



# 2016/17

Adopted budget and annual business plan



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## **Executive Summary**

## Introduction

This Budget and Annual Business Plan for 2016/17 is in a form adopted by Council on 8 December 2015. Key aspects of the combined budget and annual business plan include:

- An 'executive summary' to explain key aspects of the document and a 'glossary of terms';
- Strategic fundamentals that underpin the budget, including information from Council's community plan;
- Forward estimates and the ten year financial plan of the Council;
- A capital budget, including commentary and detailed information on the full capital works program;
- Operational budget information, including divisional level commentary, financial details and information on objectives, key activities, performance measures and budget highlights;
- Information on rates and rate modelling;
- Summary financial statements, including those specified in Regulation 5 of the Local Government (Financial Management) Regulations 2011.

The document is based on the divisional structure of the Council and meets all requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Comparatives throughout this document have been adjusted following the sale of the St Martins aged care facility so that meaningful budget to budget comparisons are provided.

## Strategic Fundamentals

The *Towards 2025 Community Plan* was adopted in September 2014, and it provides the strategic focus for the budget, annual business plan and long term financial plan of the Council. It has six broad themes, as follows:

- Community life;
- Natural environment;
- Built environment;
- City prosperity;
- Financial sustainability;
- Organisational strength.

Key influences on this budget and annual business plan of the Council are the themes of financial sustainability and the built environment, in particular:

- Sustainability;
- Asset management;
- Stormwater flood mitigation.

These strategic fundamentals provide the basis for forward estimates and Council's long term financial management plan which show:

- An ongoing operating surplus and a positive operating surplus ratio;
- A projected sustainability ratio which is favourable;
- A manageable level of debt;
- Favourable cash and cash reserve projections.



Rate increases of 2.7 per cent are projected from 2018/19 to address fully Council's strategic priorities, in particular sustainability, asset management and stormwater flood mitigation.

### A Balanced Budget

Council's operating statement in the proposed 2016/17 budget projects a surplus from operations of \$10,870,169 as follows, based on a 2.6 per cent rate increase:

	\$
Income	62,261,741
Expenditure	51,391,572
	<hr/>
Operating Surplus	10,870,169
	<hr/>

The proposed rate increase is marginally lower than projected in last year's budget, and is proposed on the basis of forward estimates and the strategic fundamentals of the Council.

After adjusting for reserve movements, a nominal cash surplus of \$27,830 is also projected.

### Debt Free

No loan repayments of principal or interest are being budgeted in 2016/17, following a Council decision to use part proceeds from the sale of St Martins to pay out all debt.

### Operational Expenditure

Costs have been contained across all areas of the Council to achieve the increase of 1.0 per cent, notwithstanding that:

- Employment costs have increased by \$799,020 or 3.8 per cent over the original budget estimates for 2015/16 (\$646,752 or 3.2 per cent last budget), with FTE's increasing net by 3.8. This is further explained later in this commentary under the heading "Employment Costs".
- Waste disposal and collection costs have been increased by \$213,000 or 4.8 per cent.
- IT costs are increasing by \$56,500 or 6.7 per cent, largely because of one-off additional costs associated with replacement of Council's electronic records management system.
- The NRM levy is budgeted to increase by \$34,747 or 2.8 per cent to \$1,260,136.

Interest payable is reducing by \$598,669 to zero, reflecting the impact of loans being paid out in the 2015/16 financial year.

The cost increase proposed in the budget compares favourably with both the consumer price index (currently 0.7 per cent for Adelaide) and the local government price index (currently 0.9 per cent).

Staff numbers have been increased by 3.8 full time equivalents (FTE's), reflecting two new positions in Compliance, both Council approved and both fully funded from additional parking income, along with new FTE's in lean / continuous improvement (two year appointment) and economic development. FTE numbers were reduced in 2012/13 and 2013/14 by 9.1 and 0.9 respectively, but an increase of 2.7 FTE occurred in 2014/15, with 2.0 FTE's budgeted to establish a rapid response team at the depot, and an increase of 0.9 FTE occurred last budget.

## Capital Expenditure

Key aspects of the budget include:

- The capital budget for 2016/17 totals \$25,914,137, with rate funded capital expenditure increasing by \$4,326,332 or 26.5 per cent to \$20,670,274. The increase includes a rate funded capital works increase of \$1,553,797, or 11.5 per cent, to \$15,074,774, along with a capital budget increase of \$272,535 or 9.7 per cent to \$3,095,500. Funding of \$2.5 million is also proposed for hub and related development.
- An amount of \$3.448 million being committed to drainage and related construction, with \$2.322 million budgeted to undertake detailed design / documentation and construction of Lockleys catchment drainage and \$0.581 million budgeted for Brown Hill Keswick Creek (both being loan program items).
- \$3.55 million for the recreation program (\$2.72 million in 2015/16), an increase of 30.5 per cent. It includes including \$665,000 for the ongoing playground upgrade program, \$640,000 for reserve irrigation, \$600,000 for additional open space amenity initiatives and \$595,000 for the Linear Park.
- Transport program expenditure, including expenditure on roads and footpaths, is increasing by \$1.358 million or 11.6 per cent to \$13.021 million.
- An amount of \$677,359 for the replacement, remediation and construction of footpaths and pathways (\$891,853 in 2015/16).
- Rate funded capital expenditure on building works of \$4.08 million (\$1.5 million in 2015/16), as a further commitment toward meeting maintenance and remediation requirements identified by GHD in an independent assessment of work that needed to be undertaken. The amount budgeted includes \$2.5 million for upgrade of Lockleys Oval / Apex Park - Stage 1.
- Rate funded expenditure on plant, equipment and furniture of \$1.516 million (\$1.323 million in 2015/16).
- Capital funded by grants of \$2.341 million (\$2.026 million in 2015/16).

**Rating in 2016/17**

An overall average rate increase of 2.6 per cent excluding growth is proposed for 2016/17, marginally lower than foreshadowed in the forward estimates of last year’s budget. It is not proposed that more of the rate burden be moved to minimum rated and non-residential ratepayers this year, with the following movements recommended:

Residential	:	Up 2.6%
Non-Residential	:	Up 2.6%
Minimum Rate	:	Up 2.6%
Overall Increase	:	Up 2.6%

Valuation volatility is relatively low again this year, reflecting current economic circumstances, and this will result in much lower rating volatility. Rate rebate and remission policies are in place to assist ratepayers affected by hardship or disproportionate rate increases, and rate postponement for seniors is now mandatory in certain circumstances under Local Government Act provisions.



## **Strategic Fundamentals**

## Introduction

The *Towards 2025 Community Plan* was adopted in September 2014, and it provides the strategic focus for the budget, annual business plan and long term financial plan of the Council.

The community plan is structured into six broad themes, four community focused and two corporate focused, as follows:

- Community life;
- Natural environment;
- Built environment;
- City prosperity;
- Financial sustainability;
- Organisational strength.

## Community Life

Long term strategies for community life are as follows:

- Aspiration: A community that embraces diversity
  - Encourage recognition and celebration of our community's cultural diversity.
  - Facilitate opportunities for people from diverse social backgrounds to come together.
  - Foster a sense of identity and pride within the West Torrens community.
- Aspiration: Active, healthy and learning communities
  - Encourage all members of the community to pursue active and creative lifestyles.
  - Support community involvement and intergenerational connection.
  - Facilitate life-long learning through equitable access to a range of education and training opportunities.
  - Encourage community awareness of services and resources so they can make informed life choices.
  - Foster health, wellbeing and safety within the community.
- Aspiration: An engaged community
  - Encourage the community to participate in opportunities to influence Council's decision making framework.

## Natural Environment

Long term strategies for the natural environment are as follows:

- Aspiration: Environmentally sustainable development
  - Encourage new and existing development to incorporate environmentally sustainable designs and practices.

- Aspiration: Reduction of our ecological impact
  - Facilitate the minimisation of waste production and disposal to landfill and productive utilisation of waste.
  - Create a water-sensitive city.
  - Manage current water resources efficiently.
  - Respond to the challenges of a changing climate.
- Aspiration: Enhanced natural environment
  - Create green streetscapes and open spaces.
  - Protect and enrich local biodiversity, waterways and the coast.

### **Built Environment**

Long term strategies for the built environment are as follows:

- Aspiration: A well-designed built environment
  - Facilitate residential development that meets the demographic and socio-economic needs and expectations of the community.
  - Promote retail, commercial and industrial activity that is compatible with neighbouring land uses.
- Aspiration: An attractive and functional open space network
  - Facilitate equitable access to open spaces.
- Aspiration: Effective stormwater infrastructure
  - Manage the quantity and quality of stormwater flows.
  - Minimise the risk of flooding to existing communities and future developments.
- Aspiration: Accessible and reliable transport infrastructure
  - Facilitate the healthy, safe and effective movement of people through the city.

### **City Prosperity**

Long term strategies for city prosperity are as follows:

- Aspiration: A thriving business environment
  - Support the development and growth of local business and jobs.
  - Encourage economic growth and productivity.
  - Support education and training pathways.
- Aspiration: A vibrant city
  - Foster a vibrant and inviting city.

- Aspiration: Sustainable population growth
  - Promote sustainable population growth, attracting people from diverse backgrounds.

### **Financial Sustainability**

Long term strategies for financial sustainability are as follows:

- Aspiration: Sustainable financial management
  - Employ sustainable financial management principles.
- Aspiration: Proactive asset management
  - Ensure assets are utilised to their optimal capacity and maintained at acceptable standards.

### **Organisational Strength**

Long term strategies for organisational strength are as follows:

- Aspiration: Strong partnerships and working relationships
  - Develop and maintain strong partnerships and working relationships with other organisations and within Council.
- Aspiration: Leading governance and administration practices
  - Regularly review, update and adopt leading governance and administrative practices.

### **Key Influences**

Key influences on the budget and annual business plan of the Council are the themes of financial sustainability and the built environment, in particular:

- Sustainability;
- Asset Management; and
- Stormwater Flood Mitigation.

*Sustainability* refers to Council's ability to manage its finances so it can meet spending commitments, both now and in the future, and ensure future generations of taxpayers do not face an unmanageable bill for services provided to the current generation.

*Asset management* refers to a systematic, structured approach to the maintenance, upgrade and operation of assets, on a whole of life basis, combining engineering principles with sound business practice and economic rationale, and providing the tools to facilitate a more organised and flexible approach to making decisions necessary to meet community expectations.



*Stormwater flood mitigation* refers to measures aimed at minimising the impact of floods in the West Torrens' community, including mitigation works associated with Brown Hill and Keswick Creeks.

### **Rationale for the Focus on Asset Management and Sustainability**

Concerns continue to be raised in local government circles about the capacity of councils to be financially sustainable. It has been reported that:

- The financial sustainability of councils is vital to the interests of ratepayers, the community and the state, and is an important pillar of efficient and effective local government;
- Not all councils have the types of policies and practices in place that lock-in their financial sustainability;
- Not all councils in South Australia are financially sustainable, as evidenced by their high operating deficits and substantial infrastructure renewal and replacement backlogs;
- Unless the spending of unsustainable councils is cut or other governments come to the rescue, substantial rates increases are inevitable. The current or prospective financial performance and position of councils has been assessed as being not strong enough to absorb likely future developments and unanticipated financial shocks;
- More strategic expenditure decisions by local government – and more rigorous funding policies – must be pursued by local government.

Being a financially viable and sustainable Council received the strongest of all responses in a budget related Community Panel survey in December 2012 involving 181 respondents.

### **Rationale for the Focus on Flood Mitigation**

The Stormwater Management Plan (SMP) for the Brown Hill Keswick Creek (BHKC) catchment was approved by the Stormwater Management Authority (SMA) in February 2013 and then gazetted on 5 March 2013. A further updated version of the SMP has been prepared and submitted to the SMA for approval and will become the BHKC Catchment Stormwater Management Plan 2016. Based on the current modelling associated with this plan, it is estimated that damage from a 100 year average recurrence interval flood will cost \$122 million and affect 2,089 properties in the absence of flood mitigation action being taken.

Cost estimates associated with the flood mitigation required have recently reduced from an estimate of \$160 million to \$142 million, with the City of West Torrens' share now being in the vicinity of \$34.8 million.

There are a number of other flooding risks that exist within the city that are not associated with the BHKC catchment. These are the subject of ongoing assessment, with the implementation of flood mitigation systems intended.

### **Implications for the City of West Torrens**

The key influences of sustainability, asset management and stormwater flood mitigation need to be viewed in terms of the following:

- Council has management responsibility for community assets valued at \$878 million;
- Accumulated depreciation on Council assets totals \$325 million, being 49.3 per cent of all depreciable assets, and it is not funded by specific cash reserves;
- West Torrens has asset renewal and maintenance backlogs, most recently demonstrated to Council in reports on the condition of Council owned buildings;
- West Torrens Council has significant new capital expenditure needs, particularly in relation to drainage infrastructure;
- The most recent cost estimates associated with the BHKC system mitigation works are in the region of \$142 million;
- A capital renewal expenditure spike could occur sometime into the future, possibly around the year 2050.

### **Legislative Changes**

Legislative changes followed reports on financial sustainability in local government, and they incorporated the need for councils to:

- Address issues of sustainability, and prepare long-term asset and financial management plans;
- Prepare annual business plans that report on budget parameters, rating structures and policies, strategic plans, and Council's long-term asset and financial management plans;
- Report on financial indicators, including indicators of financial sustainability;
- Establish Audit Committees, and more rigorous and transparent processes of internal review;
- Consult with the community on budget and rating proposals prior to budgets being adopted and rates being declared.

The Local Government (Stormwater Management) Amendment Act 2007 has also passed through the parliament, and it has established a Stormwater Management Authority with responsibilities that include planning and undertaking stormwater management works on behalf of councils.

### **Emerging Financial Issues**

Council has responded strongly to the asset management and sustainability agenda, with work undertaken to revisit and update asset data, including condition assessment information, particularly in relation to infrastructure assets. This work is substantially completed for Council's road and footpath network, and building assets, with work in progress on drainage and land improvements.

Emerging issues for Council to consider from this and other work undertaken include:

- Drainage mitigation, including the need to commit up to \$34.8 million to BHKC drainage works within the next 13 years;
- Projections in the asset management plans of the Council that \$99.7 million needs to be committed over the next ten years to road, kerbing and footpath maintenance and remediation works;
- Projections that up to \$24.3 million needs to be committed by Council to building maintenance and remediation works over the next ten years, based on current property holdings;
- Community hub and related developments totalling \$7.5 million from the 2016/17 to the 2018/19 financial year;
- Local drainage works, still being assessed by Council's asset management staff, may require expenditure totalling \$80 million over the next 30 years;
- The need to commit increasingly to initiatives associated with water management, renewable energy, energy efficiency and reducing carbon emissions.



## **Forward Estimates**

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## Introduction

The strategic fundamentals described in this document provide the basis for the forward estimates and Council's long term financial plan. They are prepared pursuant to the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Key assumptions made in compiling these forward estimates and Council's long term financial plan are discussed in this section, along with summary projections and key financial indicators.

Detailed information, including long term financial statements, is provided in the 'Ten Year Financial Plan' section of this document.

## Forward Capital Expenditure Estimates

Key assumptions made in relation to capital budget estimates include the following:

- \$24.9 million is committed to drainage works for the Brown Hill Keswick Creek (BHKC) over a ten year period from the 2016/17 financial year, in addition to \$3.1 million committed in 2015/16, most of which is to be funded from the loan program.
- Council commits to rate funded capital works totalling \$99.7 million over a ten year period commencing in 2016/17 to fund road and footpath works identified in the infrastructure and asset management plans of the Council.
- Council commits to rate funded capital works for road construction and other capital works, totalling \$6.7 million in the 2016/17 budget, and that a level of funding is to be continued into the future.
- Council has rate funded local drainage commitments of \$545,000 from the 2016/17 financial year, with indexed increases annually thereafter.
- Loan funded capital drainage works, excluding BHKC, will be \$2.3 million in the 2016/17 budget, and \$2.0 million indexed per annum thereafter.
- Roads to recovery funding will be continued at \$436,688 per annum until 2018/19 (\$1.442 million in 2016/17).
- Capital expenditure on Council owned buildings, excluding hub and related developments, will be \$1.33 million in the 2016/17 budget, and \$1.75 million indexed per annum thereafter.
- Past asset sale proceeds and part interest savings from the discharge of loans will be used to fund community hub and related developments.
- The capital budget for the replacement of plant, furniture and equipment will be \$1.77 million in 2016/17, and it has been indexed to cover estimated depreciation levels into the future.

Expenditure projections for 2016/17 and each of the next three years based on these assumptions are as follows:

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rate Funded Infrastructure	14,529,774	14,821,088	15,219,620	15,634,166
Rate Funded Local Drainage	545,000	555,900	567,018	578,358
Loan - Local Drainage	2,322,000	2,000,000	2,040,000	2,080,800
Loan - BHKC	581,000	2,544,605	2,582,774	2,621,516
Grants	2,041,553	1,048,178	1,060,408	636,194
Hub Developments	2,500,000	2,500,000	2,500,000	0
Building Other	1,330,000	1,750,000	1,910,967	2,086,740
Plant, Furniture & Equipment	1,765,500	1,800,810	1,836,826	1,873,563
Library Capital	299,310	305,296	305,296	311,402
<b>Total</b>	<b>25,914,137</b>	<b>27,325,877</b>	<b>28,022,910</b>	<b>25,822,739</b>

### Forward Revenue Estimates

Forward revenue estimates have been extrapolated from an assessment of historical revenue movements, and what is expected to arise into the future. Key assumptions include the following:

- Council is prepared to increase rate revenue by 2.6 per cent plus growth in 2016/17 and 2017/18, then by 2.7 per cent plus growth annually thereafter.
- Rate equivalent payments by Adelaide Airport Limited will increase in line with the above rate increases.
- Statutory charges, which include parking, animal management and Development Act income, will increase by 2.0 per cent each year.
- User charges, which include property related income and transfer station royalties, will increase by 2.0 per cent each year.
- Grant income will increase by 2.0 per cent, with the exception of roads to recovery funding by the Commonwealth Government, which is expected to be \$1.442 million in 2016/17 and \$436,688 in the following two years.
- Other income, excluding investment income, will increase by 1.8 per cent each year from 2016/17.

Forward revenue estimates are as follows:

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	48,370,136	50,236,831	52,225,803	54,292,938
Rate Equivalents	5,020,000	5,176,273	5,342,612	5,514,297
Statutory Charges	2,199,580	2,243,572	2,288,443	2,334,212
User Charges	1,285,357	1,311,064	1,337,285	1,364,031
Grant & Subsidies	4,182,023	3,231,457	3,287,353	2,907,678
Other Income	1,204,645	1,227,138	1,240,999	1,264,171
<b>Total</b>	<b>62,261,741</b>	<b>63,426,334</b>	<b>65,722,495</b>	<b>67,677,327</b>

### Forward Operational Expenditure Estimates

Operational expenditure increases have been extrapolated from an assessment of historical cost movements, and what is expected to arise into the future. Key assumptions include:

- Employee cost increases of 3.8 per cent in 2016/17 and 3.5 per cent thereafter, with a modest allowance for the addition of new staff.
- Contract and material expenditure increases of 2.9 per cent each year in support of Council's maintenance works program, including building and infrastructure maintenance. This includes an allowance for an increase in waste related charges.
- A depreciation expense increase of 3.0 per cent based on projected asset value movements.
- Finance charges largely involve interest repayments on loans taken, and are estimated on the basis of loans projected to be taken using borrowing rates ranging between 4.7 and 5.2 per cent.

Forward operational expenditure estimates are as follows:

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Employee Costs	21,624,251	22,381,100	23,164,438	23,975,194
Contractual Services	7,008,400	7,260,760	7,469,367	7,684,537
Materials	945,000	963,900	983,178	1,002,842
Finance Charges	153,900	281,560	480,838	673,544
Depreciation	10,941,490	11,264,236	11,596,669	11,939,083
Other Expenses	10,718,531	10,975,654	11,240,713	11,514,010
<b>Total</b>	<b>51,391,572</b>	<b>53,127,210</b>	<b>54,935,204</b>	<b>56,789,209</b>



### Forward Loan Estimates

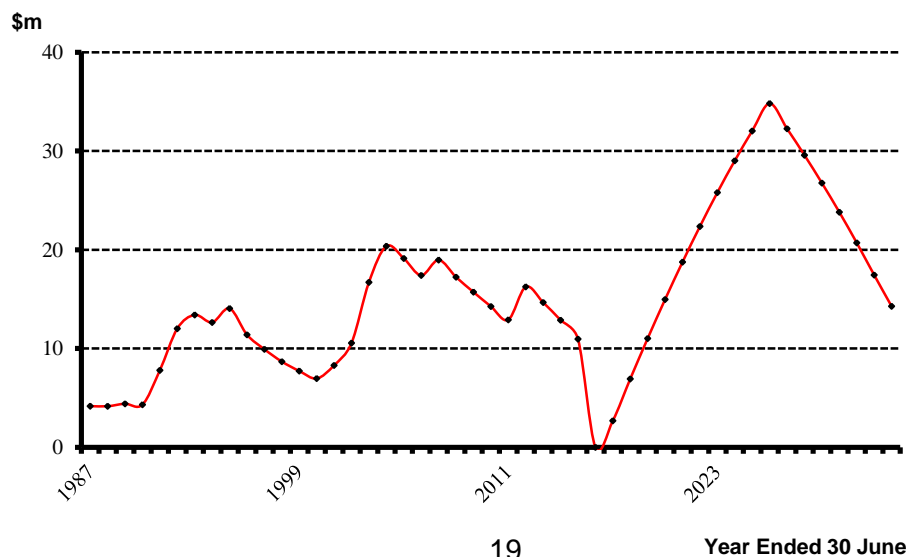
A loan program of \$44.75 million is projected in future dollar terms over the next ten years, as follows:

	\$m
Local drainage	\$21.83
BHKC project	24.90
Works overhead	(1.98)
	-----
<b>Total</b>	<b>\$44.75</b>
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This comprises the following:

Financial Year	Local Drainage \$	BHKC Drainage \$	Works Overhead \$	Total Loans \$
2016/17	2,322,000	581,000	(211,091)	2,691,909
2017/18	2,000,000	2,544,605	(181,818)	4,362,787
2018/19	2,040,000	2,582,774	(185,455)	4,437,320
2019/20	2,080,800	2,621,516	(189,164)	4,513,152
2020/21	2,122,416	2,660,838	(192,947)	4,590,308
2021/22	2,164,864	2,700,751	(196,806)	4,668,809
2022/23	2,208,162	2,741,262	(200,742)	4,748,682
2023/24	2,252,325	2,782,381	(204,757)	4,829,949
2024/25	2,297,371	2,824,117	(208,852)	4,912,636
2025/26	2,343,319	2,866,479	(213,029)	4,996,768
<b>Total</b>	<b>21,831,257</b>	<b>24,905,723</b>	<b>(1,984,660)</b>	<b>44,752,320</b>

It is anticipated that cash reserves of the Council will be used in lieu of loans being taken in the 2016/17 financial year. The indebtedness trend of the Council is projected on the basis of this information as follows:



Council will be debt free at end of the current financial year, but indebtedness is projected to increase subsequently, peaking at \$34.8 million in 2025/26 then declining thereafter. This scenario will obviously change if loans taken from 2016/17 are other than those currently planned.

### Loan Repayments

Loan repayments to service projected loans, based on borrowing rates of 4.7 per cent until 2020/21 and 5.2 per cent thereafter, will be as follows:

<b>Year</b>	<b>Projected Repayments \$</b>	<b>Increase/ (Decrease) \$</b>
2016/17	0	(2,679,771)
2017/18	252,109	252,109
2018/19	660,704	408,594
2019/20	1,076,278	415,575
2020/21	1,498,955	422,677
2021/22	1,928,858	429,903
2022/23	2,380,957	452,099
2023/24	2,840,790	459,833
2024/25	3,308,493	467,703
2025/26	3,784,203	475,710

Council's current and projected loan program will impact loan repayments most after the 2017/18 financial year, but these increases are manageable within the framework of the ten year financial plan.

Loan repayments as a percentage of rates is the industry accepted benchmark to assess a Council's relative indebtedness. The percentages for West Torrens based on the actual and projected loan program are as follows:

<b>Year</b>	<b>Loans % of Rates</b>
2016/17	0.0
2017/18	0.5
2018/19	1.3
2019/20	2.6
2020/21	2.7
2021/22	3.3
2022/23	3.9
2023/24	4.5
2024/25	5.0
2025/26	5.5

These percentages are extremely low by local government standards, with up to 25 per cent considered manageable.

## Key Financial Indicators

The forward financial estimates of the Council have provided the basis of key financial indicator projections in relation to Council's:

- Operating result;
- Sustainability;
- Loan servicing capacity;
- Liquidity.

### (a) Operating Result

An operating surplus represents the extent to which operating income exceeds operating expenditure, including depreciation, and is projected each year, as follows:

Financial Year	Operating Surplus \$	Operating Surplus Ratio %
2016/17	10,870,169	20.4
2017/18	10,299,124	18.6
2018/19	10,787,291	18.7
2019/20	10,888,118	18.2
2020/21	11,460,482	18.4
2021/22	12,086,730	18.7
2022/23	12,729,094	19.0
2023/24	13,430,591	19.3
2024/25	14,176,663	19.6
2025/26	14,989,281	19.9

A strong ongoing operating result is a positive indicator of financial viability for the City of West Torrens. LGA Information Paper 9 *Financial Indicators* (May 2015) suggests an operating break even position, or better, over time and an operating surplus ratio of between zero and 10 per cent on average. It is a positive that West Torrens is projected to operate beyond this range, demonstrating a strength in capital expenditure programs.

### (b) Sustainability

The sustainability ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the rate at which these assets are used or consumed, with the amount spent divided by the total depreciation expense. Achieving a break even result of 100 per cent or better demonstrates that the cost of consumption of assets in any one year is being met by current rates and current ratepayers.

<b>Financial Year</b>	<b>Capital Expenditure \$</b>	<b>Depreciation Expense \$</b>	<b>Sustainability Ratio %</b>
2012/13	10,455,759	10,238,565	102.1
2013/14	11,140,894	10,860,076	102.6
2014/15	11,999,041	11,065,000	108.4
2015/16	11,352,737	10,917,187	104.0
2016/17	11,302,737	10,941,490	103.3
2017/18	11,673,632	11,264,236	103.6
2018/19	12,021,289	11,596,669	103.7
2019/20	11,979,682	11,939,083	100.3
2020/21	12,434,258	12,291,781	101.2
2021/22	12,953,729	12,655,076	102.4
2022/23	13,544,137	13,029,290	104.0
2023/24	14,137,232	13,414,754	105.4
2024/25	14,387,926	13,811,811	104.2
2025/26	15,222,160	14,220,814	107.0

A sustainability ratio which is greater than 90 per cent but less than 110 per cent is the benchmark used in local government. This was achieved or is projected to be achieved in all years.

LGA Information Paper 9 suggests the same ratio range when benchmarking capital expenditure incurred against capital expenditure outlays in Infrastructure and Asset Management Plans (IAMP's), rather than depreciation. Forward capital estimates are matched over the ten year forecast period to the IAMP's adopted by Council, as shown in the table that follows.

<b>Program</b>	<b>IAMP Amount \$m</b>	<b>10 Year Plan \$m</b>	<b>% Met</b>
<b>Roads Program</b>			
Reseal / Maintenance	31.355	31.355	100
Reconstruction Renewal	26.153	26.153	100
Kerb & Gutter	29.994	29.994	100
<b>Footpath Program</b>			
Renewal	4.187	4.187	100
Construction	7.999	7.999	100
<b>Building Program</b>			
Renewal Expenditure	24.306	24.306	100

Additional amounts are included in the ten year financial plan to cover drainage and other infrastructure renewal works, along with new capital works. There is little need for renewal expenditure on stormwater assets over the next ten years, although there is a requirement for capital expenditure to build new and upgrade existing stormwater infrastructure. More detailed information on this expenditure will be compiled after the completion of a condition assessment audit of Council's underground stormwater network anticipated to be undertaken in 2016/17. More detailed work is also planned for other Council assets, including those covered by the recreation program.

### (c) Loan Servicing Capacity

To meet a structured long term asset renewal and replacement program, Council will need to commit to a loan program that will result in loan liabilities increasing from zero to \$34.8 million - a significant but manageable increase as demonstrated below. Borrowing interest rates ranging from 4.7 to 5.2 per cent have been estimated, along with a 15 year borrowing term.

Loan repayments as a percentage of rates is the industry accepted benchmark to assess a Council's relative indebtedness. The percentages for West Torrens based on the actual and projected loan program are as follows:

Financial Year	Projected Loan Repayments	Loans to Rates
	\$	%
2016/17	0	0.0
2017/18	252,109	0.5
2018/19	660,704	1.3
2019/20	1,076,278	2.0
2020/21	1,498,955	2.7
2021/22	1,928,858	3.3
2022/23	2,380,957	3.9
2023/24	2,840,790	4.5
2024/25	3,308,493	5.0
2025/26	3,784,203	5.5

A percentage between zero and 25 per cent would normally be considered as being reasonable.

**(d) Liquidity**

Based on the assumptions used, a relatively balanced budget is achieved in each year for the next ten years in terms of the projected cash flow of the Council, net of cash reserves, as follows:

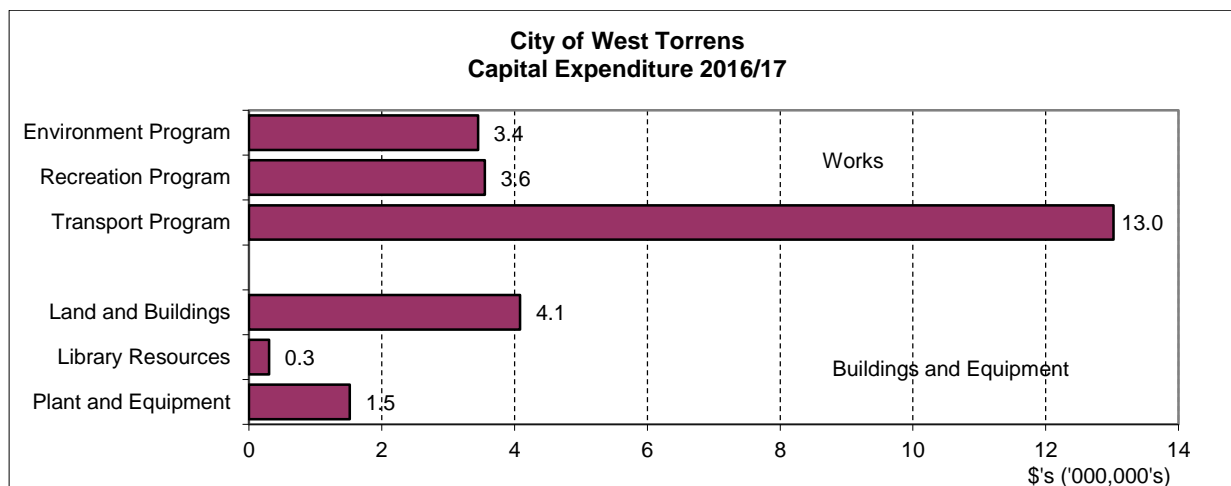
<b>Financial Year</b>	<b>EOY Cash Estimate</b>	<b>Net Reserves</b>	<b>Surplus/ (Deficit)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
2016/17	11,317,555	11,289,723	27,830
2017/18	11,526,887	11,446,474	80,413
2018/19	11,766,469	11,604,941	161,528
2019/20	14,505,794	14,331,717	174,077
2020/21	17,238,103	17,060,501	177,602
2021/22	19,912,526	19,799,053	113,473
2022/23	22,448,105	22,539,927	(91,822)
2023/24	25,224,449	25,291,088	(66,639)
2024/25	28,162,126	28,044,914	117,212
2025/26	30,707,930	30,809,579	(101,649)

## **Capital Budget**

**Introduction**

The capital budget for 2016/17 totals \$25,914,137 as follows:

<b>\$</b>	
<b>Capital Works</b>	
Environmental Program	3,448,000
Recreation Program	3,550,000
Transport Program	13,021,327
<b>Sub Total</b>	<b>20,019,327</b>
<b>Capital</b>	
Land and Building Works	4,080,000
Library Resources	299,310
Plant, Equipment & Furniture	1,515,500
<b>Sub Total</b>	<b>5,894,810</b>
<b>Total</b>	<b>25,914,137</b>



Rate funded capital expenditure has been increased by \$4,326,332 to \$20,670,274, an increase of 26.5 per cent, as shown in the table that follows. The increase includes a capital works increase of \$1,553,797, or 11.5 per cent, to \$15,074,774.

	<b>Budget 2015/16 \$</b>	<b>Budget 2016/17 \$</b>	<b>Variance \$</b>
<b>Rate Funded</b>			
City Works Funds	13,520,977	15,074,774	1,553,797
Plant and Equipment	1,322,965	1,515,500	192,535
Land and Buildings	1,500,000	4,080,000	2,580,000
<b>Sub Total</b>	<b>16,343,942</b>	<b>20,670,274</b>	<b>4,326,332</b>



**Other Funded**

Grants	2,025,609	2,340,863	315,254
Reserves / Asset Sales	6,000,000	0	(6,000,000)
Loans	5,142,250	2,903,000	(2,239,250)
<b>Sub Total</b>	<b>13,167,859</b>	<b>5,243,863</b>	<b>(7,923,996)</b>
<b>Total Capital Budget</b>	<b>29,511,800</b>	<b>25,914,137</b>	<b>(3,597,663)</b>

Capital funding from other than rates totals \$5,243,863, as shown in the following table:

	\$
Lockleys catchment drainage stage 3 (loan)	2,322,000
Brown Hill Keswick Creek (loan)	581,000
Roads to recovery grant	1,442,053
Urban local road grant	599,500
Library grant	299,310
<b>Total</b>	<b>5,243,863</b>

**Environment Program**

The drainage budget comprises the following:

- \$365,000 for minor drainage upgrades and replacement works, including the following:
  - Replacement / upgrade of side entry pits and junction boxes, minor pipe replacements and upgrades due to damage and/or failure;
  - Stormwater pump station improvements;
  - Asset conditioning and minor investigations and planning into the current drainage network;
  - Brown Hill Creek, Gray Street, Channel Bend, Marleston / Kurralta Park;
  - Open drainage channel sediment removal (West Beach);
  - Stormwater basin swale reconstruction - Penong Ave, Camden Park.
- \$2,322,000 in loan funding to undertake detailed design / documentation and construction for Lockleys catchment drainage - stage 3 (Henley Beach Rd and Lockleys North catchment);
- \$100,000 to upgrade drainage for the Hayward Avenue / Ashley Street intersection, Torrensville.
- \$80,000 for an underground drainage installation - Henley Street, Mile End.

- \$581,000 in loan funding as Council's contribution toward various works associated with the Brown Hill Keswick Creek project.

## Recreation Program

Recreation works include the following:

- \$665,000 for new, replacement and upgraded playgrounds, based on a program developed in response to an audit report undertaken in 2013 for playground safety. Nominated playgrounds for 2016/17 are:
  - Lyons Street Reserve, Brooklyn Park;
  - Memorial Gardens, Hilton, (additional funds for current project);
  - Joe Wells Reserve, Netley;
  - Kings Reserve, Torrensville;
  - Shade sail shelters (sites to be confirmed);
  - Additional gym equipment, selected locations (linear parks / bikeways);
  - Minor playground equipment;
  - Playground (safety) barrier fencing.
- \$350,000 for reserve upgrades, including:
  - Golflands Reserve (western side), Glenelg North;
  - Joe Wells Reserve, Netley;
  - St Georges Avenue Reserve, Glandore;
  - Oakmont Crescent, Novar Gardens, (stage 2);
  - Streetscape upgrade - Morphett Road, Novar Gardens;
  - Upgrades to pedestrian lighting on reserves;
  - Minor reserves upgrades;
  - Ongoing gazebo upgrades and replacements;
  - Various fencing and bollard replacements on reserves;
  - Turf replacement and sundry reserve pathway upgrades.
- \$565,000 for projects along the River Torrens Linear Park, including:
  - Continuation of a staged pedestrian upgrade / replacement lighting project (LED) to meet Australian standards and improve safety for users;
  - Selected areas of re-vegetation;
  - Path upgrades / reconstruction;
  - General fencing and the installation of retaining walls and barrier protection.
- \$30,000 for the ongoing reseal of various pathway sections along the River Torrens Linear Park in order to meet the current path width standard.
- \$640,000 for irrigation system upgrades for the following reserves:
  - Westside Bikeway, Marleston / Plympton (staged project, selected areas within the linear park);
  - Richmond Oval, Richmond;
  - Frank Norton Reserve, Torrensville;
  - East Parkway Reserve, Fulham;
  - Golflands Reserve, (westerns section), Glenelg North;

- Joe Wells Reserve, Netley;
  - Tyson Avenue (wide verge area), Ashford;
  - Camden Oval, Novar Gardens (staged projects);
  - General irrigation equipment, including controllers with upgrade to network and backflow meter equipment.
- \$600,000 new budget funding for open space initiatives to develop parks and reserves that include;
    - Kings Reserve, Torrensville (staged project, including skate park option);
    - Streetscapes, Henley Beach Rd and Sir Donald Bradman Drive (staged);
    - River Torrens Linear Park - upgrade of pedestrian lighting (stage 7);
    - Playground shade structures (installation on existing playgrounds);
    - Kesmond Reserve, Keswick (reserve upgrade);
    - Staged yearly program to install new (wheelie bin) surrounds to litter bins;
    - Upgrade to reserve and shelter furniture - various locations.
  - \$60,000 for the staged resealing and reconstruction of various sections of city bikeways, a program that will be ongoing, subject to annual funding provision.
  - \$40,000 for the general upgrade of tennis courts, works including fencing.
  - \$500,000 for Apex Park Reserve, West Beach, to upgrade and improve the wetlands and landscaping. This is part of the sport facilities project and will continue into 2017/18.
  - \$50,000 to develop and upgrade the centre median of Airport Road, Brooklyn Park. Funding is to develop preliminary design options from initial concept level investigations.
  - \$50,000 for the Civic Centre street frontage onto Sir Donald Bradman Drive / Brooker Terrace, Hilton. The project is to commence and develop landscape design concepts and design options. Project is to continue in 2017/18.

### Transport Program

Funding totals \$13,021,327 (\$11,663,685 in 2015/16) as follows:

	\$
Road maintenance program	5,464,416
Road reconstruction program	5,289,552
Other road works	1,590,000
Footpath program	677,359
	<hr/>
<b>Total</b>	<b>13,021,327</b>
	<hr/>

## Road Maintenance Program

In order to ensure that the Council manages its road (surface, pavement and kerb and gutter) assets in a manner most appropriate for the community, a commitment has been made to a road Infrastructure Asset Management Plan which ensures adequate provisions are made for existing and future infrastructure so that assets are fully utilised, i.e. their design life is achieved in a cost effective manner.

This year's capital works program for roads has been based on an updated and Council adopted Infrastructure and Asset Management Plan for roads, which took into consideration the strategic report *City of West Torrens Transport Strategy - Transportation for the next Generation 2025*. The schedule of capital works for roads is based on the principles / methodologies developed in the implementation of a ten year capital works program following a condition audit of Council's network undertaken in 2015 upon which Council's current long term financial plan is based. The schedule of works also considers customer requests.

This year Council has modelled a 10 year renewal program that includes road surface rejuvenation treatments and a kerbing program that provides for kerb and gutter to be undertaken the year prior to the seal resurfacing.

This year's capital works program for road maintenance totals \$5,464,416 as follows:

	\$
Reseal / road maintenance program	1,809,877
Kerb and gutter program	3,654,539
	<hr/>
<b>Total</b>	<b>5,464,416</b>
	<hr/>

Details are provided on pages 36 to 37, and include works from customer requests and a recent reconditioning audit of the road network.

## Road Reconstruction Program

Council's road reconstruction program totals \$5,289,552 and comprises the following:

- Aldridge Terrace, Marleston (Richmond Road to St Anton Street);
- Beauchamp Street, Kurralta Park (Barwell Avenue to Hare Street);
- Birdwood Terrace, North Plympton (Keith Avenue to Murdoch Avenue);
- George Street, Thebarton (South Road to Dew Street);
- May Terrace, Brooklyn Park (Henley Beach Road to Sir Donald Bradman Drive);
- Mortimer St, Kurralta Park (Gray Street to Grassmere Street);
- North Parade, Torrensville (Clifford Street to Stephens Avenue);
- West Thebarton Road, Thebarton (South Road to James Street);
- Localised road failure and rehabilitation work.

This schedule of works provides a balanced approach to assist renewal and maintain strategic roads to an acceptable level whilst managing the expectations of the community and road users.

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## Other Road Works

Other road works total \$1,590,000 and comprise:

- \$200,000 for the ongoing installation and upgrade of public bus shelters at identified sites.
- \$505,000 for the implementation of local area traffic management in precincts 9 and 10, Thebarton / Torrensville, and stage 2, Jenkins Street, Cowandilla - Wombat Crossing, along with minor traffic management work at identified locations, including pavement bar layouts, pedestrian kerb ramps, and stop and give way signage with associated line marking.
- \$115,000 for bicycle management schemes, including the continuation of the Adelaide Airport ring route shared path from Watson Avenue along Beare Avenue, Netley, and the installation of safety barriers along the Anna Meares shared path.
- \$100,000 for ancillary works identified in the 2015 bridge audit to be undertaken.
- \$200,000 for the Westside Bikeway to continue with the staged upgrade of the pedestrian lighting on the pathway on the linear park through Marleston / Plympton.
- \$270,000 for the final stage of new pedestrian (solar) lighting for the Anna Meares shared pathway.
- \$150,000 for the upgrade of the pedestrian lighting on Coast Watchers Reserve, on the pathway from Henley Beach Road to Ashburn Avenue, Fulham.
- \$50,000 for minor street lighting upgrades throughout the city.

## Footpath Program

A condition assessment of Council's 626 kilometres of footpaths was undertaken in mid-2011 and it provided the basis for a new forward renewal and maintenance program.

Concurrently with this assessment, Council developed an *Installation of New Footpath Priority System* report to determine the order in which new footpaths are installed within Council. The installation of new footpaths applies to:

- Local roads that do not have a footpath on either side of the road;
- Collector and arterial roads that do not have footpaths on both sides of the road; and
- Local roads when a footpath is required on both sides of the road due to high pedestrian demand such as a bus route, school, shopping centre or nursing home.

It is a Disability Discrimination Act requirement that there be a footpath on one side of all roads, for the safety and accessibility of pedestrians. Local and major collector roads which carry over 3,000 vehicles per day and are defined in Council's transport's strategy should have a footpath on both sides of the road for the safety of pedestrians, along with areas that have high pedestrian demand.

The findings of the above formed the basis of the updated *Footpath Infrastructure and Asset Management Plan* that was last adopted in November 2012. The objective of the plan is to provide a safe and practically manageable footpath and cycle / shared path network with an

emphasis on the reduction in risk as opposed to aesthetics, and set priorities for the renewal and provision of new footpaths and cycle / shared paths. The functional level of service for footpaths has and will continue to consider community expectations, legislative compliance and future demand needs.

A further review of the risks associated with our footpath assets was undertaken in 2013/14 and confirmed a high risk along arterial roads. Council in past budgets has allocated funds to commence risk mitigation works, and it is proposed that this be continued with a budget allocation to city wide footpaths for upgrades to occur at various locations.

The footpath schedule of works this year is made up of \$239,508 for footpath renewal, \$237,851 for new footpath construction and \$200,000 for footpath remediation. The following work is proposed:

#### **Footpath Renewal Program \$239,508**

- Ballantyne Street, Thebarton (Lowe Street to South Road);
- Henley Beach Road, Fulham (Lisa Court to Tapleys Hill Road);
- Tapleys Hill Road, Fulham (Henley Beach Road to City Boundary);
- Darebin Street, Mile End (Falcon Avenue to South Road);
- King Street, Mile End (Victoria Street to South Road).

#### **New Footpath Construction Program \$237,851**

- Wakefield Place, Brooklyn Park (Bedford Street to End);
- Orana Avenue, Glenelg North (Iluka Street to City Boundary);
- Horsley Street, Lockleys (Frontage Road to Durham Avenue);
- Eringa Avenue, Lockleys (Fulham Park Drive to End);
- Rostrata Street, Lockleys (End to Willingale Avenue);
- Willingale Avenue, Lockleys (Henley Beach Road to Rostrata Street);
- Willingale Avenue, Lockleys (Rostrata Street to Acacia Avenue);
- Reese Avenue, Richmond (Deacon Avenue to Kingston Avenue);
- Hayward Avenue Extension, Torrensville (End to Ashwin Parade);
- Neptune Crescent, West Beach (Ingerson Street to End);
- Walter Street, West Richmond (Ralph Street to Trennery Street).

#### **Footpath Remediation Program \$200,000**

- City wide footpath remediation - upgrade to arterial road footpaths at street tree locations.

This footpath program is subject to change, but details will be provided to Council if this occurs.

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## Land and Buildings

The capital expenditure budget for land and buildings totals \$4,080,000 (\$7,500,000 in 2015/16) and comprises:

- \$25,000 for upgrades of Council owned facilities to meet Disability Discrimination Act (DDA) requirements, as identified in Council's Building Asset Management Plan (2013).
- \$120,000 to fund building upgrades at the Reedbeds Community Centre, which includes improved building access from the eastern side. The funding will also provide for internal building modifications to provide a suitable change area for facility users.
- \$110,000 to fund the upgrade of the existing clubrooms at Golflands Reserve, Glenelg North, to provide an all-access toilet facility for the building and the reserve.
- \$25,000 for asbestos removal as part of an on-going program of minor works involving Council owned buildings that have been identified in Council's Building Asset Management Plan (2013).
- \$25,000 for fire system upgrades, as part of an on-going program of minor works to bring Council owned buildings up to current building rules standards, as identified in Council's Building Asset Management Plan (2013).
- \$25,000 for ongoing electrical compliance minor upgrades of Council owned facilities in accordance with current electrical compliance regulations, as identified in Council's Building Asset Management Plan (2013).
- \$215,000 for on-going building compliance upgrades of Council owned facilities as identified in Council's Building Asset Management Plan (2013), with projects to include:
  - Peake Gardens building complex - development of a master plan to upgrade / replace the existing site building for the club, including rationalisation of the remaining site building on the reserve;
  - RSL Hilton complex - development of maintenance plan to schedule a works program for the remaining lease period;
  - Airport Over 50's building - replacement of the existing solar system;
  - Building energy system plan and maintenance report;
  - Other building and compliance works as identified.
- \$150,000 to fund Thebarton Theatre fire safety upgrades (stage 4), which includes additional structural works to the building and the review of electrical upgrades. These additional works have been identified as part of the fire compliance upgrade and will continue into 2017/18.
- \$100,000 to fund the replacement of an existing roof mounted air-conditioning system with a wall mounted system, along with replacement of the existing roof sheeting - Camden Hall, Camden Park.
- \$150,000 to fund a new portable toilet facility for use at Richmond Oval and at Council events.
- \$85,000 to improve access within the Civic Centre entrance foyer.

- \$25,000 to fund upgrade work at the Council depot on Marion Road, Brooklyn Park.
- \$200,000 to fund the upgrade of the Star Theatre complex, as identified in the Forward Maintenance Plan report presented to Council on 2 February 2016. Works are as detailed in the ten year maintenance plan.
- \$2.5 million to fund work associated with the upgrade of Lockleys Oval and Apex Park Stage 1, as resolved by the Community Facilities Committee on 24 March 2015, and subsequently endorsed by Council.
- \$325,000 for upgrade work associated with the Thebarton Community Centre.

### **Plant, Equipment and Furniture**

The capital budget for plant, equipment and furniture totals \$1,515,500 (\$1,322,965 in 2015/16) and comprises:

- \$214,500 for the replacement of 19 motor vehicles in the Council fleet, including light commercial vehicles.
- \$226,600 for furniture and equipment, including \$206,100 to facilitate the post-radio frequency identification system changes in the Hamra Centre, including changes to the front desk.
- \$270,000 for IT hardware and infrastructure replacement (\$350,000 in 2015/16), including PC's, desktops and laptops (\$140,000), scanners in City Development (\$20,000), Compliance mobile equipment (\$20,000), multi-function devices in the Civic Centre (\$40,000) and telephony equipment (\$50,000).
- \$73,000 to complete implementation of the library radio frequency identification system (\$111,465 in funding provided in 2015/16). This system supports the processing and tracking of library resources.
- \$154,500 for the programmed replacement of two specialised turf ride-on mowers (\$138,000) and two mowing trailers (\$16,500). These are high use operational machines that require regular replacement to ensure a suitable residual value and low yearly maintenance costs.
- \$103,900 for various items of City Works' plant and equipment, including two self-propelled line marking units with trailers (\$62,000), a vacuum unit for concrete cutting (\$13,500), a mechanical workshop testing unit (\$9,000), and road cutting equipment and minor power and mechanical tools (\$19,400).
- \$332,000 to replace / purchase five tipper trucks, all of which are used in the general civil, horticultural and city clean maintenance areas. The trucks being replaced range in loading capacity from three to ten tonne and age from eight to ten years.
- \$141,000 for the programmed replacement of the wood chipper unit (\$70,000) and the cherry picker / elevated work platform (\$71,000) used by the arboriculture team.



**Library Resources**

An amount of \$299,310 is being budgeted (\$312,900 in 2015/16) and it comprises the following:

- State resources           \$185,110;
- Local resources           \$114,200.

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**Road Reseal / Rehabilitation and Kerb and Gutter Program**

<b>Street Name</b>	<b>Suburb</b>
Alexander Av - (Marleston Av to Day Av)	Ashford
Bedford St - (Property No 13 to End)	Brooklyn Park
Cleo Ct - (Clifford St to End)	Brooklyn Park
Frank St - (Property No 1 to Airport Rd)	Brooklyn Park
James Av - (Western Pd to Press Rd)	Brooklyn Park
Pine St - (Allen Av to Bedford St)	Brooklyn Park
Rushworth Av - (Lipsett Ter to Sir Donald Bradman Dr)	Brooklyn Park
Stott Cr - (Marshall Ter to End)	Brooklyn Park
Western Pd - (Carnarvon Av to Everett St)	Brooklyn Park
Clifton St - (Stonehouse Av to Carlton Rd)	Camden Park
Cromer St - (Bourlang Av to Patricia Av)	Camden Park
Patricia Av - (Clifton St to Whelan Av)	Camden Park
Fitch Rd - (Halsey Rd to Good St)	Fulham
Good St - (Good St to Good St)	Fulham
Hadley St - (Ashburn Av to Henley Beach Rd)	Fulham
Halsey Rd - (Halsey Rd to City Boundary)	Fulham
Halsey Rd - (Halsey Rd to End)	Fulham
Huntington Av - (Henley Beach Rd to Riverside Dr)	Fulham
Layton St - (Henley Beach Rd to Ashburn Av)	Fulham
Raikoff Ct - (Kandy St to End)	Fulham
Samuel St - (Mackirdy St to Weetunga St)	Fulham
Sherwin Ct - (Henley Beach Rd to Henley Beach Rd)	Fulham
Susan St - (Ayton Av to Henley Beach Rd)	Fulham
Warramunga St - (Halsey Rd to End)	Fulham
Mallen St - (Sir Donald Bradman Dr to Burt Av)	Hilton
Somerset Av - (Davenport Ter to Sir Donald Bradman Dr)	Hilton
Verran Av - (Sir Donald Bradman Dr to Davenport Ter)	Hilton
Warwick Av - (Daphne St to Cross Ter)	Kurralta Park
Acacia Av - (End to Willingale Av)	Lockleys
Acacia Av - (Willingale Av to End)	Lockleys
Franciscan Av - (Property No 5 to Arcoona Av)	Lockleys
Fulham Park Dr - (Arcoona Av to Corona Av)	Lockleys
Noble Av - (Torrens Av to Kenton St)	Lockleys
Rostrata St - (End to Willingale Av)	Lockleys
Torrens Av - (End to Dartmoor St)	Lockleys
Anstey Cres - (Barwell Av to Coneybeer St)	Marleston

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**Road Reseal / Rehabilitation and Kerb and Gutter Program**

Darebin St - (Ebor Av to Falcon Av)	Mile End
Dew St - (Rose St to George St)	Mile End
Ebor Av - (Tarragon St to Cowra St)	Mile End
Lurline St - (Bagot Av to Ebor Av)	Mile End
Mccarthy Ln - (Victoria L to Henley Beach Rd)	Mile End
Norma St - (South Rd to Falcon Av)	Mile End
Rankine Rd - (Property 31 to Hounslow Av)	Mile End
School L - (Taylors L to Rose St)	Mile End
Victoria St - (Henley Beach Rd to Hughes St)	Mile End
Coulter St - (Allchurch Av to Galway Av)	North Plympton
Mackay Av - (Edward Davies St to Laverack Rd)	North Plympton
Mackay Av - (Mackay Av to Mackay Av)	North Plympton
Packard St - (Dudley Av to End)	North Plympton
Park Ter - (Allchurch Av to Talbot Av)	North Plympton
Talbot Av - (Marion Rd to Birdwood Ter)	North Plympton
Amy St - (Willoughby Av to Cummins St)	Novar Gardens
Albert St - (Milner Rd to Martin Av)	Richmond
Arthur St - (Brooker Ter to Shaw Av)	Richmond
Davenport Ter - (South Rd to Milner Rd)	Richmond
Lucas St - (Marion Rd to Chambers Av)	Richmond
Cawthorne St - (End to Smith St)	Thebarton
James St - (Phillips St to Smith St)	Thebarton
Smith St - (Dew St to Holland St)	Thebarton
Walsh St - (Anderson St to Phillips St)	Thebarton
Clifford St - (North Pde to Carlton Pde)	Torrensville
East St - (Carlton Pde to Henley Beach Rd)	Torrensville
Hayward Av - (End to North Pde)	Torrensville
Jervois St - (Henley Beach Rd to North Pde)	Torrensville
Northcote St - (Henley Beach Rd to Carlton Pde)	Torrensville
Oakington St - (Elizabeth St to Henley Beach Rd)	Torrensville
Torrens St - (Wilton Ter to Ferris St)	Torrensville
Wilton Ter - (Elizabeth St to Property 19)	Torrensville
Sherriff Ct - (Sherriff St to End)	Underdale
Burbridge Rd (Service Road) - (Davis St to City Boundary)	West Beach
Charles Veale Dr - (Windsor Ter to Tapleys Hill Rd)	West Beach
Toledo Av - (Property No 27 to Property No 43)	West Beach
Road Rejuvenation	Various Locations

<b>ORIGINAL BUDGET 2015/16</b>	<b>REVISED BUDGET 2015/16</b>	<b>DESCRIPTION</b>	<b>2016/17 BUDGET</b>
<b><u>CAPITAL WORKS</u></b>			
<b><u>Environment Program</u></b>			
		<b><i>Stormwater &amp; Drainage</i></b>	
200,000	206,994	Minor Drainage Upgrades and Replacement Work	365,000
100,000	157,532	Mile End Cowandilla Catchment	0
2,042,250	3,567,923	Lockleys Catchment	2,322,000
0	299,699	Ashley St (West St to Hayward Ave)	100,000
0	0	Henley St Drainage	80,000
250,000	250,000	Maria Street Drainage	0
		<b><i>Other Environment</i></b>	
3,100,000	70,344	Brown Hill and Keswick Creeks	581,000
0	40,000	Kings Reserve Water Supply	0
300,000	300,000	Glenelg Adelaide Pipeline (GAP)	0
<b>5,992,250</b>	<b>4,892,492</b>	<b>Program Total</b>	<b>3,448,000</b>
<b><u>Recreation Program</u></b>			
		<b><i>Parks &amp; Gardens</i></b>	
710,000	963,503	Playground Upgrade	665,000
385,000	790,288	Reserve Developments - Various	350,000
745,000	951,714	River Torrens Upgrade	565,000
30,000	30,000	River Torrens Path Upgrades	30,000
540,000	760,354	Reserve Irrigation Upgrades	640,000
0	0	Additional Open Space Amenity Initiatives	600,000
175,000	186,253	Urban Forest James Congdon Drive	0
60,000	60,000	Bikeway Path Upgrade and Reseal	60,000
		<b><i>Sports Facilities</i></b>	
75,000	168,697	Tennis Court Upgrades	40,000
0	0	Apex Park	500,000
0	0	Airport Road	50,000
0	0	Memorial Gardens	50,000
0	100,000	Brickworks Interface Works	0
<b>2,720,000</b>	<b>4,010,809</b>	<b>Program Total</b>	<b>3,550,000</b>

<b>ORIGINAL BUDGET 2015/16</b>	<b>REVISED BUDGET 2015/16</b>	<b>DESCRIPTION</b>	<b>2016/17 BUDGET</b>
<b><u>Transport Program</u></b>			
		<b><i>Roads Sealed</i></b>	
8,441,124	10,801,073	City Funds/ULRG Funds/Carryovers	9,311,915
873,376	1,248,046	Roads to Recovery Grant Funds	1,442,053
		<b><i>Other Transport</i></b>	
200,000	254,436	Roundabouts / Minor Road Rehabilitation	0
200,000	225,303	Bus Shelters	200,000
353,333	723,544	Traffic Management	505,000
124,000	239,822	Bicycle Management Schemes	115,000
480,000	494,820	Public Lighting	670,000
0	31,546	Corporate Branding - Signage	0
0	474,194	Bio-Science Precinct Works	0
		<b><i>Bridges</i></b>	
100,000	113,961	Bridge Ancillary Works (as per Bridge Audit)	100,000
		<b><i>Footpaths</i></b>	
311,489	357,219	Footpath Renewal Program	239,508
280,363	280,363	Footpath Construction Program	237,851
300,000	350,037	Footpath Remediation Program	200,000
<b>11,663,685</b>	<b>15,594,364</b>	<b>Program Total</b>	<b>13,021,327</b>
<b>20,375,935</b>	<b>24,497,665</b>	<b>TOTAL - CAPITAL WORKS</b>	<b>20,019,327</b>

<b>ORIGINAL BUDGET 2015/16</b>	<b>REVISED BUDGET 2015/16</b>	<b>DESCRIPTION</b>	<b>2016/17 BUDGET</b>
<b><u>OTHER CAPITAL EXPENDITURE</u></b>			
<b><u>Land and Buildings</u></b>			
25,000	5,000	DDA Upgrade Program	25,000
100,000	100,000	DDA Upgrade Program - Reedbeds Community Centre	120,000
185,000	185,000	DDA Upgrade Program - Lockleys Oval Satterly Hall	0
220,000	220,000	DDA Upgrade Program - Linear Park Toilet Facilities	0
0	0	DDA Golflands Complex Building	110,000
25,000	25,000	Asbestos Removal Program	25,000
25,000	91,205	Fire Systems Upgrade	25,000
25,000	51,678	Electrical Compliance Upgrade	25,000
0	9,297	Weigall Oval (Shed structure)	0
0	6,136	Roof Access safety systems	0
200,000	262,467	Building Compliance Upgrade	215,000
0	50,000	Western Youth Centre (Timber floor replacement)	0
0	511,090	Lockleys Oval Concept Design	0
600,000	1,089,566	Thebarton Theatre fire safety	150,000
0	0	Camden Hall- Roof & Airconditioning replacement	100,000
0	0	Portable Toilet Facilities	150,000
0	250,000	Camden Oval - Public Toilet Facilities (DDA)	0
0	0	Civic Centre - Internal Foyer Access	85,000
0	351,650	Cottage at 185-187 Sir Donald Bradman Drive upgrade	0
20,000	13,000	Demolition of Jaguars Club Buildings	0
75,000	75,000	Security Key System - Council Buildings	0
0	1,535,947	Brickworks' kiln upgrade	0
0	0	Depot modifications - Marion Rd, Brooklyn Park	25,000
0	130,000	Novar Gardens Bowling Club Shed structure	0
0	417,850	Civic Office - Upgrade 173 Sir Donald Bradman	0
0	20,000	Demolition of 10 Somerset Ave	0
0	40,000	Star Theatre - Building Compliance work	200,000
0	120,000	Purchase of Gray St Land	0
0	15,000	Civic Building Sewer Upgrade	0
0	25,000	Lockleys Senior Citizens - Mellor Park- New RC A/C	0
0	80,000	RSL Hilton - New RC A/C	0
0	0	Upgrade Lockleys oval/Apex Park - Stage 1	2,500,000
6,000,000	5,611,914	Community Hub & Related Facilities (Thebarton)	325,000
0	1,000,000	Weigall Oval Stage 1	0
0	-14,288,311	Sale of Land and Buildings	0
<b>7,500,000</b>	<b>-1,996,511</b>	<b>Total Land and Buildings</b>	<b>4,080,000</b>

<b>ORIGINAL BUDGET 2015/16</b>	<b>REVISED BUDGET 2015/16</b>	<b>DESCRIPTION</b>	<b>2016/17 BUDGET</b>
<b><u>Plant, Equipment and Furniture</u></b>			
175,000	206,549	Motor Vehicle Replacements	214,500
91,000	118,079	Furniture and Equipment	226,600
350,000	350,000	IT Hardware & Infrastructure Replacement	270,000
111,465	149,465	Library Radio Frequency Identification System	73,000
40,500	30,186	Minor Depot Plant and Equipment	41,900
95,500	95,500	Replace Mowers (2015/16 x 4; 2016/17 x 2)	138,000
0	0	Replace Linemarker (2016/17 x2; 1 x trailer)	62,000
164,000	655,569	Replace Trucks / Tippers (2015/16 x 2; 2016/17 x 4)	332,000
0	0	Replace Footpath Sweeper (2 x sweepers)	0
114,000	114,000	Replace Backhoe Loader	0
67,000	67,000	Replace Woodchipper	70,000
21,000	44,500	Replace Mowing Trailers	16,500
10,000	10,000	Replace Cherry Picker	71,000
12,500	12,500	Replace Tipper Body	0
21,000	21,000	Replace Heavy Duty Cab Chassis Utility	0
50,000	70,000	Replace Existing Depot and Workshop Facilities	0
0	138,778	Mobile Library	0
<b>1,322,965</b>	<b>2,083,126</b>	<b>Total Plant, Equipment and Furniture</b>	<b>1,515,500</b>
<b><u>Library Resources</u></b>			
200,000	200,000	Library Resources - Central	185,110
112,900	112,900	Library Resources - Local	114,200
<b>312,900</b>	<b>312,900</b>	<b>Program Total</b>	<b>299,310</b>
<b>9,135,865</b>	<b>399,515</b>	<b>TOTAL - OTHER CAPITAL</b>	<b>5,894,810</b>
<b>29,511,800</b>	<b>24,897,180</b>	<b>TOTAL ALL CAPITAL EXPENDITURE</b>	<b>25,914,137</b>





## **Operational Budget**

## Summary

Council's operating statement in the 2016/17 budget projects a surplus from operations of \$10,870,169, as shown below, based on a 2.6 per cent rate increase. This rate increase is marginally lower than the increase endorsed in the long term financial plan of the Council in 2015/16.

<b>Income</b>	<b>\$</b>
Rates and Rate Equivalents	53,390,136
Statutory Charges	2,199,580
User Charges	1,285,357
Grants and Subsidies	4,182,023
Sundry Income	1,204,645
	<hr/>
<b>Total Income</b>	<b>62,261,741</b>
	<hr/>
<b>Expenditure</b>	
Employee and Related	21,624,251
Material and Contract	7,953,400
Finance Costs	153,900
NRM Levy	1,260,136
Depreciation	10,941,490
Other	9,458,395
	<hr/>
<b>Total Expenditure</b>	<b>51,391,572</b>
	<hr/>
<b>Operating Surplus</b>	<b>10,870,169</b>
	<hr/>

Note that the surplus above is an indicator of operating performance, including the funding of asset depreciation, but is not an indicator of the cash surplus of the Council. Capital expenditure covered in the previous section of this document is not included in the expenditure above.

After adjusting for reserve movements, a small cash surplus of \$27,830 is projected.

## Operational Expenditure

Operational expenditure has increased by \$499,026 or 1.0 per cent, relative to the original 2015/16 budget (excluding St Martins).

All other operational expenditure, before depreciation, has increased by \$455,108 or 1.1 per cent, relative to the original 2015/16 budget (\$476,770 or 1.2 per cent last budget), as follows:

	<b>Budget 2015/16</b>	<b>Budget 2016/17</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Employee Costs	20,825,231	21,624,251	799,020	3.8
Building, Equipment and Related	1,758,530	1,842,070	83,540	4.8
General Expenses	4,146,386	4,035,339	-111,047	-2.7
Bank and Finance Charges	725,469	153,900	-571,569	-78.8
Council Related Expenses	2,101,218	2,099,347	-1,871	-0.1
Contract and Material Expenses	7,741,000	7,953,400	212,400	2.7
NRM Levy	1,225,389	1,260,136	34,747	2.8
Occupancy and Property Costs	1,556,751	1,566,639	9,888	0.6
Internal Charges / Recoveries	-85,000	-85,000	0	0
<b>Sub Total</b>	<b>39,994,974</b>	<b>40,450,082</b>	<b>455,108</b>	<b>1.1</b>
Depreciation	10,897,572	10,941,490	43,918	0.4
<b>Total</b>	<b>50,892,546</b>	<b>51,391,572</b>	<b>499,026</b>	<b>1.0</b>

### Notable Cost Containment

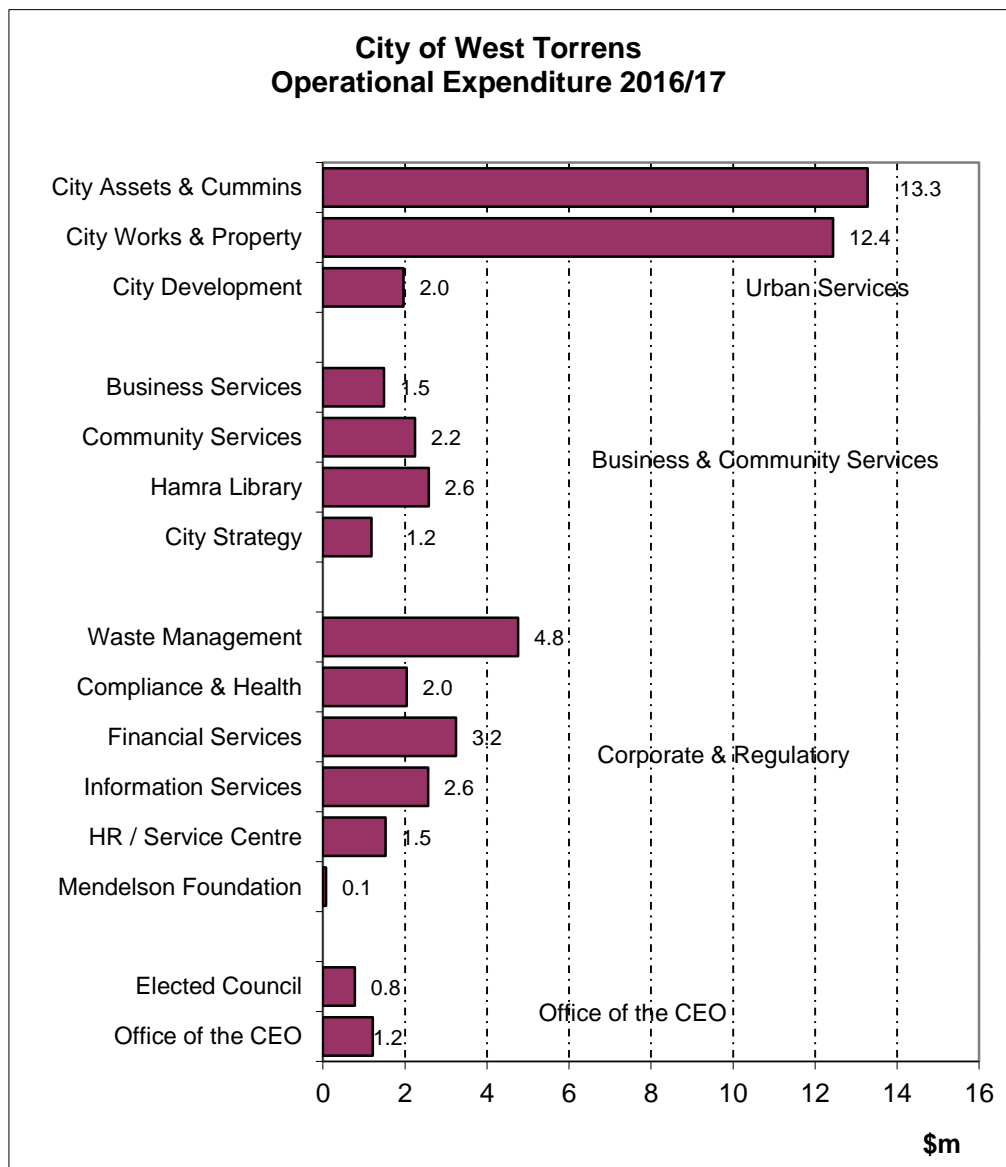
Costs have been contained across all areas of the Council to achieve the increase of 1.0 per cent that is shown above, notwithstanding that:

- Employment costs have increased by \$799,020 or 3.8 per cent over the original budget estimates for 2015/16 (\$646,752 or 3.2 per cent last budget), with FTE's increasing net by 3.8. This is further explained later in this commentary under the heading "Employment Costs";
- Waste disposal and collection costs have been increased by \$213,000 or 4.8 per cent;
- IT costs are increasing by \$56,500 or 6.7 per cent, largely because of one-off additional costs associated with replacement of Council's electronic records management system.
- The NRM levy is budgeted to increase by \$34,747 or 2.8 per cent to \$1,260,136.

Interest payable is decreasing by \$598,669 or 100 per cent over what was budgeted in 2015/16, reflecting the impact of loans being paid out.

The cost increase proposed in the budget compares favourably with both the consumer price index (currently 0.7 per cent for Adelaide) and the local government price index (currently 0.9 per cent).

Operational expenditure, based on business functions of the Council, is as follows:



### Employment Costs

Employment costs have increased by \$799,020 or 3.8 per cent over the original budget estimates for 2015/16 (\$646,752 or 3.2 per cent last budget), with the increase attributable to the following:

- An estimated \$570,000 in negotiated enterprise bargaining increases;
- An estimated additional cost of \$160,000 for two new positions in Compliance, both Council approved and both fully funded from additional parking income;
- An estimated cost of \$150,000 for additional resourcing in lean / continuous improvement (two year appointment) and economic development.

These increases are partly offset by an increase of \$75,000 in the allowance being made for unfilled vacancies expected to occur throughout 2016/17. An amount of \$225,000 has been budgeted (\$150,000 in 2015/16).

The replacement of staff on leave is largely unfunded in the budget, apart from direct service providers such as the library and the Service Centre. A sufficient level of saving during the course of the year is expected to occur within the budget to fund any staff replacements that may be required.

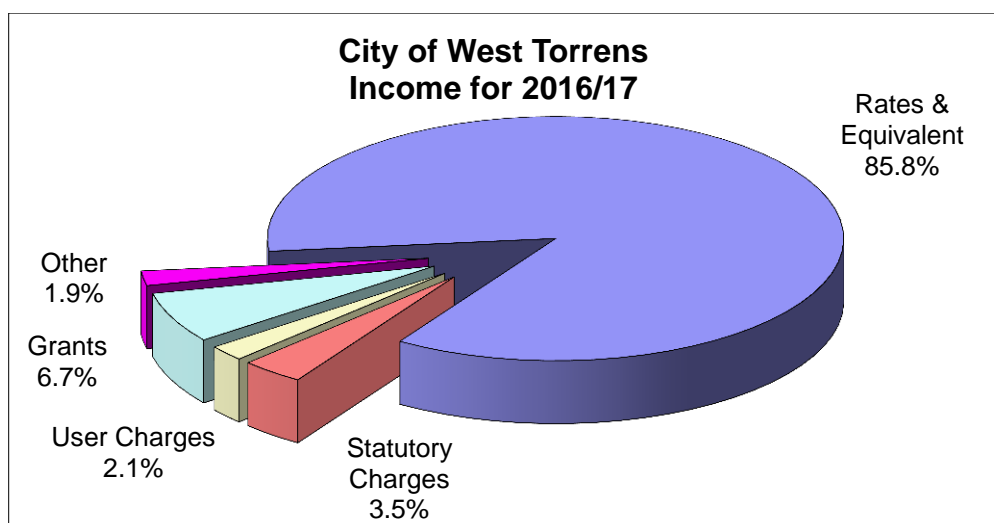
## Income

All income is budgeted to increase by \$3,382,149 or 5.7 per cent over 2015/16 budget as follows:

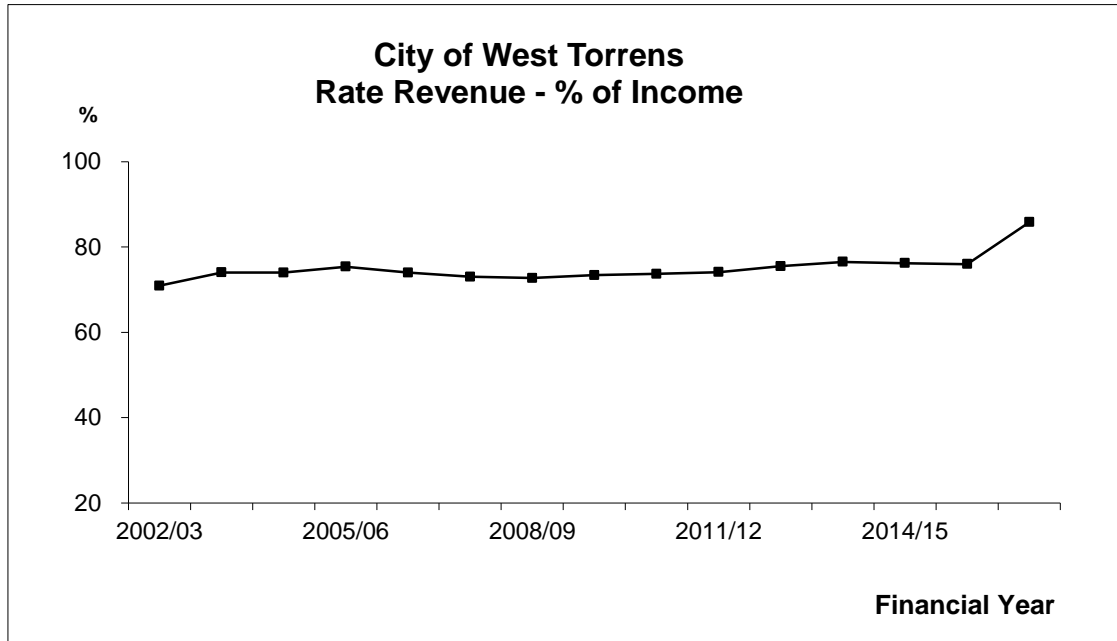
	<b>Budget 2015/16</b>	<b>Budget 2016/17</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates & Rate Equivalents Payments	51,019,989	53,390,136	2,370,147
Statutory Charges	1,752,380	2,199,580	447,200
User Charges	1,263,633	1,285,357	21,724
Grants - General Purpose Grant	1,217,638	1,200,000	-17,638
Grants - Other	2,632,909	2,982,023	349,114
Sundry Income	993,043	1,204,645	211,602
<b>Total</b>	<b>58,879,592</b>	<b>62,261,741</b>	<b>3,382,149</b>

## Rate Income

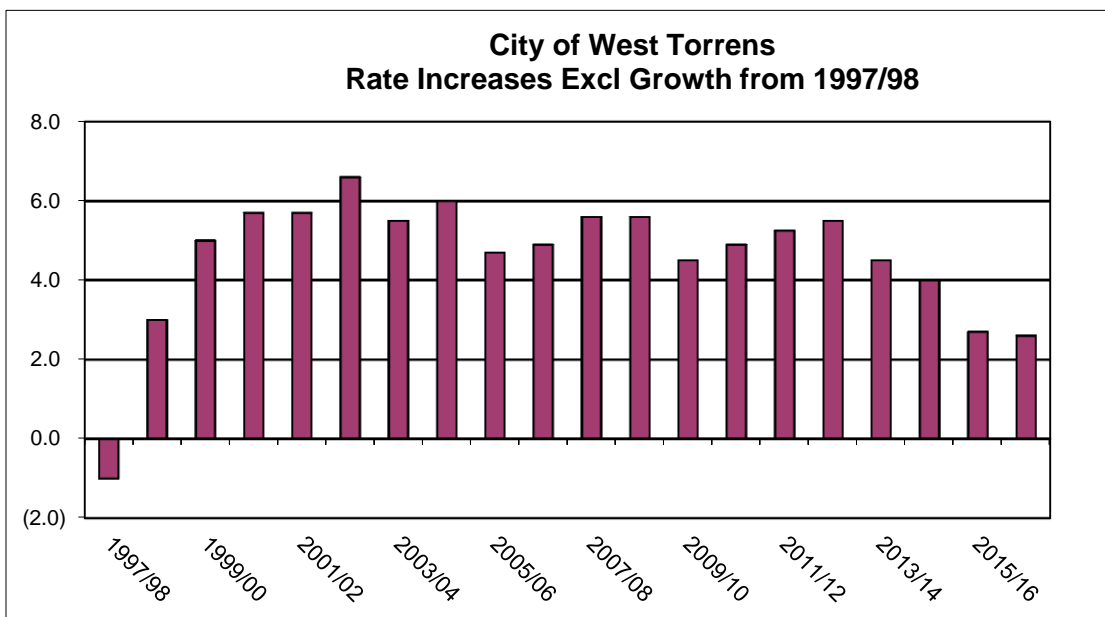
85.8 per cent of the income budgeted by Council is derived from rates and rate equivalent payments, as follows:



As can be seen in the following graph, Council's dependency on rate revenue continues to be significant due to the reduction in other forms of income, notably the general purpose grants (refer next section). While Council can obtain grants for specific purposes, substantially increased general purpose grants are unlikely to be obtained in the foreseeable future.



Council has endeavoured to limit increases in rates and since 1997/98 has achieved an average increase of 4.6 per cent (excluding natural growth), as shown in the chart that follows:



## Rate Calculation

Rates in 2016/17 are determined on the following basis:

	\$
Rate Income 2015/16	45,757,911
Add Natural Growth @ Net 1.5%	686,369
	<hr/>
Rates Prior to Rate Increase	46,444,280
	<hr/>
Add Net Rate Increase @ 2.6%	1,205,720
	<hr/>
<b>Rates Raised (excluding fines)</b>	<b>47,650,000</b>
	<hr/>

Rate equivalent payments by Adelaide Airport Limited are excluded from the above rate calculations, along with NRM levies, rebates, remissions and discounts.

## Minimum Rates

A minimum rate of \$870 is proposed for 2016/17 (\$848 in 2015/16), an increase of \$22 or 2.6 per cent.

This rate is expected to result in substantially less than 35 per cent of West Torrens Council properties being minimum rated and ensure compliance with Section 158 of the Local Government Act 1999.

West Torrens had the third lowest minimum rate in metropolitan Adelaide in 2015/16 at \$848. Minimum rates in metropolitan Adelaide average \$936 and range between \$741 (Unley) and \$1,101 (Walkerville).

## Rate Movements

It is proposed that rates be increased as follows:

Minimum Rate	:	Up 2.6%
Non-Residential	:	Up 2.6%
Residential	:	Up 2.6%
Overall Increase	:	Up 2.6%

## Rates Comparison with Other Councils

A comparison of rates with other metropolitan councils reveals that West Torrens Council's average rates of \$1,594 are low. The information is based on an LGA survey and is considered a reliable indicator of Council's rating effort.

Using West Torrens as the base, the ratio indicates the factor by which other council rates compare. For example, the average rates of Walkerville Council are 1.3 times higher than those of West Torrens.

**Rates per Rateable Assessment 2015/16**

<b>Council</b>	<b>Average</b>	
	<b>Rates</b>	<b>Ratio</b>
	<b>\$</b>	<b>%</b>
Walkerville	2,023	1.3
Unley	1,979	1.2
Prospect	1,902	1.2
Playford	1,833	1.1
Charles Sturt	1,729	1.1
Mitcham	1,724	1.1
Tea Tree Gully	1,710	1.1
Marion	1,656	1.0
Norwood, Payneham	1,634	1.0
<b>West Torrens</b>	<b>1,594</b>	1.0
Holdfast Bay	1,550	1.0
Onkaparinga	1,515	1.0
Pt Adelaide Enfield	1,501	0.9
Salisbury	1,485	0.9
Campbelltown	1,431	0.9
<b>Average</b>	<b>1,684</b>	<b>1.1</b>

Source: LGA Survey

Another view of Council's rating is based on average residential rates, details which follow. It is worth noting that generally councils with differential rates, like West Torrens, move to a lower range to reflect the lower residential rate in the dollar charged.

<b>Council</b>	<b>Average</b>	
	<b>Rates</b>	<b>Ratio</b>
	<b>\$</b>	<b>%</b>
Walkerville	1,926	1.7
Prospect	1,684	1.5
Unley	1,683	1.5
Mitcham	1,574	1.4
Tea Tree Gully	1,498	1.3
Norwood, Payneham	1,461	1.3
Gawler	1,457	1.3
Holdfast Bay	1,453	1.3
Onkaparinga	1,425	1.3
Playford	1,421	1.3
Campbelltown	1,406	1.3
Marion	1,399	1.3



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Charles Sturt	1,291	1.2
Salisbury	1,226	1.0
<b>West Torrens</b>	<b>1,112</b>	<b>1.0</b>
Pt Adelaide Enfield	967	0.9
<b>Average</b>	<b>1,436</b>	<b>1.4</b>

Source: LGA Survey

### Rate Modelling

More detailed rate modelling information, prepared pursuant to the requirements of Section 123 of the Local Government Act 1999, is included in section 7 of this document which deals with rating 2015/16.

### Grant Income

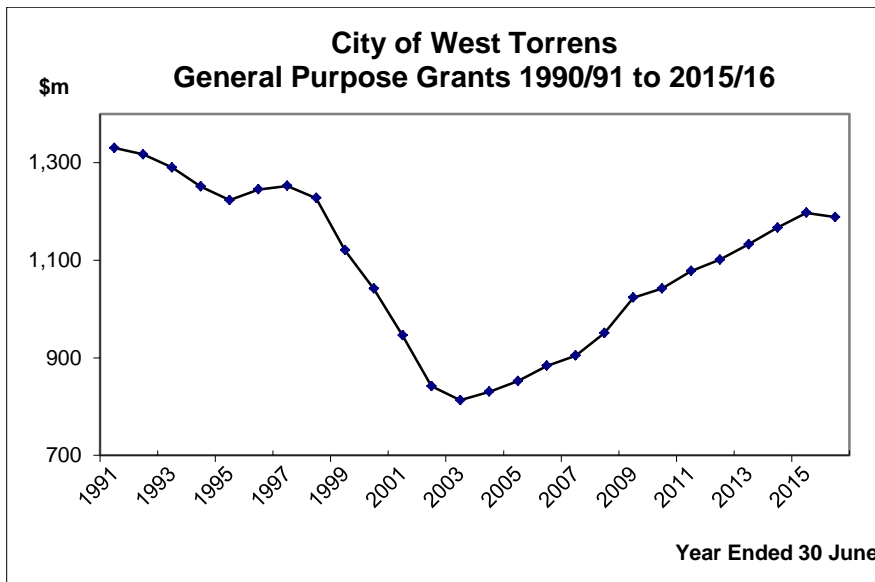
Grant income budgeted in 2016/17 totals \$4,182,023 (\$3,850,547 in 2015/16) as follows:

	<b>Budget 2015/16</b>	<b>Budget 2016/17</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
General Purpose Grant	1,217,638	1,200,000	-17,638
Road Grants	616,000	599,500	-16,500
Library	412,500	416,500	4,000
HACC / CHSP	453,700	468,700	15,000
Special Road Grants	1,096,709	1,442,053	345,344
Sundry Grants	54,000	55,270	1,270
	<hr/>		
<b>Total</b>	<b>3,850,547</b>	<b>4,182,023</b>	<b>331,476</b>
	<hr/>		

**General Purpose Grant**

The following table shows Council’s general purpose grants from the South Australian Grants Commission since 1997/98. The decline reflects the impact of a methodology review by the Commission.

Year	Grant \$
1997/98	1,227,343
1998/99	1,120,333
1999/00	1,041,549
2000/01	945,960
2001/02	841,960
2002/03	812,887
2003/04	830,499
2004/05	852,368
2005/06	883,464
2006/07	904,395
2007/08	950,786
2008/09	1,023,275
2009/10	1,042,136
2010/11	1,077,916
2011/12	1,101,163
2012/13	1,132,555
2013/14	1,166,532
2014/15	1,197,284
2015/16	1,188,191



## User Charges

User charges can be distinguished from taxes because they can be avoided by a ratepayer's decision not to use the good or service in question. The basis for raising general rates from ratepayers is to pay for the goods and services that a local government provides to its community. However, there are certain goods and services that the Council provides which are available specifically to individuals or groups and for which a user charge is appropriate. Councils already have a number of user charges e.g. library charges, hall hire, tennis court hire, community centre fees, etc.

User charges can help to reduce the rate burden on ratepayers.

User charges budgeted in the 2016/17 financial year totals \$1.285 million (or 2.1 per cent of all Council's income). They comprise the following:

	<b>Budget 2015/16</b>	<b>Budget 2016/17</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Waste Royalties / Lease Fees	210,000	177,757	-32,243
Hall and Theatre Hire / Rent	221,507	228,401	6,894
Library Income	40,000	40,000	0
Ovals Rents, Fees & Related	145,511	144,777	-734
Home Support Charges	112,000	139,300	27,300
House Rent & Related	33,781	32,764	-1,017
Sundry User Charges	509,284	522,358	13,074
<b>Total</b>	<b>1,272,083</b>	<b>1,285,357</b>	<b>13,274</b>

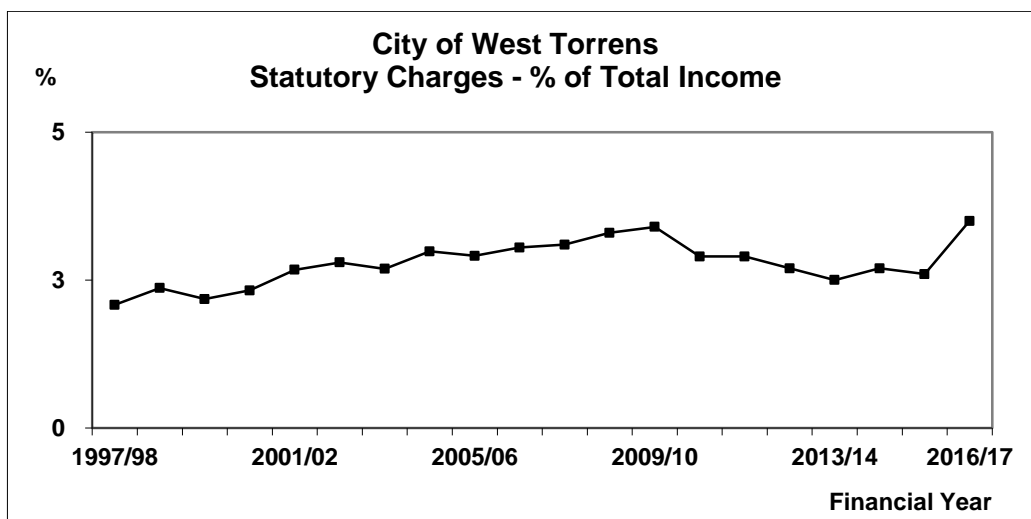
All user charges are reviewed annually by Council.

## Statutory Charges

Statutory charges are substantially set by the State Government on regulatory services provided by local government, such as dog registration fees, building and planning fees, and parking fines. They comprise the following:

	<b>Budget 2015/16</b>	<b>Budget 2016/17</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Parking Income	675,000	1,045,000	370,000
Development Act Fees	600,000	650,000	50,000
Animal Control Income	289,980	289,980	0
Property Search Fees	100,000	110,000	10,000
Sundry Statutory Charges	87,400	104,600	17,200
<b>Total</b>	<b>1,752,380</b>	<b>2,199,580</b>	<b>447,200</b>

Statutory fees play an important role in enabling Council to provide a range of specific services and community facilities. However, these fees and charges make a relatively modest contribution to the overall budget. In the 2016/17 budget, statutory charges total \$2.2 million or 3.5 per cent of all Council income (excluding capital revenues). The trend since 1997/98 has been as follows:



### Other Income

Other income of the Council includes investment income, an insurance bonus and reimbursements, and comprises 1.9 per cent of all income budgeted in 2016/17 (excluding capital revenues).

	Budget 2015/16 \$	Budget 2016/17 \$	Variance \$
Investment & Related Income	286,000	444,000	158,000
Reimbursement Income	260,243	247,345	-12,898
Insurance Bonus	295,000	302,227	7,227
Sundry Income	151,800	211,073	59,273
<b>Total</b>	<b>993,043</b>	<b>1,204,645</b>	<b>211,602</b>

### Loan Program 2016/17

Council's loan program for 2016/17 totals \$2,691,909 (\$4,956,591 in the 2015/16 original budget). The loan is to fund Lockleys catchment drainage (\$2,110,909 excluding overhead) and the Brown Hill Keswick Creek project (\$581,000).

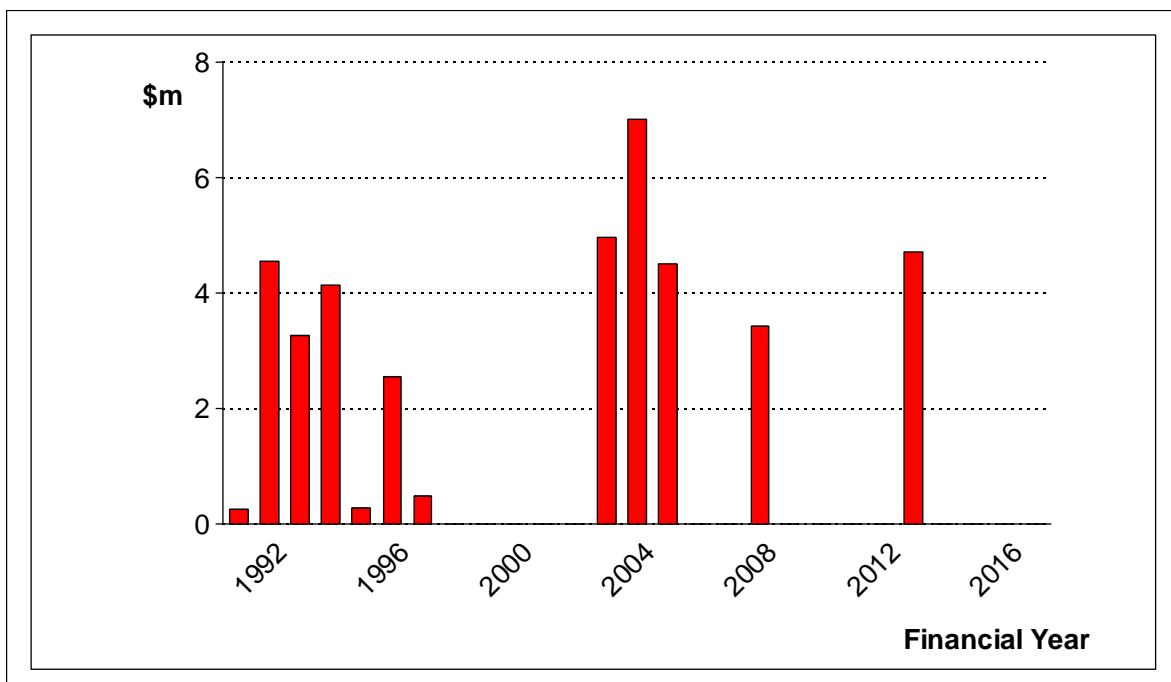
**Historical Perspective on Loans**

New loans taken by the Council since 1 July 1989, including those of both Thebarton and West Torrens Councils prior to amalgamation in 1997, are as follows:

<b>Year Ended 30<sup>th</sup> June</b>	<b>Loans Taken</b>	<b>Year Ended 30<sup>th</sup> June</b>	<b>Loans Taken</b>
1990	265,000	2003	7,000,000
1991	4,549,390	2004	4,497,337
1992	3,260,000	2005	0
1993	4,135,600	2006	0
1994	281,550	2007	3,430,000
1995	2,557,965	2008	0
1996	500,000	2009	0
1997	0	2010	0
1998	0	2011	0
1999	0	2012	4,721,455
2000	0	2013	0
2001	0	2014	0
2002	4,964,000	2015	0

Council has opted for some years now to use cash reserves, rather than borrow, given the margin between borrowing and investment interest rates, and this has progressively reduced its level of indebtedness.

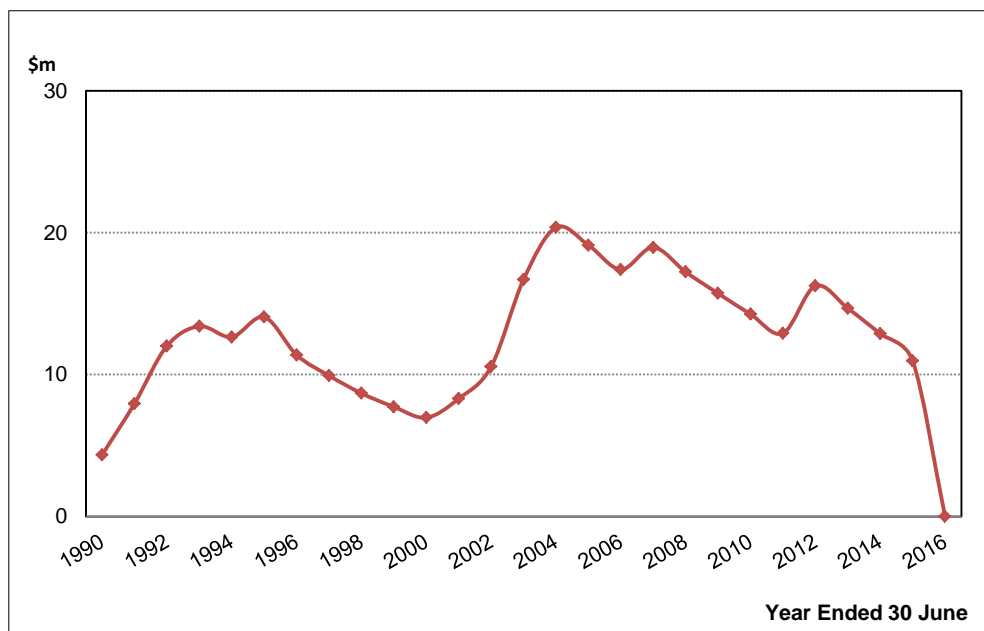
Loans taken are shown graphically as follows:



The indebtedness of the Council over the same period has been as follows:

<b>Year ended 30 June</b>	<b>Loan Liability</b>		<b>Year ended 30 June</b>	<b>Loan Liability</b>
1990	4,332,500		2004	20,374,509
1991	7,952,591		2005	19,129,976
1992	12,016,976		2006	17,411,955
1993	13,409,421		2007	18,969,367
1994	12,649,808		2008	17,236,975
1995	14,057,519		2009	15,723,125
1996	11,387,771		2010	14,264,992
1997	9,927,527		2011	12,913,277
1998	8,683,170		2012	16,252,653
1999	7,728,295		2013	14,672,077
2000	6,968,412		2014	12,878,229
2001	8,302,536		2015	10,966,005
2002	10,561,826		2016	0
2003	16,709,425			

This is shown graphically as follows:



Increased borrowings in the 1991 to 1993 period were largely due to the redevelopment of the Hilton Civic Centre and property acquisitions associated with the Hilton Shopping Centre site.

A sizeable reduction of Council's indebtedness in the 1995 to 2001 period occurred because Council elected to use cash reserves rather than borrowings to fund the budgeted loan program. This has resulted in interest and principal repayments being avoided.

More recent loans have been taken to finance redevelopment of the Hilton Library, drainage works, Sir Donald Bradman Drive drainage, and other upgrade and general works.

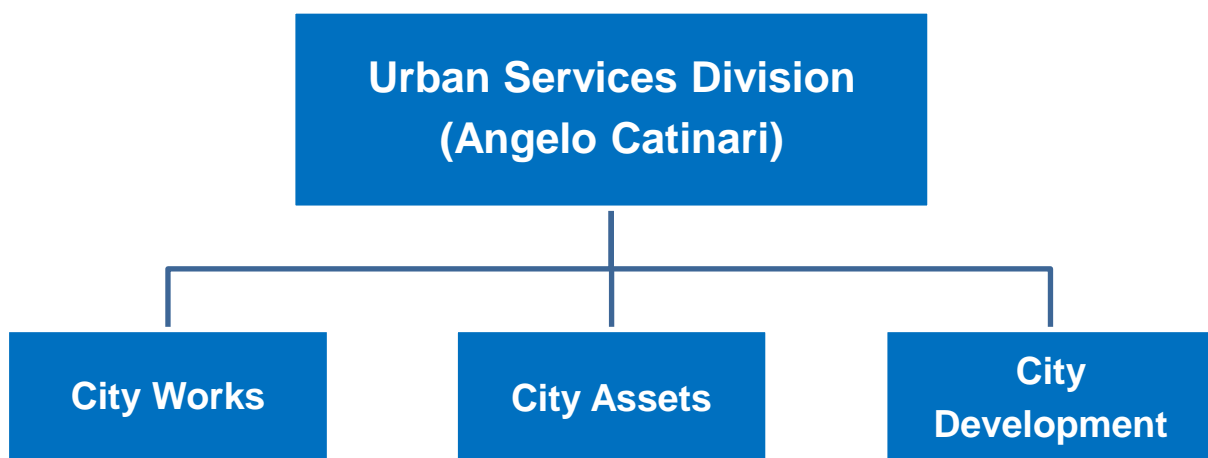
No loan liability in 2016 reflects action taken to pay out loans using proceeds from the sale of St Martins.





## **Operational Budgets by Division**

## Urban Services Division



The Urban Services Division covers a range of service areas responsible for the city's infrastructure as well as the built and natural environment. The division is responsible for the provision of services and resources that enhance life in the city and it plans, manages and reviews the delivery of Council's works, infrastructure, property, land use, planning and building services.

The Urban Services Division comprises the following:

- City Works (including operational property management);
- City Assets (including strategic property management);
- Property Services (including Cummins House) ;
- City Development.

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## Urban Services Division

### 2016/17 Business Plan and Budget Statement

#### Objective(s)

Support Council with the provision of a range of urban services, which aim to maintain and improve the city's public infrastructure, amenity and built environment.

#### Key Activities 2016/17

Key activities include the following:

- Discharge functions and duties under the Development Act 1993 and the Development Regulations 2008;
- Civil construction and maintenance;
- Building and property administration, construction and maintenance;
- Asset management;
- Stormwater management;
- Horticultural services;
- Fleet management;
- Traffic management.

#### Performance Measures

Performance measures, both financial and non-financial, against which the Urban Services Division will be assessed, are:

- Legal planning obligations are met in an efficient and timely fashion, consistent with the planning framework and policies of the Council;
- Projects are completed on time, on budget and with quality outcomes;
- Stormwater flood mitigation measures are effective throughout the city and meet community expectations;
- Asset management plans are in place and support asset maintenance requirements of the city;
- Traffic management measures that demonstrate safety improvements while providing increased levels of community satisfaction;
- Asset maintenance is timely, cost effective, of a high quality and meets community expectations;
- Service frequencies that meet community expectations, including street sweeping and parks and landscape maintenance;
- High service levels are maintained and key performance indicators are met.

#### 2016/17 Budget Highlights

##### 1. Income

- Urban Services' income is budgeted to increase by \$366,095 or 10.5 per cent to \$3,854,755;
- Roads to recovery funding of \$1,442,053 is budgeted in 2016/17, up from \$873,376 in 2015/16;
- Council's urban local road grant has been budgeted at \$599,500, based on the grant received for 2015/16 plus a CPI allowance (\$616,000 budgeted originally in 2015/16);

- Royalty payments and lease income associated with the waste transfer station have decreased by \$32,243 or 15.4 per cent to \$177,757;
- Income from sporting facilities of \$144,777 has been budgeted (\$145,511 in 2015/16);
- Thebarton Theatre income of \$68,682 has been budgeted (\$70,000 in 2015/16);
- Property related reimbursements for utility and related charges (such as water and electricity) of \$185,345 have been budgeted (\$192,693 in 2015/16).
- City Works' income of \$114,000 has been budgeted (\$106,500 in 2015/16) which includes \$35,000 for maintaining selected highway medians on Sir Donald Bradman Drive, Airport Road and Henley Beach Road for the Department of Planning, Transport and Infrastructure.
- Development application fees of \$650,000 have been budgeted (up 8.3 per cent from \$600,000 in 2015/16), based on an increase in development application numbers;
- Property search fees have been budgeted at \$110,000, based on an increase over 2015/16 in property sales (up \$10,000 or 10 per cent on 2015/16).

## 2. Operational Expenditure

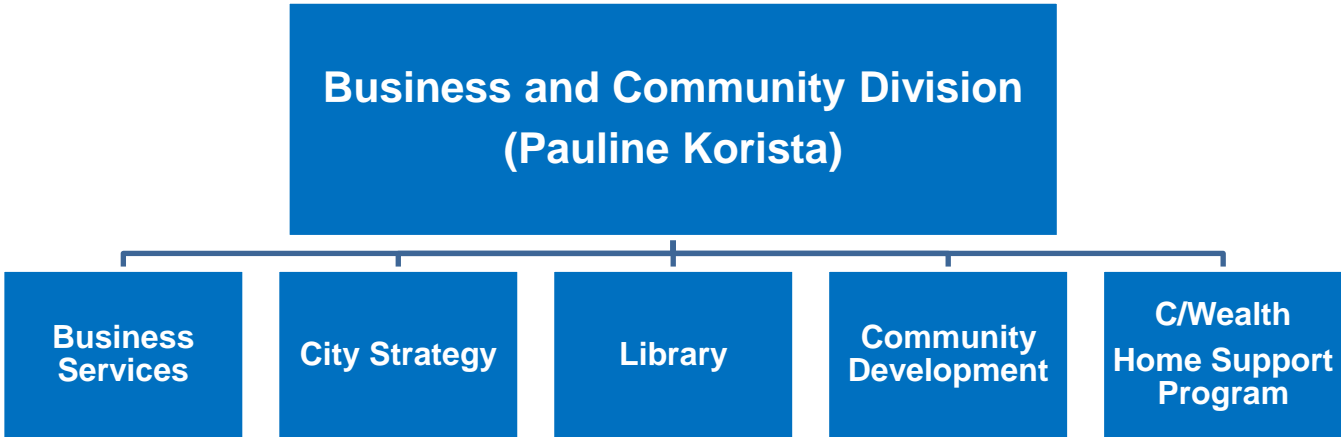
- Operational expenditure (excluding depreciation) has decreased by \$162,663 or 0.9 per cent to \$17,653,590. Excluding interest, expenditure has increased by \$312,847 or 1.8 per cent.
- Employment expenses have increased by \$301,928 or 3.1 per cent, to \$10,013,545;
- Street lighting expenditure of \$942,000 has been budgeted, which is the same as that budgeted in 2015/16.
- Professional fees have decreased by \$108,000 or 15.2 per cent to \$601,000, to fund the following:
  - \$80,000 for specialist engineering advice;
  - \$75,000 for the Brown Hill Keswick Creek project;
  - \$60,000 for footpath audit work to be undertaken;
  - \$60,000 for various consultancy advice;
  - \$60,000 for property and open space related repairs and maintenance activities, inspections, minor audits and professional advice, including design investigations and heritage assessments;
  - \$50,000 for support in City Development, including arboriculture advice;
  - \$45,000 for Lands Titles Office and topographical surveys;
  - \$25,000 for stormwater asset condition database support;
  - \$20,000 for transport strategy implementation;
  - \$20,000 in property related fees;
  - \$20,000 for asset management development;
  - \$20,000 for the Kings Reserve Open Space Plan - preliminary and detailed design / layout;
  - \$20,000 for the upgrade of Airport Road median / Sir Donald Bradman Drive - preliminary and detailed design / layout;
  - \$20,000 for risk assessments, auditing and compliance projects and activities;
  - \$20,000 for the development of tree strategy and policy, including a partial tree survey;
  - \$6,000 for geotechnical testing.
- An interest expense reduction on infrastructure related loans of \$475,510 is budgeted, following a decision by Council to pay out all loans using part proceeds from the sale of St Martins;
- Depreciation costs have been budgeted to increase by \$69,540 or 0.7 per cent to \$10,031,050;

- 
- Contract maintenance expenditure has increased by \$16,000 or 0.7 per cent to \$2,203,000 and includes:
    - \$718,000 for property and facilities related maintenance, servicing and cleaning;
    - \$490,000 for road and footpath maintenance;
    - \$270,000 for tree pruning;
    - \$200,000 for weed control;
    - \$225,000 for inspection, cleaning and maintaining the drainage network and stormwater pump stations;
    - \$105,000 for graffiti removal;
    - \$108,000 in waste disposal costs, which includes illegally dumped rubbish;
    - \$50,000 for irrigation and compliance testing;
    - \$25,000 for Cummins House;
    - \$12,000 in sundry expenditure.
  
  - Material costs for maintenance works have increased by \$33,500 or 3.8 per cent to \$915,000, and include:
    - \$210,000 for road maintenance and concrete material;
    - \$225,000 for the greening program (tree replacement, plantings and biodiversity WSUD plantings);
    - \$145,000 for line marking and signage.
  
  - Levies and charges of \$42,000, which includes EPA licence fees for the waste transfer station, have been budgeted (\$42,000 in 2015/16).
  - Plant and equipment costs (excluding plant hire and depreciation) are budgeted to increase by \$21,744 or 3.9 per cent to \$575,320.
  - Water rates have been increased by \$26,796 or 4.4 per cent to \$641,118, in anticipation of increased usage and fee increases occurring. This includes additional irrigated areas being accommodated.
  - \$50,000 has been budgeted to cover building and planning fees that are subject to a 5 to 8 per cent fee payable to the State Government, along with referral fees and CITB levies;
  - Sitting fees for independent members of the Development Assessment Panel of \$27,825 have been factored into the budget, based on allowances set by the SA Remuneration Tribunal.

<b>BUDGET 2016/17</b> <b>URBAN SERVICES DIVISION</b> <b>OPERATIONAL EXPENDITURE &amp; INCOME</b>
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2015/16 BUDGET		DESCRIPTION	2016/17 BUDGET	VARIATION TO 2015/16 ORIGINAL	
ORIGINAL	REVISED				
<b>Income</b>					
705,000	741,589	Statutory Charges	765,000	60,000	8.5%
791,258	750,846	User Charges	774,857	(16,401)	-2.1%
1,748,209	2,352,639	Grants & Subsidies	2,077,053	328,844	18.8%
218,193	216,924	Reimbursements	207,845	(10,348)	-4.7%
26,000	34,201	Other Income	30,000	4,000	15.4%
<b>3,488,660</b>	<b>4,096,199</b>	<b>Total Income</b>	<b>3,854,755</b>	<b>366,095</b>	<b>10.5%</b>
<i>Less</i>					
<b>Operational Expenditure</b>					
9,081,386	9,090,735	Staff Costs	9,346,422	265,036	2.9%
630,231	635,397	Staff Related Costs	667,123	36,892	5.9%
1,901,770	1,867,230	Buildings Furniture & Fittings	1,815,160	(86,610)	-4.6%
1,227,996	1,243,576	Plant & Equipment	1,278,540	50,544	4.1%
6,320	6,320	Computer Expenditure	6,170	(150)	-2.4%
7,567,000	7,567,000	Community Assets	7,700,000	133,000	1.8%
1,669,719	2,102,621	General	1,605,829	(63,890)	-3.8%
475,510	475,510	Bank & Finance	0	(475,510)	-100.0%
1,061,825	1,067,325	Council Expenditure	1,036,825	(25,000)	-2.4%
2,187,000	2,292,000	Contract Expenditure	2,203,000	16,000	0.7%
881,500	776,500	Materials	915,000	33,500	3.8%
1,172,506	1,211,295	Occupancy & Property	1,195,571	23,065	2.0%
(85,000)	(87,094)	Internal - Expenditure Recovered	(85,000)	0	0.0%
<b>27,777,763</b>	<b>28,248,415</b>	<b>Total Operational Costs</b>	<b>27,684,640</b>	<b>(93,123)</b>	<b>-0.3%</b>
<b>(24,289,103)</b>	<b>(24,152,216)</b>	<b>Operational Surplus/(Deficit)</b>	<b>(23,829,885)</b>	<b>459,218</b>	<b>-1.9%</b>

## Business and Community Division



The Business and Community Division is primarily responsible for governance and risk management, media and events, procurement, internal audit, the development of policy and the provision of services to the community as approved in Council's strategic directions and annual budget.

The Business and Community Division comprises the following:

- Business Services;
- City Strategy;
- Community Services.

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## **Business and Community Division 2016/17 Business Plan and Budget Statement**

### **Objective(s)**

- Influence the implementation of departmental strategies that are consistent with the aspirations and principles detailed in Council's Community Plan;
- Provide high level strategic policy development and professional advice, on community and business planning, environmental outcomes and land use planning;
- Build stronger relationships between Council and our community, and partnerships with state and other local governments, to build the social capital of our local community;
- Promote reading by making it easy for people of all ages, cultures and interests to get into reading at all levels and provide free and easy access to information through community responsive library services;
- Provide life-long learning opportunities via Council's library and community services;
- Deliver high quality community based and civic events that meet the needs of the community;
- Coordinate the provision of community based support and services for older people, people with disabilities and their carers, and other specifically funded (external and council) target groups;
- Achieve excellence in governance, internal audit, risk management and procurement;
- Deliver high quality media, communication, events and community engagement programs.

### **Key Activities 2016/17**

Key divisional activities include:

- The development, implementation and coordination of policy, planning and the delivery of Council plans;
- Delivery of Council's summer festival, including the Australia Day citizenship and awards ceremony;
- Provision of centre based, mobile and home library services as well as volunteer, community bus, aged, disability and youth programs;
- Delivery of high quality procurement, internal audit, risk management, governance and social media services to the organization.

### **Performance Measures**

Performance measures, both financial and non-financial, against which the Business and Community Division will be assessed, include:

- The degree to which Council implements policies, plans, programs, activities and procedures recommended by the division;
- Effective evaluation of progress on implementation of the *Towards 2025 Community Plan*, in partnership with other departments;
- The degree to which the organisation achieves the objectives and targets set in its key climate change adaptation programs;
- The performance of the home support program against the independently assessed Commonwealth accreditation, validation and certification standards;
- Financial management of all programs within the budgets set and to the standards required by the funding bodies, including Council itself.



## 2016/17 Budget Highlights

### 1. Income

- Divisional income is budgeted to increase by \$47,670 or 3.8 per cent to \$1,287,870;
- Income from library users of \$51,300 has been budgeted (\$50,200 in 2015/16);
- A component of the library budget is externally funded by the State Government, and it represents 16.2 per cent of its total operational budget. This funding was reduced in 2013/14, and is annually indexed from this lower amount, with the amount budgeted now \$4,000 or 1.0 per cent higher than that budgeted in 2015/16;
- User charges for the Commonwealth Home Support program (CHSP) have been increased by \$13,300 or 11.9 per cent to \$125,300;
- CHSP grant income is expected to be \$468,700, an increase of \$28,700 or 6.5 per cent on HACC funding in 2015/16;
- Income of \$168,000 has been budgeted for Community Development, a decrease from the 2015/16 budget due to the withdrawal of OPAL Funding (\$18,500) and the withdrawal of State Government HACC funding of \$18,600 which is now going to the National Disability Insurance Scheme, rather than Council;
- Community Development income includes transport fees and charges of \$19,000, Thebarton Community Centre hire charges of \$135,000 and fees from Home Advantage Services of \$14,000.

### 2. Operational Expenditure

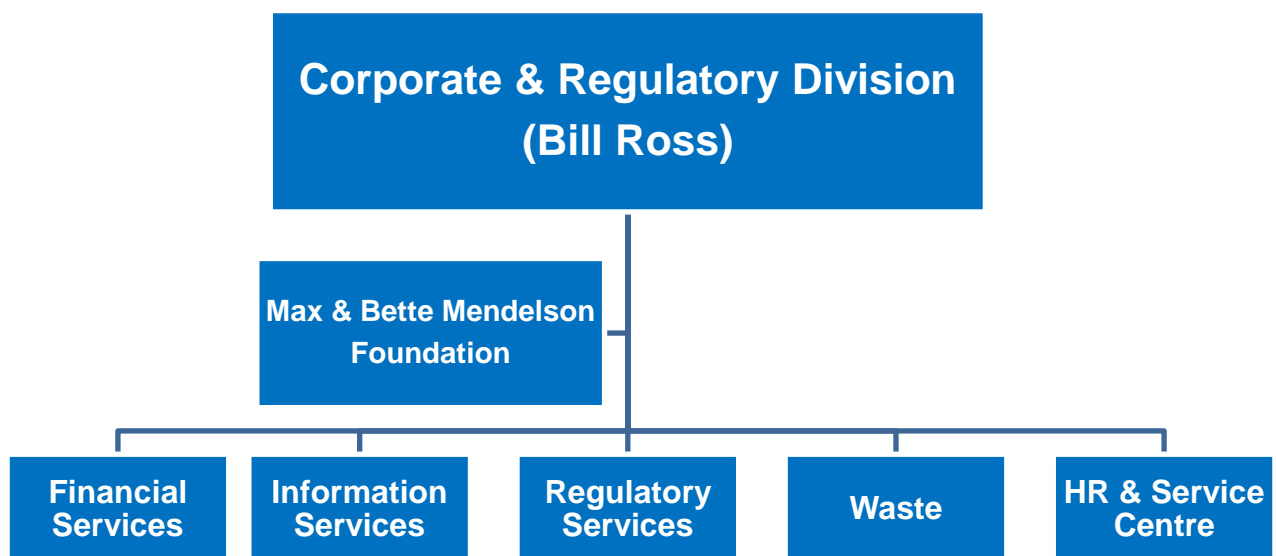
- Operational expenditure for the Business and Community Division is budgeted to decrease by \$472,489 or 5.9 per cent to \$7,496,875;
- Employment expenses have fallen by \$251,219 or 4.9 per cent, to \$4,912,174;
- \$244,000 has been budgeted for professional fees, up \$24,800 or 11.3 per cent on what was funded in 2015/16. The budget amount includes:
  - \$155,000 for professional fees that include specialist assistance to review the community plan, investigations for an employment DPA and a strategic directions report; consultation on the revised climate change action plan and the preparation of a community needs analysis and an economic development strategy (\$118,200 budgeted in 2015/16)
  - Auditing support of \$72,000;
  - Annual report, risk management and other support of \$16,000.
- \$21,050 is included to fund Council's participation in the Urban Heat Island Project to conduct aerial mapping of temperature in relation to land use and built form in the western region of Adelaide;
- \$37,100 is included to fund development of an Optimal Water Mix Study to support a sustainable water future for the city;
- \$10,000 is included for a proposed heritage grants fund to assist residents with conservation of heritage properties;
- \$38,000 is included to develop an Open Space and Higher Density Development Structure Plan, which is subject to a successful grant of \$19,000 from the State Government's Open Space and People for Places Fund.
- Community Development projects and programs have been decreased by \$10,300 or 8.6 per cent to \$110,000 and this includes funding for:
  - The summer festival (music, movies and food in the park);
  - Community art and celebratory activities and projects e.g. ANZAC; community gardens and walking and sewing groups;

- Youth initiatives e.g. after school and school holiday activities, youth expo and little days out;
- Community participation and engagement, including disability and volunteer expos, training and support, every generations, harmony day and cultural evenings;
- An amount of \$143,000 has been budgeted for contractors to provide home support for the aged and disabled - \$93,000 in Community Development and \$50,000 in the CHSP.
- Partnership and community grants of \$251,328 are budgeted (\$250,000 in 2015/16);
- Publications and printing costs of \$106,800 are proposed, including \$55,000 for Talking Points (down \$8,200 or 11.2 per cent);
- Advertising and publicity costs of \$94,000 are budgeted, including \$48,000 for the Messenger column (up \$4,400 or 9.2 per cent).

<b>BUDGET 2016/17</b> <b>BUSINESS &amp; COMMUNITY SERVICES DIVISION</b> <b>OPERATIONAL EXPENDITURE &amp; INCOME</b>
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2015/16 BUDGET		DESCRIPTION	2016/17 BUDGET	VARIATION TO	
ORIGINAL	REVISED			2015/16 ORIGINAL	
<b>Income</b>					
200	200	Statutory Charges	1,000	800	400.0%
346,500	344,489	User Charges	372,600	26,100	7.5%
884,700	903,696	Grants & Subsidies	904,970	20,270	2.3%
0	1,164	Reimbursements	0	0	N/A
8,800	45,912	Other Income	9,300	500	5.7%
<b>1,240,200</b>		<b>Total Income</b>	<b>1,287,870</b>		<b>47,670</b>
					<b>3.8%</b>
<i>Less</i>					
<b>Operational Expenditure</b>					
4,838,920	4,960,206	Staff Costs	4,610,488	(228,431)	-4.7%
324,473	329,668	Staff Related Costs	301,686	(22,788)	-7.0%
162,170	165,630	Buildings Furniture & Fittings	165,710	3,540	2.2%
137,674	122,042	Plant & Equipment	146,830	9,156	6.7%
112,800	126,870	Computer Expenditure	104,590	(8,210)	-7.3%
317,742	317,742	Community Assets	318,000	258	0.1%
1,101,174	1,074,919	General	1,034,010	(67,164)	-6.1%
115,701	115,701	Bank & Finance	2,400	(113,301)	-97.9%
325,350	426,221	Council Expenditure	325,378	28	0.0%
176,000	183,000	Contract Expenditure	148,200	(27,800)	-15.8%
37,700	31,700	Materials	30,000	(7,700)	-20.4%
319,660	307,060	Occupancy & Property	309,583	(10,077)	-3.2%
<b>7,969,364</b>		<b>Total Operational Costs</b>	<b>7,496,875</b>		<b>(472,489)</b>
					<b>-5.9%</b>
<b>(6,729,164)</b>		<b>Operational Surplus/(Deficit)</b>	<b>(6,209,005)</b>		<b>520,159</b>
					<b>-7.7%</b>

## Corporate and Regulatory Division



The Corporate and Regulatory Division is responsible for the provision of a range of support services across Council and the provision of operational support to the Chief Executive Officer.

The Corporate and Regulatory Division comprises the following:

- The Mendelson Foundation;
- Financial Services;
- Information Services;
- Regulatory Services;
- Waste;
- HR and Service Centre.

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## **Corporate and Regulatory Division 2016/17 Business Plan and Budget Statement**

### **Objective(s)**

Support Council with the provision of corporate services, including financial, human resource management and information services, and deliver effective and efficient waste, environmental health, compliance, call centre services to the community.

### **Key Activities 2016/17**

Key activities include the following:

- Finance;
- Human resource management;
- Counter and call centre services;
- Information technology (IT);
- Information management;
- Compliance and environmental health services;
- Waste management;
- Mendelson Foundation administration.

### **Performance Measures**

Performance measures, both financial and non-financial, against which the Corporate and Regulatory Division will be assessed, are:

- The achievement of quality outcomes for the benefit of both Council and the West Torrens' community;
- City of West Torrens remains financially sustainable as an entity;
- The delivery of a high level of financial accountability;
- Compliance with all relevant legislation and regulations;
- High level support in human resource management is provided;
- Quality work health and safety outcomes are achieved;
- High standards of call centre service are maintained;
- A high level of IT network and application availability occurs;
- A policing presence is maintained within the community in parking administration, animal management and general compliance operations;
- Quality immunisation outcomes are achieved;
- Waste to landfill is reduced and recycling increased;
- Ongoing success is achieved with food waste recycling and illegal dumping programs;
- Prudent management of Mendelson Foundation investments occurs.

### **2016/17 Budget Highlights**

#### **1. Income**

- Corporate and Regulatory income, which includes rates and rate equivalent payments, has increase by \$2,969,134 or 5.5 per cent, to \$57,115,116.

- Rates have been budgeted to increase by 2.6 per cent, based on the calculation that follows. This represents an increase in income from rates of \$1,892,089 over what was raised in 2015/16:

	\$
Rate Income 2015/16	45,757,911
Add Natural Growth at 1.5%	686,369
<b>Sub Total</b>	<b>46,444,280</b>
Add Rate Increase at 2.6%	1,205,720
<b>Total</b>	<b>47,650,000</b>

- Rate equivalent payments for Adelaide Airport have increased to \$5,020,000, based on growth of 2.0 per cent and a 2.6 per cent increase, as follows:

	\$
Net REP's in 2015/16	<b>4,796,955</b>
Add growth at 2.0%	95,939
Add increase at 2.6%	127,106
<b>Total</b>	<b>5,020,000</b>

- Income from investments has been increased to \$365,000, based on additional funds from the sale of St Martins aged care facility;
- An amount of \$1.2 million is budgeted for Council's financial assistance grant in 2016/17.
- Parking and related fees are being increased by \$370,000 or 54.8 per cent to \$1,045,000 over what was originally budgeted in 2015/16;
- Dog registration and related fees are unchanged at \$279,980, based on fees and charges adopted by Council;
- Environmental health subsidy income has increased by \$5,000 or 5.0 per cent to \$105,600, reflecting an increase in vaccinations and funding arrangements.

## 2. Operational Expenditure

- Operational costs for the Corporate and Regulatory Division have increased by \$611,824 or 4.5 per cent to \$14,214,284;
- Employment and related costs have increased by \$328,856 or 6.0 per cent, to \$5,785,442, an increase driven by two new positions in Compliance, both Council approved and both funded fully by additional parking income, and an increase in casual support being provided to the Service Centre;
- An amount of \$1,260,136 has been budgeted for the NRM levy, up \$34,747 or 2.8 per cent.
- The budget for rate rebates and remissions for 2016/17 totals \$720,000, a decrease of \$35,000 or 4.6 per cent compared to the 2015/16 original budget;
- Valuation charges of the Valuer-General have been budgeted to remain at \$200,000;
- Bank and finance charges have been budgeted to increase by \$17,242 or 12.8 per cent to \$151,500 over what was budgeted in 2015/16;
- An increase of \$150,000 or 4.8 per cent (from \$3,150,000 to \$3,300,000) has been budgeted for waste collection;
- The collection budget amount of \$3,300,000 includes an allowance of \$564,000 for the following items (\$401,000 in 2015/16):

	\$
Hard waste	414,000
Hazardous waste collection	25,000
Mattresses	15,000
E-waste collection	10,000
Vouchers - 6 x 4 trailer	100,000
<b>Total</b>	<b>564,000</b>

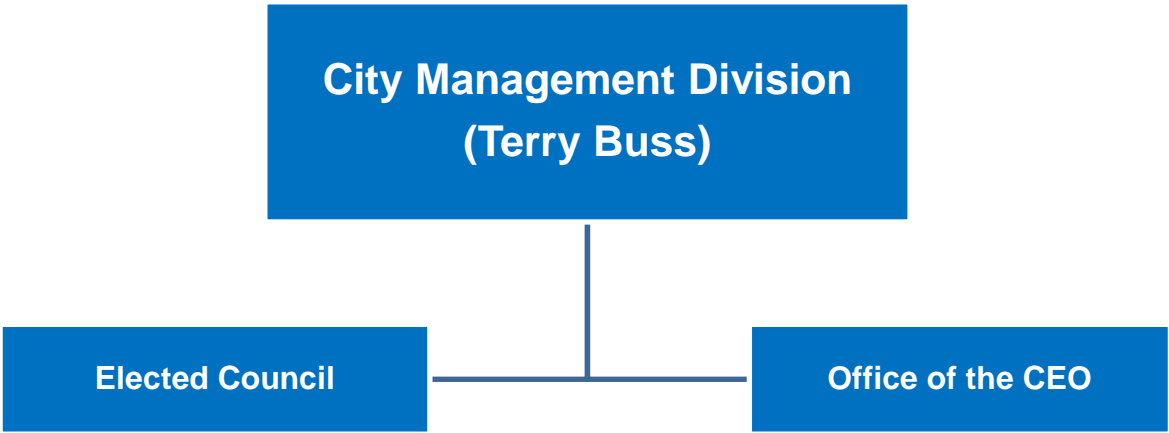
- The hard waste collection budget is based on at-call occurring in the first three months of 2016/17 and a campaign collection being undertaken subsequently;
- The hard waste collection budget has been increased from \$300,000 in 2015/16 to \$414,000;
- Waste to landfill costs has been increased by \$75,000 or 6.4 per cent to \$1,250,000, largely because of an expected waste levy increase.
- An increase in the IT software budget from \$680,000 to \$800,000 is due to the replacement of the document management system with a new more functional system which has a lower ten year total cost of ownership. Annual maintenance for the new product is almost 50 per cent lower than the current annual maintenance cost;
- Computer hardware support costs have decreased by \$35,000 or 58.3 per cent to \$25,000 due to the financing of IT asset replacements via capital purchases rather than lease arrangements;
- The professional fees budget has been reduced by \$8,020 or 4.3 per cent to \$178,670 and includes:
  - \$60,000 in HR related support, including the provision of pre-employment medicals, security checks, counselling support, WHS and workers compensation assistance and other professional HR support;
  - \$65,000 in debtor management and debt recovery support (offset by income recoveries);
  - \$35,000 for corporate management, software assistance and audit support, including statutory auditing (\$33,000 in 2015/16).
- Contractor expenses have been decreased by \$26,600 or 19.9 per cent, to \$107,200, an amount that largely covers compliance support in animal management and parking, and immunisation administration support.
- Training and development costs have increased by \$12,600 or 12.3 per cent to \$115,000, an amount that includes corporate training and a planned focus in 2016/17 on building organisational capability through skill and knowledge development, performance management, customer service and information technology.

<b>BUDGET 2016/17</b> <b>CORPORATE &amp; REGULATORY DIVISION</b> <b>OPERATIONAL EXPENDITURE &amp; INCOME</b>
--

2015/16 BUDGET		DESCRIPTION	2016/17 BUDGET	VARIATION TO 2015/16 ORIGINAL	
ORIGINAL	REVISED				
<b>Income</b>					
50,939,989	51,146,444	Rates	53,325,136	2,385,147	4.7%
1,047,180	1,487,480	Statutory Charges	1,433,580	386,400	36.9%
125,875	129,875	User Charges	137,900	12,025	9.6%
1,217,638	1,202,638	Grants & Subsidies	1,200,000	(17,638)	-1.4%
117,300	198,719	Reimbursements	100,500	(16,800)	-14.3%
698,000	1,138,820	Other Income	918,000	220,000	31.5%
<b>54,145,982</b>	<b>55,303,976</b>	<b>Total Income</b>	<b>57,115,116</b>	<b>2,969,134</b>	<b>5.5%</b>
<i>Less</i>					
<b>Operational Expenditure</b>					
5,001,339	5,250,386	Staff Costs	5,298,951	297,612	6.0%
455,246	449,782	Staff Related Costs	486,491	31,245	6.9%
14,990	14,990	Buildings Furniture & Fittings	14,360	(630)	-4.2%
118,240	115,580	Plant & Equipment	116,300	(1,940)	-1.6%
1,061,070	1,182,280	Computer Expenditure	1,091,100	30,030	2.8%
771,355	887,328	General	764,315	(7,040)	-0.9%
134,258	1,165,258	Bank & Finance	151,500	17,242	12.8%
1,527,015	1,527,015	Council Expenditure	1,575,780	48,765	3.2%
4,458,800	4,508,685	Contract Expenditure	4,657,200	198,400	4.4%
60,146	53,446	Occupancy & Property	58,287	(1,859)	-3.1%
<b>13,602,460</b>	<b>15,154,751</b>	<b>Total Operational Costs</b>	<b>14,214,284</b>	<b>611,824</b>	<b>4.5%</b>
<b>40,543,522</b>	<b>40,149,225</b>	<b>Operational Surplus/(Deficit)</b>	<b>42,900,832</b>	<b>2,357,310</b>	<b>5.8%</b>



## City Management Division



The City Management Division is responsible for the provision of a range of services to elected representatives, the community and the Council.

The City Management Division comprises the following:

- Elected Council;
- Office of the Mayor and Chief Executive.

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## **City Management Division 2016/17 Business Plan and Budget Statement**

### **Objective(s)**

The objectives of the City Management Division are to:

- Make responsible and informed decisions in the interests of the community;
- Manage Council operations and the provision of public services and facilities;
- Exercise, perform and discharge the powers, functions and duties of local government under the Local Government Act and other related legislation;
- Represent the interests of the West Torrens' community;
- Encourage and develop community initiatives in order to improve the quality of life for residents;
- Drive innovation and efficiency across the organisation through the lean thinking program;
- Promote and support the development and growth of local business and jobs within the city;
- Maximise external funding opportunities by developing and submitting high quality grant applications;
- Identify, coordinate and submit high quality applications for industry and sector related awards.

### **Key Activities 2016/17**

Key activities include the following:

- Office of the CEO;
- Business of the Elected Council;
- Delivery of lean thinking and economic development initiatives.

### **Performance Measures**

Performance measures, both financial and non-financial, against which the Office of the CEO and Council will be assessed, are:

- Compliance with legislative requirements;
- Observance of Council policy;
- Evidence of the Council working within a strategic planning framework;
- Proper discharge of powers, functions and duties under the Local Government Act and other related legislation;
- Evidence of timely and responsible decision making;
- Evidence that Council decisions are implemented without undue delay;
- Evidence of open, responsible and accountable government;
- Evidence that the assets and resources of the Council are properly managed and maintained;
- Evidence that an appropriate organisational structure for the Council is established and maintained;
- Attendance at Council meetings, workshops and community forums;
- Active representation of community interests;
- Positive feedback from the community;
- Positive media;
- Responsible management of Council services to the community;

- Unqualified audit report;
- Evidence of steps being taken in relation to sustainable development and the protection of the environment;
- Lean thinking program delivers meaningful and sustainable continuous improvement;
- Improved external funding opportunities are realised

## **2016/17 Budget Highlights**

### **1. Income**

- Income of \$4,000 is budgeted in 2016/17 (\$4,750 in 2015/16).

### **2. Operational Expenditure**

- Operational expenditure has increased by \$452,813 or 29.3 per cent to \$1,995,773;
- Staffing cost increases reflect structural changes that have seen the Office of the CEO take on direct responsibility for continuous improvement, economic development, agenda and minute preparation, and the provision of support to the Mayor and Elected Members;
- Allowances for Elected Members of \$396,500 have been budgeted, based on allowances adopted by Council and increases anticipated in November 2016 (\$392,417 in 2015/16);
- Annual subscription payments including subscriptions to the LGA, AMAC and the Murray Darling Association, total \$101,300, an increase of \$6,800 or 7.2 per cent;
- The budget for 2016/17 includes a contribution of \$20,000 towards Mendelson Foundation scholarships (\$15,000 in 2015/16);
- All legal costs are substantially budgeted in this business unit, and an amount of \$225,000 has been budgeted. This is the same as the amount budgeted in 2015/16;
- Professional fees otherwise have been increased by \$17,000, to \$57,000, with provision made for the support of continuous improvement programs and advice on the sale of riverfront land at the Brickworks' site.

<b>BUDGET 2016/17</b> <b>CITY MANAGEMENT DIVISION</b> <b>OPERATIONAL EXPENDITURE &amp; INCOME</b>
---

2015/16 BUDGET		DESCRIPTION	2016/17 BUDGET	VARIATION TO	
ORIGINAL	REVISED			2015/16 ORIGINAL	
<b>Income</b>					
4,750	4,750	Reimbursements	4,000	(750)	-15.8%
<b>4,750</b>	<b>4,750</b>	<b>Total Income</b>	<b>4,000</b>	<b>(750)</b>	<b>-15.8%</b>
<i>Less</i>					
<b>Operational Expenditure</b>					
429,068	677,068	Staff Costs	816,956	387,888	90.4%
64,568	75,047	Staff Related Costs	96,134	31,566	48.9%
9,040	8,480	Buildings Furniture & Fittings	6,770	(2,270)	-25.1%
18,270	18,270	Plant & Equipment	18,100	(170)	-0.9%
1,020	2,940	Computer Expenditure	1,930	910	89.2%
604,138	684,658	General	631,185	27,047	4.5%
412,417	412,969	Council Expenditure	421,500	9,083	2.2%
4,439	2,639	Occupancy & Property	3,198	(1,241)	-28.0%
<b>1,542,960</b>	<b>1,882,071</b>	<b>Total Operational Costs</b>	<b>1,995,773</b>	<b>452,813</b>	<b>29.3%</b>
<b>(1,538,210)</b>	<b>(1,877,321)</b>	<b>Operational Surplus/(Deficit)</b>	<b>(1,991,773)</b>	<b>(453,563)</b>	<b>29.5%</b>

**Rating**

## Introduction

The City of West Torrens uses capital values as the basis for valuing land within its Council area, with valuations purchased from the Valuer-General on an annual basis and adopted by Council for its use. Council currently adopts a rate in the dollar to apply against each separate valuation to arrive at a property levy (rate).

This simple formula is adjusted by the application of a minimum rate set by Council each year to ensure that all property owners contribute to the cost of services and the maintenance of infrastructure that supports each property. It should be noted that a council cannot apply the minimum rate to more than 35 per cent of properties within its area.

## Rate in the Dollar

To determine the amount of rates paid, and in order to share the costs, Council uses a formula that is based on property values as required under the Local Government Act. This formula divides the total amount the Council needs to raise from rates by the total value of all properties in the Council area:

$$\frac{\text{Total rate revenue required}}{\text{Total value of rateable properties}} = \text{rate in the dollar}$$

The determination of a rate in the dollar provides a mechanism to avoid a windfall gain from changes in property values.

## The Amount of Rates Levied

Council uses the following formula to determine the amount of rates levied on each property.

Capital value of property multiplied by the rate in \$ = rate levied (subject to minimum rate).

### Example 1 - Residential (based on previous year data)

Capital Value = \$400,000  
 Rate in the Dollar = 0.00265000  
 Minimum Rate = \$848.00  
 Rates = Capital Value \* Rate in the Dollar

Rates = \$400,000 \* 0.00265000  
 = \$1,060.00

As this amount is greater than the minimum rate, the rate applied by Council remains at \$1,060.00.

### Example 2 - Residential with an Adjustment for the Minimum Rate

Capital Value = \$250,000  
 Rate in the Dollar = 0.00265000  
 Minimum Rate = \$848.00  
 Rates = Capital Value \* Rate in the Dollar

Rates = \$250,000 \* 0.00265000 = \$662.50

This is below the minimum rate (of \$848.00) and must therefore be adjusted:

$$\begin{aligned} \text{Rates} &= \$662.50 + \text{Adjustment} \\ &= \$662.50 + \$185.50 \\ &= \$848.00 \end{aligned}$$

The rates are adjusted up by \$185.50 and set by Council at the minimum rate of \$848.00.

Council set the minimum rate on 28 per cent of all residential properties in 2015/16 and all were valued at less than \$320,000.

## Rating Principles

There are five principles that apply to the imposition of taxes on communities. These principles are:

- Equity - taxpayers with the same income should pay the same tax (*horizontal equity*), while wealthier taxpayers pay more (*vertical equity*);
- Benefit - taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid;
- Ability-to-pay - in levying taxes, the ability of the taxpayer to pay the tax must be taken into account;
- Efficiency - if a tax is designed to change consumers' behaviour and that behaviour changes, then the tax is efficient (eg: tobacco taxes). If the tax is designed to be neutral in its effect on taxpayers, but it changes that behaviour, then the tax is inefficient; and
- Simplicity - the tax must be understandable, hard to avoid and easy to collect.

To some extent these principles are in conflict with each other. Governments must therefore strike a balance between the:

- Application of the principles;
- Policy objectives of taxation;
- Need to raise revenue; and
- Effects of the tax on the community.

Council has considered each principle when reviewing the various rating options available.

## Alternative Options

There are a number of alternative rating options available under the Local Government Act 1999, including:

- Capital versus site valuation;
- Differential rating;
- Rating without a minimum rate;
- Application and impact of the minimum rate;
- Impact of reducing the minimum rate;
- Fixed charges;
- Service rate or charge; and
- Rate capping.

## Capital Versus Site Valuation

Local government may adopt one of three valuation methodologies to value the properties in its area. They are:

- *Capital Value (CV)* – the value of the land and all the improvements on the land;
- *Site Value (SV)* – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements;
- *Annual Value (AAV)* – a valuation of the rental potential of the property.

Capital values have been adopted by Council as its valuation method for rating purposes because this is considered the fairest approach, based on the *ability-to-pay* principle, with the owners of higher value properties paying higher rates and the owners of lower value properties paying lower rates.

How might this work in practice?

Consider two adjoining properties in a particular council area. Property A is a quarter acre block with a four bedroom house, in ground pool and well developed garden. Property B is a quarter acre block with a three bedroom house and average garden. The following valuations might apply to the two properties:

	Property A	Property B
Capital Value	\$600,000	\$400,000
Site Value	\$200,000	\$200,000
Annual Value	\$36,000	\$30,000

What rates would be paid by the two property owners under the different valuations? Excluding minimum rates or a fixed charge, the tax burden would fall as follows:

- Under *Capital Value*, the owner of Property A would pay 50 per cent more than the owner of Property B;
- Under *Site Value*, the two property owners would pay the same; and
- Under *Annual Value*, the owner of Property A would pay 20 per cent more than the owner of Property B.

Which is the fairer valuation system?

In the local government rating context, the high level assumption is that people with more expensive homes are better off than people with less expensive homes and that they have the capacity to shoulder more of the rate burden. However, rebate and remission provisions and the ability of councils to tailor payments and make other administrative arrangements, recognises that some ratepayers need special consideration.

Council is also mindful of the impact and implications of changing to an alternative valuation method.



## Differential Rating

The Local Government Act allows councils to differentiate rates based on the use of the land, the locality of the land, or the use and locality of the land. Definitions of the use of the land are prescribed by regulation and the current definitions are:

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

A significant majority of South Australian councils use differential rates.

West Torrens Council uses two different rates with expected income compared to last year being as follows:

Land Use	Budgeted Income	Budgeted Income
	2015/16	2016/17
	\$m	\$m
Residential	29.79	31.09
Non-residential	15.87	16.56

In 2015/16 West Torrens Council had the third highest differential between residential and commercial / industrial properties in the metropolitan area, as follows:

Council	Commercial	Industrial
Playford	6.1	6.1
Charles Sturt	3.1	4.0
<b>West Torrens</b>	<b>2.3</b>	<b>2.3</b>
Pt Adelaide Enfield	2.2	2.2
Prospect	2.1	2.1
Mitcham	2.0	2.0
Unley	1.8	1.6
Marion	1.8	1.6
Tea Tree Gully	1.5	1.5
Holdfast Bay	1.5	1.5
Salisbury	1.5	1.5
Onkaparinga	1.3	1.3
Norwood, Payneham	1.2	1.2
Adelaide Hills	1.1	1.1
Burnside	1.0	1.0
Campbelltown	1.0	1.0
<b>Average</b>	<b>1.8</b>	<b>1.8</b>

Source: LGA Survey

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Charging a differential rate can be justified on the grounds that commercial and industrial users consume a greater proportion of council resources than residential properties, particularly in regard to the use of roads, traffic, parking, stormwater, etc.

The maintenance of city roads, bridges and kerbing infrastructure requires significant planning time and funding from Council. Heavy vehicle movements e.g. semi-trailers, trucks, vans and light commercial vehicles impact on the life of road infrastructure placing an increased burden on the community (ratepayers). Footpaths and walkways are another area, which require ongoing improvement and maintenance by Council, concentrating on high pedestrian traffic areas such as retail and commercial zones. In addition many of the studies and installations required for effective traffic management and control, result from heavy traffic load generated by commercial and industrial zones.

Commercial and industrial properties, because of large buildings and covered ground for car parking, generate a high percentage of the stormwater volume carried by the West Torrens drainage system. Businesses, and in particular industries, are also responsible for many of the gross pollutants that contaminate stormwater and degrade our environment. Council both maintains the stormwater drainage network and works with businesses to lessen the negative environmental effects of their activities.

A differential rating system provides Council with more tools to moderate large movements in valuations that occur periodically in the market.

### **Without a Minimum Rate**

This system is based on the premise of a single rate in the dollar, with all properties paying a rate based directly on the capital value of the property.

The City of West Torrens has one of the lowest minimum rates in metropolitan Adelaide and it would be difficult to justify its removal. 93 per cent of minimum rated properties are flats or units, and a majority, possibly up to 80 per cent, are not owner-occupied.

### **Application and Impact of the Minimum Rate**

The Local Government Act allows councils to impose a minimum rate, which must not apply to more than 35 per cent of rateable properties. Only one minimum rate can be imposed on two or more adjoining properties with the same owner. A minimum rate cannot be used in conjunction with a fixed charge.

The argument in favour of the minimum rate is that in terms of the benefits received by all ratepayers it is appropriate that every ratepayer make a minimum contribution to the cost of the services provided.

### **Fixed Charge**

Under this system a fixed amount is first applied evenly against all ratepayers and the minimum rate is abolished. The only restriction under new Local Government Act provisions is that the rates generated by a fixed charge cannot exceed 50 per cent of all rates revenue raised.

The fixed charge may be set at a level designed to ensure everyone pays a fair share of services, with the remaining amount of rate revenue based on the valuation of the property.

The introduction of a fixed charge is not favoured as it benefits owners of higher valued property, arguably the more fortunate within our community, and its adverse impacts on large numbers of owners of lower valued property.

### Service Rate or Charge

Council could apply a service rate, say \$150.00 for waste management, in addition to raising general rates. Unlike fixed charge arrangements, the minimum rate is not abolished and the rate can only be based on the nature of the service, the level of usage of the service or a combination of the two.

The introduction of a service rate or charge is not favoured because of its adverse impact on the owners of low valued property and the less fortunate within our community.

### Rate Capping

Rate capping can be used by Council to limit the magnitude of any rate increase affecting any one ratepayer to a certain percentage in any one year.

Capping has its limitations, but can be used to moderate irregular rate increases brought about by irregular valuation movements. Initial valuations provided for 2016 by the Valuer-General indicate residential property value movements within the West Torrens Council area are as follows:

Suburb	No. of Assessments	Average CV	Increase / (Decrease) \$	Increase / (Decrease) %
Torrensville	1,737	457,769	17,645	4.0%
Glenelg North	416	503,036	19,258	4.0%
Fulham	1,138	507,812	19,020	3.9%
North Plympton	1,304	409,005	15,136	3.8%
Netley	747	409,195	14,056	3.6%
Thebarton	653	401,867	12,386	3.2%
Glandore	514	485,418	14,254	3.0%
Richmond	1,448	406,430	11,326	2.9%
Hilton	370	407,784	10,204	2.6%
West Beach	744	541,929	12,721	2.4%
Plympton	2,200	381,078	8,365	2.2%
Lockleys	2,268	548,424	11,683	2.2%
Cowandilla	546	403,053	8,333	2.1%
Mile End South	12	362,083	7,083	2.0%
Novar Gardens	876	530,017	10,281	2.0%
West Richmond	435	368,998	6,926	1.9%
Mile End	1,954	457,566	7,926	1.8%
Underdale	1,009	447,745	7,587	1.7%
Marleston	801	369,114	5,391	1.5%

Keswick	341	363,768	4,907	1.4%
Kurralta Park	1,289	362,389	3,771	1.1%
Camden Park	1,476	365,607	3,725	1.0%
Brooklyn Park	2,047	392,059	3,970	1.0%
Ashford	450	421,840	3,200	0.8%
<b>Total</b>	<b>24,775</b>	<b>434,790</b>	<b>9,801</b>	<b>2.3%</b>

Valuations increased by 2.3 per cent on average in 2016, ranging from an increase of 0.8 per cent in Ashford to an increase of 4.0 per cent in Torrensville. Movements in prior years ranged from:

- An increase of 0.4 per cent in Hilton to an increase of 6.3 per cent in Glenelg North (2015);
- A reduction of 0.2 per cent in Keswick to an increase of 3.5 per cent in Richmond (2014); and
- A reduction of 1.4 per cent in Mile End South to an increase of 4.2 per cent in Thebarton (2013).

Capping makes the tax system more complex and less understandable for ratepayers, and this has some effect on the *simplicity* principle. Rate capping has not enjoyed much favour in past years, probably because of the way it compromises the rating process and it is not proposed in 2016/17.

### Postponement of Rates for Seniors

Rate postponement for seniors is now mandatory in certain circumstances following amendments to the Local Government Act 1999 and the Local Government (General) Regulations 1999. These changes mandate an entitlement to postponement where:

- The ratepayer holds a state seniors card or has an application pending where an entitlement exists;
- The property in question is the principal place of residence; and
- The property is owned by the principal ratepayer or the principal ratepayer and their spouse.

This legislation is available at [www.legislation.sa.gov.au](http://www.legislation.sa.gov.au). Information can be obtained about Council's administration of these provisions by contacting Council's Service Centre on 8416 6333 or by emailing [csu@wtcc.sa.gov.au](mailto:csu@wtcc.sa.gov.au).

Rate postponement has been available to senior West Torrens Council residents since July 2007, but only three applications have been received, despite publicity about its availability. Other councils that offer policy support for the postponement of rates have likewise experienced few applications for support.

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## Rate Rebates and Remissions

Chapter 10 of the Local Government Act 1999 (the Act) provides Council with authority to grant the following:

- Mandatory and discretionary rebates of rates to a person or body (Division 5, Sections 159 to 166 of the Act); and
- Rate remissions (Division 9, Section 182 of the Act).

Council policy [Rate Rebates and Remissions](#) clarifies requirements in the administration of these provisions. It is available on Council's web-site at [www.westtorrens.sa.gov.au](http://www.westtorrens.sa.gov.au), or a copy can be obtained by contacting Council's Service Centre on 8416 6333 or by emailing [csu@wtcc.sa.gov.au](mailto:csu@wtcc.sa.gov.au). It deals in detail with:

- Discretionary rebates, in particular what is taken into account in determining applications and rebate amounts;
- The approach taken in deciding vacant land rebates, including rebate amounts;
- Rate remissions available when Council is satisfied on the application of a ratepayer that payment would cause hardship;
- The approach taken in deciding mandatory rebates; and
- How to go about applying for a rebate or remission.

## Proposed Rate Model

The proposed rate model for 2016/17 is shown on the page following.

**RATE MODEL RESULTS 2016-2017**

Capital Value @ 2.6% Increase

MINIMUM = \$870.00

2 RATES

CODE	No. PROP 2015/2016	INCOME 2015/2016	PROP ON MIN	NATURAL INCREASE + REDISTRIB	RATE IN DOLLAR	ACTUAL INCOME PER MODEL	VARIATION PERCENT
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**RESIDENTIAL**

1	27,004	\$29,834,671	7588	\$30,260,227.76	0.00265938	31,047,030.10	
	27004	\$29,834,671	7588	\$30,260,227.76		\$31,047,030.10	2.6%

**NON-RESIDENTIAL**

2	898	\$1,797,322	98	\$1,878,813.37	0.00620855	\$4,302,417.10	
3	340	\$4,232,490	93	\$4,247,331.01	0.00620855	\$1,896,350.60	
4	935	\$5,293,727	57	\$5,614,479.41	0.00620855	\$5,772,209.90	
5	108	\$433,019	5	\$442,351.88	0.00620855	\$486,307.85	
6	229	\$2,311,702	3	\$2,309,564.78	0.00620855	\$2,379,572.90	
7	3	\$7,870	2	\$5,902.16	0.00620855	\$7,451.85	
8	303	\$657,149	2	\$682,980.36	0.00620855	\$736,228.60	
9	136	\$1,247,848	2	\$1,260,051.18	0.00620855	\$1,288,420.45	
	2,952	\$15,981,127	262	\$16,441,474.13		\$16,868,959.25	2.6%

Allowance for objections

(\$265,989.35)

<b>TOTAL</b>	29,956	\$45,815,798	7,850	\$46,701,701.89		\$47,650,000.00	
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MINIMUM % 26.2%

**Natural Resources Management Levy****Required****Actual**

NRML	\$1,260,192.85	\$1,274,136.00	0.00009360	\$1,274,185.40
Less rebates	(\$14,000.00)	(\$14,000.00)		(\$14,000.00)
	\$1,246,192.85	\$1,260,136.00		\$1,260,185.40

## **Summary Financial Statements**

## City of West Torrens

STATEMENT OF FINANCIAL POSITION  
as at 30 June 2017

	Original Budget 2015/16 \$'000	Original Budget 2016/17 \$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,528	7,701
Trade & other receivables	4,764	2,124
Other financial assets	1,125	1,185
Inventories	23	11
<b>Total Current Assets</b>	<b>7,440</b>	<b>11,021</b>
<b>Non-current Assets</b>		
Infrastructure, property, plant & equipment	603,054	570,323
Other non-current assets	7,870	4,238
<b>Total Non-current Assets</b>	<b>610,924</b>	<b>574,561</b>
<b>Total Assets</b>	<b>618,364</b>	<b>585,582</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade & other payables	8,552	6,419
Borrowings	2,066	-
Provisions	2,242	2,004
Other current liabilities	16,344	-
<b>Total Current Liabilities</b>	<b>29,204</b>	<b>8,423</b>
<b>Non-current Liabilities</b>		
Borrowings	13,857	2,692
Provisions	559	433
<b>Total Non-current Liabilities</b>	<b>14,417</b>	<b>3,125</b>
<b>Total Liabilities</b>	<b>43,621</b>	<b>11,548</b>
<b>NET ASSETS</b>	<b>574,743</b>	<b>574,034</b>
<b>EQUITY</b>		
Accumulated Surplus	58,822	58,613
Asset Revaluation Reserves	511,652	500,073
Other Reserves	4,269	15,348
<b>TOTAL EQUITY</b>	<b>574,743</b>	<b>574,034</b>

Please note that the comparative figures include the St Martins aged care facility.



## City of West Torrens

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2017

	<b>Original Budget 2015/16 \$'000</b>	<b>Original Budget 2016/17 \$'000</b>
<b>INCOME</b>		
Rates	51,020	53,390
Statutory charges	1,752	2,200
User charges	9,262	1,285
Grants, subsidies and contributions	3,851	4,182
Investment income	504	444
Reimbursements	225	217
Other income	523	543
<b>Total Income</b>	<b>67,137</b>	<b>62,261</b>
<b>EXPENSES</b>		
Employee costs	27,071	21,624
Materials, contracts & other expenses	19,789	18,673
Depreciation, amortisation & impairment	11,251	10,941
Finance costs	846	153
<b>Total Expenses</b>	<b>58,957</b>	<b>51,391</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>8,180</b>	<b>10,870</b>
<b>NET SURPLUS / (DEFICIT)</b> transferred to Equity Statement	<b>8,180</b>	<b>10,870</b>
Other Comprehensive Income	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>8,180</b>	<b>10,870</b>

*Please note that the comparative figures include the St Martins aged care facility.*

## City of West Torrens

STATEMENT OF CASH FLOW  
for the year ended 30 June 2017

	Original Budget 2015/16 \$'000	Original Budget 2016/17 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<u>Receipts</u>		
Operating receipts	66,634	61,818
Investment receipts	504	444
<u>Payments</u>		
Operating payments to suppliers and employees	(46,803)	(40,237)
Finance payments	(846)	(154)
<b>Net Cash provided by (or used in) Operating Activities</b>	19,489	21,871
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Receipts</u>		
Sale of replaced assets	616	609
Repayments of loans by community groups	7	-
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(14,369)	(13,057)
Expenditure on new/upgraded assets	(14,502)	(11,699)
<b>Net Cash provided by (or used in) Investing Activities</b>	(28,248)	(24,147)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<u>Receipts</u>		
Proceeds from borrowings	4,957	2,692
Proceeds from aged care facility deposits	2,000	-
<u>Payments</u>		
Repayments of borrowings	(2,038)	-
Repayment of aged care facility deposits	(3,000)	-
<b>Net Cash provided by (or used in) Financing Activities</b>	1,918	2,692
<b>Net Increase (Decrease) in cash held</b>	(6,841)	416
Cash & cash equivalents at beginning of period	8,369	7,286
<b>Cash &amp; cash equivalents at end of period</b>	1,528	7,701

Please note that the comparatives figures include the St Martins aged care facility.

## City of West Torrens

STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 June 2017

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
	\$'000	\$'000	\$'000	\$'000
<b>Original Budget 2015/16</b>				
Balance at end of previous reporting period	44,805	511,652	10,107	566,564
<b>Net Surplus / (Deficit) for Year</b>	8,179			8,179
<b>Other Comprehensive Income</b>				
Transfers between reserves	5,838	-	(5,838)	-
<b>Balance at end of period</b>	<b>58,822</b>	<b>511,652</b>	<b>4,269</b>	<b>574,743</b>
<b>Next Year Budget 2016/17</b>				
Balance at end of previous reporting period	58,822	511,652	4,269	574,743
<b>Net Surplus / (Deficit) for Year</b>	10,870			10,870
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure, property, plant & equipment	-	(11,579)	-	(11,579)
Transfers between reserves	(11,079)	-	11,079	-
<b>Balance at end of period</b>	<b>58,613</b>	<b>500,073</b>	<b>15,348</b>	<b>574,034</b>

Please note that the comparatives figures include the St Martins aged care facility.

**City of West Torrens**  
**FINANCIAL INDICATORS**  
**for the year ended 30 June 2017**

	Original Budget 2015/16	Original Budget 2016/17
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

**Operating Surplus Ratio**

<u>Operating Surplus</u>	16%	<b>21%</b>
Rates - general & other less NRM levy		

*This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.*

**Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	55%	<b>1%</b>
Total Operating Revenue less NRM levy		

*Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM levy).*

**Asset Sustainability Ratio**

<u>Net Asset Renewals</u>	104%	<b>106%</b>
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*Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.*

*Please note that the comparative figures include St Martins aged care facility*

**City of West Torrens**

**UNIFORM PRESENTATION OF FINANCES  
for the year ended 30 June 2017**

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	<b>Original Budget 2015/16 \$'000</b>	<b>Original Budget 2016/17 \$'000</b>
Income	67,137	62,261
<i>less</i> Expenses	58,958	51,391
<b>Operating Surplus / (Deficit)</b>	<b>8,179</b>	<b>10,870</b>
<i>less</i> <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	14,369	13,057
Depreciation, Amortisation and Impairment	11,251	10,941
Proceeds from Sale of Replaced Assets	616	609
	<b>2,503</b>	<b>1,507</b>
<i>less</i> <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	14,502	11,699
	<b>14,502</b>	<b>11,699</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(8,826)</b>	<b>(2,336)</b>

*Please note that the comparatives figures include the St Martins aged care facility.*



## **Ten Year Financial Plan**





**City of West Torrens**  
**KEY ASSUMPTIONS**  
 Forward Estimates for 10 years to 2025/26

Income			Expenditure - Operational & Maintenance		
Rate Increase 2016/17	2.6%	+ growth	Wages Growth	3.8%	Based on expectation - 2016/17
REP Increase 2016/17	2.6%		Wages Growth	3.5%	Based on expectation - 2017/18 to 2018/19
Rate Growth - 2016/17	1.50%		Wages Growth	3.5%	Based on expectation - from 2019/20
REP Growth - 2016/17	2.00%		Waste Contract - Solo	2.0%	Fuel impact + extra services
Rate Increases 2017/18	2.6%	+ growth in all years	Waste Disposal 2017/18	6.8%	Includes allowance for solid waste levy
Rate Growth - All Other Years	1.2%		Waste Disposal Otherwise	3.0%	Allowance for modest levy increases
REP Increases 2017/18	2.6%	Same as rate increases	Contract Works	4.0%	
Rate Equivalent Growth	0.5%	Cumulative increase	Works Materials	2.0%	
Rate Increases from 2018/19	2.7%	+ growth in all years	Other Finance Charges	1.7%	Includes banking charges
Revenue Growth - Parking	2.0%		Depreciation - Buildings	3.0%	Allowance for new assets
Revenue Growth - Animals	2.0%		Depreciation - Infrastructure	2.5%	Allowance made for new assets
Revenue Growth - Dev Apps	2.0%		Depreciation Other	2.0%	
Revenue Growth - Waste	2.0%		Plant Costs	2.0%	
W/Comp Refund	1.5%		Computer Expenses	1.5%	
Revenue Growth - Other	2.0%	Other - cumulative increase	Computer Licensing	1.5%	
NRM Levy from 2017/18	5.0%		General Insurance Premium	1.5%	Competitive market
Roads to Recovery	-	Funding to continue until 2018/19	Professional Fees	1.5%	
			Street Lighting	2.5%	
			Property Costs	4.0%	Utility cost pressures
			Other Operating Costs	1.5%	
<b>Capital Expenditure</b>					
Plant, Furniture & Equip	2.0%	Cumulative increase			
Building Expenditure	-	Based on asset management plan			
Asset Sale Development	-	\$2.5 million in the 3 years from 2016/17.			
Building Escallation	1.5%	Cumulative increase thereafter			
<b>Capital Works Expenditure</b>			<b>Sundry</b>		
Brown Hill / Keswick Drnge	-	Based on 49% of 50% of the cost split over 13 years		\$m	
Brown Hill / Keswick Drnge	2.0%	Cumulative increase	Asset Sales	0	
Road Reseal / Maintenance	-	To match AM Plan over 10 years	Debenture Loan Interest Rates	4.70%	From 2016/17
Footpath Constn / Recon	-	To match AM Plan over 10 years		5.20%	From 2021/22
Kerb & Gutter	-	To match AM Plan over 10 years			
Grant Funded Works	-	Indexed to match grant income			
Roads to Recovery	-	Funding to conclude in 2018/19.			
Drainage Loan	-	\$4.5 million pa from 2017/18 indexed			
Local Drainage Works	2.0%	\$545,000 from 2016/17 indexed			



**City of West Torrens**  
**SUMMARY – ACTUAL & PROJECTED**  
**Forward Estimates for 10 years to 2025/26**

ACTIVITIES	NOTE	BUDGET 2015/16		BUDGET 2016/17		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	
		ORIGINAL	REVISED	ORIGINAL	REVISED	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>OPERATING</b>														
Receipts	1	67,137,052	60,208,543	62,261,741	62,261,741	63,426,334	65,722,495	67,677,327	70,150,925	72,726,887	75,391,914	78,166,862	81,038,428	84,029,866
Payments	2	47,198,757	41,379,773	40,016,037	40,016,037	41,413,737	42,873,575	44,368,892	45,900,585	47,469,573	49,099,979	50,769,290	52,478,400	54,228,212
<b>Net Operating</b>		<b>19,938,295</b>	<b>18,828,771</b>	<b>22,245,704</b>	<b>22,245,704</b>	<b>22,012,597</b>	<b>22,848,920</b>	<b>23,308,435</b>	<b>24,250,340</b>	<b>25,257,315</b>	<b>26,291,936</b>	<b>27,397,572</b>	<b>28,560,028</b>	<b>29,801,654</b>
<b>FINANCING</b>														
Principal Receipts - Loan		0	0	2,691,909	2,691,909	4,362,787	4,437,320	4,513,152	4,590,308	4,668,809	4,748,682	4,829,949	4,912,636	4,996,768
Principal Receipts - Overdraft		0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Payments		2,038,482	12,148,482	0	0	127,065	339,042	564,618	804,499	1,059,430	1,321,850	1,601,463	1,899,226	2,216,145
<b>Net Financing</b>		<b>-2,038,482</b>	<b>-12,148,482</b>	<b>2,691,909</b>	<b>2,691,909</b>	<b>4,235,722</b>	<b>4,098,277</b>	<b>3,948,534</b>	<b>3,785,808</b>	<b>3,609,380</b>	<b>3,426,832</b>	<b>3,228,486</b>	<b>3,013,411</b>	<b>2,780,623</b>
<b>OTHER</b>														
Asset Sales		0	14,288,311	0	0	0	0	0	0	0	0	0	0	0
Receipts - Other Capital		2,007,455	0	0	0	0	0	0	0	0	0	0	0	0
Expenditure	3	28,255,411	36,730,640	24,147,016	24,147,016	25,650,862	26,305,906	24,101,874	24,873,518	25,746,890	26,722,218	27,372,609	28,141,958	29,525,387
Net Unspent Funds		0	8,500,000	0	0	0	0	0	0	0	0	0	0	0
Payments - Other		3,450,000	369,168	375,000	375,000	388,125	401,709	415,769	430,321	445,382	460,971	477,105	493,803	511,087
<b>Net Other</b>		<b>-29,697,956</b>	<b>-14,311,497</b>	<b>-24,522,016</b>	<b>-24,522,016</b>	<b>-26,038,987</b>	<b>-26,707,615</b>	<b>-24,517,643</b>	<b>-25,303,839</b>	<b>-26,192,272</b>	<b>-27,183,189</b>	<b>-27,849,713</b>	<b>-28,635,761</b>	<b>-30,036,474</b>
<b>NET INCREASE/(DECREASE)</b>														
<b>IN CASH</b>		<b>-11,798,143</b>	<b>-7,631,209</b>	<b>415,596</b>	<b>415,596</b>	<b>209,332</b>	<b>239,582</b>	<b>2,739,326</b>	<b>2,732,309</b>	<b>2,674,422</b>	<b>2,535,579</b>	<b>2,776,344</b>	<b>2,937,677</b>	<b>2,545,804</b>
<i>Add</i>														
<b>OPENING CASH</b>		16,909,803	17,680,547	10,049,338	10,049,339	10,464,935	10,674,267	10,913,849	13,653,175	16,385,483	19,059,906	21,595,485	24,371,829	27,309,507
<b>CLOSING CASH</b>		<b>5,111,660</b>	<b>10,049,338</b>	<b>10,464,935</b>	<b>10,464,935</b>	<b>10,674,267</b>	<b>10,913,849</b>	<b>13,653,175</b>	<b>16,385,483</b>	<b>19,059,906</b>	<b>21,595,485</b>	<b>24,371,829</b>	<b>27,309,507</b>	<b>29,855,310</b>
<b>CASH RESERVES:</b>														
Committed		40,332,679	31,398,739	31,827,300	31,827,300	31,984,375	32,142,842	34,869,952	37,598,735	40,337,628	43,078,503	45,830,014	48,583,840	51,348,863
Less Used		35,282,247	21,389,532	21,389,532	21,389,532	21,389,533	21,389,533	21,389,533	21,389,533	21,389,533	21,389,533	21,389,533	21,389,533	21,389,533
<b>Net Cash Reserves</b>		<b>5,050,431</b>	<b>10,009,207</b>	<b>10,437,768</b>	<b>10,437,768</b>	<b>10,594,842</b>	<b>10,753,309</b>	<b>13,480,418</b>	<b>16,209,202</b>	<b>18,948,095</b>	<b>21,688,969</b>	<b>24,440,481</b>	<b>27,194,307</b>	<b>29,959,330</b>
<b>SURPLUS/(DEFICIT)</b>		<b>61,230</b>	<b>40,131</b>	<b>27,168</b>	<b>27,168</b>	<b>79,425</b>	<b>160,540</b>	<b>172,756</b>	<b>176,281</b>	<b>111,811</b>	<b>-93,485</b>	<b>-68,651</b>	<b>115,200</b>	<b>-104,020</b>



**NOTE 1**  
**City of West Torrens**  
**REVENUE PROJECTIONS**

Forward Estimates for 10 years to 2025/26

DESCRIPTION	BUDGET 2015/16		BUDGET 2016/17		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
	ORIGINAL	REVISED	ORIGINAL	REVISED	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Rates</b>													
Rate Revenue	46,319,989	46,436,989	48,370,136	48,370,136	50,236,831	52,225,803	54,292,938	56,442,844	58,677,277	61,001,173	63,416,479	65,928,484	68,539,342
Rate Equivalent Payments	4,700,000	4,796,955	5,020,000	5,020,000	5,176,273	5,342,612	5,514,297	5,691,499	5,874,395	6,063,169	6,258,009	6,459,110	6,666,673
<b>Statutory Charges</b>													
Development Act Fees	600,000	626,700	650,000	650,000	663,000	676,260	689,785	703,581	717,653	732,006	746,646	761,579	776,810
Parking Fines	700,200	975,200	1,076,000	1,076,000	1,097,520	1,119,470	1,141,860	1,164,697	1,187,991	1,211,751	1,235,986	1,260,705	1,285,920
Dog Fees & Fines	289,980	289,980	289,980	289,980	295,780	301,695	307,729	313,884	320,161	326,565	333,096	339,758	346,553
Other	162,200	173,700	183,600	183,600	187,272	191,017	194,838	198,735	202,709	206,763	210,899	215,117	219,419
<b>User Charges</b>													
St Martins - ACFI	5,357,230	0	0	0	0	0	0	0	0	0	0	0	0
St Martins - Other	2,641,020	0	0	0	0	0	0	0	0	0	0	0	0
Waste Income	210,000	170,000	177,757	177,757	181,312	184,938	188,637	192,410	196,258	200,183	204,187	208,271	212,436
Other	1,053,633	1,062,210	1,107,600	1,107,600	1,129,752	1,152,347	1,175,394	1,198,902	1,222,880	1,247,337	1,272,284	1,297,730	1,323,685
<b>Grants &amp; Subsidies</b>													
FA Grant	1,217,638	1,202,638	1,200,000	1,200,000	1,224,000	1,248,480	1,273,450	1,298,919	1,324,897	1,351,395	1,378,423	1,405,991	1,434,111
UL Road Grants	616,000	592,960	599,500	599,500	611,490	623,720	636,194	648,918	661,896	675,134	688,637	702,410	716,458
Special Road Funding	223,333	398,333	0	0	0	0	0	0	0	0	0	0	0
Roads to Recovery	873,376	1,298,046	1,442,053	1,442,053	436,688	436,688	0	0	0	0	0	0	0
Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0
Home Assist	453,700	472,347	468,700	468,700	478,074	487,635	497,388	507,336	517,483	527,832	538,389	549,157	560,140
Library	412,500	412,500	416,500	416,500	424,830	433,327	441,993	450,833	459,850	469,047	478,428	487,996	497,756
Other	54,000	63,300	55,270	55,270	56,375	57,503	58,653	59,826	61,023	62,243	63,488	64,758	66,053
<b>Other Income</b>													
Investment Income	503,820	266,000	444,000	444,000	452,880	452,880	461,938	461,938	471,176	471,176	480,600	480,600	490,212
Reimbursements	260,243	262,521	247,345	247,345	252,292	257,338	262,484	267,734	273,089	278,551	284,122	289,804	295,600
Insurance Premium Refund	295,000	394,000	320,000	320,000	324,800	329,672	334,617	339,636	344,731	349,902	355,150	360,478	367,687
Profit/(Loss) on Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry	193,190	256,219	193,300	193,300	197,166	201,109	205,132	209,234	213,419	217,687	222,041	226,482	231,011
<b>Sub Total</b>	<b>67,137,052</b>	<b>60,150,598</b>	<b>62,261,741</b>	<b>62,261,741</b>	<b>63,426,334</b>	<b>65,722,495</b>	<b>67,677,327</b>	<b>70,150,925</b>	<b>72,726,887</b>	<b>75,391,914</b>	<b>78,166,862</b>	<b>81,038,428</b>	<b>84,029,866</b>
Less Profit/(Loss) on Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Add Capital Income	0	57,945	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>67,137,052</b>	<b>60,208,543</b>	<b>62,261,741</b>	<b>62,261,741</b>	<b>63,426,334</b>	<b>65,722,495</b>	<b>67,677,327</b>	<b>70,150,925</b>	<b>72,726,887</b>	<b>75,391,914</b>	<b>78,166,862</b>	<b>81,038,428</b>	<b>84,029,866</b>



**NOTE 2**  
**City of West Torrens**

**OPERATIONAL & MAINTENANCE EXPENDITURE PROJECTIONS**

Forward Estimates for 10 years to 2025/26

DESCRIPTION	BUDGET 2015/16		BUDGET 2016/17		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
	ORIGINAL	REVISED	ORIGINAL	REVISED	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Employee Costs</b>													
St Martins Aged Care Facility	6,245,910	0	0	0	0	0	0	0	0	0	0	0	0
Other Employee Costs	20,825,231	21,530,624	21,624,251	21,624,251	22,381,100	23,164,438	23,975,194	24,814,325	25,682,827	26,581,726	27,512,086	28,475,009	29,471,635
<b>Contractual Services</b>													
Waste Management - Solo	3,150,000	3,150,000	3,300,000	3,300,000	3,366,000	3,433,320	3,501,986	3,572,026	3,643,467	3,716,336	3,790,663	3,866,476	3,943,805
Waste Management - Disposal	1,295,000	1,295,000	1,358,000	1,358,000	1,450,344	1,493,854	1,538,670	1,584,830	1,632,375	1,681,346	1,731,787	1,783,740	1,837,252
Other Contract	2,490,330	2,473,685	2,350,400	2,350,400	2,444,416	2,542,193	2,643,880	2,749,636	2,859,621	2,974,006	3,092,966	3,216,685	3,345,352
<b>Materials</b>													
Materials	926,300	927,200	945,000	945,000	963,900	983,178	1,002,842	1,022,898	1,043,356	1,064,223	1,085,508	1,107,218	1,129,362
<b>Finance Charges</b>													
Interest	719,797	598,669	0	0	125,044	321,661	511,660	694,456	869,428	1,059,107	1,239,327	1,409,267	1,568,058
Other Finance Charges	127,180	141,800	153,900	153,900	156,516	159,177	161,883	164,635	167,434	170,280	173,175	176,119	179,113
<b>Depreciation</b>													
Buildings	1,972,300	1,764,750	1,682,190	1,682,190	1,732,656	1,784,635	1,838,174	1,893,320	1,950,119	2,008,623	2,068,882	2,130,948	2,194,876
Plant, Furniture & Equipment	1,393,820	1,267,695	1,241,300	1,241,300	1,266,126	1,291,449	1,317,277	1,343,623	1,370,496	1,397,905	1,425,864	1,454,381	1,483,468
Library Resources	317,742	317,742	318,000	318,000	324,360	330,847	337,464	344,213	351,098	358,120	365,282	372,588	380,039
Infrastructure	7,567,000	7,567,000	7,700,000	7,700,000	7,941,095	8,189,738	8,446,167	8,710,625	8,983,364	9,264,642	9,554,727	9,853,895	10,162,430
<b>Other Expenses</b>													
Plant Related	722,880	717,085	730,770	730,770	745,385	760,293	775,499	791,009	806,829	822,966	839,425	856,214	873,338
Computer Maint & Support	856,140	978,100	901,400	901,400	914,921	928,645	942,574	956,713	971,064	985,630	1,000,414	1,015,420	1,030,652
General Insurance Premium	833,618	833,142	833,577	833,577	846,081	858,772	871,653	884,728	897,999	911,469	925,141	939,018	953,104
Professional Fees	1,514,390	1,841,405	1,305,670	1,305,670	1,325,255	1,345,134	1,365,311	1,385,791	1,406,577	1,427,676	1,449,091	1,470,828	1,492,890
Street Lighting	942,000	942,000	942,000	942,000	965,550	989,689	1,014,431	1,039,792	1,065,787	1,092,431	1,119,742	1,147,736	1,176,429
Rates, Power & Property	1,759,989	1,600,540	1,566,639	1,566,639	1,629,305	1,694,477	1,762,256	1,832,746	1,906,056	1,982,298	2,061,590	2,144,054	2,229,816
NRM Levy	1,225,389	1,225,389	1,260,136	1,260,136	1,323,143	1,389,300	1,458,765	1,531,703	1,608,288	1,688,703	1,773,138	1,861,795	1,954,885
General Operating Costs	4,072,993	3,542,203	3,178,339	3,178,339	3,226,014	3,274,404	3,323,520	3,373,373	3,423,974	3,475,333	3,527,463	3,580,375	3,634,081
<b>Sub Total</b>	<b>58,958,009</b>	<b>52,714,029</b>	<b>51,391,572</b>	<b>51,391,572</b>	<b>53,127,210</b>	<b>54,935,204</b>	<b>56,789,209</b>	<b>58,690,443</b>	<b>60,640,158</b>	<b>62,662,820</b>	<b>64,736,270</b>	<b>66,861,765</b>	<b>69,040,585</b>
Less Depreciation	11,250,862	10,917,187	10,941,490	10,941,490	11,264,236	11,596,669	11,939,083	12,291,781	12,655,076	13,029,290	13,414,754	13,811,811	14,220,814
Leave Provisions	508,390	417,070	434,045	434,045	449,236	464,960	481,233	498,076	515,509	533,552	552,226	571,554	591,559
<b>TOTAL</b>	<b>47,198,757</b>	<b>41,379,773</b>	<b>40,016,037</b>	<b>40,016,037</b>	<b>41,413,737</b>	<b>42,873,575</b>	<b>44,368,892</b>	<b>45,900,585</b>	<b>47,469,573</b>	<b>49,099,979</b>	<b>50,769,290</b>	<b>52,478,400</b>	<b>54,228,212</b>





**NOTE 3**  
**City of West Torrens**  
**CAPITAL EXPENDITURE PROJECTIONS**  
**Forward Estimates for 10 years to 2025/26**

ACTIVITIES	BUDGET 2015/16		BUDGET 2016/17		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
	ORIGINAL	REVISED	ORIGINAL	REVISED	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Road Program</b>													
Reseal / Maintenance	3,238,025	3,238,025	1,809,877	1,809,877	2,022,247	2,259,536	2,524,669	2,820,913	3,151,917	3,521,762	3,935,003	4,396,735	4,912,645
Reconstruction - Renewal	2,006,444	2,822,737	2,693,249	2,693,249	2,675,626	2,658,118	2,640,725	2,623,445	2,606,279	2,589,225	2,572,283	2,555,451	2,538,729
Reconstruction - Upgrade	1,909,424	3,180,040	1,753,750	1,753,750	1,762,510	1,771,518	1,780,780	1,790,301	1,800,085	1,810,137	1,820,463	1,831,068	1,841,958
Roads to Recovery	873,376	1,298,046	1,442,053	1,442,053	436,688	436,688	0	0	0	0	0	0	0
Kerb & Gutter	2,103,231	2,103,231	3,654,539	3,654,539	3,490,869	3,334,528	3,185,189	3,042,539	2,906,277	2,776,118	2,651,788	2,533,026	2,419,584
ULRG included Above	-616,000	-592,960	-599,500	-599,500	-611,490	-623,720	-636,194	-648,918	-661,896	-675,134	-688,637	-702,410	-716,458
<b>Footpath / Bikeway Program</b>													
Reconstruction	311,490	357,219	239,508	239,508	268,056	300,007	335,767	375,788	420,580	470,711	526,818	589,612	659,891
Construction	280,363	280,363	237,851	237,851	297,861	373,011	467,121	584,975	732,564	917,389	1,148,846	1,438,699	1,801,682
<b>Drainage Program</b>													
Local Drainage Works	2,892,250	4,822,148	2,867,000	2,867,000	2,555,900	2,607,018	2,659,158	2,712,342	2,766,588	2,821,920	2,878,359	2,435,926	2,484,644
Brown Hill / Keswick Drainage	3,100,000	70,344	581,000	581,000	2,544,605	2,582,774	2,621,516	2,660,838	2,700,751	2,741,262	2,782,381	2,824,117	2,866,479
<b>Other Capital Works</b>													
Other Works	4,277,333	6,811,510	5,340,000	5,340,000	5,526,900	5,770,342	5,972,303	6,181,334	6,397,681	6,621,600	6,353,356	6,575,723	6,805,873
<b>Building Program</b>													
Land & Buildings	1,722,500	3,557,795	1,330,000	1,330,000	1,750,000	1,910,967	2,086,740	2,278,681	2,488,277	2,717,151	2,967,078	3,239,993	3,538,011
Asset Sale Developments	6,000,000	8,599,005	2,500,000	2,500,000	2,500,000	2,500,000	0	0	0	0	0	0	0
<b>Other Capital Expenditure</b>													
Plant, Furn & Equipment	1,414,615	2,080,723	1,765,500	1,765,500	1,800,810	1,836,826	1,873,563	1,911,034	1,949,255	1,988,240	2,028,005	2,068,565	2,109,936
Library Resources	312,900	312,900	299,310	299,310	305,296	305,296	311,402	311,402	317,630	317,630	323,983	323,983	330,462
<b>Total Capital Expenditure</b>	<b>29,825,951</b>	<b>38,941,126</b>	<b>25,914,137</b>	<b>25,914,137</b>	<b>27,325,877</b>	<b>28,022,910</b>	<b>25,822,739</b>	<b>26,644,674</b>	<b>27,575,988</b>	<b>28,618,011</b>	<b>29,299,725</b>	<b>30,110,488</b>	<b>31,593,437</b>
Less Overheads	1,570,540	2,210,486	1,767,121	1,767,121	1,675,015	1,717,004	1,720,865	1,771,156	1,829,098	1,895,793	1,927,116	1,968,530	2,068,050
<b>TOTAL EXPENDITURE</b>	<b>28,255,411</b>	<b>36,730,640</b>	<b>24,147,016</b>	<b>24,147,016</b>	<b>25,650,862</b>	<b>26,305,906</b>	<b>24,101,874</b>	<b>24,873,518</b>	<b>25,746,890</b>	<b>26,722,218</b>	<b>27,372,609</b>	<b>28,141,958</b>	<b>29,525,387</b>



**City of West Torrens - Long Term Financial Planning Model**

**Forecast Statement of Comprehensive Income**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<b>Operating Revenue</b>										
Rates - General	53,390	55,413	57,569	59,807	62,135	64,551	67,064	69,674	72,388	75,205
Rates Equivalent - AAL										
Statutory Charges	2,200	2,244	2,289	2,335	2,382	2,429	2,477	2,527	2,578	2,629
User Charges	1,285	1,311	1,337	1,364	1,391	1,419	1,447	1,476	1,506	1,536
Operating Grants & Subsidies	4,182	3,232	3,288	2,907	2,966	3,025	3,084	3,146	3,211	3,275
Investment Income	444	453	453	462	462	471	471	481	481	490
Reimbursements	217	221	225	230	236	241	246	251	256	261
Other Income	543	552	561	570	579	589	600	610	620	634
<b>Total Operating Revenue</b>	<b>62,261</b>	<b>63,426</b>	<b>65,722</b>	<b>67,675</b>	<b>70,151</b>	<b>72,725</b>	<b>75,389</b>	<b>78,165</b>	<b>81,040</b>	<b>84,030</b>
<b>Operating Expenses</b>										
Employee costs	21,624	22,381	23,164	23,975	24,814	25,683	26,582	27,512	28,475	29,472
Materials, contracts & other expenses	18,673	19,199	19,692	20,201	20,726	21,266	21,822	22,396	22,990	23,602
Depreciation, Amortisation & Impairment	10,941	11,264	11,597	11,938	12,292	12,654	13,030	13,415	13,812	14,221
Finance Costs	153	282	481	674	859	1,036	1,229	1,412	1,585	1,747
<b>Total Operating Expenses</b>	<b>51,391</b>	<b>53,126</b>	<b>54,934</b>	<b>56,788</b>	<b>58,691</b>	<b>60,639</b>	<b>62,663</b>	<b>64,735</b>	<b>66,862</b>	<b>69,042</b>
<b>Operating Surplus/(Deficit) before Capital Revenues</b>	<b>10,870</b>	<b>10,300</b>	<b>10,788</b>	<b>10,887</b>	<b>11,460</b>	<b>12,086</b>	<b>12,726</b>	<b>13,430</b>	<b>14,178</b>	<b>14,988</b>
<b>Capital Revenue</b>										
Net Gain (loss) on Disposal or Revaluation of Assets	0	0	0	0	0	0	0	0	0	0
Amounts Specifically for New/Upgraded Assets	0	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment Received FOC	0	0	0	0	0	0	0	0	0	0
<b>Total Capital Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Surplus/(Deficit) after Capital Revenues</b>	<b>10,870</b>	<b>10,300</b>	<b>10,788</b>	<b>10,887</b>	<b>11,460</b>	<b>12,086</b>	<b>12,726</b>	<b>13,430</b>	<b>14,178</b>	<b>14,988</b>

**City of West Torrens - Long Term Financial Planning Model**  
**Forecast Statement of Financial Position**

	Year Ended	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<b>Current Assets</b>											
Cash & Cash Equivalents		7,701	7,848	8,048	10,722	13,465	16,108	18,628	21,383	24,303	26,823
Trade and Other Receivables		2,124	2,130	2,136	2,142	2,148	2,154	2,160	2,166	2,172	2,178
Financial Assets		1,185	1,191	1,197	1,204	1,211	1,218	1,226	1,234	1,242	1,251
Inventory		11	11	11	11	11	11	11	11	11	11
<b>Total Current Assets</b>		<b>11,021</b>	<b>11,180</b>	<b>11,392</b>	<b>14,079</b>	<b>16,835</b>	<b>19,491</b>	<b>22,025</b>	<b>24,794</b>	<b>27,728</b>	<b>30,263</b>
<b>Non-Current Assets</b>											
Financial assets		0	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment		570,323	584,710	599,419	611,583	624,163	637,257	650,949	664,906	679,235	694,540
Other non-current assets		4,238	4,238	4,238	4,238	4,238	4,238	4,238	4,238	4,238	4,238
<b>Total Non-Current Assets</b>		<b>574,561</b>	<b>588,948</b>	<b>603,657</b>	<b>615,821</b>	<b>628,401</b>	<b>641,495</b>	<b>655,187</b>	<b>669,144</b>	<b>683,473</b>	<b>698,778</b>
<b>Total Assets</b>		<b>585,582</b>	<b>600,128</b>	<b>615,049</b>	<b>629,900</b>	<b>645,236</b>	<b>660,986</b>	<b>677,212</b>	<b>693,938</b>	<b>711,201</b>	<b>729,041</b>
<b>Current Liabilities</b>											
Trade and other Payables		6,419	6,271	6,433	6,433	6,515	6,557	6,620	6,674	6,733	6,791
Borrowings		0	466	565	804	1,059	1,322	1,601	1,899	2,216	0
Short-term Provisions		2,004	2,010	2,016	2,023	2,030	2,037	2,045	2,053	2,061	2,070
<b>Total Current Liabilities</b>		<b>8,423</b>	<b>8,747</b>	<b>9,014</b>	<b>9,260</b>	<b>9,604</b>	<b>9,916</b>	<b>10,266</b>	<b>10,626</b>	<b>11,010</b>	<b>8,861</b>
<b>Non-Current Liabilities</b>											
Long-Term Borrowings		2,692	6,589	10,461	14,170	17,701	21,048	24,195	27,126	29,823	34,820
Long-Term Provisions		433	458	452	461	462	467	470	475	479	483
<b>Total Non-Current Liabilities</b>		<b>3,125</b>	<b>7,047</b>	<b>10,913</b>	<b>14,631</b>	<b>18,163</b>	<b>21,515</b>	<b>24,665</b>	<b>27,601</b>	<b>30,302</b>	<b>35,303</b>
<b>Total Liabilities</b>		<b>11,548</b>	<b>15,794</b>	<b>19,927</b>	<b>23,891</b>	<b>27,767</b>	<b>31,431</b>	<b>34,931</b>	<b>38,227</b>	<b>41,312</b>	<b>44,164</b>
<b>Net Assets</b>		<b>574,034</b>	<b>584,334</b>	<b>595,122</b>	<b>606,009</b>	<b>617,469</b>	<b>629,555</b>	<b>642,281</b>	<b>655,711</b>	<b>669,889</b>	<b>684,877</b>
<b>Equity</b>											
Accumulated Surplus		58,613	68,913	79,701	90,588	102,048	114,134	126,860	140,290	154,468	169,456
Reserves		500,073	500,073	500,073	500,073	500,073	500,073	500,073	500,073	500,073	500,073
Other Reserves		15,348	15,348	15,348	15,348	15,348	15,348	15,348	15,348	15,348	15,348
<b>Total Equity</b>		<b>574,034</b>	<b>584,334</b>	<b>595,122</b>	<b>606,009</b>	<b>617,469</b>	<b>629,555</b>	<b>642,281</b>	<b>655,711</b>	<b>669,889</b>	<b>684,877</b>

**City of West Torrens - Long Term Financial Planning Model****Forecast Financial Indicators**

Year Ended	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)
<b>Operating Surplus Ratio</b>	20.9%	19.0%	19.2%	18.7%	18.9%	19.2%	19.5%	19.8%	20.1%	20.5%
<i>This ratio expresses the operating surplus as a percentage of general and other rates, net of the NRM levy.</i>										
<b>Net Financial Liabilities Ratio</b>	0.9%	7.4%	13.3%	14.8%	15.9%	16.8%	17.5%	17.6%	17.2%	17.0%
<i>This ratio expresses net financial liabilities as a percentage of total operating revenue.</i>										
<b>Asset Sustainability Ratio</b>	106.4%	104.2%	102.8%	100.7%	101.1%	102.8%	104.2%	105.5%	104.3%	107.2%
<i>This ratio expresses net asset renewal expenditure as a percentage of depreciation expense.</i>										

City of West Torrens - Long Term Financial Planning ModelForecast Uniform Presentation of Finances

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Year Ended	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
Operating Revenue	62,261	63,426	65,722	67,675	70,151	72,725	75,389	78,165	81,040	84,030
<u>Less</u>										
Operating Expenses	51,391	53,126	54,934	56,788	58,691	60,639	62,663	64,735	66,862	69,042
<b>Operating Surplus / (Deficit) Before Capital Amounts</b>	<b>10,870</b>	<b>10,300</b>	<b>10,788</b>	<b>10,887</b>	<b>11,460</b>	<b>12,086</b>	<b>12,726</b>	<b>13,430</b>	<b>14,178</b>	<b>14,988</b>
<u>Less Net Outlays on Existing Assets</u>										
Capital Expenditure on the Renewal and Replacement of Existing Assets	13,057	11,674	12,022	11,980	12,434	12,954	13,544	14,138	14,388	15,221
Less Depreciation, Amortisation and Impairment	10,941	11,264	11,597	11,938	12,292	12,654	13,030	13,415	13,812	14,221
Less Proceeds from the Sale of Replaced Assets	609	0	0	0	0	0	0	0	0	0
	<b>1,507</b>	<b>410</b>	<b>425</b>	<b>42</b>	<b>142</b>	<b>300</b>	<b>514</b>	<b>723</b>	<b>576</b>	<b>1,000</b>
<u>Less Net Outlays on New &amp; Upgraded Assets</u>										
Capital Expenditure on New and Upgraded Assets	11,699	13,977	14,284	12,122	12,438	12,794	13,178	13,234	13,753	14,305
Less Grants and Contributions Specifically for New and Upgraded Assets	0	0	0	0	0	0	0	0	0	0
Less Proceeds from the Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0
	<b>11,699</b>	<b>13,977</b>	<b>14,284</b>	<b>12,122</b>	<b>12,438</b>	<b>12,794</b>	<b>13,178</b>	<b>13,234</b>	<b>13,753</b>	<b>14,305</b>
	<b>(2,336)</b>	<b>(4,087)</b>	<b>(3,921)</b>	<b>(1,277)</b>	<b>(1,120)</b>	<b>(1,008)</b>	<b>(966)</b>	<b>(527)</b>	<b>(151)</b>	<b>(317)</b>

**Glossary of Terms**

## Glossary of Terms

*Amortisation* refers to the systematic allocation of the depreciable amount of an asset over its useful life.

*Annual business plan* refers to a document Council must adopt each year as part of or in conjunction with its budget, pursuant to the requirements of Section 123 of the Local Government Act 1999.

*Asset* refers to a resource controlled by the City of West Torrens from which future economic benefits, including service potential, are expected to flow.

*Asset impairment* refers to the situation that occurs when the carrying amount of an asset exceeds its recoverable amount.

*Asset management* refers to a systematic, structured approach to the maintenance, upgrade and operation of assets, on a whole of life basis, combining engineering principles with sound business practice and economic rationale, and providing the tools to facilitate a more organised and flexible approach to making decisions necessary to meet community expectations.

*Asset renewal expenditure* refers to expenditure that restores or improves the condition of existing Council assets.

*Asset revaluation reserve* is the reserve created when Council revalues its assets.

*Asset sustainability ratio* measures capital expenditure on the renewal and replacement of assets relative to the level of expenditure proposed in Council's infrastructure and asset management plans.

*Audit Committee* refers to a committee of Council established under Section 126 of the Local Government Act 1999.

*Budget* refers to a financial document prepared by Council under Section 123 of the Local Government Act 1999.

*Capital expenditure* refers to expenditure recognised as an asset in the accounts of the Council, rather than being treated as an operating expense, and includes:

- Office furniture and equipment in excess of \$2,000 in value;
- Other plant and equipment in excess of \$2,000;
- Buildings - new construction / extensions - in excess of \$10,000; and
- Infrastructure assets in excess of \$10,000.

*Cash equivalents* are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

*Cash flow statement* refers to a financial statement that shows inflows and outflows of cash and cash equivalents in terms of operating, investing and financing activities.

*Comprehensive income statement* sometimes referred to as a profit and loss statement, is a financial statement that shows the income and expenditure of the Council, and in turn the operating result, being the difference between the two.



*Depreciable amount* refers to the cost of an asset, or other amount substituted for cost, less its residual value.

*Depreciation* refers to the systematic allocation of the depreciable amount of an asset over its useful life.

*Differential rating* refers to the power of Council under Section 156 of the Local Government Act 1999 to declare different rates according to use and / or locality of land.

*Employee costs* refers to staff and related costs, including salaries and wages, superannuation, leave provisioning, fringe benefits tax, training and WHS expenses.

*Equity* refers to the residual interest in the assets of the Council after the deduction of its liabilities. Often referred to as net assets, it is the difference between total assets and total liabilities.

*Expenses* refers to a decrease in future economic benefits, effectively meaning the costs incurred by Council in the normal course of its business operations. They include employee costs, material and contractor expenses, finance costs and depreciation.

*Finance costs* refers to expenses associated with Council's financing activities, including interest on loans and revenue collection charges.

*Financial statements* comprise a statement of comprehensive income, a statement of financial position, a statement of changes in equity and a statement of cash flows.

*Financing activities* are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

*Grants, subsidies and contributions* refers to assistance from state and commonwealth governments and other institutions where resources are transferred to Council generally in return for past or future compliance with certain conditions.

*Income* refers to the gross inflow of economic benefits arising from the ordinary activities of Council when those inflows result in increases in equity. It includes rates, statutory charges, grants, user charges, investment income and reimbursements.

*Income statement*, sometimes referred to as a profit and loss statement, is a financial statement that shows the income and expenditure of the Council, and in turn the operating result, being the difference between the two.

*Infrastructure and Asset Management Plan (IAMP)* refers to a plan for the management and development of infrastructure and major assets of the Council that must be developed and adopted for a period of at least 10 years.

*Infrastructure asset* refers to roads, kerbing, drains, footpaths, cycle paths, land improvements and related assets.

*Investing activities* are the acquisition and disposal of long-term assets and other investments not included in operating activities.

*Investment income* refers to income generated by Council from investment activities.

*Liability* is an obligation of the Council arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Liabilities include provisions and trade and other payables.

*Liquidity* is a measure of the ability of the Council to pay its debts as and when they fall due.

*Loan repayments* refers to interest and principal payments made to service Council loans.

*Long term financial plan* refers to a plan that must be developed and adopted by Council for a period of at least 10 years under Section 122(1a) of the Local Government Act 1999.

*Minimum rate* refers to the minimum amount payable by a ratepayer which is determined by the Council pursuant to Section 158 of the Local Government Act 1999.

*Natural resources management levy (NRM levy)* is a separate rate imposed on ratepayers by the state government under Section 95 of the Natural Resources Management Act 2004 and Section 154 of the Local Government Act 1999.

*Operating activities* are the principal expenditure and revenue-producing activities of the Council and other activities that are not investing or financing activities.

*Operating surplus* refers to the amount by which operating income exceeds operating expenses, before capital items, the net gain or loss on the disposal or revaluation of assets, and physical resources received free of charge.

*Postponement of rates* refers to the availability to seniors of an option to delay the payment of rates in certain circumstances under Section 182A of the Local Government Act 1999.

*Rate rebates* refers to mandatory and discretionary rebates on rates that are available to ratepayers under Sections 159 to 166 of the Local Government Act 1999.

*Rate remissions* are discretionary concessions available to ratepayers where payment of rates causes hardship.

*Rates* are a charge against the land levied on ratepayers under provisions of the Local Government Act 1999.

*Reserves* are a credit balance account forming part of Council equity.

*Residual value* refers to the value of an asset at the end of its useful life.

*Revenue* refers to the gross inflow of economic benefits arising from the ordinary activities of Council when those inflows result in increases in equity. It includes rates, statutory charges, grants, user charges, investment income and reimbursements.

*Separate rates* refer to a rate that may be declared by Council for specific purposes under Section 154 of the Local Government Act 1999.

*Service rates or charges* may be applied to services such as the collection and disposal of waste under Section 155 of the Local Government Act 1999.

*Statement of financial position*, sometimes referred to as the balance sheet, is a summary of Council's assets, liabilities and equity at a particular point in time, and provides a snapshot of Council's financial position.

*Statutory charges* refers substantially to fees set by the state government on regulatory services provided by local government, such as dog registration fees, building and planning fees, and parking fines.

*Stormwater flood mitigation* refers to measures aimed at minimising the impact of floods in the West Torrens community, including mitigation works associated with Brown Hill and Keswick Creeks.

*Sustainability* refers to Council's ability to manage its finances so it can meet spending commitments, both now and in the future, and ensure future generations of taxpayers do not face an unmanageable bill for services provided to the current generation.

*User charges* refers to fees set by Council for certain goods and services provided, such as library charges, hall hire, tennis court hire and community centre fees.