

Notice of Audit & Risk Committee Meeting



MEMBERSHIP

Cr Irena Zagladov (*Presiding Member*)

Cr Rob Unger

Mr Ross Haslam

(*Independent Member*)

Mr Daniel Edgecombe
(*Independent Member*)

Ms Deanne Bear

(*Independent Member*)

NOTICE is given pursuant to Sections 87 and 88 of the Local Government Act 1999 that the next AUDIT & RISK COMMITTEE MEETING will be held in the Civic Centre, 571 Montague Road, Modbury on WEDNESDAY 17 MAY 2023 commencing at 6.30pm

A copy of the Agenda for the above meeting is supplied.

Members of the community are welcome to attend the meeting.

RYAN MCMAHON
CHIEF EXECUTIVE OFFICER

Dated: 12 May 2023

CITY OF TEA TREE GULLY
AUDIT & RISK COMMITTEE MEETING
17 MAY 2023

AGENDA

1. Opening and Welcome

2. Attendance Record:

- 2.1 Present
- 2.2 Apologies
- 2.3 Record of Officers in Attendance
- 2.4 Record of Number of Persons in the Public Gallery
- 2.5 Record of Media in Attendance

3. Confirmation of Minutes of the Previous Meeting

That the Minutes of the Audit & Risk Committee Meeting held on 29 March 2023 be confirmed as a true and accurate record of proceedings.

4. Public Forum

Available to the public to address the Committee on policy, strategic matters or items that are currently before the Committee. Total time 10 mins with maximum of 2 mins per speaker. For more information refer to Council's website www.cttg.sa.gov.au

5. Deputations

Requests from the public to address the meeting must be received in writing prior to the meeting and approved by the Presiding Member. For more information refer to Council's website www.cttg.sa.gov.au

6. Presentations

6.1 Presentation - Cyber Security related activities for 2023

Mr Wayne Richards, Manager IT Solutions, will present an update on Cyber Security related activities for 2023 relative to the City of Tea Tree Gully.
Duration: 30 minutes

6.2 Presentation - Draft Annual Business Plan 2023-24

Ms Rebecca Baines, Manager Finance & Rating Services will provide a presentation on the Draft Annual Business Plan 2023-24. Duration: 5 minutes

Requests to present to the meeting must be received in writing 5 days prior to the meeting and approved by the Presiding Member. For more information refer to Council's website www.cttg.sa.gov.au

7. Petitions - Nil

8. Declarations of Conflicts of Interest

Members are invited to declare any conflicts of interest in matters appearing before the Committee.

9. Adjourned Business - Nil

10. Motions Lying on the Table - Nil

11. Management Reports

Office of the Chief Executive Officer - Nil

City Operations - Nil

Corporate Services - Nil

Strategy & Finance

11.1 Treasury Policy	6
11.2 Draft Annual Business Plan 2023-2024	15

Community Services - Nil

12. Motion(s) on Notice - Nil

13. Motion(s) without Notice

14. Question(s) on Notice - Nil

15. Questions without Notice

16. Information Reports

17.1 Council Incident Management arrangements - high risk weather season summary	74
17.2 Strategic Risk Register - May 2023 - Bi-annual Review	82
17.3 Internal Audit Plan Status Update	92
17.4 Internal Audit Agreed Actions Update	94
17.5 Second Quarter Budget Review for Financial Year Ending 30 June 2023	97
17.6 Internal Control Assessment May 2023.....	124
17.7 Dogs and Cats Online system.....	132

17. Status Report on Resolutions

18.1 Status Report on Audit & Risk Committee Resolutions	133
--	-----

18. Other Business

19. Section 90(2) Local Government Act 1999 – Confidential Items - Nil

A record must be kept on the grounds that this decision is made.

20. Date of Next Ordinary Meeting

20 September 2023

21. Closure



City of Tea Tree Gully
Audit & Risk Committee Meeting
Document Cover Sheet

17 MAY 2023

TREASURY POLICY

Responsible Manager: Manager Finance & Rating Services

The Treasury is due for review as part of the policy review cycle.

The policy has been revised to include guidance on how Council will consider requests from a community or sporting group. These group are required to be a current leaseholder with Council for the loaning of funds or for Council to be a guarantor for a loan. It includes information on what eligibility criteria is required as for the loan and other information to ensure there is governance around the loans.

This has been added to give Council an ability to provide loans to community groups for contributions to strategic capital works projects.

RECOMMENDATION

That the “Treasury Policy” **as reviewed by** the Audit & Risk Committee Meeting on 17 May 2023 be adopted.

Summary of changes		
Page No.	Heading	Comments
1	Purpose	Paragraph added to provide guidance on the consideration of requests from community for a loan or loan guarantee from Council
1	Policy	Heading added for 2.1 Treasury Management
1	Policy	2.2 Loans/Loan Guarantor for Community Groups added to give the Council guidance on community loan management
4	Definitions	Added relevant definitions

Attachments

1. [↓](#) Treasury Policy - Reviewed version for Audit & Risk Committee - 17 May 20238



TREASURY POLICY

1. PURPOSE

The purpose of this policy is to underpin Council's decision-making in the financing of its operations in the context of the Annual Budget, Long-Term Financial Plan, Cash Flow, Borrowings and Investments. It is an important financial management tool in the management of Council's financial position.

The policy guides how Council will consider requests from community groups and sporting clubs with a current lease with Council, for Council to loan funds or be a guarantor for a loan for the groups.

2. POLICY

2.1 Treasury Management

The Treasury Policy provides clear direction ~~to management, employees and Council~~ in relation to the treasury function and establishes a decision framework that:

- Ensures funds are available as required to support approved outlays,
- While ensuring that interest rate and other risks (e.g. liquidity risks and investment credit risks) are acknowledged and responsibly managed:
- Is reasonably likely to minimise on average over the longer term, the net interest costs associated with borrowing and investing
- Also ensures that outstanding debt is repaid as quickly as possible and therefore that the gross level of debt held by Council is minimised.
- Use either points that consist of either numbering or lettering

Formatted: Indent: Left: 1 cm

2.2 Loans/Loan Guarantor for Community Groups

Council values and recognises the role of community groups and sporting clubs within the Council boundaries and endeavour to support them in a variety of ways. The Treasury Policy provides clear direction about to the ability to consider community loans and being a guarantor to a loan for a community group. The group applying for a loan will be required to be a current leaseholder with the Council.

Formatted: Indent: Left: 1 cm, No bullets or numbering

At a time that a community group approaches Council for financial support the Council may agree to:

- Act as a guarantor for the organisation

- Loan the organisation the funding for a specific period of time

2.2.1 Other Funding Options

The offering of loans or loan guarantees to community groups will only be considered after all other funding options have been fully exhausted and compliance with the requirements of this policy has been met. These other funding options include:

- Government Grants
- Sponsorship
- Fundraising
- Application for credit from a leading institution

Supporting evidence will be required to show the other funding options have been exhausted.

2.2.2 Eligibility Criteria

- Be a current leaseholder with the Council, with all lease requirements being met
- Be an Incorporated association and a not-for-profit organisation
- Deliver projects and outcomes for the City of Tea Tree Gully Council
- Be financially viable and be able to demonstrate the capacity to successfully manage loan repayments through developing and maintaining appropriate business plans and budgets.
- Provide evidence that the application is approved by the group's governing committee (eg. Meeting minutes)

The loan repayment period will not exceed 10 years.

The value of the community loans will be for a minimum of \$10,000 and the cumulative total not exceed \$200,000. The Council will allocate loans/loan guarantees to a combined maximum value of \$2 million at any one time to ensure the financial sustainability of the Council can be maintained.

Interest will be incurred at the current rate of the LGFA Cash Advance Debenture (CAD) plus a 4% margin.

2.2.3 Conditions of Application and Offer

Application must be received in writing in prescribed format for the Council to consider.

Formatted: normaltexttrun, Font: (Default) +Body (Calibri), 14 pt, Font color: Custom Color(0,112,84)), Pattern: Clear (White)

Formatted: No Spacing, Indent: Left: 1 cm, Hanging: 1 cm

Formatted: Font: (Default) Source Sans Pro, 12 pt

Formatted: List Paragraph, Bulleted + Level: 1 + Aligned at: 1.63 cm + Indent at: 2.27 cm

Formatted: normaltexttrun, Font: (Default) +Body (Calibri), 14 pt, Font color: Custom Color(0,112,84)), Pattern: Clear (White)

Formatted: No Spacing, Indent: Left: 1 cm, Hanging: 1 cm

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: normaltexttrun, Font: (Default) +Body (Calibri), 14 pt, Font color: Custom Color(0,112,84)), Pattern: Clear (White)

Formatted: No Spacing, Indent: Left: 1 cm, Hanging: 1 cm

Approved Community Loans will be governed in accordance with an agreed Loan Agreement between the parties. These Loan Agreements will include formal loan repayments terms. Any costs incurred in the drafting of a loan agreement will be borne by the community group.

2.2.4 Delegation

Section 44(3)(c) of the Act provides that a council cannot delegate the power to borrow money or obtain other forms of financial accommodation and as such each request received for a loan/loan guarantee would go to Council for approval.

The Chief Executive Officer has the delegation to:

- Approve, amend and review any procedures that shall be consistent with this Policy; and
- Make any formatting or minor changes required to the Policy during the period of its currency.

Formatted: normaltexttrun, Font: (Default) +Body (Calibri), 14 pt, Font color: Custom Color(RGB(0,112,84)), Pattern: Clear (White)

Formatted: List Paragraph, Bulleted + Level: 1 + Aligned at: 1.63 cm + Indent at: 2.27 cm

Formatted: Font: (Default) Source Sans Pro, 12 pt

3. DEFINITIONS

For the purposes of this policy the following definitions apply:

Treasury Functions

Functions that are intended to be included under this policy e.g. borrowings, investments and management of cash flow, debt and investments.

Local Government Finance Authority (LGFA)

A government guaranteed statutory authority established for the benefit of councils and other Prescribed Local Government Bodies within the State.

Formatted: Font color: Custom Color(RGB(0,112,84))

Community Loans

Support loans made by Council to community groups and sporting organisations to self fund infrastructure projects.

Community Groups

Includes incorporated Community and Sporting clubs and organisations within the City of Tea Tree Gully.

4. LEGISLATIVE FRAMEWORK

4.1 Legislation

There is no legislative requirement for Council to have a policy relating to this area.

Local Government Act 1999

Section 44 of this Act enables Council to delegate its treasury functions and powers under the Act with the exception of the following powers which cannot be delegated:

- The power to borrow money or to obtain other forms of financial accommodation
- The power to adopt or revise a budget of the Council
- The power to approve expenditure of money on works, services or operations of the Council not contained in a budget adopted by the Council.

Section 44(3)(c) provides that a decision to borrow must be approved by Council.

Section 47 of this Act prohibits Council from directly acquiring shares in a company, however, does not preclude Council from investing money in managed funds, which invest in shares.

Section 48 of this Act requires Council to gather and analyse certain prudential information in relation to major projects.

Section 121 of this Act protects Council employees from civil liability for an honest act, or omission, in the exercise of their duties.

Sections 122 and 123 of this Act provides that Council must have Strategic Plans, an Annual Business Plan, Annual Budget and Asset and Infrastructure Management Plans, and Long-Term Financial Plans. This requires a level of forward planning in relation to the management of Council's funds.

Sections 133 and 134 of this Act provides that Council can:

- Obtain funds from a range of sources, including taxation and borrowing, appropriate to Council carrying out its functions (a very broad power)
- Borrow funds and enter into arrangements to protect against adverse interest rate movements on borrowings.

Section 139 of this Act:

- Empowers Council to invest money and requires that Council:
- Exercises the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons
- Avoids investments that are speculative or hazardous in nature
- Without limiting the matters that a Council may consider, provides a list of the matters that Council must consider, so far as may be appropriate in the circumstances, when exercising the power of the investment
- Provides additional matters that Council may take into account when exercising the power of investment
- Permits Council to obtain independent and impartial advice concerning investments and/or the management of investments.

Section 140 of this Act requires that Council review the performance of its investments at least annually.

[Local Government \(Financial Management\) Regulations 2011](#)

Regulation 5 of this regulation requires the preparation and adoption of a Long-Term Financial Plan that includes a summary of proposed operating and capital investment activities, estimates and target ranges adopted by Council for each year of the Long-Term Financial Plan (with respect to an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio). A Long-Term Financial Plan must be accompanied by a statement which sets out its purpose, the basis on which it has been prepared and the key conclusions which may be drawn from the estimates, proposals and other information in the plan.

All investments are to be made in accordance with the following legislation:

[Trustee Act 1936](#)

This Act is applicable when Council acts as a trustee of funds (e.g. when administering an estate). The provisions relating to investments in the *Local Government Act 1999* are based upon this Act.

4.2 Other references

Council's document including:

- a. Delegations Register
- b. Fees and Charges Register
- c. Financial Sustainability Policy.

5. STRATEGIC PLAN/POLICY

5.1 Strategic Plan

The following strategic objectives in Council's Strategic Plan 2025 are the most relevant to this report:

Objective	Comments
Leadership	
<i>Leadership and advocacy is focused on the long term interests of the community</i>	Ensuring the long-term financial sustainability of Council contributes towards delivering the aspirations for the city and community outlined in the Strategic Plan 2025.

5.2 Organisation Plan

Our Strategic Plan is supported by an Organisation Plan which focuses on five key themes of customer care, learning & growth, future capability and sustainable operations. The key theme most relevant to this policy is sustainable operations, in ensuring that we make consistent, informed decisions which are evidence based.

6. POLICY IMPLEMENTATION

This Policy will be implemented by the Chief Executive Officer or relevant portfolio general manager and managed in accordance with Council's scheme of delegations.

Record number	D20/1017
Responsible Manager	Manager Finance & Rating Services
Other key internal stakeholders	General Manager Strategy & Finance
Last reviewed	
Adoption reference	
Resolution number	
Previous review dates	29/01/20/ 11/4/17.13/5/14.13/03/12.8/4/08
Legal requirement	NA
Due date next review	2025
Delegations	

Formatted Table

REPORT FOR

AUDIT & RISK COMMITTEE MEETING

MEETING DATE

17 MAY 2023

RECORD NO:

D23/30717

REPORT OF:

STRATEGY & FINANCE

TITLE:

DRAFT ANNUAL BUSINESS PLAN 2023-2024

PURPOSE

To consider Council's draft Annual Business Plan for Financial Year Ending

30 June 2023 which is currently out for public consultation.

RECOMMENDATION

1. **That after consideration of the report entitled "Draft Annual Business Plan 2023-2024" and dated 17 May 2023, the Audit & Risk Committee notes that the 2023-2024 draft budget meets the targets included in Council's Financial Sustainability Policy:**
 - a) Operating surplus ratio (target 0%-15%) - being 6.6% for 2023-2024
 - b) Asset Sustainability ratio (target 90%-110%) - being 104.6% for 2023-2024
 - c) Net Financial Liabilities ratio (target 25%-35% over 3-5 years) - being 27.9% for 2023-2024
2. That the Audit & Risk Committee notes that:
 - a) The recent cost escalations within the construction sector have directly **impacted the cost of renewing Council's assets**
 - b) To maintain the level of required investment in the replacement of assets, **Council's Long Term Financial Plan will be updated to reflect a sustainable** increase rate income which will be beyond the consumer price index to address the asset renewal gap

1. BACKGROUND

Under Section 123 of the Local Government Act 1999 Council is required to adopt a draft Annual Business Plan and a Draft Budget. This draft plan, once adopted, is required to be circulated for the purposes of public consultation.

The requirements of the plan as per the Act are listed below:

A council must have, for each financial year—

- (a) an annual business plan; and*
- (b) a budget.*

Each annual business plan of a council must—

- (a) include a summary of the council's long-term objectives (as set out in its strategic management plans); and*
- (b) include an outline of—*
 - (i) the council's objectives for the financial year; and*
 - (ii) the activities that the council intends to undertake to achieve those objectives; and*
 - (iii) the measures (financial and non-financial) that the council intends to use to assess the performance of the council against its objectives over the financial year; and*
- (c) assess the financial requirements of the council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and*
- (d) set out the rates structure and policies for the financial year; and*
- (e) assess the impact of the rates structure and policies on the community based on modeling that has been undertaken or obtained by the council; and*
- (f) take into account the council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the council; and*
- (g) address or include any other matter prescribed by the regulations.*

Before a council adopts an annual business plan, the council must—

- (a) prepare a draft annual business plan; and*
- (b) follow the relevant steps set out in its public consultation policy, taking into account the requirements of subsection (4)*

The draft Annual Business Plan 2023-2024 (ABP) and draft budget including capital works program were presented to Council for consideration for community consultation at a Special Council meeting on 2 May 2023.

A copy of the draft ABP 2023-2024 that has been prepared for public consultation is included in Attachment 1.

These documents have been developed after consideration of the feedback received from Elected Members at workshops that were held in March and April 2023.

2. DISCUSSION

Council's draft ABP has been developed to receive community feedback on Council's priorities for FYE 2024.

Council's draft FYE 2024 Budget has been developed to meet Council's financial targets set out in its revised LTFP 2024-2033. The LTFP has been updated and was endorsed by Council on 13 December 2022 following recommendation from Audit Committee on 7 December 2022.

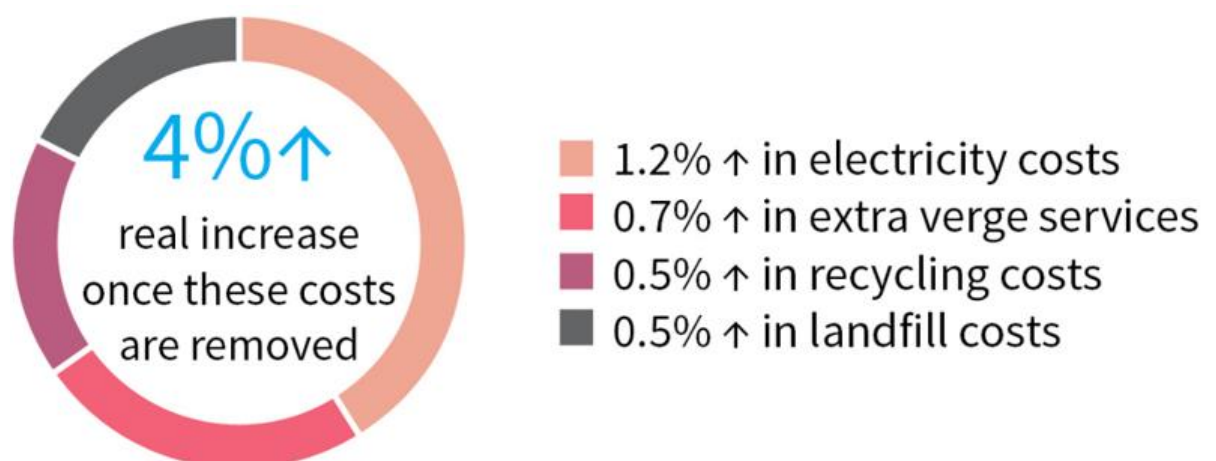
Council Budget Considerations

The below options were presented to Council for considerations for the rate increase. These options were presented after several workshops were held with the elected members, giving detailed information and time for questions to be asked.

The current economic environment has resulted in a significant number of cost increases to Council as a result of external **factors outside of Council's control**, including:

- State Government Fees and Charges increasing by CPI or more
- Contract price rises due to the CPI
- Legislated Minimum wage increases
- Electricity increases
- Rising Interest Rates

These significant increases are out of Council's control and the result is the real rate increase is around 4%. This 4% considers the increases for all Council's contracts which are linked to CPI or increasing as a result of the rising minimum wage.



The recommendation was to proceed with a 7% (excluding growth) increase in rate revenue. This incorporates an increase to residential rates of 6.5% which would represent an increase of \$1.95 per week on average. Should Council have proceeded with a rate rise less than 7% (which represents a 6.5% residential rate rise), several options were presented for consideration.

1. Option 1 – Proceeds with Proposed Rate Increase
2. Option 2 – Reduce Operating Surplus considering one of these options
 - a. Increase Debt
 - b. Reduced Capital Enhancement Program
 - c. Reduce Capital Renewal Program
3. Option 3 – Permanent Reduction in Services to the community

Each of the options have a different impact on the long term financial sustainability metrics of Council. The options and impacts are outlined below.

The significant increases in construction costs are having a real impact on the capital works renewal program. Over the next few years measures must be taken to increase the renewal program by circa 30% to return the program to the actual funds required to fund the Asset Management Plans. This increase is not factored into the proposed 7% rate increase and will need to be considered in future rate rises.

Option 1 – Proceed with proposed Rate Increase

Given the current economic situation the recommendation was to increase total rate revenue by 7% (excluding growth), with the total Residential Rate revenue to increase by 6.5%, an increase that is less than Consumer Price Index (CPI). This will allow for sufficient increase in revenue to ensure the Council remains financially sustainable and the current levels of service provided to the community maintained. The increase in service levels around verge cuts to the city will also be achieved with this rate increase.

The proposed rate increase is less than the CPI and will ensure current service levels are maintained with an average increase of approximately \$1.95 per residential ratepayer per week.

Every 1% that the rate increase is below 7% (excluding growth), the below indicates the impact over 10 years and the reduction in weekly rates for the average ratepayer.

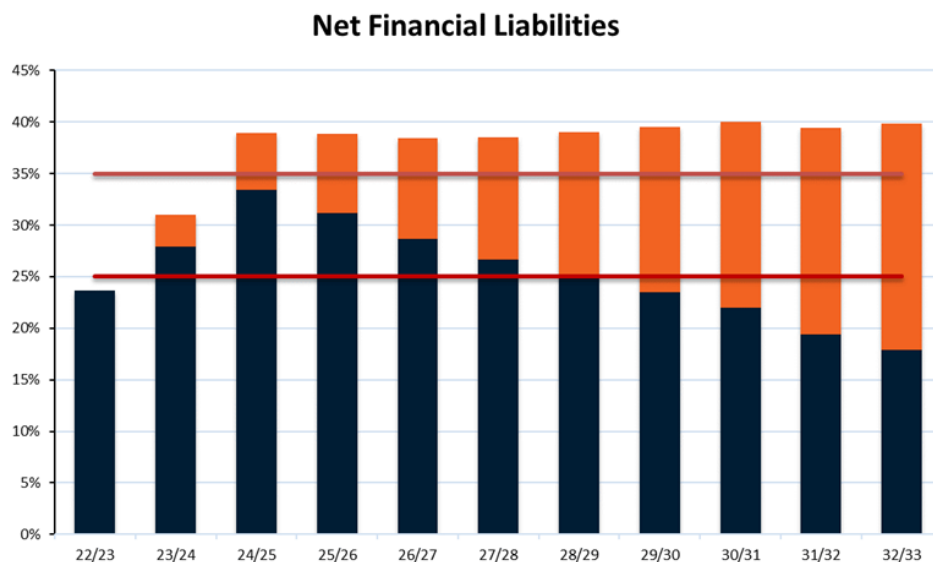
Rate Revenue Increase	\$'000s	10 year amount	Avg Rate payer PW savings
6%	835	8,350	\$0.30
5%	1,670	16,700	\$0.60
4%	2,505	25,050	\$0.90
3%	3,340	33,400	\$1.20

Options 2 – Reduce Operating Surplus

Option 2 was not recommended as this would require a future rate increase to return the surplus to the required levels. A surplus in the range on 5 to 10% is required for Council to continue to invest in new assets for the community and repay debt.

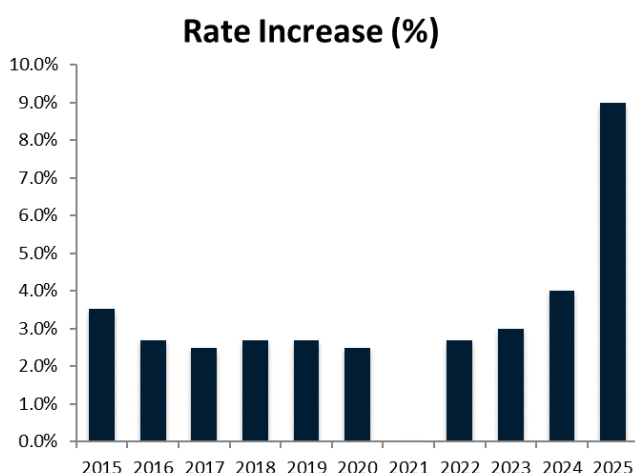
Increase Debt

Increasing of Debt is an option available to Council, if a rate decrease is proposed without the removal of the equivalent level of expenditure, the Net Financial Liabilities will continue to increase outside of the range agreed in the Financial Sustainability Policy (see table below).



A future uplift in rate revenue would be required to bring the ratio back into the target range.

FYE	Target	Extra Rates	Deviation %	Actual Rates	Deviation \$ annual	Deviation Compounded	Over Years
24	7%	-	(3%)	4%	\$2.5m	\$25.0m	10
25	6%	3%	-	9%	(\$2.5m)	(\$22.5m)	9
Total Impact to Council Borrowings:						2.5m	



This increase would also incur further interest expenditure and a rate increase of approximately 0.16% would need to be included to fund this.

Reduction of the Capital Enhancement program

The capital enhancement program is funded through the operating surplus. This program funds initiatives to enhance the community and increase levels in line with growing community expectations. The open space programs in recent years include Meadowvale Precinct, Edinburgh Reserve Playspace, Main roads and gateways upgrades and our strategic buildings.

In the 2023-24 draft budget there is limited enhancement works proposed. The majority of enhancements relate to new footpaths.

Council resolved at it's meeting on 11 April 2023 to support the inclusion of \$300k to the 2023-2024 capital works budget to progress the design work for the beautification of Grand Junction Road, McIntyre Road, Hancock Road, Lower North East Road and to continue North East Road. This future enhancement works would be at risk should the operating surplus not be maintained within the 5 to 10% range.

Reduction of the Capital Renewal Program

There is a legislated requirement for Council to maintain their assets through their Asset Management Plan renewals. These are documents with a ten-year plan around

the renewal of assets owned by Council. The capital renewal program's funding is aligned to the Asset Management Plans.

It is important that Council maintains its assets base and continues to provide quality assets to the community to reduce risks and maintain the wellbeing of the community.

The significant increases in construction costs are having a real impact on the capital works renewal program. Over the next few years measures must be taken to increase the renewal program by 30% to return the program to the actual funds required to fund the Asset Management Plans. This increase is not factored into the proposed 7% rate increase and will need to be considered in future rate rises.

Should this option have been preferred and a reduction in the renewal program was resolved there would be a requirement to reinstate in future budget through addition rises, along with the extra funds required to meet current asset renewal costs which will need to be addressed in coming years.

FYE	Target \$'000s	Reinstate \$'000s	Extra rates \$'000s	Deviation \$'000s	Actual \$'000s
24	18,000	-	-	2,500	15,500
25	15,500	2,500	6,000	-	24,000

Option 3 – Permanent Reduction in Services to the community

To ensure Council's Financial Sustainability remains, any reduction in the rate increase would require a corresponding equal reduction in Council Services.

This option was not recommended as the removal of community services, such as major events or EnviroCare, would have an impact on the community wellbeing and do not align with the communities increasing service level expectation.

For every 1% reduction a removal of expenditure of \$835k must be found. The impact on the average rate payer is a reduction of \$0.30 per week off their total rates.

Rate Revenue Decrease	New Rate Figure	Total Reduction \$'000s	Avg Rate payer PW savings
1%	6%	835	\$0.30
2%	5%	1,670	\$0.60
3%	4%	2,505	\$0.90

The Annual Business Plan

Despite the current economic climate, we have put together a strong plan for the coming year that will improve safety, aesthetics and wellbeing across our City.

Like our community, we also face significant cost pressures due to external factors outside of our control. These factors include increasing electricity costs, high interest rates, State Government fees and charges that have increased by CPI or more, and contract price rises due to the CPI.

Through careful financial management and planning – and mindful of current rising costs to our community – we propose a rate rise slightly lower than CPI. This equates to approximately \$1.95 per average residential ratepayer per week (excluding growth). In addition to the external factors listed above, this increase is also due to rising community expectations, such as the desire for more verge-cutting cycles. Extra rounds of verge cutting account for 15-cents per ratepayer per week of the proposed increase.

We have been careful not to increase Council debt. This allows us to remain in a sound financial position so we can better navigate the current uncertain economic conditions.

About \$52 million has been allocated towards community infrastructure projects in our budget, including upgrading sporting facilities, roads, footpaths, playgrounds and other amenities.

Some of our multi-year significant initiatives include the Harpers Field community **building and sporting clubrooms (\$12 million)**, the Modbury Sporting Club's new building and sports lighting upgrade (\$5 million) and the Tilley Recreation Park clubroom and changeroom project (\$4.3 million).

We are also completing designs for the Tea Tree Gully Gym Sports Club (\$7.1 million) and Tea Tree Gully Tennis Club (\$5.5 million) upgrades. All of the significant initiatives listed above will be progressed during the 2023-2024 with the assistance of State

Government funding. To reduce the financial impact on our community, these significant initiatives have been incorporated into our Long-Term Financial Plan since 2019.

Additionally, we plan to undertake other projects that meet the evolving needs of our community. For example, we will upgrade Australia Reserve (Modbury), following a partnership with private industry to provide contemporary housing options and the development of a park. We will also enhance playgrounds in various reserves, and improve the streetscape of more of North East Road with further tree planting, better footpaths with an increased program and improved lighting.

Regarding environmental sustainability, we will continue with our ongoing LED street lighting conversion program, which will save energy and improve lighting. The LED program will provide long-term savings for our community and has played an integral role in maintaining rates below CPI for households. A 10-year waste strategy is also being developed.

The rest of our budget will largely fund key services for residents, such as waste collection, verge mowing, library services, and community centres.

The draft FYE 2024 Budget includes an operating surplus of \$6.054m. This is an increase of \$586k in comparison to the original budget FYE 2023.

Consultation

A copy of the draft ABP 2023-2024 that has been prepared for public consultation is included in Attachment 1. The feedback from the public consultation process will be considered prior to declaring the final rates figures for FYE 2024. This feedback will include any comments that the Audit Committee wishes to make.

3. STRATEGIC OBJECTIVES

Strategic Plan

The following strategic objectives in Council's Strategic Plan 2025 are the most relevant to this report:

Objective	Comments
Leadership	
<i>Leadership and advocacy is focused on the long term interests of the community</i>	The draft ABP 2023-24 sets out the proposed services, programs and projects for FYE 2024. It aims to maintain efficient services for the community and reflects the current and future community needs.
<i>Customer service provides a positive experience for people and is based on honesty and transparency</i>	
<i>Planning considers current and future community needs</i>	

<i>Delivery of services is sustainable and adaptable</i>	
<i>Decision making is informed, based on evidence and is consistent</i>	
<i>Major strategic decisions are made after considering the views of the community</i>	

4. LEGAL

Under section 123 of the *Local Government Act 1999* Council is required to adopt a draft ABP. The draft ABP, once adopted is required to be circulated for the purposes of public consultation. The draft Budget has been prepared for inclusion in the ABP

As part of the Audit Committee works program the Committee is provided with an opportunity to review the content of the draft Annual Business Plan.

5. ACCESS AND INCLUSION

There are numerous environmental initiatives included in the draft ABP.

6. SOCIAL AND COMMUNITY IMPACT

Under section 123 of the Local Government Act 1999 Council is required to adopt a draft ABP. This draft plan, once adopted, is required to be circulated for the purposes of public consultation. The draft budget has been prepared for inclusion in the ABP.

7. ENVIRONMENTAL

There are numerous environmental initiatives included in the draft ABP.

8. ASSETS

The draft ABP incorporates funding for asset maintenance and renewals.

9. PEOPLE AND WORK PLANS

The Draft Annual Business Plan works are accommodated within existing resources and staffing levels.

10. COMMUNITY AND STAKEHOLDER ENGAGEMENT

The draft ABP includes a community engagement in line with:

- The Local Government Act 1999 (Chapter 10 Section 151 & 156); and
- Council's [Community Engagement \(Public Consultation\) Policy](#)

Council encourages the community to provide feedback on the draft ABP 2021-2022, which outlines the key projects and services that will be provided by Council during the financial year.

11. COMMUNICATIONS OF COUNCIL DECISION

Significant impacts will be communicated through the Customer and Communications Department using appropriate tools including an advertisement in the Leader Messenger and on social media.

12. INTERNAL REPORT CONSULTATION

All General Managers and managers have developed the draft budget in consultation with other key staff and Elected Members.

Attachments

1. Download Draft Annual Business Plan 2023-2024	26
--	----

Report Authorisers

Rebecca Baines	
Manager Finance & Rating Services	8397 7362
Justin Robbins	
General Manager Strategy & Finance	8397 7444

A large photograph of a young child with brown hair, completely covered in mud from the waist down and on their face. The child is holding a yellow bucket in their right hand and is standing on a muddy surface. In the background, other children and adults are visible, some also playing in the mud. The scene is outdoors on a sunny day with a clear blue sky.

2023–2024 Draft Annual Business Plan and Budget

We acknowledge the Kaurna people as the Aboriginal traditional owners and custodians of the lands and waters in the area now known as the City of Tea Tree Gully.

We respect the spiritual relationships with country and stories here that have developed over tens of thousands of years.

We recognise that this rich cultural heritage is a living culture and remains important to Kaurna people, other Aboriginal people and our non-Aboriginal communities today.

The wellbeing and prosperity of Kaurna and other Aboriginal people is important to the strong, vibrant communities we strive for.

This page intentionally left blank

The City of Tea Tree Gully's Annual Business Plan and Budget are key documents in our overall planning framework, and set out our projects, services and programs for the financial year and how we intend to finance them.

The Annual Business Plan and Budget have been developed through an extensive process of consultation and review by Elected Members, council staff and consultation with the community.

These documents support our long-term strategic direction, which is outlined in Council's Strategic Plan 2025, as well as our Long-Term Financial Plan and asset management plans.

The Annual Business Plan is designed to meet the legislative requirements of the *Local Government Act 1999*.

For more information call 8397 7444 or visit cttg.sa.gov.au/abp

Contents

Introduction	1
City profile	2–3
Strategic direction	4–6
Measuring performance	8–9
Continuing services	11–12
Capital works program	14–18
Infrastructure asset management plans	19
Funding the Annual Business Plan and Budget	21–22
Financial statements	24–30
Rates	32–37
Financial indicators	39–41

Cover: Local youngster Toby, who fully embraced nature play at our 2022 Muddy Hands Festival at Golden Fields, Golden Grove.



Summer Garden Festival fun for resident Ben and his son Bowie.

Introduction

Our draft Annual Business Plan for the 2023–2024 financial year underscores our unwavering commitment to enhancing the health and wellbeing of our residents by investing in key community infrastructure and services.

Despite the economic climate, we have delivered a strong plan for the coming year that will improve safety, aesthetics and wellbeing across our City.

Like our community, we also face significant cost pressures due to external factors outside of our control. These factors include increasing electricity costs, high interest rates, State Government fees and charges that have increased by CPI or more, and contract price rises due to the CPI.

Through careful financial management and planning – and mindful of current rising costs to our community – we propose a rate rise slightly lower than CPI. This equates to approximately \$1.95 per average residential ratepayer per week (excluding growth). In addition to the external factors listed above, this increase is also due to rising community expectations, such as the desire for more verge-cutting cycles. Extra rounds of verge cutting account for 15-cents per ratepayer per week of the proposed increase. We have been careful not to increase Council debt. This puts us in a sound position so we can better navigate the current uncertain economic conditions.

About \$52 million has been allocated towards community infrastructure projects in our budget, including upgrading sporting facilities, roads, footpaths, playgrounds and other amenities.

Some of our multi-year significant initiatives include the Harpers Field community building and sporting clubrooms (\$12 million), the Modbury Sporting Club's new building and sports lighting upgrade (\$5 million) and the Tilley Recreation Park clubroom and changeroom project (\$4.3 million). We are also completing designs for the Tea Tree Gully Gym Sports Club (\$7.1 million) and Tea Tree Gully Tennis Club (\$5.5 million) upgrades. All of

the significant initiatives will be progressed during 2023-2024 with the assistance of State Government funding. To reduce the financial impact, these significant initiatives have been incorporated into our Long-Term Financial Plan since 2019.

Additionally, we plan to undertake other projects that meet the evolving needs of our community. For example, we will upgrade Australia Reserve (Modbury), following a partnership with private industry to provide contemporary housing options and the development of a park. We will also enhance playgrounds in various reserves, and improve the streetscape of more of North East Road with further tree planting, better footpaths and improved lighting.

Regarding the environment, we will continue with our ongoing LED street lighting conversion program to save energy and improve lighting. The LED program will provide long-term savings for our community and has played an integral role in maintaining rates below CPI for households. A waste strategy is also being developed.

The rest of our budget will largely fund key services for residents, such as waste collection, verge mowing, library services and community centres.

Finally, we acknowledge our new leadership. Ryan McMahon became our CEO in September 2022 following John Moyle's retirement. In November 2022, the council elections resulted in a new mayor, Marijka Ryan, and several other new councillors to represent our community. We express our gratitude to our previous CEO and our previous elected body for their service.

We hope this plan has provided you with a clear understanding of our commitment to making our City an even better place for all.



City profile



9,521 ha
Total land area



578 km
Sealed roads

1,233 km
Kerbs and gutters

570 km
Sealed footpaths

99 km
Unsealed footpaths



606
Parks and reserves

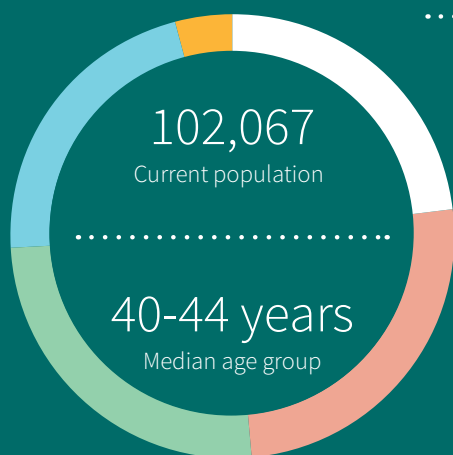
1,305 ha
Open space

500,000+
Street and reserve trees

122
Playgrounds



Swimming lessons at Waterworld Aquatic Centre.



- 0-19 years (23.3%)
- 20-39 years (25.5%)
- 40-59 years (25.5%)
- 60-79 years (21.8%)
- 80+ (3.9%)



27.3%
of residents
born overseas

15.11%
undertaking
voluntary work

49.5%
with tertiary
qualifications



41,034*
Number of
dwellings



5,499
Registered businesses

\$3.4 B
Gross Regional
Product

*Estimated number of dwellings in the City of Tea Tree Gully region in 2022 – Remplan

Strategic direction

Council uses a suite of strategic management plans to set its priorities and guide its decision making and annual business planning, including budgeting.

The Strategic Plan 2025 is the lead document in Council's strategic planning framework. It articulates our vision and aspirations for the community – that is, everyone who lives in, works in or visits the City of Tea Tree Gully.

This plan builds on the progress we have made to improve our City, strengthen our economy, enhance our open spaces and parks, create a quality lifestyle and foster a resilient and resourceful community.

Community wellbeing is at the heart of the plan, which aims to build a healthy community that enjoys a quality lifestyle. The plan is structured around five aspirations, each with its own objectives:

- Community
- Environment
- Economy
- Places
- Leadership.

To achieve these wellbeing outcomes we will need to think differently, show strong leadership and adopt a genuinely collaborative approach to working with state and federal governments, local businesses and our communities.

Council endorsed the Strategic Plan 2025 on 24 September 2019.

To ensure that we have the flexibility to adjust to changing priorities and build our capacity, we have also developed a plan geared towards improving the way we do business. The Organisation Plan 2025 is structured around four themes:

- Customer care
- Learning and growth
- Future capability
- Sustainable operations.

In working towards this vision, the 2023–2024 Annual Business Plan and Budget identifies key projects, programs and services that will deliver the aspirations and objectives identified in these plans.

The chart below illustrates how we are tracking against the KPIs for each theme outlined in our Strategic Plan.

Strategic Plan 2025: Summary progress report to Q2 2022–2023

Community	95%
Environment	100%
Economy	100%
Places	100%
Leadership	100%
Overall	99%

1. Community

We create opportunities for people to connect with one another and to their local community.

Objectives

- 1.1 People feel a sense of belonging, inclusion and connection with places, spaces and the community
- 1.2 Diversity is welcome and celebrated
- 1.3 There are opportunities for people to volunteer, give back and share their skills with others in the community
- 1.4 Our services are accessible to all and respond to changing community needs
- 1.5 People can have a say in decisions that affect them and the key decisions of the Council.

Relevant community wellbeing pillars: Healthy, Prosperous, Connected, Liveable.

2. Environment

We are leaders in how we manage and care for our environment, we minimise the impacts of climate change, protect our community from public and environmental health risks, and actively promote sustainable and healthy living.

Objectives

- 2.1 Environmentally valuable places and sites that are flourishing and well cared for
- 2.2 A community that is protected from public and environmental health risks
- 2.3 The carbon footprint of our City is reduced through the collective efforts of community and Council, including business
- 2.4 Our consumption of natural resources is minimised by reducing, reusing and recycling products and materials, and using renewable resources
- 2.5 We are resilient to climate change and equipped to manage the impact of extreme weather events
- 2.6 Our tree canopy is increasing.

Relevant community wellbeing pillars: Healthy, Safe, Prosperous, Liveable.

3. Economy

We support a thriving local economy where businesses are successful and people have access to a range of employment and education opportunities.

Objectives

- 3.1 Modbury Precinct is revitalised as the City's key activity centre
- 3.2 A population profile that supports a growing economy
- 3.3 A local economy that is resilient and thrives, where businesses are supported to grow and prosper, provide local jobs and sustain our community and visitors and utilise technology to improve the liveability of our City
- 3.4 People are supported to develop their leadership and employment capabilities
- 3.5 Support the efficient use of land for valuable mineral extraction and energy resources.

Relevant community wellbeing pillars: Healthy, Safe, Connected, Prosperous, Vibrant, Liveable.

4. Places

We create places where people enjoy living and spending time because they are appealing, safe, accessible and interesting.

Objectives

- 4.1 Streets, paths, open spaces and parks are appealing, safe and accessible
- 4.2 Opportunities exist to express and experience art and culture
- 4.3 Neighbourhoods are easy to move around and are well connected with pedestrian and cycle paths that offer an alternative to cars

-
- 4.4 Buildings and places are well designed, energy efficient and display a uniqueness of character and identity
 - 4.5 Housing is well designed and affordable and responds to the changing needs of existing and future residents
 - 4.6 Infrastructure and community facilities are fit for purpose, constructed using sustainable practices and well maintained.

Relevant community wellbeing pillars: Healthy, Safe, Connected, Prosperous, Vibrant, Liveable.

5. Leadership

We are trusted to make good decisions that are in the best interests of our community.

Objectives

- 5.1 Leadership and advocacy is focused on the long-term interests of the community
- 5.2 Customer service provides a positive experience for people, is based on honesty and transparency
- 5.3 Planning considers current and future community needs
- 5.4 Delivery of services is sustainable and adaptable
- 5.5 Decision making is informed, based on evidence and is consistent
- 5.6 Major strategic decisions are made after considering the views of our community.

Relevant community wellbeing pillars: Healthy, Safe, Connected, Prosperous, Vibrant, Liveable.



A waste collection driver on the job in St Agnes.

Measuring our performance

The measure of our success is driven by the achievement of the objectives outlined in our Strategic Plan and our Organisation Plan.

A series of performance indicators have been developed to measure our progress against our objectives. These are measured in our annual community survey and the results are summarised in our Annual Report.

In addition to these indicators we also use a number of financial measures to assess the achievements of our organisation, which are detailed on pages 39–40.

Full details of Council's projects and priorities for 2023–2024 are available at cttg.sa.gov.au/abp

Measures of success

	2022–2023	2023–2024
Wellbeing indicators	Result	Target
Overall community wellbeing score	75	TBA
Resident satisfaction with their life as a whole	65%	TBA
Resident satisfaction with how safe they feel	71%	TBA
Resident satisfaction with feeling part of the community	46%	TBA
Resident satisfaction with opportunities to have their say	57%	TBA
Resident satisfaction with the provision of community centres, services and programs	70%	TBA
Resident satisfaction with the provision of arts and cultural performances and activities	65%	TBA
Resident satisfaction with Council-run major events	88%	TBA
Resident satisfaction with library services	90%	TBA

	2022–2023	2023–2024
Capital works indicators	Result	Target
Capital works projects completed by 30 June 2022	90%	TBA
Resident satisfaction with the provision of footpaths (local)	59%	TBA
Resident satisfaction with the maintenance of footpaths	49%	TBA
Resident satisfaction with the appearance of roadside verges	53%	TBA
Resident satisfaction with the maintenance of street trees	55%	TBA
Resident satisfaction with waste collection services	93%	TBA
Resident satisfaction with the control of litter and rubbish	74%	TBA
Customer service indicators		
Overall resident satisfaction with customer experience	70%	TBA
Overall resident satisfaction with Council communications	75%	TBA
Enquiry resolution at the first point of contact	65%	TBA



Montague Road following a recent streetscape upgrade.

Continuing services

We provide a range of services, programs and infrastructure to meet the needs of our community and to fulfill our legislative requirements under the *Local Government Act 1999*.

Under the *Local Government Act 1999* and other relevant legislation, all councils have basic responsibilities, which include:

- Regulatory activities, including development planning and control, and fire safety
- Setting rates, preparing an annual business plan, including budgets, and developing longer-term strategic management plans, asset management plans and financial plans
- Management of infrastructure and other assets, including roads, footpaths, parks, street lighting and stormwater drainage
- Street cleaning and rubbish collection
- Environmental health services, including public health inspections, immunisation and pest control.

These services, programs and facilities provide important community benefits and generate revenue, which allows us to minimise rate increases while still providing funding for services and new initiatives that benefit our City and community.

Infrastructure management

Services include:

- Roads, footpaths and shared-use paths
- Streetscape maintenance
- Public lighting
- Stormwater management
- Traffic management and street signage
- Community halls and buildings
- Playgrounds
- Cycling and walking trails
- Cemeteries
- Works depot administration
- Graffiti removal
(provided by our volunteers).

Waste and recycling

Services include:

- Kerbside collection of household waste, recyclables and green organics
- Hard waste collections on call
- Enviro Care green waste drop-off events
- Public litter bins
- Illegal dumping.

Trees, parks, sport and recreation

Services include:

- Reserve maintenance, planning and planting
- Sports and recreational facilities
- Street tree planting and maintenance
- Weed control
- Verge maintenance
- Waterworld Aquatic Centre.

Community, health, aged and youth services

Services include:

- Community support and development
- Community programs
- Home care assistance
- Respite and Carer Support Program
- Youth services
- Aboriginal Elders Program
- Reconciliation activities
- Immunisation
- Community engagement
- Justice of the Peace
(provided by our volunteers)
- Awards, sponsorships and grants.

Economic development, regulatory services, environment and planning

Services include:

- City planning
- Building approvals and inspections
- Urban design and planning advice
- Business support and advisory
- Investment attraction
- Health services
- Food premises inspections
- By-laws, permits and access control
- Traffic management and street signage
- Parking management
- Animal and pest control
- Fire prevention
- Creek management.

Community events, arts and heritage

Services include:

- Community events and celebrations
- Performing and visual arts
- Placemaking
- Citizenship ceremonies.

Library and community facilities

Services include:

- Library services
- Lifelong learning programs
- Facility hire (casual and long term)
- Road and Cycle Safety Centre.

Governance, communications and administration

Services include:

- Corporate governance
- Policy development and review
- Financial management and services
- Information management and services
- Customer services
- People and capacity
- Volunteer services
- Internal and external communications
- Media liaison and marketing.



A First Nations student participating in a cultural art project to foster reconciliation.

2023–2024 Capital Works Program

Capital works	Expenditure \$'000
Road resealing and renovation	
Majestic Grove (Mulberry Drive to The Promenade), Highbury	96
Nursery Way (Majestic Grove to end), Highbury	78
Wandana Avenue (North East Road to Grand Junction Road), Gilles Plains	550
Karingal Road (6 to 46), Dernancourt	930
Kanangra Road (Lutana Grove to Bickham Court), Dernancourt	290
Kimberley Ave (Jaycee Street to 10 Kimberley Avenue), Modbury North	135
Jaycee Street (Kimberley Avenue to boundary between 24 and 26), Modbury North	340
Dawson Crescent (North East Road to North East Road), Modbury	200
Angas Court (Dawson Drive to end), Modbury	40
Coulls Road (Steventon Drive to Haines Road), Banksia Park	280
Vizma Court (Coulls Road to end), Banksia Park	75
Road design works for 2024–2025 program	86
CWMS upgrade contingency	200
	3,300
Roads to Recovery	
Milne Road (Kelly Road to McIntyre Road), Modbury North	200
Surrey Farm Drive (The Golden Way to school entrance), Wynn Vale	625
	825
Re-sheeting unsealed roads	
Hannaford Hump Road, Gould Creek	68
Churchett Road, Paracombe	14
Grenfell Road extension, Fairview Park	29
	111
New footpaths and bus stop <i>Disability Discrimination Act</i> upgrades	
Haines Road (Musgrave Road to Milne Road), Banksia Park	44
Crampton Street (Soutchak Street to ramp crossing opposite 4 Crampton Street), Fairview Park	55
Kanangra Road (Talgara Avenue to Karingal Road), Dernancourt	88
Jenny Street (Brookvale Drive to Scot Road), Dernancourt	53
Brenda Avenue (Tasman Avenue to laneway 25–27 Brenda Avenue), Gilles Plains	72
Einstein Drive (Golden Grove Road to Mobius Crescent), Golden Grove	55
Mobius Crescent (Einstein Drive to Bicentennial Drive), Golden Grove	113
Gordini Crescent (Bentley Drive to Bentley Reserve), Holden Hill	93
Cobbler Creek East Reserve – stairs (Citronelle Place to Persimmon Grove), Golden Grove	80

2023–2024 Annual Business Plan and Budget

Capital works	Expenditure \$'000
New footpaths and bus stop <i>Disability Discrimination Act</i> upgrades (continued)	
Garra Avenue (Barbara Street to Connie Street), Modbury	30
Stevens Reserve (Mulkarra Street to Milne Road), Ridgehaven	44
Bayvue Crescent (Karyn Place to Mattinson Road), Ridgehaven	17
Callitris Avenue (Wongabeena Drive to Casuarina Avenue), Surrey Downs	65
Hopeland Court (Hopeland Court to end), Wynn Vale	35
Bus stop connection and kerb ramps, various	156
DDA upgrades	30
New footpaths – to be allocated	270
	1,300
Unsealed footpaths	
Huppatz Plantation, Wynn Vale	20
Spring Crescent, Banksia Park	20
Marsha Reserve, Banksia Park	26
Martindale Avenue Cobbler Creek, Golden Grove	34
Tilley Recreation Park, Surrey Downs	26
Oakdale Place to bus stop, Wynn Vale	19
Perseverance Road, Tea Tree Gully	34
Observation Drive (near reserve), Highbury	7
Hamilton Road (behind golf course), Fairview Park	37
Eastleigh Avenue to Wallsall Lane, Golden Grove	20
Target Hill Road, Greenwith	20
Mulkarra Street, Ridgehaven	27
Kingfisher Reserve, Modbury Heights	34
Unsealed footpaths projects – various – to be determined	76
	400
Lighting	
Greenwith Oval – upgrade oval lighting to LED	136
Sports lighting renewal projects to address non-compliant lighting on Council reserves	500
	636
Water and drainage	
Golden Fields irrigation system renewal	100
Irrigation asset renewals – pumps, flow monitors	100
Irrigation controller (renewal/upgrade)	200
Recycled water system	50
Drainage renewal program – AMP	450
Creek rehabilitation	200
	1,100
Traffic management and signage	
The Heights School, Modbury Heights – traffic study stage 1 works	34
TTG BMX – track improvements – state titles	90

Capital works	Expenditure \$'000
Traffic management and signage (continued)	
One Tree Hill Road, Golden Grove – guardrail replacement	120
Signage – community and various site replacements	100
Replacement of advisory and regulatory signage	270
Install new Koala crossing – Brunel Drive, Modbury Heights	120
Traffic management – installation traffic control devices – various	100
Road junction widening – Hillendale Drive, Wynn Vale	30
	864
Open space – sporting, park and playground upgrades	
Wynn Vale Dam open space upgrades	998
Australia Reserve, Modbury	150
Pertaringa Oval, Banksia Park – cricket practice wickets	100
Playgrounds projects – various – to be determined	50
Court upgrades – hard court audit (Tango, Hope Valley, Greenwith)	270
Fencing projects – various	250
Playground – Vista Reserve, Vista	500
Outdoor furniture projects – various	50
Bentley Reserve, Holden Hill – including skate bowl lighting	680
Palomino Reserve, Wynn Vale	500
Leeds Avenue, Hope Valley – car park	400
	3,948
City beautification works	
Dawson Reserve, Modbury	83
Main road and gateway median strip beautification – design	2
Meadowvale East, Modbury – restoration work	100
Tree screen – Green Valley Drive (Bushmills Street to Reordan Drive), Greenwith	185
Tree screen – Endeavour Drive (Cambridge Street to Wynn Vale Drive), Wynn Vale	70
Tree screen – The Golden Way (Pinot Place to 9 Crouchen Court), Wynn Vale	245
City beautification projects – contingency	500
Main road and gateway median strip beautification – design	300
Meadowvale, Modbury – stage 3 design	50
Dewer Reserve, Ridgehaven	750
	2,285
Capital buildings renewal	
Building stormwater upgrades	42
Asset Management Plan renewals – community buildings	222
Asset Management Plan renewals – recreational buildings	46
Asset Management Plan renewals – sporting buildings	145
Asset Management Plan renewals – operational buildings	639
Asset Management Plan renewals – amenities buildings	73
	1,165

2023–2024 Annual Business Plan and Budget

Capital works	Expenditure \$'000
Capital buildings – new and upgrades	
Building future project fund	1,000
Cobbler Creek West Reserve toilet	88
Community building defibrillator project	39
Golden Grove Recreation and Arts Centre theatre side lighting	50
Golden Grove Recreation and Arts Centre theatre follow spot lighting	180
Acoustic panels for Holden Hill and Surrey Downs Community Centres	20
Road and Cycle Safety Centre, Ridgehaven – traffic light timers for community use	5
Modbury Soccer Club, Ridgehaven – stage 2 – community access pathways and landscaping	300
Civic Centre IT server room electrical upgrade	50
Civic Centre, Modbury – library storage cupboards	20
Civic Centre, Modbury – new furniture on library floor – phase 2	121
Whinnen Reserve, St Agnes – air conditioner	20
Greenwith Community Centre – emergency exit	50
Keyless entry program	100
	2,023
Strategic building projects	
Harpers Field community building and sporting clubroom	10,431
Modbury Sporting Club – clubroom and changeroom	4,685
Tilley Recreation Park – clubroom and changeroom	5,000
Tea Tree Gully Gymsports, Banksia Park	2,680
Tea Tree Gully Tennis Club, Banksia Park	2,040
Hope Valley Sporting Club – amenities improvements	1,174
Banksia Park Sports Area master plan	75
Golden Grove Central Districts Baseball Club, Surrey Downs	360
Projects to be grant funded (to be determined)	2,570
	29,015
Environmental projects	
LED streetlights upgrade stage 3	200
	200
Information technology	
Staff network profile with automation	176
ERP system – property and rating – stage 2	400
ITAMP – hardware replacement program	380
Human capital management and payroll platform – stage 1	500
ITAMP – eServices	180
Current ERP system – Authority – decommissioning	70
Data registers program	275
Outdoor digital signage	150
	2,131

Capital works	Expenditure \$'000
Other	
Plant and equipment replacement program	2,640
	2,640
Total capital works program 2023-2024	52,163

Infrastructure asset management plans

Our infrastructure asset management plans are key components of our Long-Term Financial Plan and are used to guide the planning, construction, maintenance and operation of our assets.

We are responsible for the management, operation and maintenance of approximately \$1.73 billion of infrastructure assets on behalf of the community.

It is important that these assets are provided in a continuous and financially sustainable manner, taking into consideration our strategic priorities, legislative obligations, community expectations and available resources.

Collectively our Asset Management Strategy 2016–2026 and set of infrastructure asset management plans (IAMPs) provide a robust planning framework for short- and long-term service delivery and will ensure that we continue to effectively manage our asset portfolio.

The following IAMPs were updated in December 2020 following community consultation in mid to late 2020:

- Transport Asset Management Plan
- Buildings Asset Management Plan
- Open Space Asset Management Plan
- Stormwater Asset Management Plan.

These IAMPs include detailed information about each asset and define which services will be provided, how they will be provided and what funding is required to cost-effectively deliver them.

Full details of Council's IAMPs are available on our website at cttg.sa.gov.au

Review of assets

We regularly review our assets to ensure they continue to meet our strategic planning priorities. If we consider assets to be surplus to Council's or the community's needs, we will seek community feedback on their sale.

Any money received from the sale of our assets is used to fund capital or refurbishment works in line with our Land Strategy and Long-Term Financial Plan (LTFP).

In purchasing new assets, we consider:

- Our current operating surplus or deficit
- Any additional depreciation, maintenance costs and interest expense on borrowings
- The impact of purchase on our operating surplus or deficit
- Any need to increase council rates to fund the purchase and/or ongoing maintenance costs
- The age, life expectancy, suitability and service potential of any asset
- The discounted cash flow analysis, where appropriate.

The significant increases in construction costs are having a real impact on the capital works renewal program. Over the next few years measures must be taken to increase the renewal program by 30% to return the program to the actual funds required to fund the Asset Management Plans. This increase is not factored into the proposed 2023-2024 rate increase and will need to be considered in future rate rises.



St Luke's Mobile Food Bank ready to serve those in need in our community.

Funding the Annual Business Plan

Our ability to deliver on the strategic directions included in the Strategic Plan 2025 and the projects, programs and services set out in this plan is dependent on Council having sufficient funds.



6.5%

Average residential rate increase in 2023–2024.

7.0%

Total rate increase in 2023–2024.

Rates are our main source of funding and represent approximately 86% of our total revenue.

Rates are set in line with our Financial Sustainability Policy and are impacted by our many plans, including our Strategic Plan, Organisation Plan, infrastructure asset management plans and Long-Term Financial Plan (LTFP).

This year, the average residential rate will increase by 6.5% (apart from any increases due to growth) with overall the total rate revenue to increase by 7.0% (excluding growth), the average commercial rate will increase by 10%.

The total expected revenue from general rates (excluding rebates) in the 2023–2024 financial year will be \$92.317 million, which is an increase of 8% from the 2022–2023 rates which total \$85.461 million.

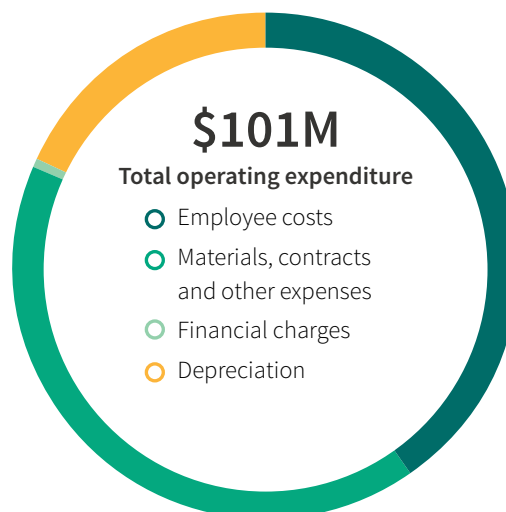
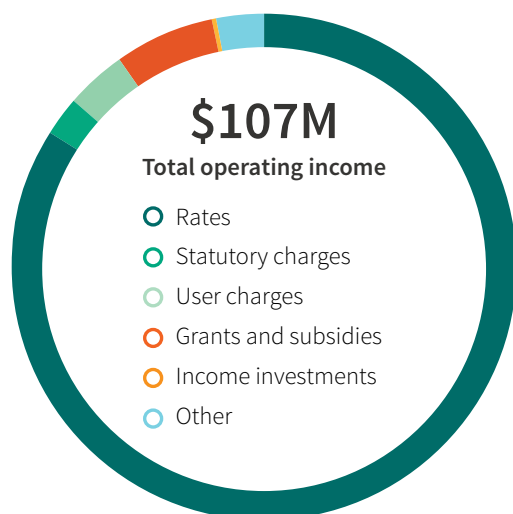
Our rate revenue will be supplemented with \$14.6 million in funding from other sources, such as fees and charges and state and federal government grants, investment income and loan borrowings.

We are mindful that borrowing levels still need to be managed and they will remain within the target range of 25%–35% during 2023–2024. To achieve this, we have budgeted for a modest operating surplus of \$6.054 million in 2023–2024.

This surplus (i.e. the difference between operating revenue and expenses for the financial year) will help us to achieve the key principles set out in our LTFP.

Set over a ten-year period, the LTFP ensures that we operate in a financially sustainable manner, controlling our debt levels, while delivering services, maintaining assets and appropriately funding new initiatives that support our strategic direction.

In the current economic climate it is predicated that CPI will continue to remain high. Over the next few years rate increases will need to take this into consideration to ensure Council continues to remain financially sustainable and within the financial metrics set.



Significant influences and priorities

In preparing the 2023–2024 Annual Business Plan and Budget and setting the rate adjustment, we have taken into account a range of factors:

- Electricity price increases of an estimated \$1m. The LED streetlight conversion program will continue to be rolled out to save energy and reduce future cost increase
- The continued year-on-year increases in the State Government's Solid Waste Levy
- Increased costs associated with receiving and processing residential recycled waste material
- The impact of the Adelaide Consumer Price Index (CPI) of 8.6% (as at December 2022)
- Local Government Price Index (LGPI)
- The maintenance and renewal of existing assets, including roads, footpaths, stormwater drainage, lighting, council-owned properties and open space (parks and reserves)

- Our Enterprise Bargaining Agreements (EBA), which provide for employee wage and salary increases of 2.5% in 2023–2024, and the 0.5% increase in the Superannuation Guarantee
- Transition to pay-as-you-go model for our information and software systems
- Expanding service and infrastructure needs of our community, including playground audits
- Cost associated with maintaining the renewed Modbury Precinct and other new open space assets.

Council has committed to the development of a Waste Strategy and the introduction of Waste Initiatives. The first of these initiatives include one free additional green organics bin and/or one free additional yellow recycling bin per household. This initiative plans to continue the Council's work on the diversion of organic and recycling materials from landfill.



Local child Jayden at one of our community tree planting events.

Financial statements

The budget was developed through an extensive process of consultation and review by Elected Members and Council staff.

This year's budget is based on the principle of financial sustainability and acknowledges the significant cost pressures faced by Council and the community with increasing CPI.

Our financial statements are set out below together with an explanation on the following pages.

Statement of comprehensive income for the 2023-2024 financial year

	2021-2022 Actuals \$'000	2022-2023 Original budget \$'000	2022-2023 Current forecast \$'000	2023-2024 Budget \$'000
Income				
Rates	85,972	85,461	85,461	92,317
Statutory charges	2,290	2,729	2,729	2,605
User charges	3,451	4,040	4,148	3,575
Grants and subsidies	8,832	5,803	5,926	6,718
Investment income	52	20	600	20
Reimbursements	93	83	83	88
Other revenue	1,978	1,709	2,070	1,681
Total income	102,668	99,848	101,017	107,005
Expenses				
Employee costs	35,712	37,689	37,738	39,595
Materials, contracts and other expenses	40,378	40,167	40,490	43,390
Finance charges	372	550	330	550
Depreciation	17,221	16,991	16,991	17,416
Total expenses	93,683	95,398	95,549	100,951
Operating surplus or (deficit)	8,985	4,448	5,468	6,054
Net gain / (loss) on disposal or revaluation of assets	4,393	504	188	954
Capital grants	4,277	17,018	9,878	3,983
Capital contributions	134	90	424	14,474
Physical resources received free of charge	157	-	-	-
Net surplus / (deficit)	9,160	22,060	15,958	25,465

Operating revenue

Rates

For 2023–2024 our total rate revenue is projected to be \$92.3 million. The increase of Council's rate revenue is equivalent to \$6.85 million.

We propose a residential rate increase of 6.5% with a total of 7.0% (including growth) for 2023–2024. The average commercial rate will increase by 10%. This is based on the cost of maintaining existing services and the projected costs included in the infrastructure asset management plans and the Long-Term Financial Plan.

In addition, we expect to receive a 1.0% increase in rates revenue due to new developments, subject to confirmation from the Valuer-General.

A total of TBA% of our general rate revenue will be derived from our commercial, industrial and vacant land use, with the remaining TBA% of rate revenue to come from residential, primary production and other land use.

Statutory charges

Statutory charges are fees for regulatory services, such as permits and licences, or the regulation of an activity. They include Development Act fees, parking fines and dog registration fees.

These fees are set by the State Government. Notification of these fees is provided annually in July.

User charges

User charges are fees that relate mainly to the recovery of the costs of delivering some of

Council's services. These are fees charged for the use of community facilities and recreation centres.

User charges in 2023–2024 are projected to decrease by \$465,000 compared with the previous year.

Grants and subsidies

This item includes grants and subsidies from all sources, except amounts received specifically for new or upgraded assets. Total grant revenue is budgeted to increase in 2023–2024 by \$915,000.

Investment income

Council earns interest from money held with financial institutions. The interest earned on these funds is estimated to be \$20,000 in 2023–2024. This sum will be offset against borrowings.

Reimbursements

Reimbursements are payments for work Council has performed as an agent for others – for example, employee services we have provided to other councils. We estimate a reimbursement revenue of \$88,000 in 2023–2024

Other revenues

This is revenue not classified in the six categories above. Of the estimated \$1.68 million of other revenue projected for 2023–2024, \$500,000 is for estimated workers' compensation insurance rebate and \$490,000 is the estimated amount for sickness and income protection.

Operating expenses

Employee costs

Employee costs include all labour-related expenses, such as wages, salaries and additional costs such as allowances, leave entitlements and employer superannuation.

Employee costs are budgeted to increase by \$1.9 million. This reflects the rising costs of a 2.5% increase in the Enterprise Bargaining Agreement, and a 0.5% increase in the Superannuation Guarantee rate.

In 2023–2024 we have provided for a total of 361 FTE employees in the budget. This represents a decrease in the number of FTEs in comparison to the 2023-2024 financial year of 1. Staffing resources are constantly reviewed to ensure resources are redirected to meet the emerging and changing priorities of our community.

We allocate employee costs directly related to capital projects separately within the capital budget. These represent an additional sum of \$1.4 million.

Materials, contracts and other expenses

Materials are physical goods, such as consumables, water and energy. Contractual services are

payments for external service providers, including labour, materials or subcontractors who are hired under contract.

Other expenses are those other than the costs of employees, materials and contractual services.

We forecast the cost of materials, contractual services and other expenses to increase by \$3.2 million for 2023–2024 in comparison to the original budget for 2022-2023.

Finance charges

Finance charges are the costs of financing our activities through borrowings or financial leases. We forecast finance charges to remain in-line with the previous financial year.

Depreciation

In 2023–2024 our depreciation expense is forecast to be \$17.4 million, representing an increase of \$425,000 from 2022–2023.

Depreciation is forecast to increase with an approximate 30% uplift in construction costs. This increase will be phased in over future budgets.

2023–2024 Annual Business Plan and Budget

**Balance sheet for the
2023–2024 financial year**

	2021–2022 Actuals \$'000	2022–2023 Original budget \$'000	2022–2023 Current forecast \$'000	2023–2024 Budget \$'000
Assets				
Current assets				
Cash and cash equivalents	8,432	410	1,587	1,712
Trade and other receivables	4,690	4,476	4,653	4,793
Other financial assets (non-current assets held for sale)	512	512	1,138	–
Inventories	43	33	43	43
Total current assets	13,677	5,431	7,421	6,548
Non-current assets				
Other non-current assets	8,598	2,986	13,560	27,202
Infrastructure, property, plant and equipment	1,652,411	1,607,166	1,712,704	1,730,571
Total non-current assets	1,661,009	1,610,152	1,726,264	1,757,773
Total assets	1,674,686	1,615,583	1,733,686	1,764,321
Liabilities				
Current liabilities				
Trade and other payables	26,326	12,932	26,289	12,227
Short-term provisions	4,456	4,420	4,456	4,455
Total current liabilities	30,781	17,352	30,744	16,682
Non-current liabilities				
Long-term borrowings	–	21,253	–	19,232
Long-term provisions	507	511	507	507
Total non-current liabilities	507	21,764	507	19,739
Total liabilities	31,288	39,116	31,251	36,421
Net assets	1,643,398	1,576,467	1,702,435	1,727,900
Equity				
Accumulated surplus	404,991	414,896	414,151	430,110
Year-to-date	9,160	22,060	15,958	25,465
Asset revaluation reserves	1,228,960	1,139,223	1,272,038	1,272,038
Other reserves	287	287	287	287
Total equity	1,643,398	1,576,467	1,702,435	1,727,900

Statement of changes in equity for the 2023-2024 financial year

	2021-2022 Actuals \$'000	2022-2023 Original budget \$'000	2022-2023 Current forecast \$'000	2023-2024 Budget \$'000
Net surplus or (deficit) for year				
Balance at end of previous reporting period	403,419	414,896	414,151	430,110
Transfers between reserves	1,571	-	-	-
Net result for year	9,160	22,060	15,958	25,465
Balance at end of period	414,151	436,957	430,110	455,575
Asset revaluation reserve				
Balance at end of previous reporting period	1,137	1,096,145	1,228,960	1,272,038
Gain or revaluation of infrastructure / property	91,633	43,078	43,078	-
Balance at end of period	1,228,960	1,139,223	1,272,038	1,272,038
Other reserves				
Balance at end of previous reporting period	1,849	287	287	287
Transfer between reserves	1,572	-	-	-
Balance at end of period	287	287	287	287
Total equity at end of period	1,643,398	1,576,467	1,702,435	1,727,900

2023–2024 Annual Business Plan and Budget

Statement of cash flows for the 2023–2024 financial year

	2021–2022 Actuals \$'000	2022–2023 Original budget \$'000	2022–2023 Current forecast \$'000	2023–2024 Budget \$'000
Cash flows from operating activities				
Receipts				
Operating receipts	114,679	99,826	100,417	106,845
Investment receipts	52	20	600	20
Payments				
Operating payments to suppliers and employees	75,049	77,857	78,228	82,721
Financial payments	372	550	330	550
Net cash provided (or used in) operating activities	39,310	21,439	22,459	23,594
Cash flows from investing activities				
Receipts				
Grants specifically from new or upgraded assets	4,411	17,108	10,302	4,132
Sale of replaced assets	857	504	188	800
Sale of surplus assets	–	–	–	4,530
Payments				
Expenditure on renewal and replacement of assets	16,283	18,209	23,903	27,464
Expenditure on new and upgraded assets	8,868	32,870	15,891	24,699
Net cash provided by (or used in) investing activities	(19,883)	(33,466)	(29,304)	(42,701)
Cash flows from financing activities				
Receipts				
Proceeds from borrowings	97	11,529	–	19,232
Payments				
Repayment of borrowings	15,000	–	–	–
Net cash provided (or used in) financing activities	(14,903)	11,529	–	19,232
Net increase (decrease) in cash held	4,524	(498)	(6,845)	125
Cash and cash equivalents at beginning of reporting period	3,908	908	8,432	1,587
Cash and cash equivalents at end of reporting period	8,432	410	1,587	1,712

Uniform presentation of finances for 2023–2024 financial year

	2021–2022 Actuals \$'000	2022–2023 Original budget \$'000	2022–2023 Current forecast \$'000	2023–2024 Budget \$'000
Operating				
Operating revenue	102,668	99,848	101,017	107,005
Less operating expenses	(93,683)	(95,398)	(95,549)	(100,951)
Operating surplus / (deficit) before capital amounts	8,985	4,448	5,468	6,054
Less net outlays on existing assets				
Capital expenditure on renewal and replacement of existing assets	16,283	18,209	23,903	27,464
Less depreciation, amortisation and impairment	(17,221)	(16,991)	(16,991)	(17,416)
Less proceeds from sale of replacement assets	(857)	(504)	(188)	(800)
Net outlay on existing assets	(1,795)	714	6,724	9,248
Less net outlays on new and upgraded assets				
Capital expenditure on new and upgraded assets	8,868	32,870	15,891	24,699
Less amounts received specifically for new and upgraded assets	(4,411)	(15,762)	(10,302)	(4,132)
Net outlay on new and upgraded assets	4,457	15,762	5,589	20,567
Net lending / (borrowing) for financial year	6,324	(12,027)	(6,845)	(23,762)

Net outlays on existing assets

We will allocate \$27.464 million for the renewal of existing assets. We aim to keep our level of spending in line with the infrastructure asset management plan forecasts.

We will factor the ongoing maintenance and depreciation expenses associated with capital expenditure on new and upgraded assets into our future budgets and updates of the Long-Term Financial Plan.

Net outlays on new and upgraded assets

We will allocate \$24.699 million to new and upgraded assets.

Financing strategy

We have determined that borrowings will increase in 2023–2024 by \$19.2 million. This is in line with the Project Funding Strategy created for all the grant funded projects that have been incorporated into our Long-Term Financial Plan since 2019.



A worker clearing tree damage following a storm.

Rates

We seek to achieve rate stability over time, while ensuring that community services, projects and infrastructure needs are met.

As prescribed in the *Local Government Act 1999*, Council can charge rates on all land in its area except for exempt land, such as Crown land and land owned by Council.

In setting rates for 2023–2024, we have taken into account the priorities set out in our Strategic Plan 2025, the current economic climate, our debt reduction strategy, legislative changes and the need to maintain and improve community infrastructure, amenity and wellbeing.

We have also considered the impact of rate rises on our ratepayers, the need to keep rates at a reasonable level and the need to equitably share the rates burden.

Having determined the total expenditure budget and the consequent impact on revenue, we divide the portion of the budget to be raised from rates by the total of all individual property valuations to determine the 'rate-in-the-dollar' figure. The 'rate-in-the-dollar' is then applied to individual property valuations to determine the rates for each property.

This year, the average residential rate increase will increase by 6.5% with the general rate increasing by 7.0% (excluding any increases due to growth), which means a total of \$92.317 million will be collected in rates this year.

Differential rates

Following community consultation, it was decided in February 2012 to adopt differential rates as of 1 July 2012.

We continue to apply differential rates on the basis of land use, to allow for the equitable distribution of the rate burden and to accommodate variations in the community's capacity to pay.

A differential rating strategy means that different classes of land use attract different rates. The definitions of land use are prescribed by regulation and are categorised for rating purposes.

Having a differential rating strategy provides us with increased flexibility to accommodate movements in valuations that regularly occur in the market, to recognise the value of a specific aspect of land use, and to better reflect the consumption of our services.

This method also allows us to increase rates at different levels to ensure commercial and industrial properties contribute appropriately, despite category-specific fluctuations in property market valuations.

The table on page 33 shows the valuations and rates applied to the various land use categories and also the general revenue forecast for 2023–2024 (Note: these figures do not show rebates. In 2023–2024 we estimate we will provide \$1.6 million in rebates).

The majority of these rebates are mandatory, as required under the *Local Government Act 1999*. Further details of our rebates are given on page 36.

Land use	General rate revenue 2022–2023 \$'000	Valuation 2022–2023 \$'000	Estimated General rate revenue 2023–2024 \$'000	Valuation 2023–2024 \$'000	General rate revenue % income 2023–2024	Estimated Average \$ change per property
Commercial office	0.41	68	TBA	TBA	TBA	423
Commercial other	3.08	514	TBA	TBA	TBA	660
Commercial shop	5.90	975	TBA	TBA	TBA	2,446
Industrial light	0.30	49	TBA	TBA	TBA	257
Industrial other	0.60	94	TBA	TBA	TBA	322
Other	0.81	242	TBA	TBA	TBA	477
Primary production	0.35	104	TBA	TBA	TBA	186
Residential	72.66	21,612	TBA	TBA	TBA	113
Vacant land	1.20	180	TBA	TBA	TBA	144
Total	85.25	23,838	TBA	TBA	TBA	

The figures for 2023–2024 are subject to change due to valuation data being received by the Valuer-General until 30 June 2023.

Method used to value land

We use capital value as the basis for valuing land within our council area. It is considered that this provides the fairest and most equitable method of distributing the rate burden across all ratepayers.

The South Australian Valuer-General establishes the value of land in our City for rating purposes. The basis for valuation is the capital value of the land, including all improvements such as buildings and sheds.

On 27 June 2023, it is proposed Council will adopted the most recent valuations made by the Valuer-General.

Variation of valuations

If a ratepayer is dissatisfied with their valuation, they can object to the Valuer-General in writing, within 60 days from the date of their rates notice.

Trends in valuations and rate modelling

We have undertaken comprehensive rate modelling to assess the likely impact within each land category based on anticipated valuation movements prior to the adoption of the final Annual Business Plan.

Each year, anticipated movements in valuations are estimated for each rate category. Valuations in 2023–2024 are anticipated to remain fairly steady.

We have been advised by the Valuer-General that the average increase in valuation for residential properties is currently TBA%; for commercial and industrial properties it is TBA%; for primary production it is TBA%; and for vacant land is TBA%.

The following table shows the impact on types of properties and the number of properties that fall within selected percentage changes.

Rate assessment increase	Number of residential properties
Less than zero	TBA
0–2%	TBA
2–5%	TBA
5–10%	TBA
Greater than 10%	TBA
New assessments	TBA
Total	TBA

Other charges related to rates

Minimum rate

We have set a minimum rate of \$TBA, which represents a TBA% increase. The minimum rate will be applied to approximately TBA properties.

We consider it appropriate that all rateable properties make a contribution to the cost of delivering Council's services and maintaining community infrastructure.

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

- Services provided that are available for use by all ratepayers (e.g. library and parks and gardens)
- Provision of the physical infrastructure that supports each property and is available for use by all ratepayers
- Administering council activities.

Regional Landscape Levy (RLL)

From 1 July 2020, the *Landscape South Australia Act 2019* replaced the *Natural Resources Management Act 2004* as the new framework for managing the state's land, water, pest animals and plants and biodiversity.

Under the *Landscape South Australia Act 2019* there is no provision for exemptions. All properties are subject to a Regional Landscape Levy.

Council is required to make a specified contribution to the Landscape Administration Fund and then collect this contribution from property owners through a separate rate based on capital value. Such a rate must be fixed and calculated so as to raise the same amount as Council's contribution (taking into account any rebates/remissions under section 159–166 of the Act).

Council does not keep this money and does not determine how it is spent. The Regional Landscape Levy Board advises us what the amount will be at the end of each financial year.

We have been advised of a 8.7% increase to the Regional Landscape Levy for 2023–2024. Council's contribution to Green Adelaide via the levy for the financial year will be \$1.99 million.

Payment of rates

The payment of rates can be either by full payment or by quarterly installments, due and payable on the first Monday of September, December, March and June.

Council has the authority to enter into special payment arrangements with ratepayers as required.

If you are having difficulty paying your rates, please contact us to discuss payment options.

Postponement of rates

Ratepayers who have a state Seniors Card, or those who are experiencing hardship, can apply to Council to postpone payment of rates on their principal place of residence.

The amount and timeframe for postponement is at the discretion of the Chief Executive Officer.

- Under section 182A of the *Local Government Act 1999*, those who hold a State Government Seniors Card can apply to postpone their

council rates on a long-term basis. The deferred amount will still incur a monthly interest charge, and the accrued debt will become payable when your property is sold or disposed of. In this way, postponement is similar to a reverse mortgage.

- Under section 182 of the *Local Government Act 1999*, you can apply to postpone your rates if payment would cause you hardship. You will need to meet set criteria.

Applications must be from the principal ratepayer, in writing, on Council's approved form. The application should identify the relevant property and include sufficient detail to support the request. It should be addressed to the Chief Executive Officer, City of Tea Tree Gully, 571 Montague Road, Modbury SA 5092. All information provided will be kept confidential.

For more information or to ask for an application form, please call 8397 7444.

Rebate of rates

Mandatory rebates

Under sections 159–165 of the *Local Government Act 1999* we are required to grant rebates of between 75% and 100% to certain properties, including those that meet the Act's requirements for land used for religious or educational purposes, or for community uses, as specified in the Act.

Discretionary rebates

Section 166 of the *Local Government Act 1999* sets out the circumstances in which we can grant discretionary rebates of up to 100%.

We have the option to grant a rebate of rates or service charges and to determine the rebate amount we take into account the following factors:

- The rebate will support some desirable development of the area
- The rebate will assist or support a local business
- The rebate relates to common property or land vested in a community corporation under the *Community Titles Act 1996* within which the public must have unrestricted right of access and enjoyment.

A rebate may also be judged appropriate in circumstances where a ratepayer would otherwise face a substantial rise in rates due to:

- A redistribution of the rates burden within the community arising from a change to the basis or structure of the council's rates
- A change to the basis on which land is valued for the purpose of rating, rapid changes in valuations or anomalies in valuations.

Referring to section 159(5) of the Act, we examine the land the rebate is sought for and consider:

- The type and number of services we provide on the land compared with similar services we provide elsewhere in the community
- Whether a community need is met by the activities on the land
- Whether activities on the land provide assistance or relief to disadvantaged people.

We may also take into account other factors, such as:

- Why the applicant needs financial assistance in the form of a rebate
- How much rebate is sought, as a percentage and dollar amount, and why it is appropriate
- How much financial assistance is being given to that applicant by federal or state agencies and whether it applies to that land
- Whether the applicant has applied or will apply to another council
- Whether the applicant is or will be providing a service in our area and the extent of that service
- Whether the applicant is a public sector body, a private not-for-profit body or a private for-profit body
- Whether the applicant is gaining a financial profit for the members of the body, or is engaging in trade or commerce and therefore has the ability to distribute profit to its members
- Whether there are any historical considerations that may be relevant for all or any part of the current council term
- The financial consequences for Council of granting the rebate
- The date the application is received
- The availability of any community grant to the

- person or body making the application
- Whether the applicant has received a community grant.

If you or your organisation wishes to apply for a rebate for the current rating period, you must do so by 1 September 2023. We reserve the right to not consider late applications. However, if you are eligible for a mandatory rebate, this can be granted at any time during the current rating period.

If you or your organisation's eligibility for a rebate no longer applies, we can recover rates proportionately to the end of the current financial year.

When considering applications for rates rebates, we are mindful of the contribution ratepayers make to our City, and that profitable organisations who receive government funding may still need additional help to achieve their goals. However, we need to balance the desire to support community organisations with the impact that rebates have on our revenue.

We provide a discretionary rebate of 100% for community sporting and social groups that occupy council-owned properties, including the University of the Third Age. This supports the strategic directions (set out in our Strategic Plan) to provide and maintain a high standard of recreation and leisure opportunities for all sections of the community.

If you believe that your not-for-profit organisation is impacted adversely by our rating strategy for commercial and industrial land uses, we encourage you to apply for a discretionary rebate. We will assess each application on its own merits.

If you are a not-for-profit land owner you may apply for a discretionary rebate on your council rates by 1 September of each year. A report summarising Council's consideration of requests for rebates will be completed, as specified under section 166 of the *Local Government Act 1999* in October of each year.

The discretionary rebate for not-for-profit organisations will only be available to organisations that are not already receiving a rebate under section 161.

Council has resolved to include a discretionary rebate of 10% for any properties categorised as Retirement Villages or Independent Living Units by the Valuer-General in the draft 2023–2024 Annual Business Plan and Budget. These applications will be considered on application and are subject to confirmation from the owner that the reduction in the rates will be provided directly to the residents.

Maximum rate increase – rate capping

In considering the maximum rate increase, any substantial rate increases can be considered and remedial action can be taken in the form of a rebate or remission of residential rates.



A roadworks crew in action in a local street.

Financial indicators

To ensure we deliver on our financial goals, we have committed to achieving a number of specific outcomes. The indicators detailed below are required under the *Local Government Act 1999*.

	LGA suggested range	Council target	2021–2022 Actuals	2022–2023 Original budget	2022–2023 Current forecast	2023–2024 Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating surplus	Break even or better over 5 years	Maintain over a minimum of 3 years	8,985	4,448	5,468	6,054
Operating surplus ratio	0% – 15%	2.5% – 10%	8.8%	5.2%	6.4%	6.6%
Asset renewal funding ratio			104.2%	104.2%	93.0%	104.6%
Fiscal balance	–	–	6,323	(12,028)	(6,845)	(23,762)
Adjusted fiscal balance	–	–	4,291	(12,028)	(6,845)	(23,762)
Net financial liabilities ratio including non-current assets held for sale	0% – 100%	25% – 35%	17.1%	34.2%	24.7%	27.9%
Net financial liabilities including non-current assets held for sale	–	–	17,521	34,197	23,830	29,873
Net financial liabilities ratio excluding non-current assets held for sale	–	–	17.7%	34.8%	24.7%	27.9%
Net financial liabilities excluding non-current assets held for sale	–	–	18,123	34,709	24,968	29,873
Interest cover ratio	–	–	0.3%	0.6%	0.4%	0.6%

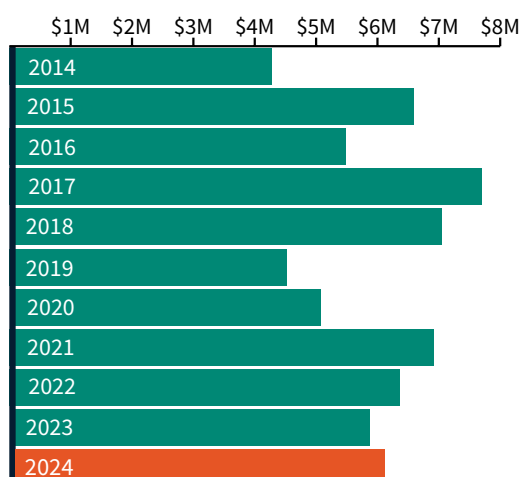
- **Operating surplus**
Operating income less operating expenses.
- **Operating surplus ratio (OSR)**
Operating surplus as a percentage of general and other rates, net of Regional Landscape Levy.
- **Asset sustainability ratio (ASR)**
Expenditure on renewal and replacement of assets less disposal proceeds from replaced assets divided by depreciation expense.
- **Fiscal balance**
Net lending position or net borrowing requirement in the Uniform Presentation of Finances Table.
- **Adjusted fiscal balance**
Net lending position or net borrowing requirement in the Uniform Presentation of Finances Table, adjusted for grants in advance.
- **Net financial liabilities ratio including non-current assets held for sale**
Total liabilities less financial assets as a percentage of total operating revenue, net of Regional Landscape Levy.
- **Net financial liabilities including non-current assets held for sale**
Total liabilities less financial assets.
- **Net financial liabilities ratio excluding non-current assets held for sale**
Total liabilities less financial assets as a percentage of total operating revenue, net of Regional Landscape Levy.
- **Net financial liabilities excluding non-current assets held for sale**
Total liabilities less financial assets.
- **Interest cover ratio**
Total finance charges expressed as a percentage of rates revenue, net of Regional Landscape Levy.

Operating surplus ratio

The operating surplus ratio (OSR) is a key measure of financial stability. It highlights the operating result as a percentage of total rate revenue, excluding revenue from the Regional Landscape Levy. The Council's target range is between 0% and 10%.

An operating surplus occurs when the operating revenue is more than the operating expenses for the period.

This year, we expect to deliver a modest surplus of \$6.054 million. These funds are used to enhance and improve services, fund new capital works and reduce Council's debt levels.

Operating surplus 2014–2024**Assets sustainability ratio**

The asset sustainability ratio (ASR) represents the ratio of new capital expenditure on renewal or replacement of assets, relative to the rate of depreciation for the same period.

Our target is for the cost of renewal to be between 90% and 110%, averaged over a three-year period.

We have invested significantly in the renewal of our core infrastructure assets over the last five years to ensure they continue to meet the service level standards as outlined in the infrastructure asset management plans (IAMPs). Our 2023–2024 budget

includes capital renewal works of \$27.464 million (excludes any grant income and sale of assets).

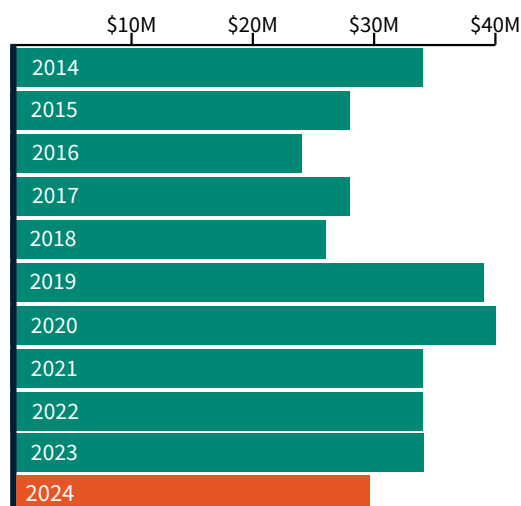
This represents an ASR of 104.6%, which is in the target range specified in the Long-Term Financial Plan (LTFP).

We have reviewed the IAMPs in the context of the LTFP and have considered strategies to help us maintain performance within the targeted range. We will also continue to review the ASR target range to ensure the set targets remain appropriate.

Net financial liabilities ratio

We believe it is appropriate to operate with a certain level of debt, particularly given the extensive portfolio of assets held by Council.

The net financial liabilities ratio demonstrates the relative size of our net financial liabilities against total operating income. It is expressed as a percentage of total operating revenue, excluding water catchment and Regional Landscape Levy income.

Net financial liabilities 2014–2024



CITY OF
TEA TREE GULLY
Naturally Better

571 Montague Road, Modbury 5092
PO Box 571, Modbury 5092
cttg.sa.gov.au

INFORMATION REPORT

AUDIT & RISK COMMITTEE MEETING

17 May 2023

Corporate Services

Council Incident Management arrangements - high risk weather season summary (D23/2728)

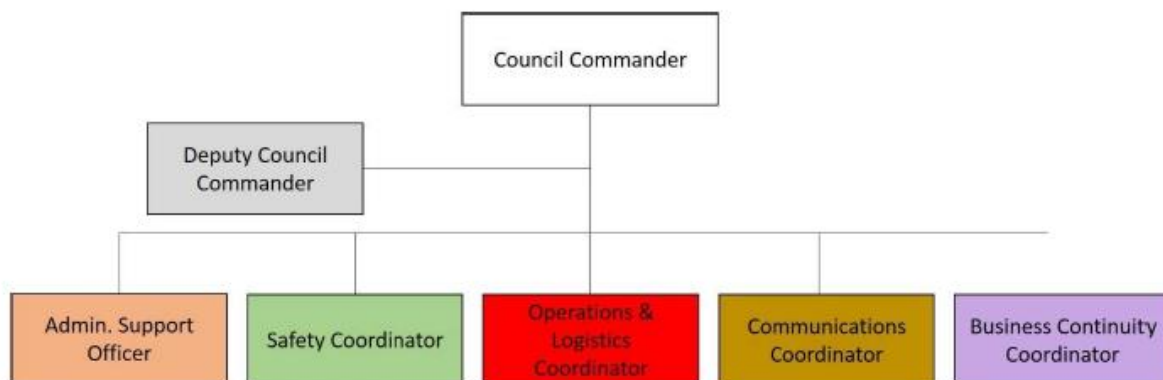
Previously, the Committee has been presented periodically with information reports on **Council's incident management arrangements, including community emergency** management and business continuity and activities, particularly as they relate to incidents and mitigation activities. This report will provide a summary of:

- a) **Council's incident management arrangements**
- b) Hazard mitigation activities
- c) The 2022-23 High Risk Weather Season
- d) Incidents and events that have directly or indirectly impacted the City of Tea Tree Gully
- e) The Adelaide Mount Lofty Ranges Bushfire Management Committee.

1. **Council's incident management arrangements**

1.1 Council Incident Management Team

The Council Incident Management Team (CIMT) has undergone a structure change in response to the departure of staff, and learnings from exercises and previous events, which has resulted in the functional roles of Planning Coordinator and Operations Coordinator being combined into a single Operations and Logistics Coordinator.



The new General Managers have been appointed to the Council Commander functional role and received specific Incident Management training on 11 May 2023. The CIMT recently completed i-Responda Essentials training on 5 April 2023. This training will be further consolidated with a desktop exercise in September/October to ensure staff have the required practical knowledge and resources to fulfil their roles.

1.2 Supporting plans and procedures

Council's incident management arrangements have been reviewed, with the Emergency Management Plan undergoing a significant update to align it with the LGA model document, to provide greater assurance in the areas of disaster risk reduction, incident operations and recovery. This Plan is publicly available on [Council's website](#).

Council's Incident Operations Manual provides guidance to the Council Incident Management Team for managing emergency events and business interruption events. This document has been updated with new operating templates as well as the development of **'Plans on a Page' for the City's key identified hazards including bushfire, flood/storm, heat and pandemic.**

2. Hazard mitigation activities

In response to the Bushfire Preparedness and Prevention internal audit undertaken in September 2022, several bushfire management improvements and actions were identified which have either been commenced or implemented. The key actions are summarised below.

2.1 Bushfire Mitigation Framework

A new Bushfire Mitigation Framework 2022 – **26 was endorsed by Council's Executive Leadership Team** in February 2023. This Framework provides Council with a strategic direction for the identification and assessment of bushfire risk and ensures a coordinated and integrated approach to bushfire management activities. It also outlines the effective work undertaken by Council to prepare land under its care and control, ensuring Council meets its legislative responsibilities in regard to bushfire management and provides a safe environment for the community. This Framework is publicly available on [Council's website](#).

2.2 City Operations works programs

The City Operations portfolio has responsibility for vegetation management and strategic bushfire fuel reduction on Council land, specifically reserves and roadside verges. Staff undertake a scheduled year-round program of bushfire mitigation activities ensuring we meet the requirements of the Bushfire Management Area Plan. For the 2022-23 season, three rounds of roadside slashing were conducted within the Hills fringe area, and four cuts were completed in escarpment areas.

Previously, records of these programs and the status of works were maintained in an inconsistent manner across several departments. This information has now been collated into a central register providing a single source of truth, consistent information and more accurate data. Factors such as climate and risk will be used each season to prioritise works to ensure Council is using its resources in the most efficient manner to ensure that extreme and high-risk areas are targeted.

This register will be further enhanced with the consideration of more appropriate systems to maintain the information which will provide better reporting capability and oversight of the various bushfire mitigation activities.

2.3 Fire Access Track review

A high-level assessment of Council's 80km of fire access track network was undertaken to identify track classification, location, maintenance needs and strategic benefit. This review has identified opportunities to further assess these tracks to ensure the network meets the needs of the SA Country Fire Service (CFS) for firefighting operations and the protection of our assets and community. This assessment will continue in the coming months and will require significant consultation with Region 2 of the CFS.

2.4 Signage

Council has installed clear message signage at key locations throughout the City, complementing the new CFS public education campaign. Nine roadside signs have been installed on main gateways advising of the Fire Danger Season. In addition, a total of 28 signs have been installed in reserves in the Golden Grove and Greenwith area alerting the public they are in a high bushfire risk area.



2.5 Community engagement and information

Council continues to work with other agencies to deliver community information programs. A bushfire preparedness session was delivered in the Library in early December 2022, which included presentations from the CFS, Red Cross and Bushfire Community Legal Program.

At the time of writing this report, upcoming community information sessions include:

- 15 May 2023 - SES drop in display in the Library providing information on creating an emergency preparation kit, preparing homes for a disaster, and what the SES can do in an emergency.
- 18 May 2023 – RediCommunities Project for Houghton, Paracombe and Inglewood communities to connect, develop and implement their own disaster resilience plan. This event is being facilitated by the Australian Red Cross and Adelaide Hills Council, with the City of Tea Tree Gully supporting the promotion of this event for its residents within Houghton and Paracombe.

The CFS bushfire preparedness campaign has been used as a basis for information published in Council's various publications (e.g. Gully Grapevine, social media).



A grader clears a fire track in Wynn Vale.

Prepare for bushfires

Fire Danger Season for the Adelaide Metropolitan and Mount Lofty Ranges fire ban districts begins this year on 1 December.

Council workers and contractors are reducing bushfire risks in our area.

Fire breaks have been mowed and cleared in the Para Escarpment. This is the high-risk area adjoining the Golden Grove, Greenwith and Wynn Vale residential areas.

Fire tracks have been cleared and graded to give emergency service vehicles access and serve as fire breaks. Rural road vegetation has also been cleared.

We have been advising property owners on bushfire prevention and

inspecting properties.

During a bushfire, Council resources may be requested to support emergency services during the response and recovery periods, such as providing trained staff, earthmoving equipment and emergency relief centre premises.

It's also important for you to be updated, informed and prepared.

Visit the CFS website for details on how to prepare for the bushfire season.

cfs.sa.gov.au

Before a heatwave

- Plan ahead to avoid going out during the hotter part of the day
- Prepare a cool room in your home using air conditioning, fans, curtains or blinds
- Find a cool place in your area where you can go; a shopping centre or public library

- Know the signs of heat-related illnesses such as dehydration
- Have enough food, drinks and medication for family and pets
- Keep up to date with heatwave warnings on the radio, television and social media
- Plan how you will keep your pets cool and healthy

ses.sa.gov.au



Council's Fire Prevention Officer engages with individual property owners on how they can prepare their property for bushfires and ensuring land owners meet the requirements of the *Fire and Emergency Services Act 2005*. Detailed inspections were carried out on 400 high risk properties in the Hill's fringe area, with targeted information brochures provided to owners.

2.6 Collaboration

Several opportunities have been identified to collaborate with neighbouring councils to share information, better align our bushfire mitigation programs and undertake joint projects. These collaborative arrangements are currently being formalised to ensure key objectives are achieved and that communities are benefited from resource-sharing.

3. High risk weather season

3.1 High fire danger days

The CFS has reported a very quiet fire season in relation to both weather and bushfire incidents. Many areas within the Mount Lofty Ranges Bushfire Management Area have had above-average grass growth. There was one bushfire event of note that occurred in the Black Hill Conservation Park on 14 January 2023.

The new Australian Fire Danger Rating System (AFDRS) was implemented for the 2022 – 2023 Fire Danger Season. The AFDRS now provides a consistent national fire danger rating that uses the latest science and technology to better reflect environmental and weather conditions. This data, coupled with a better understanding of community needs, has improved the forecasting and communication of fire danger. Further information about the AFDRS can be found on the [SA Country Fire Service website](#).

The City of Tea Tree Gully is covered by both the Mount Lofty Ranges and the Adelaide Metropolitan Fire Ban Districts. This Fire Danger Season has seen a total of eight total fire ban days declared for the Mount Lofty Ranges (all rated as Extreme). There were no total fire ban days declared in the Adelaide Metropolitan District. The low number of total fire ban days meant there was little impact on the delivery of Council services and programs under the provisions of the Total Fire Ban Day Plan.

3.2 Heatwaves

The SA State Emergency Service issues a heatwave summary for the current and following day. The summary provides warnings for low-intensity, severe and extreme heatwaves for each of the weather/fire ban districts.

On 21 February 2023, there was a Heatwave Advice warning issued for both the Mount Lofty Ranges and Adelaide Metropolitan districts. This escalated to a Watch and Act warning for a Severe heatwave for the Adelaide Metropolitan district from 22 to 23 February 2023.

3.3 Storms

On 12 November 2022 severe thunderstorms struck southern South Australia with up to 423,000 lightning strikes and wind gusts up to 109 km/h. A number of sites in the Mount Lofty Ranges set daily rainfall records for November. The storms caused widespread significant power outages across metropolitan Adelaide. An interstate transmission line was also damaged.

On 20 March 2023, a wind storm caused widespread damage to trees across the Council area and resulted in a power outage at the Civic Centre for the majority of the business day.

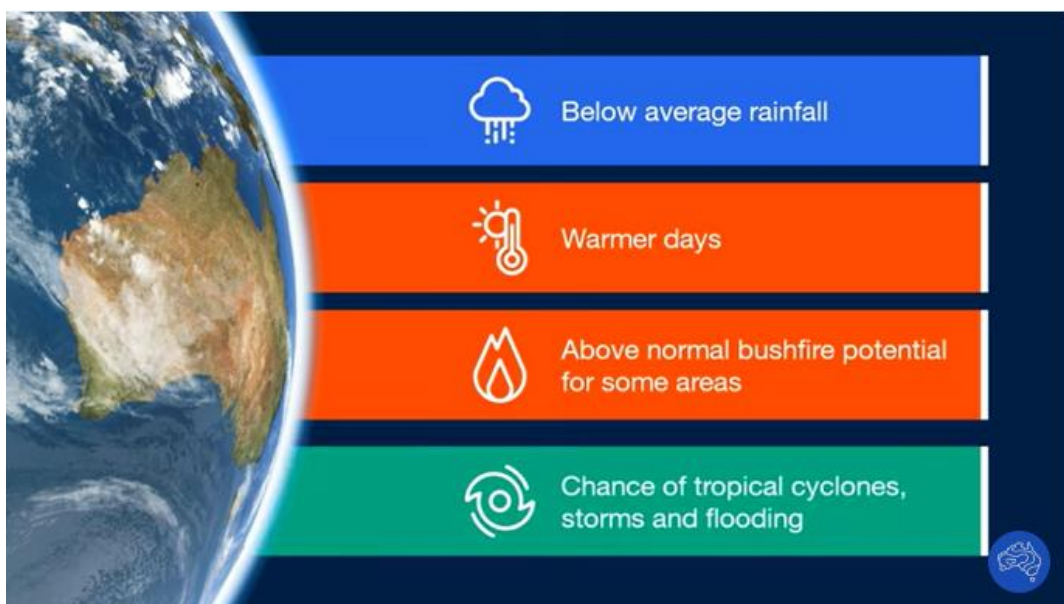
Impacts to Council from these events is detailed in the section 'Incidents'.

3.4 Climate outlook

The Bureau of Meteorology has released its long range forecast for April to June 2023. Rainfall is predicted to be below average across most areas of Australia making conditions drier than normal. There is a risk of tropical cyclones and storms in the northern part of Australia which may also bring storms to the southern parts.

In the coming months, most areas will experience warmer days than usual. South Australia has a high chance of unusually warm temperatures for this time of year. There is normal fire potential for our state.

La Nina has ended, and an El Nino Watch has been issued with signs that this may form later in the year.



The AFAC Bushfire Outlook for South Australia suggests that above average rainfall across the state in January has reduced the immediate risk of intense bushfires in forest areas.

However, recent fires have burned at a higher intensity than expected meaning it remains too early to suggest the fire season risks have reduced significantly. As forest areas continue to dry out, and without further rain, the risk will become broader across all fuel types for the remainder of the Fire Danger Season which is due to end on 30 April 2023.

4. Incidents

4.1 Flooding – November 2022

On Saturday 12 November 2022, up to 30mm of rain occurred over a 20 to 30-minute period. The total rainfall over Saturday and Sunday was 50mm. Wind gusts of up to 106km/hr were recorded at Adelaide Airport just before 4pm.

Within the City of Tea Tree Gully area, 44 properties were impacted by flooding with approximately 10 properties experiencing water throughout their home. Other properties had water in their yards, garages, sheds etc. A total of 244 customer requests were received between 13 and 18 November, at an average of 50 requests per day.

Council responded by prioritising response actions and mitigating against the next storm event. All of the 44 impacted properties were attended by staff to provide support and to determine the cause of localised flooding, and 25 properties were sandbagged by staff in preparation for the next storm event. Ongoing monitoring of temporary controls is occurring while permanent solutions are put in place.

4.2 Montacute Fire – Black Hill Conservation Park

On Saturday 14 January 2023 at around 11am, a bushfire ignited at Montacute within the Black Hill Conservation Park (near Gorge Road). This fire occurred on an Extreme Total Fire Ban Day with Emergency Warnings issued to the community. Approximately 53 hectares were burned in steep terrain.

In response to this, the Council Incident Management Team moved to Alert Mode to prepare for any requests for support or direct impacts to the Council area. There was some concern that a wind change would push the fire front towards the Paracombe and Churchett Road area. Fortunately, the fire was declared contained at 8:30pm and Council involvement was not required.

4.3 Power outage – March 2023

On Monday 20 March 2023, a severe storm event resulted in a power outage at the Civic Centre for the majority of the business day. According to records, power was lost from 7:51am to 2:52pm. Staff were directed to work from the Service Centre or home for the day. Access to the Civic Centre was restricted and the Library was closed. There was no impact to **Council's critical functions.**

There were 177 customer requests submitted for trees (hanging/remove branches) on Monday, 58 on Tuesday and 30 on Wednesday. This is a significant spike in requests compared to the usual average of 6 per day.

A number of observations were recorded for actioning, mainly relating to staff notification, workplace **evacuation and business continuity planning**. **Although Council's Business Continuity Plan** was not required to be enacted, it was identified that Council would benefit from a short-term disruption plan being developed to provide the organisation with guidance for such events.

5. Adelaide Mount Lofty Ranges Bushfire Management Committee

The Adelaide Mount Lofty Ranges Bushfire Management Committee held its Post Fire Danger Season Review meeting on 14 April 2023. As part of this meeting, Council is required to submit an **Agency Report capturing Council's bushfire management relating to bushfire prevention and risk reduction activities**. This report can be provided upon request.

Attachments

N/A

Report Authorisers

Lauren Monteleone Emergency Management Advisor	8397 7227
Ilona Cooper Manager Corporate Governance	8397 7310
Ryan McMahon Chief Executive Officer	8397 7297

INFORMATION REPORT

AUDIT & RISK COMMITTEE MEETING

17 May 2023

Corporate Services

Strategic Risk Register - May 2023 - Bi-annual Review (D23/16658)

1. Purpose

This report presents to the Audit & Risk Committee the status of strategic risks identified in the May 2023 bi-annual review, which are presented as two registers (strategic risks and organisational risks):

- Strategic risks have the ability to impact the achievement of strategic objectives or the city as a whole (refer Attachment 1)
- Organisational risks have the ability to impact the achievement of organisational objectives or operational service delivery (refer Attachment 2)

2. Background and Supporting Information

The **Committee's Terms of Reference (clause 2.9)** provides for the Committee to review practices in place for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis. In-line with **Council's Risk Management Policy and the Risk Management Framework**, the Strategic Risk Register and Organisational Risk Register is the management tool used for identifying, assessing and managing these risks to an acceptable level.

To ensure structured reviews and regular reporting occurs, departments maintain individual risk registers and undertake bi-annual reviews in May and November each year to coincide with the Strategic Risk Register Review. Any new or amended strategic or organisational risks identified through the departmental risk review are transposed onto the Strategic Risk Register or Organisational Risk Register and presented for review and discussion to the Executive Leadership Team prior to presentation to the Audit & Risk Committee.

3. Risk Register Summary

The following provides a summary of strategic and organisational risks from the relevant registers contained in Attachments 1 and 2.

3.1 Strategic Risk Register

Ref	Risk Title	Consequence	Likelihood	Risk Rating
1	Major injuries/death to members of the public	Critical	Unlikely	High
2	Failure to deliver the strategic and organisational plan objectives	Major	Possible	High
3	Council owned or inherited assets and infrastructure	Major	Possible	High
4	Emergency management & business continuity	Critical	Unlikely	High
5	Future economic development opportunities not realized	Major	Unlikely	Medium
6	Changing environmental factors	Moderate	Possible	Medium
7	Unsustainable employment model	Moderate	Possible	Medium
8	Financial sustainability	Minor	Unlikely	Low
9	Diversification of industry and retail sectors	Moderate	Possible	Medium
10	Major strategic projects	Moderate	Possible	Medium
11	Employment market and skill diversity shortage	Moderate	Possible	Medium
12	Breach of information security	Major	Likely	High
13	Current level of the CPI for Adelaide is well above the RBAs target range of 2 to 3 percent	Moderate	Almost Certain	High
14	Elected Member Activities	Moderate	Possible	Medium

Item 17.2

Consequence	Critical		1,4			
	Major		5	2,3	12	
	Moderate			6, 7, 9,10, 11, 14		13
	Minor		8			
	Insignificant					
Risk Rating						
Low						
Medium						
High						
Extreme						
		Rare	Unlikely	Possible	Likely	Almost Certain
		Likelihood				

3.2 Organisational Risk Register

Ref	Risk Title	Consequence	Likelihood	Risk Rating
1	Major workplace injury or death of an employee	Critical	Unlikely	High
2	Compliance with government policy and legislation	Moderate	Possible	Medium
3	Fraudulent and/or corrupt activity	Moderate	Possible	Medium
4	Management of major hazards to Infrastructure	Major	Possible	High
5	Engagement with stakeholders including State, Federal and Local Governments	Moderate	Possible	Medium
6	Organisational culture	Moderate	Unlikely	Medium

Consequence	Critical		1			
	Major			4		
	Moderate		6	2,3,5		
	Minor					
	Insignificant					
Risk Rating						
Low						
Medium						
High						
Extreme						
		Rare	Unlikely	Possible	Likely	Almost Certain
		Likelihood				

4. Summary of changes since last review

The following provides an overview of the changes made to the Strategic and Organisational Risk Registers since the last review in November 2022. These changes are highlighted in red text within Attachments 1 and 2.

4.1 Strategic Risk Register

- Risk Ref 13 – Current level of the CPI for Adelaide is well above the RBAs target range of 2 to 3 percent – An additional causal factor has been identified regarding financial unsustainability for cancelled contracts.
- Risk Ref 14 – Elected Member Activities – New strategic risk has been included (removed from organisational risks in the last bi-annual risk review) and **increased likelihood to ‘possible’, whilst Council manage potential behavioural** issues that can arise with a new elected body as they undertake mandatory training.

4.2 Organisational Risk Register

Nil changes

Attachments

1. ↓ Strategic Risk Register - As reviewed May 2023	86
2. ↓ Organisational Risk Register - As reviewed May 2023	90

Report Authorisers

Marley Marks	
Governance & Risk Administration Officer	8397 7270
Ilona Cooper	
Manager Governance & Policy	8397 7310
Ryan McMahon	
Chief Executive Officer	8397 7297



City of Tea Tree Gully - Strategic Risk Register

Review Date: 3 May 2022

Risks documented in the Strategic Risk Register have been identified as having the potential to impede on Council realising its strategic objectives as outlined in the Strategic Plan 2025

	Rare	Unlikely	Possible	Likely	Almost Certain
Critical	High	High	Extreme	Extreme	Extreme
Major	Medium	Medium	High	High	Extreme
Moderate	Medium	Medium	Medium	High	High
Minor	Low	Low	Medium	Medium	Medium
Insignificant	Low	Low	Low	Low	Low

Risk ID	Risk Name/Title	Risk Description	Causal Factors	Risk Owner	Strategic/ Organisational	Risk Impact	Existing/Current Controls	Control Effectiveness	Risk Evaluation Post Controls - Residual Risk Assessment			Risk Controls/Risk Treatment to Avoid, Transfer, Mitigate, Accept (if applicable)	Description of Proposed Treatment/Risk Controls	Implement By	Treatment Owner
#		What could go wrong?	*KD= current Key Driver	Position Title	Objective	What are the Impacts should Risk Eventuate?	What is currently in place to manage the risk?		Consequence	Likelihood	Risk Rating		What will we additional do to manage the risk?	Date	Title/Position
1	Major Injuries/Death to Members of the Public	The potential for major injuries or death of members of the public resulting from poorly managed worksites, design of public realm, unsafe work practices, activities and inadequate maintenance of roads, footpaths, trees and park assets	(1) Tripping on footpaths (2) Lack of footpath and road maintenance (3) Substandard materials (*KD) (4) Poorly planned and managed works (*KD) (5) Ineffective traffic management processes (6) unclear instructions/training (7) Ineffective policies and procedures (8) Ineffective signage (9) Poorly maintained headwalls, entrance statements and signage (10) Poorly maintained lighting, headwalls and entrance (11) Climate change impacts - Severe weather events (12) Delayed removal of hazardous trees (13) Poor use and non maintenance of plant and equipment (14) Unsafe work practices (15) Lack of risk assessments (16) Lack of inspection and maintenance of playground equipment (17) Failure of significant and regulated trees (18) Roads, footpaths, trees & park assets coming to end of life (*KD) (19) Accessibility, design and security of public realm spaces (eg. public toilets)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager Civil Assets Manager Civil & Water Operations Manager Parks	SP4 Places 4.6	Major injuries/death, Financial, litigation, Reputation/Image	(1) Signage displayed and work zone traffic management (PE) (2) Existing footpaths and roads maintained in good repair to minimise construction works (PE) (3) Pathway and works areas regularly cleaned of any debris to minimise tripping hazards (PE) (4) Hazards identified and bunted-off and repairs undertaken as a priority (PE) (5) Contractors required to address on site construction safety program as part of project specification (PE) (6) Requirement to have second person as observer when operating machinery (PE) (7) Installation of temporary fencing to construction site to limit access (E) (8) Black-spot programs and road safety Audits (PE) (9) Policies and procedures (PE) (10) Road, footpath, tree and playground inspection and maintenance programs (PE) (11) Risk Assessments (PE) (12) CRM system in place to log and escalate requests from the public (PE) (13) Public and Professional Indemnity Insurance (E) (14) 2019 Risk Evaluation identifying conformances and improvement strategies in compliance with the WorkCover Performance Standards (PE)	Partially Effective	(5) Critical	(4) Unlikely	High	Accept			
2	Failure to Deliver the Strategic and Organisational Plan objectives	Strategy and deliverables not aligned with the Strategic Plan objectives Failure to achieve the strategic and organisational Plan objectives resulting in loss in community confidence and opportunities not capitalised	(1) Unclear plans not identifying goals, objectives and targets (*KD) (2) Failure to identify the community's needs and expectations (*KD) (3) Failure to anticipate and react to the changing needs of the community and/or community demand shifts (4) Inadequate budget and financial position (*KD) (5) Setting of unrealistic and unachievable objectives (6) Not having the right people and tools to drive and deliver (*KD) (7) Strategic projects not aligned to Strategic Plan objectives (8) Stakeholder, political or competitive pressures(*KD) (9) Regulatory changes (*KD) (10) Shift in strategic focus (11) Losing sight of strategic plan objectives in the strategy planning process (12) Ineffective policies and procedures (13) Cost shifting, reduction and/or change in government funding (14) Councillors changes to strategic objectives, ie new councillors, personal interest (15) Market conditions (supply chain, inflation, availability of contractors and consultants)(*KD)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services	SP1 Community 1.4	Inability to meet strategic project outcomes and deliver on community expectations/image and reputation and loss of confidence	(1) Governance structure includes elected members (PE) (2) Engagement and Communication Plans to included Elected Members and MP's (PE) (3) Regular briefings with Elected Members at CEO Workshops (PE) (4) Sign-off from Council at key milestones (PE) (5) Regular review of project risk assessment (PE) (6) Budget bids and budget workshops to identify priorities for Council (E) (7) Council reporting (E) (8) External funding opportunities identified to supplement Council funding (PE) (9) Leadership team focussed on delivery of objectives which are directly linked to business plans (PE) (10) Corporate reporting on KPI's, eg quarterly through performance manager and annually CEO KPI's (PE) (12) Strategic, Organisational and Departmental risks identified all link to a strategic or organisational objective (PE)	Partially Effective	(4) Major	(3) Possible	High	Accept			

3	Council Owned or Inherited Assets and Infrastructure	Inability to supply and maintain infrastructure and assets that support population growth, cater for a diverse community and enhance people's health, happiness and wellbeing	(1) Ageing infrastructure - end of life (*KD) (2) Inherited infrastructure poorly structured (3) Degradation (*KD) (4) Lack of long-term asset management plans (5) Insufficient asset and infrastructure maintenance programs (*KD) (6) Inaccurate asset management data/records (7) Insufficient capital works planning and budget (8) Climate change adaption strategies not planned or considered in the event of and response to extreme weather and emergency events (9) Poor maintenance and inspection regimes/programs (*KD) (10) Failure to consider sustainable improvements as part of retrofit and maintenance (11) Increase in street parking (12) Insufficient Cemetery long-term planning - inability to meet population demographic for current and future capacity	General Manager City Operations Group Coordinator Civil and Building Projects Manager Civil Assets Manager Strategic Assets	OP4 Finance & Systems OP4.1.1	Social, economic and environmental issues	(1) Reactory/reactinary portfolio budget available to deal with potential short term claims (PE) (2) Asset Management Plans in place for a number of Council assets including: - Buildings - Footpaths - Roads - Stormwater - Waterworld (PE) (3) Long Terms Financial Plan in place that aligns to existing Asset Management Plans (5) Strategic Plan 2025 & Organisation Plans 2025 (PE) (6) Feature wall/entrance statements data captured in Assetic (PE) (7) Cemetary management policy (PE) (8) Notifaction process of potenial land sales alerts of surround peroperties for potential purchase (PE) (9) Cemetary management contract (PE) (10) Strategic Asset Management - Internal Audit	Partially Effective	(4) Major	(3) Possible	High	Mitigate	(1) Development of asset registers (for other asset classes) as part of valuation process (2) Condition Assessment of Entrance Statement Wall and develop Renewal Plan (3) Develop Asset Management Plans for other classes of assets:: - Bridges - Bus stops - Car Parks - Retaining Walls / Fences / Entrance statements - Open Space & Recreation (eg. Playgrounds) - Public Lighting - Stormwater (4) Implement findings from Internal Audit - Strategic Asset Management (5) Review policy and develop procedure to incude licensed duration/expiry of plots (6) Developing a customer service charter with needs	Dec-22	Director Assets and Environment Group Coordinator Civil and Building Projects Strategic Assets Coordinator Manager Governance and Policy Group Coordinator Civil and Building Projects
4	Emergency Management & Business Continuity	Failure and/or inability to prevent, prepare, respond, sustain or recover operations or operations being suspended/modified in the event of a major disaster/ Pandemic/disruptive event impacting delivery of services to the community	(1) Ineffective planning and testing of emergency management and business continuity systems and processes resulting in Systems failure (2) Unclear policies and procedures (3) Failure to test or ineffective testing of plans (4) Unclear roles and responsibilities (5) Lack of capacity and capability of Council's Incident Management Team (*KD) (6) Redirection of resources managing competing priorities (7) Ineffective communication protocols in place for Council's Incident Management Team (8) Lack of community resilience development (9) Declared Emergency across State, Country, or World that continues for an extended period of time, ie COVID-19 (*KD) (10) Government or SAPOL Commissioner directive to suspend or modify services provided by Council (*KD) (11) Capcity and capability impacted ie, Absenteeism (*KD)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services CIMT Manager Governance & Policy	SP5 Leadership 5.1	Decreased service delivery levels, loss of confidence and increased risk to community safety, economic impact	(1) Incident Management Framework (PE) (2) Business Continuity Plan (PE) (3) IT Disaster Recovery Plan (PE) (4) Emergency Management Plan (PE) (5) Incident Management Operations Manual (6) Total Fire Ban Day Plan (PE) (7) Business Impact Assessments undertaken on all critical and non-critical functions (PE) (8) Council Incident Management Team structure with role redundancy built in to enable coverage across shifts, to coordinate the response to any emergency event or business interruption event (E) (8) LGAMLS (PE) (9) Representation on Zone Management Committee (PE) (10) Emergency Management Secure Website - Repository for all Emergency Management information - not based in SA (PE) (11) Service centre site (Implemented IIT intel hub facility) supplementary and primary service delivery alongside Civic Centre (E) (12) Periodic reviews of Business Continuity Plan/Emergency Management Plans and testing (PE) (13) Extensive knowledge and experience of Executive Leadership Team in relation to incident management (14) Internal audit undertaken on BCP in May 2019 (15) LGAMLS evaluation of emergency management systems and processes with associated action plan (E) (16) Periodic reporting to Audit Committee on incident management arrangements (PE) (17) Training to elected members on emergency management (PE) (18) Central local government coordination by Local	Partially Effective	(5) Critical	(4) Unlikely	High	Mitigate	(1) Follow up on outstanding actions arising from testing/review of plans (2) Review current practices/system post COVID and implement learnings/continuous improvement (3) Relevant risks identified through emergency risk assements included in applicable Departmental registers and mitigation strategies and controls considered	On-going	Emergency Management Advisor Departmental Managers
5	Future Economic Development Opportunities not Realised	Future viable economic opportunities in the city compromised creating social, economic and environmental issues, or not being realised due to Development Plan not being aligned to Strategic Objectives	(1) Ineffective long-term planning (*KD) (2) failure to identify and respond to human and physical capital investment opportunities (3) Inability to influence new business to the City (*KD) (4) Insufficient residential housing/land (*KD) (5) Failure to plan for local development (*KD) (6) Inability to use or influence 'buy local' initiatives (7) Insufficient employment opportunities (8) Inability to partner with Govt, business and the community to drive growth (*KD) (9) Unaffordable housing (10) Misalignment of political and development interests	Chief Executive Officer Director, Organisational Services & Excellence Director Assets and Environment Director, Community & Cultural Development	SP3 Economy 3.3	Social - limited employment opportunities, economic downturn and environmental issues, Industry indifference to investment, development, image and reputation	(1) Modbury Precinct revitalisation project – increasing investment and growth in our regional centre (PE) (2) Established an Economic Development Steering group to identify areas that Council can influence economic development and grow our local economy (PE) (3) Commenced an economic development review to consider how Council can best influence economic development and how advice is provided to small businesses (a) Strategic Plan 2025 (b) Building optimisation audit (c) Planning and Design Code (d) Council's Small Business Advisory Service (e) Supporting Small Business Program PE)	Partially Effective	(4) Major	(4) Unlikely	Medium	Accept			

6	Changing Environmental Factors	Failure to adequately plan, prepare and respond to the impacts of population density, climate change frequent and severe weather disturbances and sea rises (including storm, heat and wind/ flooding/ bushfires/ environmental factors such as water linked diseases and land degradation)	(1) Climate change adaption strategies not planned and considered (*KD) (2) Ineffective climate change adaption strategies and plans (*KD) (3) Failure to consider sustainable improvements as part of retrofit and maintenance (4) Lack of understanding of the impact of climate change effects (*KD) (5) Insufficient budget to manage increased risks (collapse, declining health, subsidence, increased maintenance requirements) (*KD) (6) Unclear policies and procedures (7) Vulnerable and non-resilient assets and infrastructure	Chief Executive Officer General Manager City Operations General Manager Corporate Services Manager Building, Assets & Environment Manager Parks	SP5 Leadership 5.5	Societal collapse associated with regional changes in climate and major effects on the natural environment, shortfalls in water supply, food security, human health and infrastructure	(1) Resilient East Adaptation Plan and annual work plan (PE) (2) Open Space Strategy Plan (PE) (3) Climate Change Action Plan (E) (4) Biodiversity Strategy (PE) (5) Asset Management Plan (PE) (6) Strategic Plan objectives (PE) (7) Business Planning (PE) (8) Tree Management Strategy and Policy (PE) (9) Federal and State Government Climate Change Strategies and targets (PE) (10) Waste Management Policy (PE) (11) Climate adaptation consultancy (PE) (12) Stormwater management planning (PE)	Partially Effective	(4) Major	(3) Possible	High	Accept	Regular review and revision of the Climate Action Plan to reset the targets and actions Electricity Procurement - to participate in the Electricity Working Group with LGAP for the procurement of renewables as part of the contracts starting 1 Jan 2023	On-going Jun-23	Director Assets and Environment Environmental Sustainability Co-ordinator
7	Unsustainable Employment Model	Sustainability and agility of service delivery not planned and considered to meet the changing community expectations to operate in an environment of rapid change with current/traditional local government employment model, workforce mix and leadership	(1) Workforce structure and job design not planned to adapt to changing needs (*KD) (2) Changing community expectations (3) Artificial Intelligence / automation changing job roles (4) External market pressures (5) Digital literacy of community members and changing approach to interaction with Council (6) Skill and capability level of workforce and leadership (*KD) (7) Insufficient training for changing job requirements (*KD) (8) Leadership that is unable to adapt to and operate in an environment of rapid change, ie moving technology	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager Organisational Development	SP1 Community 1.4	Poor organisational outcomes - Quality of service delivery inconsistent and failure to meet customer expectations and community outcomes	(1) Organisational Development strategy- Leadership development Culture and engagement strategies Performance Management Learning and Development Wellbeing Strategic Workforce Planning and Change Management Work Health and Safety (PE) (2) Robust recruitment process is in place (PE) (3) IPP's conducted every six months (PE) (4) Qualifications are checked and sighted before commencement (PE) (5) Ongoing training and development programs are in place (PE) (6) Probationary periods are used to assess performance (PE) (7) Essential qualifications, skills and licenses are identified and checked as part of our health and safety processes (PE) (8) Fixed term contracts put in place for a number of roles (8) Flexible working arrangements (PE) (9) Opportunity and Service Review - Community Value Program (E)	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept			
8	Financial Sustainability	Inability to maintain financial sustainability in delivering services, programs and initiatives, including the provision of new capital works and maintenance of Council assets and infrastructure to meet the community's needs and expectations	(1) Insufficient operational & capital budgets (2) Ineffective budget planning and monitoring (*KD) (4) Redirection of resources to deal with major event (5) Insufficient long-term strategy and asset planning (6) Non budgeted costs resulting from severe/extreme weather events (7) Third party property damage & Utilities damage resulting from council works (8) Reduced water availability (9) Impact of climate change to trees and landscape (10) Impacts from changes to Government Policy/Local Government review/changes to legislation (11) Federal and State funding cuts/loss of grants and funding (12) State Government policy directive, ie rate capping (13) Less reliance on discretionary income than some other Councils (14) Lack of understanding around inflationary impacts	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services	SP5 Leadership 5.5	Exceed Council's operating budget causing financial strain/compromised service delivery/inadequate asset management, image and reputation	(1) Monthly variation reports by managers to ensure expenditure within budget (PE) (2) Quarterly budget reviews are undertaken to monitor expenditure (PE) (3) Contract policy and procedures in place to manage and monitor procurement and contracts and to ensure appropriate expenditure authorisation (PE) (4) Managers set KPI to meet budget (E) (5) Public liability and indemnity insurance (6) Business Plans/budget plans and action plans (PE) (7) Subscriptions to State Govt websites, initiatives and monitoring of grant funding through bulletin alerts and grant funding databases (PE) (8) Engagement and external partnering/partnerships programs and initiatives (PE) (9) Long term financial planning (PE) (10) Budget Plans/forecasts (PE) (11) Monitor debt /interest (PE) (12) Asset Management Plans (E) (13) Monitoring and analysing discretionary services for value add (PE) (14) Limited reliance on discretionary income (primarily grant funding or rate revenue)	Effective	(2) Minor	(4) Unlikely	Low	Accept	(1) Monitoring and reporting of expenditure	on-going	Manager Finance and Rating Operations
9	Diversification of Industry and Retail Sectors	Inability to facilitate diversification of industry and retail sectors within the city's economy Economic down turn, limited employment opportunities for key demographics groups and industry indifference to investment in the city leading to decline/ degenerated economy and unsustainable growth in the city	(1) Insufficient planning opportunities to identify types of industries and retail sectors to benefit in the city (2) Inability to forecast population growth rate and trends (3) Insufficient urban renewal (*KD) (4) Insufficient mix of tourism, arts, culture and hospitality (5) Loss of investor confidence (*KD) (6) Inability to partner with Govt, business and the community to drive growth (*KD)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services	SP3 Economy 3.3	Financial loss - decreased revenue and increased rates to sustain operations, industry indifference to growth and development, image and reputation	(1) Establishment of an Economic Development Steering group to identify areas that Council can influence economic development and grow our local economy (PE) (2) Commenced an economic development review to consider how Council can best influence economic development and how advice is provided to small businesses (a) Strategic Plan 2025 (b) Planning and Design Code (c) Small Business Advisory Service (d) Supporting Small Business Program (PE)	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept			

10	Major Strategic Projects	Inability to deliver major strategic projects leading to financial loss, reduced sustainability and loss of confidence by staff and the community (ie grant funded projects, and various sporting club up-grades)	<p>(1) Failure to meet project plan timeframes (*KD)</p> <p>(2) Community influence</p> <p>(3) Contractors/third party's inability to meet projected timeframes (*KD)</p> <p>(4) Failure to identify operational and project risks</p> <p>(5) Budget allocation over-run/spend (*KD)</p> <p>(6) Unrealistic project timeframes</p> <p>(7) Unforeseeable risks, ie tree root damage</p> <p>(8) Unidentified Scope</p> <p>(9) Ineffective monitoring and analysis</p> <p>(10) Inexperienced staff leading major projects (*KD)</p> <p>(11) Skilled Contractor shortages and availability resulting from the impacts of COVID and high demand (*KD)</p> <p>(12) Influx of projects leading to Project Managers being at/over workload capacity</p>	<p>General Manager Corporate Services</p> <p>General Manager Finance & Strategy</p> <p>Manager Finance & Rating Operations</p>	SP4 Places 4.6	Service Delivery, reputation and image/loss of staff and community confidence, financial implications	<p>(1) Project Management Plans (PE)</p> <p>(2) Budget Plans/forecasts (PE)</p> <p>(3) Strategic project risk assessments (PE)</p> <p>(4) Stakeholder engagement (PE)</p> <p>(5) Steering Committee (PE)</p> <p>(6) Specialist Consultants (E)</p> <p>(7) Project elements outsourced (E)</p> <p>(8) Qualified and experienced project management leaders (PE)</p> <p>(9) Contractor Management processes (E)</p> <p>(10) Project Management Framework (PE)</p>	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept	Approaching wider markets and extended timeframe considerations for engaging consultants and contractors	On-going	Departmental Managers
11	Employment Market and Skill Diversity Shortage	Inability to effectively attract and retain skilled and diverse staff in a tight employment market	<p>(1) Pandemic resulting in low people movement (*KD)</p> <p>(2) Unclear Business needs</p> <p>(3) Uptake of Redundancy package offer (*KD)</p> <p>(4) Organisational restructuring and job role redesign</p> <p>(5) Lack of workforce succession planning</p> <p>(6) Labour market shortage of skilled candidates impacted by COVID (*KD)</p> <p>(7) Ageing workforce and loss through natural attrition (*KD)</p> <p>(8) Failure to build a strong employer brand, ie reputation of Council as an employer</p> <p>(9) Culture not consistent with values and beliefs of Council</p> <p>(10) Promotional opportunities not offered/realised</p> <p>(11) Increased to staff workloads, poor morale and wellbeing</p>	<p>Chief Executive Officer</p> <p>General Manager City Operations</p> <p>General Manager Strategy & Finance</p> <p>General Manager Community Services</p> <p>General Manager Corporate Services</p> <p>Manager Organisational Development</p>	SP5 Leadership 5.1	Disruption to service delivery, failure to meet customer and community expectations, employee morale and wellbeing, reputation and image/Loss of Community confidence, financial implications	<p>(1) Strategic workforce planning and change management (PE)</p> <p>(2) Culture and engagement strategies (PE)</p> <p>(3) Promoting an internal and external strong employer brand (PE)</p> <p>(4) Ensuring salary and conditions competitive with similar organisations through EB Negotiations (PE)</p> <p>(5) Strong values and beliefs culture (PE)</p> <p>(6) Offer of professional development opportunities (PE)</p> <p>(7) Outsourcing of projects/use of external consultants</p>	Partially Effective	(3) Moderate	(3) Possible	Medium	Mitigate	Approaching wider markets and extended timeframe considerations for engaging consultants and contractors	Ongoing	<p>Departmental Managers</p> <p>Procurement and Contract Management</p>
12	Breach of information security	The loss of community confidence and allegiance through the threat by external sources breaching information security	<p>(1) Old, unpatched security vulnerabilities</p> <p>(2) Human Error (*KD)</p> <p>(3) Malware</p> <p>(4) Unclear policies and procedures - staff misuse</p> <p>(4) Theft of a data-carrying device</p> <p>(5) Poor business process</p> <p>(6) Insecure access/password</p> <p>(7) Hacking/virus/Trojans/phishing (*KD)</p>	<p>General Manager Corporate Services</p> <p>Manager IT Solutions</p>	SP4 Places 4.3	Damaged and lost IT infrastructure/financial/r eputation	<p>(1) Virus definitions up-dated regularly to detect new virus' and up-date the anti-virus software (PE)</p> <p>(2) Internet and email filtering to identify and block harmful content (PE)</p> <p>(3) Majority of users on Citrix which is software designed to facilitate secure access to applications and content (PE)</p> <p>(4) Information security policy and framework (PE)</p> <p>(5) Implementation of mobile device management strategy (PE)</p> <p>(6) Network monitoring tools implemented (PE)</p> <p>(7) External auditing to identify system improvements (PE)</p> <p>(8) Business Continuity Plan</p> <p>(9) Penetration testing</p> <p>(10) Training and Education</p> <p>(11) Two factor authentication and regular mandated password updates</p>	Partially Effective	(4) Major	(2) Likely	High	Accept			
13	Current level of the CPI for Adelaide is well above the RBAs target range of 2 to 3 percent	The current level of CPI has resulted in an increase to the cost of goods and services consumed by Council. This may result in an increase to the cost base of Council which is greater than that ability of Council to increase revenue or reduce cost base.	<p>(1) Cost of goods and services consumed increase in line with current CPI</p> <p>(2) Future increases to Rate Revenue and User Charges are not in line with CPI</p> <p>(3) Limited appetite to reduce services offered by Council to reduce costs base</p> <p>(4) Cancelling of contracts - financially unsustainable</p>	<p>General Manager Strategy & Finance</p> <p>Manager Strategy & Finance</p>	SP5 Leadership 5.4	Long term financial sustainability of Council is compromised through reduced operating surpluses that are below the Financial Sustainability Policy Metrics. Reduction in operating surpluses reduces Council's ability to invest in new infrastructure for Community	<p>(1) Education for Elected Members on budget implications if rates increase does not match CPI</p> <p>(2) Employee award increase is capped at 2.5%</p> <p>(3) Community Value program aims to review Council services and practices to ensure they are efficient and effective</p> <p>(4) Continuous managing of budget variances with budget owners</p> <p>(5) Identification of continuous improvement opportunities that deliver targeted efficiencies</p> <p>(6) Value management incorporated within procurement activities</p>	Effective	(3) Moderate	(1) Almost Certain	High	Mitigate			
14	Elected Member Activities	Elected member display of inappropriate behaviour, making of promises outside of Council decision and providing conflicting advice from staff leading to loss of confidence by constituents and the wider community	<p>(1) Inappropriate behaviour (*KD)</p> <p>(2) Breach of code of conduct</p> <p>(3) Incorrect Advice provided to constituents</p> <p>(4) Directing operational request to immediate staff</p> <p>(5) Insufficient induction, training and information provided on roles and responsibilities</p> <p>(6) Unclear legislative requirements</p> <p>(7) Non-declaration of conflict of interest issues</p> <p>(8) Conflicting operational advice and process provided to constituents</p> <p>(9) Leaking of confidential information to the media (*KD)</p>	<p>Chief Executive Officer</p> <p>Director, Organisational Services and Excellence</p> <p>Manager Governance & Policy</p>	OP4 Sustainable Operations 4.1	Loss of confidence, reputation and image to Council/inaccurate information/Potential financial implications	<p>(1) Elected Member Induction and intensive training program - both mandatory and ongoing annual program (PE)</p> <p>(2) Ongoing advice to address specific situations (PE)</p> <p>(3) Open and transparent communication avenues provided to Elected Members (PE)</p> <p>(4) Elected Member Code of Conduct and associated process for handling complaints (PE)</p>	Partially Effective	(3) Moderate	(4) Possible	Medium	Accept			

D15/30072

Strategic Risk Register



City of Tea Tree Gully - Organisational Risk Register

Review Date: December 2022

Risks documented in the Organisational Risk Register have been identified as having the potential to impede on Council realising its organisational objectives as outlined in the Organisational Plan 2025

	Rare	Unlikely	Possible	Likely	Almost Certain
Critical	High	High	Extreme	Extreme	Extreme
Major	Medium	Medium	High	High	Extreme
Moderate	Medium	Medium	Medium	High	High
Minor	Low	Low	Medium	Medium	Medium
Insignificant	Low	Low	Low	Low	Low

Risk ID	Risk Name/Title	Risk Description	Causal Factors	Risk Owner	Hierarchy of Risk	Risk Status	Risk Category	Strategic/ Organisational	Risk Impact	Existing/Current Controls	Control Effectiveness	Risk Evaluation Post Controls - Residual Risk Assessment			Risk Controls/Risk Treatment	Description of Proposed Treatment/Risk Controls	Implement By	Treatment Owner
#		What could go wrong?		Position Title				Objective	What are the Impacts should Risk Eventuate?	What is currently in place to manage the risk?		Consequence	Likelihood	Risk Rating	ie Avoid, Transfer, Mitigate, Accept (If applicable)	What will we additional do to manage the risk?	Date	Title/Position
1	Major Workplace Injury or Death of an Employee	Major workplace incident resulting in serious injury or death of an employee	(1) Inappropriate or ineffective WHS policies, procedures, PPE and training (2) Non-compliance with legislation (3) Inattention or distraction (*KD) (4) Extreme Environmental Conditions (storms, heat waves, etc)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager Organisational Development	Organisational	Active	Safety and Wellbeing	OP4 Sustainable Operations 4.2	Non-compliance with WHS legislation, injuries/death/ litigation, financial	(1) WHS Policies and Procedures (PE) (2) WHS Induction and Training (PE) (3) Council's Code of Conduct (PE) (4) Workplace Inspections (E) (5) Compliance Register (E) (6) LGAWCS Risk Evaluation Audits and associated action plans (E) (7) Strategic WHS Committee (PE) (8) Internal Audit Schedule (E) (9) WHS Plan 2017 -2020 (E) (10) Monthly WHS Plan 2017 - 2020 Program Progress Report (E) (11) Executive Sponsorship of each of the WHS Plan 2017 - 2020 programs (E) (12) Training needs analysis undertaken for high risk roles (PE) (13) Implementation of WHS Plan 2017 - 2020 including management of identified Principle WHS Risks (14) Evaluation of system effectiveness through internal Audit (15) Ongoing Participation in LGAWCS and RTWSA Reviews and Audits (16) Enhanced safety first culture to ensure safe workplaces and practices (17) Develop and deliver Safety leadership program to all Front Line Managers (18) Develop and deliver Safety Leadership Program to all staff	Partially Effective	(5) Critical	(4) Unlikely	High	Accept			
2	Compliance with government Policy and Legislation	Non-compliance with Legislative responsibilities and/or Government Policy as it applies to all facets of Local Government	(1) Ineffective planning and implementation strategies (*KD) (2) Ignorant to legislative changes (3) Insufficient budget and timelines - implement changes (4) Local Govt changes and reform not communicated (5) Insufficient training and information provided understanding/knowledge of legislation changes (6) Legislation not prescriptive and open to interpretation	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services	Organisational	Active	Legal/Regulatory	OP4 Sustainable Operations 4.1	Financial or legal penalties or implications for non-compliance	(1) Responsibility is driven through staff, Managers and relevant Business Plans. Staff are kept informed of changes via: • Relevant professional networks • Legislative alert summary (prepared by lawyers) • Government Gazette notice summary (prepared by lawyers) • LGA Circulars • Business Plans • Internal risk assessments • CEO & Director one on ones • Audit Committee and Council reports and actions (PE)	Partially Effective	(3) Moderate	(3) Possible	Medium	Mitigate	(1) Aspects of legislative compliance to form part of every internal audit review (where relevant) undertaken in accordance with the Internal Audit Plan (2) Consideration to be given to allocating more internal audit reviews that cover high risk pieces of legislation	Jun-22	Manager Governance and Policy
3	Fraudulent and/or Corrupt Activity	Failure to prevent fraudulent and or corrupt activity leading to major financial loss, reputational loss, reduced sustainability or ability to achieve organisational objectives / projects	(1) Inappropriate or ineffective internal controls (both preventative and detective) (*KD) (2) Insufficient auditing of financial activity (3) Employees making decisions out of personal interest (4) Unclear policies and procedures (5) Conflict of interest (6) Leaking of confidential and sensitive information	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manger Corporate Services Manager Governance and Policy	Organisational	Active	Fraud and Corruption	SP1 Community 1.3	Financial loss and image and reputation	(1) Clear delegations and segregation of duties processes (E) (2) Procurement policies and procedures (PE) (3) Fraud and Corruption Control Policy (PE) (4) Internal financial controls (PE) (5) Internal and External Audits (PE) (6) Audit Committee (PE) (7) Criminal history checks for employees (PE) (8) Employee Conduct Policy (PE) (9) Gifts and Benefits Register Procedure	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept			
4	Management of Major Hazards to Infrastructure	Inability to identify, manage and control major infrastructure hazards such as gas explosion, waterways contamination, sink holes, bore/dam collapse jeopardising community safety	(1) Ineffective asset management plans (2) Unclear policies and procedures (3) Lack of monitoring, testing and inspection programs (*KD) (4) Lack of maintenance and cleaning regimes (5) Financial constraints	General Manager City Operations Manager Civil Assets Manager Civil & Water Operations Manager Parks Manager, Buildings Assets & Environment	Organisational	Active	Safety and Wellbeing	SP4 Places 4.6	Major injuries and potential death/financial loss/loss of confidence and credibility	(1) Asset management plans (PE) (2) Investigations of network and capacity (PE) (3) Infrastructure and equipment to manage major leaks (PE) (4) Flaring of excess gas from Subterranean landfill avenues provided to Elected Members (PE) (5) Regular water quality testing of waterways (Wynn Vale Lake and Jubilee Lake) (E) (6) Reporting to Office of the Technical Regulator and self-disclosure via EPA (PE)	Partially Effective	(4) Major	(3) Possible	High	Accept			

5	Engagement with Stakeholders including State, Federal and Local Governments	Inability to effectively advocate on behalf of the community to lobby Government to influence political decision, making right decisions, achieve funding objectives or engage with stakeholders resulting in: • reduced resource/funding availability • missed opportunity • reputational risks • misplaced criticism • unclear Council priorities • exclusions by sectors of community • undermined strategic/corporate achievements • lack of community engagement • lack of grant funding	(1) Ineffective or lack of policy, planning and strategy - inclusive of stakeholder engagement (2) Inability to sustain and build relationships (3) Lack of community and public consultation, including participation (4) Ineffective partnering/partnerships, lost opportunity (*KD) (5) Failure to identify key stakeholders that will aid in decision making and priority areas (7) Community groups not engaging with their lessor (Council) (*KD) (8) Maturity levels of community groups - governing structures not sufficient to align with the significant investment from state government and Council (*KD)	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager City Strategy	Organisational	Active	Service Delivery	OP3 Future Capability 3.2	Council reputation/missed opportunities/loss of confidence	(1) Council Solutions (E) (2) ERA - Eastern Region Alliance (E) (3) Community Engagement Consultation Policy (E) (4) Project Management Framework - requirement to engage with stakeholders (PE) (5) Regular Satisfaction Surveys (PE) (6) Modbury Precinct Revitalisation Activation Strategy (PE) (6) Media Policy (PE) (7) Community Grants Policy/External Grant Funding Policy (PE) (8) Local Government Association (LGA) (E) (9) Centre led coordination by City Strategy Department for grant opportunities with monthly reporting to Elected Members by CEO (E) (10) Existing allocation in Council budget for discretionary grant allocation (E) (11) Grants SA Website (PE) (12) Departmental participation and activity in relevant industry forums (E) (13) Relationship management with existing members and candidates of state and federal seats as well as other stakeholders, eg sporting clubs (PE)	Partially Effective	(3) Moderate	(3) Possible	Medium	Accept			
6	Organisational Culture	Inability to identify and embed the corporate values leading to poor organisational culture, loss of productivity, high employee turnover and missed innovative business opportunities	(1) Inappropriate behaviour (*KD) (2) Breach of code of conduct (3) Fraud and Corruption (4) Failure to comply or respect Council's corporate values (5) Insufficient induction, training and information provided on roles and responsibilities (*KD) (6) Unclear legislative requirements (7) Failure to work towards Council's common business goals (*KD) (8) Low employee morale and employee disengagement (9) Lack of direction and leadership	Chief Executive Officer General Manager City Operations General Manager Strategy & Finance General Manager Community Services General Manager Corporate Services Manager Organisational Development	Organisational	New	People and Culture	OP4 Sustainable Operations 4.2	Loss of confidence, reputation and image to Council/inaccurate information/Potential financial implications/litigation	(1) Training and Induction (PE) (2) Internal Policies and Procedures (PE) (3) Individual performance Planning -IPP (PE) (4) Employee Code of Conduct (PE) (5) Work Health and Safety (6) Wellbeing programs and access to Employee assistance program (PE) (7) Learning and development opportunities (PE) (8) Commitment to workplace diversity and inclusion (PE) (10) Promoting Council's values and behaviours (11) Regular Pulse Surveys	Partially Effective	(3) Moderate	(4) Unlikely	Medium	Accept			

INFORMATION REPORT

AUDIT & RISK COMMITTEE MEETING

17 May 2023

Corporate Services

Internal Audit Plan Status Update (D23/29834)

An Internal Audit Plan is established for the beginning of each financial year to provide the Committee with confidence that internal control practices, procedures and risks across Council are appropriately managed. An updated Internal Audit Plan for 2022-23 was endorsed by the Audit & Risk Committee at its meeting on 7 September 2022.

Status of Internal Audit Plan

A status update on the delivery of the Internal Audit Plan is provided at each Committee meeting.

Audit Title	Status	Notes	Auditor
Fraud and Corruption	Completed	Report provided to 9 February 2022 Audit & Risk Committee meeting	KPMG
Bushfire Prevention and Preparedness	Completed	Report provided to 28 September 2022 Audit & Risk Committee meeting	KPMG
Procurement (quotations)	Completed	Report provided to 29 March 2023 Audit & Risk Committee meeting	Internal
Strategic Social Infrastructure Planning	Completed	Report provided to 29 March 2023 Audit & Risk Committee meeting	WSP Australia Pty Ltd
Strategic Asset Management	In progress	Due to unforeseen circumstances, finalising this report has been delayed. Final report will be provided to next ordinary Audit & Risk Committee meeting	Institute of Quality Asset Management
Precinct Planning	In progress	Fieldwork in progress. Report will be provided to next ordinary Audit & Risk Committee meeting	Future Urban

Audit Title	Status	Notes	Auditor
Recycled Water	In progress	Contract awarded. Fieldwork in progress. Report will be provided to next ordinary Audit & Risk Committee meeting	KPMG
Strategic Environmental Management	In progress	Request for quote (RFQ) has been distributed and closes on 25 May 2023	N/A

The new internal audit plan for 2023-24 will also be presented to the Committee at its next ordinary Committee meeting.

Attachments

N/A

Report Authorisers

Marley Marks	
Governance & Risk Administration Officer	8397 7270
Ilona Cooper	
Manager Corporate Governance	8397 7310
Ryan McMahon	
Chief Executive Officer	8397 7297

INFORMATION REPORT

AUDIT & RISK COMMITTEE MEETING

17 May 2023

Corporate Services

Internal Audit Agreed Actions Update (D23/30360)

Background

In line with the Audit & Risk Committee's Terms of Reference (clause 2.3), the Committee is responsible for monitoring recommendations for improvement from previous audits (commonly referred to as implementation of agreed actions).

At every Committee meeting a status update is provided on outstanding 'high' or 'extreme' risk rated actions. Reporting on the progress of all outstanding actions was provided to the Committee at its 29 March 2023 meeting, with a status update on all actions provided every 6 months.

'High' or 'Extreme' Agreed Actions

The Fraud Management Internal Audit report presented to the Audit Committee in February 2022 highlighted 8 key findings and 1 opportunity for improvement. Only 2 findings from this internal audit were rated as a 'high' risk (which are detailed below). Majority of these actions have now been completed, with one remaining action in progress awaiting the recruitment of the Manager People & Capability. There are no other high or extreme rated risk actions outstanding from previous audits.

Finding 1– Increased fraud and corruption risk factors	Agreed Actions and further comments
<ul style="list-style-type: none"> • The Assets & Environment business unit conduct a fraud specific risk assessment to identify areas where further controls are required to reduce instances of fraud; • Fraud risk and awareness training is completed within the Assets & Environment business unit • Quarterly reporting be provided to the Executive Team on the status of outstanding recommendations from 	<ul style="list-style-type: none"> • Completed - fraud risk assessment for City Operations has now been completed (previously referred to as Assets & Environment). • Completed - Fraud awareness training has been completed within corporate leaders in City Operations. • Completed - Introduction of quarterly fraud reporting to ELT is completed, with reporting commencing from 1/7/22.

Finding 1– Increased fraud and corruption risk factors	Agreed Actions and further comments
<p>Fraud Investigations, which also includes critical areas such as training; and</p> <ul style="list-style-type: none"> • Incorporation of the effectiveness of fraud controls implemented be included within the Performance Management Procedure for senior management staff 	<p>The latest report was for the 1/1/23 to 31/3/23 quarter.</p> <ul style="list-style-type: none"> • In progress – Performance Management Procedure for senior management staff and/or position descriptions to be updated to incorporate this recommendation. This will be addressed once the new Manager People & Capability has been recruited (revised due date of 30/6/23)
Finding 2– Fraud risk related to theft of small tools	Agreed Actions and further comments
<ul style="list-style-type: none"> • Assets & Environment business unit conduct a fraud specific risk assessment, as further outlined in Finding 1 and 4; • Assets & Environment business unit undertake the audit over small tools as intended, to ensure the small tools register is up-to-date and accurate 	<ul style="list-style-type: none"> • Completed. The small tools audit was conducted between May and June 2022, and included all of Council's locations, vehicles and storage areas. The tools asset register has been reviewed and updated accurately. Detailed findings of this audit were presented to the Audit Committee on 28 September 2022.

Attachments

N/A

Report Authorisers

Marley Marks	
Governance & Risk Administration Officer	8397 7270
Ilona Cooper	
Manager Corporate Governance	8397 7310
Ryan McMahon	
Chief Executive Officer	8397 7297

INFORMATION REPORT

AUDIT & RISK COMMITTEE MEETING

17 May 2023

Strategy & Finance

Second Quarter Budget Review for Financial Year Ending 30 June 2023 (D23/31553)

Council considered and endorsed the Second Quarter Budget Review Report on 28 February 2023. This report is included as Attachment 1.

Council passed the following resolution on 28 February 2023:

12.4 Quarter Two Budget Review for Financial Year Ending 30 June 2023 (D23/10337)

That Council adopts the Quarter Two Budget Review for the period 1 July 2022 to 30 June 2023, as detailed in Attachment 1 and Attachment 2 of the report titled **“Quarter Two Budget Review for Financial Year End 30 June 2023”** and dated 28 February 2023 which reflects a revised operating forecast surplus of \$5.468m.

Carried Unanimously (89)

Attachments

1. 1	2022-23 Quarter Two Budget Review	99
----------------------	---	----

Report Authorisers

Stuart Simpson Team Leader Financial Accounting	8397 7308
Rebecca Baines Manager Finance & Rating Services	8397 7362
Justin Robbins General Manager Strategy & Finance	8397 7444



REPORT FOR

COUNCIL MEETING

MEETING DATE

28 FEBRUARY 2023

RECORD NO:

D23/10337

REPORT OF:

STRATEGY & FINANCE

TITLE:

**QUARTER TWO BUDGET REVIEW FOR FINANCIAL YEAR
ENDING 30 JUNE 2023****PURPOSE**

To consider Council's financial performance as at 31 December 2022 and to consider budget variations for the 2022-2023 financial year based on the most recent forecasts.

RECOMMENDATION

That Council adopts the Quarter Two Budget Review for the period 1 July 2022 to 30 June 2023, as detailed in Attachment 1 and Attachment 2 of the report titled "Quarter Two Budget Review for Financial Year End 30 June 2023" and dated 28 February 2023 which reflects a revised operating forecast surplus of \$5.468m.

1. BACKGROUND

To comply with the requirements of the Local Government (Financial Management) Regulations 2011 under the Local Government Act 1999 (the 'Act') Regulation 9, the Budget Reviews, including the Quarter One Budget Review, have been scheduled to be undertaken as at 30 September (Quarter 1), 31 December (Quarter 2), 31 March (Quarter 3) and presented to the Council meetings scheduled in October 2022, February 2023 and May 2023.

Pursuant to section 123 (10)(b) of the Act, each budget review of Council prepared under the Act must, in order to ensure that a direct comparison can be made between the budget and actual outcomes, include the following documents:

- (a) include budgeted financial statements, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the Model Financial Statements; and
- (b) state whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year; and
- (c) include a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and
- (d) include estimates with respect to the council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

Since the adoption of the 2022-2023 Quarter One Budget Review on 25 October 2022 Council has resolved the following matters that have been included in the Quarter Two Budget Review:

29 November 2022

12.1 Proposed changes to the Road Resealing program, Financial Year Ending 2023 (D22/192307)

That Council after considering the report titled "Proposed Changes to the Road Resealing Program, Financial Year Ending 2023" and dated 29 November 2022 supports the changes to the road resealing program as detailed in Attachment 1 of the report.

13 December 2022

12.1 Street Light LED Project (D22/196754)

That having considered the report titled "Street light LED Project" and dated 13 December 2022 Council allocates \$750k from the 2022/23 Capital Works Project – 'Projects to be Grant Funded' to support the conversion of the majority of the remaining outreach streetlights to LED.

13 December 2022

12.4 Memorial Drive Storytelling Project (D22/193729)

That having considered the report titled “Memorial Drive Storytelling Project” and dated 13 December 2022 Council:

1. Approves the proposed storytelling elements detailed within the report as a suitable replacement for the commemorative plaques along the Memorial Drive Avenue of Honour in the Tea Tree Gully Township.
2. Approves that the proposed elements be funded through an allocation of \$50k from Council’s 2022-23 operating budget.
3. Authorises staff to finalise the design for each of the elements.
4. Notes that installation of the works is planned to be completed prior to ANZAC Day in 2023.

13 December 2022

12.5 Golden Grove Central District Baseball Club - Illyarrie Reserve site assessment (D22/192712)

That having considered the report entitled “Golden Grove Central District Baseball Club – Illyarrie Reserve Site Assessment” and dated 13 December 2022, Council:

- a. Notes the site assessment and the requirement of a high-level master plan to assist in determining the most appropriate location of the indoor training facility, having regard to the future infrastructure needs on the site
- b. Approves \$20k be allocated in the 2022/23 financial year for the preparation of a master plan and accompanying cost estimates for Illyarrie Reserve
- c. That a report be presented back to Council for consideration by no later than March 2023.

A summary of these previous Council resolutions is set out in the table below:

Table 1: Previous Council Resolutions

	Expenditure \$'000s
Capital Movements:	
Road Resealing Program Resolution:	
Duncan Crescent (Mitchell Avenue to Beckman Avenue)	(47)
Rega Avenue (Aries Avenue to Canopus Avenue)	(20)
Canopus Avenue (Rega Avenue to Aries Avenue), Hope Valley	(53)
Sirius Avenue (Tolley Road to Canopus Avenue), Hope Valley	(37)
Aries Avenue (Sirius Avenue to End), Hope Valley	(24)
Ruse Court (Bennelong Court to End), Golden Grove	(26)
Underwood Close (Reiby Place to End), Golden Grove	(54)
Juniper Street, Golden Grove	18
Teal Street, Highbury (Awoonga Rd to Edmund Street)	25
Edmund Road, Highbury (Elliston Avenue to End)	115
Barns Avenue, Highbury (Edmund Rd to Valley Rd)	80
Awoonga Road, Highbury (Teal St to Awoonga Rd)	23
Total Road Resealing Program Resolution:	-
Memorial Drive Storytelling Project	50
Street Light LED Project	750
Projects with Grant Funding	(750)
Total Capital Movement	50
Operating Movements:	
Memorial Drive Storytelling Project	(50)
Total Operating	(50)
Total Movement	0

2. DISCUSSION

2.1 Analysis of financial performance as at 31 December 2022

2.1.1 Operating

As at 31 December 2022, the operating result is favourable by \$1.712m in comparison to the year to date budget. The year to date budget incorporates changes proposed for the Quarter Two Budget Review. The favourable variance is represented by a year to date operating surplus of \$49.070m in comparison to the year to date budget of \$47.358m.

The following table provides a summary of the year to date key operating result in comparison to the year to date budget.

Table 2: YTD Statement of Comprehensive Income as at 31 December 2022**Statement of Comprehensive Income**

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD December Actuals	YTD December Budget	YTD December Variance Fav / (Unfav)
	\$'000	\$'000	\$'000	\$'000
INCOME				
Rates	85,972	85,476	85,392	84
Statutory Charges	2,290	1,352	1,538	(186)
User Charges	3,451	2,384	2,233	151
Grants & Subsidies	8,832	2,649	2,654	(5)
Investment Income	52	327	326	1
Reimbursements	93	80	72	8
Other Revenues	1,978	1,528	1,408	120
TOTAL INCOME	102,668	93,797	93,623	174
EXPENSES				
Employee Costs	35,712	18,569	19,668	1,099
Materials, Contracts & Other Expenses	40,378	17,806	17,959	152
Finance Charges	372	143	143	(0)
Depreciation	17,221	8,208	8,495	287
TOTAL EXPENSES	93,683	44,727	46,265	1,538
OPERATING SURPLUS / (DEFICIT)	8,985	49,070	47,358	1,712
Net Gain/(Loss) on Disposal or Revaluation of Assets	(4,393)	68	68	(0)
Capital Grants	4,277	2,512	2,512	0
Capital Contributions	134	56	52	(4)
Physical resources received free of charge	157	0	0	0
NET SURPLUS / (DEFICIT)	9,160	51,706	49,991	1,716

2.1.2 Key Variances YTDSummary of Key Income Variances

- Statutory Charges are unfavourable by \$186k due to the reduction in monitoring of private car parks at shopping centres and the corresponding reduction in expiations issued, this is offset by reduced Employee Costs.
- User Charges favourable by \$151k due increases in patronage at Council' recreation facilities, including Waterworld.
- Other Revenues favourable by \$120k due mainly to timing of insurance payments received.

Summary of Key Expenditure Variances

- Employee Costs are favourable by \$1.099m, due to vacant positions throughout the organisation which are partially offset by temporary labour hire costs.
- Materials, Contracts and Other expenditure is favourable by \$152k due to:
 - \$173k increase in Recruitment Costs (offset by the reduction in Employee costs).
 - \$107k increase in Contract Wages (offset by the reduction in Employee costs)

- The balance is due to various underspends in departments, these budgets are forecast to be spent by 30 June 2023.

Depreciation is favourable by \$287k and is forecast to be in line with the annual budget following the actual depreciation being run as at 30 June 2023.

2.2 Quarter Two Budget Review

The Second Quarter Budget Review has been developed to align with key financial principles, ensuring that any new operating or capital initiatives are funded, where possible, with no increase to Council's net financial liabilities.

The Second Quarter Budget Review for the year ending 30 June 2023 forecasts a revised operating surplus of \$5.468m, which represents an increase of \$1.101m compared to the First Quarter Budget. This is made up of movements between the operating and capital works program and a \$101k adjustment to the Roads to Recovery Income.

Table 3: Operational Surplus Reconciliation

Operating movement to Capital	\$'000s
Previous Council resolutions;	
Memorial Drive Storytelling Project (Table 1)	50
Total Previous Council resolutions;	50
Other Adjustments;	
Hallett Reserve, Golden Grove	(12)
Creek Rehabilitation	4
John Clarke Memorial Reserve Playground, Greenwith	62
Golden Grove Recreation Centre Theatre PA System	43
Modbury Soccer Club, Modbury	24
IT AMP (Information Technology Asset Management Plan) Hardware	18
Projects to be Grant Funded	800
Total Other Adjustments;	938
Total Operating Movement	988

Further details on these movements:

- The John Clarke Memorial Reserve Playground includes proceeds from an insurance claim to be used to repair the playground that was damaged by fire.
- The Golden Grove Recreation Centre Theatre PA System is to be funded by operating savings.
- The increase in the ITAMP (Information Technology Asset Management Plan) Hardware is due to a rebate received for Personal Computers.
- The increase in Projects to be Grant Funded includes the interest movement from operating

Table 4: Second Quarter Proposed Budget Review in comparison to the Quarter One Revised Budget

Statement of Comprehensive Income

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2023 Original Budget	Q1 Revised Budget	Proposed Budget	Variance to Q1 Revised Budget
	\$'000	\$'000	\$'000	\$'000
INCOME				
Rates	85,461	85,461	85,461	0
Statutory Charges	2,729	2,729	2,729	0
User Charges	4,040	4,084	4,148	64
Grants & Subsidies	5,803	5,831	5,926	96
Investment Income	20	20	600	580
Reimbursements	83	83	83	0
Other Revenues	1,709	1,794	2,070	276
TOTAL INCOME	99,846	100,002	101,017	1,015
EXPENSES				
Employee Costs	37,689	37,694	37,738	44
Materials, Contracts & Other Expenses	40,167	40,399	40,490	90
Finance Charges	550	550	330	(220)
Depreciation	16,991	16,991	16,991	0
TOTAL EXPENSES	95,398	95,635	95,549	(86)
OPERATING SURPLUS / (DEFICIT)	4,448	4,367	5,468	1,101
Net Gain/(Loss) on Disposal or Revaluation of Assets	504	542	188	(354)
Capital Grants	17,018	13,277	9,878	(3,400)
Capital Contributions	90	420	424	4
Physical resources received free of charge	0	0	0	0
NET SURPLUS / (DEFICIT)	22,060	18,607	15,958	(2,648)

Summary of Key Income Adjustments

User Charges

- An increase of \$64k in user charges due to increased patronage at the Council's recreational facilities.

Grants & Subsidies

- An increase of \$101k in grant funding relating to project changes in the Roads to Recovery program and a decrease in \$5k in a library grant due to timing.

Investment Income

- An increase of \$580k in investment income relating to an increase in interest income due to strategic capital project grant funding being received in advance.

Other Revenues

- An increase of \$276k in Other Revenues relating to an increase in income protection funds received (offset through contract wages increases in Material, Contracts and Other).

Summary of Key Expenditure Adjustments

Employee Costs

- \$44k decrease in Employee Costs to support costs associated with recruitment

Materials, Contracts & Other Expenses

- \$650k increase in Electricity costs due to increased tariffs and has been offset with forecast savings.
- \$118k increase in Contract Wages (offset by the reduction in Employee costs).
- \$128k decrease in Water costs due to savings attributed to the delayed start of the irrigation season. This saving was used to partially offset Electricity costs.

Finance Charges

- \$220k decrease in Interest expense due to the reduction in borrowings.

The following table represents the proposed changes for the Quarter Two Budget Review.

2.3.1 Capital Works Program Adjustments

Table 5: Capital Works Program Summary of Changes

Capital Works Summary	Revenue \$'000s	Expenditure \$'000s	Net \$'000s
Quarter One Budget Review Adjustments	14,239	45,704	31,465
Previous Council Resolutions (Table 1)		50	50
Adjustment from Operating	-	938	938
Carry Forward	(3,803)	(6,952)	(3,149)
Quarter Two Budget Review Adjustments (Table 6)	54	54	-
Proposed Quarter Two Budget Review	10,490	39,794	29,304

It is proposed to decrease the capital works program by \$2.161m, from \$31.465m to \$29.304m. This is a result of various projects, as detailed below.

Table 6: Capital Works Program Adjustments

Capital Works Program - Budget Review Adjustments	Revenue \$'000s	Expenditure \$'000s	Net \$'000s
Previous Council Resolutions			
Duncan Crescent (Mitchell Avenue to Beckman Avenue)	-	(47)	(47)
Rega Avenue (Aries Avenue to Canopus Avenue)	-	(20)	(20)
Canopus Avenue (Rega Avenue to Aries Avenue), Hope Valley	-	(53)	(53)
Sirius Avenue (Tolley Road to Canopus Avenue), Hope Valley	-	(37)	(37)
Aries Avenue (Sirius Avenue to End), Hope Valley	-	(24)	(24)
Ruse Court (Bennelong Court to End), Golden Grove	-	(26)	(26)
Underwood Close (Reiby Place to End), Golden Grove	-	(54)	(54)
Juniper Street, Golden Grove	-	18	18
Teal Street, Highbury (Awoonga Rd to Edmund Street)	-	25	25
Edmund Road, Highbury (Elliston Avenue to End)	-	115	115
Barns Avenue, Highbury (Edmund Rd to Valley Rd)	-	80	80
Awoonga Road, Highbury (Teal St to Awoonga Rd)	-	23	23
Memorial Drive Storytelling project	-	50	50
LED Street Lighting Changeover Stage 2	-	750	750
Projects to be Grant Funded (to be determined)	-	(750)	(750)
Total Previous Council Resolutions:	-	50	50
Adjustments from Operating			
Hallett Reserve, Golden Grove	-	(12)	(12)
Creek Rehabilitation	-	3	3
John E Mem Res Playground	-	62	62
GGRAC - Theatre PA System and Audio Control System	-	43	43
Modbury Soccer Club, Modbury	-	24	24
ITAMP - Hardware	-	18	18
Projects to be Grant Funded (to be determined)	-	800	800
Total Adjustments from Operating;	-	938	938
Carry Forwards;			
Milne Road (Kelly Road to McIntyre Road), Modbury North	-	(113)	(113)
Surrey Farm Drive (The Golden Way to school entrance),	-	(77)	(77)
Greenwith Oval - Upgrade oval lighting to LED	-	(136)	(136)
The Heights School, Modbury Heights - traffic study	-	(34)	(34)
Wynn Vale Dam Open Space Upgrades	-	(49)	(49)
Dawson Reserve, Modbury	-	(83)	(83)
Meadowvale East Restoration Work	-	(100)	(100)
North East Road TTG Township Streetscape Upgrade PLEC	-	(2)	(2)
Modbury Sporting Club - Clubroom and Changeroom	(710)	(1,000)	(290)
Hope Valley Sporting Club - Amenities improvements	(1,174)	(1,174)	-
Harpers Field Community Building and Sporting Clubroom	(1,566)	(2,960)	(1,394)
Cobbler Creek West Reserve Toilet	-	(88)	(88)
Identity & Access Management	-	(96)	(96)
Plant & Equipment Replacement Program	(354)	(1,040)	(686)
Total Carry Forwards;	(3,803)	(6,952)	(3,149)
Continued on next page			

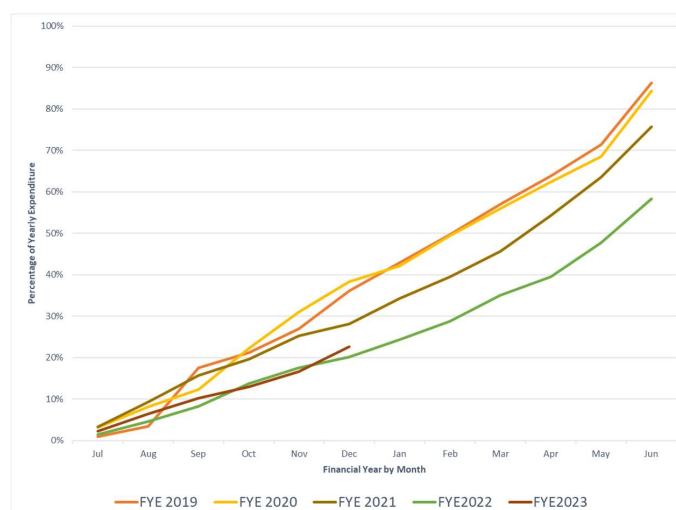
Capital Works Program - Budget Review Adjustments	Revenue \$'000s	Expenditure \$'000s	Net \$'000s
Continued from previous page			
Quarter Two Budget Review Adjustments;			
Road Reconstruction Adjustments;			
Golden Fields Car Park	-	486	486
Heysen Road, Modbury	-	277	277
Parcoola Avenue, Hope Valley	-	303	303
Robert Arnold Avenue, Modbury	-	128	128
Clifford Way, Valley View	-	182	182
Canberra Crescent, Valley View	-	174	174
Jacaranda Grove, Golden Grove	-	39	39
Other Council Roads	-	93	93
Road Reconstruction Funding - to be allocated	-	(1,682)	(1,682)
Total Road Reconstruction Adjustments;	-	0	0
Roads to Recovery Adjustments;			
Golden Grove Rd (Rifle Range Rd - Tongariro Rd) Greenwith	-	33	33
Target Hill Road (Green Valley Drive to Halcyon Avenue),	-	300	300
Golden Grove Road (Tongariro Road to Target Hill Road),	-	(33)	(33)
Milne Road (Kelly Road to McIntyre Road), Modbury North	-	(7)	(7)
Surrey Farm Drive (The Golden Way to school entrance),	-	(293)	(293)
Total Roads to Recovery Adjustments;	-	0	0
Lighting			
SADNA and Golden Grove Tennis Club-Lighting Upgrade	50	150	100
Total Lighting;	50	150	100
Open Space - Sporting, Park and Playground Upgrades;			
Playgrounds - Various	-	(3)	(3)
Fencing - Memorial Dve Tennis Court, Tea Tree Gully	-	(31)	(31)
Solandra Reserve Boardwalk	-	13	13
Golden Fields Adventure Playspace	-	(21)	(21)
Fencing Projects - Various - to be determined	4	35	31
John E Mem Res Playground	-	(73)	(73)
Tango Netball Club - Heysen Reserve Court Resurfacing	(275)	(275)	-
Total Open Space - Sporting, Park and Playground Upgrades;	(271)	(355)	(84)
City Beautification Works			
Open Space-Solandra Reserve, Modbury North	-	75	75
Tree Screen - Grenfell Rd (1 Planica Crt - 18 Baraga Gr)	-	44	44
Tree Screen - The Golden Way (20 Hillrise Crt - 11 Hillrise)	-	(44)	(44)
Total City Beautification Works;	-	75	75
Other;			
Projects to be Grant Funded (to be determined)	0	175	175
LED Street Lighting Changeover Stage 2	275	0	(275)
Other Minor Adjustments	0	10	10
Total Other;	275	185	(91)
Total Quarter Two Budget Review Adjustments;	54	54	(0)
Proposed Quarter Two Budget Review Adjustments	(3,749)	(5,910)	(2,161)

The adjustments include:

- Carry forwards movement into the 2023-24 capital works program include Modbury Sporting Club – Clubrooms and Changeroom, Hope Valley Sporting Club – Amenities improvements, Harpers Field Community Building and Sporting Clubroom and Plant & Equipment Replacement Program.
- Roads to Recovery adjustments to reallocate \$300k to Target Hill Road due to an increased costing for this project. The Surrey Farm Drive project will be funded as part of the 2023-24 budget.
- \$750k for the LED Street Lighting Changeover Stage 2 project.
- SADNA and Golden Grove Tennis Club – Lighting Upgrade included a \$50k contribution from the Tennis Club.
- The Tango Netball Club – Heysen Reserve Court Resurfacing project has been deferred to 2023-24 due to the inability source an appropriate contractor within South Australia to undertake the works.
- The Road Reconstruction program has been allocated out from Road Reconstruction Funding – to be allocated predominately the below projects:
 - Golden Fields Car Park, Golden Grove
 - Canberra Crescent, Valley View
 - Clifford Way, Valley View
 - Robert Arnold Avenue, Modbury
 - Parcoola Avenue, Hope Valley
 - Heysen Road, Modbury
- Various other movements detailed in the Capital Works Report (Attachment 2)

Capital Spend Ratio to December 2022

The graph below compares the YTD capital spend ratio (capital expenditure/total year budgeted capital expenditure), with comparisons to previous years.



3. FINANCIAL

The Quarter Two Budget Review forecasts an operating surplus of \$5.468m in comparison to the Quarter One budget adopted by Council on 25 October 2022 which forecast an operating surplus of \$4.367m.

4. STRATEGIC OBJECTIVES

Strategic Plan

Theme	Objective	Comments
PROSPEROUS AND CONNECTED	<i>A community that has a say in decisions that affect them.</i>	The Quarter Two Budget Review provides assurances of diligent financial management and ensures resources are available to meet the community's objectives as stated in Council's Strategic plan and reflected below in more detail.
	<i>A community that participates in meaningful community and economic activities.</i>	
	<i>A community with a resilient local economy.</i>	
	<i>A community where people have the resources and capacity to achieve goals.</i>	

Organisation Plan

Our Strategic Plan is supported by an Organisation Plan which focuses on five key themes of organisational excellence. The themes most relevant to this report are: Governance and Finance and Systems.

5. LEGAL

The LGA recommended budget reporting framework consistent with the requirement in Regulation 9(1b) of the *Local Government (Financial Management) Regulations 2013* consists of budget performance information reporting consisting of three types of reports:

1. Budget Update (at least twice per FY);
2. Mid-year Budget Review (once per FY); and
3. Report on Financial Results (one report after completion and audit of annual Financial statements for the previous FY).

6. RISK – IDENTIFICATION AND MITIGATION

The budget review considers risks in accordance with the Annual Business Plan (ABP), when projects/initiatives are assessed.

7. ACCESS AND INCLUSION

The Quarter Two Budget Review includes budgets which enable the Council to support and enhance their commitment to provide inclusive and equitable access to infrastructure / facilities, services and programs to people living with disabilities, their families and carers.

8. SOCIAL AND COMMUNITY IMPACT

The budget review is one of a number of measures that allows the community to assess the performance delivery of services against the ABP.

9. ENVIRONMENTAL

The budget review considers the impact on the environment, in accordance with the ABP, when projects/initiatives are assessed.

10. ASSETS

The budget review considers the impact of assets in accordance with the ABP, when projects/initiatives are assessed.

11. PEOPLE AND WORK PLANS

The proposed budget revision includes the resources required for Council to achieve the level of service delivery outlined in the *ABP for 2022-2023*.

12. COMMUNITY AND STAKEHOLDER ENGAGEMENT

Not applicable for this report. Community Engagement was undertaken on the ABP and Budget for FYE 2023.

13. COMMUNICATIONS OF COUNCIL DECISION

Any significant impacts will be communicated through the Strategic Marketing and Communications Department using appropriate tools.

14. INTERNAL REPORT CONSULTATION

All Managers have been consulted to develop the Quarter Two Budget Review.

Attachments

1. Q2BR 2022-23 Financial Statements
2. 2022-23 Capital Works Program

Report Authorisers

Stuart Simpson Team Leader Financial Accounting	8397 7308
Rebecca Baines Manager Finance & Rating Services	8397 7362
Justin Robbins General Manager Strategy & Finance	8397 7444
Ryan McMahon Chief Executive Officer	8397 7297



City of Tea Tree Gully

Second Quarter Budget Review for the financial year ending 30 June 2023

Statement of Comprehensive Income
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Uniform Presentation of Finances
Borrowings / Investments
Key Financial Performance Indicators

Statement of Comprehensive Income

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD December Actuals	YTD December Budget	YTD December Variance Fav / (Unfav)	FY2023 Original Budget	Q1 Revised Budget	Proposed Budget	Variance to Q1 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME								
Rates	85,972	85,476	85,392	84	85,461	85,461	85,461	0
Statutory Charges	2,290	1,352	1,538	(186)	2,729	2,729	2,729	0
User Charges	3,451	2,384	2,233	151	4,040	4,084	4,148	64
Grants & Subsidies	8,832	2,649	2,654	(5)	5,803	5,831	5,926	96
Investment Income	52	327	326	1	20	20	600	580
Reimbursements	93	80	72	8	63	63	83	0
Other Revenues	1,978	1,528	1,408	120	1,709	1,794	2,070	276
TOTAL INCOME	102,668	93,797	93,623	174	99,846	100,002	101,017	1,015
EXPENSES								
Employee Costs	35,712	18,569	19,668	1,099	37,689	37,694	37,738	44
Materials, Contracts & Other Expenses	40,378	17,806	17,959	152	40,167	40,399	40,490	90
Finance Charges	372	143	143	(0)	550	550	330	(220)
Depreciation	17,221	8,208	8,495	287	16,991	16,991	16,991	0
TOTAL EXPENSES	93,683	44,727	46,265	1,538	95,398	95,635	95,549	(86)
OPERATING SURPLUS / (DEFICIT)	8,985	49,070	47,358	1,712	4,448	4,367	5,468	1,101
Net Gain/(Loss) on Disposal or Revaluation of Assets	(4,393)	68	68	(0)	504	542	188	(354)
Capital Grants	4,277	2,512	2,512	0	17,018	13,277	9,878	(3,400)
Capital Contributions	134	56	52	(4)	90	420	424	4
Physical resources received free of charge	157	0	0	0	0	0	0	0
NET SURPLUS / (DEFICIT)	9,160	51,706	49,991	1,716	22,060	18,607	15,958	(2,648)

Balance Sheet

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD December Actuals	FY2023 Original Budget	Q1 Revised Budget	Proposed Budget	Variance to Q1 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current Assets						
Cash & Cash Equivalents	8,432	22,617	410	410	1,587	1,177
Trade & Other Receivables	4,690	42,405	4,476	4,653	4,653	0
Inventories	43	30	33	43	43	0
Non Current Assets Held For Sale	512	512	512	1,138	1,138	0
Total Current Assets	13,677	65,563	5,431	6,244	7,421	1,177
Non-Current Assets						
Other Non-Current Assets	8,598	17,967	2,986	13,560	13,560	0
Infrastructure, Property, Plant & Equipment	1,652,411	1,644,168	1,607,166	1,718,613	1,712,704	(5,909)
Total Non-Current Assets	1,661,009	1,662,135	1,610,152	1,732,173	1,726,264	(5,909)
TOTAL ASSETS	1,674,686	1,727,698	1,615,583	1,738,418	1,733,686	(4,732)
LIABILITIES						
Current Liabilities						
Trade & Other Payables	26,326	28,193	12,932	26,289	26,289	0
Short Term Provisions	4,456	3,893	4,420	4,456	4,456	(0)
Total Current Liabilities	30,781	32,086	17,352	30,745	30,744	(0)
Non-Current Liabilities						
Long Term Borrowings	0	0	21,253	2,083	0	(2,083)
Long Term Provisions	507	507	511	507	507	0
Total Non-Current Liabilities	507	507	21,764	2,590	507	(2,083)
TOTAL LIABILITIES	31,288	32,593	39,116	33,335	31,251	(2,083)
NET ASSETS	1,643,398	1,695,105	1,576,467	1,705,083	1,702,435	(2,649)
EQUITY						
Accumulated Surplus	404,991	414,151	414,896	414,151	414,151	0
Year To Date	9,160	51,706	22,060	18,607	15,958	(2,648)
Asset Revaluation Reserves	1,228,960	1,228,960	1,139,223	1,272,038	1,272,038	0
Other Reserves	287	287	287	287	287	0
TOTAL EQUITY	1,643,398	1,695,105	1,576,467	1,705,083	1,702,435	(2,648)

Statement of Changes in Equity

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD December Actuals	FY2023 Original Budget	Q1 Revised Budget	Proposed Budget	Variance to Q1 Revised Budget
NET SURPLUS/(DEFICIT) FOR YEAR	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at End of Previous Reporting Period	403,419	414,151	414,896	414,151	414,151	-
Transfers Between Reserves	1,572	-	-	-	-	-
Net Result for Year	9,160	51,706	22,060	18,607	15,958	(2,648)
Balance at End of Period	414,151	465,858	436,957	432,758	430,110	(2,648)
ASSET REVALUATION RESERVE						
Balance at End of Previous Reporting Period	1,137,327	1,228,960	1,096,145	1,228,960	1,228,960	-
Transfers Between Reserves	-	-	-	-	-	-
Gain on Revaluation of Non-Current Assets	91,633	-	43,078	43,078	43,078	-
Balance at End of Period	1,228,960	1,228,960	1,139,223	1,272,038	1,272,038	-
OTHER RESERVES						
Balance at End of Previous Reporting Period	1,859	287	287	287	287	-
Transfers Between Reserves	(1,572)	-	-	-	-	-
Net Result for Year	-	-	-	-	-	-
Balance at End of Period	287	287	287	287	287	-
TOTAL EQUITY	1,643,398	1,695,105	1,576,467	1,705,083	1,702,435	(2,648)

Statement of Cash Flows

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD December Actuals	FY2023 Original Budget	Q1 Revised Budget	Proposed Budget	Variance to Q1 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Activities						
Receipts						
Operating Receipts	114,679	55,299	99,826	99,982	100,417	435
Investment Receipts	52	327	20	20	600	580
Payments						
Operating Payments to Suppliers & Employees	75,049	34,508	77,857	78,094	78,228	134
Finance Charges	372	143	550	550	330	(220)
Net Cash Provided by (or used in) Operating Activities	39,310	20,975	21,439	21,358	22,459	1,101
Cash Flows from Investing Activities						
Grants Specifically for New or Upgraded Assets	4,411	2,568	17,108	13,697	10,302	(3,395)
Sale of Replaced Assets	857	68	504	542	188	(354)
Payments						
Expenditure on Renewal/Replacement of Assets	16,283	5,189	18,209	27,342	23,903	(3,439)
Expenditure on New/Upgraded Assets	8,868	4,238	32,870	18,361	15,891	(2,470)
Net Cash Provided by (or used in) Investing Activities	(19,883)	(6,791)	(33,466)	(31,464)	(29,304)	2,160
Cash Flows from Financing Activities						
Receipts						
Proceeds from Borrowings/Deposits	97	-	11,529	2,083	-	(2,083)
Payments						
Repayment of Borrowings	15,000	-	-	-	-	-
Net Cash Provided by (or used in) Financing Activities	(14,903)	-	11,529	2,083	-	(2,083)
Net Increase (Decrease) in Cash Held	4,524	14,185	(498)	(8,022)	(6,845)	1,178
Cash & Cash Equivalents at Beginning of Reporting Period	3,908	8,432	908	8,432	8,432	-
Cash & Cash Equivalents at End of Reporting Period	8,432	22,617	410	410	1,587	1,178

Uniform Presentation of Finances

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

	FY2022 Actuals	YTD December Actuals	FY2023 Original Budget	Q1 Revised Budget	Proposed Budget	Variance to Q1 Revised Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating						
Operating Revenues	102,668	93,797	99,846	100,002	101,017	(1,015)
less Operating Expenses	(93,683)	(44,727)	(95,398)	(95,635)	(95,549)	(86)
Operating Surplus/(Deficit) Before Capital Amounts	8,985	49,070	4,448	4,367	5,468	(1,101)
less Net Outlays on Existing Assets						
Capital Expenditure on Renewal and Replacement of Existing Assets	16,283	5,189	18,209	27,342	23,903	3,439
less Depreciation, Amortisation and Impairment	(17,221)	(8,208)	(16,991)	(16,991)	(16,991)	0
less Proceeds from Sale of Replaced Assets	(857)	(68)	(504)	(542)	(188)	(354)
Net Outlays on Existing Assets	(1,795)	(3,088)	714	9,809	6,724	3,085
less Net Outlays on New and Upgraded Assets						
Capital Expenditure on New and Upgraded Assets	8,868	4,238	32,870	18,361	15,891	2,470
less Amounts Received Specifically for New and Upgraded Assets	(4,411)	0	(17,108)	(13,697)	(10,302)	(3,395)
Net Outlays on New and Upgraded Assets	4,457	4,238	15,762	4,664	5,589	(925)
Net Lending / (Borrowing) For Financial Year	6,324	47,920	(12,027)	(10,105)	(6,845)	(3,261)

Borrowings / Investments

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

Statement of Borrowings as at 31 December 2022

Borrowing Facility	Reference	Maturity/ Expiry Date	Amount Borrowed or CAD Limit	Interest Rate at 31/12/2022	Principal Outstanding as at 30/06/2022	Principal Outstanding as at 31/12/2022	Unutilised Loan Funds as at 31/12/2022
			\$'000	%	\$'000	\$'000	\$'000
CAD Facility	LGFA 196	5/01/2026	7,400	5.05	-	-	7,400
CAD Facility	LGFA 201	15/06/2025	6,000	5.05	-	-	6,000
CAD Facility	LGFA 200	15/06/2025	13,000	5.05	-	-	13,000
CAD Facility	LGFA CV19 196	15/07/2023	9,600	4.30	-	-	9,600
CAD Facility	LGFA 202	16/05/2027	-	5.05	-	-	-
CAD Facility	LGFA LGIPP 202	16/05/2025	6,000	4.30	-	-	6,000
Total			42,000		-	-	42,000

Cash and Cash Equivalents as at 31 December 2022

Council Deposits	Reference	Interest Rate at 31/12/2022	Deposit as at 30/06/2022	Deposit as at 31/12/2022
		%	\$'000	\$'000
TTG General LGFA	24HR	3.30	5,844	3,390
NAB	Corporate Cheque Accounts	3.55	2,579	19,218
Cash Float			9	9
Total Cash and Cash Equivalents			8,432	22,617

Key Financial Performance Indicators

CITY OF TEA TREE GULLY

FOR THE YEAR ENDING 30 JUNE 2023

RATIO	LGA SUGGESTED RANGE	COUNCIL TARGETS	FY2022 Actuals	FY2023 Original Budget	Q1 Revised Budget	Proposed Budget	Variance to Q1 Revised Budget
			\$'000	\$'000	\$'000	\$'000	\$'000
Operating Surplus (operating income less operating expense)	Break even or better over 5 years	Maintain over a minimum of a 3 years	8,985	4,448	4,367	5,468	1,101
Operating Surplus Ratio (operating surplus as a percentage of general and other rates)	0 to 15%	2.5 to 10%	8.8%	5.2%	5.1%	6.4%	1.3%
Asset Renewal Funding Ratio (Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excluded new capital expenditure on the acquisition of additional assets)	90 to 110% over a rolling 3 year period	90 to 110% over a rolling 3 year period	104.2%	104.2%	105.1%	93.0%	(12.1%)
Fiscal Balance (net lending position or net borrowing requirement in the Uniform Presentation of Finances Table)			6,323	(12,028)	(10,105)	(6,845)	3,261
Net Financial Liabilities Ratio including non current assets held for sale (total liabilities less financial assets as a percentage of total operating revenue)	0 to 100%	25% - 35%	17.1%	34.2%	28.2%	24.7%	(3.5%)
Net Financial Liabilities including non current assets held for sale (total liabilities less financial assets)			17,521	34,197	27,090	23,830	(3,260)
Net Financial Liabilities Ratio excluding non current assets held for sale (total liabilities less financial assets as a percentage of total operating revenue)			17.7%	34.8%	28.2%	24.7%	(3.5%)
Net Financial Liabilities excluding non current assets held for sale (total liabilities less financial assets)			18,123	34,709	28,228	24,968	(3,260)
Interest Cover Ratio (total finance charges expressed as a percentage of rates revenue)			0.3%	0.6%	0.6%	0.4%	(0.3%)

2022-23 Capital Works Program

Project Number	Project Description	Revenue					Expenditure				
		YTD December Actuals	FY2023 Q1 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget	YTD December Actuals	FY2023 Q1 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Project Category: Road Reconstruction / Renovation											
210008	Australian Avenue Parking and Road Realignment	-	36	-	-	36	-	-	-	-	-
220001	Chatswood Grove (Elysum Drive - End) Golden Grove	-	-	-	-	-	154	143	11	-	154
220003	Pinehurst St (Holly Pl - End) Golden Grove	-	-	-	-	-	41	41	1	-	41
220008	Green Valley Dve, Greenwith - Design	-	-	-	-	-	-	2	-	-	2
220203	Karingal Road, Demancourt	-	-	-	-	-	21	20	1	-	21
220204	Heysen Road, Modbury	-	-	-	-	-	15	16	277	-	293
220205	Parcoola Avenue, Hope Valley	-	-	-	-	-	23	19	303	-	322
220206	Robert Arnold Avenue, Modbury	-	-	-	-	-	14	12	128	-	139
220207	Clifford Way, Valley View	-	-	-	-	-	17	12	182	-	193
220208	Canberra Crescent, Valley View	-	-	-	-	-	19	14	174	-	189
220209	Jacaranda Grove, Golden Grove	-	-	-	-	-	8	15	39	-	54
230109	Road Reconstruction Funding - to be allocated	-	-	-	-	-	29	1,790	(1,682)	-	108
230111	Road Design - Stevenson Drive, Banksia Park	-	-	-	-	-	1	20	1	-	21
230176	Joyce Street, Modbury North	-	-	-	-	-	7	7	(0)	-	7
230178	Kangangra Road, Demancourt	-	-	-	-	-	11	-	14	-	14
230180	Kimberley Ave, Modbury North	-	-	-	-	-	7	8	(0)	-	8
230181	Maxday road, Modbury Heights	-	-	-	-	-	3	-	20	-	20
230235	Angas Court - Dawson Crescent to end	-	-	-	-	-	4	-	11	-	11
230236	Coulls Road, Banksia Park - Stevenson Drive to Haines Road	-	-	-	-	-	6	-	23	-	23
230237	Vizma Court, Banksia Park	-	-	-	-	-	4	-	11	-	11
230238	Dawson Crescent, Modbury-Full extent	-	-	-	-	-	6	-	22	-	22
230247	Golden Fields Car Park	-	-	-	-	-	400	-	486	-	486
Total Road Reconstruction / Renovation		-	36	-	-	36	791	2,118	21	-	2,139
Project Category: Road Resealing											
220005	Watts Rd (Lawrence Ave - End) Demancourt	-	-	-	-	-	13	13	-	-	13
220033	Brimba Court (Gatanga Rd - End) Modbury North	-	-	-	-	-	22	22	-	-	22
220048	Citronelle Pl (Grenedine Ave - End) Golden Grove	-	-	-	-	-	35	35	-	-	35
220051	Verdelho St (Palomino Parade - Cabernet Ave) Wynn Vale	-	-	-	-	-	20	26	-	-	26
220213	Reseal Preparations for 22-23	-	-	-	-	-	8	108	-	-	108
230006	Barns Avenue (Edmund Street to Rogers Street), Highbury	-	-	-	-	-	3	75	(38)	-	37
230008	Burman Avenue (Mary Avenue to End), Gilles Plains	-	-	-	-	-	1	23	-	-	23
230009	Colton Avenue (Lang Street to Valerie Avenue), Highbury	-	-	-	-	-	2	42	2	-	44
230010	Duncan Crescent (Mitchell Avenue to Beckman Avenue),	-	-	-	-	-	-	47	(47)	-	-
230011	Elliston Avenue (Lower North East Road to Edmund Avenue),	-	-	-	-	-	2	46	4	-	50
230014	Jacaranda Grove (Driveway Link to End), Golden Grove	-	-	-	-	-	2	43	-	-	43
230015	Kooline Crescent (Padbury Road to Morawa Avenue), Gilles	-	-	-	-	-	1	34	-	-	34
230016	Lang Street (Elliston Avenue to End), Highbury	-	-	-	-	-	2	53	-	-	53
230018	Morawa Avenue (Newcombe Drive to Tasman Avenue),	-	-	-	-	-	3	81	-	-	81
230020	Petworth Parade (Lake Fortesque Avenue to Balford Avenue),	-	-	-	-	-	1	21	-	-	21
230023	Rex Avenue (Padbury Road to Morawa Avenue), Gilles Plains	-	-	-	-	-	2	46	-	-	46
230024	Stanley Way (Padbury Road to Newcombe Drive), Gilles Plains	-	-	-	-	-	2	43	-	-	43
230025	Tamala Crescent (Padbury Road to Morawa Avenue), Gilles	-	-	-	-	-	2	41	-	-	41
230027	Road Reseal - Contingency Funds	-	-	-	-	-	6	155	-	-	155
230028	Weebo Street (Kooline Crescent to Tasman Avenue), Gilles	-	-	-	-	-	1	22	-	-	22
230029	Zara Court (Zealand Street to End), Surrey Downs	-	-	-	-	-	1	22	-	-	22
230040	Rega Avenue (Aries Avenue to Canopus Avenue),	-	-	-	-	-	-	20	(20)	-	-
230042	Canopus Avenue (Rega Avenue to Aries Avenue), Hope Valley	-	-	-	-	-	-	53	(53)	-	-
230044	Sirius Avenue (Tolley Road to Canopus Avenue), Hope Valley	-	-	-	-	-	-	37	(37)	-	-
230045	Aries Avenue (Sirius Avenue to End), Hope Valley	-	-	-	-	-	-	24	(24)	-	-
230046	Ilad Grove (Fairleigh Avenue to End), Modbury North	-	-	-	-	-	1	30	-	-	30
230098	Fairleigh Avenue (Montague Road to End), Modbury North	-	-	-	-	-	2	44	-	-	44
230099	Alawa Avenue (Bellana Avenue to Fairleigh Avenue),	-	-	-	-	-	2	43	-	-	43
230101	Bellana Avenue (Fairleigh Avenue to End), Modbury North	-	-	-	-	-	33	71	-	-	71
230112	Ruse Court (Bromberg Court to End), Golden Grove	-	-	-	-	-	-	26	(26)	-	-
230114	Underwood Close (Robby Place to End), Golden Grove	-	-	-	-	-	-	54	(54)	-	-
230177	Juniper Street, Golden Grove	-	-	-	-	-	1	-	18	-	18
230242	Teal Street, Highbury (Awoonga Rd to Edmund Street)	-	-	-	-	-	1	-	25	-	25
230243	Edmund Road, Highbury (Elliston Avenue to End)	-	-	-	-	-	5	-	111	-	111
230244	Barns Avenue, Highbury (Edmund Rd to Valley Rd)	-	-	-	-	-	1	-	116	-	116
230245	Awoonga Road, Highbury (Teal St to Awoonga Rd)	-	-	-	-	-	3	-	23	-	23
Total Road Resealing		-	-	-	-	-	177	1,400	(9)	-	1,400
Project Category: Roads to Recovery											
220052	Golden Grove Rd (Rifle Range Rd - Tongariro Rd) Greenwith	-	-	-	-	-	24	332	33	-	365
230041	Target Hill Road (Green Valley Drive to Halcyon Avenue),	-	-	-	-	-	49	340	300	-	649
230136	Golden Grove Road (Tongariro Road to Target Hill Road),	-	-	-	-	-	38	253	(33)	-	220
230137	Mine Road (Kelly Road to McIntyre Road), Modbury North	-	-	-	-	-	-	120	(7)	(113)	-
230138	Surrey Farm Drive (The Golden Way to school entrance),	-	-	-	-	-	-	370	(293)	(77)	-
Total Roads to Recovery		-	-	-	-	-	111	1,415	(9)	(199)	1,225
Project Category: Re-Sheeting Unsealed Roads											
230043	Bright Lands Road (Mine Road Extension), Banksia Park	-	-	-	-	-	-	17	-	-	17
230139	Castress Rd, Upper Hermitage	-	-	-	-	-	-	23	-	-	23
Total Re-Sheeting Unsealed Roads		-	-	-	-	-	-	40	-	-	40
Project Category: New Footpath and DDA Upgrades											
210051	New-Wongabeena Drive Surrey Downs-number 10 Casuarina Aven.	-	-	-	-	-	6	6	-	-	6
220067	Wilson Rd, Gilles Plains	-	-	-	-	-	27	47	-	-	47
220070	Pauline Dve (Yatala Vale Rd - Amanda Dve) Surrey Downs	-	-	-	-	-	18	28	-	-	28
220072	Carribean St (Manooka St - Kelly Rd) Modbury Heights	-	-	-	-	-	3	11	-	-	11
220077	Hancock Rd (Palmer St - 345 Hancock Rd) Greenwith	-	-	-	-	-	72	127	-	-	127
220079	Dundee Rd / Edinburgh Rd / Reserve, Modbury	-	-	-	-	-	46	80	-	-	80
220081	DDA Compliant Bus Stop Upgrades	-	-	-	-	-	31	122	-	-	122
220178	Writtle Ave, Surrey Downs	-	-	-	-	-	57	90	-	-	90
220216	Golden Grove Road (Golden Way to Laburnum)	-	-	-	-	-	-	65	-	-	65
220220	Various Kerb ramp installation/replacement (city wide)	-	-	-	-	-	24	15	9	-	24
230048	Altair Avenue West (infront of No.10, No.9 to	-	-	-	-	-	1	37	(5)	-	32
230049	Baldwin Court, Wynn Vale	-	-	-	-	-	1	31	-	-	31
230050	Dillon Street (Gaylard Crescent to Gaylard Crescent),	-	-	-	-	-	3	74	-	-	74
230051	Glooucester Avenue (Stafford Street to Argyl Crescent),	-	-	-	-	-	2	59	-	-	59
230052	Hardy Court (Adjacent Reserve footpath connection),	-	-	-	-	-	1	15	-	-	15
230053	Reynolds Ave (Lyons Rd to Payton Avenue), Demancourt	-	-	-	-	-	2	40	-	-	40
230054	Hobart Crescent (Grenfell Road to Derwent Crescent),	-	-	-	-	-	1	18	-	-	18
230055	Keeble Street, St Agnes	-	-	-	-	-	1	34	-	-	34
230056	Knightbridge Avenue (No.27 to No.2 Salisbury Avenue),	-	-	-	-	-	3	63	-	-	63
230057	Knightbridge Avenue (Wyncombe Way to opposite No.	-	-	-	-	-	5	116	-	-	116
230058	O'leary Place (Fergusson Court to Council Boundary),	-	-	-	-	-	0	7	-	-	7
230059	O'leary Place (Maidment Court to Fergusson Court), Wynn Vale	-	-	-	-	-	1	31	-	-	31
230063	Ronald Road, Redwood Park	-	-	-	-	-	4	88	-	-	88
230064	Observation Drive (Daryl Place to Gallery Road), Highbury	-	-	-	-	-	1	15	-	-	15
230065	Sassafras Drive (Rosewood Rd to Stairs at	-	-	-	-	-	1	33	-	-	33
230066	Silverlake Crescent (Lavinia Grove to Demancourt	-	-	-	-	-	1	36	-	-	36
230067	Sue Street (Pringle Avenue to Baxter Avenue), Surrey Downs	-	-	-	-	-	1	16	-	-	16
230068	Washington Court, Golden Grove	-	-	-	-	-	1	21	-	-	21
230069	Whitford Drive (Elwood Avenue to Chapel Road), Modbury	-	-	-	-	-	2	39	-	-	39
230070	Whitford Drive (No.1 to No.7 Whitford), Modbury North	-	-	-	-	-	1	16	-	-	16
230071	Zara Court (Zealand Street to End), Surrey Downs	-	-	-	-	-	1	18	5	-	23
230072	DDA kerb ramp upgrades, all suburbs	-	-	-	-	-	-	-	-	-	-
230119	Otama Road, Fairview Park	-	-	-	-	-	1	26	-	-	26
230122	Reynolds Street (Reserve), Demancourt	-	-	-	-	-	-	10	-	-	10
230140	Green Valley Drive (Leedham Drive to Harvey Crescent),	-	-	-	-	-	4	108	-	-	108

2022-23 Capital Works Program

Project Number	Project Description	Revenue					Expenditure				
		YTD December Actuals	FY2023 Q1 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget	YTD December Actuals	FY2023 Q1 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total New Footpath and DDA Upgrades		-	-	-	-	-	322	1,543	9	-	1,552
Project Category: Unsealed Footpaths											
230144	Tuscan Reserve, Golden Grove	-	-	-	-	-	-	9	-	-	9
230145	Crouch Road, Golden Grove	-	-	-	-	-	25	25	-	-	25
230146	Hallett Reserve, Golden Grove	-	-	-	-	-	10	30	(19)	-	10
230147	Shannon Reserve, Banksia Park	-	-	-	-	-	-	7	-	-	7
230148	Capulet Reserve, Modbury	-	-	-	-	-	-	11	-	-	11
230149	Balmoral Reserve, Dernancourt	-	-	-	-	-	-	31	-	-	31
230150	Reodon Drive, Greenwith	-	-	-	-	-	3	15	-	-	15
230151	Awoonga Avenue, Hope Valley	-	-	-	-	-	-	18	-	-	18
230152	Heysen Avenue, Hope Valley	-	-	-	-	-	0	7	-	-	7
230153	Morawa Reserve, Gilles Plains	-	-	-	-	-	-	19	-	-	19
230154	Modbury sporting club, Ridgehaven	-	-	-	-	-	2	3	(1)	-	2
230155	Gunda Reserve, Banksia Park	-	-	-	-	-	-	10	-	-	10
230156	Lyons Reserve, Dernancourt	-	-	-	-	-	-	22	-	-	22
230157	Gifford Reserve, St Agnes	-	-	-	-	-	-	19	-	-	19
230158	St Agnes Reserve, St Agnes	-	-	-	-	-	2	86	1	-	87
230159	O-bahn Linear Park, Highbury	-	-	-	-	-	-	51	-	-	51
230160	Michigan Reserve, Highbury	-	-	-	-	-	-	14	-	-	14
Total Unsealed Footpaths		-	-	-	-	-	43	378	(20)	-	358
Project Category: Bridge Renewal											
210207	Mulkarra Street, Bridge Upgrade, Ridgehaven	249	326	-	-	326	56	60	-	-	60
Total Bridge Renewal		249	326	-	-	326	56	60	-	-	60
Project Category: Lighting											
210079	Tilley Sports Lighting Upgrade-Tilley Reserve	-	30	-	-	30	-	-	-	-	-
220180	Modbury Sporting Club Lighting Upgrade, Modbury	125	125	-	-	125	-	-	-	-	-
220210	SADNA and Golden Grove Tennis Club-Lighting Upgrade	11	375	50	-	425	22	750	150	-	900
230075	Sports Field Floodlighting - To Be Determined	-	-	-	-	-	2	41	-	-	41
230076	Greenwith Oval - Upgrade oval lighting to LED	-	-	-	-	-	7	150	-	(136)	14
Total Lighting		136	530	50	-	580	31	941	150	(136)	955
Project Category: Water and Drainage											
210088	Irrigation-1670 Lyons Reserve on Lyons Road	-	9	-	-	9	-	-	-	-	-
220103	Ladywood Reserve Irrigation and Drainage	-	-	-	-	-	2	38	-	-	38
220105	Irrigation Flow Sensor Installation	-	-	-	-	-	20	22	(2)	-	20
220107	Recycled Water Control Equipment	-	-	-	-	-	-	19	-	-	19
220108	Stormwater Infra Assessment of Dry Creek Catchment Stage 1	-	-	-	-	-	39	74	-	-	74
220224	Dry Creek - Expansion of Recycled Water Network	19	95	-	-	95	19	188	-	-	188
220239	WWTP tertiary pump auto filter	-	-	-	-	-	-	47	-	-	47
230047	Recycled Water Asset Renewal - WWTP Aerators, Tilley DM pump	-	-	-	-	-	33	120	-	-	120
230060	Irrigation Central Controller Stage 2 (Rainbird IQ Central C	-	-	-	-	-	4	100	-	-	100
230061	Irrigation Asset Renewal - Tilley & Greenwith ground water b	-	-	-	-	-	7	175	-	-	175
230073	Irrigation Controllers - (Rainbird IQ) changeover from 3G to	-	-	-	-	-	3	65	-	-	65
230079	Drainage Renewal Program - AMP	-	-	-	-	-	111	495	-	-	495
230108	Creek Rehabilitation	-	-	-	-	-	41	282	4	-	285
Total Water and Drainage		19	104	-	-	104	278	1,625	2	-	1,627
Project Category: Traffic Management and Signage											
210209	Traffic-Lyons Road/Tarton Road Roundabout, Holden Hill	60	75	-	-	75	-	-	-	-	-
210211	Traffic-Montague Road Junction deceleration lane, Modbury	134	157	-	-	157	-	-	-	-	-
220115	Greenwith community centre (entry and exit), Greenwith	-	-	-	-	-	-	30	-	-	30
230083	Signage - Community and various site replacements	-	-	-	-	-	13	102	54	-	156
230084	Traffic Management Treatments - General various improvements	-	-	-	-	-	12	271	(9)	-	262
230085	Replacement of advisory and regulatory signage	-	-	-	-	-	148	268	(54)	-	214
230121	The Heights School, Modbury Heights - traffic study	-	-	-	-	-	4	100	-	(34)	66
230241	Wright Road and Kelly Road Roundabout Improvements	-	229	-	-	229	-	229	-	-	229
230246	Memorial Drive Storytelling project	-	-	-	-	-	-	-	50	-	50
Total Traffic Management and Signage		194	461	-	-	461	176	1,000	41	(34)	1,007
Project Category: Open Space - Sporting, Park and Playground Upgrades											
200140	Replacement various shade structures	-	-	-	-	-	-	26	-	-	26
200364	Skate Bowl Bentley Reserve	-	-	-	-	-	-	93	-	-	93
200373	Balmoral playground resurfacing renew	-	-	-	-	-	121	137	-	-	137
210106	Playgrounds-Greenwith campus Greenwith (includes shade)	-	75	-	-	75	-	142	1	-	143
220116	Court Upgrades - Hard Court Audit	-	10	-	-	10	10	13	-	-	13
220118	Alcantara Reserve Playground, Wynn Vale	-	-	-	-	-	13	176	-	-	176
220120	Verdant Reserve Playground (Bent Court), Wynn Vale	-	-	-	-	-	13	206	-	-	206
220121	Playgrounds - Various	-	-	-	-	-	12	15	(3)	-	12
220123	Fencing - Ridgehaven Reserve, Ridgehaven	-	-	-	-	-	-	-	-	-	-
220124	Fencing - Boronia Reserve Valley Rd, Hope Valley	-	-	-	-	-	9	9	-	-	9
220125	Fencing - Kathleen Mellor Kindergarten, Tea Tree Gully	-	-	-	-	-	-	7	-	-	7
220127	Wicks Reserve Headwall, Highbury	-	-	-	-	-	-	5	-	-	5
220129	Fencing - Memorial Dve Tennis Court, Tea Tree Gully	-	-	-	-	-	36	66	(31)	-	36
220131	Fencing - TTG Motocross Club, Greenwith	-	-	-	-	-	34	34	-	-	34
220177	Outdoor Furniture	-	-	-	-	-	-	-	-	-	-
220179	Solandra Reserve Boardwalk	-	-	-	-	-	94	81	13	-	94
220181	Kaplan Reserve Playground, St Agnes	-	-	-	-	-	24	196	-	-	196
220183	Golden Fields Adventure Playspace	35	711	-	-	711	70	1,423	(21)	-	1,402
220225	John E Mem Res Playground	-	-	-	-	-	34	45	(11)	-	34
220230	Golden Grove Tennis Club-Top 5 Cts	-	-	-	-	-	-	63	-	-	63
230082	Tango Netball Club - Heysen Reserve Court Resurfacing	-	275	(275)	-	-	-	275	(275)	-	-
230086	Fairleigh Reserves Upgrade, Modbury North	-	-	-	-	-	17	70	-	-	70
230087	BMX Track Upgrade - Gunda Reserve, Banksia Park	-	-	-	-	-	5	120	-	-	120
230088	Fencing Projects - Various - to be determined	4	-	4	-	4	60	166	35	-	201
230089	Outdoor Furniture Projects - Various - to be determined	-	-	-	-	-	8	94	-	-	94
230115	Playgrounds - Contingency Funds	-	-	-	-	-	-	-	-	-	-
230120	Endurance Reserve, Vista - Concept plan	-	-	-	-	-	2	20	-	-	20
230125	Wynn Vale Dam Open Space Upgrades	-	200	-	-	200	21	200	-	(49)	151
230161	Doxiade Reserve Playground, St Agnes	-	-	-	-	-	12	140	-	-	140
230162	Cobbler Creek West Reserve Playground, Golden Grove	-	-	-	-	-	13	140	-	-	140
230163	Palomino Reserve Playground, Wynn Vale - Design	-	-	-	-	-	2	20	-	-	20
230164	John Clarke Memorial Playground (Tolly Road), Hope Valley	-	-	-	-	-	2	50	-	-	50
230165	Lumsden Reserve Playground, Ridgehaven	-	-	-	-	-	2	50	-	-	50
230233	Golden Grove Hockey Pitch	-	-	-	-	-	119	800	-	-	800
Total Open Space, Sporting, Park and Playground Upgrades		40	1,274	(271)	-	1,001	757	4,882	(292)	(49)	4,541
Project Category: City Beautification Works											
200155	Main Roads Gateways-Montague Road design	122	140	-	-	140	258	291	6	-	297
210112	City Beautification-Golden Grove Road-Streetscape works	-	-	-	-	-	304	311	(6)	-	304
210116	Beautification - Meadowvale Aged Friendly Precinct Modbury	59	59	-	-	59	104	119	-	-	119
210117	Open Space-Edinburgh Reserve, Modbury - includes play space	195	467	-	-	467	486	1,167	-	-	1,167
210124	Beautification-Golden Grove Road Landscaping Revegetation	-	9	-	-	9	-	7	-	-	7
210125	Beautification-The Golden Way-Marie Clark Drive to Carden Ct	-	-	-	-	-	4	4	-	-	4
210198	Open Space-Solandra Reserve, Modbury North	-	-	-	-	-	78	7	75	-	81
210210	Beautification streetscape-North East Road, Modbury	338	404	-	-	404	148	148	150	-	298
210213	Beautification-Lot 50 Golden Grove Road, Modbury Heights	253	448	-	-	448	235	465	(0)	-	465
220132	Upgrade Streetscape Montague Rd - Ladywood and NE Rd,	-	54	-	-	54	491	577	-	-	577
220133	Tree Screen - Grenfell Rd (1 Planica Crt - 18 Baraga Gr)	-	-	-	-	-	192	162	44	-	206
220134	Tree Screen - The Golden Way (20 Hillrise Crt - 11 Hillrise	-	-	-	-	-	33	221	(44)	-	177
220136	Tree Screen - Scarborough Plantation (Friendship Cres -	-	-	-	-	-	134	162	0	-	162
220137	Tree Screen - Linwood plantation (Wynn Vale Drive -	-	-	-	-	-	102	122	-	-	122
220221	Dawson Reserve, Modbury	6	963	-	-	963	6	963	-	(83)	880

2022-23 Capital Works Program

Project Number	Project Description	Revenue					Expenditure					Expenditure Remaining
		YTD December Actuals	FY2023 Q1 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget	YTD December Actuals	FY2023 Q1 Revised Budget	Proposed Budget Adjustment	Carry Forward Adjustment	FY2023 Revised Budget	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
220237	North East Road TTG Township Streetscape Upgrade PLEC	-	-	-	-	-	18	20	-	(2)	18	-
220238	Civic Park Stage 3	-	-	-	-	-	24	30	-	-	30	6
230090	Meadowdale East Restoration Work	20	653	-	-	653	39	900	(150)	(100)	650	611
230091	Golden Grove Road Stage 2 - Revegetation and Beautification	-	200	-	-	200	-	400	-	-	400	400
230092	Demancourt Memorial	-	-	-	-	-	40	40	-	-	40	-
230113	Grand Junction Road Streetscape Upgrade, Hope Valley (between	17	500	-	-	500	34	500	-	-	500	466
230116	Tree Screens - Contingency Funds	-	-	-	-	-	-	90	-	-	90	90
230118	CWMS Transition Revegetation Project	-	200	-	-	200	-	400	-	-	400	400
230168	Tree Screen - The Golden Way (20 Neville Court to 4/3	-	-	-	-	-	4	105	-	-	105	101
230169	Tree Screen - Ladywood Road (8 Hovea Court to 1	-	-	-	-	-	4	95	-	-	95	91
Total City Beautification Works		1,009	4,096	-	-	4,096	2,740	7,303	75	(185)	7,192	4,452
Project Category: Capital Buildings Renewal												
210143	Waterworld-Pool Heater replacement	-	25	-	-	25	-	-	-	-	-	-
210144	Traffic - Road and Cycle Safety Centre upgrade	-	22	-	-	22	126	179	-	-	179	53
210208	Operational-Civic Centre air-conditioning replace(stage 2)	178	233	-	-	233	-	-	-	-	-	-
210223	Sherry Gitt (x2) Lemongum Reserve, Hyde Park-GA2	-	-	-	-	-	-	61	-	-	61	61
220140	2022 - Asset Management Plan Renewals - Recreational	-	-	-	-	-	55	56	(1)	-	55	-
220142	2022 - Asset Management Plan Renewals - Operational	-	-	-	-	-	110	123	-	-	123	13
220222	Emergency and Exit Lighting Replacement	-	-	-	-	-	19	17	2	-	19	-
230093	Turramurra Rec Centre - Strength for Life Floor Replacement	-	-	-	-	-	0	10	-	-	10	10
230094	Asset Management Plan Renewals - Recreational Building	-	86	-	-	86	180	446	-	-	446	266
230095	Asset Management Plan Renewals - Sporting Buildings	-	-	-	-	-	8	186	-	-	186	179
230096	Asset Management Plan Renewals - Operational Buildings	-	-	-	-	-	8	213	-	-	213	205
230097	Asset Management Plan Renewals - Amenities Buildings	-	-	-	-	-	2	45	(13)	-	33	30
230171	Asset Management Plan Renewals - Communities Buildings	-	-	-	-	-	16	350	13	-	363	347
Total Capital Buildings Renewal		178	366	-	-	366	524	1,687	1	-	1,688	1,164
Project Category: Capital Buildings New/Upgrades												
210147	Building future project fund	-	-	-	-	-	-	1,480	-	-	1,480	1,480
220147	Immunisation Clinic - Uninterrupted Power Supply (Battery)	-	-	-	-	-	1	1	-	-	1	-
220148	Keyless Building Access System	-	-	-	-	-	-	-	-	-	-	-
220151	TTG CFS Building fire safety improvements	-	-	-	-	-	44	43	1	-	44	-
220153	Waterworld - Entrance Turnstile and foyer works	-	-	-	-	-	198	199	(1)	-	198	0
220175	Linear Park Toilet Block - Highbury	-	-	-	-	-	6	174	-	-	174	168
220176	Harpers Field Community Building and Sporting Clubroom	-	2,310	-	(1,566)	744	338	4,364	-	(2,960)	1,405	1,067
220186	Modbury Soccer Club - Modbury	363	438	-	-	438	1,087	1,063	24	-	1,087	1
220187	Modbury Bowling Club	131	231	-	-	231	309	366	-	-	366	57
220188	Linear Park Toilet Block - Lutana Grove	-	-	-	-	-	6	171	-	-	171	165
220211	Modbury Sporting Club - Clubroom and Changeroom	29	845	-	(710)	135	42	1,300	-	(1,000)	300	258
220212	Tilley Recreation Park - Clubroom and Changeroom	-	600	-	-	600	56	895	-	-	895	839
230030	GGARC - Court 2 & 3 Stadium Seating replacement	-	15	-	-	15	11	30	-	-	30	19
230031	DAIP Building Upgrades	-	-	-	-	-	10	150	-	-	150	140
230032	Keyless Building Access	-	-	-	-	-	13	119	(1)	-	118	105
230033	GGARC - Emergency Lighting Upgrade, Golden Grove	-	-	-	-	-	1	32	-	-	32	31
230034	GGARC - Building Management System, Golden Grove	-	-	-	-	-	46	50	(4)	-	46	-
230035	TTG Memorial Hall - Storage, Tea Tree Gully	-	-	-	-	-	1	30	-	-	30	29
230036	Library Shelf Replacement	-	-	-	-	-	10	260	-	-	260	250
230037	GGARC - Theatre PA System and Audio Control System	-	-	-	-	-	6	140	43	-	183	177
230117	Cobbler Creek West Reserve Toilet	-	-	-	-	-	14	190	-	(88)	102	88
230123	Tea Tree Gully Gymsports	-	-	-	-	-	-	300	-	-	300	300
230124	Tea Tree Gully Tennis Club	-	-	-	-	-	-	300	-	-	300	300
230133	Accessible Adult Change Table Facility, Civic Park, Modbury	-	-	-	-	-	6	155	-	-	155	149
230134	Hope Valley Sporting Club - Amenities improvements	2	1,200	-	(1,174)	26	2	1,200	-	(1,174)	26	24
230239	Banksia Park Sports Area Master Plan	2	75	-	-	75	2	75	-	-	75	73
Total Capital Buildings New/Upgrades		527	5,714	-	(3,450)	2,264	2,209	13,087	63	(5,222)	7,928	5,719
Project Category: Environmental Projects												
210156	Green bins-compostable waste per audit findings	-	-	-	-	-	-	40	-	-	40	40
220156	Solar Energy program - Service Centre - Shed 2	47	49	-	-	49	67	90	-	-	90	23
230102	LED Street Lighting Changeover Stage 2	166	745	275	-	1,020	71	549	750	-	1,269	1,226
Total Environmental Projects		213	794	275	-	1,069	138	679	750	-	1,429	1,291
Project Category: Information Technology												
210160	Booking Systems - Phase 2	-	-	-	-	-	-	34	-	-	34	34
220160	Enterprise Content Management	-	-	-	-	-	89	95	(0)	-	95	6
220161	Identity & Access Management	-	-	-	-	-	-	96	-	(96)	-	-
220162	eServices Automation	-	-	-	-	-	106	213	(0)	-	213	107
220164	Internet of Things phase 2	-	-	-	-	-	34	42	-	-	42	8
220165	Immunisation Clinic - Booking System	-	-	-	-	-	-	23	-	-	23	23
230105	ERP System (Rating, Property, Salesforce integration,	-	-	-	-	-	82	986	-	-	986	904
230172	ITAMP - Hardware	-	-	-	-	-	91	285	18	-	303	212
230173	ITAMP - Desktop Software	-	-	-	-	-	49	54	-	-	54	5
230174	ITAMP - Enterprise Applications	-	-	-	-	-	85	160	-	-	160	75
230175	Other IT - Business Process Automation, Sustainable Cities,	-	-	-	-	-	101	281	-	-	281	180
230234	Firewall Replacement	-	-	-	-	-	173	185	(0)	-	185	12
Total Information Technology		-	-	-	-	-	809	2,454	18	(96)	2,376	1,967
Project Category: Other												
220191	Land Sales	4	-	-	-	-	38	-	-	-	-	(38)
230103	Projects to be Grant Funded (to be determined)	-	-	-	-	-	-	3,389	225	-	3,614	3,614
230106	Plant & Equipment Replacement Program	68	542	-	(354)	188	243	1,703	-	(1,040)	663	420
Total Other		73	542	-	(354)	188	282	5,092	225	(1,040)	4,277	3,996
Total Capital Works Program 2022-23		2,636	14,239	54	(3,803)	10,490	9,427	45,704	1,042	(6,952)	39,794	30,367

INFORMATION REPORT

AUDIT & RISK COMMITTEE MEETING

17 May 2023

Strategy & Finance

Internal Control Assessment May 2023 (D23/32562)

Purpose

To advise the Audit Committee of the Internal Controls review for 2022-23 undertaken by **City of Tea Tree Gully which have been reviewed and tested by Council's external auditors, BDO Audit (SA) Pty Ltd** to allow them to express an opinion on the **adequacy of Council's** internal controls.

Background

Section 129 of the Local Government Act 1999 requires auditors to provide an opinion regarding internal controls of councils.

Section 129 of the *Local Government Act 1999*, states that:

- “(1) The auditor of a council must undertake an audit of—*
- (a) the council's financial statements within a reasonable time after the statements are referred to the auditor for the audit (and, in any event, unless there is good reason for a longer period, within 2 months after the referral); and*
 - (b) the controls exercised by the council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.*
- (2) An audit must be carried out in accordance with standards prescribed by the regulations.*
- (3) The auditor must provide to the council—*
- (a) an audit opinion with respect to the financial statements; and*
 - (b) an audit opinion as to whether the controls audited under subsection (1)(b) are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law.”*

BDO Audit (SA) Pty Ltd were appointed as external auditors by Council for the Financial Year Ending (FYE) June 2019 through to FYE June 2023. They are required to provide an audit **opinion which gives due consideration to Council's policies, practices and procedures of** internal controls in accordance with Section 125 and 129 of the Local Government Act 1999.

BDO Audit (SA) Pty Ltd will review how key controls have been implemented, monitored and updated to maintain an effective control environment as part of the interim audit. Their approach has considered the control environment at Council and identified any weaknesses to be resolved in the preparation of the audit for the year to 30 June 2023.

Using Control Track (Council's internal control management system), these internal controls were assessed and reviewed by relevant City of Tea Tree Gully staff and BDO Audit (SA) Pty Ltd. This review **along with BDO's own criteria based on the Better Practice Model – Financial Internal Control for South Australian Council** will enable BDO to express an **opinion on the adequacy of Council's internal controls.**

The key controls are:

- Purchasing and Procurement
- Fixed Assets
- General Ledger
- Accounts Payable
- Rates/Rate Rebates
- Payroll
- Contracting
- Accounts Receivable (Debtors)
- Receipting
- Banking

Council's internal controls are monitored in many ways including but not limited to the following:

- Audit Committee;
- Comprehensive policy and procedure framework;
- Risk register which is reviewed by Council staff regularly and presented to the audit committee every six months;
- Policy & Strategic Development Committee which is responsible for the review of **Council's policies;**
- A comprehensive process in place to review procedures and policies including internal financial control procedures every two years.

Council has ensured that internal controls are monitored as per the legislation and has put in place the following:

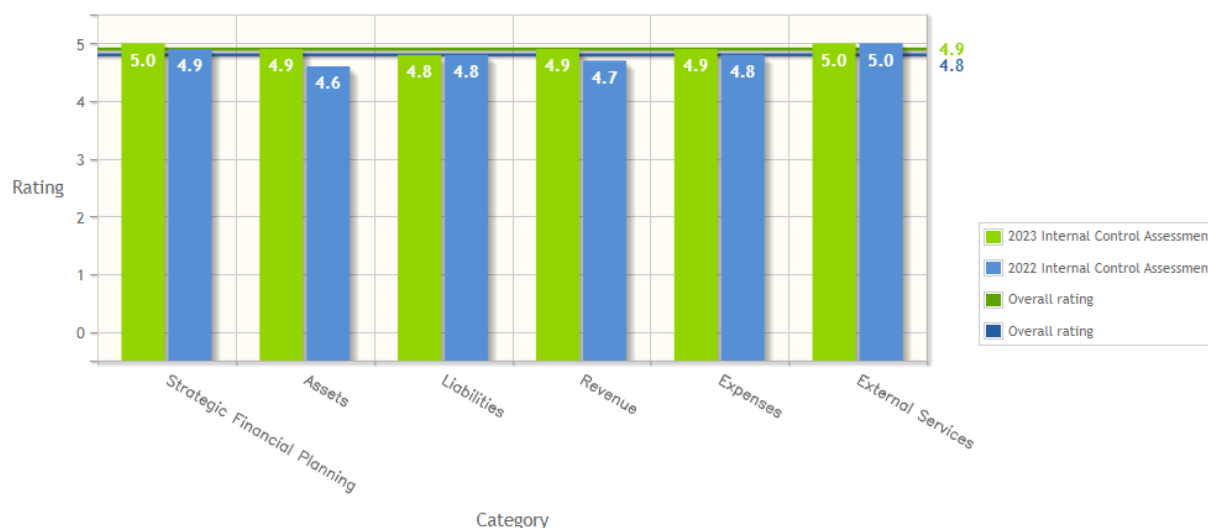
- Staff training to complete assessments of internal financial controls using the Control Track software system;
- Assessed controls using the Control Track software system prior to commencement of the new legislation;
- Developed action plans of internal financial control improvements from the assessment of controls using the Control Track software system;
- An assessment of the internal controls annually using the Control Track software system.

Key Findings

An assessment and review process were completed in April/May 2023 using the following rating scale:

1. Ineffective
2. Requires Significant Improvement
3. Partially Effective
4. Majority Effective
5. Effective

The effectiveness of internal controls at Council has been assessed at 4.9 from a possible score of 5 using the Control Track tool. This compares to a result of 4.8 in the internal controls assessment held in May 2022. This result verifies that Council's internal controls are being maintained at a high level. This is outlined in Attachment 1.



Attachment 1 provides a summary of the assessments for each category.

Attachments

1. [1](#) 2022-23 Internal Control Assessment128

Report Authorisers

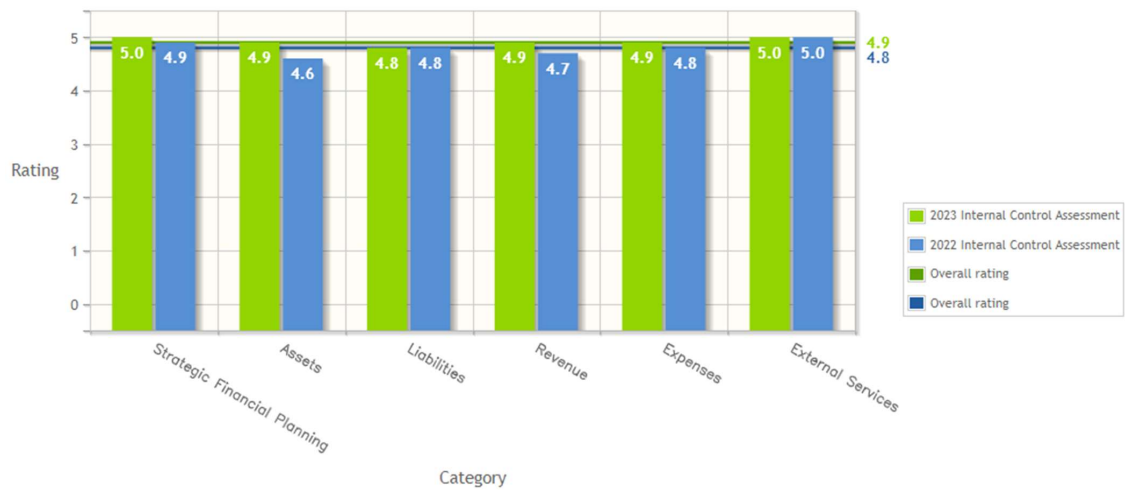
Stuart Simpson	
Team Leader Financial Accounting	8397 7308
Rebecca Baines	
Manager Finance & Rating Services	8397 7362
Justin Robbins	
General Manager Strategy & Finance	8397 7444

Internal Control Assessment

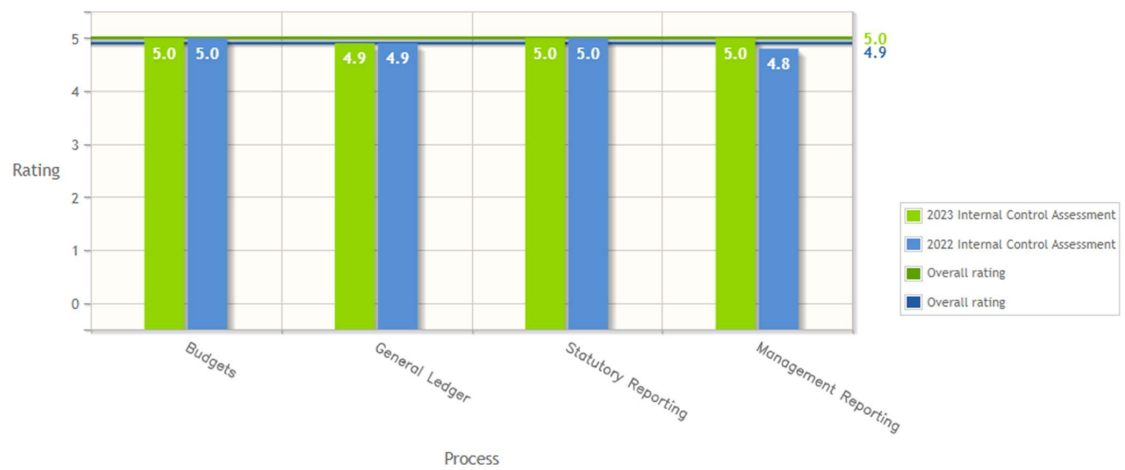
City of Tea Tree Gully

May 2023

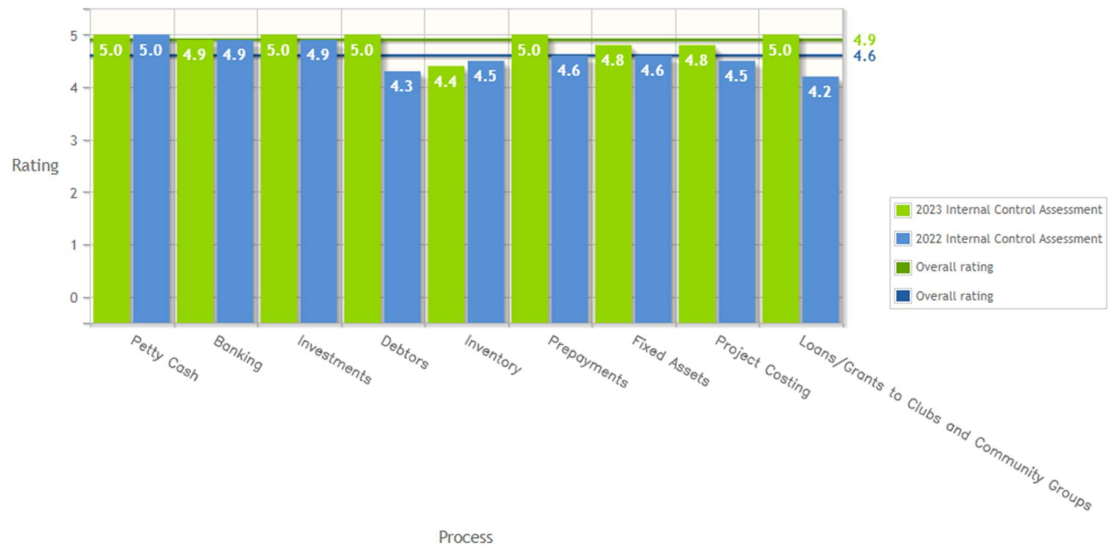
Overall Internal Control Assessment



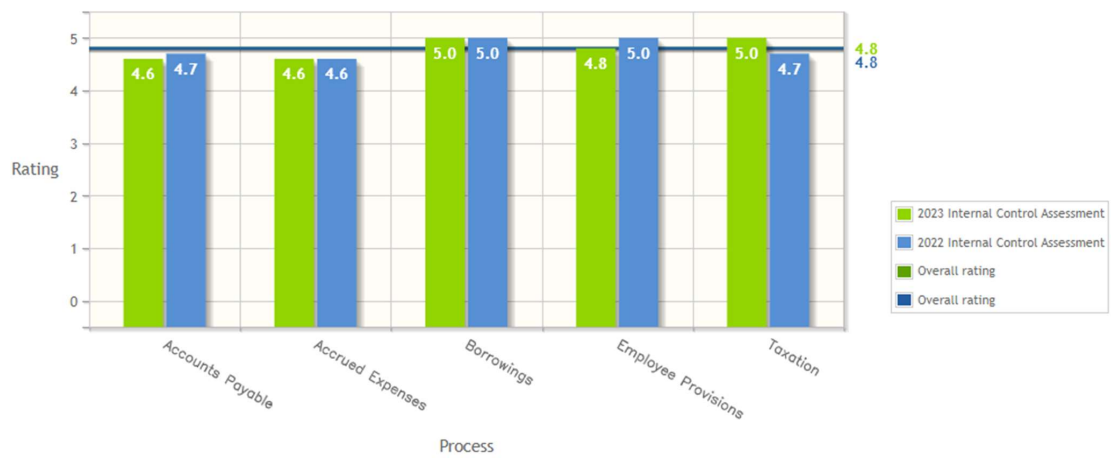
Internal Control Assessment – Strategic Planning



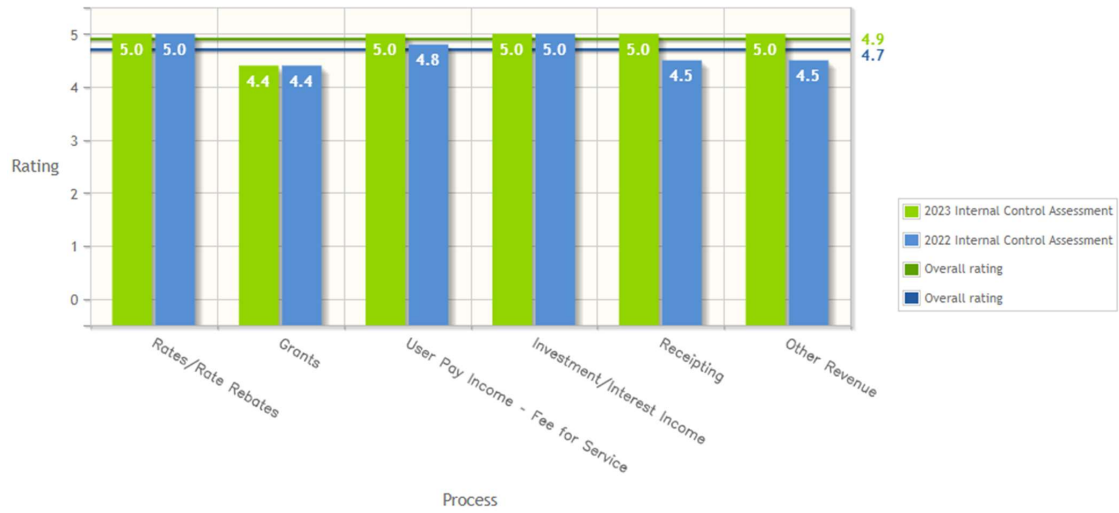
Internal Control Assessment – Assets



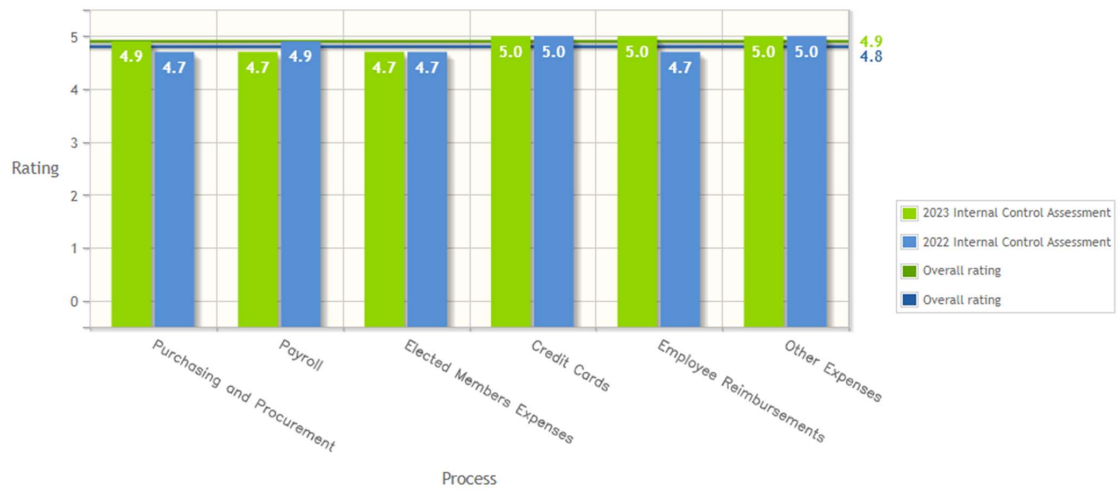
Internal Control Assessment – Liabilities

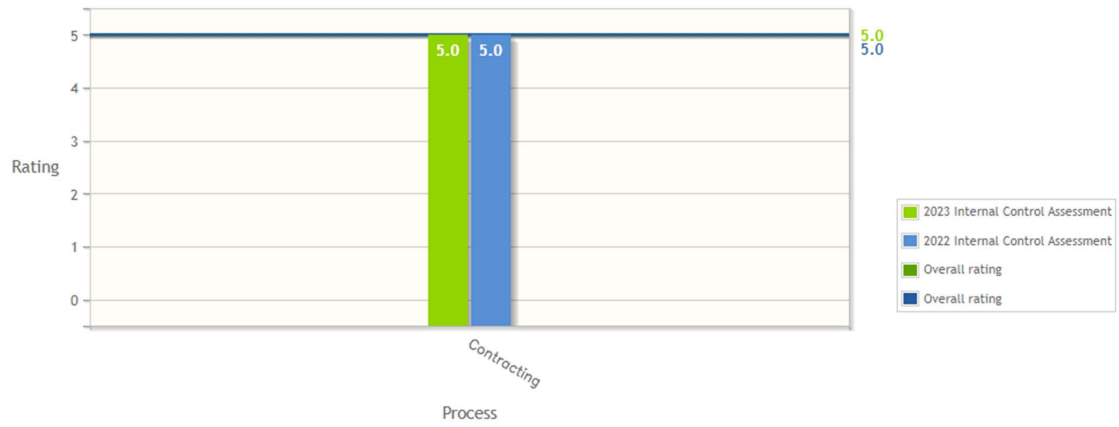


Internal Control Assessment – Revenue



Internal Control Assessment – Expenses



Internal Control Assessment – External Services

INFORMATION REPORT

AUDIT & RISK COMMITTEE MEETING

17 May 2023

Community Services

Dogs and Cats Online system (D23/33855)

The Dogs and Cats Online system (“DACO”) which is run through the Dog and Cat Management Board (“DACMB”), a function of the Department for Energy and Water, has been unavailable to the public since December 2022. DACO is the system for dog and cat registration and associated information which is used by all South Australian Councils.

The DACMB made the decision to suspend public access while they investigated some security matters with their contracted supplier to ensure the most robust security system in place. During this time DACO was still available to Council staff who were able to assist members of the public either in person or over the phone with any DACO system matters.

There are no reported or known data breaches and the decision to limit access while the matter was investigated was a precautionary step as a result of scheduled testing.

Access has been restored to members of the public in early May 2023. It was not planned for the system to be inaccessible by the public for such a long period of time but was necessary to ensure the identified risks were addressed accordingly.

Council officers experienced an increase in the volume of incoming phone calls specifically to assist with the DACO system during this period.

Attachments

N/A

Report Authorisers

Laura Watson Manager Community Safety	8397 7339
Michael Pereira General Manager Community Services	8397 7377

Status Report on Audit & Risk Committee Resolutions 17 MAY 2023

Note: This report is provided as information only. Actions relating to confidential minutes may not be included in the Status Report.

Note: This report will be presented on a monthly basis, to the first meeting each month.

Pending Actions

Minute No.	Meeting Date	Officer	Subject	Estimated Completion
7	29/03/2023	Marks, Marley	Treasury Policy	17/05/2023
D23/22142 26 Apr 2023 11:05am Marks, Marley Policy to return to the Audit & Risk Committee meeting on 17 May 2023.				

Completed Actions

Minute No.	Meeting Date	Officer	Subject	Completed
5	29/03/2023	Marks, Marley	Internal Audit Report - Procurement Practices - Quotations	26/04/2023
D23/22142 26 Apr 2023 11:05am Marks, Marley Agreed actions captured and will be reported on accordingly.				

Minute No.	Meeting Date	Officer	Subject	Completed
6	29/03/2023	Marks, Marley	Financial Sustainability Policy	4/04/2023
D23/22142 04 Apr 2023 9:21am Marks, Marley Updated Policy as reviewed by the Audit & Risk Committee on 29 March 2023 has been uploaded on Council's website.				

Minute No.	Meeting Date	Officer	Subject	Completed
8	29/03/2023	Marks, Marley	Disposal of Land and Assets and Acquisition of Land Policy	4/04/2023
D23/22142				
04 Apr 2023 9:26am Marks, Marley				
Updated Policy as reviewed by the Audit & Risk Committee on 29 March 2023 has been uploaded on Council's website.				

Minute No.	Meeting Date	Officer	Subject	Completed
9	29/03/2023	Marks, Marley	Internal Audit Report - Strategic Social Infrastructure Planning	26/04/2023
D23/22142				
26 Apr 2023 11:05am Marks, Marley				
Agreed actions captured and will be reported on accordingly.				