year, the State Government made amendments to the *Local Government Act*, which are intended to create consistency across all councils in South Australia when it comes to informing ratepayers about annual changes to their rates.

For the 2022–2023 financial year, a total of \$38.3 million will be collected through general rates, an increase of 6% or \$2.173 million on 2021–2022.

Applying the new State Government's methodology for reporting the change in the average rate, the rates collected, have on average, increased by \$105 (5.8 per cent) per property on 2021–2022.

The general rate revenue is collected from property owners by applying a rate-in-the-dollar to the capital value of individual properties.

This year to counteract the significant increase in property values which have been experienced across the City, the Council has budgeted for a decrease of 15.3% in the rate-in-the-dollar. The change in the rate-in-the-dollar increase takes into account general property valuation increases, new development, cost increases and changes in service levels.

While the average rate increase is in line with the Adelaide CPI, the actual rates payable will vary according to individual property valuations, the respective land use of the property and whether there has been any development or improvements to the property.

The Council supplements revenue with funding from other sources, such as fees and charges, State and Federal Government grants, investment incomes and loan borrowings.

Details of the Council's Rating Policy is included in Appendix 4 of this document with the complete policy available at www.npsp.sa.gov.au

$$\frac{\text{Rate Revenue}}{\div \text{Number of Properties}} = \text{Average Rate}$$

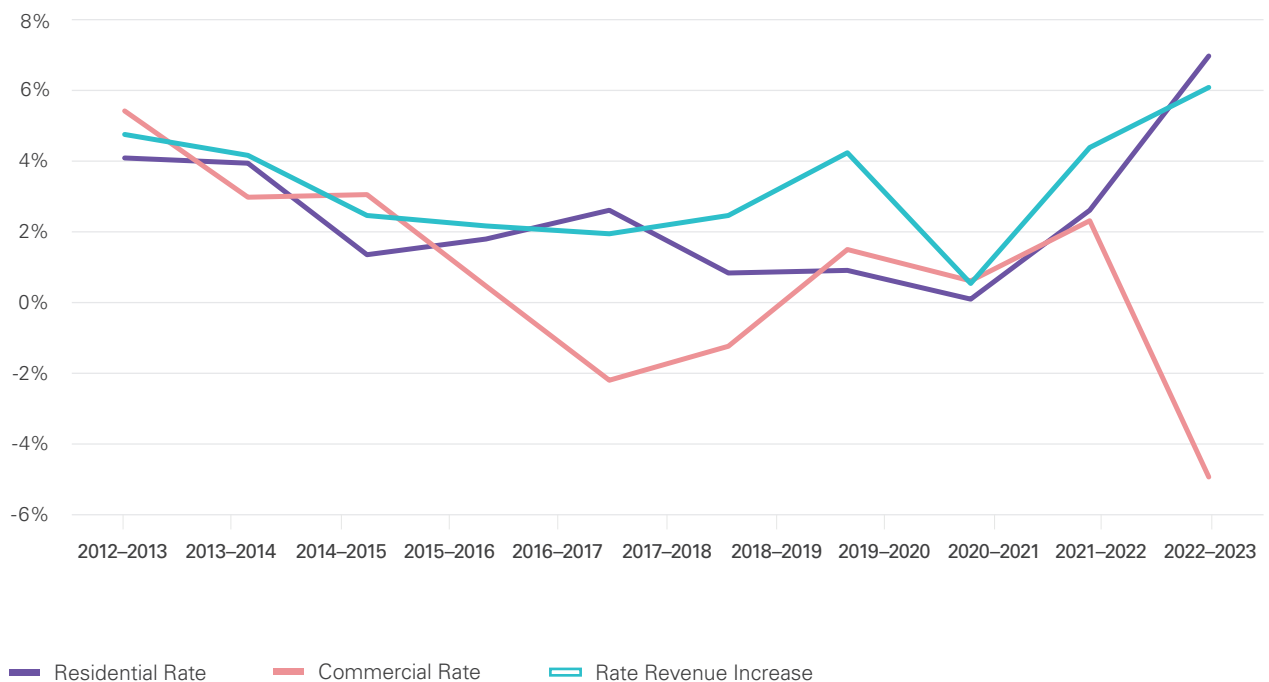
$$\frac{\text{Capital Value}}{\div \text{Number of Properties}} = \text{Average Residential Property}$$

For 2022–2023, the ‘average residential property’ is valued at \$868,000, with the rates payable being \$1,674. The value of the ‘average residential property’ has seen a 26.5% increase in capital value from 2021–2022. Taking into account the capital value movement and the change in the rate-in-the-dollar, the total increase in rates payable for the ‘average residential property’ will be 7.2%.

The ‘average commercial property’ is valued at \$1,091,000, with the rates payable being \$2,526. The value of the ‘average commercial property’ has seen a 12.6% increase in capital value from 2021–2022. Taking into account the capital value movement, and the change in the rate-in-the-dollar, the ‘average commercial property’ will have a 4.7 per cent reduction in rates payable.

Graph 2

Impacts of Council's Rating Policy - Average Rate



Budget Overview

2022–2023

Our financial goal is to be a Council which delivers on its strategic outcomes by managing our financial resources in a sustainable and equitable manner.

The 2022–2023 Budget has been developed within the Council’s planning framework and sets the strategic direction over the medium and long term, converting these into annual actions and outputs.

The development of the Budget has been undertaken in consultation and review by the Council’s Elected Members, Council staff and in consultation with the community.

As South Australia undergoes economic recovery from the COVID-19 pandemic, the focus in developing the 2022–2023 Annual Business Plan and Budget, has been on ensuring the Council maintains the standards for its existing range of services which are aimed at supporting the delivery of the Strategic Objectives outlined in the Council’s Strategic Management Plan *CityPlan 2030: Shaping Our Future*, and that those services receive the appropriate funding.

The Budget reflects decisions which have assumed that the restrictions—which were in place by the State Government during 2021–2022—will be relaxed, with the provision of services, programs and activities being delivered in a post COVID-19 safe manner.

The Council is supporting both the state’s and the local economic recovery by continuing its commitment to a number of largescale infrastructure projects, which commenced in 2021–2022, with the aim to be delivered this financial year.

The 2022–2023 Budget remains focused on the future and aims to ensure that the Council’s emerging and continuing priorities are appropriately resourced and to this end, the Budget is built upon the strategic outcomes set out in the Councils’ Asset Management Plans and Long-Term Financial Plan.

The key driver is to ensure that the Budget priorities not only contribute to the Council’s broader strategic objectives, but also the Council’s long term financial objective of managing its financial resources in a sustainable and equitable manner. The focus continues to be on initiatives which have been identified to support the delivery of the strategic objectives outlined in *CityPlan 2030: Shaping Our Future* and to ensure that our services are delivered in the most efficient and effective manner, thereby satisfying community needs and expectations.

The 2022–2023 Budget builds on the principle of financial sustainability. This is demonstrated by adherence, over the term of the Plan, to the overarching principles that require the Council to:

- achieve long term income, expenditure and cash flow neutrality while keeping rates growth within the average for the sector; and
- ensure the Council’s long term Capital Works Program fully funds asset renewal requirements.

A number of significant factors have influenced the preparation of the 2022–2023 Budget, namely:

- impact of the Consumer Price Index (CPI) and the Local Government Price Index increases on relevant inputs of the Budget;
- maintenance and renewal program for existing infrastructure assets, including roads, footpaths, Council owned properties and open spaces (parks and reserves);
- Enterprise Bargaining Agreements, which provide for employee wage and salary increases of 2.0%; and
- commitment to major projects which span more than one year.

Table 3 provides a comparison of the financial targets included in the Council’s Long Term Financial Plan and how they are met by the 2022–2023 Budget.

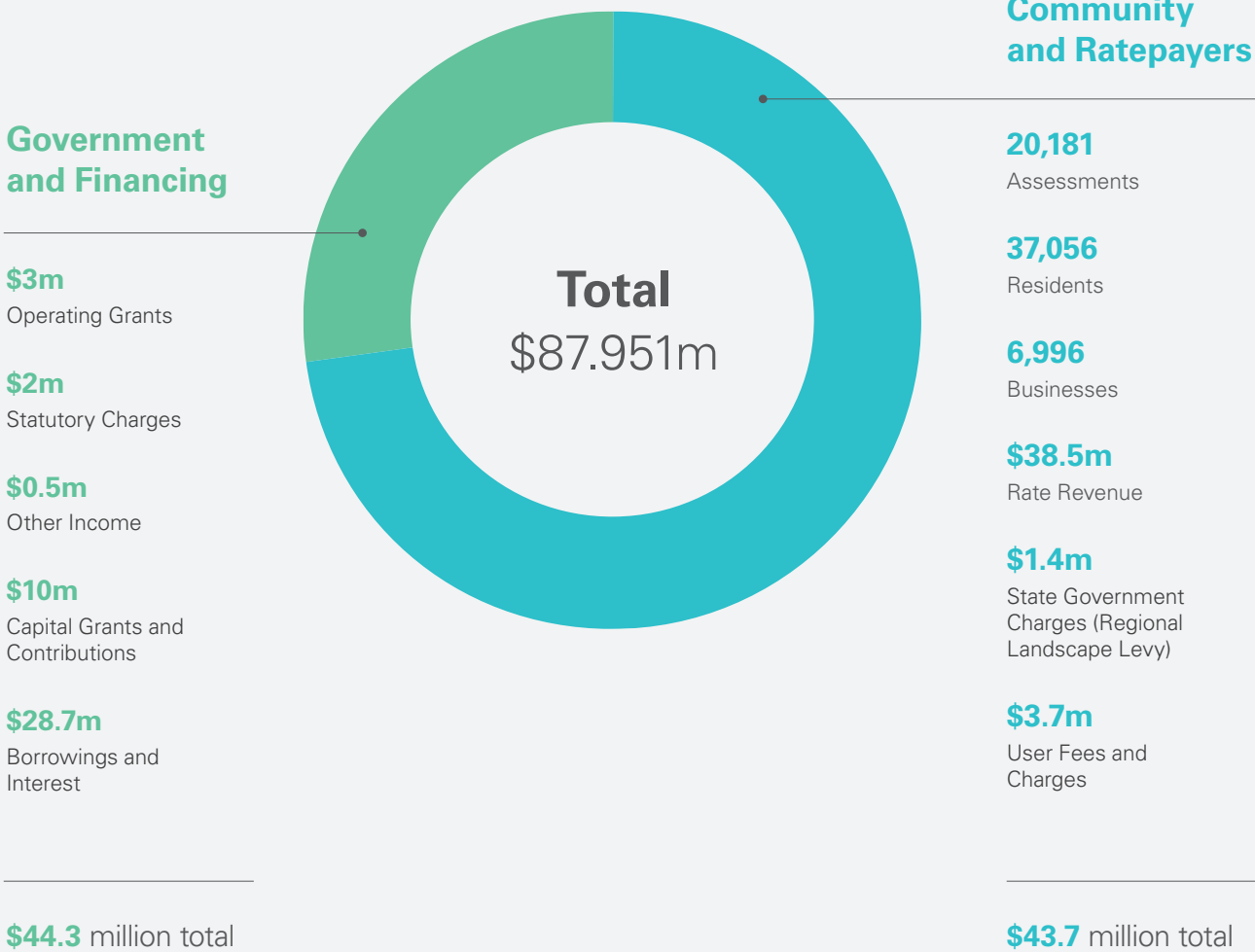
Table 3

Outcome	Indicator	LTFP Target	Target Met
A balanced budget	Operating Surplus	\$0	✓
	Operating Ratio	0–10%	✓
Rate stability	Annual Rate revenue increases	Between 3%–6%	✓
Infrastructure and Asset Management	Asset Sustainability Ratio	Between 90%–110% on a rolling three year average	✓
Debt Management	Net Financial Liabilities	≤ 75%	x
	Debt Servicing Ratio	≤ 15%	✓

Budget Overview

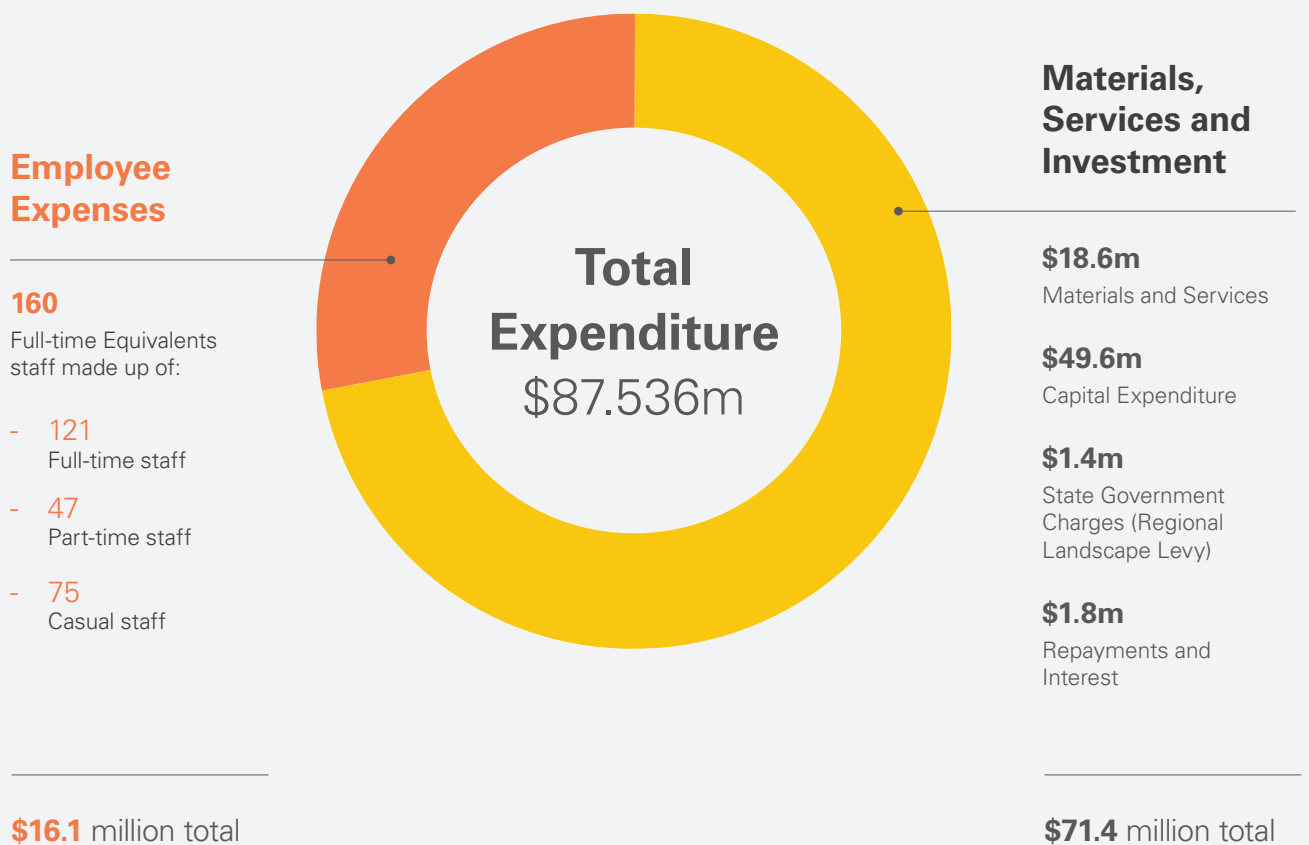
2022–2023

Income and Funding



The Budget shapes the projects, services and events held each year. The revenue from the community, government and financing allows the Council to deliver more than 40 services, programs and events and will enable the delivery of 45 special projects.

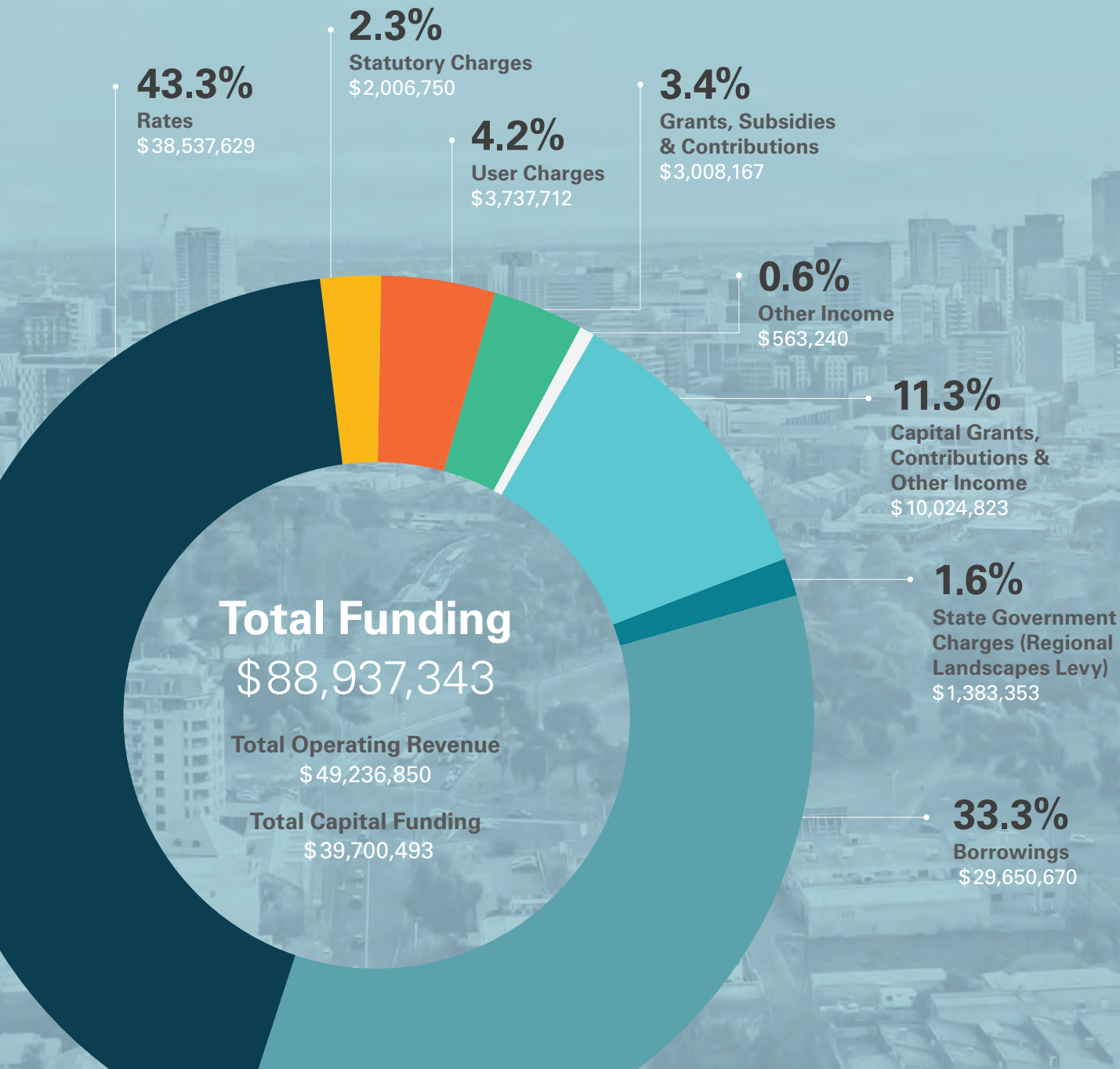
Expenditure and Investment



Revenue & Expenditure

The 2022–2023 Annual Business Plan and Budget focuses on ensuring that the Council can maintain and improve its existing service standards while appropriately funding new projects and initiatives in a sustainable way.

How Council services are funded

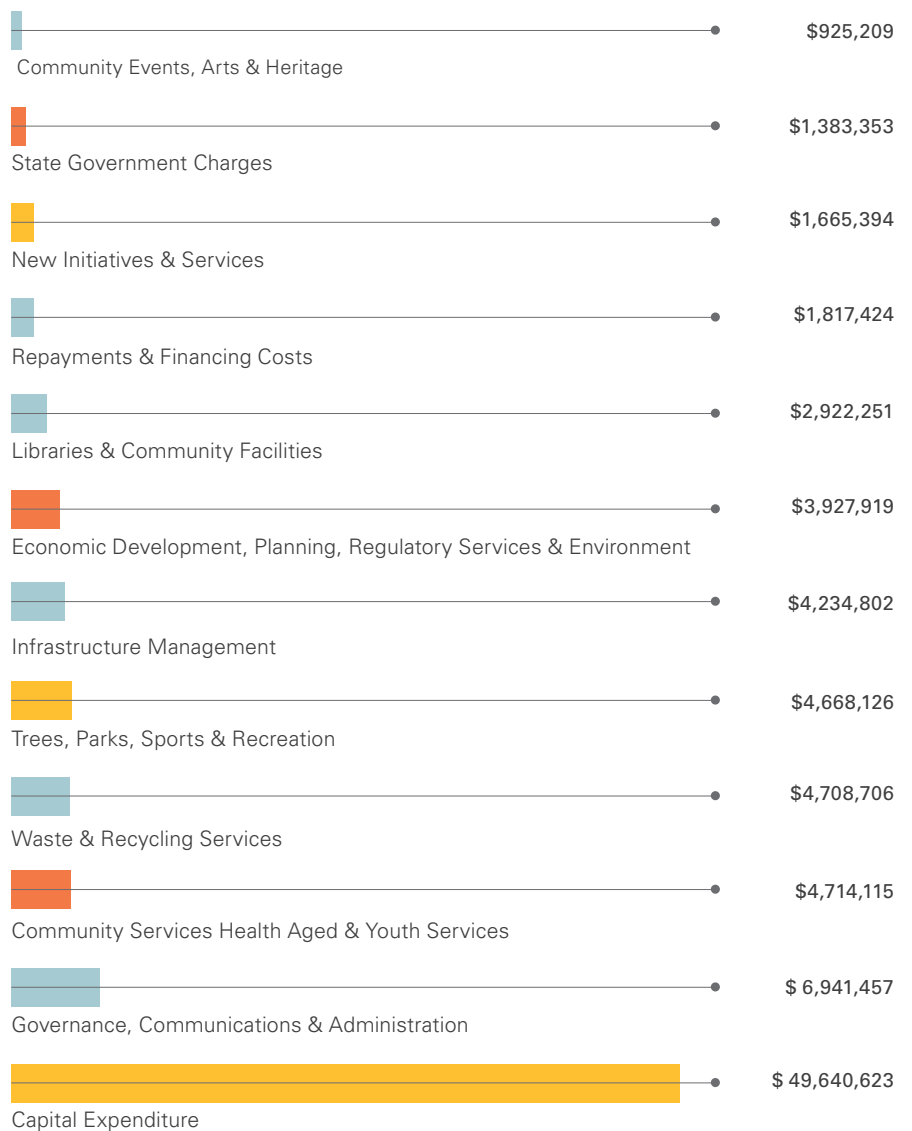


How the funds are spent

Total Expenditure \$87,539,379

Total Operating Expenditure \$36,953,756

Total Capital Expenditure \$50,585,623



Appendix 1

2022–2023

Key Initiatives & Projects

CityPlan 2030 Outcome	Project Name	Project Description	Funded by:			
			Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Infrastructure Management						
* ● ● ●	Civil Infrastructure Works Program	Delivery of the 2022–2023 Civil Infrastructure Capital Works Program ('the Capital Works Program') for the replacement and upgrade of selected segments of roads, footpaths and Kerbs, in accordance with the 'Whole-of-Life' allocation set out in the Council's Roads, Footpaths & Kerbs Infrastructure & Asset Management Plan (2020).	6,679,564	532,298	6,147,266	-
* ● ● ●	Stormwater Drainage Program	Delivery of the 2022–2023 Stormwater Drainage Program which involves enhancement of the City's stormwater drainage network. The Program includes the design and upgrade of the City's trunk stormwater drainage network as identified in by the City-Wide Floodplain Mapping project. The Program has been developed in accordance with the objectives and goals contained in the Council's Stormwater Drainage Infrastructure & Asset Management Plan (2020).	7,584,205	3,635,823	-	3,948,382
* ● ● ●	Plant Replacement	Replacement of plant and vehicles utilised by City Services Field staff in the delivery of maintenance services associated with Council's assets.	136,000	18,000	118,000	-
* ● ● ●	The Parade Master Plan	The Parade Masterplan was endorsed by the Council in May 2019. Stage 2 encompasses the detailed design for The Parade between Fullarton Road and Portrush road, and detail design and construction works for George Street between the intersection of The Parade and Webbe Street.	2,061,000	-	-	2,061,000

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Funded by:			Borrowings & Other Funding \$
			Grant Funding \$	Rate Revenue \$			
Infrastructure Management (continued)							
* ●	●	Linear Park Path Upgrade	2,770,918	1,350,000	623,300	797,618	
<p>Reconstruction of the shared path along the River Torrens Linear Park between the intersection of Battams Road/Ninth Street Royston Park and Twelftree Reserve, Collage Park, encompassing a section of the path that passes through Dunstan Adventure Playground. Once completed, pedestrian and cyclist capacity will be increase whilst improving safety and accessibility for all ages and abilities. This is a continuation of Stage 1 of the River Torrens Shared Path enhancement Project which was completed in 2019.</p>							
<p>The upgrade will be delivered over two financial years, with the total project cost estimated to be \$2.975 million.</p>							
<ul style="list-style-type: none"> 2021–2022 - \$204,000 2022–2023 - \$2.771 million 							
<p>The Council secured \$1.350 million through the State Government’s Open Space & Places for People Program.</p>							
* ●	●	St Peters Street Streetscape Upgrade	3,076,042	200,000	1,500,000	1,376,042	
<p>Delivery of the Concept Plan endorsed by the Council in 2019–2020, to enhance St Peters Street and build on the recent upgrades to the St Peters Precinct, which included Linde Reserve-Dunstone Grove, the St Peters Town Hall Complex and the Avenue of Honor.</p>							
<p>The estimated project cost is \$4.5 million, which includes civil infrastructure renewal works and stormwater drainage works to the value of \$1.5 million.</p>							
<p>The Project was scheduled to be delivered over two financial years, with the expenditure being incurred as follows:</p>							
<ul style="list-style-type: none"> 2021–2022 - \$1.270 million 2022–2023 - \$3.076 million 							
<p>The Council secured \$1.270 million as part of the Federal Governments Local Government and Community Infrastructure Program Extension and \$200,000 from Green Adelaide.</p>							

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Funded by:		
				Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Infrastructure Management (continued)						
+ ●	● 40 kph Speed Limit Implementation – Norwood & Kent Town	Undertaking works to implement a 40km/h speed limit in Norwood & Kent Town (excluding The Parade, The Parade West and Osmond Terrace).	25,000	-	25,000	-
+ ●	● Street Lighting Renewal & Upgrade	Delivery of minor street lighting upgrades for streets which have non-compliant street lighting.	40,000	-	40,000	-
+ ●	● Sydneham Road Street Lighting Upgrade	Delivery of a street lighting upgrade along the length of Sydenham Road, Norwood.	60,000	-	60,000	-
+	● Signalised Pedestrian Crossing – Magill Road	Installation of a pedestrian crossing on Magill Road between Trinity Gardens and Beulah Park. The installation will be co-funded with the City of Burnside.	230,000	115,000	115,000	-
+	● Traffic Engineer	Employment of a Traffic Engineer on a fixed-term three-year contact to assist the in the delivery of the Council’s traffic management function.	101,000	-	101,000	-
+	● Evaluation of 40kph – Stepney & Maylands	Undertaking a study to evaluate the effectiveness and outcomes of the 40 km/h area-wide speed limit introduced in the suburbs of Stepney, Maylands and Evandale.	25,000	-	25,000	-
Trees Parks Sport & Recreation						
*	● Dunstan Adventure Playground Redevelopment	The Dunstan Adventure Playground is one of four Regional Level Playgrounds within the City of Norwood Payneham & St Peters. The playground will be redeveloped based on an ‘adventure’ play, whilst maintaining some of the key elements that are well loved by the broader Adelaide community.	1,285,000	450,000	385,000	450,000

- Social Equity
- Cultural Vitality
- Economic Prosperity
- Environmental Sustainability
- * Assets – New, Upgrades and Renewal
- + New Service and Program Initiatives

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Funded by:			
				Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$	
Trees Parks Sport & Recreation (continued)							
* ● ● ●	Burchell Reserve Upgrade	<p>Redevelopment of Burchell Reserve to provide a contemporary setting, whilst improving the amenity of the Reserve through new community tennis courts, seating, refurbished toilets and landscaping that would create a gathering point for the community and encourage social interaction.</p> <p>Stormwater capture and detention will also be undertaken as part of the reserve upgrade.</p> <p>The Council secured \$420,000 in grant funding from the Federal Governments National Flood Mitigation Infrastructure Program to assist with the deliver of the stormwater upgrades.</p>	3,020,000	420,000	388,000	2,212,000	
* ● ● ●	Payneham Swimming Centre	Redevelopment of the Payneham Memorial Swimming Centre to a state-of-the-art swimming and aquatic facility, including two (2) new swimming pools and exciting water play. The Council secured \$5.2 million from the State Government to assist with the delivery of the redevelopment.	16,500,000	2,800,000	-	13,700,000	
* ● ● ●	Recreation & Open Space Infrastructure Works Program	Delivery of the Recreation & Open Space Works Program 2022–2023 ('the Program') which includes the replacement and upgrade of various assets as identified and as allowed for in the Council's Recreation & Open Space Infrastructure & Asset Management Plan (2020).	460,000	-	460,000	-	
* ● ● ●	Cruickshank Reserve Facility Upgrade	Cruickshank Reserve, located in Maylands, contains the facilities comprising tennis and netball playing courts, a small clubroom and toilets. The Council will replace the existing building and toilets with a fit-for-purpose building to support tennis, netball and other recreation activities at the Reserve.	889,000	889,000	-	-	
+ ● ● ●	Tree Management Policy and Strategy	The 2022–2027 Tree Strategy guides the management, planning, planting and maintenance of trees within the City (with a particular focus on street trees). The Strategy sets out a number of actions to be taken over the life of the plan to ensure the delivery of the strategy. Year one implementation includes the development of Guidelines to provide staff with a 'one stop shop' for issues associated with Council owned tree plantings and maintenance requirements.	45,000	-	25,000	20,000	

CityPlan 2030 Outcome	Project Name	Project Description	Funded by:			
			Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Trees Parks Sport & Recreation (continued)						
+ ●	● Adopt a Tree Program	The program aims to educate the community about the importance of trees and encourage the retention of trees.	2,000	-	2,000	-
+ ●	● Street Tree Planting	The ongoing commitment to increasing street trees by planting 500 tree per year up from the previous commitment of 300 trees.	100,000	-	50,000	50,000
+ ●	● Open Space and Playground Strategy	The Open Space and Playgrounds Strategy will result in a new and more holistic and integrated approach to the City’s open space assets (physical and natural) and how they are maintained and developed.	15,000	-	15,000	-
Economic Development, Regulatory Services, Environment & Planning						
+ ●	● Eastside Business Awards	An annual award program to recognise the best small businesses—retailers, restaurants, cafes, venues, professional services and food and beverage manufacturers within the City of Norwood Payneham & St Peters.	40,000	-	40,000	-
+ ●	● Dog & Cat Management Plan Education Campaign	Continuation of the education campaign, as required by the Council’s 2019–2024 Dog & Cat Management Plan, to educate the community in relation to: <ul style="list-style-type: none"> the new legislative requirements relating to microchipping and desexing of dogs and cats; and the general principles of responsible dog and cat ownership. 	20,000	-	20,000	-
+ ●	● Greening of Verges Program	The continuation of the trial program undertaken in 2021–2022. The program funding covers the cost of excavating compacted materials and supplying and spreading loam for approved applications (subject to eligibility) to green verges on a ‘first come first served’ basis.	25,000	-	25,000	-
+ ●	● Raising the Bar Adelaide	The event is aimed at making education a part of the City’s popular culture by simply mixing learning and debate into a fun-night out.	37,000	-	37,000	-

- Social Equity ● Cultural Vitality ● Economic Prosperity ● Environmental Sustainability
- * Assets – New, Upgrades and Renewal + New Service and Program Initiatives

CityPlan 2030 Outcome	Project Name	Project Description	Funded by:			
			Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Economic Development, Regulatory Services, Environment & Planning (continued)						
+ ●	● Sustainable Garden Awards	A series of free sustainable gardening events to encourage the community to adopt sustainable gardening practices with long term environmental benefits.	11,000	-	11,000	-
+ ●	● Urban Greening Program	To encourage the City of Norwood Payneham & St Peters community to plant trees and natives within private land that increases, enhances and adds value to the City green cover including canopy and increases biodiversity and habitat. The program includes: <ul style="list-style-type: none"> a tree planting incentive by providing vouchers towards purchasing a tree; and a Native Plant Giveaway by providing a native plant pack (six seedlings/tube stock) to residents. 	25,000	-	25,000	-
+ ●	● Marryatville Precinct Master Plan	In partnership with the City of Burnside, to deliver a Masterplan for Marryatville Precinct, which contains a clear vision and design framework for the future development and activation of the Precinct.	40,000	-	40,000	-
Community Events, Arts and Heritage						
*	● Quadrennial Art Project Includes carry forward	Installation of the Major artwork. The Council’s Public Art Policy states the Council will ensure the adequate and on-going funding of public art through the creation of a reserve fund where the equivalent of 1% of the Capital Works Budget (Civil Infrastructure Capital Works Program and Drainage Infrastructure Works Program) or \$50,000, whichever is the greater amount, is set aside annually for the purpose of funding a commissioned art work during the term of each Council.	258,762	-		258,762
+ ●	● Tour Down Under	Subject to the Council’s Expression of Interest being successful, host a Stage of the 2023 Tour Down Under.	55,000	-	55,000	-

CityPlan 2030 Outcome	Project Name	Project Description	Funded by:			
			Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Community Events, Arts and Heritage (continued)						
+ ● ● ● ●	Concert Series	To host a three (3) Concert Series in the Norwood Concert Hall.	36,000	-	36,000	-
+ ● ● ● ●	Spring Fest	Sponsorship of the Spring Fest Event which is scheduled to be held in the Concert Hall in October.	75,000	-	75,000	-
+ ● ● ● ●	Heritage Protection Opportunities	Undertaken an assessment to identify key risks and opportunities for the Council in regards to its unprotected built heritage, to investigate and prepare a proposal to initiate a new Code Amendment to extend heritage and/or historic area protections.	70,000	-	70,000	-
Libraries & Community Facilities						
* ● ● ● ●	Annual Acquisition of Library Books	The Annual acquisition of Library stock, in order to replenish Library Service collections across the three Library sites.	202,000	110,000	85,000	7,000
* ● ● ● ●	Building Works Program	To deliver the 2022–2023 Buildings Works Program (Capital) ('the Program') for the upgrade of various Council building components, in meeting the strategies and objectives of the Council's Community Buildings Infrastructure & Asset Management Plan (2020).	426,000	-	426,000	-
Community, Health Aged & Youth Services						
+ ● ● ● ●	Access & Inclusion Plan	Undertake a community consultation program to inform the review of the Council's Access & Inclusion Strategy is due for review in 2022.	10,000	-	10,000	-
+ ● ● ● ●	Regional Public Health & Wellbeing Plan	To progress the actions identified in the Regional Health and Wellbeing Plan.	10,000	-	10,000	-

- Social Equity ● Cultural Vitality ● Economic Prosperity ● Environmental Sustainability
- * Assets – New, Upgrades and Renewal + New Service and Program Initiatives

CityPlan 2030 Outcome	Project Name	Project Description	Funded by:			
			Project Expenditure \$	Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Community, Health Aged & Youth Services (continued)						
+	● ● Youth Strategy	<p>A program of events and activities that will deliver the Council’s Youth Development Strategy. Programs for 2022–2023 include:</p> <p>Sports Week: A week long program incorporating a come and try focus on a range sport options (i.e., basketball, netball, soccer, cricket) including some which may not be considered mainstream sports such as dodgeball, water polo, and bouldering (a form of rock climbing). Each activity will run a come and try for a group of young people with the intention to encourage on-going participation.</p> <p>Sport Vouchers Program: To facilitate connections between local young people and recreation groups and clubs by providing up to \$100 toward sport and recreation club registration and associated fees to eligible young people.</p> <p>Youth Community Cooking: The program aims to provide young people with cooking skills, social interaction and a sense of community. Meals will be provided to those in need through the already established food drive with a not-for-profit community group.</p> <p>Youth Skill Development: To create three (3) new Council youth programs focused on skill development and being able to apply for work. These programs include a Work Experience, Life Skills and School Advisory program.</p> <p>Wheel Park: The project aims to host the Wheel Park Events three (3) times per year during the January, April and October school holiday periods. Each event will have workshops for young people to participate in as well as have the opportunity to practice their riding skills on a flat, sealed surface.</p>	45,000	-	45,000	-

CityPlan 2030 Outcome	Project Name	Project Description	Project Expenditure \$	Funded by:		
				Grant Funding \$	Rate Revenue \$	Borrowings & Other Funding \$
Governance, Communications & Administration						
* ●	Electronic Document Management System	To upgrade the Council’s electronic document management system.	123,000	-	-	123,000
* ● ●	Website Development	To deliver annual upgrades and improvements to the City of Norwood Payneham & St Peters website.	10,000	-	10,000	-
* ●	iPad Refresh for Elected Members	To replace 19 iPads and 16 Logitech keyboard cases to reduce the risk of equipment failure, allow the latest IOS to be run and reduce the Council to any cyber attacks.	18,400	-	18,400	-
* ● ●	Wi-Fi Refresh	To upgrade the Wi-Fi equipment and future proof the Wi-Fi solution for existing users and to enable guest Wi-Fi at Council offices.	26,000	-	26,000	-
* ●	IPAD for Field Staff	To procure an additional eight (*) IPad’s for the City Services, Civil Maintenance and Parks & Gardens Teams.	13,000	-	6,000	7,000
+ ●	Local Government Elections	The Local Government Election will be held in November 2022 and funding is required to conduct the election.	200,000	-	200,000	-
+ ●	Service Reviews	To engage suitably qualified consultants to undertake reviews of key Council services and processes to ensure they are provided in an efficient and effective manner.	100,000	-	100,000	-
+ ● ●	Land & Building Valuation	To undertake the five (5) year independent valuation of Council building and other structures and to upload Building assets to Conquest to enable effective asset management plans and maintenance programs to be developed based on asset condition.	75,000	15,000	60,000	-

- Social Equity ● Cultural Vitality ● Economic Prosperity ● Environmental Sustainability
- * Assets – New, Upgrades and Renewal + New Service and Program Initiatives

2022–2023 Civil Whole-of-Life Infrastructure Renewal Program

Suburb	Street	From	To
College Park			
Footpaths	Harrow Road (LHS)	Third Avenue	Fourth Avenue
	Harrow Road (LHS)	Fourth Avenue	College Street
	Marlborough Street (LHS)	Rugby Street	College Street
Evandale			
Footpaths	Portrush Road (LHS)	Janet Street	Edward Street
	Portrush Road (LHS)	Edward Street	Bakewell Road
	Portrush Road (LHS)	Bakewell Road	Suburb Boundary
Felixstow			
Road Re-sealing	Hilltop Avenue	95m (N) of Payneham Road	Fisher Street
	Hilltop Avenue	Payneham Road	95m (N) of Payneham Road
	Laver Terrace	Fisher Street	Torrens Avenue
	Cadna Avenue	Laver Terrace	Wicks Avenue
Kerb & Water Table	Hilltop Avenue	95m (N) of Payneham Road	Fisher Street
	Hilltop Avenue	Payneham Road	95m (N) of Payneham Road
	Laver Terrace	Fisher Street	Torrens Avenue
	Cadna Avenue	Laver Terrace	Wicks Avenue
Firle			
Road Re-sealing	Hampden Street	Shelley Street	Margaret Street
	Hampden Street	Margaret Street	Arnold Avenue
	Hampden Street	Arnold Avenue	Marian Road
	Margaret Street	Hampden Street	Glynburn Road
Kerb & Water Table	Hampden Street	Shelley Street	Margaret Street
	Hampden Street	Margaret Street	Arnold Avenue
	Hampden Street	Arnold Avenue	Marian Road
	Margaret Street	Hampden Street	Glynburn Road
	Marian Road	Portrush Road	Arthur Street
	Marian Road	Avenue Road	Gage Street
	Marian Road	Gage Street	Glynburn Road

Suburb	Street	From	To
Glynde			
Road Re-sealing	Marian Road	Avenue Road	Gage Street
	Marian Road	Gage Street	Glynburn Road
Footpaths	Glynburn Road (LHS)	Lewis Road	Alford Road
	Glynburn Road (LHS)	Penna Avenue	Lewis Road
	Glynburn Road (LHS)	Hectorville Road	Penna Avenue
	Glynburn Road (LHS)	Davis Road	Hectorville Road
	Glynburn Road (LHS)	Janet Avenue	Davis Road
	Glynburn Road (LHS)	Marian Road	Janet Avenue
Hackney			
Kerb & Water Table	Cambridge Street	Hackney Road	Hatswell Road
Footpaths	Cambridge Street (LHS)	Hackney Road	Hatswell Road
	Hatswell Street (LHS)	South End	Bertram Street
Kent Town			
Road Re-sealing	Little Angas Street	Dequetteville Terrace	Fullarton Road
	Little Grenfell Street	College Road	Fullarton Road
Footpath	Fullarton Rd / North Terrace corner (LHS)	Fullarton Road	North Terrace
Maylands			
Kerb & Water Table	Dover Street	Morcombe Street	Frederick Street
Footpaths	Dover Street (RHS)	Morcombe Street	Frederick Street
Norwood			
Road Re-sealing	Gloucester Terrace	Elizabeth Street	Osmond Terrace
	William Street	Roundabout	Charles Street
	William Street	Charles Street	Sydenham Road
	William Street	Roundabout	Sydenham Road
	William Street	Sydenham Road	Elizabeth Street
	William Street	Roundabout	Elizabeth Street
	William Street	Elizabeth Street	Osmond Terrace
	William Street	Fullarton Road	Charles Street

Suburb	Street	From	To
Stepney			
Kerb & Water Table	Gloucester Terrace	Elizabeth Street	Osmond Terrace
	William Street	Charles Street	Sydenham Road
	William Street	Sydenham Road	Elizabeth Street
	William Street	Elizabeth Street	Osmond Terrace
	William Street	Fullarton Road	Charles Street
Payneham			
Road Re-sealing	Marian Road	Portrush Road	Arthur Street
	Marian Road	Arthur Street	Ashbrook Avenue
Payneham South			
Road Re-sealing	Avonmore Avenue	Aberdare Avenue	Devitt Avenue
Kerb & Water Table	Avonmore Avenue	Aberdare Avenue	Devitt Avenue
Footpaths	Aberdare Avenue (LHS)	Aveland Avenue	Ashbrook Avenue
St Peters			
Road Re-sealing	Eighth Avenue	River Street	Stephen Terrace
	First Lane	Stephen Terrace	Westminster Street
	River Street	Tenth Avenue	Eighth Avenue
	Seventh Lane	Winchester Street	End
	Fourth Lane	Stephen Terrace	Winchester Street
	Second Lane	Winchester Street	Suburb Boundary
Kerb & Water Table	Eighth Avenue	River Street	Stephen Terrace
	Fourth Lane	Stephen Terrace	Winchester Street
	River Street	Tenth Avenue	Eighth Avenue
	Second Lane	Winchester Street	Suburb Boundary
	Seventh Lane	Winchester Street	End
Footpaths	Stephen Terrace (RHS)	Payneham Road	First Avenue

Suburb	Street	From	To
Stepney			
Kerb & Water Table	Battams Street	Loch Street	Olive Road
Footpaths	Battams Street (RHS)	Loch Street	Olive Road
	Henry Street (LHS)	Ann Street	Bend # 2
	Henry Street (LHS)	Bend # 2	Frederick Street
	Nelson Street (LHS)	Magill Road	Lindas Lane
	Nelson Street (LHS)	Lindas Lane	Henry Street
	Nelson Street (RHS)	Alfred Street	Payneham Road

2022–2023 Stormwater Drainage Whole-of-Life Infrastructure Renewal Program

Location	Nature of Works	From	To
Trinity Valley	Stormwater Capacity upgrade		
St Peters	Stephen Terrace Flow diversion *	Stephen Terrace	
Joslin	Joslin Valley Design		

*Works to be undertaken with the Burchell Reserve Upgrade Project

Appendix 2

Measures of Success

The measure of the Council's success is driven by the achievement of the objectives outlined in *CityPlan 2030*.

A series of performance indicators have been developed to monitor our progress against these objectives and are reported on in our Annual Report. In addition to the CityPlan 2030 indicators, the Council also measures its achievements through the following non-financial and financial Indicators;

Non-Financial Indicators

Program Delivery

To ensure that the Council delivers on the Strategic Objectives set out in the *CityPlan 2030*, various projects and initiatives must be delivered. During 2020–2021, the Council approved 22 capital projects and 21 service initiatives. The Council's performance against the 2020–2021 programs is detailed on the following page.

For 2022–2023, the Council has proposed 19 Capital Projects and 26 Service Initiatives projects. Progress on these projects will be reported in the 2022–2023 Annual Report and 2023–2024 Annual Business Plan.

Financial Indicators

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

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

Financial indicators which are used by the Council to measure performance and financial sustainability are;

Operating Surplus/(Deficit) Ratio

The Council's long-term sustainability is dependent upon ensuring that, on average over time, the operating expenses are less than the associated revenues.

As the major source of income for the Council is rates revenue, Operating Surplus ratio measures operating surplus/ (deficit) as a percentage of total operating revenue. This indicator represents the percentage by which the major controllable income source varies from the day-to-day operating expenditure.

In 2022–2023, the forecast operating surplus is \$865,000, resulting in an Operating Surplus ratio of 1.8%.

Net Financial Liabilities Ratio

A Council's indebtedness must be managed to ensure its liabilities and associated costs are met without impinging on the financial sustainability of the Council.

Net Financial Liabilities ratio measures the extent of what is owed by the Council less any liquid assets (i.e. cash or receivables) of the Council are met by its operating revenue.

Where the ratio is increasing, it indicates a greater amount of the Council's operating revenues is required to service its financial obligations. For 2022–2023, it is anticipated the net Financial Liabilities ratio of the Council will be 80.4%.

Debt Servicing Ratio

Debt servicing ratio measures the extent Council's commitment to interest expense and loan repayments is met by general rate revenue. For 2022–2023, it is anticipated that 4.7% of the Council's general rate revenue will be committed to service the interest and principal repayments on its borrowings.

Asset Sustainability Ratio

Asset Sustainability Ratio measures whether the Council is renewing or replacing existing physical assets (roads, footpaths, buildings etc.) at the same rate the stock of assets is wearing out. The ratio is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the planned expenditure outlined in the Council's Asset Management Plans.

In 2022–2023, the Council has planned to spend \$15.7 million on asset renewal compared to the Asset Management Plan spend of \$14.5 million.

The Council can accelerate or reduce asset expenditure over time to compensate for prior events, or invest in assets by spending more now so that it costs less in the future to maintain. On a three (3) year rolling average, the asset sustainability ratio of 97%.

Non-Financial Indicators

2021–2022 Program Delivery

CityPlan 2030 Outcome	Project Description	Status
Infrastructure Management		
* ●	Civil Infrastructure Capital Works Program	✓
* ●	Storm water Drainage Program	✓
* ●	River Torrens Linear Park Shared Path Upgrade – Stage 2	–
+ ●	Street Lighting Renewal & Upgrade	✓
* ●	Private Laneways Conversion Project	–
* ●	Plant Replacement Program	✓
+ ●	Rectification of Footpath Defect	✓
+ ●	40 kph Speed Limit Norwood & Kent Town	✓
* ● ●	St Peters Street Streetscape Upgrade	–
+ ●	Traffic Study - area bound by Payneham Road, Glynburn Road, Portrush Road and Magill Road	✓
+ ●	Cycling Plan 2021–2026 Year 1 Implementation	✓
Trees, Parks, Sport & Recreation		
* ●	Recreation & Open Space Works Program	✓
* ● ●	Burchell Reserve Upgrade	–
* ● ●	Payneham Memorial Swimming Centre Redevelopment	–
* ● ●	Dunstan Adventure Playground Upgrade	–
+ ●	Street Tree Planting	✓
* ●	Tree Strategy	✓
* ●	Willow Bend Lighting Upgrade	✓
+ ●	Open Space Asset Condition Audit	✓
Economic Development, Regulatory Services Environment & Planning		
+ ●	Dog & Cat Management Plan – Year 3 Implementation	✓
+ ●	Energy and Water Audits	✓
+ ●	Smart City Plan - Year 1 Implementation	✓
+ ●	Transition to the SA Planning Portal	✓
* ● ●	Borthwick Park Creek Improvements	–
+ ● ●	Greening Verges Program	✓
+ ●	Urban Greening Program	✓
+ ●	Resilient East	✓
+ ● ●	Raising The Bar Adelaide	✓
+ ● ●	Eastside Business Awards	✓

✓ Completed – In Progress ● Not Yet Started

● Social Equity ● Cultural Vitality ● Economic Prosperity ● Environmental Sustainability

* Assets – New, Upgrades and Renewal + New Service and Program Initiatives

<i>CityPlan 2030</i> Outcome	Project Description	Status
Community, Health, Aged & Youth Services		
+	● ● Youth Strategy Programs	✓
Libraries & Community Facilities		
*	● Buildings Capital Works Program	✓
*	● ● Annual Acquisition of Library Stock	✓
+	● ● Children's Book Week	✓
Community Events, Arts & Heritage		
+	● ● 2022 Tour Down Under & Community Event (cancelled due to COVID-19)	●
Governance, Communications & Administration		
+	● Biennial Community Survey	✓
*	● Annual Website Upgrades and Improvements	✓
+	● Digitisation of Council's Civil and Building Plans	✓
+	Organisational Culture Survey (Human Synergistic)	✓
*	● Electronic Document Management System Upgrade	✓
*	● Meeting Room Audio Visual Upgrade	–

✓ Completed – In Progress ● Not Yet Started
 ● Social Equity ● Cultural Vitality ● Economic Prosperity ● Environmental Sustainability
 * Assets – New, Upgrades and Renewal + New Service and Program Initiatives

Financial Ratios

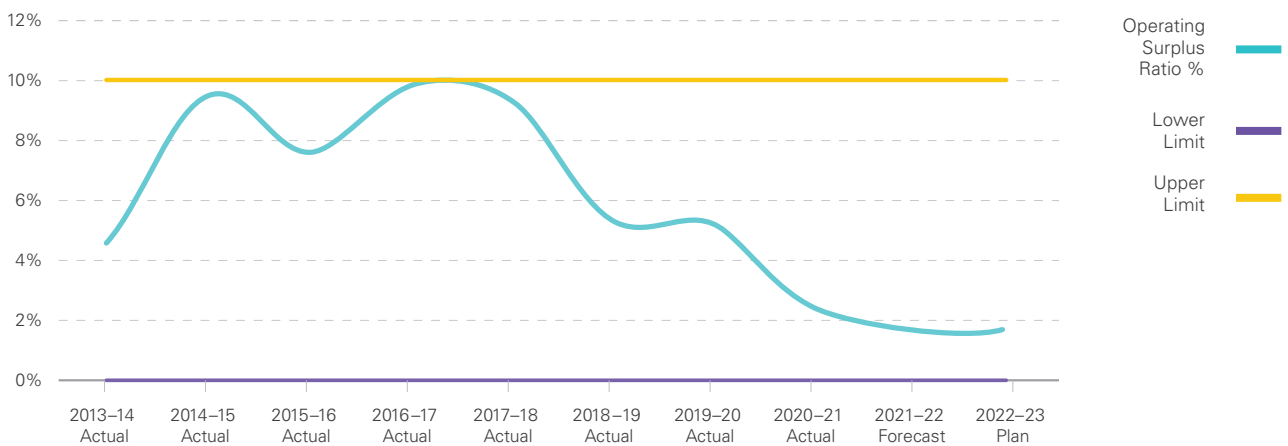
To ensure that it delivers on its financial goals, the Council has committed to achieving a number of financial outcomes.

The Council’s performance against these outcomes over the last two terms of Council is detailed below.

Outcome 1: A balanced budget

The Council’s services and programs, including depreciation of infrastructure and assets, are fully funded and the costs are shared equitably between current and future ratepayers.

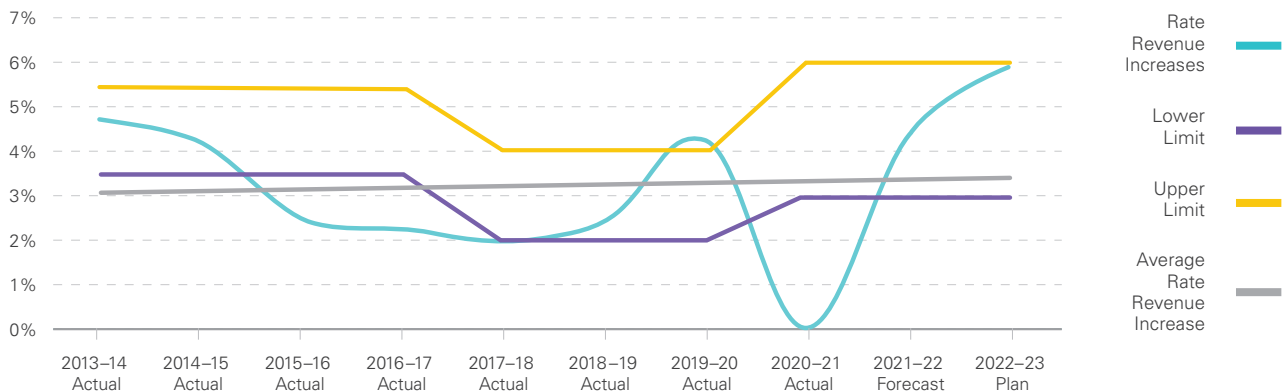
Operating Surplus Ratio %



Outcome 2: Rate Stability

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

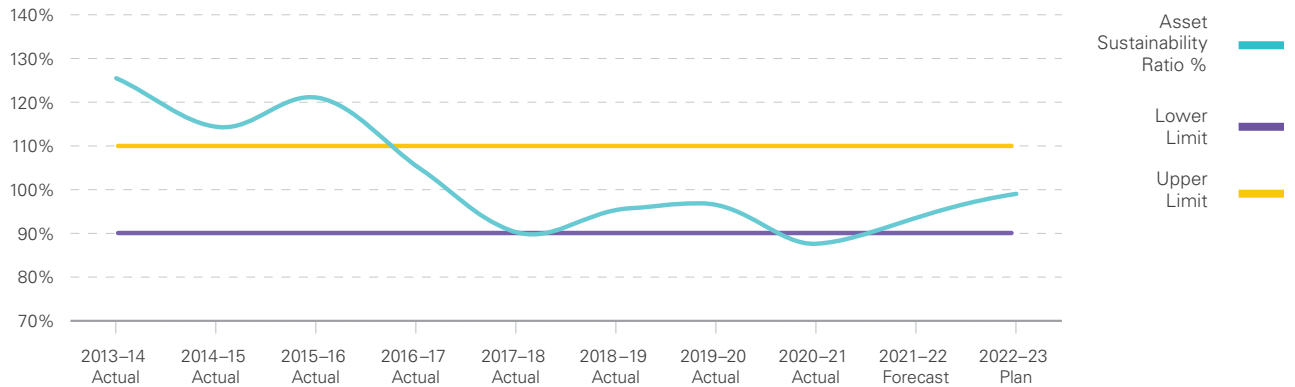
Rate Revenue Increase



Outcome 3: Infrastructure and Asset Management

Maintain infrastructure and assets in line with the Council's Whole-of-Life Infrastructure Framework to achieve the outcomes and objectives, as set out in *CityPlan 2030*.

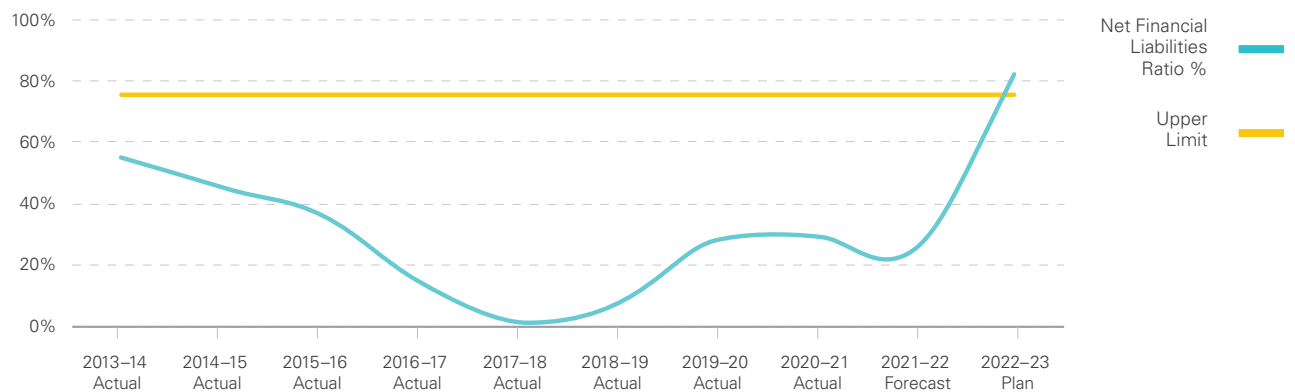
Asset Sustainability Ratio %



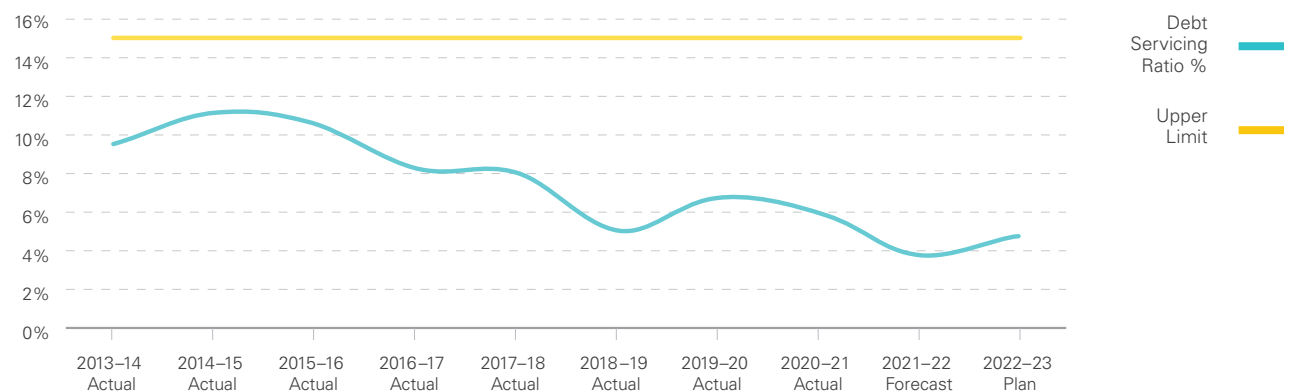
Outcome 4: Debt Management

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

Net Financial Liabilities Ratio %



Debt Servicing Ratio %



Appendix 3

Financial Statements

Statement of Comprehensive Income for the year ended 30 June 2023	Proposed 2022–2023	Forecast 2021–2022	Actual 2020–2021	Actual 2019–2020	Actual 2018–2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Rates	39,921	37,866	36,288	36,181	34,845
Statutory charges	2,007	1,774	1,751	1,595	1,760
User charges	3,738	3,465	3,506	3,408	3,701
Grants, subsidies and contributions	3,008	2,981	2,921	2,959	3,152
Investment income	46	20	19	88	206
Other income	518	615	771	1,146	1,013
Net loss joint ventures and associates	21	-	217	28	35
Total Income	49,258	46,720	45,473	45,406	44,711
Expenses					
Employee costs	16,083	15,254	14,448	14,050	13,739
Materials, contracts and other expenses	19,999	19,140	19,165	18,937	18,774
Finance costs	872	450	454	405	489
Depreciation, amortisation and impairment	11,159	10,640	9,968	9,503	8,984
Net loss joint ventures and associates	283	272	327	515	346
Total Expenses	48,396	45,757	44,363	43,411	42,331
Operating Surplus (Deficit)	862	963	1,110	1,995	2,380
Net gain (loss) on disposal or revaluation of assets	25	25	(1,145)	(1,529)	(1,207)
Amounts specifically for new or upgraded assets	10,025	2,045	3,303	1,125	1,131
Physical resources received free of charge	-	-	-	-	24
Net Surplus (Deficit) transferred to Equity Statement	10,912	3,033	3,268	1,590	2,327
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant and equipment	2,000	2,000	12,046	3,542	32,993
Share of other comprehensive income - joint ventures and associates	-	-	5	13	9
Total Other Comprehensive Income	2,000	2,000	12,051	3,555	33,001
Total Comprehensive Income	12,912	5,033	15,320	5,145	35,329

Pursuant to S123 (10)(b) of the *Local Government Act 1999* and Clause 7 of the *Local Government (Financial Management) Regulations 2011*, as detailed in the Statement of Comprehensive Income, the proposed Operating Income (\$49.237m) is sufficient to meet the proposed Operating Expenditure (\$48.112m) for the 2022–2023 Financial Year.

Statement of Financial Position for the year ended 30 June 2023	Proposed 2022–2023	Forecast 2021–2022	Actual 2020–2021	Actual 2019–2020	Actual 2018–2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Current Assets					
Cash and cash equivalents	6,912	6,098	7,071	9,177	12,152
Trade and other receivables	2,961	2,799	3,699	2,889	2,945
Total Current Assets	9,873	8,897	10,770	12,067	15,097
Non-current Assets					
Financial assets	104	104	104	105	136
Equity accounted investments in Council businesses	2,589	2,288	2,207	2,463	2,890
Infrastructure, property, plant and equipment	554,269	513,774	507,904	476,469	473,423
Other non-current assets	-	-	2,509	17,891	6,119
Total Non-current Assets	556,963	516,165	512,725	496,929	482,569
Total Assets	556,836	525,062	523,495	508,995	497,666
Liabilities					
Current Liabilities					
Trade and other payables	6,573	5,816	8,006	7,310	6,272
Borrowings	946	931	972	1,651	1,781
Short-term provisions	2,972	2,888	3,326	3,135	2,752
Total Current Liabilities	10,491	9,635	12,304	12,095	10,805
Non-current Liabilities					
Long-term borrowings	36,172	8,461	9,392	10,357	5,388
Long-term provisions	1,202	1,191	1,328	1,160	1,203
Liability – equity accounted Council businesses	1,720	1,437	1,164	1,397	1,429
Total Non-current Liabilities	39,094	11,088	11,884	12,913	8,020
Total Liabilities	49,585	20,723	24,188	25,008	18,825
Net Assets	517,251	504,339	499,306	483,987	478,842
Equity					
Accumulated Surplus	74,043	63,132	60,099	56,825	55,222
Asset Revaluation Reserve	443,208	441,208	439,208	427,162	423,620
Total Equity	517,251	504,339	499,306	483,987	478,842

Statement of Cash Flows for the year ended 30 June 2023	Proposed 2022–2023	Forecast 2021–2022	Actual 2020–2021	Actual 2019–2020	Actual 2018–2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Receipts					
Rates - general and other	39,759	38,465	36,672	36,107	34,696
Fees and other charges	2,007	1,774	1,613	1,646	1,694
User charges	3,738	3,465	3,113	3,297	4,014
Investment receipts	46	20	19	88	204
Grants utilised for operating purposes	3,008	2,981	2,756	3,677	2,744
Other income	518	615	998	1,474	1,244
Payments					
Employee costs	(15,987)	(15,282)	(14,547)	(13,486)	(14,322)
Contractual services and materials	(19,241)	(17,422)	(18,074)	(19,030)	(17,593)
Finance payments	(872)	(450)	(447)	(407)	(489)
Net Cash provided by (or used in) Operating Activities	12,974	14,167	12,102	13,368	12,191
Cash Flows from Investing Activities					
Receipts					
Amounts specifically for new or upgraded assets	10,025	2,045	2,626	1,165	1,049
Sale of replaced assets	25	25	47	58	9
Repayments of loans by community groups	-	-	11	43	13
Payments					
Expenditure on renewal/replacement of assets	(15,757)	(13,661)	(9,652)	(8,919)	(9,009)
Expenditure on new/upgraded assets	(33,884)	(2,536)	(5,508)	(13,175)	(6,615)
Capital contributed to associated entities	(281)	(81)	(81)	(81)	(96)
Net Cash provided by (or used in) Investing Activities	(39,872)	(14,208)	(12,556)	(20,909)	(14,649)
Cash Flow from Financing Activities					
Receipts					
Proceeds from Borrowings	28,657	-	-	6,500	
Payments					
Repayments of Borrowings	(945)	(931)	(1,653)	(1,934)	(1,202)
Net Cash provided by (or used in) Financing Activities	27,712	(931)	(1,653)	4,566	(1,202)
Net Increase (Decrease) in cash held	814	(973)	(2,107)	(2,975)	(3,660)
Cash and cash equivalents at beginning of period	6,098	7,071	9,177	12,152	15,812
Cash and cash equivalents at end of period	6,912	6,098	7,071	9,177	12,152

Statement of Changes in Equity for the year ended 30 June 2023	Proposed 2022–2023	Forecast 2021–2022	Actual 2020–2021	Actual 2019–2020	Actual 2018–2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated Surplus					
Balance at end of previous reporting period	63,132	60,099	56,825	55,222	52,886
Net Surplus/(Deficit) for year	10,912	3,033	3,268	1,590	2,327
Balance at end of period	74,043	63,132	60,093	56,812	55,213
Asset Revaluation Reserve					
Balance at end of previous reporting period	441,208	439,208	427,162	423,620	390,627
Gain on revaluation of infrastructure, property, plant and equipment	2,000	2,000	12,046	3,542	32,993
Balance at end of period	443,208	441,209	439,210	427,162	423,619
Total Equity at end of reporting period	517,251	504,340	499,303	483,974	478,842

Uniform Presentation of Finances for the year ended 30 June 2022	Proposed 2022–2023	Forecast 2021–2022	Actual 2020–2021	Actual 2019–2020	Actual 2018–2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Income	49,258	46,720	45,473	45,406	44,711
<i>less</i> Expenses	(48,396)	(45,757)	(44,363)	(43,411)	(42,331)
Operating Surplus(Deficit)	862	963	1,110	1,995	2,380
less Net Outlays on Existing Assets					
Capital expenditure on renewal and replacement of existing assets	15,757	13,661	9,652	8,919	15,624
Depreciation, amortisation and impairment	(11,159)	(10,640)	(9,968)	(9,503)	(8,984)
Proceeds from sale of replaced assets	(25)	(25)	(47)	(58)	(9)
	4,573	2,996	(363)	(642)	6,631
less Net Outlays on New and Upgraded Assets					
Capital expenditure on new & upgraded assets	33,884	2,536	5,508	13,175	6,615
Amounts received specifically for new & upgraded Assets	(10,025)	(2,045)	(2,626)	(1,165)	(1,049)
Assets received free of charge	-	-	-	-	(24)
	23,859	491	2,882	12,010	5,542
Net Lending/(Borrowing) for Financial Year	(27,570)	(2,525)	(1,408)	(9,373)	(9,793)

Financial Indicators for the year ended 30 June 2023	Proposed	Proposed	Forecast	Actual	Actual	Actual
	2022–2023	2022–2023	2021–2022	2020–2021	2019–2020	2018–2019
	\$'000	Indicator	Indicator	Indicator	Indicator	Indicator

Operating Surplus / (Deficit) Ratio

Operating Surplus/(Deficit)	862	1.8%	2.1%	2.4%	4.4%	5.3%
Total Operating Revenue	49,258					

This ratio expresses the Operating Surplus as a percentage of total Operating Revenue.

Net Financial Liabilities Ratio

Net Financial Liabilities	39,605	80.4%	25.1%	29.3%	28.3%	8.0%
Total Operating Revenue	49,258					

This ratio expresses the extent of Operating Revenue required to meet all monies which are owed by the Council. Net financial liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).

Asset Sustainability Ratio

Net Asset Renewals	15,757	109%	100%	79%	99%	109%
Infrastructure & Asset Management Plan required expenditure	14,518					

This ratio measures the extent which existing assets are being renewed compared to the Infrastructure & Asset Management Plan. Net asset renewals is defined as capital expenditure on the renewal and replacement of existing assets and excludes new capital expenditure on the acquisition of additional assets.

Rolling three-year average		96.6%	92.9%	87.2%	96.1%	94.8%
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Appendix 4

Rating Policy

Method Used to Value Land

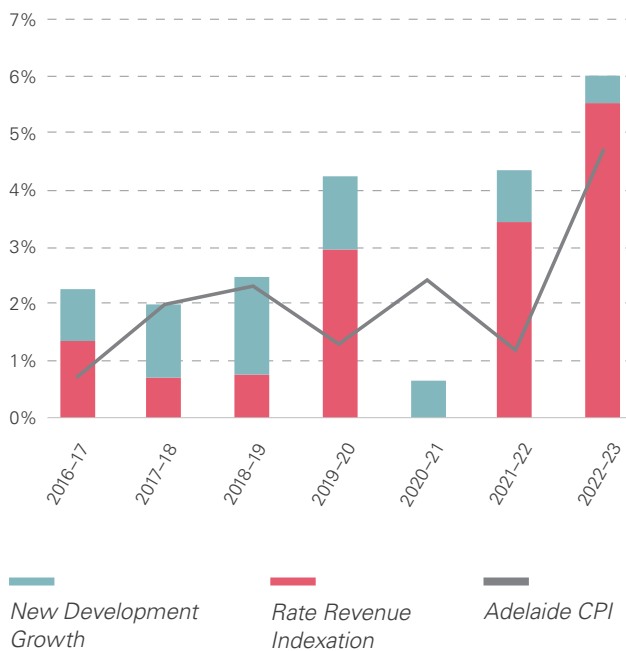
The Council has continued to use Capital Value as the basis for valuing land within the City of Norwood Payneham & St Peters. It is considered that this method of valuing land provides the fairest method of distributing the rates across all ratepayers on the following basis:

- property value is a good indicator of wealth and Capital Value, which closely approximates the market value of a property, therefore providing the best indicator of overall property value;
- the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- the distribution of property values throughout the City of Norwood Payneham & St Peters is such that only just over one third of residential ratepayers will pay more than the average rate per property.

Information received from the Valuer General indicates a number of changes in the City’s property values to date. 0.99% of the increase can be attributed to growth related to new development within the City to date.

Graph 1

Rate Revenue Increase



Differential General Rates

The *Local Government Act 1999*, allows Councils to apply differential rates based on the use of the land, the locality of the land or the use and locality of the land. The City of Norwood Payneham & St Peters applies differential rates on the basis of land use.

Definitions of land use are prescribed by regulation and are categorised as follows for rating purposes:

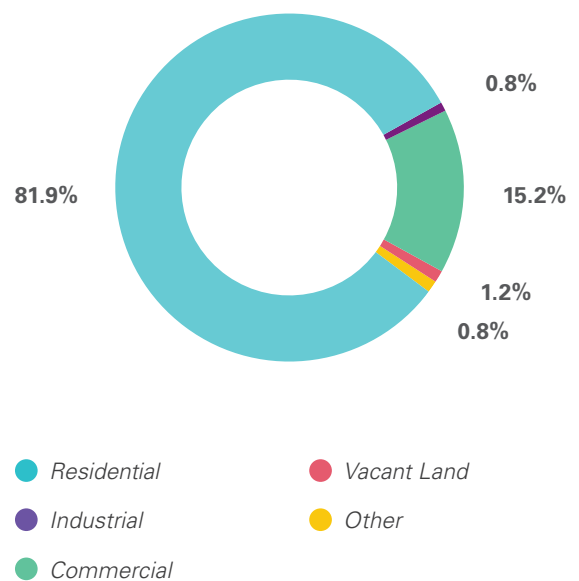
- Residential
- Commercial – Shops
- Commercial – Office
- Commercial – Other
- Industrial – Light
- Industrial – Other
- Primary Production
- Vacant Land; and
- Other

The City of Norwood Payneham & St Peters applies differential rates on the basis of land use whereby non-residential properties have an increased rate-in-the-dollar of an additional 20% of the rate-in-the-dollar which is applied to residential properties.

Based on information provided by the Valuer General to date, the payment of rates will be distributed across the difference categories as detailed in *Graph 2* below:

Graph 2

Rate Revenue by Land Use



Minimum Rate

Pursuant to the *Local Government Act 1999*, a Council may impose a minimum amount which is payable by way of rates. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

The Council has set a minimum rate of \$1,132. The minimum rate will be applied to 6,716 (32.9%) of all ratable properties.

In determining the minimum rates, the Council is ensuring that all rateable properties make a base level contribution to the costs of:

- administering the Council's activities;
- the provision of the physical infrastructure that supports each property and is available for use by all ratepayers; and
- services provided that are available for use by all ratepayers (e.g. Libraries, parks and gardens).

The Parade Precinct Separate Rate

The Council has determined to raise a Separate Rate, for the purposes of promoting and enhancing business viability and employment generation within The Parade Precinct. The Parade Precinct Separate Rate is levied against all commercial properties located along The Parade between Fullarton Road and Portrush Road, and the revenue raised will only be used for this purpose.

Proposed Rate Increases for 2022–2023

To fund the activities proposed within the 2022–2023 Annual Business Plan and to ensure that the Council continues to provide the level of services required and expected by the community, the Council estimates that it will require an additional \$2.173 million or 6% in general rate income.

Based on the initial valuations which have been received from the Valuer-General, this will result in a 14.9% decrease in the 'cents-in-the-dollar'.

For the 2022–2023 financial year, the average rate per property by land use is shown in *Table 4*.

While the average rate increase of 5.8% is in line with the Adelaide CPI, the actual rates payable by a rate payer will vary according to individual property valuations, the land use, and whether there has been any new development or capital improvement on the land

The average residential property will be required to pay \$1,670 and the average commercial property will be required to pay \$2,525.

Table 4

Average rate per property by land use 2022–2023 financial year

Land Use	Average Rate \$	Increase (Decrease) \$	% Change on 2021–2022
Residential	1,812	136	8.17
Commercial	2,637	(96)	(3.5%)
Industrial	2,255	(93)	(4.0%)
Vacant Land	1,637	(81)	(4.7%)
Other	3,566	126	3.7%
Primary Production	1,670	(89)	(5.1%)
All properties	1,912	103	5.7%

State Government Regional Landscape Levy

Pursuant to the Landscape South Australia Act 2019, the Council is required to collect funds on behalf of the State Government, for the operations of the Green Adelaide Board.

The Council collects the funds through a separate rate levied as the Regional Landscape Levy and is applicable to land within its area of the Green Adelaide Region.

In 2022–2023, the Council will collect \$1.383m for the payment of the Regional Landscape Levy. The Council is acting as a revenue collector and as such does not retain this revenue, but simply forwards it through to the Green Adelaide Board.

Rate Capping

Rate Capping is provided in the form of a Rebate or Remission of Rates above an approved threshold. In the 2022–2023 Budget, the Council has determined that rates will be capped (subject to certain conditions) at two times the rate revenue increase in set in the Annual Budget. This means that the maximum increase in rates for individual properties will be 12% for the 2022–2023 Financial Year.

Remission and Postponement of Rates

Section 182A of the *Local Government Act 1999*, provides the option for State Senior Card Holders to apply to postpone part of their council rates on a long term basis. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the disposal or sale of the property.

For complete details on these items and additional information please refer to the Rating Policy and Rebate Policy which is available online at www.npsp.sa.gov.au

Statement on Rate Revenue

	2021–2022 (as adopted)	2022–2023 (as adopted)	Change	Comment
	\$	\$	%	
Rates Revenue				
General Rates Revenue				
General Rates (existing properties)		39,410,627	(a)	For the 2022–2023 financial year, the Council will collect an additional \$2.2 million in general rate revenue before discretionary rebates and remissions as determined by the Council.
General Rates (new properties)		163,893	(b)	
General Rates (GROSS)	37,343,424	39,574,520	(c)	
Less Mandatory Rebates	(990,708)	(984,059)	(d)	
General Rates (NET)	36,352,716	38,590,461	(e)	6.2
Other Rates (inc. service charges)				
Regional Landscape Levy	1,386,500	1,383,353	(f)	The Regional Landscape Levy is a State tax, it is not retained by council.
Separate and Special Rates	215,000	215,000	(g)	The Council has determined to raise a Separate Rate, for the purposes of promoting and enhancing the business viability within The Parade Precinct. The rate revenue raised will only be used for this purpose.
	37,954,216	40,188,814		
Less Discretionary Rebates	-	-	(h)	
Expected Total Rates Revenue	36,567,716	38,805,461	(i)	6.1 Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.

Growth in number of rateable properties

Number of rateable properties	20,101	20,183	(j)	0.4
	<i>Actual</i>	<i>Actual</i>		

'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.

Average General Rates per rateable property

Average per rateable property	1,809	1,912	(k)	5.7
	<i>Actual</i>	<i>Actual</i>		

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total General Rates paid by all rateable properties will equal the amount adopted in the budget.

The annual change in the rates payable by an individual ratepayer, will vary according to the change in the individual property value, the land use and whether there has been development or improvements to the property.

Statement on Rate Revenue

	Total Expected Revenue			No. of Rateable Properties		Average Per Rateable Property			Cents in the \$	
	2021–2022	2022–2023	Change	2021–2022	2022–2023	2021–2022	2022–2023	Change	2022–2023	
Land Use (General Rates - Net)										
Residential	29,118,102	31,597,213	8.5	17,359	17,435	1,677	1,812	(//)	135	0.1929
Commercial	6,090,809	5,875,704	(3.5)	2,230	2,230	2,731	2,635	(//)	(96)	0.2315
Industry	344,074	326,725	(5.0)	147	145	2,341	2,253	(//)	(87)	0.2315
Primary Production	1,759	1,670	(5.0)	1	1	1,759	1,670	(//)	(89)	0.2315
Vacant Land	473,637	463,076	(2.2)	273	282	1,735	1,642	(//)	(93)	0.2315
Other	324,335	326,073	0.5	91	90	3,564	3,623	(//)	59	0.2315
Total Land Use	36,352,716	38,590,461	6.2	20,101	20,183	1,809	1,912	(//)	104	
Grand Total (NET)	36,352,716	38,590,461	6.2	20,101	20,183	1,809	1,912	(//)	104	

The *Local Government Act 1999* allows the Council to apply differential rates. The Council has a differential rating system based on Land Use where by non-residential properties have a cent-in-the-dollar which is 20% higher than residential properties.

	No. of properties to which rate will apply		Rate		
	2022–2023	% of total rateable properties	2021–2022	2022–2023	Change
Minimum Rate	6,716	33.3	1,068	1,132	(m) 64

The *Local Government Act 1999* allow for Council's to apply a minimum amount which is payable by way of rates. By applying a minimum rate, the Council is ensuring that all rateable properties, irrespective of their valuation make a base level contribution to the costs of administering Councils activities and services that are available to all rate payers (eg libraries, parks and reserves) and the provision of physical infrastructure that supports each property that are available to all rate payers.

Adopted valuation method

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

- Capital Value -** the value of the land and all improvements on the land;
- Site Value -** the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or
- Annual Value -** a valuation of the rental potential of the property.

The Council uses Capital Value as the basis for valuing land within the Council area, as it is considered that this method provides the fairest way for distributing the rates across all ratepayers.

Notes

(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

- Health Services - 100%
- Community Services - 75%
- Religious purposes - 100%
- Public Cemeteries - 100%
- Royal Zoological Society of SA - 100%
- Educational purposes - 75%

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(e) Presented as required by the Local Government (Financial Management) Regulations 2011 reg 6(1)(ea)
Please note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

(f) Councils are required under the Landscape South Australia Act 2019 to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.

(h) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(i) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

(k) 'Growth' as defined in the *Local Government (Financial Management) Regulations 2011* reg 6(2)

(l) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided* by number of rateable properties within that category in the relevant financial year.

(m) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

Amendments to the Annual Business Plan and Budget

In line with the requirements of the *Local Government Act 1999*, public consultation on the draft Annual Business Plan commenced on 18 May 2022 for three weeks. The consultation concluded with a Public Meeting at the Norwood Town Hall on 8 June 2022.

Submissions relating to the draft Annual Business Plan, together with the draft Annual Budget for the 2022–2023 financial year, were considered by the Council on 21 June 2022.

Following consideration of the public submissions and additional information following the public consultation, the following amendments have been made to the Annual Business Plan and Budget.

Increase in the Council's contribution to the operations of the Cats Assistance to Sterilisation (CATS) Inc.

CATS Inc has been desexing cats within the City of Norwood Payneham & St Peters for more than 30 years, with the organisation dedicated to reducing cat numbers and other cat related issues.

A part of the Council's public consultation process in respect to the draft 2022-2023 Annual Business Plan, the Council received a submission from CATS Inc requesting an increase in the annual funding contribution from \$3,000 to \$6,000. The additional funds will be used to increase the number of cats desexed.

Inclusion of the Council's share of the operating result of Highbury Landfill Authority

The Council endorsed the Highbury Landfill Authority Draft 2022-2023 Budget on 6 June 2022. As a Constituent Council of the Highbury Landfill Authority, the Council is required to include in its Budget, the Council's ownership share of the Highbury Landfill Authority operating result. The Council's ownership share is 40.4%.

The Council's share of the Net Gain - Joint Ventures and Associates - as set out on the Statement of Comprehensive Income has increased to \$20,900, an increase of \$5,250 due to the recognition of the budgeted Operating Surplus from the Highbury Landfill Authority.

Amendment to the Councils share of the operating result of ERA Water

The Council endorsed the ERA Water draft 2022-2023 Budget on 13 April 2022. ERA Water subsequently amended its draft Budget, which the Council considered and endorsed on 6 June 2022. As a Constituent Council of ERA Water, the Council is required to include in its Budget, the Council's ownership share of the ERA Water operating result. The Council's ownership share is 33.3%.

The impact of the ERA Water revised draft budget is an increase in the Council's share of the Net Loss—Joint Ventures & Associates to \$ 283,700, an increase of \$108,000 due the increase in the ERA Water budgeted Operating Deficit to \$803,000, an increase of \$324,000 on the draft ERA Water Budget.

Increase in Waste Management Budget

The Council as a Constituent Council of East Waste, contracts East Waste for the collection and disposal of the City's kerbside waste streams. Due to a contract rate increase, which was finalised in June, the unit rate for the collection and disposal of the City's kerbside recyclables has increased.

The increased unit rate, has resulted in an increase in the Council's Waste Management Budget by \$172,000.

As a result of these amendments, the Council adopted an Operating Surplus of \$862,000, which is a \$278,000 reduction of the draft Operating Surplus of \$1.140 million included in the Draft 2022–2023 Annual Business Plan and Budget released for public consultation.

The 2022–2023 Annual Business Plan and Budget was adopted by the Council on 4 July 2022.

Council Facilities

The Council's Principal Office is located at:

Norwood Town Hall
175 The Parade, Norwood

Additional sites of operation include:

Council Works Depot
Davis Road, Glynde

Norwood Library
110 The Parade, Norwood

St Peters Library
101 Payneham Road, St Peters

Payneham Library & Community
Facilities Complex (Tirkandi)
2 Turner Street, Felixstow

Payneham Community Centre
374 Payneham Road, Payneham

Cultural Heritage Centre
101 Payneham Road, St Peters

Norwood Swimming Centre
Phillips Street, Kensington

Payneham Memorial Swimming Centre
OG Road, Felixstow

The Council also operates two unique entities:

St Peters Child Care Centre
42–44 Henry Street, Stepney

Norwood Concert Hall
175 The Parade, Norwood

Additional Copies



The 2022–2023 Annual Business Plan can be viewed online at www.npsp.sa.gov.au

Further information

For more information about the City of Norwood Payneham & St Peter's 2022–2023 Annual Business Plan and Budget, please contact the Council's General Manager, Corporate Services, on 8366 4585 or email townhall@npsp.sa.gov.au

For further information, visit www.npsp.sa.gov.au

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au
Socials  /cityofnpsp  @cityofnpsp



City of
**Norwood
Payneham
& St Peters**

6.4 2022-2023 INSURANCE COVERAGE AND 2021-2022 INSURANCE CLAIMS

REPORT AUTHOR: Management Accountant
GENERAL MANAGER: General Manager, Corporate Services
CONTACT NUMBER: 8366 4541
FILE REFERENCE: qA98586/A440830
ATTACHMENTS: A - B

PURPOSE OF REPORT

The purpose of this report is to provide the Audit Committee with information regarding the Council's 2022-2023 Insurance Coverage and details of the insurance claims which have been made against the Council for the 2021-2022 Financial Year.

BACKGROUND

The Council's Insurance Coverage is placed with Local Government Risk Services (LGRS). LGRS was established to manage and service the unique insurance and risk management needs of Local Government in South Australia. LGRS comprises of number of self-managed funds, namely the Asset Mutual Fund, Mutual Liability Scheme and Workers compensation scheme.

Claims which are made against the Council, are assessed by the Council's Insurers, Local Government Risk Services, under one of the following insurance policies;

- Public Liability (Mutual Liability Scheme); or
- Asset Mutual Fund (includes Motor Vehicle Claims).

Both the Local Government Mutual Liability Scheme (Mutual Liability) and the Local Government Asset Mutual Fund (Asset Mutual Fund), are self-insured funds managed and operated by Local Government Risk Services. The Mutual Liability Scheme is an indemnity scheme that has been established pursuant to Schedule 1, Part 1 2(1) (a) of the *Local Government Act 1999* and provides unlimited civil liability. The Asset Mutual Fund has been established pursuant to Schedule 1, Part 1 2(1) (c) of the *Local Government Act 1999*.

It should be noted that the Mutual Liability Scheme is not a commercial insurance policy, but rather provides civil liability cover to Councils based on negligence, not merely as to whether damage or injury has occurred.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Insurance Coverage

For the 2022-2023 Financial year, the value of insurance premiums is \$1,689,565. The breakdown of premiums for each policy is set out in Table 1 below:

TABLE 1: INSURANCE PREMIUMS

Policy	Premium \$
Workers Compensation Scheme (Workers Compensation)	640,750
Mutual Liability Scheme (Public Liability Insurance)	419,537
Asset Mutual Fund (Asset Insurance)	382,996
Income Protection Fund	221,710
Journey Insurance	12,355
General & Products Liability	10,547
Personal Accident	1,670
Total	1,689,565

Both the Workers Compensation Scheme and Mutual Liability Scheme provide performance rebates based on prior year's performance of the Council's claims performance and audits and the overall performance of the funds. The performance bonuses received for the 2022-2023 financial year are \$190,304 from Workers Compensation Scheme and \$123,356 from the Mutual Liability Fund. Net of performance bonuses, the 2022-2023 insurance cost is \$1.376 million.

Insurance Claims

For the 2021-2022 financial year, the Council paid insurance excess payments of \$18,750 on claims which were finalised during the year. The excess payments relate to twelve (12) Motor Vehicle claims, one (1) Public Liability claims and nine (9) Asset claims.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Nil

RISK MANAGEMENT

Having in place appropriate insurance policies is a key element of the Council's Risk Management framework. Pursuant to Section 142 (1) of the *Local Government Act 1999*, the Council must take out and maintain insurances to cover civil liabilities.

The Council is a member of the Local Government Association Mutual Liability Scheme, which constitutes insurance for the purposes of Section 142 of the Act.

The Council insures other risks with Local Government Risk Services.

CONSULTATION

- **Committee Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

2022-2023 Insurance Coverage

The Council has in place the following insurance policies, which have been renewed for the 2022-2023 Financial year.

LGA Asset Mutual Fund

The Asset Mutual Fund provides coverage for Council owned properties including but not limited to, Buildings, Structures, Plant, Machinery, Contents of every description, Motor Vehicles and Mobile Plant. Cover for the Council's property and contents under the Asset Mutual Fund, are required to be at replacement value of the respective assets in a condition and construction in an "as new state".

Under the current policy, damage to roads, footpaths and kerbing infrastructure is not covered by the Asset Insurance Policy. No Council in the South Australia purchases insurance for their respective Civil Infrastructure Network. The basis for this decision is that due to the significant value of the Civil Infrastructure Network which Local Government is responsible for, the increase in premium cost would significantly outweigh the likely cost of any claim and therefore is uneconomical to cover.

The LGA Asset Mutual Fund (LGAAMF) has been providing 'Fidelity Guarantee' protection to its members since 2002, which also includes 'Computer Crime' protection, under property cover at no additional cost to Members. For 2022/2023, the LGAAMF no longer provides 'Fidelity Guarantee' and 'Computer Crime', via property cover. To ensure that the Councils are protected adequately, the LGAAMF has provided a 'Crime' policy for 2022-2023. The new Policy combines the 'Fidelity Guarantee' and 'Computer Crime' components into one coverage. Given the increasing occurrence of computer crime, the Council has elected to take out the 'Crime' cover. It should be noted that the deduction for the Crime Policy is \$25,000.

Income Protection Fund

The Income Protection Fund provides Income Protection and Capital benefits coverage to the City of Norwood, Payneham & St Peters for and on behalf of staff. The scope of the cover under this Policy includes;

- Capital Benefits for Death and Permanent Total Disablement (Accidents other than Journey claims); and
- weekly benefits for All Illness or Injury (not covered by the Workers Compensation Scheme).

General and Products Liability

The General & Products Policy provides coverage to the City of Norwood, Payneham & St Peters on behalf of:

- all uninsured *ad hoc* or occasional hirers of Norwood Concert Hall and *other* Council owned or controlled facilities;
- all regular user groups (as declared) of Council owned or controlled facilities; and
- skip bins placed on Council land;

for Death or Personal Injury and Loss or Damage to Property happening during the Period of Insurance and caused by an occurrence in connection with the hire of the Council facility.

It should be noted that the General and Products Liability for ad-hoc hirers and declared regular hirers, is only available to hirers who would not otherwise have liability insurance, (i.e. small community groups, private hires such as family gatherings).

Additional cover is also provided to the Staff Social Club, participants of the Norwood Christmas Pageant and buskers who are permitted to operate within the City and who would not otherwise have liability insurance.

Personal Accident

Personal Accident Insurance provides coverage for Death and Total or Partial Disablement for the Insured Parties listed below, whilst engaged in any activity directly or indirectly connected with or on behalf of the City of Norwood, Payneham & St Peters (i.e. undertaking official duties) including travel to and/or from any such activity. Persons covered by the Policy are:

- a. Elected Members and their accompanying Partners/Spouses.
- b. Employees and their accompanying Partners/Spouses, (excluding claims where the employee is entitled to benefits under any Workers Compensation legislation)
- c. Volunteers whilst engaged in any voluntary work directly or indirectly connected with or on behalf of the Council, including individual members of any Trust or Committee formed by the Council.
- d. Persons whilst engaged in any Government Labour Market, Training or Job Creation Projects.
- e. Members of the Council's Development Assessment Panel and Audit Committee.

Journey Injury

Journey Injury Insurance provides coverage for Bodily Injury to Employees whilst engaged in a journey to and from their place of residence and place of work and between a place of training and place of work. The cover has been extended to provide coverage for Bodily Injury to Employees for private travel, whilst they are driving or riding as a passenger in a registered motor vehicle or motorcycle, bicycle or wheelchair on a public thoroughfare; or riding as a fare paying passenger in any form of public transport including but not limited to trains, trams, buses and taxis or any properly licensed aircraft travelling over recognised air routes.

A summary of each insurance policy is contained in **Attachment A**.

Public Liability

The Council is a member of the Local Government Mutual Liability Fund. This covers the Council's risk associated with people tripping on footpaths, falling trees, etc. This cover is unlimited and the policy is an all Civil Liability cover and takes into account public liability, professional indemnity, director and officer indemnity and any other action in which the Council may be sued. The Local Government Association Mutual Liability Scheme (LGAMLS) is not a commercial insurance policy, but provides civil liability cover to Councils based on negligence, not merely as to whether damage or injury has occurred.

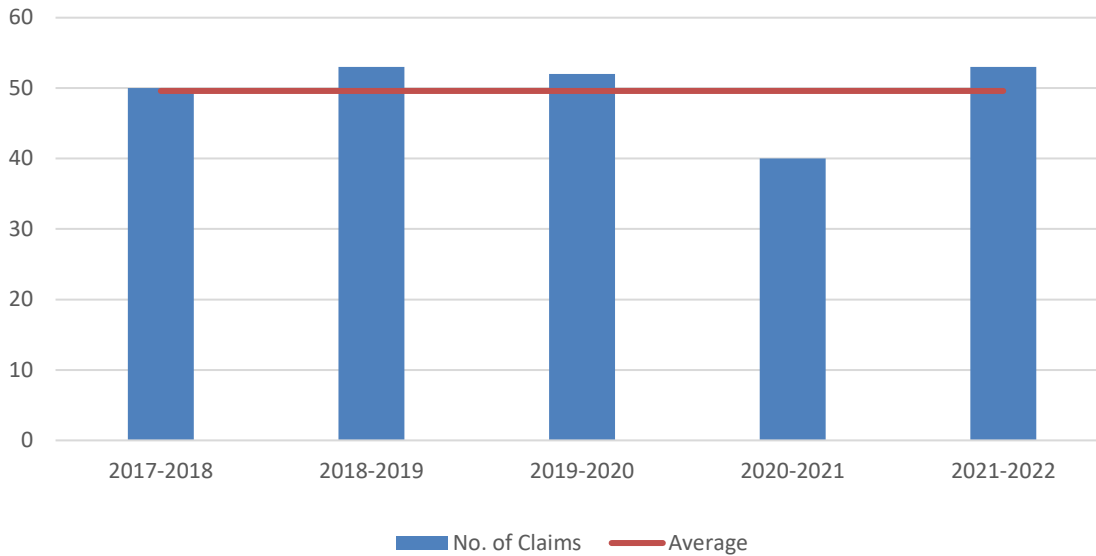
Workers Compensation

The Council is a member of the Local Government Workers Compensation Scheme. This is a self-funded Scheme which provides cover for employees injured in a work related accident.

2021-2022 Insurance Claims

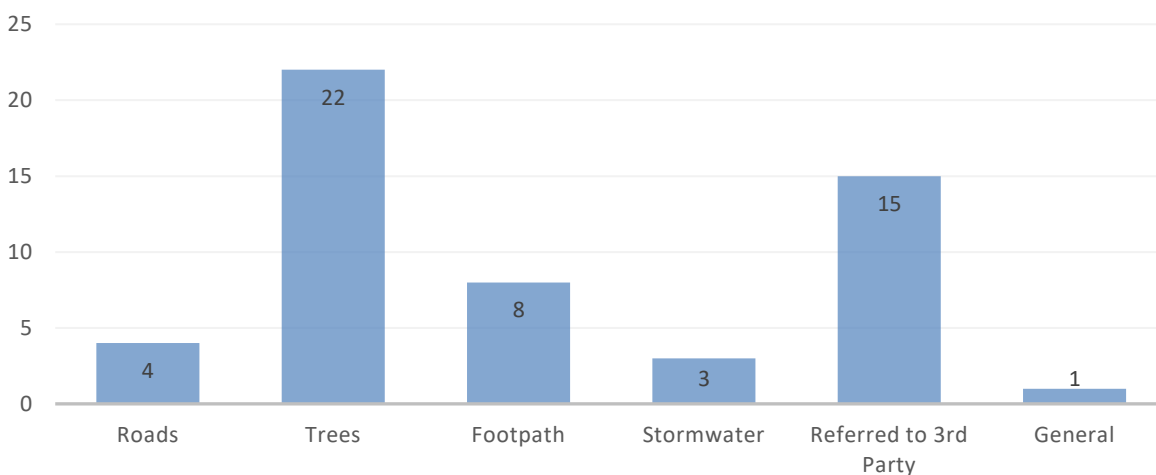
For the 2021-2022 financial year, fifty-three (53) claims were lodged against the Council under the Mutual Liability Scheme. As illustrated in Figure 1 below, the number of claims lodged in 2021-2022 is slightly more than the five (5) year average of 50 claims.

FIGURE 1: NUMBER OF PUBLIC LIABILITY CLAIMS



The nature of the claims, is illustrated in Figure 2 below. For the 2021-2022 Financial year, the increase in the number of claims has been driven by claims which were referred to third parties (ie. individuals or organisations, other than the Council) and falls and damage which is alleged to have been caused by street trees.

FIGURE 2: NATURE OF CLAIMS FOR 2021-2022



It should be noted, that Councils are afforded immunity from civil liability under the *Civil Liability Act 1936*. Pursuant to Section 42 of the *Civil Liability Act 1936*, a road authority is not liable in tort for failure to maintain, repair, or renew a road or to take action to avoid or reduce the risk of harm that results from the failure to maintain, repair or renew a road. The definition of a road also includes bridges, alleys, laneways, carparks, footpaths and any structure associated with a road. In this instance, Local Government can claim immunity for public liability claims that are associated with the Council’s roads, footpaths and kerbs. Unless the loss is a result of negligence on the Council’s behalf, the Council will claim the immunity which is afforded by the Act.

In addition, the *Local Government Act 1999*, provides Councils with immunity from liability for damage and loss to property caused by street trees (or trees on reserves). Pursuant to Section 245 of the *Local Government Act 1999*, the Council is not liable for damage which results from planting a tree in a road or the existence of a tree growing in the road. Having said that, if the Council has been made aware of a risk of damage that a street may pose and the Council fails to take reasonable action, the Council may be liable for damage and or loss.

Of the claims which have been lodged during 2021-2022, thirty-three (33) claims were denied, with twenty-one (21) being denied through the application of Section 245 of the *Local Government Act 1999* and eleven (11) denied under Section 42 of the *Civil Liability Act 1936*. Of the remaining twenty-one (21) claims, fifteen (15) claims were referred to third parties as the claim either related to damage or loss that occurred on non-Council owned property, or was caused by persons other than the Council, (i.e. contractors engaged by the Council), one (1) was denied through the application of Australian Road Rules for line marking. One (1) claim was settled for a damage to property resulting from a stormwater drain.

Four (4) claims are still in the process of being investigated and assessed.

Details of the claims are contained in **Attachment B**.

With respect to claims under the Asset Mutual Fund, twenty-eight (28) claims have been made. The breakdown of the claims is detailed in Table 2 below;

TABLE 2: ASSET MUTAL FUND CLAIMS

Nature of Claim	Number of Claims
Damage or loss to Council owned Property	8
Motor Vehicle Claims	
Collided with Stationary Object (i.e. pole, gate etc.)	3
Sideswiped by third party vehicle	2
Collision with third party vehicle	7
General	8

OPTIONS

Not Applicable.

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

That the report be received and noted.

Attachment A

2022-2023 Insurance Coverage and 2021-2022 Insurance Claims

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
Norwood
Payneham
& St Peters

Summary of Insurance Policies

Year Ended 30 June 2023

Policy Name	Period of Cover	What is covered	Fund Limit	Limit of Liability	Deductible
				\$	\$
Local Government Asset Mutual Fund	30 June 2022 - 30 June 2023	Council property including but not limited to Buildings, Structures, Plant, Machinery, Contents of every description, Motor Vehicles and Mobile Plant	Material Loss or Damage, Loss of Revenue, Rent and Additional Expenditure except exclusions (Exceptions are listed as Attachment 1)	50,000,000	1,000
Crime Insurance	30 June 2022 - 30 June 2023	Crime Protection	Employee Theft Coverage	300,000	25,000
			Premises Coverae	300,000	25,000
			In Transit Coverage	300,000	25,000
			Forgery Coverage	300,000	25,000
			Computer Fraud Coveage	300,000	25,000
			Funds Transfer Fraud Coverage	300,000	25,000
			Counterfeit Currency Fraud Coverage	300,000	25,000
			Credit Card Fraud Coverage	300,000	25,000
			Clit Coverage	300,000	25,000
			Expense Coverage	250,000	-
		Machinery Breakdown	Machinery Breakdown	350,000	500
			Boilers, Pressure Vessels	100,000	500
			Spoilage of Stock	10,000	500
		Computer and Electronic Equipment	Computer Equipment	910,000	500
			Data Carrying Media	7,000	500
			Reinstatement of Records	20,000	500
			Increased Cost of Working	20,000	500
		Cyber Security & Data Protection	Incident Response	2,000,000 any one claim and 4,000,000 in the aggregate	25,000
			Business Interruption	2,000,000 any one claim and 4,000,000 in the aggregate	>25,000 or 12 hours (the waiting hours)
			Data Systems Recovery	2,000,000 any one claim and 4,000,000 in the aggregate	25,000
			Cyber Extortion	2,000,000 any one claim and 4,000,000 in the aggregate	25,000
			Privacy & Network Security Liability	2,000,000 any one claim and 4,000,000 in the aggregate	25,000
			Sublimits:		
			- Consumer Redress Fund	2,000,000	
			- Payment Card Loss (applicable to PCI compliant entities only)	1,000,000	
			- Regulatory Fines	2,000,000	
			Media Liability	2,000,000 any one claim and 4,000,000 in the aggregate	25,000
		Motor Vehicle	Market Value/Up to 32,500,000		500



Summary of Insurance Policies Year Ended 30 June 2023

Policy Name	Period of Cover	What is covered	Fund Limit	Limit of Liability	Deductible
				\$	\$
Events Cancellation		Council Events Cancellation	Norwood Christmas Pageant	60,000	
			Twilight Carol	40,000	
			Concerts in the Park	78,000	
General and Products Liability	30 June 2022 - 30 June 2023	Principally Uninsured ad hoc or occasional hirers of Norwood Concert Hall	General Liability/Product Liability	20,000,000	500
		Principally Uninsured ad hoc or occasional hirers of Council owned facilities in the Council area and skip bins on Council land	General Liability/Product Liability	20,000,000	500
		Principally Uninsured regular hirers of DON Pyatt Hall	General Liability/Product Liability	20,000,000	250
		Principally Uninsured buskers on Council Land	General Liability/Product Liability	20,000,000	1,000
		Up to 63 uninsured stallholders & entertainers at the Council organised Christmas parade or event	Public Liability/Product Liability	20,000,000	500
		Uninsured Council Social Club Committee	Public Liability/Product Liability	20,000,000	-

Summary of Insurance Policies Year Ended 30 June 2023

Policy Name	Period of Cover	What is covered	Fund Limit	Limit of Liability	Deductible
				\$	\$
Personal Accident	30 June 2022 - 30 June 2023	Elected Members under 90 Year Old	Death	500,000	The first Nil of each and every accident claim or series of claims and the first \$Nil of every sickness claim or series of claims arising out of the one Event
			Permanent Total Disablement	500,000	
			Capital Benefits including incurable paralysis, Loss of sight, Loss of limbs and Incurable insanity	500,000	
			<hr/>		
		Other Insured People under 90 Years Old	Death	300,000	
			Permanent Total Disablement	300,000	
			Capital Benefits including incurable paralysis, Loss of sight, Loss of limbs and Incurable insanity	300,000	
			<hr/>		
		Insured People at 90 Years or Older	Death	10,000	
			Permanent Total Disablement	10,000	
			Capital Benefits including incurable paralysis, Loss of sight, Loss of limbs and Incurable insanity	10,000	
			<hr/>		
Salary/Wage earners	Weekly Injury	100% of average weekly income up to a maximum of \$3,000 per week up to 156 weeks	The first Nil of each and every accident claim or series of claims and the first \$Nil of every sickness claim or series of claims arising out of the one Event		
		<hr/>			
Journey Injury	30 June 2022 - 30 June 2023	All Employees	Death & Capital Benefits	100,000	the first Nil of each and every loss or series of losses arising out of any one event
			Weekly Benefits	100% of weekly earnings (as defined) up to a maximum Weekly benefit of \$5,000 payable for 104 weeks from the date of injury	



Summary of Insurance Policies Year Ended 30 June 2023

Policy Name	Period of Cover	What is covered	Fund Limit	Limit of Liability	Deductible
				\$	\$
Local Government Income Protection Fund	30 June 2022 - 30 June 2023	City of Norwood, Payneham & St Peters for and on behalf of staff.	Death and Permanent Total Disablement	15,000	
			Temporary total disablement	100% of gross weekly basic wage payable for up to 104 weeks from the date of accident or illness except Psychological Illness claims which are payable for a maximum period of 26 weeks only	
			Temporary Partial Disablement	A minimum of 25% of gross weekly basic wage payable for up to 104 weeks from the date of accident or illness except Psychological Illness claims which are payable for a maximum period of 26 weeks only	
			Workers Compensation Top up Benefit - Temporary total disablement:	Up to 100% of weekly basic wage payable for up to 104 weeks from the date of accident or illness except Psychological Illness claims which are payable for a maximum period of 26 weeks only	
			Workers Compensation Top up Benefit - Temporary Partial disablement:	Up to 100% of weekly basic wage payable for up to 104 weeks from the date of accident or illness except Psychological Illness claims which are payable for a maximum period of 26 weeks only	
			Illness or Injury resulting in Weekly Benefits Claim		10 Working Days
			Non-Professional Football Claim		20 Working Days
			Psychological Illness Claims		20 Working Days

Attachment B

2022-2023 Insurance Coverage and 2021-2022 Insurance Claims

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
Norwood
Payneham
& St Peters



2021-2022 CLAIMS MUTUAL LIABILITY SCHEME

Date	Description of claim	Status	Nature of Claim	Basis for Denial
9 July 2021	Damage to vehicle on pothole on Portrush Road, Payneham	Redirected to DIT	Referred to Third Party	
6 July 2021	Damage to vehicle by fallen tree on Battams Street, Stepney	Claim Denied	Tree	Section 245 - Local Government Act
6 July 2021	Damage to tyre on pothole at roundabout corner Hampden Street and Marian Road, Firle	Claim Denied	Road	Section 42 - Civil Liability Act
12 May 2021	Damage to vehicle by fallen tree branch on Oxford Street, Hackney	Claim Denied	Tree	Section 245 - Local Government Act
13 May 2021	Damage to vehicle by temporary fence on Portrush Road, Trinity Gardens	Redirected Claimant to DIT	Referred to Third Party	
4 August 2021	Damage to vehicle from paint spill on the road on the corner of Queen Street and The Parade, Norwood	Redirected Claimant to Claimant's Motor Vehicle Insurer	Referred to Third Party	
20 May 2021	Damage to vehicle by reversing into street tree on Bertram Street, Hackney	Claim Denied	Tree	Section 245 - Local Government Act
21 August 2021	Damage to vehicle by broken median strip on Portrush Road, Payneham	Redirected Claimant to DIT	Referred to Third Party	
29 August 2021	Damage to vehicle on sewer plate on Portrush Road, Trinity Gardens	Redirected Claimant to DIT	Referred to Third Party	
1 September 2021	Damage to property by Stormwater Drain on Barnes Road, Glynde	Made Ex Gratia payment	Stormwater	
6 September 2021	Damage to property by Poor Drainage on Eighth Avenue, St Peters	Under investigation	Stormwater	
30 June 2020	Damage to electrical mains at property by tree roots on Osmond Terrace, Norwood	Claim Denied.	Tree	Section 245 - Local Government Act
1 October 2021	Damage to vehicle on pothole on Portrush Road.	Redirected Claimant to DIT	Referred to Third Party	
18 October 2021	Damage to vehicle on pothole on Portrush Road.	Redirected Claimant to DIT	Referred to Third Party	
22 October 2021	Damage to private road by EastWaste trucks	Redirected to EastWaste	Referred to Third Party	
23 October 2021	Damage to property by fallen tree branch on Bakewell Road, Evandale	Claim Denied.	Tree	Section 245 - Local Government Act
24 August 2021	Damage to vehicle by fallen tree corner of Llandower Avenue and Bakewell Road, Evandale	Redirected claim back to private company	Referred to Third Party	



2021-2022 CLAIMS MUTUAL LIABILITY SCHEME

Date	Description of claim	Status	Nature of Claim	Basis for Denial
11 November 2021	Fall on uneven pavers on Shirley Avenue, Felixstow	Claim Denied	Footpath	Section 42 - Civil Liability Act
5 November 2021	Flooding to propety on Church Avenue, Norwood due to stormwater issues	Under investigation	Stormwater	
3 May 2021	Fall in sunken Telstra pit on Dudley Road, Marryatville	Redirected claim to Telstra	Referred to Third Party	
2 December 2021	Injury to foot on broken tile at the Norwood Swimming Centre	Under investigation	General	
19 December 2021	Damage to riders and bikes on uneven bitumen in bike lane on Portrush Road, Kensington	Redirected Claim to DIT	Referred to Third Party	
20 December 2021	Damage to vehicle by Enviro Sweep truck in Scott Street, Glynde	Redirected claim to Enviro Sweep. Referred to LGAMLS to discuss with parties.	Referred to Third Party	
7 January 2022	Damage to Car by Garbage Trucks	Redirected to EastWaste	Referred to Third Party	
7 January 2022	Damage to tyre on sharp SEP opposite Orlando Court, Marden	Claim denied.	Road	Section 42 - Civil Liability Act
3 November 2021	Damage to property at on Lewis Road, Glynde by fallen tree branch	Claim denied.	Tree	Section 245 - Local Government Act
19 January 2022	Damage to fence by by fallen tree branches on Redeen Court, Felixstow	Claim denied.	Tree	Section 245 - Local Government Act
27 January 2022	Tree fell on vehicle cnr Eighth Avenue and Stephen Terrace, St Peters	Claim denied.	Tree	Section 245 - Local Government Act
1 February 2022	Damage to property by rubbing tree branches on Alfred Street, Norwood	Claim denied.	Tree	Section 245 - Local Government Act
4 August 2021	Damage to vehicle by lack of line marking on cnr Gray & Eastry Streets, Norwood	Claim denied.	Line Marking	Australian Road Rules
4 February 2022	Damage to vehicle by fallen tree branch on Amherst Avenue, Trinity Gardens	Claim denied.	Tree	Section 245 - Local Government Act
7 February 2022	Damage to vehicle by fallen tree branch on Payneham Road, St Peters	Claim denied.	Tree	Section 245 - Local Government Act
23 February 2022	Damage to vehicle by fallen seed pods on Flinders Street, Kent Town	Claim denied.	Tree	Section 245 - Local Government Act
20 February 2022	Damage to vehicle and fence by street trees on Seventh Avenue, St Peters	Claim denied.	Tree	Section 245 - Local Government Act



2021-2022 CLAIMS MUTUAL LIABILITY SCHEME

Date	Description of claim	Status	Nature of Claim	Basis for Denial
8 March 2022	Damage to property by fallen tree on Winchester Street, St Peters	Claim denied.	Tree	Section 245 - Local Government Act
8 March 2022	Damage to property by fallen tree on Winchester Street, St Peters	Claim denied.	Tree	Section 245 - Local Government Act
6 March 2022	Damage to Budget truck by overhanging tree branch on Cann Close, Felixstow	Claim denied.	Tree	Section 245 - Local Government Act
28 January 2022	Damage to truck by overhanging tree on Stephen Terrace, St Peters	Claim denied.	Tree	Section 245 - Local Government Act
4 February 2022	Fall on footpath on Osmond Terrace, Norwood	Claim denied.	Footpath	Section 42 - Civil Liability Act
16 March 2022	Damage to trouser after fall on Telstra Pit Lid	Claimant redirected to Telstra	Referred to Third Party	
24 March 2022	Damage to caravan on tree branch on Eleventh Avenue, St Peters	Claim denied.	Tree	Section 245 - Local Government Act
	Damage to vehicle by fallen tree branch on Magill Road, St Morris	Claim denied.	Tree	Section 245 - Local Government Act
22 March 2022	Fall on footpath on The Parade, Norwood	Claim denied.	Footpath	Section 42 - Civil Liability Act
25 March 2022	Fall on footpath on Payneham Road, Payneham	Claim denied.	Footpath	Section 42 - Civil Liability Act
25 March 2022	Damage to vehicle by pothole on Shipsters Road, Kensington	Claim denied.	Road	Section 42 - Civil Liability Act
1 March 2022	Fall on footpath on Newcastle Street, Heathpool	Claim denied.	Footpath	Section 42 - Civil Liability Act
24 April 2022	Damage to vehicle by street sweeper on Second Avenue, Joslin	Claim referred to EnviroSweep	Referred to Third Party	
8 April 2022	Fall on footpath on Kensington Road, Norwood	Claim denied.	Footpath	Section 42 - Civil Liability Act
27 April 2022	Damage to vehicle by pothole on Arthur Street, Payneham	Claim denied.	Road	Section 42 - Civil Liability Act
9 May 2022	Damage to property by tree roots on John Street, Payneham	Claim denied.	Tree	Section 245 - Local Government Act
10 November 2021	Fall on footpath on Clifton Street, Maylands	Claim denied.	Footpath	Section 42 - Civil Liability Act



2021-2022 CLAIMS MUTUAL LIABILITY SCHEME

Date	Description of claim	Status	Nature of Claim	Basis for Denial
27 January 2022	Damage to fence by by fallen tree branch on Winchester Street, St Peters	Claim denied.	Tree	Section 245 - Local Government Act
4 April 2022	Damage to plumbing by street tree roots on Beaufort Crescent, Felixstow	Awaiting insurance report and under investigation	Tree	

6.5 FINANCE POLICIES

REPORT AUTHOR: Accountant
GENERAL MANAGER: General Manager, Corporate Services
CONTACT NUMBER: 8366 4585
FILE REFERENCE: fA16462/A397771
ATTACHMENTS: A - H

PURPOSE OF REPORT

The purpose of this report is to present finance related policies which have been reviewed to the Audit Committee, for consideration and endorsement prior to being presented to the Council for adoption.

BACKGROUND

Pursuant to Section 125 of the *Local Government Act 1999*, the Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets, and to secure (as far as possible) the accuracy and reliability of the Council's records.

The 2021-2022 Audit Committee Work Program requires the Audit Committee to review the appropriateness of the range and content of the Council's financial policies and practices.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Documentation of policies relating to the Council's financial transactions improves transparency and ensures consistent treatment over subsequent reporting periods unless Accounting Standards or legislation changes.

CONSULTATION

- **Committee Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Nil
- **Other Agencies**
Not Applicable.

DISCUSSION

In accordance with the Finance Policy Timetable, a review a number of policies, as contained in **Attachment A to C**, has been undertaken. Following the review, the amendments to the policies, as detailed in Table 1 below, are presented to the Committee for consideration and recommendation to the Council for adoption, subject to any amendment which may be considered appropriate by the Audit Committee.

TABLE 1: PROPOSED POLICY AMMENDMENTS

Policy	Details of Proposed Amendment
Rate Rebates on Council Land Leased or Licenced (Attachment A)	No changes recommended.
Rate Rebate Policy (Attachment B)	No changes recommended
Asset Capitalisation and Depreciation Policy and Policy Guidelines (Attachment C)	No changes recommended.
Fringe Benefits Tax Policy (Attachment D)	Minor administrative changes to reflect change in position titles
Petty Cash Policy (Attachment E)	Minor administrative changes to reflect change in position titles
Bank Accounts Policy (Attachment F)	Minor administrative changes to reflect change in position titles
Prudential Management Policy (Attachment G)	Update the project value for which a Prudential Management Report is required from \$4.7 million to \$5.1 million.
Procurement Policy & Guidelines (Attachment H)	Update to Policy Guidelines to include reference to additional electronic submission options for Select Tenders.

OPTIONS

The Policies can be recommended to the Council for adoption with or without amendment.

CONCLUSION

To ensure compliance with Section 125 of the Act, the Council must have in place appropriate policies, practices and procedures which assist the Council to carry out its activities in an efficient and orderly manner. It is important to ensure that the policies adopted by the Council are regularly reviewed to ensure that they reflect the current operating environment and continue to meet the Council's overall objectives.

COMMENTS

Nil

RECOMMENDATION

1. That the Audit Committee notes that the following policies have been reviewed and notes that no amendments are recommended:
 - Rate Rebates on Council Land Leased or Licenced (**Attachment A**);
 - Rate Rebate Policy (**Attachment B**); and
 - Asset Capitalisation and Depreciation Policy and Policy Guidelines (**Attachment C**).

2. That the Audit Committee notes that the following policies have been reviewed and notes that minor amendments are recommended:
 - Fringe Benefits Tax Policy (**Attachment D**);
 - Petty Cash Policy (**Attachment E**);
 - Bank Accounts Policy (**Attachment F**);
 - Prudential Management Policy (**Attachment G**); and
 - Procurement Policy & Guidelines (**Attachment H**).

3. That the Audit Committee recommends to the Council that the following policies be adopted:
 - Rate Rebates on Council Land Leased or Licenced (**Attachment A**);
 - Rate Rebate Policy (**Attachment B**);
 - Asset Capitalisation and Depreciation Policy and Policy Guidelines (**Attachment C**);
 - Fringe Benefits Tax Policy (Attachment D);
 - Petty Cash Policy (**Attachment E**);
 - Bank Accounts Policy (**Attachment F**);
 - Prudential Management Policy (**Attachment G**); and
 - Procurement Policy & Guidelines (**Attachment H**).

Attachment A

Finance Policies

Rate Rebates on Council Land Leased or Licenced Policy

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
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& St Peters**



City of
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Payneham
& St Peters

NAME OF POLICY: Rate Rebates on Council Land Leased or Licenced

POLICY MANUAL: Finance

PURPOSE

The purpose of this policy is to provide guidance to staff as to when Council Rates will be rebated on Council owned land that is under lease or licence to a third party.

DISCUSSION

Pursuant to Section 147 (2) (f) of the *Local Government Act 1999* (the Act), land owned by Council, which is under separate lease, or licence is rateable land for the purposes of levying Council Rates.

Many of the Council's leased facilities are for community purposes, for example sports fields, social, cultural or community clubs, etc. The imposition of Council rates could pose a significant new cost burden to the user groups.

POLICY

Council Rates applying to Council owned land that is under separate lease or licence may be rebated 100% pursuant to section 166 (1) (j) of the *Local Government Act 1999*, where in the opinion of the Council, the land is being used by an organisation which provides a benefit or service to the local community.

The benefit to the City may be by way of but not limited to, sport and recreation, cultural development, arts and crafts, community meetings, fitness, health, social support and leisure opportunities or similar.

The lessee (or licensee) may be required to provide necessary documentation to validate their claim to being an eligible for the rebate at the time of granting the lease or licence.

Where a lessee (or licensee) in the opinion of the Council does not provide a benefit or service to the local community the lease arrangements will be treated as a "commercial agreement" and Council Rates will be applied.

REVIEW PROCESS

The Council will review this Policy within 36 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's Rates and Revenue Officer telephone 8366 4554.

ADOPTION OF THE POLICY

This Policy was adopted by Council on 14 October 2002.

This Policy was reviewed by the Audit Committee on 28 May 2018

This Policy was adopted by the Council on 4 June 2018

This Policy was reviewed by the Audit Committee on 25 July 2022

This Policy was adopted by the Council on August 2022

TO BE REVIEWED

May 2025

Attachment B

Finance Policies

Rate Rebate Policy

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



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& St Peters

NAME OF POLICY:	Rate Rebate Policy
POLICY MANUAL:	Governance

BACKGROUND

The purpose of this Policy is to assist the Council in determining applications for rate rebates and to provide guidance to the community about the grounds upon which they may be entitled to a rebate of rates in accordance with the requirements of the *Local Government Act 1999* (the Act).

In accordance with the Act, this Policy sets out the type of use of land which the Council must grant a rebate of rates and the quantum of the rebate and those types of land uses where the Council has discretion to grant a rebate of rates.

KEY PRINCIPLES

The Act provides:

- for a mandatory rebate of rates in specified cases and specifies the amount of that rebate
- that where the Council must grant a rebate of rates under the Act, and the amount of that rebate fixed by the Act is at less than 100%, the Council may increase the amount of the rebate; and
- pursuant to Section 166, for the Council to provide, at its discretion, a discretionary rebate of rates in the cases set out in that Section (see Clause 2.0 below).

POLICY

1. Mandatory Rebates

1.1. Pursuant to Chapter 10, Division 5 – Rebates of rates, the Council will grant a 100% rebate on the rates payable for the following specified land use

- a. Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australia Health Commission Act 1976 (Section 160);
- b. Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes (Section 162);
- c. Land used for the purpose of a public cemetery (Section 163)
- d. Land (other than land used as domestic premises owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated (Section 164)

1.2. Pursuant to Chapter 10, Division 5 – Rebates of rates, the Council will grant a 75% rebate on the rates payable for the following specified land use;

- a. Land that is predominantly being used for service delivery or administration (or both) by a community services organisation. (Section 161).
 - To be eligible for the Community Services Rebate applied under Section 161, the Community Services Organisations must meet the definition of a “community services organisation” as defined in Section 161 (2), (3).and (4) of the Act.
 - Community Services Organisations must meet all criteria set out in the definition of a Community Services Organisation to be eligible for the rebate.
- b. Land occupied by a government school under a lease or licence and being used for educational purposes (Section 165 (1)(a)).
- c. Land occupied by a non-government school registered under Education and Early Childhood Services (Registration and Standards) Act 2011 and being used for educational purposes (Section 165 (1) (b)).

d. Land being used by a University or University Collage to provide accommodation or other forms of support for students on a not-for-profit basis (Section 165 (2)).

- 1.3. Where the Council is satisfied from its own records or from other sources, that a person or body meets the necessary criteria for a Mandatory Rebate, the Council will automatically apply the eligible rebate.
- 1.4. Where a person or body is entitled to a rebate of 75%, the Council may, pursuant to Section 159(4) of the Act grant the further rebate of up to 25%. In its determination to grant a further mandatory rebate of up to 100%, the Council will take into account those matters set out in Section 166 of the Act.
- 1.5. Persons who or bodies which are eligible for a mandatory rebate and seek additional rebate of up to 25%, are required to submit an application to the Council and provide the Council such information as stipulated on the application form and any other information that the Council may reasonably require.
- 1.6. Persons who or bodies which have not received an automatic rebate and believe the criteria for a mandatory rebate have been met, can submit an Application for Rate Rebate to the Council.

2. Discretionary Rebates

- 2.1. Upon application, the Council may, pursuant to Section 166 of the Act, grant a Discretionary Rebate of rates. The granting of a rebate and the amount of the rebate will be at the absolute discretion of the Council.
- 2.2. In assessing an application for a Discretionary Rebate, the Council will consider the criteria set out in Section 166 of the Act.
- 2.3. Persons who or bodies which seek a discretionary rebate are required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require to assess the application.

3. Application for Rebates

- 3.1. The Council will inform the community of the provisions for Rate Rebates under the *Local Government Act 1999*, by the inclusion of suitable details on the Annual and Quarterly Rates Notice and within the Council's Rating Policy which is available on the Council's website www.npsp.sa.gov.au
- 3.2. Persons or bodies who seek a rebate of rates (and/or service charges) must make a written application to the in the manner and form determined by the Council and supplying such information as the Council may reasonably require to assess the eligibility for a rebate.
- 3.3. Application forms are available on the Council's website www.npsp.sa.gov.au or may be obtained from the Council's Principal Office located at 175 The Parade, Norwood.
- 3.4. In considering applications for rebates, the Council will take into account the matters set out in Division 5 – Rebate of rates of the Act.
- 3.5. The Council may also take into account other matters which are considered relevant by the Council including, but not limited to, the following –
 - the outstanding rates balance at the time of the application;
 - the need for financial assistance through a rebate;
 - the appropriateness of the extent of the rebate (percentage and dollar amount) being sought;
 - the extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
 - whether, and if so to what extent, the applicant is or will be providing a service within the City of Norwood, Payneham & St Peters;
 - whether the applicant is a public sector body, a not-for-profit body , a commercial body or community service organisation;
 - whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
 - consideration of the full financial consequences of the rebate for the Council;
 - the timeliness the application is received;
 - any other matters, and policies of the Council, which the Council considers relevant.

The Council has delegated its power, pursuant to Section 44 of the Act to determine applications and to grant a discretionary rebate of rates to the Chief Executive Officer.

The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies. Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

The Council will, in writing, advise an applicant for a rebate of its determination of that application.

<https://www.legislation.sa.gov.au/LZ/C/A/LOCAL%20GOVERNMENT%20ACT%201999.aspx>

REVIEW PROCESS

This Policy will be reviewed within 24 months of the adoption date of the Policy, subject to any amendments to the relevant sections of the *Local Government Act 1999*.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's Rates and Revenue Officer, telephone 8366 4554.

ADOPTION OF THE POLICY

The Rate Rebate Policy was endorsed by the Audit Committee on 28 July 2014.

The Rate Rebate Policy was adopted by the Council on 4 August 2014.

The Rate Rebate Policy was endorsed by the Audit Committee on 26 July 2016.

The Rate Rebate Policy was adopted by the Council on 1 August 2016.

The Rate Rebate Policy was endorsed by the Audit Committee on 23 July 2018

The Rate Rebate Policy was adopted by the Council on 6 August 2018

The Rate Rebate Policy was endorsed by the Audit Committee on 27 July 2020

The Rate Rebate Policy was adopted by the Council on 3 August 2020

[The Rate Rebate Policy was endorsed by the Audit Committee on 25 July 2022](#)

[The Rate Rebate Policy was adopted by the Council on August 2022](#)

TO BE REVIEWED

July ~~2022~~2024

Attachment C

Finance Policies

Asset Capitalisation and Depreciation Policy & Policy Guidelines

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



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NAME OF POLICY: Assets Capitalisation and Depreciation Policy

POLICY MANUAL: Finance

This Policy is to be read and applied in conjunction with the Assets Capitalisation and Depreciation Guideline.

BACKGROUND

The *Local Government (Financial Management) Regulations 2011* (the Regulations) Part 3 Section 11 (1,) requires a Council to “ensure that all accounting records, accounts and financial statements are prepared and maintained in accordance with all relevant Australian Accounting Standards”.

In addition, Part 4 Section 13 of the Regulations requires that the Financial Statements of a Council “must be in accordance with the requirements set out in the Model Financial Statements” and under Part 1 Section 4 b (4) of the Regulations the approval of the Minister is required for any alteration to the Model Financial Statements.

This Policy has been prepared to provide guidance to staff in the management of the Council's financial records and accounts associated with the Council's infrastructure, property, plant & equipment.

Separate Asset Accounting Policies have been prepared for:

- Asset Revaluation; and
- Asset Impairment.

KEY PRINCIPLES

This Policy refers to the *Local Government (Financial Management) Regulations 2011* and *Accounting Standards AASB 116 Property, Plant and Equipment* (AASB 116) and *AASB 1051 Land under Roads* (AASB 1051).

POLICY

1. Land under Roads

The Council has determined not to recognise Land under Roads acquired prior to 1 July 2008, as an asset in accordance with AASB 1051. Land under Roads acquired subsequent to 30 June 2008, have not been recognised in the Council's financial records, as the Council is of the opinion that it is not possible to reliably attribute a fair value and further, that such value if determined would be immaterial.

2. Other Infrastructure, Property, Plant and Equipment

In accordance with Accounting Standard AASB 116, the Council will;

- a) capitalise material expenditure which creates a physical asset that provides future benefits of more than twelve (12) months; and,

In accordance with Australian Accounting Standard AASB 116, the cost of an item of property, plant and equipment, will be recognised as an asset in the Council's financial records if, and only if:

- it is probable that future economic benefits embodied in the asset will eventuate. The probability of the future economic benefit eventuating must be greater than 50%; and
- the asset possesses a cost or other value that can be measured reliably.

For all other expenditure, where the above mentioned criteria are not met, the expenditure must be recognised as an expense in the period in which the expenditure is incurred.

- b) recognise as a maintenance expense in the period the expenditure is incurred, any expenditure incurred to ensure that the physical asset will continue to operate at normal capacity until the end of its life; and
- c) depreciate the cost of the asset over the useful life of the asset, subject to the inclusion of a residual value where applicable, to reflect the consumption of the economic benefits embodied in the physical asset.

3. Works in Progress

Capital works still in progress at balance date, will be recognised as other Non-Current Assets on the Statement of Financial Position and will be recognised as Infrastructure, Property or Plant & Equipment, when the physical asset is ready for use.

4. Capitalisation Threshold

Capital expenditure which meets the recognition of the criteria set out in Accounting Standard AASB116, will be recorded as an asset in the financial records of the Council only if the following expenditure thresholds set out in Table 1 below are met:

Table 1

Asset Category	Capitalisation Threshold
Land	With the exception of Land under Roads and Easements, all land will be capitalised and recorded as an asset of the Council
Building & Other Structure	\$3,000
Plant & Equipment	\$1,000
Furniture & Fittings	\$1,000
Civil Infrastructure	\$3,000
Library Resources	\$1,000
Open Space Assets	\$1,000

5. Depreciation of Assets

The Council will apply **straight line depreciation** for all assets on the basis that the economic benefits provided by the assets are consumed in a consistent manner throughout the useful life of the asset.

Annual Depreciation Charge will be calculated as follows:

(Cost of Asset minus Residual Value) divided by the Useful Life of the particular asset

6. Useful Life

To calculate the annual depreciation of physical non-current assets, the useful lives set out in Table 2 will be applied. The useful lives are based on the Council's current Asset Management Policies, historical evidence and data and professional judgement.

Table 2

Asset Category	Useful Life
Building & Other Structures	10 - 100 Years
Plant & Equipment	3 - 20 Years
Furniture & Fittings	10 - 20 Years
Civil Infrastructure	
• - Road Seal	10 - 40 Years
• - Road Base	80 - 150 Years
• - Road Sub Base	80 - 300 Years
• - Off Road Carpark	100 Years
• - Linear Park	30 - 60 Years
• - Traffic Control	30 - 60 Years
• - Footpath	15 - 50 Years
• - Kerbing	40 - 70 Years
• - Stormwater	80 - 100 Years
Library Purchase	2 - 8 Years
Open Space Assets	10 - 100 Years

7. Commencement of Depreciation Charge

All assets will be capitalised at 30 June of the year in which the asset is ready for use and the depreciation expenditure will commence from 1 July of that year.

REVIEW PROCESS

The Council will review this Policy within 36 months of the adoption date of the Policy or in event of any significant change in legislation or Accounting Standards.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's Accountant, telephone 8366 4541.

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 27 July 2015.

This Policy was adopted by the Council on 3 August 2015.

This Policy was endorsed by the Audit Committee on 24 October 2016.

This Policy was adopted by the Council on 7 November 2016.

This Policy was endorsed by the Audit Committee on 14 August 2019

This Policy was adopted by the Council on 2 September 2019

[This Policy was endorsed by the Audit Committee on 25 July 2022](#)

[This Policy was adopted by the Council on August 2022](#)

TO BE REVIEWED

July ~~2022~~2025



NAME OF POLICY: **Assets Capitalisation and Depreciation Guideline**

POLICY MANUAL: **Finance**

This Guideline is to be read in conjunction with the Assets Capitalisation and Depreciation Policy.

BACKGROUND

This Guideline has been prepared to provide definitions and guidance to staff in managing the Council's financial records and accounts under the Assets Capitalisation and Depreciation Policy.

KEY PRINCIPLES

This Guideline refers to the Local Government (Financial Management) Regulations 2011 (the Regulations), Accounting Standards AASB 116 Property, Plant and Equipment (AASB 116) and AASB 1051 Land under Roads (AASB 1051)

GUIDELINE

1. Definition of Cost

Accounting Standard AASB 116 "*Property, Plant and Equipment*", defines the cost of an item of property, plant and equipment as:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Examples of Expenditure which include but are not limited to:

- costs of employee benefits (as defined in AASB 119 Employee Benefits), arising directly from the construction or acquisition of the item of property, plant and equipment;
- costs of site preparation;
- initial delivery and handling costs;
- installation and assembly costs;
- costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment); or
- professional fees.

2. Capitalisation Threshold

Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* defines that "*omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor*".

The definition of Materiality leads to the recognition that not all Assets are recognised in the Council's financial records. For example, stationery, (i.e. folders and calculators' useful life is often greater than 12 months;) however the cost is minor and therefore more efficient to expense the cost to the Income Statement in the period that the expense is incurred.

However, some items with individually immaterial cost can still be recorded as an asset, if considered as a group of assets, such as the furniture and bins.

The expenditure thresholds are set to provide a balance between the efficiency in administrative effort associated with maintaining records and the need to 'expense' items, through depreciation, against more than one financial year so that revenues and expenses are matched, as well as the need to present a true & fair view of the Council's financial position.

Assets which have an economic life in excess of one year, are only capitalized where the cost of acquisition exceeds the Capitalisation Thresholds established by the Council for each asset category. Expenditure Thresholds have been determined taking into account the nature of the asset and its estimated service life.

Expenditure incurred on assets which does not meet the Expenditure Threshold, is expensed as maintenance expenditure in the period incurred.

Refer to Asset Capitalisation and Depreciation Policy for the Capitalisation Thresholds of each asset category.

3. Treatment of Maintenance

Expenditure on Maintenance, by definition is incurred to ensure that the asset achieves its original intended useful life at the desired service level standard. Maintenance includes expenditure on minor repairs and cyclical maintenance, such as painting and gutter cleaning. An asset's useful life is determined on the basis that regular maintenance is carried out. Maintenance expenditure is to be expensed in the period it is incurred.

Even though originally budgeted as maintenance, some expenditure which is incurred by the Council can;

- extend the asset's economic life;
- improve the asset's service potential; and/or
- add attributes not previously part of the asset.

In such circumstances, subject to the Capitalisation Thresholds, such expenditure will be capitalised against the existing asset.

4. Depreciation

Depreciation is the method by which the future economic benefit of an asset, are allocated to the financial periods where the benefits are utilised or consumed. Depreciation is determined by the cost of the asset (or valuation), less any expected residual value, divided by the useful life of the asset.

Accounting Standard AASB 116 provides the following explanation of useful life:

"The useful life of an asset is defined in terms of the asset's expected utility to the entity. The asset management policy of the entity may involve the disposal of assets after a specified time or after consumption of a specified proportion of the future economic benefits embodied in the asset. Therefore, the useful life of an asset may be shorter than its economic life. The estimation of the useful life of the asset is a matter of judgement based on the experience of the entity with similar assets."

Consistent with these definitions, the Council must set useful lives which accurately reflect the consumption of the service benefits embodied in the asset by the organisation. To set useful lives, consideration will be given to historical information such as how long similar assets have previously maintained their service potential and asset management policies which will determine the timing of asset intervention and renewal.

5. Residual Value

As defined in Accounting Standard AASB 116, the residual value is the estimated amount that an entity would obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

From 1 July 2016, no residual value will be assigned to the Council's assets, except for the bio-filtration system within the Dunstone Grove - Linde Reserve (residual value of 50%).

Since the 2012-2013 Financial Year, residual values of between 24.4% and 28.2% have been applied to the Council's granular road assets. The definition of Residual Value was considered by the Australian Accounting Standards Board on 25 May 2015 and it was concluded that it is inappropriate that cost savings from the future replacement of an asset be used to determine an assets residual value and its depreciable amount, (ie Councils can no longer use the value of recycled materials used in a replacement asset in determining an assets Residual Value). As the Audit Committee meeting held in July 2016, the Committee recommended to the Council (and the Council adopted) that effective from 1 July 2016;

- residual values be removed from the Council's Granular Road Assets
- the Table 1 lists the componentisation and useful lives be applied to the Council's Granular Road Assets

Table 1

Asset Component	Useful Life
Road Seal	10 - 40 Years
Local road	
Road Base	100 Years
Road Sub Base	300 Years
Collector road	
Road Base	100 Years
Road Sub Base	200 Years
Heavy Traffic Road	
Road Base	80 Years
Road Sub Base	80 Years
Roundabout	
Road Base	100 Years
Road Sub Base	200 Years

6. Useful Life of an Asset

The useful life of an asset is defined as the period over which an asset is expected to be available for use by the Council or the number of production or similar units expected to be obtained from the asset by the Council.

The following useful lives as set out in Table 2 to 7, are to be applied to the Council's non-current assets for the purposes of determining the annual depreciation charge.

Table 2 Buildings and Other Structure

Asset Type	Useful Life (years)	Asset Type	Useful Life (Years)
Main Structure		Other Structure	
- Heritage Building Structure	100	- Swimming Pool	60
- Concrete Building Structure	40	- Shade Structure	20
- Timber Frame Building Structure	30	- Water Tank	20
- Building Balcony	30	- Tennis Court	20
Electrical System		- Swing Bridge	60
- Distribution Board	20	Windows	
- Lighting	25	- Blinds	20
- Switchboard	25	- Weather Protection	20
- Hand Dryer	25	- Louvers	30
- Systems	25	- Timber Frame	30
- Power Distribution	30	- Aluminium & Steel Frame	40
Plumbing		Roof	
- Filters	10	- Fascia	20
- Hot Water Services	15	- Eaves & Gutters	40
- Toilet Pan, Basin etc.	15	- Colorbond	40
- General Room Fixtures	20	- Downpipes	40
- Sink & Fittings	20	- Tiles	40
- Vent Pipes	20	- Zinalume Roof	40
- Pipework	30	Stairs	40
Lifts	25	Security	25

Table 3 Plant & Equipment

Asset Type	Useful Life (Years)	Asset Type	Useful Life (Years)
Motor Vehicle		Office/Computer Equipment	
- Car	8	- Software	3
- Forklift	11	- Printer, Scanner, Photocopier & Fax	5
- Light Commercial Vehicle	12		
- Mini Bus	12	Other Plant & Equipment	
- Trailer	15	- Power Tools	3
- Trucks	15	- Air-conditioning	20

Table 4 Furniture & Fittings

Asset Type	Useful Life (Years)	Asset Type	Useful Life (Years)
Chairs	10	Work Station	20
Desks	20		

Table 5 Library Purchase

Asset Type	Useful Life (Years)	Asset Type	Useful Life (Years)
Games	2	CD & Audio Books	7
IPAD	2	CD ROMS	8
Kindles & DS Consoles	2	DVDs	8
Books & Magazines	7		

Table 6 Infrastructure

Asset Type	Useful Life (Years)	Asset Type	Useful Life (Years)
Road Seal		Traffic Control	
- Formed Earth Track	10	- Pedestrian Crossing	30
- Cold Overlay Surface	15	- Central Road Blister	40
- Spray Seal	20	- Distinctive Pavement	40
- Hotmix Bitumen	30	- Road Hum	40
- Concrete Block	40	- Traffic Island/Median	40
Road Base		- Driveway Entry/Link	50
- Local Road	100	- Kerb Extension	50
- Collector Road	100	- Perimeter Threshold	50
- Heavy Traffic Road	80	- Roundabout	50
- Roundabout	100	- Slow Point	50
Road Sub Base		- Part Road Closure	60
- Local Road	300		
- Roundabout	200	Footpath	
- Collector Road	200	- Gravel Footpath	15
- Heavy Traffic Road	80	- Spray Seal	15
Off Road Carpark	100	- Hotmix	30
Linear Park		- Concrete Block Paved	50
- Hotmix	30	- Brick Paved	50
- Insitu Concrete	50		
- Shared Pathway Pavement	60		
Storm Water		Kerbing	

Asset Type	Useful Life (Years)	Asset Type	Useful Life (Years)
- Stormwater Side Entry Pit	80	- Concrete Median Kerb	40
- Stormwater Pump & Valve Chamber	80	- Concrete Rollover Kerb	70
- Footbridge	100	- Concrete Upright Kerb	70
		- Stone	70

Table 7 Open Space Assets

Asset Type	Useful Life (Years)	Asset Type	Useful Life (Years)
Bus Stop Shelters	20	Path	
Fencing		- Concrete Path	40
- Bollard Fencing	20	- Brick Paved Path	40
- Playground Fencing	30	- Steps Path	40
- Tubular Pool Fencing	30	- Stone	50
- Colorbond Steel Post/Rail	30	- Rubber Path	50
- Cyclone	40	Playground Equipment	
- Creekline Steel	40	- Shade Structure	10
- Masonry	50	- Playground Equipment	15
Furniture		- Soft Fall Rubber	20
- Bin Litter	20	- Soft Fall Wood Chips	30
- Drinking Fountain	20	Recreation Equipment	
- Seat	20	- Tennis Court Surface	15
- Table Picnic	20	- Tennis Court Light Switchboard	20
- Monument & Plaque	100	Retaining Walls	
Irrigation	20	-Brick Wall	50
Lighting		- Concrete Wall	50
- Lighting	25	- Stone Wall	75
- Trench & Cable - Wiring & Supply	40	Landscape	10
		Signage	20

Useful lives of Assets are required to be reviewed annually.

REVIEW PROCESS

The Council will review this Policy within 36 months of the adoption date of the Policy or in event of any significant change in legislation or Accounting Standards.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's Accountant, telephone 8366 4541

ADOPTION OF THE POLICY

This Guideline was endorsed by the Audit Committee on 27 July 2015.

This Guideline was adopted by the Council on 3 August 2015.

This Guideline was endorsed by the Audit Committee on 24 October 2016

This Guideline was adopted by the Council on 7 November 2016

This Guideline was endorsed by the Audit Committee on 14 August 2019

This Guideline was adopted by the Council on 2 September 2019

[This Guideline was endorsed by the Audit Committee on 25 July 2022](#)

[This Guideline was adopted by the Council on August 2022](#)

TO BE REVIEWED

July 202~~2~~5

Attachment D

Finance Policies

Fringe Benefits Tax Policy

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**



City of
Norwood
Payneham
& St Peters

NAME OF POLICY: Fringe Benefits Tax

POLICY MANUAL: Finance

BACKGROUND

Pursuant to Section 125 of the *Local Government Act 1999*, the Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets and to secure (as far as possible) the accuracy and reliability of the Council's records.

DISCUSSION

As defined by *Fringe Benefits Tax Assessment Act 1986*, a Fringe Benefit is a benefit which is provided in respect of employment, (ie a benefit is provided to somebody **by virtue that they are an employee**).

Fringe Benefits Tax (FBT) is payable on benefits in place of, or in addition to, salary or wages of employees.

As defined in the legislation, Fringe Benefits includes, but is not limited to the following:

- the use of a work vehicle for private or commuting purposes;
- business lunches and drinks, events and staff social functions; and
- providing entertainment to employees by providing access to sporting or theatrical events, etc.

Fringe benefits provided to employees are required to be reported on an employee's annual PAYG payment summary.

The FBT year is from 1 April to 31 March each year, with an annual return to be submitted to the Australian Tax Office by May each year.

KEY PRINCIPLES

This Council will ensure compliance with FBT obligations under Australian tax law.

POLICY

The Council will comply with the provisions of the *Fringe Benefits Tax Assessment Act, 1986*.

Where applicable, the value of fringe benefits provided to employees will be reported on an employee's annual PAYG payment summary.

Adequate records will be maintained to support the Council's FBT Return for a period of no less than seven (7) years.

REVIEW PROCESS

The Council will review this Policy within 36 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is the Council's ~~General~~ Manager, ~~Corporate Services~~Finance, telephone 8366 4585.

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 26 March 2012.

This Policy was adopted by the Council on 2 April 2012.

This Policy was endorsed by the Audit Committee on 25 February 2013.

This Policy was adopted by the Council on 4 March 2013.

This Policy was endorsed by the Audit Committee on 28 July 2014.

This Policy was adopted by the Council on 4 August 2014.

This Policy was endorsed by the Audit Committee on 27 July 2015.

This Policy was adopted by the Council on 4 August 2014.

This Policy was endorsed by the Audit Committee on 24 July 2017.

This Policy was adopted by the Council on 7 August 2017.

This Policy was endorsed by the Audit Committee on 14 August 2019.

This Policy was adopted by the Council on 2 September 2019.

[This Policy was endorsed by the Audit Committee on 25 July 2022.](#)

[This Policy was adopted by the Council on August 2022.](#)

TO BE REVIEWED

July ~~2022~~2025

Attachment E

Finance Policies

Petty Cash Policy

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**



City of
Norwood
Payneham
& St Peters

NAME OF POLICY: Petty Cash

POLICY MANUAL: Finance

BACKGROUND

Pursuant to Section 125 of the *Local Government Act 1999*, the Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets and to secure (as far as possible) the accuracy and reliability of the Council's records.

DISCUSSION

The City of Norwood Payneham & St Peters operates in an environment which is subject to public scrutiny. It is required to ensure that cash resources are allocated in an effective manner to minimize rate increases to its rate payers and ensure the continuation of service provision to the City in the most efficient and cost effective manner.

KEY PRINCIPLES

The intent of this Policy is to provide guidance regarding the operation of the Council's petty cash system.

POLICY

The Council will operate a Petty Cash system throughout the organisation for expense reimbursement to staff for all approved business expenses which are incurred in the course of their employment.

Staff reimbursement through Petty Cash is limited to \$50.00, including GST. Reimbursements greater than \$50.00, will be made direct to the employees nominated bank account unless otherwise authorised by the General Manager, Corporate Services.

Elected Members may be reimbursed through the Council's Petty Cash System for approved business expenses which are incurred while undertaking official duties as an Elected Member.

Elected Member reimbursements through Petty Cash are limited to \$50.00, including GST. Reimbursements greater than \$50.00 will be made direct to the Elected Members nominated bank account unless otherwise authorised by the General Manager, Corporate Services.

Approval of vouchers shall be in accordance with the Council's Expenditure Policy. Under no circumstances can individual employees or Elected Members authorise their own re-imbusement.

All petty cash reimbursements must be supported by receipts/invoices.

Cash advances will only be made with prior approval.

Petty Cash is not to be used for the reimbursement of personal cheques.

An audit of petty cash floats will be undertaken at least annually.

REVIEW PROCESS

The Council will review this Policy within 36 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is the Council's [General Manager, Corporate Services Manage, Finance](#), telephone 8366 4585.

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 26 March 2012.

This Policy was adopted by the Council on 2 April 2012.

This Policy was endorsed by the Audit Committee on 25 February 2013.

This Policy was adopted by the Council on 4 March 2013.

This Policy was endorsed by the Audit Committee on 28 July 2014.

This Policy was adopted by the Council on 4 August 2014.

This Policy was endorsed by the Audit Committee on 27 July 2015.

This Policy was adopted by the Council on 3 August 2015.

This Policy was endorsed by the Audit Committee on 24 July 2017

This Policy was adopted by the Council on 7 August 2017

This Policy was endorsed by the Audit Committee on 14 August 2019

This Policy was adopted by the Council on 2 September 2019

[This Policy was endorsed by the Audit Committee on 25 July 2022](#)

[This Policy was adopted by the Council on August 2022](#)

TO BE REVIEWED

July 202~~2~~⁵

Attachment F

Finance Policies

Bank Accounts Policy

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
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& St Peters**



City of
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Payneham
& St Peters

NAME OF POLICY: Bank Accounts

POLICY MANUAL: Finance

BACKGROUND

Pursuant to Section 125 of the *Local Government Act 1999*, the Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets and to secure (as far as possible) the accuracy and reliability of the Council's records.

DISCUSSION

The City of Norwood Payneham & St Peters operates in an environment which is subject to public scrutiny and legislative requirements. The Council is required to ensure that financial resources are allocated in an effective manner to ensure that best value is achieved and the continuation of service provision to the City in the most efficient and cost effective manner.

Bank accounts will be operated exclusively for the purpose of conducting Council business.

Transactional banking is presently carried out through the ANZ Bank. Banking trends and costs will be monitored by the Manager, Finance and this relationship will be maintained unless determined otherwise by Council resolution.

Investment banking is presently carried out through the Local Government Finance Authority (LGFA). This relationship will be maintained unless determined otherwise by Council resolution.

KEY PRINCIPLES

This policy applies to all Council bank accounts.

POLICY

New accounts can only be opened with the approval of the Chief Executive Officer and the General Manager, Corporate Services.

Authorised signatories will be appointed for the operation of accounts. At least two (2) authorised officers approved by the Council are required to sign for bank account transactions.

Authorised signatories are staff currently holding the positions of;

- Chief Executive Officer;
- General Manager, Corporate Services;
- [Financial Services Manager](#)~~Manager, Finance~~;
- Accountant;
- Assistant Accountant;

Bank reconciliations for each bank account operated by the Council shall be prepared daily.

REVIEW PROCESS

The Council will review this Policy within 36 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's [General Manager, Corporate Services](#)~~Manager, Finance~~, telephone 8366 [45854548](#).

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 26 March 2012.

This Policy was adopted by the Council on 2 April 2012.

This Policy was endorsed by the Audit Committee on 25 February 2013.

This Policy was adopted by the Council on 4 March 2013.

This Policy was endorsed by the Audit Committee on 28 July 2014.

This Policy was adopted by the Council on 4 August 2014.

This Policy was endorsed by the Audit Committee on 27 July 2015.

This Policy was adopted by the Council on 3 August 2015.

This Policy was endorsed by the Audit Committee on 24 July 2017.

This Policy was adopted by the Council on 7 August 2017.

This Policy was endorsed by the Audit Committee on 14 August 2019.

This Policy was adopted by the Council on 2 September 2019.

[This Policy was endorsed by the Audit Committee on 25 July 2022.](#)

[This Policy was adopted by the Council on August 2022.](#)

TO BE REVIEWED

July ~~2022~~[2025](#)

Attachment G

Finance Policies

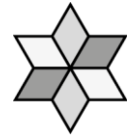
Prudential Management Policy

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
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& St Peters**



NAME OF POLICY: Prudential Management Policy

POLICY MANUAL: Finance

PURPOSE

The purpose of this Policy is to provide guidance to the Council, the community and staff, with in respect to the requirements for appropriate due diligence and prudential management of projects.

BACKGROUND

Prudential Management requires financial risks or adverse financial consequences to be considered, minimised or offset to ensure that the proposed benefits are achieved.

LEGISLATIVE CONTEXT

Section 48 of the *Local Government Act 1999* (the Act), requires the Council's to maintain prudential management policies, practices and procedures for the assessment of projects to ensure that the Council;

- acts with due care, diligence and foresight;
- identifies and manages risks associated with a project
- makes informed decision; and
- is accountable for the use of Council and other public resources

A Prudential Management Report must be prepared by a qualified person for projects where;

- the expected expenditure over the ensuing 5 years is likely to exceed 20% of the Council's average annual operating expense for the previous five years;
- the expected capital cost of the project over the ensuing 5 years is likely to exceed \$4.0* million (indexed); or
- the Council considers it necessary or appropriate.

The Prudential Management Report must address the issues outlined in Section 48 (2) of the Act.

PRINCIPLE

The Principles of this Policy are:

- To ensure that the Council undertakes projects only after an appropriate level of 'due diligence' is applied to the proposed projects; and
- Each project is managed during and evaluated after to ensure that the project achieved the identified public benefit and or needs and to minimise financial risk.

POLICY

1. The Council will be guided by the requirements of Section 48 of the Act when assessing projects.
2. For projects greater than \$4.05.1* million (indexed [to Sept 2021](#)), the Council will prepare a Prudential Management Report which complies with the requirements of Section 48(2) of the Act.
3. The Chief Executive Officer will appoint a suitably qualified independent person to prepare the Prudential Management Report.

* Indexed to Sept 2021 Adelaide CPI

* At the date of adoption, the project value requiring a Prudential Management Report is \$5.1 million

4. The suitably qualified independent person may be an employee of the Council, whom is not engaged with the project.
5. Prudential projects will not commence until the Council has considered and adopted the Prudential Management Report.
6. Except where information is required to be protected under Section 48 (5), once adopted Prudential Management Reports will be made available to the public on the Council's website and for inspection at the Council's Principal Office.
7. The Council will not call for the preparation of a Prudential Management Report during the Local Government Election Caretaker Period.
8. For projects less than \$4.05.1* million (indexed [to Sept 2021](#)), the Council will prepare a Due Diligence Report (Funding Submissions) which at a minimum are required to assess the following;
 - the benefits (financial or otherwise) and the needs of the project;
 - identification and quantification of the whole of life financial and other costs, including staffing and project management;
 - assessment of associated risks (including the risk of delaying or not proceeding) and considerations of ways the risk can be managed or mitigated.
9. The Council will manage and evaluate projects with reference to the Due Diligence Report or Prudential Management Report.

REVIEW PROCESS

The Council will review this Policy within 36 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's General Manager, Corporate Services, telephone 8366 4585.

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 26 February 2018.

This Policy was adopted by the Council on 5 March 2018.

[This Policy was endorsed by the Audit Committee on 25 July 2022.](#)

[This Policy was adopted by the Council on ____.](#)

TO BE REVIEWED

February [2024/2025](#)

* Indexed to Sept 2021 Adelaide CPI

* At the date of adoption, the project value requiring a Prudential Management Report is \$5.1 million

Attachment H

Finance Policies

Procurement Policy & Guidelines

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
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City of
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& St Peters

NAME OF POLICY: Procurement Policy

POLICY MANUAL: Governance

This Policy is to be read and applied in conjunction with the Procurement Policy Guidelines.

BACKGROUND

This Policy provides a framework for procurement activities which are undertaken by the City of Norwood Payneham & St Peters (the “Council”) and applies to all employees of the Council involved in the procurement of any goods and services during the course of performing their duties.

In accordance with Section 49 of *the Local Government Act 1999 (Act)*, Council employees must refer to this Policy when purchasing goods and services.

Section 49 of the Act, requires the Council to prepare and adopt policies in respect to contracts and tenders covering the following:

- the contracting out of services;
- competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
- the use of local goods and services.

In addition, Section 49 (a1) of the Act, requires the Council to develop and maintain policies, practices and procedures which are directed towards:

- obtaining value in the expenditure of public money;
- providing for ethical and fair treatment of participants; and
- ensuring probity, accountability and transparency in all operations.

This Policy therefore seeks to:

- define the methods by which the Council will acquire goods and services;
- demonstrate accountability and responsibility of the Council to its community;
- be fair and equitable to all parties involved;
- enable all processes to be monitored and recorded; and
- ensure that the best possible outcome is achieved for the Council and in turn the community.

However, this Policy does not cover:

- non-procurement expenditure such as sponsorships, grants, funding arrangements, donations and employment contracts; or
- the disposal of land and other assets owned by the Council; or
- the purchase of property by the Council.

This Policy is to be read in conjunction with the Procurement Policy Guidelines.

KEY PRINCIPLES

The following key principles underpin all procurement activities which are undertaken by the Council:

- **Value for Money** is about achieving the best outcome at the most appropriate price. This includes taking into account fit-for-purpose, whole-of-life cost, timeliness, flexibility to adapt to the needs of the project/supply, quality of product, sustainability, intangible costs/benefits, service, support and warranty.
- **Open and Fair Competition** is ensured by providing equitable and appropriate access to the Council's procurement activities. The Council recognises the commercial and economic benefits of open and effective competition. The Council will encourage healthy competition in the markets from which it purchases.
- **Ethical Behaviour and Fair Treatment** is necessary to ensure an appropriate purchase using public money. Council employees have a responsibility to act honestly and impartially and behave with fairness, independence, openness, integrity and professionalism to ensure probity in a procurement process. Council employees will observe the Council's Behavioural Standard Policy at all times during the conduct of procurement processes.
- **Risk Management** ensures that appropriate risk management practices are in place for procurement activities including risk identification, assessment, and implementation of controls.
- **Professional Integrity and Probity** ensures that the highest ethical and professional standards are observed in the Council's business dealings. The Council aims to achieve integrity in its procurement activities through accountable and transparent processes. The Council respects the rights of contractors and suppliers, including the right to confidentiality and the expectation to be treated fairly and without bias at all stages of the procurement process.
- **Compliance with Statutory Obligations** refers to the obligation to comply with all legal and common law obligations.
- **Social, Economic and Environmental Sustainability** – The objective for all of the Council's activities is to achieve Community Well-being. The Council is committed to maximising the positive impact of its activities to benefit the local community, its economy and the environment. Where all other considerations are equal, the Council may give preference to a local supplier to ensure local employment opportunities, economic stability and/or growth. In addition, in order to minimise the Council's impact on the environment, the Council will, where all other factors are equal, purchase to achieve the following outcomes:
 - conservation of natural resources;
 - purchase of environmentally friendly or recycled products;
 - integrate principles of waste minimisation and energy reduction; and
 - provide leadership to local business and the community in promoting the use of environmentally sensitive goods and services.
- **Financial Responsibility** ensures that the Council's employees procure goods or services where there is an approved and allocated budget for that purchase and where the Council employee with the appropriately delegated financial authority approves the purchase.

POLICY

Methods of Procurement

The Council will generally purchase goods or services in accordance with the table contained in the Procurement Policy Guidelines. The determination of the method of procurement will be documented, outlining why it is determined that the method used is the most appropriate for that particular purchase. Amounts quoted are annualised amounts for a particular supply of goods or services.

Splitting of amounts to bring expenditure within lower limits is not permitted.

For the purpose of this Policy, the

- single one-off purchases shall be the total or estimated amount of the purchase (excluding GST);
- multiple purchases shall be the gross annual or estimated gross annual value of all items to be purchased (excluding GST); or
- ongoing purchases over a period of time shall be the annual gross value or estimated gross annual value (excluding GST).

Purchases undertaken by the Council can be made using the following procurement methods:

- **Direct sourcing** – to be facilitated either by petty cash, invoice or by credit card.
- **Quotations** – to be sought for one-off purchases only and are usually for purchases of low value, complexity and risk. Quotations are to be received in writing and recorded in Council's records management system. Where there are higher risk factors inherent within a purchase, Council employees will need to consider the use of a formal contract and formal evaluation criteria.
- **Tender** – where a tender process is used in the procurement of goods or services, the tenders shall be conducted in accordance with this Policy and the supporting Procurement policy Guidelines.
- **Expression of Interest** – this method is generally used to gauge market interest and capability or interest in supplying goods or services, and is followed by a select tender process.
- **Registration of Interest** – this method is used to generate a Preferred Supplier list for a particular supply of Goods, Works or Services and consists of open advertisement of opportunities for a set period defined by the Conditions of Registration and ensures that Preferred Suppliers meet predefined criteria and prudential standards to be Contractors for the Council.

Prequalification of Suppliers

Where possible, the Council may establish contracts by conducting a pre-qualification process for contractors. Each of these pre-qualification processes will be conducted in accordance with the appropriate Registration of Interest process. Participation in this process allows contractors to be appointed as a Preferred Supplier for particular types of goods and or services. Contracts established under this method, will require quotations to be sought from Contractors for each procurement activity.

Panel Contracts

Where appropriate, panel contracts may be established for particular types of goods or services and these constitute a standing offer. Panel Contracts may be appropriate where:

- there are a number of suppliers who can provide the goods and or service;
- there is an ongoing demand for the particular goods and or service;
- the peak requirement for the goods and or service cannot be adequately predicted;
- the volume or type of work may be too difficult for one supplier to undertake at any point in time; and/or
- there is a commercial advantage to the Council in having a choice of suppliers to select from.

Strategic Alliances

Purchases can be made through strategic alliances with the aim of:

- reducing direct and indirect purchasing costs;
- providing tangible benefits through joint purchasing;
- improving delivery and/or quality of Services to residents; and/or
- attract more competition or a more suitable field of providers to respond to the tender call.

Strategic alliances include but are not limited to:

- Local Government Corporate Services (LGCS).
- Procurement Australia (PA).
- Australian State or Federal Contracts.
- G6 Procurement Group.
- Ad-hoc alliances created with other Local Government entities (eg Eastern Region Alliance).

Exemptions from the Policy

Exemptions from the processes and requirements of this Policy may be approved as follows:

- Up to the value of \$10,000, General Managers may approve; and
- Above the value of \$10,000, the Chief Executive Officer may approve.

All requests for exemption from this Policy must be made in writing and must outline the reasons for the request and any risks which may be involved in not complying with this Policy.

Requests for exemptions which are approved, must be recorded in the Council's record management system.

Where a Funding Agreement specifies that the Council must follow a prescribed tendering or selection process which differs from that outlined in this Policy, the project funded under that Agreement is exempted from the requirements of this Policy.

Emergency Procurement

The provisions of this Policy can be suspended in emergency situations to ensure that purchases can be made in the most-timely manner to alleviate an emergency situation. The provisions for Emergency Procurement must not be used as an excuse for not complying with the Policy requirements.

For the purpose of this section, Emergency situations are restricted to:

Community

- genuine concerns for public health and safety;
- avoiding major expenses; or
- activation of the Emergency Response Plan.

Council Assets

- ensuring that residents, occupants, or hirers/users of Council-owned buildings and facilities are not subject to undue discomfort or hardship due to breakdown of building facilities or equipment;
- security of Council's assets;
- activation of the Council's Business Continuity or Emergency Management Plan; or
- determination of whether these situations apply will be at the discretion of the relevant Manager on a case by case basis.

Where a purchase is made under the Emergency Procurement provisions, the following will apply:

- expenditure must be within the employee's delegated financial authority;
- expenditure must be limited to that required to alleviate the emergency situation only; and
- the employee must ensure that appropriate methods of purchase are resumed as soon as practicable.
- the employee must inform their General Manager and immediate Manager, with details of the Emergency Situation and the actions undertaken to alleviate the situation, as soon as possible after the emergency situation.

Outsourcing

Any proposal to purchase by outsourcing of any service or function currently performed predominantly 'in house' by Council staff, must in any circumstance and all times, be approved by the Chief Executive Officer.

Public Consultation

Where a purchase requires community consultation, the consultation process must be conducted in accordance with the Council's Community Consultation Policy.

Work Health and Safety

The City of Norwood Payneham & St Peters will only engage Contractors and Suppliers who are able to maintain the required level of Work Health and Safety which is acceptable to the Council for the contract which they are engaged to undertake. As a minimum, this will be compliance with all applicable legislation, regulations, project requirements, standards and Council policies, and as specified in terms and conditions of contractual arrangements.

REVIEW PROCESS

The Council will review this Policy within 24 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's General Manager, Corporate Services, telephone 8366 4585.

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 25 May 2015.
This Policy was adopted by the Council on 1 June 2015.
This Policy was endorsed by the Audit Committee on 29 February 2016.
This Policy was adopted by the Council on 7 March 2016.
This Policy was endorsed by the Audit Committee on 26 February 2018.
This Policy was adopted by the Council on 5 March 2018.
This Policy was endorsed by the Audit Committee on 29 October 2018.
This Policy was adopted by the Council on 5 November 2018.
This Policy was endorsed by the Audit Committee on 29 October 2018.
This Policy was adopted by the Council on 5 November 2018.
This Policy was endorsed by the Audit Committee on 25 May 2020.
This Policy was adopted by the Council on 1 June 2020.
[This Policy was endorsed by the Audit Committee on 25 July 2022.](#)
[This Policy was adopted by the Council on August 2022.](#)

TO BE REVIEWED

July 2022²⁴



City of
Norwood
Payneham
& St Peters

NAME OF POLICY: Procurement Policy Guidelines

POLICY MANUAL: Governance

These Guidelines are to be read and applied in conjunction with the Procurement Policy.

BACKGROUND

This Policy Guideline provides clear direction to all Council employees when undertaking procurement activities during the course of performing their duties at the City of Norwood Payneham & St Peters (the "Council"), as required by the Council's Procurement Policy.

These guidelines are to be applied in conjunction with the Procurement Policy.

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GUIDELINES

PROCUREMENT METHODS

Generally, open and fair competition is best achieved by undertaking a tender process so that all interested parties have an opportunity to bid. However, there may be procurements in which a tender process will not necessarily deliver the most advantageous outcome for the Council. In such instances, other market approaches may be more appropriate.

When determining which procurement method should be applied, consideration should be given to;

- the **value** of the purchase;
- the level of **risk** associated with the purchase;
- the **complexity** of the of the purchase; and
- the **time period** in which the purchase will apply.

The Council may, having regard to its Procurement Principles and any other factors which are considered relevant by the Council, in its absolute discretion, determine to utilise one or more of the following procurement methods:

- *Direct Purchasing*

Direct Purchasing is where the Council purchases and goods and services from a single source, without first obtaining competing bids.

This method is best suited for low value, low risk goods and services and where the supplier already has a successful service history with the Council.

- *Quotations (Informal)*

Quotations: involves the Council obtaining quotations from prospective suppliers. Generally, a minimum of three (3) quotes must be sought. Depending on the value of the transaction, written quotes must be obtained and provided. If a written quote cannot be obtained or not required due to the value of the transaction, a detailed written record, prepared by the staff member making the purchase, **must** be kept of the verbal quote obtained, including details of the commercial terms of the quotation.

Both written and verbal quotations must be registered in the Council's Records Management System.

Where a minimum of three (3) quotations are not sourced, the reasons for not sourcing three (3) quotations must be documented and approved in line with the Procurement Policy, prior to the procurement taking place.

This method is generally suitable for low value, low risk goods and services.

- *Purchase Orders*

This is used where Council is purchasing routine, low value and low risk goods and services.

Generally, Purchase Orders have limited terms and conditions and should not be used for non-routine, high value and high risk goods and services.

- *Request for Quotations (RFQ)(Formal)*

This involves the Council obtaining written quotations from prospective suppliers. The RFQ is a more formal version of the Quotation method, where the purchase is low risk but a higher value purchases.

A minimum of three (3) written quotations are required. Where a minimum of three (3) quotes are not sourced, the reasons for not sourcing three (3) quotes must be documented by the staff member making the purchase and approved in line with the Procurement Policy prior to the procurement taking place.

A “*Short Form Request for Quotation*” can be used for purchases with minimal specifications and usually involves procurement activities which have a low level of risk and complexity (Simple Purchasing).

A “*Long Form Request for Quotation*” can be used for purchases with detailed specifications, with increased complexity or has a medium to high risk exposure (Complex Purchasing).

- *Requests for Expressions of Interest (REOI)*

When utilising REOI, the Council will issue an open invitation for the provision of the proposed goods and/or services.

REOI is used where there is potentially a large market for the proposed goods and/or service, and the Council would like to be able to prepare a short list of suppliers to then invite to participate in a tender or quotation process.

REOI are suitable for the purchase of goods and services which are of a higher value and involves a higher degree of risk and complexity.

- *Request for Tenders (RFT)*

Request for Tenders involves the Council issuing a tender for the purchase of goods and/or services.

A “Select” Request for Tender may be issued, where the Council has already issued a REOI, or where there are reasonable grounds for only dealing with a select group of potential suppliers.

Where a “Select” Request for Tender is used, a minimum of three (3) suppliers must be selected.

Where the “Select” Tenderer list has not been determined by a REOI process, the reason for the selection of prospective suppliers must be documented by the staff member making the purchase and registered in the Council’s Records Management System.

[Invitations for “Select” Request for Tender may distributed via the SA Tenders website or by direct invitation. Where invitations to submit a proposal are made via direct invitations, proposals must be emailed to \[procurement@npsp.sa.gov.au\]\(mailto:procurement@npsp.sa.gov.au\)](#)

Otherwise, the Council may issue an “Open” Request for Tender.

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Both "Open" and Select RFT's shall be conducted in accordance with the prescribed Conditions of Tender.

"Open" Request for Tenders will be advertised on the SA Tenders website and the appropriate newspaper. The tender advertisement shall;

- outline the purpose of the proposed tender; and
- give details closing date and the person from whom further details may be obtained;
- All "Open" tenders must be submitted via the electronic tender box on the SA Tenders website.

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For "Select" Requests for Tender, Invitations to Tender shall be offered to at least three (3) independent suppliers. Where three (3) such suppliers cannot be identified by diligent reasonable effort, such effort shall be documented and tendering shall not proceed without the prior written approval of the Chief Executive Officer.

The timeframe provided to Tenderers to lodge submissions will be dependent on the complexity of the goods or service being procured, however at a minimum, the closing date for tender submissions will be at least ten (10) working days from the date of publication.

All tenders must be submitted via the electronic tender box on the SA Tenders website. Unless specified in the Conditions of Tender, Tenders submitted by hardcopy, e-mail, facsimile and other electronic device will not be accepted.

Tender Opening

Upon closure of the date and time upon which to lodge Tender Submissions, the electronic tender box will be opened in the presence of the following staff members (the Tender Panel);

- Records staff (holder of electronic tender key); and
- the Responsible Officer for the tender.

Upon opening all Tenders received, the "*Schedule of Tenders Received*" is to be signed and dated by the Tender Opening Panel and independently verified by a General Manager that all submissions have been recorded into the Council Electronic Document Management System.

If no Tenders are received by the closing date, the "Tender Opening Record" must be signed and dated by the Tender Opening Panel and registered.

Assessment of Tenders

Tender submissions are to be assessed as soon as practicable after the Tenders have been opened. Only Tenders received by the closure deadline will be assessed.

The assessment of Tenders must be based on the Evaluation Criteria set out in the Conditions of Tender.

If only one (1) Tender is received, either via a select or open call tender, the tender evaluation shall not proceed without prior written approval of the Chief Executive Officer. If approved, the tender must be evaluated against the tender evaluation criteria specified in the Conditions of Tender.

All tenders must be evaluated on the basis of consistently applied weightings as detailed the Conditions of Tender and a consistent consideration of the evaluation criteria across all tenders being evaluated.

The composition and number of members of a Tender Assessment Panel will depend on the nature and complexity of the goods or services being purchased and the risks associated with the

procurement activity. The evaluation of Tenders must not be undertaken by one (1) person and generally the Tender Assessment Panel must comprise of at least three (3) staff members. Members of the Tender Assessment Panel must have the requisite mix of skills to evaluate the Tender submissions. Where the Tender Assessment is undertaken by less than three (3) staff members, the reasons for undertaking the evaluation on that basis must be documented by the staff member managing the Tender process.

Following the assessment of Tenders, a written report, detailing the results of the evaluation together with a recommendation shall be prepared for consideration of the Authorising Officer, who will be the relevant General Manager, the Chief Executive Officer, or the Council. The Authorising Officer will be determined with reference to the Expenditure Delegations contained with the Council's Expenditure Policy.

Pre-qualification of Suppliers

The Council may establish a register of Pre-Qualified Suppliers where the following factors exist;

- the procurement activity relates to a range of goods and services that are purchased by the Council on a regular basis;
- the scope and nature of individual procurements in a category of goods and services may not be fully defined but there is an indicative program, generally over a three (3) year period, of the future requirements of a common nature;
- there are numerous 'credentialed' suppliers in the procurement related market sector(s) that satisfy the test of financial diligence;
- the procurement activity is low to medium risk; and
- the benefits of purchasing from pre-qualified suppliers exceed the cost in establishing and maintaining a pre-qualification register.

Contracts or purchasing arrangements established under this method, will require quotations to be sought from the preferred supplier for each individual procurement activity.

Panel contracts

The Council may establish panel arrangements with a selected group of suppliers. Generally, this will occur once the Council has completed its appointment of such suppliers in accordance with the Procurement Policy and can include either:

- a standing offer from a pool of suppliers for the provision of goods and services on agreed terms; or
- the prequalification of certain suppliers who may or may not be engaged on terms agreed between the Council and the supplier (s).

Once a Panel has been established, the Council may purchase the particular goods and/or service through such Panel arrangements.

Panel contracts may also be established for the procurement of professional services.

PURCHASING THRESHOLDS

The appropriate method of procurement will be determined by reference to a number of factors, including those factors set out in Table 1 below:

Table 1: PURCHASING THRESHOLDS

Value of Purchase	Method of Purchase	Agreement Type
Up to \$3,000	Direct Sourcing	Nil required however, does not precluded the issuing of a Purchase Order. Payment is made from an authorised invoice
\$3,001 - \$5,000	At least three (3) Verbal Quotes Details of Verbal quotes must be documented on the Quote Summary Form	Invoice; or Purchase Order; or Other written Agreement.
\$5,001 - \$10,000	At least three (3) Written Quotes	Invoice; or Purchase Order; or Other written Agreement.
\$10,001 - \$100,000	Request for Quotation.	Purchase Order; or Contract; or Other written Agreement.
\$100,001 - \$250,000	Minimum of Select Tender	Contract
\$250 001+	Minimum of Open Tender	Contract

Roles and Responsibilities

Procurement Specialist

The **Procurement Specialist** is the Council's subject matter expert who is responsible for ensuring the integrity of the Councils Procurement Framework is maintained and staff with procurement responsibilities have the required skills, understanding and tools to fulfil their procurement responsibilities.

The Councils' Procurement Specialist is the Financial Services Manager.

Contract Manager

The **Contract Manager** assumes total ownership for the contract and is directly responsible for providing management and direction to the contract team and ensuring all services and contractual obligations, Service Level Agreements and Key Performance Indicators are executed and achieved.

Role responsibilities include Contract Development and awarding, Contract Administration and Contract review.

All staff, where the Agreement Type for the Procurement Activity is a Contract.

Procurement Administrator

The primary focus of the **Procurement Administrator** is to provide accurate and timely purchasing support to the procurement activities of the Council in the form of transaction processing, setting up data records, reporting and liaising with external suppliers and responding to enquires

Positions which undertake this role, include but not limited to;

- Administration Officer - Depot Services
- Finance Officer

General Purchasing

Positions which have a financial delegation, as set out in the Councils Expenditure Policy must comply with the General Purchasing responsibilities. General purchasing involves non-complex purchasing activities.

Role Statements, which outline the role responsibilities are available on OneNPSP, Procurement Central.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's [Financial Services](#) Manager, [Finance](#), telephone 8366 45485.

7. CONFIDENTIAL REPORTS
Nil

8. OTHER BUSINESS
(Of an urgent nature only)

9. NEXT MEETING
Monday 24 October 2022

10. CLOSURE