

His Worship the Mayor
Councillors
CITY OF MARION



**NOTICE OF
GENERAL COUNCIL MEETING**

Notice is hereby given pursuant to the provisions under Section 83 of the Local Government Act 1999 that a General Council meeting will be held

Tuesday 23 June 2015

Commencing at 7.00 p.m.

In the Council Chamber

Council Administration Centre

245 Sturt Road, Sturt

A copy of the Agenda for this meeting is attached in accordance with Section 83 of the Act.

Meetings of the Council are open to the public and interested members of this community are welcome to attend. Access to the Council Chamber is via the main entrance to the Administration building on Sturt Road, Sturt.

A handwritten signature in black ink, appearing to read "G. Whitbread", with a stylized flourish at the end.

Geoff Whitbread
ACTING CHIEF EXECUTIVE OFFICER

18 June 2015

**CITY OF MARION
GENERAL COUNCIL AGENDA
FOR MEETING TO BE HELD ON
TUESDAY 23 JUNE 2015
COMMENCING AT 7.00PM**



1. OPEN MEETING

2. KAURNA ACKNOWLEDGEMENT

We acknowledge the Kurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3. DISCLOSURE

All persons in attendance are advised that the audio of this General Council meeting will be recorded and will be made available on the City of Marion website.

4. ELECTED MEMBER'S DECLARATION OF INTEREST (if any)

5. CONFIRMATION OF MINUTES

Confirmation of the Minutes for the General Council meeting held on
9 June 20155

Confirmation of the Minutes for the Special General Council meeting held on
16 June 201524

6. COMMUNICATIONS

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7. YOUTH ADVISORY COMMITTEE (YAC) UPDATE

Nil

8. DEPUTATIONS

Red House Group Inc
GC230615D0128

Feast Festival
GC230615D02.....28a

9. PETITIONS

Petition - Removal of Rainbow Flag
GC230615P01

10. ADJOURNED ITEMS

Cove Youth Services Operational Options
GC230615R0129

11. COMMITTEE RECOMMENDATIONS

Audit Committee Minutes
GC230615R0237

Strategic Directions Committee Minutes
GC230615R0347

12. WORKSHOP / PRESENTATION ITEMS

Nil

13. CORPORATE REPORTS FOR DECISION

Adoption of the Annual Business Plan & Budget & Long Term Financial Plan
GC230615R0455

Valuation – Adoption for 2015/2016 Financial Year
GC230615R05205

Rates Declaration 2015/16
GC230615R06208

Rate Rebate 2015/16
GC230615R07211

Disposal of Land and Assets Policy
GC230615R08218

Asset Management Plans
GC230615R09226

14. CORPORATE REPORTS FOR INFORMATION/NOTING

Finance Report – May 2015
GC230615R10294

15. Questions with Notice**Waste Recycling – Community Education**

GC230615Q01309

Marion Swimming Pool LED Signage

GC230615Q02332

16. Motions with Notice**Oaklands Crossing**

GC230615M01333

Rainbow Flag Rescission (Cr Appleby)

GC230615M02335

Rainbow Flag Rescission (Cr Telfer)

GC230615M03337

Renewal of the Management Agreement with the Red House Group Inc for the Management of Gallery M – Amendment

GC230615M04339

17. Questions without Notice**18. Motions without Notice****19. CONFIDENTIAL ITEMS**

Nil

20. LATE ITEMS**CEO Recruitment Process**

GC230615F01342

21. MEETING CLOSURE

Council shall conclude on or before 10.00pm unless there is a specific motion adopted at the meeting to continue beyond that time.

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MINUTES OF THE GENERAL COUNCIL MEETING
HELD AT ADMINISTRATION CENTRE
245 STURT ROAD, STURT
ON TUESDAY 9 JUNE 2015



PRESENT

Councillors

Coastal Ward

Ian Crossland
Tim Gard

Mullawirra Ward

Jerome Appleby
Jason Veliskou

Southern Hills

Janet Byram
Nick Westwood

Warracowie Ward

Bruce Hull
Nathan Prior

Warriparinga Ward

Luke Hutchinson (Chair)
Raelene Telfer

Woodlands Ward

Nick Kerry
Tim Pfeiffer

In Attendance

Ms Kathy Jarrett
Mr Vincent Mifsud
Ms Kate McKenzie
Ms Jaimie Thwaites

Director
Director
Manager Governance
Unit Manager Council Support

COMMENCEMENT

The meeting commenced at 7.00pm.

KAURNA ACKNOWLEDGEMENT

We acknowledge the Kurna people, the traditional custodians of this land and pay our respects to their elders past and present.

DISCLOSURE

All persons in attendance are advised that the audio of this General Council meeting will be recorded and will be made available on the City of Marion website.

MEMBERS DECLARATION OF INTEREST

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting.

Councillors Appleby, Kerry, Westwood, and Crossland identified a conflict of interest which has been recorded in the minutes at the following relevant agenda item for reference:

- *Petition - Telecommunications Facility at Kellett Reserve, Report Reference GC090615P01*
- *Telstra Telecommunications Tower, Report Reference GC090615M01*
- *Conflict of Interest – Cr Crossland, Report Reference GC090615R07*

CONFIRMATION OF MINUTES

Moved Councillor Telfer, Seconded Councillor Byram that the minutes of the General Council meeting held on 26 May 2015 be taken as read and confirmed.

Carried Unanimously

DEPUTATIONS

Nil

PETITIONS

Councillors Appleby, Kerry and Westwood declared a conflict of interest in the matters 'Petition - Telecommunications Facility at Kellett Reserve', Report Reference GC090615P01 and 'Telstra Telecommunications Tower', Report Reference GC090615M01 as they are members on the Development Assessment Panel and left the meeting.

7.03pm Councillors Appleby, Kerry and Westwood left the meeting

Petition - Telecommunications Facility at Kellett Reserve Reference No: GC090615P01

Moved Councillor Veliskou, Seconded Councillor Gard that Council:

1. Note the petition.
2. Note that the head petitioner has been advised that she (and any other person who submitted a valid representation) will be provided with an opportunity to address the Development Assessment Panel, speak to her concerns with the proposal and respond to questions from the Development Assessment Panel.
3. Note that the head petitioner, residents living within a catchment area adjacent the reserve and committee members of the Morphetville Park Sporting Club have been invited to the Forum on 15 June 2015.

4. Note that the outcomes of the Listening Forum and the Development Application process will be included for consideration within a report at the 14 July 2015 General Council Meeting seeking a decision regarding the proposed commercial lease with Telstra.

Carried

MOTIONS WITH NOTICE

Telstra Telecommunications Tower Ref No: GC090615M01

Moved Councillor Veliskou, Seconded Councillor Prior that:

The Council report considering the commercial lease to Telstra for a telecommunications tower at Kellett Reserve include details of further community feedback from residents surrounding both of the sites for which development assessment approval has been sought.

Further that an assessment is prepared by staff of the impacts and consequences of locating such a facility at each respective location.

Carried

Councillor Hull called for a division:

Those For: Councillors Pfeiffer, Telfer, Prior, Byram, Veliskou, Gard and Crossland

Those Against: Councillor Hull

Carried

7.26pm Councillors Kerry, Westwood and Appleby re-entered the meeting

ADJOURNED ITEMS

Nil

COMMITTEE RECOMMENDATIONS

Nil

WORKSHOP / PRESENTATION ITEM

Nil

CORPORATE REPORTS FOR DECISION

**Edwardstown Senior Citizens Hall, CT Volume 5869 Folio 35, 48 Dumbarton Ave,
Edwardstown - Expression of Interest
Report Reference: GC090615R05**

Moved Councillor Pfeiffer, Seconded Councillor Kerry that Council:

1. Enter into negotiations with the Marion City Band Inc and pursuant to Section 37b of the Local Government Act 1999, authorise the Chief Executive Officer to enter into negotiation and execute all documents necessary for the leasing of the building known as the Edwardstown Senior Citizens Hall, 48 Dumbarton Ave Edwardstown, to the Marion City Band Inc for a period up to and including 31 March 2018.

Adjournment:

Moved Councillor Gard, Seconded Councillor Crossland that:

1. The item be adjourned until the 14 July 2015 General Council meeting.

Lost

Amendment:

Moved Councillor Appleby, Seconded Councillor Crossland that Council:

1. Enter into negotiations with the Marion City Band Inc and pursuant to Section 37b of the Local Government Act 1999, authorise the Chief Executive Officer to enter into negotiation and execute all documents necessary for the leasing of the building known as the Edwardstown Senior Citizens Hall, 48 Dumbarton Ave Edwardstown, to the Marion City Band Inc for a period up to and including 31 March 2018.
2. The current market value of the rent be deducted from the grant funding provided to the Marion City Band Inc.

The amendment was **Lost**
The original motion was **Carried**

**Draft Annual Business Plan and Budget 2015/16 and Draft LTFF
Report Reference: GC090615R01**

Moved Councillor Veliskou, Seconded Councillor Prior that:

1. The Draft Annual Business Plan and Budget 2015/16 be prepared for final consideration at the 23 June 2015 General Council meeting on the basis of:
 - Average Rate increase of 2.9%
 - Minimum Rate of \$965
 - No Maximum Rate is applicable
 - Capping set at 12% with a \$20 minimum and \$200 maximum

- Capping for Qualifying Pensioners and Self-Funded Retirees set at 9.0% with a \$10 minimum and \$300 maximum
- Differential Rate by land use:
 - Commercial 85%
 - Industrial 65%
 - Vacant Land 90%

7.59pm Councillor Pfeiffer left the meeting

Carried

8.03pm Councillor Pfeiffer re-entered the meeting

Moved Councillor Telfer, Seconded Councillor Westwood that:

2. The Draft Annual Business Plan and Budget 2015/16 (Appendix 1), with such variations as approved by Council, be referred to the General Council Meeting on 23 June 2015 for final adoption.
3. The Draft Long Term Financial Plan 2015/16 – 2023/24 (Appendix 2), with such variations as approved by Council, be referred to the General Council Meeting on 23 June 2015 for final adoption.
4. Council adopt the recommended changes to the financial policies as detailed in this report and highlighted in Appendix 1:-
 - Rating Policy (Appendix 1 page 42);
 - Treasury Management Policy (Appendix 1 page 51) and
 - Reserve Funds Policy (Appendix 1 page 63 to 64)
5. The Draft Fees & Charges Schedule for 2015/16 (Appendix 3) be endorsed by Council, subject to the Fees & Charges policy being finalised in light of the final decisions to be made by Council as part of the Annual Business Plan and Budget process.
6. The Grants Program for 2015/16 (Appendix 4) be endorsed by Council and be brought back to Council on an annual basis in conjunction with the Annual Business Plan and Budget.

Carried

Moved Councillor Veliskou, Seconded Councillor Pfeiffer that

7. The Resilient South Program is included for once-off funding of \$23,555.50 in the 2015/16 Annual Business Plan and Budget

Carried

Moved Councillor Veliskou, Seconded Councillor Pfeiffer that

8. The draft budget funding surplus be placed in the Asset Sustainability Reserve specifically to be quarantined for use in the Community Facilities Partnership Program (CFPP).

Carried

8.25pm Councillor Byram left the meeting

Inquiry into Local Government Rate Capping Policies

Report Reference: GC090615R02

Moved Councillor Veliskou, Seconded Councillor Telfer that Council:

1. Endorse the response to the Local Government Association of South Australia (Appendix 1) by 10 June 2015, subject to any additional feedback provided in the General Council meeting of the 9 June 2015.

Carried

Renewal of Management Agreement with Red House Group Inc for Management of Gallery M

Report Reference: GC090615R03

Moved Councillor Veliskou, Seconded Councillor Pfeiffer that Council:

1. Enter into a new three year funding agreement with the Red House Group Inc., for the Management of Gallery M commencing 1 July 2015 and concluding on 30 June 2018.
2. Approve that the new agreement allows for the Red House Group Inc. to retain in full any income generated from gallery fees throughout the life of the agreement.

8.27pm Councillor Byram re-entered the meeting

8.33pm Councillor Appleby left the meeting

8.35pm Councillor Appleby re-entered the meeting

Amendment:

Moved Councillor Appleby, Seconded Councillor Kerry that:

1. Enter into a new one year funding agreement with the Red House Group Inc., for the Management of Gallery M commencing 1 July 2015 and concluding on 30 June 2016.
2. Approve that the new agreement allows for the Red House Group Inc. to retain in full any income generated from gallery fees throughout the life of the agreement.

The amendment was **Carried**
The amendment became the motion and was **Carried**

Community Grants Round 2014/2015

Report Reference: GC090615R04

Moved Councillor Telfer, Seconded Councillor Byram that Council:

1. Approve the Community Grant applications, totalling \$64,982 as recommended in Appendix 1.
2. Note the grants will generate community projects to the value of \$193,398 (consisting of Council's \$64,982 contribution plus \$128,416 of community contribution).
3. Note that with this round of funding and since 2005, the City of Marion's Community Grants Program will have:
 - supported 469 projects from 264 organisations
 - provided \$864,982 for community projects
 - assisted generating community projects to the value of \$2,448,259

Carried Unanimously

Request to fly the Rainbow Flag during Feast Festival

Report Reference: GC090615R06

Moved Councillor Pfeiffer, Seconded Councillor Hull that Council:

1. Endorses The Rainbow Flag to be flown at the City of Marion administration building on an ongoing basis.
2. The flag pole flying the City of Marion flag be changed at times of other significant events (e.g. flying the Eureka Flag).
3. Not register the flying of the flag with any organisation.

Carried

Councillor Appleby called for a division

Those For: Councillors Pfeiffer, Telfer, Prior, Hull, Veliskou, and Gard

Those Against: Councillors Kerry, Westwood, Byram, Appleby and Crossland

Carried

Conflict of Interest – Cr Crossland

Report Reference: GC090615R07

Councillor Crossland provided a personal explanation in relation to the report 'Conflict of Interest – Cr Crossland'.

'This complaint relates to my nomination to sit on a DPA Committee that was discussing the Hallett Cove Coastal Protection area and other items which were unrelated to my local area.'

At the time of nomination, I only knew that it affected some parts of the Coastal DPA, no other details were given. In my view this nomination was correct and I will continue to represent residents of Hallett Cove even if they live near the coast.

On becoming aware of the complaint I contacted the Marion Council's Planning Department to obtain details of the DPA in question and to find out if in fact in their view I had a conflict of interest. At that stage I was informed by the Manager of the Planning Department that the DPA had no effect at all on my property or me personally.

I went further and sought further advice from Ms Jarrett, subsequently upon her advice I decided to withdraw from attending the DPA meeting. I didn't attend that part of the meeting, once that part of the meeting was finished I continued with my obligations for the rest of that DPA.

I took the matter further and requested clarification to be provided on what the perceived conflict of interest would be. Legal advice was sought and as you can see the advice that came back was that this did not meet the substantial test and in fact I had a 'proximity conflict'.

I was unsure what the proximity boundary was because I have a number of coastal interests and quite a few other minor projects coming forward at the moment so I sought some clarity around this grey area. Unfortunately the answer to the proximity area was not provided as the area can not actually be defined, so unfortunately this grey area just became greyer for me.

In summary, I nominated for the Panel as it affected residents living in my ward, once the potential conflict of interest was highlighted and the area in question was identified I made the decision not to attend the meeting. I could not have foreseen the potential conflict at the time of nomination as the area in question was not provided to Councillors. To date I have still not been able to identify what potential benefit or detriment would be to me personally from the proposed changes to the DPA.

I would also like to acknowledge the assistance, the efficient and effective way Ms Jarrett dealt with the complaint. I would like that noted as well.

Thank you.'

Councillor Crossland declared a conflict of interest in the matter as the item related to him and left the meeting.

9.15pm Councillor Crossland left the meeting

Moved Councillor Veliskou, Seconded Councillor Gard that Council:

1. Note Councillor Crossland's personal explanation.
2. Based on the personal explanation provided by Councillor Crossland and the circumstances explained that no further action be taken in relation to this issue.
3. Take further advice and seek further examples of where potential conflicts of interest may occur in the future.

Carried Unanimously

9.24pm Councillor Crossland re-entered the meeting.

CORPORATE REPORTS FOR INFORMATION NOTING

Nil

MATTERS RAISED BY MEMBERS

QUESTIONS WITH NOTICE

Economic Development
Ref No: GC090615Q01

QUESTIONS: Councillor Appleby

1. What was the cost of the Economic Development unit in the 2013/14 financial year?
2. What, if any, was the net benefit to the City?

COMMENTS: Neil McNish (Economic Development Manager)

1. Total costs for the Economic Development unit in 2013/2014 including salaries, on-costs, general operating costs and project/program costs were \$439,287.
2. The activities of the Economic Development unit are driven by the aspirations of the Community Plan and specifically the theme of 'Prosperous' which states:
'By 2040 our city will – Be a diverse and clean economy that attracts investment and jobs, and creates exports in sustainable business precincts while providing access to education and skills development'. Legislatively, the Local Government Act 1999 states that one of the functions of a council is 'to promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism. The latest Australian Government figures show that the City of Marion has some 4,598 actively trading businesses (GST registered) with many thousands of smaller registered businesses. At the last Census, the total number of jobs in the City was 21,467 and at the same time, some 39,572 residents were employed.

Outcomes achieved in the 2013/2014 financial year include:

- Establishment of the Marion Small Business Advisory Service (established in October 2013) focused on helping local residents to start a business and providing support to small early stage businesses. This attracted \$33,750 of grant funding from the State Government. 200 consultation sessions were held with 165 separate clients of whom 122 were start-ups.
- Provision of two scholarships for Marion residents to attend the Flinders University New Venture Institute Venture Dorm program which helps entrepreneurs develop a sustainable business over a 12 week period.
- Five workshops on 'will your idea work as a business' were run at the Marion Cultural Centre with a total of 61 attendees.
- In partnership with ERBA and the Marion Rotary Club we organised four Marion Business Breakfasts which featured guest speakers and business networking opportunities. Over 225 business people attended these events.

- We provided financial and in-kind support to ERBA which enabled them to continue operating and build their membership and future sustainability – membership at 30 June 2014 was 90 businesses. Some 7 formal seminars were organised together with informal networking dinners with over 220 people attending these events.
- Three Mayor's business engagement events were organised with over 70 business people attending.
- We sponsored the Inner South Trade Schools annual awards at the Marion Cultural Centre where school students across the region were recognised for their success in undertaking trades training while still at school.
- With regard to tourism, a revised Tourism map was developed and printed. These maps are distributed to 118 dedicated tourism brochure racks throughout the Adelaide metropolitan area with approximately 350 brochures used monthly. A tourism steering group was also established with a number of local businesses to help with the development of a new tourism strategy.
- Following the business engagement work we undertook during the successful bid for the \$3.4 million Federal Government grant for the Cove Civic Centre project, we hosted two business workshops in Hallett Cove to gather input to the design of the enterprise support activities of the new centre.
- The Economic Development unit coordinated the City of Marion's input to the \$407m Southern Expressway duplication project including infrastructure, drainage, environmental, economic and community aspects of the project.
- We represented council on the Southern Expressway Taskforce chaired by Leon Bignell, MP whose objectives were to maximise local industry input and maximise local workforce participation. This involved working with the contractors, local business groups and job brokers to promote these opportunities. Outcomes included 58% of the project workforce being based in Southern Adelaide and 77 Southern firms winning sub contract work (22% of the total).
- The unit represented the City of Marion on the Skills for Jobs in the Regions executive which issued tenders and awarded contracts for training projects aimed at providing employment outcomes in the southern region.
- The Economic Development unit coordinated the City of Marion's input to the Tonsley redevelopment project including forming focus groups to review infrastructure, public realm, finance, council services, governance and economic development. Considerable input was provided to the State Government agencies, Renewal SA and the (now) Department of State Development regarding the development of the precinct including numerous meetings with government and other key stakeholders.
- Following the opening of the Tonsley TAFE building in January 2014, we promoted Tonsley as a location for business events as part of the overall marketing and attraction of businesses to the precinct.
- The unit provided support to the Southern Adelaide Economic Development Board. The Board's activities included a number of discussions with the State Government on priorities for the South including a submission to the State Government on the Integrated Transport and Land Use Plan to support the Cities of Marion and Onkaparinga.

Micro-chipping of Cats and Dogs

Ref No: GC090615Q02

QUESTIONS: Councillor Hull

With the compulsory micro-chipping, is there a requirement that cat owners provide evidence that this has been complied with and what micro-chipping data is collated from the pet owner?

If any of these micro-chipping companies go into liquidation, who updates/manages the data base?

Do our inspectors carry the 5 separate scanners for each company or any micro-chip scanners at all?

If a deceased animal (pet) is found in the council area, are they scanned and the owners notified before deceased animal is removed?

If a cat or dog is found in the council area and scanned, found to be from another Council area. Is the other Council advised?

COMMENTS: Anna White (Team Leader Community Safety Inspectorate)

With the compulsory micro-chipping, is there a requirement that cat owners provide evidence that this has been complied with and what micro-chipping data is collated from the pet owner?

Under Council's current By-Law No.6 Cats, there is no requirement for cat owners within the City of Marion to produce proof that the cat they own is micro-chipped. Data is not collected about each individual cat.

There are several private companies which are independent of the City of Marion which manage micro-chipping and it is up to each cat owner to keep their details up to date with the relevant company.

The information relevant to a micro-chip, including cat owner details, is available to the City of Marion free of charge. ; The information is provided by telephone from one of the private companies that maintain micro-chipping information.

Compulsory micro-chipping was introduced on the 1st January, 2015 via Council By-Law 6 (Cats). This By-Law is not enforced retrospectively for those cats that were already residing in the City of Marion prior to the implementation of the new By-Law.

If any of these micro-chipping companies go into liquidation, who updates/manages the data base?

To date, the City of Marion has no knowledge of any micro-chipping company entering into liquidation. Each company is a private organisation independent of the City of Marion. If one of these companies were to go into liquidation, an Administrator would typically be appointed and would manage all business requirements, including future management of such data.

Do our inspectors carry the 5 separate scanners for each company or any micro-chip scanners at all?

Each City of Marion Community Safety Inspector has a microchip scanner. The microchip scanner is universal and can read any microchip.

If a deceased animal (pet) is found in the council area, are they scanned and the owners notified before deceased animal is removed?

If a deceased animal is collected from council land, it is scanned for identification. If identification details are obtained, the owner of the animal is notified. The owner is not always notified before removal due to safety reasons, for example if an animal is located on a road. In such a situation, the deceased animal is collected and housed in a facility at the City of Marion for a period of time and the owner is notified.

If a cat or dog is found in the council area and scanned, found to be from another Council area. Is the other Council advised?

It is not usual practice for the City of Marion to contact another council if information is obtained through a micro-chip, as City of Marion staff can access the owner's details from the micro-chip company and staff then make direct contact with the owner of a lost animal.

Culture & Tourism

Ref No: GC090615Q03

QUESTIONS: Councillor Crossland

The City of Marion currently spends \$726,000 on Culture and Tourism. This is in addition to the cost of running our Cultural Centre, the Living Kaurna Cultural Centre, Community Development unit and Economic Development team.

How is this money spent (breakdown of the budget)?

What measurable outcomes have been achieved by this unit?

If this expenditure were cut from our 2015/2016 budget, other than financial, would there be a direct impact on our rate payers?

COMMENTS: Marg Edgecombe, Unit Manager Community Cultural Development

The Culture and Tourism budget of \$726,000 covers the administration and project work of the Arts & Cultural Development team, the Marion Heritage Research Centre, maintenance and depreciation of the Red House Building and depreciation of public art and the Marion City Band instruments.

The work of the Community Cultural Development Unit (which includes the Living Kaurna Cultural) achieves outcomes under Council's strategic directions of a Liveable, Innovative, Prosperous, Connected and Engaged City. Projects, programs and events delivered by this budget fosters creativity (innovation, imagination, expression) through arts; supports and develops strong links between individuals, community and their connection to place; supports and facilitates cultural activities that develop a sense of belonging, trust, and respect for community diversity; provides opportunity for community to interact, be enriched and be actively involved in local decision making; and fosters community capacity in preserving heritage and celebrating cultural beliefs, customs, traditions and practises.

This is in line with the LGA Policy Manual 2013 which recognises arts and cultural development as one of the key activities of Local Government.

The budget breakdown of the \$726,354 is as follows:

Operations and Staffing	\$428,390	
Walk the Talk Reconciliation	\$2,150	
Public Art Management	\$7,000	
Art of respect	\$6,000	
Public Art Projects	\$33,700	Off set by \$15,000 grant
Indigenous Land Use Agreement (ILUA)	\$9,000	
Square Eyes	\$9,090	
Harmony Day	\$6,430	
Marion Celebrates Festival	\$48,000	Bi-annual
Marion Historic Village	\$33,855	
Anzac Day Commemoration Fund Grant	\$3,535	100% Grant funded
Cultural Indicators Pilot Project	\$18,032	100% Grant funded
Refugee Scholarship	\$2,460	
Annie Doolan's Cottage	\$4,400	
Heritage Research Centre	\$82,848	
Red House Building Maintenance	\$31,463	
TOTAL	\$726,353	

Achievements and the impacts of cutting the budget are tabled below:

Achievements	Impacts on community should budget be cut
Operations and Staffing Staffing of Arts & Cultural Development team consisting of 3.0 FTE and the Unit Manager (also responsible for LKCC). The Arts & Cultural Development Team deliver projects focusing on the broad areas of community arts, public art and place making, cultural diversity, festivals and events, cultural heritage, cultural asset management and reconciliation.	Council unable to deliver on areas of its Community Plan specifically Liveable, Innovative, Prosperous, Connected and Engaged City.
Walk the Talk - Reconciliation Ongoing reconciliation activities and Reconciliation week Weaving workshops at MCC attended by 20 people with a waiting list of another 21 people.	Loss of opportunity for community to develop understanding between Indigenous and non-Indigenous Australians. Does not meet Reconciliation Action Plan minimum requirements.
Public Art Management Programmed maintenance and asset management on 47 pieces of public art and 65 interpretive signs across the City.	The regular maintenance program is a proactive approach to the public art collection ensuring that only minor repairs will need to be undertaken in future years.

<p>Art of Respect Program aims to reduce illegal graffiti by providing opportunities for positive creative expression, skill improvement and developing relationships with young people at risk of offending. Six workshops were held this year with 13 attendances resulting in an exhibition at Gallery M attended by approximately 60 people. This year marks the 10th anniversary of this program which has been a model that many Councils have based similar programs on.</p>	<p>Inability to work with at risk young people to develop art skills, share identity. This program has a positive impact on the participants, families and the wider community.</p> <p>Potential increase in Graffiti across the City of Marion.</p>
<p>Public Art Projects in progression this year include: Mike Turtur Bikeway from Morphett Road to Buttrose Terrace, (\$15,000 grant from City of Holdfast Bay to complete); commission for Kaurna Art work for the Council Chamber as endorsed by Council in the Reconciliation Action Plan; Tram stop 6 'Go Your Own Way' temporary poetry mural and signage works, developed by community members working with an artist and poet; planned works as part of Railway Tce Redevelopment (seed funding grant applied for through Arts SA to off-set these costs).</p>	<p>Reduced funds within the public art budget severely restricts Council's capacity to deliver any place activation and/or public art.</p> <p>The incorporation of art in the public realm represents best practice in urban renewal.</p>
<p>Contribution towards Indigenous Land Use Agreement (ILUA) as per Council Resolution on 23 July 2013.</p>	<p>In Breach of agreement.</p> <p>Reputational risk to City of Marion.</p>
<p>Square Eyes Program budget provides annual community arts project based on engagement in multimedia and innovative technologies and developing content to M-Files on-line time capsule. Planned project for 2014-2015 for contribution to multimedia Anzac Centenary Celebrations did not occur due to unsuccessful external funding application resulting in savings of approx. \$8900 made in this financial year M-Files - 21 contributions from community members so far this year with one more project to be finalised.</p>	<p>Loss of opportunity for community engagement with innovation and technology, development of art skills, and development of on-going digital time capsule capturing local stories and contemporary views of Marion cultural heritage.</p>
<p>Harmony Day Community Arts program celebrates cultural diversity as part of National event. This year provided four workshops attended by 60 people resulting in an installation and workshops at Marion Celebrates Festival.</p>	<p>Reputational risk to Council in not participating in National event.</p> <p>Loss of celebration of cultural diversity, art skills and development, cross cultural community engagement and interaction.</p>

<p>Marion Celebrates is a biennial community based event which celebrates the identity and cultural diversity of the Marion area. This year's Festival, held on 29 March 2015, was attended by over 5000 people and attracted 81 community groups with stalls and displays, community performers and artists, and small business food trucks. The Festival is also an opportunity for Council services to engage with community.</p>	<p>Loss of opportunity for celebration of cultural diversity. Reputational Risk - community expectation for this festival is high with high attendance and many local community groups participating in this event.</p> <p>Marion celebrates was winner of the Governor's Multicultural Award for Arts & Culture in 2013.</p>
<p>Marion Historic Village Group continues to develop and maintain interest in this significant historic precinct. Projects: this year included Intergenerational Schools project, increased signage on walking trail, guided walking training for group engaging with over 450 people. Remainder off set footpath construction on Walking Trail.</p>	<p>MHV Project Group would not be able to continue to build capacity in community on heritage projects around the village. Unable to deliver on aspirations of Cultural Heritage Framework. Community expectation on completion of projects as per community vision.</p>
<p>Anzac Day Commemoration Fund Grant from Department of Veterans Affairs utilised for the <i>From Almond Groves to Poppy Fields</i> exhibition at Gallery M and the <i>Freedom of Entry Parade</i> for Anzac Centenary.</p>	<p>Grant funded.</p>
<p>Refugee Scholarship Australian Refugee Association administers the funds on behalf of Council for new arrival education, training and development resources and fees. Originally established as part of the Refugee Friendly City Declaration 2003 and as per Resolution at General Council Meeting 28 September 2004.</p>	<p>Reputational Risk. Social - loss of support for new arrivals to access vocational training courses, up-skilling and work placement.</p>
<p>Annie Doolan's Cottage: On-going support to the Friends of Annie Doolan's Cottage to undertake minor maintenance on cottage, storage of large model of 'the Village' in early years and provide tours and interpretation displays of the Cottage. This year held a well-attended open day for History Month.</p>	<p>Reputational risk; Limits this community group's capacity to care for this significant local heritage asset and to provide open days, interpretive displays and tours.</p>
<p>Cultural Indicators Pilot Project: State wide pilot project to develop a suite of indicators and tools to measure the impact of culture in local government and the impact of all Council decisions on culture of the community.</p>	<p>Project is fully grant funded through the LG R&D Scheme and other participating Councils and will be completed early in 2015/2016 financial year.</p>

Heritage Research Centre Staffing expenses for 0.6 FTE and Operating expenses Achievements: Held 16 workshops and events at the Centre including training for family history research, local history talks, visits from schools and community groups. There are 18 active volunteers working regularly in the Centre. Over 300 visitors and participants in programs, over 130 telephone and approximately 30 email heritage enquiries. Mounted successful <i>From Almond Groves to Poppy Fields</i> at Gallery	Loss of best practice management of local history; building capacity of local people to maintain heritage; and access by community to heritage research resources.
Red House Building Maintenance for the Marion Heritage Research Centre and includes depreciation and maintenance of Red House Building.	Loss of capacity to maintain local heritage building and Heritage Research Centre

Crime Prevention
Ref No: GC090615Q04

QUESTION: Councillor Crossland

The City of Marion currently spends \$374,000 on Crime Prevention.

What is the full budget breakdown of this expenditure?

What activities in the last twelve months have resulted in less crime and helped make our city safer?

COMMENTS: Sharon Perin, Unit Manager Community Health and Safety

The 2014/2015 Crime Prevention operating budget is comprised of:

Crime Prevention	84,080
Lighting at Southbank Boulevard Reserve (grant funded)	916
Volunteer graffiti program	31,859
Graffiti removal from council property	122,405
Graffiti removal at parks and gardens	35,116
Harm Minimisation (health initiative but costed to crime prevention)	6,060
Crime Prevention Officer position	81,982
"Take Part" graffiti prevention project (grant funded)	11,831

Total	\$374,249
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Over the past year the City of Marion's major focus of crime prevention has been the management of graffiti. A report was presented to Council on 14 April 2015 (GC140415R05) detailing how the City of Marion prevents and manages graffiti.

As well as the management of graffiti, during the last twelve months, the City of Marion has continued to have Dry Zones, been involved with an international conference and provided a referral point for members of the community.

The City of Marion has 6 Dry Zones, which are public areas which have been declared alcohol-free in order to reduce alcohol related, public anti-social behaviour and to increase the sense of safety in the community.

The consumption and/or possession of alcohol is not permitted in the Dry Zones with the restrictions applying seven days a week and monitored and enforced by Police. The details of the six Dry Zones are:

- Capella Drive Reserve, Hallett Cove (including the Skate Park), 8.00pm - 8.00am
- The Foreshore at Heron Way, Hallett Cove, 8.00pm - 8.00am
- Hallett Cove Shopping Centre, 24 hours
- Westfield Marion Shopping Precinct, 24 hours
- Coastal Walking Trail from Marino to the Hallett Cove Headland, 24 hours
- Olivier Terrace Reserve, Hallett Cove, 8.00pm - 8.00am

In October 2014, an international CPTED (Crime Prevention Through Environmental Design) Association Conference was held within the City of Marion, as a partnership approach between the International CPTED Association and the City of Marion.

In addition, the City of Marion's website provides links for members of the community to other organisations and resources regarding crime prevention. These are the SAPOL (South Australian Police) safety and security advice resources, how to report a crime, Crime Stoppers, Watch SA and Safety Assist through Safer Communities Australia.

QUESTIONS WITHOUT NOTICE

9.25pm Councillor Prior left the meeting

Questions were asked and taken on notice during this time.

9.26pm Councillor Prior re-entered the meeting

MOTIONS WITHOUT NOTICE

Warriparinga Site

Report Reference: GC090615M02

9.30pm Councillor Appleby left the meeting

9.31pm Councillor Appleby re-entered the meeting

Moved Councillor Hull, Seconded Councillor Gard that:

Council directs staff to advise DPTI that Council will not support or make any land available for any further encroachments into the Warraparinga site.

Adjournment:

Moved Councillor Telfer, Seconded Councillor Westwood that:

The item be adjourned until the 14 July 2015 General Council meeting to allow for the provision of relevant information from staff to inform Council's decision making.

Carried

CONFIDENTIAL ITEMS

Positive Life SA Inc, Fitzgerald James Building, Glandore Community Centre, 25 Naldera Street, Glandore.

Reference No: GC090615F01

Moved Councillor Westwood, Seconded Councillor Veliskou that pursuant to Section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Vincent Mifsud, Director; Kathy Jarrett, Director; Abby Dickson, Manager Libraries and Cultural Development; Kate McKenzie, Manager Governance; Craig Clarke, Unit Manager Communications, Jaimie Thwaites, Unit Manager Council Support; and Mark Gibson, Team Leader Land and Property be excluded from the meeting as the Council receives and considers information relating to the Lease, Positive Life SA Inc, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to commercial operations the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.

Lost

Moved Councillor Pfeiffer, Seconded Councillor Westwood that Council:

1. Enter into a new lease agreement with Positive Life SA Inc over portion of the land contained in Certificate of Title Volume 5394 Fol io 253 known as the Fitzgerald James building, Glandore Community Centre, 25 Naldera Street, Glandore. The lease agreement will include the following terms;
2. A six month rent free term commencing on 1 July 2015 and expiring on 31 December 2015.
3. Building insurance to the value of \$1,432 will be the responsibility of Council under the agreement.
4. Pursuant to Section 37(b) of the Local Government Act 1999 authorises the Chief Executive Officer to enter into and execute all documentation necessary to enter into this agreement.
5. Receive a further report in November 2015 (if required) which reviews the on-going capacity of PLSA to resume rental payments and to consider any future lease agreements with PLSA.

Carried

Councillor Crossland called for a division:

Those For: Councillors Pfeiffer, Kerry, Prior, Hull Westwood, Veliskou and Gard

Those Against: Councillors Telfer, Byram, Appleby and Crossland

Carried

LATE ITEMS

Nil

CLOSURE - Meeting Declared Closed at 9.41pm.

CONFIRMED THIS 23 June 2015

.....
CHAIRPERSON

**MINUTES OF THE SPECIAL GENERAL COUNCIL MEETING
HELD AT THE ADMINISTRATION CENTRE
245 STURT ROAD, STURT
ON TUESDAY 16 JUNE 2015**



PRESENT

Councillors

Coastal Ward

Ian Crossland
Tim Gard

Mullawirra Ward

Jerome Appleby
Jason Veliskou

Southern Hills

Nick Westwood

Warracowie Ward

Bruce Hull
Nathan Prior

Warriparinga Ward

Luke Hutchinson (Chair)
Raelene Telfer

Woodlands Ward

Tim Pfeiffer

In Attendance

Ms Kate McKenzie

Manager Governance

OPEN MEETING

The meeting commenced at 6.34 pm.

KAURNA ACKNOWLEDGEMENT

We would like to begin by acknowledging the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

ELECTED MEMBER'S DECLARATION OF INTEREST

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting. No interests were disclosed.

CONFIDENTIAL ITEM

Chief Executive Officer Recruitment Process

Reference No: SGC160615F01

Moved Councillor Prior, Seconded Councillor Crossland, that pursuant to Section 90(2) and (3)(a) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Kate McKenzie, Manager Governance be excluded from the meeting as the Council receives and considers information relating to the 'Chief Executive Officer Recruitment Process', upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to nominated persons for the role who are yet to be appointed for the position.

Carried Unanimously

6.35 pm the meeting went into confidence.

Extension of Time

Moved Councillor Prior, Seconded Councillor Westwood that the meeting be extended for 15 minutes.

Carried

Meeting extended at 7.02 pm

Moved Councillor Pfeiffer, Seconded Councillor Prior that in accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, 'Chief Executive Officer Recruitment Process', any information relating to this item distributed at the meeting and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(a) of the Act be kept confidential, except for Acting Chief Executive Officer, Manager Governance, Manager Organisational Development and Unit Manager Council Support and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2015

Carried Unanimously

7.11 pm the meeting came out of confidence.

CLOSURE - Meeting Declared Closed at 7.11 pm

CONFIRMED THIS 23 June 2015

.....
CHAIRPERSON / /2015

Elected Member Communication Reports

Date of Council Meeting:

23 June 2015

Name of Elected Member:

Deputy Mayor Luke Hutchinson

Date	Event	Comment
21 May 15	CEO Interviews	Attended
15 June 15	CEO Interviews	Attended
19 June 15	World Refugee Day Reception	Attended

CEO and Executive Report

Date of Council Meeting:

23 June 2015

Date	Meeting/Activity	Attended by	Comments
28 May	Tonsley Governance meeting	Geoff Whitbread	
1 June	Tonsley Project Steering Committee meeting; Richard McLachlan	Geoff Whitbread	
1 June	Southern Region Waste Resource Authority (SRWRA) Board meeting	Vincent Mifsud	
4 June	Meeting with Tonsley Project Steering Committee Chair; Terry Burgess	Geoff Whitbread	
10 June	David Speirs MP, Member for Bright	Geoff Whitbread	
10 June	Tonsley Precinct discussion; Vice Chancellor Flinders University, Prof Colin Stirling and Tonsley Project Steering Committee Chair; Terry Burgess	Geoff Whitbread	
11 June	Westfield Precinct Business Meeting	Vincent Mifsud	
15 June	Kellett Reserve Listening Forum	Kathy Jarrett	
16 June	Council Solutions Board Meeting	Geoff Whitbread	
19 June	Metropolitan Chief Executive Officers' Meeting	Geoff Whitbread	
23 June	Tonsley Project Steering Committee meeting	Geoff Whitbread	

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Originating Officer: Victoria Moritz, Governance Officer
Corporate Manager: Kate McKenzie, Manager Governance
Director: Kathy Jarrett
Subject: Deputation – Red House Group Inc
Ref No: GC230615D01

SPEAKERS:

To be confirmed

ORGANISATION/GROUP REPRESENTED BY SPEAKERS:

Red House Group Inc.

COMMENTS:

Representatives from the Red House Group Inc have requested to give a deputation to Council in relation to the business relationship it has with City of Marion, with specific regard to the management of Gallery M.

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Originating Officer: Victoria Moritz, Governance Officer
Corporate Manager: Kate McKenzie, Manager Governance
Director: Kathy Jarrett
Subject: Deputation – Feast Festival
Ref No: GC230615D02

SPEAKERS:

Cassandra Liebeknecht - General Manager
Joshua Rayner - Chair of the Board

ORGANISATION/GROUP REPRESENTED BY SPEAKERS:

Feast Festival

COMMENTS:

Representatives from Feast Festival have requested to give a five minute deputation to Council on the issue of flying the Rainbow Flag.

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Corporate Manager: Kate McKenzie, Manager Governance
Director: Kathy Jarrett
Subject: Petition – Removal of Rainbow Flag
Reference No: GC230615P01

PETITION FROM: South West Baptist Church

NO OF SIGNATORIES: 60 signatories

DATE PETITION RECEIVED: 22 June 2015

CORRESPONDENCE:

A Petition was received from South West Baptist Church on 22 June 2015 respectfully requesting that the rainbow flag be removed.

COMMENTS:

This petition is presented to Council in accordance with Council's Meeting Procedures. It is recommended that the Petition be considered following the motions relating to the Rainbow Flag and that a further recommendation be formed pending the outcome of these motions.

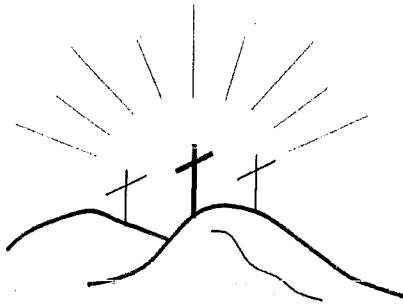
RECOMMENDATIONS (1):

Due Date:

1. The petition be noted and organisers be advised of Council's resolution **23 June 2015**
- 2.

Appendix 1: Petition

Report Reference: GC230615P01



South West Baptist Church

651 Brighton Road

Seacliff

PO Box 227 Brighton 5048 South Australia

Phone: (08) 8377 1802 International: +61 8 8377 1802

ABN 22 809 266 971

Pastor: *Brenton L. Honeychurch*

Secretary: *P. Budimir*

Treasurer: *J. J. Overweel*

21/6/2015

Petition to the Councillors of the Marion Council

We wish to express our disappointment at the Marion Council's decision to fly the Rainbow Flag above the Council chambers. The Rainbow Flag is the symbol of a political agenda promoting same sex "marriage". It brings discredit on the city of Marion and it's leadership as the only council in Australia to take such a divisive course of action in the current political climate. We are all well aware the nations' federal MPs are currently looking at the status of marriage. In this particular instance, we believe that the council is in fact working 'outside it's jurisdiction', and that the leadership should err on the side of caution. There are many other positive social reforms that the council could concentrate on which does not incite such community divisiveness.

Biblical marriage is held in very high regard for the following two reasons

- 1) It is an institution created by God who created man and woman in His own image and likeness and brought them together in Marriage. (Genesis 1:27 -31).
- 2) The union between a man and a woman through Marriage reflects the union between Christ and His Church. (Ephesians 6:32)

In the article (Guardian Messenger, 11th June), Councillor Tim Pfeiffer is quoted as saying "We're not doing it for publicity. We're doing it because we want people to know that our community is one of equality, love and acceptance." And later, "we hope this program can unite SA in celebrating diversity and inclusion together."

Whilst we have strong objections as Christians, we understand that not all share our faith. However, It is for the very reasons that Councillor Pfeiffer expressed that the decision should be revoked - since it does not fairly represent all of the Marion community.

Believe on the Lord Jesus Christ, and thou shalt be saved

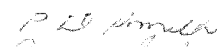




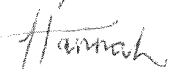

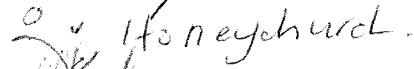



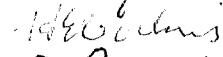
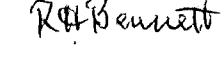
Acts 16v31

It excludes other minorities by elevating one as having prime importance. This is not about equality. Equality would require that the flag be flown for a fixed period and then some other community minority or cause be subsequently recognised. The Council has decided to promote the LGBTIQ community as having some special and exclusive claim to recognition. What about the disabled community, or those struggling with mental health and depression, or recent immigrants, or the elderly, or Christians, or Muslims, or other religious communities, etc. How is it celebrating diversity to promote one minority over and above the others? Surely the Council's role is to represent the interests of all residents impartially and equally.


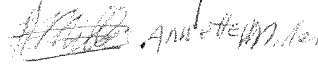
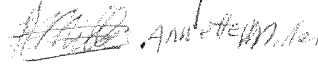


We the undersigned therefore respectfully request that the rainbow flag be removed.

Sincerely

South West Baptist Church per Pastor B Honeychurch
651 Brighton Road, Seacliff
www.southwest.baptist-church.com.au

Name	Signature	Address & Phone.
Pamela Smith		
Barry Smith		
Ken Baldwin		
Sigrid Baldwin		
Lake Wills		
Hannah Millwood		
B. Honeychurch		
O. Honeychurch		
X. K. Xylis		
E. Sheriff		
Roger Brashley		
H. Baldwin		
Robert Bennett		

Believe on the Lord Jesus Christ, and thou shalt be saved . . .

 Mr Bradley
 Viv Bradley
 Annette M. Jones
 Viv Bradley
 Viv Bradley

Acts 16v31

Name	Signature	Address - Phone #
Karen Moore	K Moore	
John Inglis	J Inglis	
Julian Hamilton	J Hamilton	
Ray Wells	Ray Wells	
J. Zschech	J Zschech	
Ian Korman	I Korman	
Andrey Conenko	A Conenko	
Eric Vassilia	E Vassilia	
Cornie Zois	C Zois	
Julie Inglis	J Inglis	
Christine Sherchenko	C Sherchenko	
Natalie Shevchenko	N Shevchenko	
Bel Rushworth	B Rushworth	
Suzanne Hilder	S Hilder	
Lorraine Drewell	L Drewell	
JOHN OVERWELL	J Overwell	
Simon Gerblich	S Gerblich	
Margaret Peone	M Peone	
Anne Wells	A Wells	
SONNY HYDE	S Hyde	
Niki Hyde	N Hyde	
Lee Hyde	L Hyde	

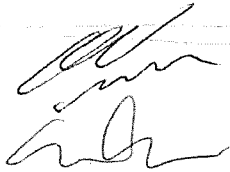
Believe on the Lord Jesus Christ, and thou shalt be saved...

Acts 16v31

Name

Signature

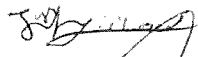
Address & Phone

SEONGYOUN BANG
SeotHee Yoon

D. + R Western



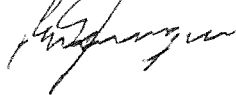
Josh Millwood



Matt & Korie Western



K.M.F. MASSEE



MARY P. NORTON

Mary P. Norton

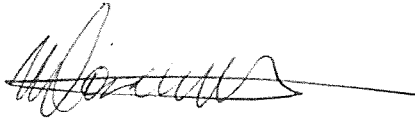
Katie Western

Katie Western

Brett Western



Matthew Overweel



Nigel Western

Nigel Western

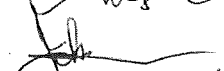
Jessica Shaw



Scott Western



John Robinson



Keith WILLIS

Keith Willis

Peter FIST



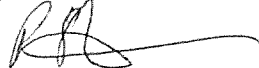
DORI TAM

Dor Tam

DAVID NASH

David Nash

PAUL SHEVCHENKO



JOANNE SHEVCHENKO



JESSICA MOORE

Jessica Moore

JANE IZZO

Mary Budimir

Mary Budimir

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Adjourned Item

Originating Officer: David Sharp, Unit Manager Community Development
Corporate Manager: Margi Whitfield, Manager Community Participation
Director: Vincent Mifsud
Subject: Cove Youth Service Operational Options
Report Reference: GC230615R01

DISCUSSION:

This item was adjourned from the 26 May 2015 Council Meeting and deferred to the June 23 2015 Council Meeting in order to allow additional time to consider the Cove Youth Service Operations. This report provides additional information that was not included in the original report which is included as Appendix 1.

The original report deals with the options for the Cove Youth Service and proposed the following recommendations

That Council:

- 1. Ensures consultation requirements under applicable enterprise agreements are undertaken prior to confirmation of any decision that will impact on employees**
- 2. Ensures consultation occurs with the community to ensure that any impact on young people is minimised by the relocation**
- 3. Subject to the consultation outcomes, that the Cove Youth Service currently located in Hallett Cove is moved to the City of Marion's Administration Building**

The current City of Marion Youth Plan 2012-16 was adopted by Council in 2012 (GC091012R02) and is due to be reviewed in October 2016. The Youth Plan identified the needs of young people, articulated the role of the City of Marion in meeting youth needs and prioritised the strategies to be undertaken.

The review process would commence with an Elected Member Forum where the scope of the review would be presented and discussed. Elected Member input would provide direction and identify the role of the City of Marion in the provision of youth services. Following community consultation with young people, youth focussed organisations and peak bodies, the results would be presented to Council for comment and feedback in preparation for the development of a new draft Youth Plan for Council consideration.

Should Council wish, the timing of the review for the existing Youth Plan 2012-2016 can be brought forward to an earlier time.

The Youth Plan 2012-16 will remain current until such time as Council adopts a new Youth Plan.

A summary of the total 2014/15 youth services budget (as per the 3rd Budget Review) which delivers the City of Marion Youth Plan is provided in the following table:-

Youth Services based at Hallett Cove (Cove Youth Services)	\$285,245	Includes <ul style="list-style-type: none"> • All staff costs (2.8 FTE) • Programs and events across whole of Council • Partnership development across whole of Council
Hallett Cove professional centre	\$47,508	Council owned building – property management costs including strata fees
Youth Advisory Committee	\$5,900	Youth Advisory Committee provides leadership training opportunities for young people and provides a voice for young people e.g. "Voice It"
Youth Week	\$13,491	Youth week projects and celebrations e.g. youth recognition awards, youth parliament, music events
Marion Youth Achievement sponsorships	\$11,000	Sponsorship for young people who have been selected to represent the state (\$100) or the nation (\$200)
TOTAL	363,144	

The following is a table summarising the 2015/16 Annual Budget that would apply for each of the three options put forward in the original report for Council's consideration, fully inclusive of delivering all youth service programs. Option 1 is recommended to Council.

	Option 1	Option 2	Option 3
Staff Required	2.0 FTE	2.0 FTE	2.8 FTE
Staff Costs	\$198,936	\$198,936	\$273,116
Property Costs	\$0	\$17,000	\$40,150
Youth Related Programs *	\$109,496	\$109,496	\$109,496
TOTAL	\$308,432	\$325,432	\$382,612

* Includes Youth Advisory Committee, Youth Week, Marion Youth Achievement and the provision of other Youth Service Programs.

**CITY OF MARION
GENERAL COUNCIL MEETING
26 May 2015**

Originating Officer: David Sharp, Unit Manager Community Development

Corporate Manager: Margi Whitfield, Manager Community Participation

Director: Vincent Mifsud

Subject: Cove Youth Service Operational Options

Report Reference: GC260515R10

REPORT OBJECTIVES:

To inform Council of the options available to deliver the City of Marion's Youth Plan and the future role of the Cove Youth Service building based at Hallett Cove.

EXECUTIVE SUMMARY:

The current City of Marion Youth Plan 2012-2016 was endorsed by Council in October 2012 (GC091012R02). The Youth Plan required that the role of the Cove Youth Service would be progressively moved away from a direct service provider to a community development model across the whole of Council.

The Cove Youth Service is located adjacent to the existing Hallett Cove library and the upcoming relocation of the library provides the opportunity to review the location of the Cove Youth Service in order to meet the Youth Plan objectives in an effective manner.

This report provides three options for the future of the Cove Youth Service building for Council consideration, subject to the appropriate consultation requirements with staff and the community being finalised. The three options are:

1. Move the City of Marion's Youth Services to the Administration Building
2. Move the City of Marion's Youth Services to a site co-located with an existing local youth organisation
3. Maintain the City of Marion's Youth Services at the current Hallett Cove site

Option One is recommended for Council's consideration.

RECOMMENDATIONS (2)

DUE DATES

That Council:

1. Ensures consultation requirements under applicable enterprise agreements are undertaken prior to confirmation of any decision that will impact on employees.
2. Ensures consultation occurs with the community to ensure that any impact on young people is minimised by the relocation.

May 2015

May 2015

3. Subject to the consultation outcomes, that the Cove Youth Service currently located in Hallett Cove is moved to the City of Marion's Administration Building.

BACKGROUND:

The Cove Youth Service is responsible for the delivery of The City of Marion Youth Plan and as such, delivers services and programs to the community in the following five key policy areas:

- Develop opportunities for youth participation and citizenship
- Work collaboratively to build community and youth sector capacity
- Promote healthy lifestyles and wellbeing for young people
- Contribute to the development of a safer community for young people to grow up in
- Improve young peoples' access to relevant information and services

During the past two years, the Cove Youth Service has worked in partnership with thirty two youth focussed organisations to deliver programs and services to the community. Examples of these partnerships include, Mission Australia, six local high schools, Sammy D Foundation, Skate Boarding Australia and Family Drug Support Group. This approach moves the City of Marion's youth services away from directly coordinating many of the programs and services for young people and repositions the City of Marion as a partner with government, non-government and community organisations to deliver programs that achieve the aims of the Youth Plan.

The Cove Youth Service has been the driver for this whole of Council approach and while this has resulted in the reduction of programs being offered at the Hallett Cove site, it has increased partnerships with organisations across Council. This has resulted in more programs overall and a wider range of services being offered to young people and the City of Marion community.

It was originally envisaged that in 2016 when the Youth Plan is due to be reviewed, that the location of the Cove Youth Service would also be reviewed with an option that it could be relocated to a more central position. However, the impending move of the library adjacent to the Cove Youth Service has presented the opportunity to bring this discussion forward.

DISCUSSION:

Formerly called the Hallett Cove Youth Project, the Cove Youth Service was established approximately 20 years ago to meet the needs of young people who lived in the southern end of the City of Marion. The combination of poor public transport and the area falling between the service centres of Noarlunga and Marion made it difficult for young people to access services and recreational activities.

Since 2012, the implementation of the Youth Plan has been redefining Council's role in the area of youth services. Council's youth services are progressively being moved away from direct service provision in favour of developing the community's capacity to deliver a range of programs and services across the whole of Council. This is being achieved through:

- The development of community partnerships
- Training and supporting local organisations
- Attracting new resources to the region
- Actively engaging with local organisations, the government and non -government youth sector.

The implementation of the Youth Plan over the last three years has resulted in a change to the role of the Cove Youth Service facility at Hallett Cove. To achieve this effectively it is recommended that the Cove Youth Service move out of the facility at Hallett Cove to a more central location. This will allow the resources required to manage the Cove Youth Service facility to be focussed on supporting and developing local responses to youth needs across the City of Marion.

If Council resolves to move its youth services from the Hallett Cove site, two options can be considered:

- Staff to operate out of the City of Marion's Administration building
- Staff move to a new site and collocate with an existing locally based youth organisation and share the facility.

Both of these options have the ability to deliver the youth plan at a reduced cost to Council. The tables below provide an outline of the advantages and disadvantages of these two options and also provide a third option of remaining at the current Hallett Cove site although this option is not recommended.

Option 1.

Close the Cove Youth Service facility and deliver the Youth Plan based centrally at the City of Marion Administration Centre

Advantage	<ul style="list-style-type: none"> • Least expensive of the three options • Staff cost reduced as no building to manage reduces the need for the 0.8 FTE Operational Support • No building to maintain – reduced cost • Opportunity to develop alternative youth dedicated sites in partnership with other youth organisations • Staff located more centrally • Supports the Youth Plan objective of moving away from direct service provision in favor of developing the community's capacity to deliver a range of programs and services across the whole of Council • Opportunity to consider the disposal of the library building and adjacent Cove Youth Service as one entity
Disadvantage	<ul style="list-style-type: none"> • No dedicated youth site within the City of Marion • Initial reduced service to Hallett Cove area that will need to be appropriately managed • Current site provides low cost meeting places for community led youth programs and space for not for profit organisations to work out of • Consultation with young people, current partners and stakeholders will be required to manage the change • Support required for current users of the Cove Youth Service that will require re-location
Staff Required	<ul style="list-style-type: none"> • 1.0 FTE - Youth Development Coordinator • 1.0 FTE - Youth Development Officer Total 2.0 FTE (Reduction of 0.8 FTE)
Building Cost	Nil
Budget impact	<ul style="list-style-type: none"> • Staff – Nil as the two existing staff positions are currently budgeted for in 2015/16 • Savings of \$40,150 pa in property management and operational costs • Benefit of potential sale or rental of the Hallett Cove site

Option 2.

The Cove Youth Service co-locate with another youth organisation that is based at a more centrally located location.

Advantage	<ul style="list-style-type: none"> • Shared usage of a facility - therefore reduced cost • Combining resources with another locally based organisation can provide a better service to the community at a reduced cost • Maintains a youth dedicated site within the City of Marion • Ability to work in direct partnership with local youth organisations • Becoming a tenant of a site rather than an owner, can exit this arrangement as the community needs change • Cost would be less than Option 3
Disadvantage	<ul style="list-style-type: none"> • Costs would be higher than Option 1 • Need to identify a suitable site and partnering organisation • Initial reduced service to Hallett Cove area that will need to be managed • Consultation with young people, current partners and stakeholders will be required to manage the change • Support required for current users of the Cove Youth Service that will require re-location
Staff Required	<ul style="list-style-type: none"> • 1.0 FTE - Youth Service Coordinator • 1.0 FTE - Youth Development Officer <p>Total 2.0 FTE (Reduction of 0.8 FTE)</p>
Building Cost	Estimated \$17,000 pa to co-locate (rental and operational costs)
Budget impact	<ul style="list-style-type: none"> • Staff – Nil as the two existing staff positions are currently budgeted for in 2015/16 • Net savings of \$23,150 pa (\$40,150 in building operational costs of Hallett Cove site less the estimated \$17,000 pa to co-locate with another agency) • Benefit of potential sale or rental of the Hallett Cove site

Option 3.

Maintain the existing service based at the Hallett Cove location at the 2014 levels

Advantage	<ul style="list-style-type: none"> • Maintaining a youth dedicated site within the City of Marion that young people can identify with • Ability to collocate with a number of smaller youth organisations on one site • Autonomy over building spaces that can be changed to accommodate changing needs • Maintains a long established level of service in the Hallett Cove area
Disadvantage	<ul style="list-style-type: none"> • Cost and resources required to maintain the current Hallett Cove site represents the highest cost of all options • Resources clustered only in the southern region of Council
Staff Required	<ul style="list-style-type: none"> • 1.0 FTE - Youth Service Coordinator • 1.0 FTE - Youth Development Officer • 0.8 FTE - Operational Support Officer <p>Total 2.8 FTE</p>
Building Cost	\$40,150 pa – property related costs
Budget impact	Increase cost of \$74,184 to restore the 0.8 FTE position to the 2015/16 budget

Option One is recommended as it provides the most cost effective method of delivering the City of Marion Youth Plan with a whole of Council approach and is summarised as below.

Community Benefit

- Foster and demonstrate a greater whole of Council approach to youth services
- Resources being directed away from facility management to supporting greater community based initiatives that is, community capacity building

Cost Benefit

- \$40,150 pa savings on property related costs
- Sale or rental of the site and the ability to consider the future disposal of the Hallett Cove library and Cove Youth Service buildings as a whole

Table comparing staff and property costs of each option

	Option 1.	Option 2.	Option 3.
Staff Required	2.0 FTE	2.0 FTE	2.8 FTE
Property Costs	\$0	\$17,000	\$40,150
Total Estimated Budget	\$198,932	\$215,932	\$313,266

ANALYSIS:

Consultation

Industrial awards and enterprise agreements applying to the City of Marion require a consultative process to be undertaken with employees and their representative union where those employees will be impacted by the formulation of plans that have a direct impact on them. This requirement applies where the formulation of plans impacts on the composition, operation, size of the workforce or in the skills required, alteration of the hours of work, the need for retraining or transfer of employees to other work locations & the restructuring of jobs.

The purpose of these industrial arrangements is to provide an opportunity for employees and their union to have their viewpoints heard and taken into account prior to a decision being made.

Young people who may be disadvantaged by the move would need to be consulted to minimise the impact upon them and their families. Moving the Cove Youth Service would also require consultation with existing users of the building and to assist those users to locate to alternative premises. Organisations in the Hallett Cove area that would be affected by the move of the Cove Youth Service would need to be advised and their support sought to identify any areas that may disadvantage young people.

Financial Implications

The financial implications have been identified in this report. The two options of moving the youth services away from the Hallett Cove building provide ongoing savings to Council through the reduction of building costs and the potential sale or rental of the site with Option One delivering the most cost effective outcomes.

Resource (capacity) Impact

The option of moving the Cove Youth Services can be achieved with reduced resources.

CONCLUSION:

The Cove Youth Service has been providing a service to the Hallett Cove area for twenty years and since the adoption of the Youth Plan has been responsible for the delivery of the City of Marion Youth Plan 2012-16.

The Cove Youth Service has served the community well, but the recommended changes to the delivery of the Youth Plan by relocating the Cove Youth Services provides the opportunity to support the estimated 16,000 residents within the City of Marion that are under the age of 21, in an effective, innovative and efficient service structure that has a whole of Council approach.

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2013**

Originating Officer: Kate McKenzie, Manager Governance

Director: Kathy Jarrett

Subject: Audit Committee Confirmation of Minutes of Meeting held on 15 June 2015

Report Reference: GC230615R02

DISCUSSION:

The purpose of this report is to facilitate the receiving and noting of the minutes from the 15 June 2015 Audit Committee meeting. A summary of the items considered are noted below.

Item 7.1 - Deloitte Audit Engagement for the Year Ending 30 June 2015

The Committee noted the scope of works for the statutory audit and the internal controls audit. The Committee acknowledged that the interim audit had commenced and the Acting CEO will execute the acknowledgement of the engagement letters.

Item 7.2 - Annual Business Plan & Budget 2015/16, and Long Term Financial Plan

The Committee noted the report and provided various feedback on a number of matters including but not limited to:

- Contractor services,
- Employee costs,
- Assumptions in the Long Term Financial Plan, in particular the closing cash balance,
- Community Facilities Partnership Program,
- Financial ratios,
- Finance Policies.

Council Action: It is noted that the Annual Business Plan and Budget 2015/16 and the Long Term Financial Plan is listed as a separate item for Council consideration at the 23 June 2015 Council Meeting (Report Reference: GC230615R04)

Item 7.3 - Asset Management Plans – Final Draft

The Manager Strategic Assets provided an overview of the Asset Management Plans highlighting that all asset plans have been consolidated into a single plan that draws data from a series of background papers and now complied with the Asset Framework previously set by Council. The AMP states like for like replacement and does not include any new or upgrades.

Council Action: It is noted that the Asset Management Plan is listed as a separate item for Council consideration at the 23 June 2015 Council Meeting (GC230615R09).

Item 7.4 - Strategic Risk Profile

The Committee noted the report and the risks presented aligned to the six community themes contained within the Community Plan and an additional risk of 'Optimising Organisational Excellence'. The Committee noted the work undertaken on the Strategic Risk Profile and the next steps regarding review of the Operational Risk Registers, Risk Management Framework and Policy.

Item 7.5 - Annual Report of WHS Program

The Committee noted the report and sought confirmation from Management regarding the risk to employees across the organisation. Assurance was provided that the WHS systems and process are in existence and the non-conformances identified via the Local Government Association Worker Compensation Schemes (LGAWSC) Audit are based on evidencing the implementation of the systems and process.

Item 7.6 - Review Recommendations Update (Core Assurance and Service Reviews)

The Committee noted the report and that the tender for core assurance and service reviews had closed. It was anticipated that a further report would be presented to the Committee at the next meeting in August with a recommendation of a preferred contractor. It was further noted that a program and process of service reviews was to be considered by Council at the 7th July 2015 Elected Member forum.

Item 7.7 - Contractor Management Service Review

The Committee noted the review of Contractor Management and its review of processes and procedures across City of Marion regarding the aspects of the management of contracts and contractors including the procurement life cycle from tender specification through to contract review and post implementation. A number of improvements and actions were noted.

RECOMMENDATIONS (1)

DUE DATES

That Council:

- | | |
|--|---------------------|
| <ol style="list-style-type: none"> 1. Receive and note the minutes of the Audit Committee meeting of 15 June 2015 (Appendix 1). | 23 June 2015 |
| <ol style="list-style-type: none"> 2. Note that separate reports are being brought to Council for consideration of the Annual Business Plan and Budget and Long Term Financial Plan (GC230615R04) and the Asset Management Plan (GC230615R09) at the 23 June Council Meetings. | 23 June 2015 |

**MINUTES OF THE AUDIT COMMITTEE MEETING
HELD AT THE ADMINISTRATION CENTRE
245 STURT ROAD, STURT
ON MONDAY 15 JUNE 2015**



PRESENT

Mr Greg Connor (Chair), Ms Kathryn Presser, Councillor Tim Pfeiffer

In Attendance

Mr Geoff Whitbread	Acting Chief Executive Officer
Mr Vincent Mifsud	Director
Ms Kathy Jarrett	Director
Ms Kate McKenzie	Manager, Governance
Mr Ray Barnwell	Manager, Finance (item 7.1 & 7.2)
Mr John Sliverblade	Manager, Strategic Assets (item 7.3)
Ms Sherie Walczak	Unit Manager, Risk (item 7.4 & 7.5)
Mr Kyffin Thomson	BDO (item 7.7)

1. OPEN MEETING

The meeting commenced at 3.02pm. The Chair welcomed all those present to the meeting, including the new independent member, Ms Kathryn Presser.

Ms Presser introduced herself to the meeting by providing an overview of her skills and experiences and thanked the Council for inviting her to be a Member of the Committee.

2. KAURNA ACKNOWLEDGEMENT

We would like to begin by acknowledging the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3. MEMBERS DECLARATION OF INTEREST

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting. No interests were disclosed.

4. CONFIRMATION OF MINUTES

Moved by the Chair (Mr Connor), Seconded Councillor Pfeiffer that the minutes of the Audit Committee meeting held on 14 April 2015 be confirmed as a true and correct record of proceedings.

Carried

5. BUSINESS ARISING

The statement identifying business arising from previous meetings of the Committee was reviewed and progress achieved against identified actions was noted. The Committee noted that a number of actions had been completed and congratulated staff on this achievement.

6.1 ELECTED MEMBER REPORT

Councillor Pfeiffer welcomed Ms Presser to the Committee on behalf of the Council and reiterated that the Council was very pleased to have her on board.

Councillor Pfeiffer presented the Elected Member Report as read, noting that since the last meeting Council had made significant progress on a number of items as follows:

- Sports infrastructure being confirmed as a focus of this Council. Council agreed that it would be difficult to achieve the four Sports Masters Plans estimated at \$72m in total and hence had prioritised:
 - Options for new soccer pitches and a BMX track in the South.
 - Indoor multipurpose Stadium that meets SA regional standards (4-8 Courts).
 - Edwardstown Oval Masterplan.
 - Mitchell Park Sports and Community Club building upgrade.

More work is required regarding feasibility and detailed plans. Council will need to work with other levels of government to achieve outcomes. It was noted that these projects have not been reflected in the draft 2015-16 annual budget or the Long Term Financial Plan, as they are in the early stages of development.

- Council has adopted a draft 2015-16 Annual Business Plan and Budget (ABP&B) that progressed to public consultation. It was noted that the number of people responding to the consultation was low but consistent with previous years. The Audit Committee consideration of the draft ABP&B is the last step before Council adopts the final version at its meeting of 23 June 2015. The Council has recognised the previous comments of the Audit Committee suggesting that Council should not be relying on a 5% rate increase year on year. Council has set a rate increase of 2.9% which is still above inflation but significantly reduced from 2014/15.
- The Council's previous approach of 5% rate increase over the course of the LTFP had contributed to a large investment into the city with a number of key infrastructure projects and Council moved from recording a funding deficits to funding surpluses. It was acknowledged that additional funds from a 5% rate was spent wisely and created some great outcomes for the City of Marion.
- Council resolved that the Community Facilities Partnership Program (CFPP) will be a cash reserve separately quarantined within the Asset Sustainability Reserve. Council's intent is to use it primarily for renewal of building assets and also create opportunity to draw down on funds at short notice, particularly for grant funding opportunities. The Committee cautioned that this Reserve should not be viewed as a pot of money as it has previously been allocated for building renewal. The risk is that existing assets will fall into disrepair. Council should be aware of the impact when spending the CFPP. If possible, when presenting reports to Council, Management should look to highlight impacts for councils consideration.
- Council also resolved to cease its nursery operations as it was determined that it would be more cost effective to purchase plants commercially rather than internally.

The Committee thanked Councillor Pfeiffer for his report and noted his comments.

7. REPORTS

Corporate and Financial Management

7.2 Annual Business Plan & Budget 2015/16, and Long Term Financial Plan Report Reference: AC150615R7.2

3.21 pm – Manager Finance entered the meeting.

Mr Mifsud (Director) provided an overview of the report and highlighted that feedback was being sought from the Committee on the Annual Business Plan and Budget (ABP&B) for 2015-16 and the Long Term Financial Plan (LTFP) in regards to:

- Fairness and equity of Council's proposed rating approach for 2015/16, including in the context of Council's LTFP and on-going financial sustainability.
- Reasonableness of the key assumptions used in the development of the Draft ABP&B 2015/16 and Draft LTFP.
- Changes to the financial policies.
- Additional financial indicators as included in this report.

The Committee noted the report and that Council had endorsed the draft 2015-16 ABP&B at its meeting of 9 June 2015 for final consideration at its 23 June General Council Meeting. Discussion occurred with the Committee providing comments on the following:

- The organisation should be congratulated on the saving achieved within the ABP&B.
- Contractor Services forecasts a significant expenditure reduction which may be an ambitious target. The Committee noted the variance from the 3rd quarter budget review to the draft budget for 2015-16 equated to an approximate \$4m reduction. Management confirmed this was achievable with the reduction being due to once off budget variations on prior years (\$1,350k), projected on-going savings (\$911k) and once off carryovers from 2013/14 (\$1,814k).
- The net reduction in employee costs for 2015-16 of 1.95% is an excellent achievement. The Committee queried the likelihood of this being replicated year on year and noted it would be difficult to achieve the same results in future years without significant changes to services or service levels.
- Caution should be taken regarding the identified savings and the key assumptions within the LTFP. The assumptions may create challenges into the future and require closer review particularly the assumption of 2% employee costs. This assumption within the LTFP equates to a \$43.2m reduction in employee costs across the life of the LTFP. Council needs to consider if this is realistically achievable and can therefore be realised.
- Community Facilities Partnership Program (CFPP) funding is now quarantined as part of the Asset Sustainability Reserve (\$5.6 million for 2015/16, and a total of \$35.1 million over the term of the LTFP). These funds can only be accessed via a resolution of Council. Discipline needs to be applied to ensure it is used for building renewal, including an understanding of the risks and consequences of using this reserve for matters other than renewal. When Council does consider using this fund for matters other than building renewal, it should ensure the whole of life impact is assessed and appropriately provided for in the LTFP. Council should also consider a standard reporting line of risks and consequences to ensure the decision making process is sound.
- The Committee noted that the CFPP inclusion into the Asset Sustainability Reserve has impacted on the closing cash balance of the LTFP by including an additional \$35.1m.
- The projected closing cash balance at the end of the 10 year LTFP of \$82m should not be considered as "money in the bank" as the assumptions may not be realistic and

may be quite challenging. It is important for Council to understand the impact of the change in assumptions particular the employee cost assumption (\$43.2m) and the impact of maintaining the CFPP as a cash reserve (\$35.1m) have on the LTFP projected closing cash balance.

- The additional financial ratios were noted, particularly the working capital ratio (quick ratio) as this was considered to be high. This ratio was directly impacted by the change to the CFPP and is not necessarily a true reflection of the Council's cash position, as these funds are restricted in their use. Adjusting this ratio for the impact of the CFPP would drop it from 1.7 to 1.25.
- For future reporting, it was requested that the draft budget is presented in a manner that addressed the risks and outcomes achieved. Management responded highlighting it was comfortable with the draft budget for 2015-16 including the identified savings. The risks noted related to challenges in achieving the financial projections in the LTFP with concerns regarding the flow on effect of the change to various key assumptions including the employee costs. It was noted that the organisations monthly operational costs require working capital in the order of \$3m.
- Service reviews will be undertaken in the new financial year and Council will need to further evaluate its services and services level to make decisions about future operations.
- Due to the importance of staff wellbeing and safety, the Committee suggested Council consider setting a target for measuring lost time injury at zero. This sends an aspirational message from the leadership of the organisation that they do not want to see anyone injured whilst at work.
- It may be useful for Council to provide a more descriptive target within Section 5 'Measuring Our Success' of the ABP&B. The measure of 'high level of achievement' for the last two indicators may be too vague for Management to be properly held accountable for outcomes.
- The Asset valuation process was noted which includes an independent comprehensive valuation every 3 years and a desk top valuation in the intervening years. It was recommended that the Asset Accounting Policy be amended to reflect this.
- The financial policies and the recommend changes were noted.

Overall the Committee commented that the ABP&B was a very comprehensive document and the discussions between Council and management must have been good to achieve such a positive outcome. The Committee reiterated that Council needs to understand how the LTFP is constructed and the forecast of \$82m 'closing cash balance' is probably not the likely outcome. The Committee thanked staff for their hard work and achieving the savings challenge set by the Council.

7.1 Deloitte Audit Engagement for the Year Ending 30 June 2015 Report Reference AC150615R7.1

The Committee noted that Ms Penny Woods from Deloitte would not be present at the meeting until 5.30 pm, however given her absence and this is now the 4th year of Deloitte providing external audit services to the City of Marion, the Committee determined to proceed with the paper.

The Committee acknowledged that the interim audit commenced today and it would be useful to look at the timing of the Audit Committee Meeting schedule for 2016 to allow for more time for decision making.

Management confirmed that it was comfortable with the scope and timing of the Audit and the Finance Team is well positioned to respond.

The Audit has two scopes of work being the statutory audit and the internal controls audit. It was suggested that the fees associated with the internal control audit should be reduced from last year's fees as last year was the first audit of this nature and a full comprehensive audit was conducted. As such it is reasonable to expect that the scope of work for the current year should not be to the same extent as last year.

The Committee noted the audit scope and fees and suggested that Management continue to negotiate with Deloitte for an appropriate fee reduction for the internal control audit. Subject to further review, the Committee noted that the Acting CEO will execute the acknowledgement of the engagement letters.

ADJOURNMENT

3.57 pm The Chair adjourned the meeting for 10 minutes.

4.07 pm The Meeting resumed.

7.3 Asset Management Plans – Final Draft Report Reference: AC150615R7.3

4.10 pm – Manager Strategic Assets entered the meeting

The Manager Strategic Assets provided an overview of the Asset Management Plans highlighting that all asset plans have been consolidated into a single plan that draws data from a series of background papers and now complied with the Asset Framework previously set by Council.

The AMP states like for like replacement and does not include any new or upgrades to assets with the exception of storm water drainage and signage. The AMP creates a foundation for decision making in the future.

The Committee commended Management stating that the AMP was a shorter and more consistent document. It was noted that the current funding forecast for Council for the delivery of the AMP, excluding building renewals, equates to \$216.6m over the life of the LTFP.

Page 140 of the agenda contained a typo. The last paragraph before the table states "However, using the \$93m figure..." This should read \$49m and not \$93m.

The Committee raised the following points for Council to consider:

- The AMP only reflects like for like renewal. No new works are included, except for storm water drainage.
- The AMP reflects a projected funding shortfall of \$10.2m, which was highlighted as being a "best case" scenario. There are a number of ways for this to be addressed and one of them may be through asset disposal of underutilised assets.
- The figure of \$49m for building renewals (which is based on accumulated depreciation to 30 June 2014) is likely to be low. This means that the identified funding gap of \$10.2m may in fact be close to \$20m or \$30m over the course of the LTFP. It is important that Council regularly reviews and updates the AMP as further information, in particular in relation to building renewal, comes to hand to ensure that any further funding gaps are identified.
- The CFPP can be used for alternate purposes but Council should be aware that if funds are used for the upgrade and/or purchase of new assets, the increase in whole of life costs associated with those new assets/upgrades, including future renewal costs, will

need to be appropriately considered and provided for in the AMP and LTFP, creating a larger funding shortfall.

- Strategic Projects are not included in the AMP or LTFP and will need to be prioritized and presented as a business plan. Additionally, any project with a value over \$4m will need to comply with the requirements of section 48 of the Local Government Act 1999 with the completion of a prudential report including all financials and whole of life costs.
- Council leases require many of the small community groups to undertake maintenance work on the leased properties. From experience, Council is aware that some community groups are not maintaining the buildings to Councils required standards. The Committee noted that many of these community groups are only paying a “peppercorn” rent to Council and they have a legal responsibility to ensure the terms of the lease are fulfilled. It was also noted that often leases are only as good as they are managed. Unless monitored regularly, often parts of the lease obligations will not be fulfilled.
- It is important for the LTFP and the AMP to be considered together as they are inter-related.
- The disposal plan on page 180 of the agenda identifies assets for disposal of playgrounds that needs to be considered as part of the Playspace Strategy. These items have been identified as surplus and are planned to be disposed of in coming years in accordance with Council’s resolution. If disposed of, the costs of remediation of each site has not been included within the AMP. The disposal relates to the playground equipment only and not the sale of the land.
- Most land owned by the Council is classified as Community Land. If Council resolved to sell any land, the Community Land title must be revoked by Ministerial approval.

Moved Councillor Pfeiffer, Seconded Ms Presser, that the Audit Committee recommends to Council that the Asset Management Plan be adopted for community consultation.

Carried

Risk Management

7.4 Strategic Risk Profile

Report Reference: AC150615R7.4

4.41pm Unit Manager Risk entered the meeting

The Unit Manager Risk provided an overview of the report outlining that the Strategic Risk Profile is aligned to the six community themes contained within the Community Plan and an additional risk of ‘Optimising Organisational Excellence’.

The Committee noted the report and the risks presented. The Committee suggested that some more granular detail within the Strategic Risk Profile may be useful.

The Unit Manager Risk advised that the Strategic Risk Profile is at a higher level and the granular details are within the Operational Risk Registers. It was agreed that any operational risks that sit outside risk tolerances should be reported to the Committee.

The Committee confirmed their role as an advisory body to Council and suggested that Council also has a role regarding monitoring strategic risk.

The Committee noted the work undertaken on the Strategic Risk Profile and the next steps regarding review of the Operational Risk Registers, Risk Management Framework and Policy.

7.5 Annual Report of WHS Program

Report Reference: AC150615R7.5

The Committee noted the report and sought confirmation from Management regarding the risk to employees across the organisation. Assurance was provided that WHS systems and process are in existence and the non-conformances identified via the Local Government Association Worker Compensation Schemes (LGAWSC) Audit are based on evidencing the implementation of the systems and process. The Risk Unit is focusing on consistent documentation and implementation across the organisation. The implementation of the systems across the organisation forms a substantial part of the required work.

The Committee noted the WHS monitoring report and suggested the following:

- Benchmark data from other Councils could be beneficial
- Further details (i.e. raw data) regarding WHS incidents would be useful, particularly around the number of incidents, when and how they occurred.
- Reporting of such information (e.g. in the Annual Report) should be considered.

The Committee sought clarification from Management regarding the percentage completed status on the WHS program and assurance was provided that this was the percentage of the work completed, not the percentage of tasks completed. Management also advised that high risk actions are progressing as a priority. It is anticipated that significant progress would be achieved by the next audit to be completed by the Workers Compensation Scheme.

Program Evaluation

7.6 Review Recommendations Update (Core Assurance and Service Reviews)

Report Reference AC150615R7.6

The Committee noted the report and that the tender for core assurance and service reviews had closed. The process for evaluations and shortlisting had commenced. It was noted that presentations by shortlisted tenderers are scheduled to be held in the week commencing 29 June and that the chair of the Audit Committee would be present. It was anticipated that a further report would be presented to the Committee at the next meeting in August with a recommendation of a preferred contractor.

Councillor Pfeiffer suggested that Council would like to have more oversight of the service review program and Management confirmed that the service review program would be coming to an Elected Member Forum in July for further discussion with the Council. The services being tendered will run in parallel or compliment the service review program which is anticipated to be an internally managed program with assistance from the external provider.

7.7 Contractor Management Service Review

Report Reference: AC150615R7.7

5.04 pm Mr Kyffin Thomson from BDO entered the meeting

Mr Thomson confirmed that the review of Contractor Management was initiated to consider the processes and procedures across City of Marion regarding the aspects of the management of contracts and contractors including the procurement life cycle from tender specification through to contract review and post implementation. It was noted that the review linked to the outcomes of the LGA WSC audit outcomes as outlined within item 7.5 of the agenda.

The Committee acknowledged the decentralised approach for contract management and numerous officers are responsible for managing contracts. The review identified that different areas responsible for contractor management had different processes and recommended that a consistent management system be implemented particularly around Work Health and Safety and Environmental Management.

A contractor management checklist was being developed to ensure consistency and provide guidance regarding what is required. The Committee suggested the checklist should confirm what aspects are mandatory for every contract.

It was noted that the current system (Bluepoint Records Management System) was a barrier to effectiveness as it was not user friendly. The Committee suggested that if the matters identified related to safety, it should be mandatory for all contract managers to be using the system.

Assurance was provided that the migration to a Microsoft program in the 2015-16 financial year will address the record keeping issues but in the meantime, this will be addressed with contractor managers.

8. CONFIDENTIAL ITEMS

Nil

9. ANY OTHER BUSINESS

10. MEETING CLOSURE

The meeting was declared closed at 5.16 pm

10. NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on:

Time: 4.00 pm - 6.00 pm

(Followed by a joint session with Council and the Audit Committee from 7pm)

Date: 18 August 2015

Venue: Chamber, Administration Building, 245 Sturt Road, Sturt

.....
CHAIRPERSON

/ /

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Originating Officer: Elaine Delgado, Strategy

Director: Kathy Jarrett

Subject: Strategic Directions Committee Confirmation of Minutes of Meeting held on 2 June 2015

Report Reference: GC230615R03

REPORT OBJECTIVES:

The Strategic Directions Committee is a formally constituted Committee of Council pursuant to Section 41 of the Local Government Act 1999 and in accordance with Section 101A of the Development Act 1993, is responsible to Council.

EXECUTIVE SUMMARY:

The Strategic Directions Committee held a meeting Tuesday 2 June 2015. The minutes of that meeting are herewith forwarded to Council for adoption (Appendix 1).

RECOMMENDATIONS (1)

DUE DATES

That Council:

1. **Receive and note the minutes of the Strategic Directions Committee meeting of 2 June 2015 (Appendix 1 to report reference GC230615R03).**

23 June 2015

**MINUTES OF THE STRATEGIC DIRECTIONS COMMITTEE MEETING
HELD AT THE ADMINISTRATION CENTRE
245 STURT ROAD, STURT
ON TUESDAY 2 JUNE 2015**



PRESENT

Elected Members

Councillor Jason Veliskou (Chair), and Councillors Appleby, Byram, Crossland, Gard, Hull, Kerry, Pfeiffer, Prior, Telfer, Westwood

Strategic Directions Committee Independent Members

Mr Darren Billsborough, Professor Chris Daniels, Mr Marty Gauvin

In Attendance

Mr Geoff Whitbread	Acting Chief Executive Officer
Ms Kathy Jarrett	Director
Ms Fiona Harvey	Manager Strategy
Ms Ann Gibbons	Manager Environmental Sustainability
Mr Steve Hooper	Manager Development Services
Mr Neil McNish	Economic Development Manager
Ms Elaine Delgado	Minute taker

1 OPEN MEETING

The meeting commenced at 7.00pm.

The Chair welcomed Committee Members and declared the meeting open.

2 KAURNA ACKNOWLEDGEMENT

We would like to begin by acknowledging the Kurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3 MEMBERS DECLARATION OF INTEREST

The Chairman asked if any Member wished to disclose an interest in relation to any item being considered at the meeting.

No interests were disclosed.

4 CONFIRMATION OF MINUTES

Moved Cr Telfer, Seconded Cr Gard that the minutes of the Strategic Directions Committee meetings held on 7 April 2015 and the Special Strategic Directions Committee on 4 May 2015 be taken as read and confirmed.

Carried Unanimously

5 BUSINESS ARISING

5.1 Nil

6 REPORTS

6.1 Exploration of Strategic Opportunities and Issues Report reference: SDC070415R6.1

The Independent Members led workshops on 'building a bridge to the future' that were based on the outcomes of presentations and workshops held with the Strategic Directions Committee on 7 April 2015 and 4 May 2015. These workshops addressed the context and applied innovative thinking to map future outcomes for further consideration by Council.

Workshop topics identified for further exploration at this meeting were as follows:

- 1) Community energy opportunities
- 2) Innovation Districts
- 3) Total Development Plan

Mr Bilsborough introduced the workshops and referred to a slide (Appendix 1) on 'The Strategic Process for Creating Outcomes' that outlined the steps for 'The Process that Creates Outcomes' and 'Building a Bridge to the Future'. These highlighted the importance of addressing 'why' and 'what' components of the strategic process that identify the problem/issues/vision. The next step will be to address the 'how' and 'do' components of the strategic process to create and implement strategies. The purpose of these workshops was to address 'what' ideas would be worthy of further exploration by Elected Members.

Workshop 1 – Community Energy Opportunities

Mr Gauvin facilitated the workshop to prioritise a series of succinct outcomes developed by the Independent Members. Each idea has the potential to be achieved through a variety of means that would require thorough investigations and deliberation.

The methodology selected for use in this workshop was as follows:

1. The facilitator presented an Elected Member at random with a series of suggested outcomes written on cards
2. The Elected Member selected one of the outcomes at random for which the facilitator provided an overview of its intent
3. Elected Members discussed the merit or otherwise of the outcome
4. The facilitator requested Elected Members reach general agreement on where the outcome should be placed within the prioritised list – critical to the success of this process
5. The facilitator placed the outcome in the agreed position in the prioritised list
6. The facilitator presented the remaining outcomes to another Elected Member and repeated the process in turn so at the conclusion of the workshop each Elected Member had randomly selected one or more outcomes
7. The top five ideas in the prioritised list were separated from the other outcomes as having merit for further investigation and consideration by Council
8. The facilitator prepared a suggested draft statement as a goal that harnesses the intent of the outcomes into a shared direction for Council's consideration

The outcomes were selected and addressed in the following sequence:

1. *Increase resilience* – An outcome could be to increase the resilience of the energy network (less blackouts) which could be combined with other outcomes which, by themselves, may reduce resilience.
2. *Make money for Marion* – This is an economic impact in which Council must add some value that results in a broadening of Council's revenue sources to decrease the reliance on rates.
3. *Reduce carbon emissions* – This is based on carbon emissions being reduced and does not consider cost, efficiency or other forms of waste.
4. *Reduce energy consumption* – This can be achieved in many ways such as insulation, modifying climate settings, etc. as an outcome of the community energy plan.
5. *Migrate energy assets to Marion* – As energy systems evolve that do not rely upon scale for cost effectiveness there is an opportunity for the City of Marion to focus on owning and managing energy infrastructure.
6. *Migrate energy assets to customers* – Historically energy systems have been large scale and funded by application of a usage model. Residential use of solar energy has changed this and highlighted that capital investment can be usefully used by consumers to change their energy supply. This can now happen in many ways.
7. *Reduce grid dependency* – This would result in the City of Marion having greater energy independence that could then contribute to greater flexibility in Council having the capacity to deliver other outcomes.
8. *Increase energy capacity* – Historically the ability to source energy has been a key driver for economic growth and this outcome would enable Council to have access to more energy across its geographic area regardless of source.
9. *Increase energy efficiency* – This focuses on less wasting of energy. This can be demonstrated using the example of energy sourced from coal for a typical house whereby five times the required area is actually heated and only one percent of the energy of the coal is effectively used.
10. *Save ratepayers money* – This is an economic element that focuses on the cost of energy to ratepayers being less. The amount it is used, wastage, or other impacts are not considered.
11. *Reduce consumption* – Consumption in general can be reduced including that of energy.

7.54pm Cr Pfeiffer left the meeting

7.56pm Cr Pfeiffer re-entered the meeting

8.10pm Cr Prior left the meeting

8.12pm Cr Prior re-entered the meeting

Discussions points raised during consideration of the above outcomes were as follows:

Independent Members:

- Decisions need to be made within the context of the City of Marion's Community Plan aspirations
- Consideration needs to be given to the roles and responsibilities of Council
- Exploration and successive implementation of any strategic ideas will need to be approached with caution
- An issue such as costs associated with implementing strategic ideas would be addressed in the stage of the process that assesses 'how' the ideas can be implemented

Elected Members:

- It is critical that the community ultimately benefits from any actions taken by Council through pursuit of selected strategies
- A primary consideration in further exploration of ideas will be funding sources
- Ideas should be prioritised based on their capacity to advantage customers/ratepayers
- Environmental benefits need to be considered
- There is potential merit in Council exploring opportunities so it is less reliant on rates as its key funding source
- In pursuing strategic ideas Council will need to work collaboratively with its residential and business communities

The final prioritised list of outcomes selected by Elected Members for further investigation and consideration was:

1. Increase energy efficiency
2. Make money for Marion
3. Reduce energy consumption
4. Reduce consumption
5. Save ratepayers money

The remaining outcomes that are not recommended for further investigation in prioritised order were:

6. Reduce grid dependency
7. Increase energy capacity
8. Migrate assets to customers
9. Increase resilience
10. Reduce carbon emissions
11. Migrate assets to Marion

Following the prioritisation process Mr Gauvin, as the workshop facilitator, suggested the introduction of a potential goal for Council's consideration at a later date as follows:

"Marion is establishing a community energy plan to deliver on our strategy that requires:" (with a list to be developed to follow based on the City of Marion's Community Plan aspirations)

Workshop 2 – Innovation Districts

Elected Members agreed that the Innovation Districts workshop could be addressed as a component of Workshop 3 on the Total Development Plan.

Workshop 3 – Total Development Plan

Professor Daniels facilitated the workshop on the Total Development Plan.

The methodology selected for use in this workshop required deliberation on ideas at a series of two-minute 'rounds'.

Ground rules were:

- Ideas eliminated as part of the process could not be reintroduced

- Where similarities existed between ideas these could be reformed to become one statement to reflect the common intent
- Unprioritised ideas could be kept for consideration at a later date

The rounds were facilitated as follows:

- Round 1 Elected Members were requested to write two strategic level ideas for consideration in a total Development Plan review
- Round 2 Elected Members were paired to share their two ideas (4 ideas in total) and select two for consideration in Round 3
- Round 3 Two pairs were matched to become a group of four. Each pair's two selected ideas (4 ideas in total) were shared and two selected for consideration in Round 4
- Round 4 Two groups of four were matched to become a group of eight. Each group's two selected ideas (4 ideas in total) were shared and two selected for consideration in Round 5
- Round 5 The two groups of 8 shared their two selected ideas (4 ideas in total) with two ideas selected from each group to be presented to the whole group. Ideas presented were as follows:

1. Competitive land use for tertiary level businesses. This is important due to the need for an economy that can 'value add' to service industry type businesses, and effective use of employment land such as located at Tonsley, Edwardstown, Hallett Cove and Marion
2. High amenity public and private environments for living through addressing the quadruple bottom line (economic, environment, social, cultural) in addressing issues such as streetscapes, parks, green spaces
3. Improve the quality of life of residents in the City of Marion through a safe and efficient transport system, and business investment and employment opportunities
4. Densification based on good design around transport hubs with consideration given to the way streets could be used determined based on state government directions and community values

A panel session comprising the Independent Members followed with comments and suggestions provided on the four ideas. The following is a summary of feedback:

- Clarity of outcome is the key to successful implementation. For example 'good design' is a subjective term that requires clarification. As part of this process consideration should also be given to elements that could contribute to the uniqueness of the City of Marion.

Cr Veliskou proposed a motion to extend the meeting for a further 15 minutes beyond 10.00pm.

**Moved Cr Westwood, Seconded Cr Pfeiffer
Carried**

- The outcome of 'competitive land use for tertiary level businesses' is succinct and achievable and could be the highest priority.
- Consideration could be given to separating the outcome's elements 'quality of life for residents' from 'transport' due to the state government's focus on freight transport.

- Independent Members congratulated the Elected Members on their high quality contributions to the workshop.
- The next step is to explore 'how' the ideas may be able to be implemented.

Cr Veliskou thanked the Independent Members for their preparation and facilitation of the workshops and proposed a further workshop be held in July 2015.

Elected Members agreed that the following tasks be undertaken:

- A Special Strategic Directions Committee meeting be organised for July 2015 to workshop how ideas can be implemented.
- The Independent Members refine the following ideas raised at this workshop for further discussion at the July 2015 Special SDC meeting. This should include articulation of the 'intent' and 'outcome' for each idea, and reference the City of Marion's Community Plan.
 - Marion is establishing a community energy plan to deliver on our strategy that requires: (these elements to be completed)
 - Competitive land use for tertiary level businesses
 - High amenity environment for living
 - Improve the quality of life for residents (include reference to safety and employment)
 - Densification based on good design around transport hubs
- The topic of 'Innovation Districts' can be included with the 'Total Development Plan'.

7. CONFIDENTIAL ITEMS

Nil

8. ANY OTHER BUSINESS

Nil

9. MEETING CLOSURE

The meeting was declared closed at 10.13pm.

10. NEXT MEETING

The next meeting of the Strategic Directions Committee will be held on 4 August 2015 at a date, time and location to be confirmed.

CONFIRMED

.....

CHAIRPERSON

/ /

The Strategic Process for Creating Outcomes

The Process that Creates Outcomes



These elements are always there and in equilibrium!

Controlling them requires integration of Leadership and Governance

Leadership

“Building a Bridge to the Future”



Governance

“Processes for creating intent and ensuring linked outcomes”

Building a Bridge to the Future

1. Set the Context
2. Innovate a future destination/s
3. Select and prioritise
4. Script a path to get there
5. Generate and maintain motion
6. Involve, energise and collaborate
7. Knowledge + Opportunity = Accountability
8. Start at the top and work down
9. Then everyone becomes a Leader!

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Originating Officer: David Harman, Financial Accountant

Corporate Manager: Ray Barnwell, Manager Finance

Director: Vincent Mifsud

Subject: Annual Business Plan & Budget 2015-16 and Long Term Financial Plan 2015-16 to 2024-25

Reference No: GC230615R04

REPORT OBJECTIVE AND EXECUTIVE SUMMARY

The purpose of this report is to seek:-

1. Approval for Council's Financial Governance Policies. Council has a number of Financial Policies that are reviewed annually. The Financial Governance Policies outline the principles, rules, responsibilities and legislative requirements that assist in achieving excellence in Financial Management. The policies assist in providing a framework and parameters from which the ABP&B are prepared.
2. Council's final consideration and adoption of the Annual Business Plan and Budget 2015/16 (ABP&B 2015/16) (Appendix 1) and Long Term Financial Plan for 2015/16 to 2024/25 (LTFP) (Appendix 2), following its consideration of the final Draft ABP&B 2015/16 and Draft LTFP at the General Council meeting on 9 June 2015 (GC090615R01).

The ABP&B 2015/16 has been prepared on the basis of an average rate increase of 2.9% (excluding new developments and capital improvements) and a differential rate of 85% for Commercial properties, 65% for Industrial properties and 90% for Vacant Land. In addition to maintaining existing services, it delivers the following prioritised new initiative:-

- Resilient South Program (\$ 23,556 for 2015/16)

At its meeting on 9th June Council resolved (GC090615R01) that the Draft ABP&B 2015/16 be prepared for final consideration at the 23 June 2015 General Council meeting on the basis of an average rate increase of 2.9%. Council also resolved that the Draft LTFP 2015/16 – 2023/24 be referred to the 23 June 2015 General Council meeting for adoption.

The attainment of an average rate increase of 2.9% has been achieved by identifying on-going savings that can be passed onto rate payers to ease their financial burden. A concerted effort and strong focus on achieving efficiency and effectiveness savings across the organisation has resulted in the 2015/16 Budget being developed based upon the achievement of forecast gross savings in operational expenditure in the order of \$3.2m, without impacting on service delivery outcomes for the 2015/16 year. In addition, funding in the order of \$ 4.2m has been placed in the Asset Sustainability Reserve and specifically quarantined for use in the Community Facilities Partnership Program (CFPP).

Processes for delivering further efficiency and effectiveness savings to ensure we are maximising public value for our ratepayers are continuing. This process of continual improvement will incorporate undertaking a series of Business Service reviews with the objective of delivering future on-going savings beyond 2015/16.

The final draft ABP&B 2015/16 and draft LTFP were considered by Audit Committee at their meeting on 15 June 2015 (AC150615R7.2), and the following feedback was provided:

- The organisation should be congratulated on the saving achieved within the ABP&B.
- Contractor Services forecasts a significant expenditure reduction which may be an ambitious target. The Committee noted the variance from the 3rd quarter budget review to the draft budget for 2015-16 equated to an approximate \$4m reduction. Management confirmed this was achievable with the reduction being due to once off budget variations on prior years (\$1,350k), projected on-going savings (\$911k) and once off carryovers from 2013/14 (\$1,814k).
- The net reduction in employee costs for 2015-16 of 1.95% is an excellent achievement. The Committee queried the likelihood of this being replicated year on year and noted it would be difficult to achieve the same results in future years without significant changes to services or service levels.
- Caution should be taken regarding the identified savings and the key assumptions within the LTFP. The assumptions may create challenges into the future and require closer review particularly the assumption of 2% employee costs. This assumption within the LTFP equates to a \$43.2m reduction in employee costs across the life of the LTFP. Council needs to consider if this is realistically achievable and can therefore be realised.
- Community Facilities Partnership Program (CFPP) funding is now quarantined as part of the Asset Sustainability Reserve (\$5.6 million for 2015/16, and a total of \$35.1 million over the term of the LTFP). These funds can only be accessed via a resolution of Council. Discipline needs to be applied to ensure it is used for building renewal, including an understanding of the risks and consequences of using this reserve for matters other than renewal. When Council does consider using this fund for matters other than building renewal, it should ensure the whole of life impact is assessed and appropriately provided for in the LTFP. Council should also consider a standard reporting line of risks and consequences to ensure the decision making process is sound.
- The Committee noted that the CFPP inclusion into the Asset Sustainability Reserve has impacted on the closing cash balance of the LTFP by including an additional \$35.1m.
- The projected closing cash balance at the end of the 10 year LTFP of \$82m should not be considered as "money in the bank" as the assumptions may not be realistic and may be quite challenging. It is important for Council to understand the impact of the change in assumptions particular the employee cost assumption (\$43.2m) and the impact of maintaining the CFPP as a cash reserve (\$35.1m) have on the LTFP projected closing cash balance.
- The additional financial ratios were noted, particularly the working capital ratio (quick ratio) as this was considered to be high. This ratio was directly impacted by the change to the CFPP and is not necessarily a true reflection of the Council's cash position, as these funds are restricted in their use. Adjusting this ratio for the impact of the CFPP would drop it from 1.7 to 1.25.
- For future reporting, it was requested that the draft budget is presented in a manner that addressed the risks and outcomes achieved. Management responded highlighting it was comfortable with the draft budget for 2015-16 including the identified savings. The risks noted related to challenges in achieving the financial projections in the LTFP with concerns regarding the flow on effect of the change to various key assumptions including the

employee costs. It was noted that the organisations monthly operational costs require working capital in the order of \$3m.

- Service reviews will be undertaken in the new financial year and Council will need to further evaluate its services and services level to make decisions about future operations.
- Due to the importance of staff wellbeing and safety, the Committee suggested Council consider setting a target for measuring lost time injury at zero. This sends an aspirational message from the leadership of the organisation that they do not want to see anyone injured whilst at work.
- It may be useful for Council to provide a more descriptive target within Section 5 'Measuring Our Success' of the ABP&B. The measure of 'high level of achievement' for the last two indicators may be too vague for Management to be properly held accountable for outcomes.
- The Asset valuation process was noted which includes an independent comprehensive valuation every 3 years and a desktop valuation in the intervening years. It was recommended that the Asset Accounting Policy be amended to reflect this.
- The financial policies and the recommended changes were noted.

Overall the Committee commented that the ABP&B was a very comprehensive document and the discussions between Council and management must have been good to achieve such a positive outcome. The Committee reiterated that Council needs to understand how the LTFP is constructed and the forecast of \$82m 'closing cash balance' is probably not the likely outcome. The Committee thanked staff for their hard work and achieving the savings challenge set by the Council.

RECOMMENDATIONS (4):

DUE DATE

That the following be adopted by Council in the following order:

- | | |
|--|----------------------------|
| <p>1. Financial Policies (Appendix 1 → appendices 8 to 14):</p> <ul style="list-style-type: none"> a) Rating Policy b) Treasury Management Policy c) Asset Management Policy d) Fees and Charges Policy e) Reserve Funds Policy f) Asset Accounting Policy g) Budget Policy <p>with such amendments/insertions as are necessary to reflect other relevant decisions made by the Council at this meeting.</p> | <p>23 June 2015</p> |
| <p>2. pursuant to Section 123(6) of the Local Government Act 1999 and regulation 6 of the Local Government (Financial Management) Regulations 2011, the Annual Business Plan 2015/16 (Appendix 1)</p> | <p>23 June 2015</p> |
| <p>3. pursuant to Section 123(7) of the Local Government Act 1999, and regulation 7 of the Local Government (Financial Management) Regulations 2011, the Annual Budget 2015/16 (Appendix 1)</p> | <p>23 June 2015</p> |
| <p>4. pursuant to Section 122(1a) of the Local Government Act 1999, and regulation 5 of the Local Government (Financial Management) Regulations 2011, the Long Term Financial Plan for 2015/16 to 2024/25 (Appendix 2)</p> | <p>23 June 2015</p> |

BACKGROUND:

Council is required by the Local Government Act 1999 to prepare and adopt an ABP&B each year, and in doing so determine the key strategic priorities for the ensuing 12 months in the context of Council's Community Plan. The ABP&B and LTFP are an integral part of Council's suite of Strategic Management Plans. The City's Community Plan - a high-level statement of Community aspiration and vision for their City towards 2040, and the final draft 10-year Council Plan, set the foundation for the development of the ABP&B and LTFP.

The ABP&B 2015/16 and LTFP have been developed in accordance with the refined Strategic Financial Framework as endorsed by Council at the 28 April 2015 General Council Meeting (GC280415R05). This encompasses maintaining current services and service delivery levels for the community, as well as meeting Council's planned capital renewal programs for 2015/16.

This ABP&B 2015/16 (Appendix 1) describes the services, programs and projects Council plans to provide in the 2015/16 financial year, and further describes how it plans to resource and fund this work. The ABP&B 2015/16 has been prepared on the basis of business as usual, with a balanced funding position.

DISCUSSION:

Financial Policies

The following Financial Policies are designed to express the direction and framework by which Council intends to manage the community's resources. They set the parameters by which Council intends to maintain long term financial sustainability as set out in the LTFP. The policies are reviewed annually and are a means by which Council ensures it is accountable to the community.

The Financial Policies listed below are published on Council's website and require annual review:

- | | |
|-----------------------|-----------------------|
| • Rating | Refer Appendix 1 (8) |
| • Treasury Management | Refer Appendix 1 (9) |
| • Asset Management | Refer Appendix 1 (10) |
| • Fees and Charges | Refer Appendix 1 (11) |
| • Reserve Funds | Refer Appendix 1 (12) |
| • Asset Accounting | Refer Appendix 1 (13) |
| • Budget | Refer Appendix 1 (14) |

Following the Audit Committee meeting held on Monday 15 June 2015 (AC150615R7.2) a minor change is recommended to further enhance the Asset Accounting Policy. It is recommended that the following paragraph be inserted under the heading 'Revaluations of Non-current Assets' (Appendix 1 page 66), to clarify that asset valuations are carried out independently and on a regular basis by a professionally qualified valuer.

'Revaluations of Non-Current Assets are carried out by an independent professionally qualified valuer with the exception of Library Stock which is valued internally. Comprehensive independent valuations are performed every 3 years with desktop valuations performed annually between comprehensive valuations'.

The Annual Business Plan and Budget (ABP&B)

The ABP&B has been prepared in accordance with the requirements of the Local Government Act and Local Government (Financial Management) Regulations. It includes appropriate information about the rates and charges that Council intends to levy as well as a range of other information required by the Local Government (Financial Management) Regulations. The budget includes statutory statements being Income Statement, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows. In addition to these statements, a 'Funding Statement' is provided that details funding sources and a net overall funding position.

In the development of the ABP&B 2015/16, consideration has been given to Council's refined strategic framework, financial parameters and key social, cultural, economic and environmental issues identified through the environmental scanning process, as well as the relevant federal, state and regional strategies and plans.

The final ABP&B 2015/16 has been updated to include the following information which was not available/finalised at the time of preparing the report to Council on 9 June 2015:

- Rating schedule comparisons have been prepared based on the final Valuer General update received on the 22 June and processed. Final rate in the dollar figures and average rate increase figures have also been updated.
- Rating Policy has been updated in the final plan for adoption as property data has now been finalised.

The ABP&B has been prepared in accordance with the Local Government Act 1999. In accordance with Section 123(7) of the Act the Annual Business Plan must be adopted before the Annual Budget is adopted.

Annual Business Plan and Budget Summary

Section 123 (9) of the Local Government Act 1999 requires a summary of the annual business plan to be prepared and distributed with the first rates notice to ratepayers after the declaration of its rates.

In accordance with this requirement a summary of the Annual Business Plan and Budget 2015/16 will be prepared and distributed with Council's first rates notice to ratepayers in the last week of July 2015.

Rate Impact Analysis

An amended copy of the Rate Impact Analysis, containing updated rating information, is attached to this report for Council's information (Appendix 3).

Fees and Charges Schedule

A final copy of the Fees and Charges Schedule is attached to this report for Council's information (Appendix 4).

CONCLUSION:

It is proposed that Council adopt the Financial Policies as presented. These Policies provide direction to the Annual Budget and Long Term Financial Plan to maintain Council's financial sustainability, viability and accountability to the community.

The ABP&B 2015/16 and LTFP 2015/16 to 2024/25 have been developed on the basis of Council's refined financial framework which encompasses maintaining current services and service delivery levels for the community, as well as meeting Council's planned capital renewal programs for 2015/16. The ABP&B 2015/16 has been prepared on the basis of an average rate increase of 2.9% (excluding new developments and capital improvements).

This report seeks Council's adoption of the ABP&B 2015/16 (Appendix 1) and LTFP 2015/16 to 2024/25 (Appendix 2).

The Rate Impact Analysis (Appendix 3) and Fees and Charges Schedule (Appendix 4) are included for information.

APPENDIX 1: Annual Business Plan & Budget 2015/16

APPENDIX 2: Long Term Financial Plan for 2015/16 – 2024/25

APPENDIX 3: Rate Impact Analysis 2015/16

APPENDIX 4: Fees and Charges Schedule 2015/16

ANNUAL BUSINESS PLAN & BUDGET 2015/16



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INTRODUCTION

The Annual Business Plan and Budget 2015/16 describes the services and projects that council intends to undertake over the next 12 months and the financial decisions that underpin them, so that we can progress towards the longer term aspirations for the city as expressed in the Community Plan.

With the intention of identifying on-going savings that can be passed onto rate payers to ease their financial burden a concerted effort and strong focus on achieving efficiency and effectiveness savings across the organisation has been made. As a result, the 2015/16 Budget has now been developed based upon the achievement of forecast gross savings in operational expenditure in the order of \$3.2m in the following key areas;

- Employee Costs - are forecast to decrease by \$638k (1.95%) after fully allowing for increases included in existing staff Enterprise Agreements. This is primarily due to identified efficiency gains which have enabled a gross saving of \$1,215k in employee costs across the organisation.
- Contractor Services - Forecast expenditure reductions of \$1,732k has been identified in operational expenditure for contractor services which include efficiency savings estimated at \$911k and budget variations on prior year of \$821k.
- Materials and Other Expenses - identified savings of \$1,064k have been achieved, in areas such as training and development, catering, utilities and communication expenses.

It should be noted that these identified savings have enabled a reduction in the average rate increase down to 2.9% without impacting on current service levels to the community.

Your rates

The Annual Business Plan and Budget is based on an average rate increase of 2.9%. In setting rates for 2015/16, council has forecast the revenue required to meet the costs of delivering the services and projects that will be provided to the community in 2015/16. Last financial year the City of Marion had the sixth lowest average residential rate of the 18 metropolitan Adelaide councils, and council is committed to remaining among the lower rating metropolitan councils while providing a level of service that meets community needs. The rate set is also aligned with the rate required in the council's Long Term Financial Plan which will ensure that we continue to operate in a financially sustainable way and continue to maintain and develop our city to meet the needs and aspirations expressed in our Community Plan towards 2040.

Your voice

The voice of the community has been an important consideration in the development of the suite of Strategic Management Plans, including this Annual Business Plan and Budget.

The City of Marion Community Plan –‘Towards 2040’, which was endorsed by Council on 10 December 2013, was the result of the biggest listening campaign in council’s history. This Annual Business Plan and Budget has been developed using the Community Plan as a starting point.

The most frequently expressed needs, aspirations and concerns of the community were around connectivity and transport, affordability, environmental protection and sustainability, open and shared spaces and places and community activities. This feedback indicates strong support for Council’s planned services, programs and projects for 2015/16.

Our purpose is wellbeing. With council and the community working together, we can achieve amazing outcomes.

Mayor Kris Hanna

Geoff Whitbread, Acting Chief Executive

1. Our purpose is wellbeing

Wellbeing is our purpose, central to our community, central to the services we deliver and at the heart of our decision making.

In late 2012, council, in collaboration with the community, embarked upon an innovative strategic journey – “Making Marion” – to define and build a city of the future. The Making Marion campaign asked residents, businesses and community groups how they wanted their street, neighbourhood and city to look in 2040, and the services they will need.

Thousands of postcards and discussion papers were released and workshops held to generate ideas and feedback. Online discussion groups and social media were also used to connect people. More than 16,000 pieces of community information were received and analysed. The most frequently expressed needs, aspirations and concerns of the community were around achieving wellbeing through connectivity and transport, affordability, environmental protection and sustainability, open and shared spaces and places and community activities.

The release of the City of Marion’s inaugural Community Plan – ‘Towards 2040’ was a most significant milestone. It is an expression of the Community’s vision for the future – an aspirational statement of outcomes that are important for this city and the wellbeing of its community now and into the future:



Engaged

By 2040 our city will – Be a community where people are engaged, empowered to make decisions, and work together to build strong neighbourhoods.

Liveable

By 2040 our city will – Be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.

Biophilic

By 2040 our city will – Be deeply connected with nature to enhance peoples’ lives, while minimizing the impact on the climate, and protecting the natural environment.

Prosperous

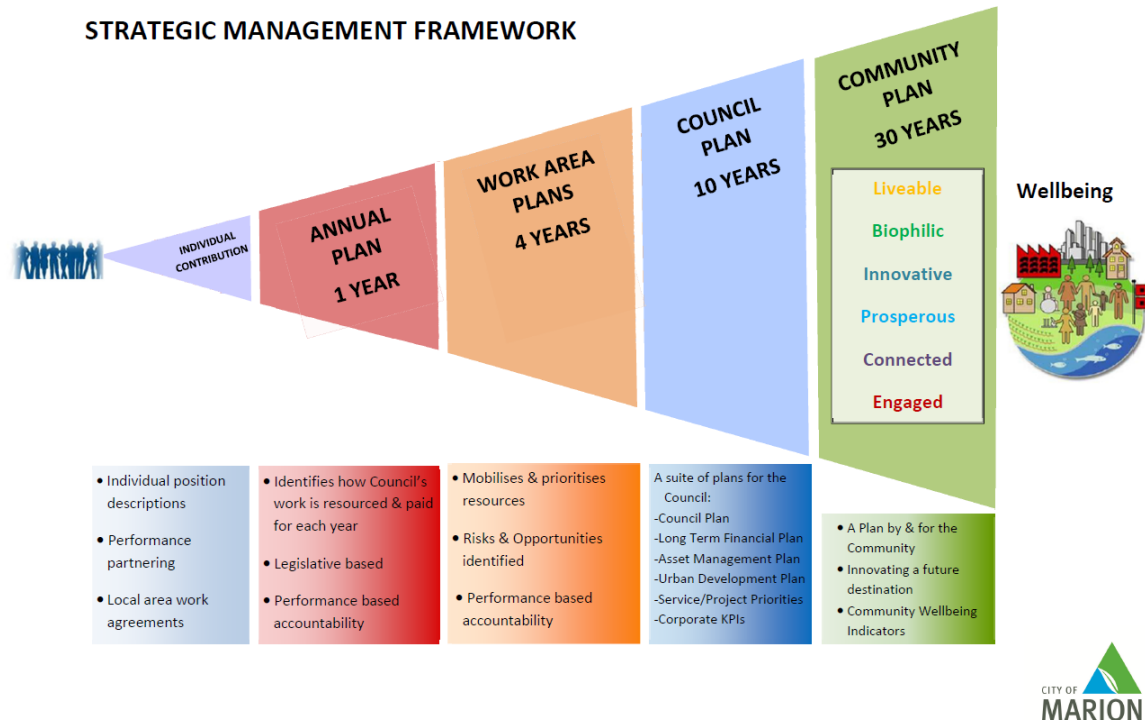
By 2040 our city will – Be a diverse and clean economy that attracts investment and jobs, and creates exports in sustainable business precincts while providing access to education and skills development.

Innovative

By 2040 our city will – Be a leader in embracing and developing new ideas and technology to create a vibrant community with opportunities for all.

Connected

By 2040 our city will – Be linked by a quality road, footpath and public transport network that brings people together socially, and harnesses technology to enable them to access services and facilities.



This Annual Business Plan and Budget 2015/16 is an integral part of council's suite of strategic management plans, which comprise:

- Community Plan towards 2040 (adopted by Council 10 December 2013) – an outcomes focused Vision Statement by and for the community.
- The Draft Council Plan (to be finalised in 2015) articulates council's role and focus over the next 10 years in progressing towards the community's aspirations.
- Asset Management Plans provide a long term approach to ensuring infrastructure and facilities are maintained and renewed to a standard in alignment with the Community Plan that allows the continued provision of services required by the community.
- The Long Term Financial Plan (LTFP – adopted by Council 24 June 2014 and under review) enables council to plan for the long term financial sustainability of the organisation and translates the outcomes and strategies of the Council Plan into financial terms.
- The Strategic Development Report sets out council's strategic urban development policies.
- 4-Year Work Area Plans identify how council plans to mobilise and prioritise the deployment of human, physical and financial resources.
- The Annual Business Plan & Budget (this document) – identifies how council plans to resource, fund and deliver planned work and work area plans for the next financial year.
- A suite of key performance indicators that enable the monitoring and review of strategy through continuous feedback and learning.

The plans within the strategic management framework enable a clear "line of sight" within council; focusing our people on how best to contribute to the aspirations in the Community Plan.

2. Significant influences and priorities

2.1 Key emerging internal and external considerations

A comprehensive environmental scan of internal and external political, economic, environmental, social, technological issues was conducted, providing a context for the development of the Annual Business Plan and Budget 2015/16.

It should be noted that the majority of these influences are longer term – such as changing demographics, the Urban Policy direction of both State and Federal Governments, technological change and opportunities regarding the future direction of local government. They will require action over a longer timeframe than the Annual Business Plan and Budget provides. As such, these issues and opportunities have been considered through the development of the draft Council Plan, council's 10 year Long Term Financial Plan, council's Asset Management Plans and council's Development Plan.

The following considerations that arose from the environmental scan that have a direct impact on the ABP&B 2015/16 are as follows:

Key external issues and opportunities:	
Political <ul style="list-style-type: none"> • Maximising public value • Ongoing changes to Federal, State and Local Government policies and funding programs • Potential for community governance models • Potential future direction, structure and amalgamation of local government 	Economic <ul style="list-style-type: none"> • Compromised financial capacity of ratepayers in economic climate • The number of GST registered businesses in Marion is falling • The number of jobs in Marion remains static although our population is increasing • Maximising opportunities to support small business • Development of the Tonsley site
Social and Cultural <ul style="list-style-type: none"> • Population growth and changing demographics • Increasing community interest in volunteerism is providing a varied skill base • Place-making opportunities where communities have a leadership role • Marion is gradually becoming more culturally and linguistically diverse 	Technological <ul style="list-style-type: none"> • Rapid technological change, specifically the rollout of NBN in some City of Marion areas • Digital divide • Access to data and information
Natural environment <ul style="list-style-type: none"> • Impacts of climate change • SA Government energy and waste legislation • Opportunities in biophilia and green infrastructure • Growth of localism • Adverse impacts of pest plants and animals on natural ecosystems 	Urban environment <ul style="list-style-type: none"> • Changing Urban Development Policy direction of both State and Federal Governments • Increased traffic and limited on-street parking • Increasing demands on public places and spaces and public services • Limited mixed land use • Limited housing options that enable ageing in place • Growth in student accommodation • Community reaction to urban infill

Transport & Connectivity <ul style="list-style-type: none"> • Opportunity for better integrated transport network • Potential risk of isolation to residents that are ageing and mobility impaired • Poor transport linkages to public places and spaces, goods and services, local business and industry • Insufficient and poorly integrated walking & cycling networks • Darlington Interchange development 	Public Health <ul style="list-style-type: none"> • HACC transitioning to national and regional customer led wellbeing and home support programs • Reconsideration of place based urban design and other Council services to encourage active living, healthy lifestyles and social connectivity for all age profiles • Reduced focus on primary health services and facilities yet increased demand across all age profiles • Consideration of healthy eating habits, food security and ready access to fresh food within our City • Site contamination issues in areas of the City of Marion
Key internal pressures and opportunities:	
Service provision <ul style="list-style-type: none"> • More insightful understanding of customer value and service needs • Continued focus on driving innovation and continuous improvement in a constrained budgetary environment • Commitment to a full service review in 2015/16 • Some Community Plan goals could be more economically realised through the engagement of external providers 	Risk and strategic alignment <ul style="list-style-type: none"> • Opportunity to maximise public value focussed around the aspirations of the community • Significant change over in Chief Executive , Elected Members (7 new members and new Mayor elected in November 2014), bringing a fresh outlook and expectations • Alignment of risk management throughout the organisation
Financial sustainability <ul style="list-style-type: none"> • Need for greater collaboration, partnering and innovative funding solutions to achieve community outcomes in a challenging fiscal environment • Significant reliance on rates as primary funding source • An environment of decreasing grant opportunities 	Asset reliability and sustainability <ul style="list-style-type: none"> • Significant ageing infrastructure and assets • Investigating innovative asset management/ownership models • Potential for asset disposals • Potential for non-asset solutions for service delivery
Employer of Choice <ul style="list-style-type: none"> • The need for all work groups to be aligned in terms of the Community Plan and Council Plan • Requirements of Work Health & Safety Act • Vacancy Policy: positions are not filled unless a clear case can be made • The potential for internal redeployment in light of the "No Redundancy" clause in the EBA 	

2.2 Framework of the 2015/16 Annual Business Plan and Budget

The Annual Business Plan and Budget 2015/16 has been prepared on the following basis:

Support the achievement of the City of Marion's Strategic Directions

This Annual Business Plan and Budget has been reviewed against the Community Plan to ensure that council's activities over the next 12 months make the best possible progress towards achieving the community's vision for the future City of Marion.

Address issues arising from internal audit reviews and business excellence assessments

Every year council undertakes a number of internal audits and from time to time undertakes a thorough assessment against the Business Excellence Framework. These reviews and assessments have identified a number of key opportunities or requirements for council to improve its operations. This document includes the necessary resources to continue council's independent review process and implement recommendations accordingly.

Maintain a financial position at an average of category 3 over any five consecutive years, with a primary focus being on Cash Flow and Funding

The Independent Inquiry into the Financial Sustainability of Local Government identified that a council with a sustainability ranking of 3 was 'sustainable with a moderate level of comfort'. A category 3 ranking equates to an operating surplus ratio to rates of between 0-5%. Council has committed to maintaining this category after adjusting for any significant 'once off' items.

Continue to improve the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance before renewal, and renewal before new where it is cost effective to do so

The Annual Business Plan and Budget has been prepared taking into consideration Asset Management Plan requirements, outcomes of recent infrastructure audits, targets set for renewal versus depreciation (95-100% as per Asset Management Policy) and a focus on maintaining council's asset base.

Review existing services and assets to ensure they meet prioritised community needs

The council continues its rolling process of independent Service Reviews, aimed at maximising public value through continuously improving its operating efficiency and service performance to the community. This Annual Business Plan and Budget has been prepared on the basis of continuing existing services, noting that a rolling program of review is being implemented.

Council only considers new Major Projects where it has the identified funding capacity to do so

Between 30 June 2014 and 30 June 2016 Council debt is forecast to increase from \$13.5m to \$25.1m for the construction of Cove Civic Centre and the City Services Depot, both of which have been primarily financed by borrowings.

Maintain council's position for an average residential rate which remains among the lower rating metropolitan councils

Comparative 2014/15 data shows council's position as 6th lowest of 18 metropolitan councils.

Implement responses for progressing liveable cities strategies and funding opportunities within Marion.

The 30 Year Plan for Greater Adelaide identified the "Southern Corridor" (Adelaide to Noarlunga rail line and the 'Tonsley Spur' line) as a growth opportunity. It is anticipated that the corridor will provide for an additional 19,500 dwellings and 36,400 net additional population as a key contributor in the overall 82,000 additional people and 43,000 additional jobs anticipated for the southern region over the next 30 years.

The City of Marion is working closely with the State Government and continues to be well positioned to ensure progress on key urban development projects identified in the Southern Corridor are aligned with its ongoing strategic planning. Elected Members are acutely aware, however, of the need to resolve the tension between the urban infill required by the State Government's 30 Year Plan versus the expectations of residents living on traditional large housing blocks.

3. Continuing and improving services

All councils have responsibilities under the Local Government Act 1999 and other relevant legislation to deliver services for the community. Council is committed to maintaining all services including, but not limited to:

Ongoing Services	Enabling Services
Land use and development planning	Strategic Management
Development and building assessments	Organisational Excellence
Facilitation of urban developments	Strategic Asset Management
Local Government Searches	Financial management
Economic Planning and leadership	Governance support
Environmental planning & leadership	Communications & marketing
Biodiversity management	Human Resources & Workforce Planning
Waste services	ICT & Knowledge management
Water Management	Operational support
Infrastructure management	
Community facilities management	
Reserves, parks and gardens management	
Arts and cultural promotion and support	
Library services	
Sports & Recreation promotion and support	
Community capacity building and development	
Inspection, regulation and control	
Emergency planning & response	
Community Care	
Immunisation services	
Public Health Planning	

Council participates in a number of benchmarking programs which focus on ensuring council's service programs, efficiency and effectiveness are of a high standard.

4. Project priorities for 2015/16

Council has considered its areas of highest strategic priority and potential strategic initiatives to progress these priorities.

Strategic projects intended to continue in 2015/16:

- The Cove Civic Centre which commenced construction in 2013 and is due for completion early in the 2015/16 financial year.
- City Services redevelopment which commenced construction in 2014 and is due for completion by December 2015.

New strategic projects identified for further investigation in 2015/16:

Based on detailed assessment of the current supply and state of sports infrastructure across the City of Marion, Council has identified key priorities for responding to the sports and recreational needs of the community and has identified the following four sports initiatives for further investigation:

- new soccer pitches and a BMX track in the South of the City
- an indoor multipurpose 4-8 court stadium that meets SA regional standards
- the Edwardstown Oval Masterplan
- building upgrades at the Mitchell Park Sports and Community Club

Each of these strategic projects will involve significant collaboration with other partners, the consideration of options and partnership funding.

Council will also consider priorities for other initiatives throughout the year.

Asset Management

Council has been moving towards a stronger long-term planning approach to community assets – it manages approximately \$1 billion of roads, footpaths, drains, community buildings, parks and reserves on behalf of the community. The asset management planning process provides a long term approach to ensuring infrastructure and facilities continue to provide the services required by the community. Council continues to develop, implement and review its Asset Management Policy and Plans with a focus on whole-of-life asset management, including maintenance and renewal of assets, and sustainable decision making.

Key initiatives in maintenance, renewal and replacement of community assets and facilities for 2015/16 include:

- Reviewing our existing asset base in light of:
 - Increasing costs to maintain and renew our existing asset base
 - Understanding which assets could be repurposed, reused or disposed of in order to enhance other assets to better meet community needs
 - Investigating innovative asset management models e.g. share community use, public private partnerships and related opportunities
- The renewal of Council's assets with forecast spends of approximately \$13.4m.
- Capital renewal of Council's roads and kerbs with a forecast spend of approximately \$5.5m.
- Improving Marion's existing footpath network at a cost of \$1.7m.

5. Measuring our success

Monitoring performance is a critical element of strategic planning management. It is the mechanism for critically ensuring that council is contributing to the achievement of both the Community Plan and the 10 year Council Plan.

Our measure dashboard for 2015/16 (provided in the table below) takes account of Council's objectives over the next four years. It will continue to be refined as part of the finalisation of the 2015/16 Annual Business Plan and Budget.

Council Performance Measure	Target
Actual operating surplus ratio for 2015/16 (adjusted for extraordinary items)	0-6 %
Total Employee Costs (staff plus agency)	Decrease by at least 1.4%, in Dollar terms, over the previous year adopted budget
Lost Employee Time due to injury	Reduce by 1% (compared to average of last 5 years)
Major Capital Works (>\$4m)	Completed strictly on time and on budget (or better)
Number of specific Major Capital Works proposals ready for approval by Council	2
Achieving goals of (10 year) Council Plan (as adopted in 2015)	high level of achievement
Alignment throughout administration to Community Plan and Council Plan	high level of alignment

6. Funding the Business Plan

An operating surplus of \$8.9m before capital revenues is forecast for 2015/16. An operating surplus is required to fund the renewal of existing infrastructure in accordance with its asset management plans.

6.1 Budgeted Income Statement

Budgeted Income Statement	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
Operating Revenue			
Rates - General	65,480	68,489	3,009
Rates - NRM Levy *	1,571	1,569	(2)
Statutory Charges	1,803	1,630	(173)
User Charges	1,717	1,633	(84)
Grants/Subsidies	5,667	6,324	657
Investment Income	560	270	(290)
Reimbursements	910	770	(140)
Other Revenue	399	536	137
Share of Profit/(Loss) SRWRA	246	315	69
Total Operating Revenue	78,353	81,536	3,183
Operating Expenditure			
Employee Costs	32,777	32,139	(638)
Contractor Services	16,293	14,561	(1,732)
Materials	5,086	4,668	(418)
Finance Charges	770	1,343	573
Depreciation	12,958	13,821	863
Other Expenses	6,726	6,104	(622)
Total Operating Expenditure	74,610	72,636	(1,974)
Operating Surplus/(Deficit) before Capital Revenues	3,743	8,900	5,157
Capital Grants and Contributions	657	-	(657)
Physical resources received free of charge	1,500	1,500	-
Net Surplus/(Deficit) resulting from Operations	5,900	10,400	4,500

* Note: The NRM Levy is collected by Council on behalf of the Adelaide and Mt Lofty Ranges Natural Resources Management Board.

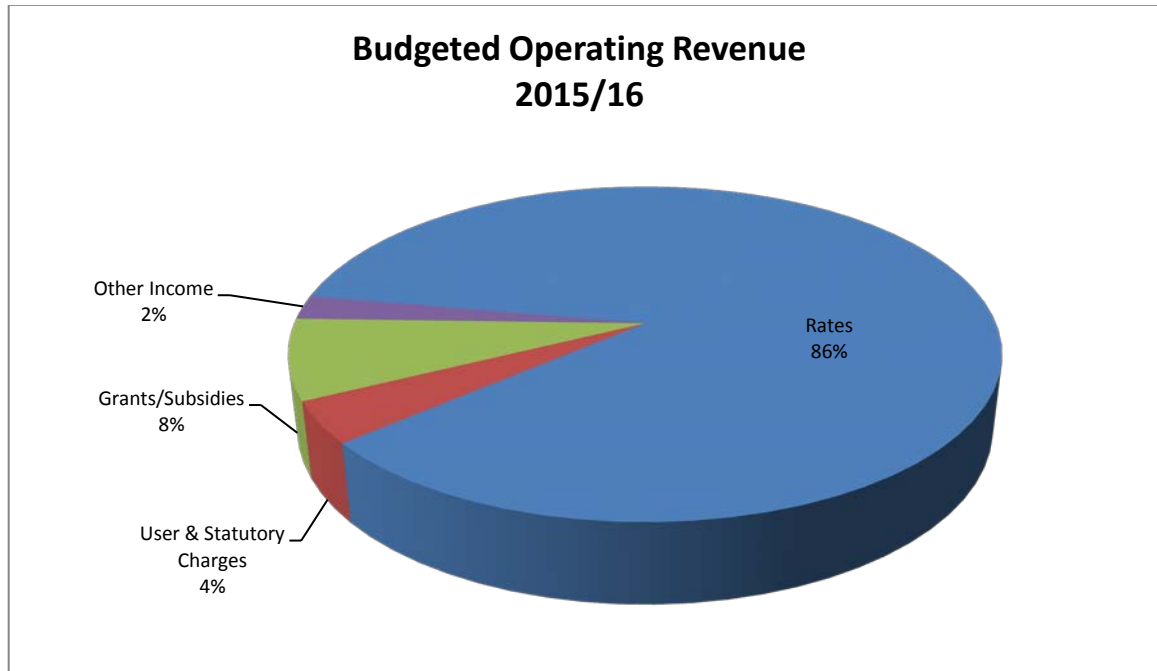
Following the adoption of the 2014/15 budget there has been a concerted effort and strong focus on achieving efficiency and effectiveness savings across the organisation, with the intention that identified on-going savings can be passed onto rate payers to reduce their financial burden. The 2015/16 Budget has been developed based upon the achievement of forecast gross savings in the order of \$3.2m in the following key areas;

- Employee Costs - are forecast to decrease by \$638k (1.95%) after allowing for increases included in existing staff Enterprise Agreements. This is primarily due to identified efficiency gains which have enabled a gross saving of \$1,215k in employee costs across the organisation.
- Contractor Services - Forecast expenditure reductions of \$1,732k has been identified in operational expenditure for contractor services which include efficiency savings estimated at \$911k and budget variations on prior year of \$821k.
- Materials and Other Expenses - identified savings of \$1,064 have been achieved, in areas such as training and development, catering, utilities and communication expenses.

It should be noted that these identified savings have enabled a reduction in the average rate increase down to 2.9% without impacting on current service levels to the community.

6.2 Operating Revenue

The main source of income for council is rate revenue; making up 86% of total council revenue in 2015/16, with other sources being government regulated fees for statutory services, an environment of diminishing levels of untied federal grant monies, as well as other grants from State and Federal government.



General Rates

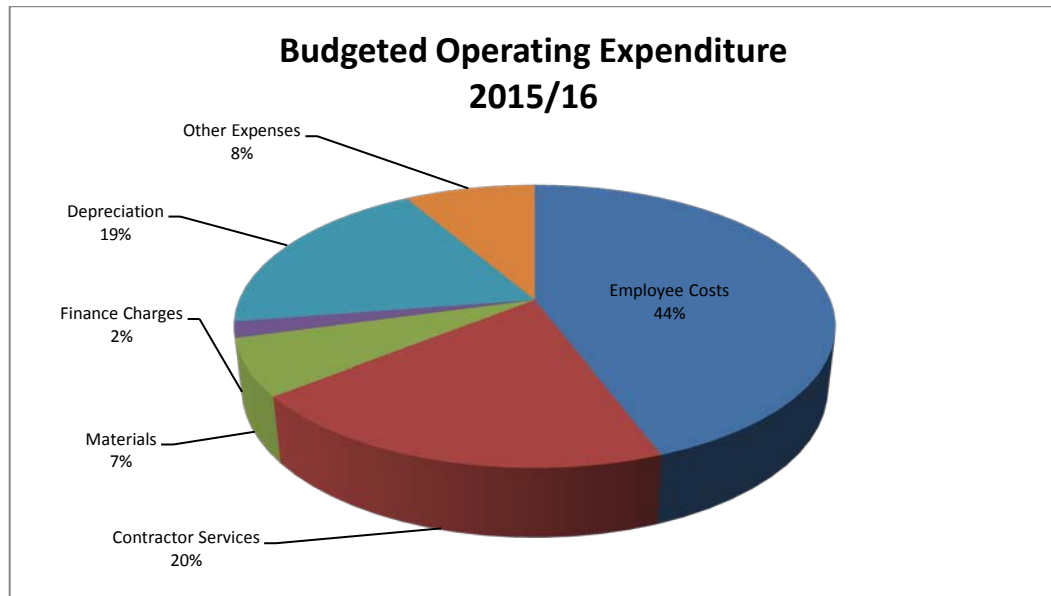
Council's revenue in 2015/16 includes \$68.5m to be raised in general rates. The budget has been developed on the basis of an average rate increase of 2.9% (excluding new developments and capital improvements).

Other Sources of Revenue

- **User Charges set by council** – Relate mainly to the recovery of service delivery costs through the charging of fees to users of council's services. These include charges for the use of council's community facilities, swimming pool admission and the like.
- **Statutory Charges set by State Government** – Relate mainly to fees and fines levied in accordance with legislation and include development application fees, health act registrations and parking fines.
- **Grants and Subsidies** – Grants include all monies received from State and Federal sources for the purpose of funding the delivery of council's services to ratepayers and for the funding of the capital works program.

6.3 Operating Expenditure

Council's operating expenses are forecast to decrease in 2015/16 due to a major endeavour to achieve operating efficiencies while maintaining existing services.



Employee Costs

Employee Costs are forecast to decrease by \$638k (1.95%) after fully allowing for increases included in existing staff Enterprise Agreements. This is primarily due to identified efficiency gains which have enabled a gross saving of \$1,215k in employee costs across the organisation. Employee costs include all labour related expenditure such as wages, salaries and “on-costs” such as allowances, leave entitlements, employer superannuation, workers compensation and agency staff. The Long Term Financial Plan, of which this budget is the first year, forecasts Total Employee Costs will grow at the rate of 2% per annum from 2016/17.

Contractor Services

Contractor services relate mainly to the provision of council services by external providers. A forecast expenditure reduction of \$1,732k has been achieved which includes the identification of efficiency and effectiveness savings in the order \$911k which have been achieved without impacting on service levels, in addition to budget variations on prior year of \$821k. This followed a concerted effort and strong focus on achieving efficiency and effectiveness savings across the organisation following the adoption of the 2014/15 budget.

6.4 Capital Revenue

Capital Grants and Contributions

Council does not currently expect to receive any capital grants in 2015/16; however any grant funding opportunities will be actively pursued as they arise as this is an important source of revenue for council.

6.5 Budgeted Capital Expenditure

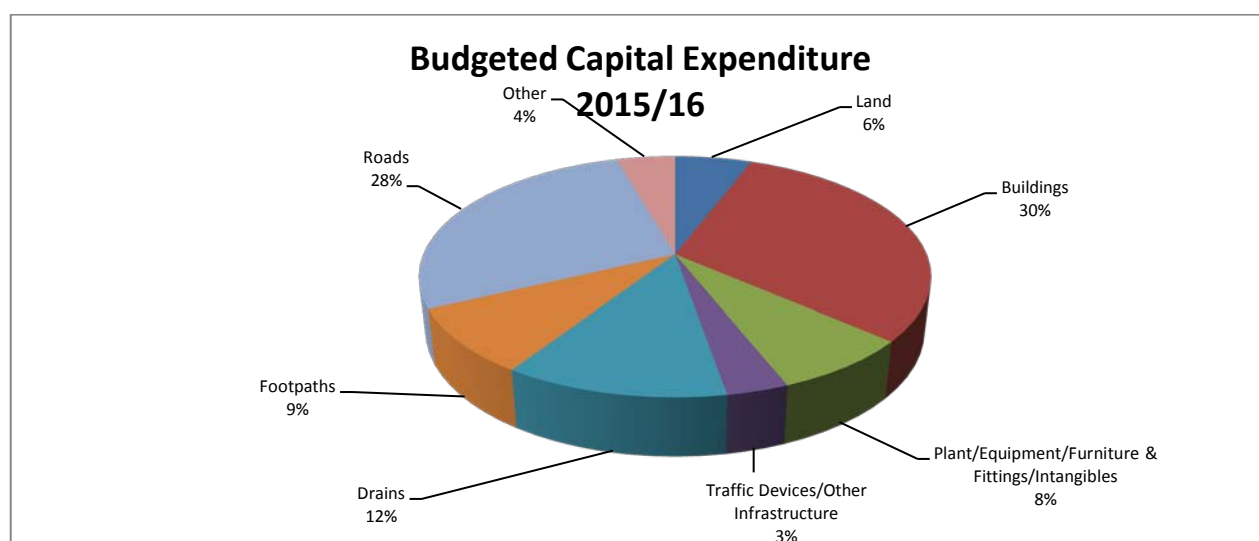
The 2015/16 Budgeted Statement of Capital Expenditure forecasts total capital expenditure of \$19.861m including \$13.357m renewal and \$6.504m new.

The significant decrease in 'Buildings' relates predominantly to the construction of Council's two major projects in 2014/15, being the Cove Civic Centre and the City Services Redevelopment.

Note: Maintenance of existing infrastructure assets is appropriately included in operating expenditure.

The following table summarises council's planned Capital Works Program for 2015/16.

Capital Expenditure	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
Land	420	1,151	731
Buildings	15,401	6,075	(9,326)
Infrastructure:			
Roads	4,749	5,504	755
Drains	2,711	2,372	(339)
Footpaths	1,824	1,721	(103)
Traffic Control Devices	148	178	30
Other	643	479	(164)
Plant and Equipment	1,218	1,333	115
Furniture and Fittings	0	175	175
Other	1,316	873	(443)
Total Capital expenditure	28,430	19,861	(8,569)
Represented By:			
Capital Expenditure			
Assets - New	14,516	6,504	(8,012)
Assets - Renewal	13,914	13,357	(557)
	28,430	19,861	(8,569)



Cove Civic Centre

Following the Federal Budget announcement on 8 May 2012 a government grant of \$3.4m was provided towards the project. Construction of the Cove Civic Centre commenced in 2013/14 and is expected to be completed early in 2015/16, with a total project budget of \$13.4m.

City Services Redevelopment

The City Services redevelopment commenced construction in 2014/15 and is expected to be completed in 2015/16, with a total project budget of \$14.3m. The redevelopment will include a new office building, stores and workshop, which will ensure essential services are delivered well into the future and will see a better planned, more accessible, energy efficient buildings, enabling staff to improve the level of service to the community.

City Services will be a high quality operations hub, capable of supporting the city's roads, reserves and 85,000 residents for many years to come. It will also act as an operational base to help the community in the event of a regional emergency.

6.6 Financing the Budget

Financing the budget refers to the use of borrowings or available cash balances to meet any shortfall between expenditure (both operating and capital) and revenue.

	Budget 2014/15 \$'000	Budget 2015/16 \$'000
Net Lending/(Borrowing)		
Operating Surplus/Deficit before Capital Amounts	3,743	8,900
<u>less: Net Outlay on Existing Assets</u>		
Capital expenditure on asset renewal/replacement	13,914	13,357
less Depreciation/Ammortisation	(12,958)	(13,821)
	956	(464)
<u>less: Net Outlay on New/Upgrade Assets</u>		
Capital expenditure on New & Upgrade Assets	14,516	6,504
less Capital Grants	(657)	0
	13,859	6,504
Adjustments		
Share of Equity - Southern Region Waste Resource Authority	(246)	(315)
	(246)	(315)
Net Lending/(Borrowing)	(11,318)	2,545

The table above identifies the council's net lending/(borrowing) result. Council's budget for 2015/16 is expected to result in a net lending position of \$2.545m, which will lead to a decrease in the level of net financial liabilities in 2015/16 of the equivalent amount.

Financing transactions associated with accommodating the expected net lending result in 2015/16 are as follows:

	Budget 2014/15 \$'000	Budget 2015/16 \$'000
Financing Transactions		
New Borrowings	12,628	5,388
less: Repayment of Principal on Borrowings	(1,417)	(2,314)
less: Increase/(Decrease) in Cash & Investments		
Transfers from/(to) Reserves	107	(5,619)
Cash Drawdowns/(Investment)	0	0
Equals: Financing Transactions	11,318	(2,545)

6.7 Borrowings

Council plans to finance the expected net borrowing result in 2015/16 via the use of fixed term borrowings and transfers from Reserve.

The additional borrowings of \$5.4m in 2015/16 less principal repayments of existing loans will result in a forecast balance outstanding as at 30 June 2016 of \$25.1m.

It should be noted that in the past council has had the capacity to fund some, and in a number of cases all, funding requirements of major projects via our treasury management policy. As such there may not be a need to borrow the full amount currently included in the ABP&B.

6.8 Financial Ratios

To assist council in meeting its objective of financial sustainability a series of financial indicators endorsed by the Local Government Association are provided. Where a council target has not been adopted, the recommended Local Government Association (LGA) target has been used. The following table details these financial indicators and whether or not the prescribed target has been achieved over the five years up to the end of 2015/16.

Ratio	Target	2015/16 Budget	5 Year Average	On Track
Operating Surplus	0% - 5%	13.0%	9.0%	*
Asset Sustainability	95% - 100%	91.2%	83.4%	*
Asset Consumption	80% - 100%	89.3%	84.3%	✓
Net Financial Liabilities	0% - 50%	18.5%	N/A	✓
Interest Cover	0% - 5%	2.0%	N/A	✓

*The Operating Surplus Ratio is forecast to exceed the currently adopted 5 year average target. This is primarily as a result of substantial forecast gross operational savings of \$3.2m for 2015/16 which has had a significant impact on the operating surplus ratio, bringing the current year figure to 13.0 % and the 5 year rolling average to 9.0%. Any future operating savings identified will further increase the operating surplus ratio. Council's operating profit result provides the basis to fund normal day to day community services for both (1) provision of community services, and (2) capital renewal of existing infrastructure.

Council's next iteration of its Asset Management Plans (AMP's) are due to be completed by the end of 2014/15. Once the new AMP's are adopted and fully integrated within the LTFFP, a greater degree of clarity as to Council's capital renewal funding requirements will be defined.

The 5 year average Asset Sustainability ratio of 83.4% falls short of the target range of 95 – 100%. The actual 2013/14 Asset Sustainability Ratio, as reported in council's audited Annual Financial Statements, was 57% causing a considerable reduction in the 5 year average. The 2013/14 result was negatively impacted by a significant amount of capital renewal expenditure (\$3.65m) being carried over into 2014/15. In preparing the 2015/16 Annual Business Plan & Budget, the assumption has been made that the capital renewal program for 2014/15 will be fully completed. The forecast ratio over the LTFFP is 95.8% which falls within the targeted range.

All other ratios are within their targeted ranges. Meeting these targeted ranges is consistent with Council meeting its objective of long-term financial sustainability.

7. What it means for your rates

7.1 Your rates in 2015/16

Rates account for 86 per cent of council's operating revenue. They are essential for providing community services and infrastructure.

Council strategic and financial plan parameters include a commitment to maintain its position for an average residential rate which remains among the lower rating metropolitan councils.

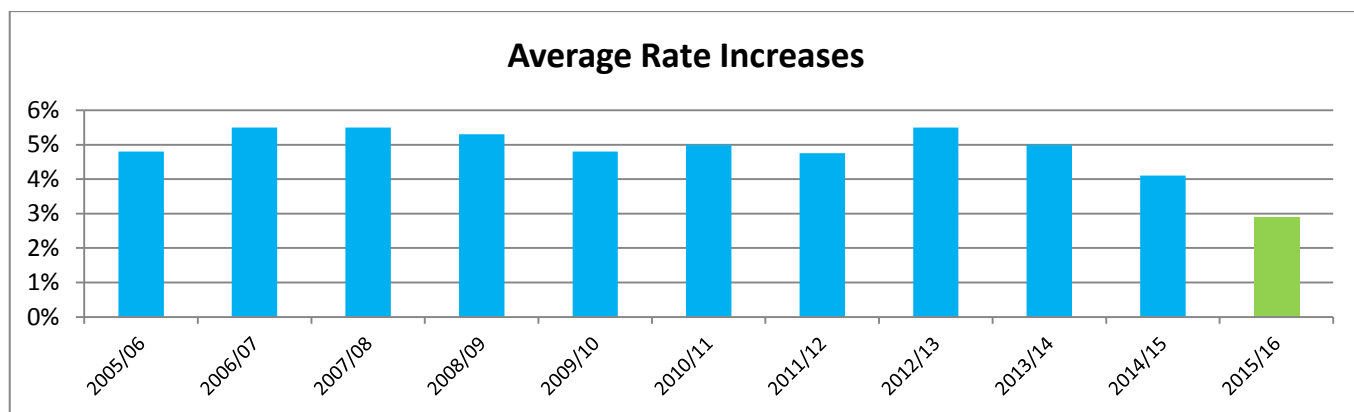
With changing community needs and other external influences impacting on the community, there is a need for council to consider how to plan more effectively, both for the longer term and more immediate community benefit. The rate increase is set at a level that provides confidence that services will be maintained and that a significant capital expenditure program is planned to maintain council's assets.

Since the introduction of mandatory long-term financial planning obligations, council has acted to return its financial position from a large operating deficit to an operating surplus. This approach has been further supplemented by an annual budget review process aimed at reducing service delivery costs to a minimum.

Following considerable budget deliberation and public consultation, Council has determined the total amount of rate revenue required to deliver quality services to the community in addition to funding the projects that will be provided in 2015/16. The Annual Business Plan and Budget for 2015/16 is based on an average rate increase of 2.9%. This is after taking into account any other revenue sources such as fees, charges, grants and other income that will be received. This will also contribute to the necessary funding for planned capital renewal programs in 2015/16. However, it is to be noted that actual rates payable by a rate payer will, in fact, vary according to individual property valuations, according to the attributed land use, and whether there has been any new development or capital improvement at the land. Council is aware of the impact of rate increases on sections of the community (Pensioners and Self-Funded Retirees) and will review its Rating Policy on an on-going basis with regard to a fair and equitable distribution of rates. Council is aware of the impact of rate increases on sections of the community and will review its Rating Policy on an on-going basis with regard to a fair and equitable distribution of rates.

The outcomes of community consultation, as well as a balance between achieving the strategic directions, maintaining services and assets, ensuring financial and environmental sustainability, supporting intergenerational equity and making provision for those in the community who are experiencing hardship, have all been taken into consideration in setting the rate increase, which forms the basis of the Annual Business Plan and Budget.

The following average rate increases have applied since 2005/06:

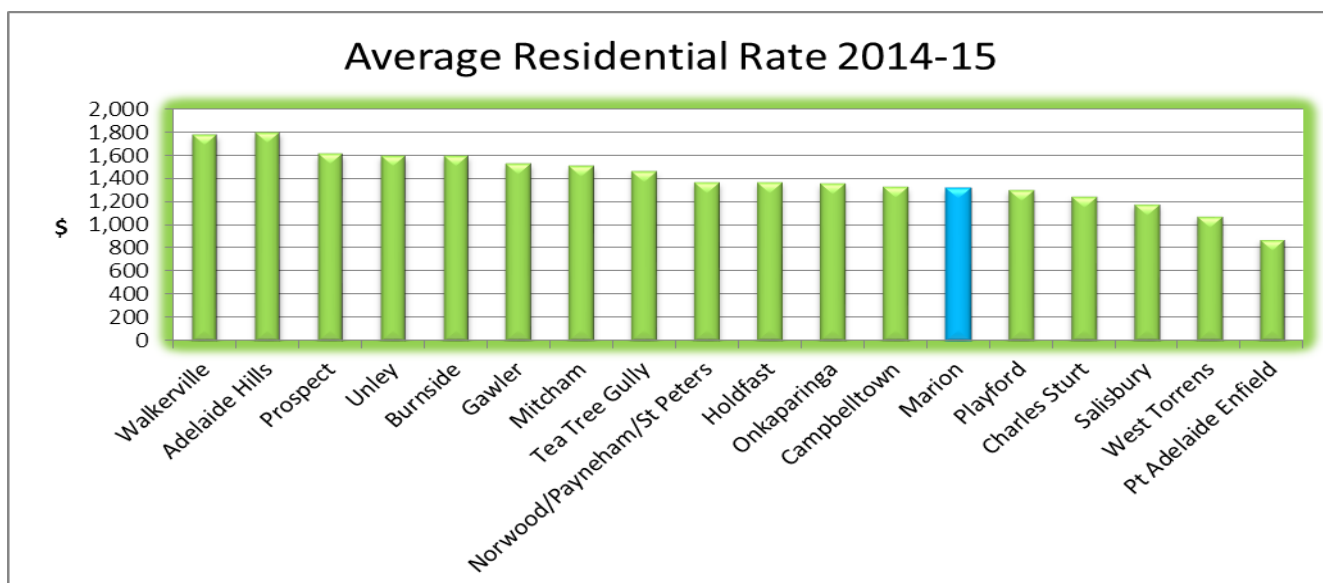


	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016
Ave Rate Increase	4.8	5.2	5.5	5.3	4.8	5.0	4.75	5.5	5.0	4.1	2.9
Growth	1.5	1.2	1.4	2.0	1.8	1.4	1.6	1.3	1.0	1.0	1.18
Total	6.3	6.4	6.9	7.3	6.6	6.4	6.35	6.8	6.0	5.1	4.08

Note: Growth is predominantly the result of new housing in Marion and property improvements as reported by the Valuer General.

7.2 Rating Impact Analysis - Residential

The graph presented below illustrates council's relative rating effort compared to other Adelaide metropolitan councils. In 2001/02 council's relative rating position compared with other Adelaide metropolitan councils was 9th lowest. Council has consistently remained at or below this level since this time and was ranked at 6th lowest in 2014/15.



Note: Comparative data for the 2015/16 year will be available following the release of the LGA Council Rates Survey which is typically released in the first quarter of the next calendar year.

7.3 Rating Impact Analysis - Commercial

Council currently derives 18% (2014/15: 18%) of its rate revenue from the Commercial and Industrial sectors. Commercial and Industrial users consume a greater proportion of council resources than residential properties, particularly in regard to the use of roads, footpaths, traffic, parking, storm water drainage, public health and environment.

Council uses a differential rating system to raise revenue based upon its Land Use and will continue to do so to ensure a fair and equitable distribution of rates within the City of Marion. The differential rate is charged in addition to the normal rate. In applying this approach, council will take into consideration all prevailing economic conditions and changes and adjust its differential rates accordingly, to ensure an appropriate and fair equalisation of rates across all land use categories. Differential rates will apply to land use as follows:

Commercial 85% (2014/15: 85%)

Industrial 65% (2014/15: 65%)

Vacant Land 90% (2014/15: 90%)

The following table shows a comparison of differential rating percentage applied to commercial and industrial properties by a number of Adelaide metropolitan councils in 2014/15.

2014-2015 Comparison Differential Percentage			
Council	Commercial	Industrial	Vacant Land
Charles Sturt	202%	285%	200%
West Torrens	128%	128%	128%
Port Adelaide Enfield	118%	118%	118%
Unley	107%	84%	84%
Prospect	105%	105%	25%
Mitcham	97%	97%	97%
Marion	85%	65%	90%
*Tea Tree Gully	50%	50%	100%
Holdfast Bay	45%	45%	45%
Salisbury	41%	41%	30%
Onkaparinga	31%	31%	55%
Norwood Payneham St Peters	20%	20%	20%
Average	86%	89%	83%
For Information only			
Adelaide	23%	23%	23%
Playford	576%	576%	n/a

*Third year applying differential rates – Additional increments will apply for the next year.

7.4 Valuation Method

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

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

Capital value has continued to be used as the basis for valuing land within the council area. This method of valuing land provides the fairest method of distributing the rate responsibility across all ratepayers on the following basis:

- the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- property value is a relatively good indicator of wealth, and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value;
- the distribution of property values throughout the council area is such that few residential ratepayers will pay significantly more than the average rate per property.

7.5 Separate Rates

The City of Marion is in the Adelaide and Mount Lofty Ranges Natural Resources Management Board area and is required under the Natural Resources Management Act 2004 to fund the operations of the Board. It does so by imposing a separate rate for all properties within the city.

Council is operating as a revenue collector for the Natural Resources Management Board in this regard. It does not retain this revenue or determine how the revenue is spent.

7.6 Minimum Amount

A minimum amount is levied against the whole of an allotment (including land under a separate lease or licence) and only one minimum amount is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. The reasons for imposing a minimum amount are:

- the council considers it appropriate that all rateable properties make a contribution to the cost of administering the council's activities;
- the council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.
- no more than 35% of properties will be subject to the minimum amount.

No maximum amount of rates is applied against an allotment.

7.7 What assistance is available?

Rebate of Rates

The Local Government Act 1999 requires councils to rebate the rates payable for certain land uses. This includes land used for health and community services, religious purposes, cemeteries, educational institutions, housing associations and housing cooperatives.

The mandatory rebates vary from 75% to 100%. People or bodies seeking a rebate must make a written application to Council. Information and application forms can be obtained from the Council office at 245 Sturt Rd, Sturt. Applications for Discretionary Rebates must be received by 31 May 2015 for consideration in the following financial year.

Rate Capping (Discretionary Rebate)

Section 166 (1) (l) of the Local Government Act provides for the discretionary rebate of rates.

Council will provide relief against a substantial increase in rates payable on residential properties by applying a rebate (capping) of general rates to eligible ratepayers.

Council has adopted a two tiered rate capping policy for the 2015/16 financial year.

Tier 1 – Rate Capping for Qualifying Residential Ratepayers

A rebate of general rates will be granted to Residential ratepayers on their principal place of residence within the category of residential land use, under the above Act.

The Annual Business Plan and Budget 2015/16 will apply a 12% rate-cap with a \$20 minimum and a \$200 maximum (excluding new or improved properties) for ratepayers who meet the Qualifying Criteria set out below.

Tier 2 – Rate Capping for Qualifying Pensioners and Self-Funded Retirees

A rebate of general rates will be granted to qualifying Pensioners and Self-Funded Retirees, who are residential ratepayers on their principal place of residence within the category of residential land use under the above Act and do not own any other property and meet the Qualifying Criteria set out below.

The Annual Business Plan and Budget 2015/16 will apply a 9% rate-cap with a \$10 minimum and a \$300 maximum for those Pensioners and Self-Funded Retirees who meet the qualifying criteria set out below.

Qualifying Criteria:

- The property is the owner's principal place of residence.
- The property has not had more than \$20,000 of improvements.
- The property value has not increased due to a zoning change.
- The land use for rating purposes has not changed since 1st July of the previous financial year.
- The property has not sold since the 1st January of the previous financial year.

A rebate of general rates will be applied automatically under both rate capping tiers, where the Council has sufficient information to determine the entitlement to the rebate.

Residential Construction on Vacant Land (Discretionary Rebate)

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a rebate of general rates for the 2015/16 financial year will be granted in respect of an Assessment classed as vacant land in the council's Assessment Book where the:

- Principal Ratepayer of the Assessment applies to the council in writing for the rebate prior to 30 June 2016, and
- Dwelling's footings have been poured on the property by 30 June 2016

The amount of the rebate will be the difference between the general rate in the dollar applicable to Vacant land, and the general rate in the dollar applicable to Residential property. This is calculated by the number of days remaining between 1 July 2015 and 30 June 2016 from the date footings are poured for a residence on the land. However, if the calculated rebate reduces the rates payable to less than the amount fixed as the minimum amount payable by way of rates, then the rebate shall be reduced so that the rates payable are equal to the amount of the minimum.

Postponement of Rates – Hardship

Section 182 of the Act permits the council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they are invited to submit an application in writing to the council's Team Leader Rating Services. The council treats such inquiries confidentially.

Postponement of Rates - Seniors

The following criteria must be satisfied before the postponement is granted.

- The person is a prescribed ratepayer, or the spouse of a prescribed ratepayer.
- A prescribed ratepayer means the holder of a current State Seniors Card or a person eligible to hold such a card who has applied but is yet to be issued with a card.
- Rates are payable on the principal place of residence.
- The land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.
- Any current mortgage over the property which was registered prior to 25 January 2007 will be no more than 50% of the Valuer-General's capital value of the property.

An application must be made in the prescribed manner and form and be accompanied by such information as the council may require. Any rates which are postponed will become due and payable when:

- the title to the land is transferred to another person; or
- there is failure to comply with a condition of postponement.

A minimum amount of \$500 of the annual rates must be paid.

An entitlement to a concession or remission will be applied to the proportion of the rates that has not been postponed, unless notice to the contrary is received in writing from the owner.

Interest will accrue on the amount postponed at the prescribed rate per month, under the Act until the amount is paid.

Should the entitlement to a postponement cease to exist, the owner of the land must inform council in writing, unless the rates and any interest have been paid in full.

Concessions

Pensioner and Self-Funded Retiree Concessions

The State Government announced on 14 May 2015 that it will replace all Council Rate Concessions with the Cost of Living Concession for 2015-16.

Cost of Living Concession

Pensioners, low-income earners and self-funded retirees holding a Commonwealth Seniors Health Card will receive up to \$200 per year. This will come into effect on 1 July 2015. Eligibility for the new concession has been expanded to include pensioners and low-income earners who are tenants.

The concessions will be paid to recipients by cheque with payments expected to be made in about September 2015 (and to tenants by early 2016).

Home owners who currently receive the council rate concession will not need to apply separately for this concession.

For further information contact the Concessions Hotline on 1800 307 758.

8. Financial Sustainability and Annual Savings

- Since 2000, council has continuously improved its strategic and financial planning. This has overturned an operating deficit of \$3.6m in 1998/99 to moderate operating surpluses since 2005-2006. In February 2005, following consultation with all SA councils, the public and State Government, the Local Government Association commissioned an Independent Inquiry into the Financial Sustainability of Local Government. The Inquiry's independent advisers, using Grants Commission data, rated the City of Marion as Category 3 – sustainable with a moderate margin of comfort. The framework for preparation of the Annual Business Plan and Budget 2015/16 includes commitment to maintaining this Category 3 Financial Sustainability rating on average over each five year period, with a primary focus being on Cash Flow and Funding.
- The Long Term Financial Plan takes account of inflation by assuming an annual inflation rate of 2.5%.
- In June 2006 council resolved to adopt a savings target of 2% per annum of operating expenditures from the original adopted budget.
- Following the adoption of the 2014/15 budget there has been a concerted effort and strong focus on achieving efficiency and effectiveness savings across the organisation, with the intention that identified on-going savings can be passed onto rate payers up front in development of the 2015/16 budget to reduce their financial burden.
- Since 2003 Council's savings program has identified the level of annual savings (cost reduction/productivity) achieved by the organisation each financial year. Guidelines have been prepared to ensure that confirmed savings identified are allocated to provide a balance between funding new service improvements from the Strategic Plan and improving council's financial position. This reduces the reliance on rate revenue to achieve community objectives. Savings of \$8.7m have been identified to date through council's savings program to the end of 2013/14 with a further forecast net reduction in Council's operating expenditure of \$1.974m incorporated into the 2015/16 Budget. This is after allowing for increases included in existing staff Enterprise Agreements and increased finance charges relating to approved new borrowings.

Key savings have been made in the following areas:

- | | |
|---|---|
| • Waste collection. | • Plant and Equipment maintenance. |
| • Waste disposal. | • Asbestos removal. |
| • Treasury Management. | • Cost recovery of developer damage. |
| • Community Bus service. | • Publications produced electronically rather than printed. |
| • Golf Course. | • Home and Community Care. |
| • Water tariff audit. | • Continuous improvement programs. |
| • Water restrictions applied to reserves. | • Training and development. |
| • Weed spraying program. | • ICT maintenance and leasing contracts. |
| • Bus Shelters. | |
| • Energy reduction program. | |
| • Telecommunications contract. | |

The savings in each case were not at the expense of service delivery. These improvements were as a result of:

- Successful contract negotiations.
- Process improvement.
- Partnership with State and Federal Government (i.e. Grants which minimise Council's costs).
- Auditing and review of existing expenditures.
- Improved methods of service delivery.

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Budget 2015/16

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Appendix 1. Budgeted Income Statement

CITY OF MARION			
Budgeted Income Statement			
Budget 2014/15 \$'000	3rd Review 2014/15 \$'000		Budget 2015/16 \$'000
		Operating Revenue	
65,480	65,783	Rates - General	68,489
1,571	1,517	Rates - NRM Levy	1,569
1,803	1,762	Statutory Charges	1,630
1,717	1,699	User Charges	1,633
5,667	6,203	Grants/Subsidies	6,324
560	903	Investment Income	270
910	935	Reimbursements	770
399	1,088	Other Revenue	536
246	306	Share of Profit/(Loss) SRWRA	315
78,353	80,196	Total Operating Revenue	81,536
		Operating Expenditure	
32,777	31,692	Employee Costs	32,139
16,293	18,636	Contractor Services	14,561
5,086	4,822	Materials	4,668
770	830	Finance Charges	1,343
12,958	13,136	Depreciation	13,821
6,726	6,689	Other Expenses	6,104
74,610	75,805	Total Operating Expenditure	72,636
3,743	4,391	Operating Surplus/(Deficit) before Capital Revenues	8,900
657	1,555	Capital Grants and Contributions	-
1,500	1,500	Physical resources received free of charge	1,500
5,900	7,446	Net Surplus/(Deficit) resulting from Operations	10,400

Appendix 2. Budgeted Statement of Financial Position

CITY OF MARION				
Budgeted Statement of Financial Position				
Budget 2014/15 \$'000	3rd Review 2014/15 \$'000			Budget 2015/16 \$'000
			<u>Current Assets</u>	
5,974	12,801		Cash	18,421
6,495	3,545		Receivables	3,545
306	172		Inventory	172
12,775	16,518		Total Current Assets	22,138
			<u>Current Liabilities</u>	
7,821	9,049		Creditors	9,049
2,291	2,291		Provisions	2,291
2,143	2,169		Loans	1,839
12,255	13,509		Total Current Liabilities	13,179
520	3,009		Net Current Assets/(Liabilities)	8,959
			<u>Non-Current Assets</u>	
5,367	4,609		Investment in Regional Subsidiaries	4,924
336,083	343,922		Land	345,093
105,391	109,499		Buildings	111,157
627,670	644,802		Infrastructure	649,492
8,331	7,642		Equipment	7,696
329	299		Furniture & Fittings	441
9,879	10,752		Other	10,576
1,093,050	1,121,525		Total Non-Current Assets	1,129,379
			<u>Non-Current Liabilities</u>	
477	527		Provisions	527
22,191	19,847		Loans	23,251
22,668	20,374		Total Non-Current Liabilities	23,778
1,070,902	1,104,160		Net Assets	1,114,560
			<u>Equity</u>	
359,228	363,539		Accumulated Surplus	368,320
711,674	740,621		Reserves	746,240
1,070,902	1,104,160		Total Equity	1,114,560

Appendix 3. Budgeted Statement of Changes in Equity

CITY OF MARION				
Budgeted Statement of Changes in Equity				
Budget 2014/15 \$'000	3rd Review 2014/15 \$'000			Budget 2015/16 \$'000
			Accumulated Surplus	
353,221	340,053		Balance at beginning of period	363,539
5,900	7,446		Net Surplus/(Deficit)	10,400
140	16,668		Transfers from Reserves	0
(33)	(628)		Transfers to Reserves	(5,619)
359,228	363,539		Balance at end of period	368,320
			Asset Revaluation Reserve	
707,427	736,479		Balance at beginning of period	736,479
707,427	736,479		Balance at end of period	736,479
			Open Space Reserve	
1,275	1,288		Balance at beginning of period	888
33	(400)		Net change	22
1,308	888		Balance at end of period	910
			Other Reserves	
3,079	18,894		Balance at beginning of period	3,254
(140)	(15,640)		Net change	5,597
2,939	3,254		Balance at end of period	8,851
711,674	740,621		Total Reserves	746,240
1,070,902	1,104,160		Total Equity	1,114,560

Appendix 4. Budgeted Statement of Cash Flows

CITY OF MARION				
Budgeted Statement of Cash Flows				
Budget 2014/15 \$'000	3rd Review 2014/15 \$'000			Budget 2015/16 \$'000
			Cash Flows from Operating Activities	
77,807	79,650		<i>Receipts</i>	80,921
(61,652)	(62,669)		<i>Payments</i>	(58,815)
16,155	16,981		Net Cash Provided by Operating Activities	22,106
			Cash Flows from Financing Activities	
			<i>Receipts</i>	
12,628	10,116		Loans Received	5,388
			<i>Payments</i>	
(1,417)	(1,572)		Principal	(2,314)
11,211	8,544		Net Cash (Used In) Financing Activities	3,074
			Cash Flows from Investing Activities	
			<i>Receipts</i>	
657	1,555		Capital Grants/Subsidies &	0
			<i>Payments</i>	
(420)	(1,984)		Purchase of Land	(1,151)
(15,401)	(22,130)		Purchase of Buildings	(6,075)
(10,075)	(14,150)		Purchase/Construction of Infrastructure	(10,253)
(1,218)	(1,834)		Purchase of Equipment	(1,333)
0	(57)		Purchase of Furniture & Fittings	(175)
(1,016)	(2,189)		Purchase/Construction of Other Assets + Investments	(573)
(27,473)	(40,789)		Net Cash (Used In) Investing Activities	(19,560)
(107)	(15,264)		Net Increase/(Decrease) in Cash Held	5,619
6,081	28,065		Cash at Beginning of Reporting Period	12,801
5,974	12,801		Cash at End of Reporting Period	18,421

CITY OF MARION				
Budgeted Statement of Cash Flows				
Budget 2014/15 \$'000	3rd Review 2014/15 \$'000			Budget 2015/16 \$'000
		Notes to the Budgeted Statement of Cash Flows		
			1. Budgeted cash at the end of the reporting period	
5,974	12,801		Cash at Bank	18,421
5,974	12,801			18,421
			2. Reconciliation of Changes in Equity Resulting From Operations to Net Cash Provided by Operating Activities	
5,900	7,146		Increase/(Decrease) in Equity resulting from operations	10,100
			Items not involving cash	
12,958	13,136		Depreciation	13,821
(246)	(246)		Share of Profit SRWRA	(315)
(1,500)	(1,500)		Physical resources received free of charge	(1,500)
(657)	(1,555)		Capital Grant Revenue	0
10,555	9,835			12,006
16,455	16,981		Net Cash provided by Operating Activities	22,106
			3. Reconciliation of Budget Surplus/(Deficit) as per Funding Statement to Net increase in Cash	
0	1,076		Surplus/(Deficit) as per Funding Statement	0
(107)	(16,040)		Net Reserves Transfer	5,619
(107)	(14,964)		Net Increase/(Decrease) in Cash	5,619

Appendix 5. Budgeted Funding Statement

CITY OF MARION				
Budgeted Funding Statement				
Budget				
Budget 2014/15 \$'000	3rd Review 2014/15 \$'000			Budget 2015/16 \$'000
		Operating Revenue		
67,051	67,300	Rates		70,058
1,803	1,762	Statutory Charges		1,630
1,717	1,699	User Charges		1,633
5,667	5,903	Operating Grants & Subsidies		6,024
560	903	Investment Income		270
910	935	Reimbursements		770
399	1,088	Other		536
246	306	Net gain - SRWRA		315
78,353	79,896			81,236
		Operating Expenses		
32,777	31,692	Employee Costs		32,139
16,293	18,636	Contractual Services		14,561
5,086	4,822	Materials		4,668
770	830	Finance Charges		1,343
12,958	13,136	Depreciation		13,821
6,726	6,689	Other		6,104
74,610	75,805			72,636
		Operating Surplus/(Deficit) before Capital Revenues		8,600
3,743	4,091			
		Capital Revenue		
657	1,555	Capital Grants & Subsidies		-
1,500	1,500	Contributed Assets		1,500
-	-	Gain/(Loss) on Asset Disposal		-
2,157	3,055			1,500
		Net Surplus/(Deficit) resulting from operations		10,100
5,900	7,146			
12,958	13,136	add Depreciation		13,821
246	246	less Share of Profit SRWRA (excluding dividend)		315
18,612	20,036	Funding available for Capital Investment		23,606
		Capital		
13,914	16,644	less Capital Expenditure - Renewal		13,057
14,516	25,400	less Capital Expenditure - New		6,504
1,500	1,500	less Capital - contributed assets		1,500
(11,318)	(23,508)	Net Overall lending/(borrowing)		2,545

Budgeted Funding Statement				
Budget 2014/15 \$'000	3rd Review 2014/15 \$'000			Budget 2015/16 \$'000
			Funded by;	
			Loans	
12,628	10,116		Loan Principal Receipts (Net)	5,388
-	-		Loan Receipts/(Payments) from Sporting Clubs (Net)	-
1,417	1,572		less Loan Principal Repayments	2,314
11,211	8,544		Loan Funding (Net)	3,074
			Movement in level of cash, investments and accruals	
-	1,076		Cash Surplus/(Deficit) funding requirements	-
107	16,040		less Reserves (Net)	(5,619)
(107)	(14,964)		Cash/Investments/Accruals Funding	5,619
11,318	23,508		Funding Transactions	(2,545)

Appendix 6. Service Improvements & New Initiatives

Service Improvements included in the Budget as per the Long Term Financial Plan	Timing/Ongoing	Total
Business Enterprise Centre	Ongoing	45,000
Marion Learning Festival	Ongoing	32,150
Harm Minimisation	Ongoing	6,242
Marion Sports Grant	Ongoing	10,000
Refugee Scholarship	Ongoing	1,500
Public Art Management project	Ongoing	7,550
Walk the Talk - reconciliation	Ongoing	4,255
Economic Diversification	Ongoing	25,000
Business Engagement	Ongoing	25,000
Marion Historical Village	Ongoing	5,500
Community Capacity Building - Rajah Reserve	Ongoing	5,797
Community Capacity Building - Environment Focussed	Ongoing	60,000
Community Capacity Building - Trott Park	Ongoing	15,500
Community Capacity Building - Park Holme	Ongoing	25,000
Community Capacity Building - Community Initiatives	Ongoing	80,000
Community Capacity Building - Partnership Development	Ongoing	75,000
Art of Respect	Ongoing	6,000
Review of Ageing Strategy & DDA action plan	Ongoing	10,000
SES Floodsafe Project	Ongoing	10,000
History Centre in Red House	Ongoing	73,671
Glandore Laneways	Ongoing	5,815
Marion City Band Five Year Agreement	Ongoing	15,710
NARI - New Arrival & Refugee Immunisation	Ongoing	8,366
Stormwater Quality Improvement & Planning	Ongoing	35,000
Library Collection Management Funding	Ongoing	28,000
Ramsay Avenue Reserve	Ongoing	6,200
Creating Biophilic Cities	2015/16 - 2017/18	30,000
Rajah Reserve Extra Maintenance	Ongoing	7,055
Resilient South Project	2015/16	23,556
		682,867

Appendix 7. Capital Works Program

ROAD RESEAL PROGRAM 2015/16				
Road Name	Suburb	Ward	From Street	To Street
Beaconsfield Terrace	Ascot Park	Woodlands	John Street	Robert Street
Birch Street	Clovelly Park	Warriparinga	Sturt Road	Ash Avenue
Mimosa Terrace	Clovelly Park	Warriparinga	South Road	Ash Avenue
Myrtle Grove	Clovelly Park	Warriparinga	Birch Street	Oak Avenue
Oak Avenue	Clovelly Park	Warriparinga	Myrtle Grove	Mimosa Terrace
Rosslyn Street	Clovelly Park	Woodlands	Harcourt Avenue	Glandore Avenue
Saxon Street	Clovelly Park	Warriparinga	Byron Avenue	Scott Avenue
Walker Avenue	Clovelly Park	Woodlands	Scottish Avenue	English Avenue
Wingfield Street	Clovelly Park	Woodlands	Newton Avenue	Norrie Avenue
York Avenue	Clovelly Park	Woodlands	Celtic Avenue	Australian Avenue
Aaron Avenue	Darlington	Warriparinga	Mostyn Road	Cul-De-Sac
Grace Road	Darlington	Warriparinga	Crystal Street	Aaron Avenue
Nathan Court	Darlington	Warriparinga	Aaron Avenue	End
Gemmell Road	Dover Gardens	Warracowie	Laurence Street	Council Boundary Hb
Howard Street	Dover Gardens	Warracowie	Scarborough Terrace	Branksome Terrace
Joyner Street	Dover Gardens	Warracowie	Morphett Rd	Branksome Terrace
Maitland Street	Dover Gardens	Warracowie	Morphett Road	Branksome Terrace
Winchester Street	Dover Gardens	Warracowie	Crown St	Clacton Rd
Yarmouth Road	Dover Gardens	Warracowie	Clacton Road	Bristol Street Eastern End
Arabrie Avenue	Edwardstown	Woodlands	Conmurra Avenue	Konando Terrace
Deloraine Road	Edwardstown	Woodlands	South Road	Waverley Avenue
Russell Terrace	Edwardstown	Woodlands	Furness Avenue	Flinders Street
Clark Avenue	Glandore	Woodlands	Gazeby Street	Pleasant Avenue
Marryatt Street	Glengowrie	Mullawirra	Ranelagh Street	Kipling Avenue
Penn Corner	Glengowrie	Mullawirra	St Giles Way	Wycombe Way
Rosslyn Street	Glengowrie	Mullawirra	Baker Street	Harding Street
Wendover Walk	Glengowrie	Mullawirra	St Peters Way	Chesham Road
Wilkins Street	Glengowrie	Mullawirra	Baker Street	Harding Street
Willoughby Avenue	Glengowrie	Mullawirra	Francis Avenue	Cul-De-Sac
Wycombe Way	Glengowrie	Mullawirra	Hazelmere Road	Chalfont Way
Alfonso Drive	Hallett Cove	Coastal	Antonia Circuit	Aroona Road
Anna Court	Hallett Cove	Coastal	Quailo Avenue	Cul-De-Sac
Blossom Terrace	Hallett Cove	Coastal	Quinvale Road	Cul-De-Sac
Boonga Street	Hallett Cove	Coastal	Kurnabinna Terrace	Peera Street
Brampton Court	Hallett Cove	Coastal	Ingleton Drive	Dead-End
Clifftop Crescent	Hallett Cove	Coastal	Central Avenue	End
Coringle Crescent	Hallett Cove	Coastal	Warilda Crescent (South)	Warilda Crescent (North)
Dart Street	Hallett Cove	Coastal	Osmanli Drive	Vennachar Drive
Fielders Way	Hallett Cove	Coastal	Quinvale Road	Cul-De-Sac
Luderitz Close	Hallett Cove	Coastal	Luderitz Close	Cul-De-Sac North
Madison Court	Hallett Cove	Coastal	Quailo Avenue	Cul-De-Sac
Nungamoora Street	Hallett Cove	Coastal	Munada Street	End
Oakvale Way	Hallett Cove	Coastal	Wayside Drive North	Wayside Drive South
Rosa Close	Hallett Cove	Coastal	Aroona Road	Cul-De-Sac
Second Street	Hallett Cove	Coastal	Central Avenue	End
Slade Crescent	Hallett Cove	Coastal	Quinway Court	Planters Drive
Wayside Drive	Hallett Cove	Coastal	Barramundi Drive	Nalimba Street
Carlton Terrace	Marino	Coastal	Bandon Terrace	Shaftesbury Terrace
Dudley Terrace	Marino	Coastal	Jervois Terrace	End
Esplanade	Marino	Coastal	Boundary	End
Nimboya Road	Marino	Coastal	Yomara Road	End
Lynne Court	Marion	Coastal	Tweed Aveune	Cul-De-Sac
Pethick Terrace	Marion	Coastal	Coolah Terrace	Melanto Terrace
Tweed Avenue	Marion	Coastal	Tilley Court	Lynne Court
Charnwood Street	Mitchell Park	Warriparinga	Waterman Terrace	Sampson Road
Emma Close	Mitchell Park	Warriparinga	Bradley Grove	Dead End
Geraldine Avenue	Mitchell Park	Warriparinga	Sampson Road	Waterman Terrace
Hester Avenue	Mitchell Park	Warriparinga	Bradley Grove	Kelly Grove
Kelly Grove	Mitchell Park	Warriparinga	Harkin Avenue	Cul-De-Sac
Kenmay Avenue	Mitchell Park	Warriparinga	Maldon Avenue	Mcinerney Avenue
Lodge Street	Mitchell Park	Warriparinga	Byard Terrace	Waterman Terrace
Maldon Avenue	Mitchell Park	Warriparinga	Karu Crescent	Mcinerney Avenue
Orange Grove	Mitchell Park	Warriparinga	Sturt Road	Cul-De-Sac
Raggatt Crescent	Mitchell Park	Warriparinga	Quick Road	Minke Avenue
Thorne Crescent	Mitchell Park	Warriparinga	Harlow Street	Thorne Crescent West
Woodland Road	Mitchell Park	Warriparinga	Bradley Grove	Bradley Grove

ROAD RESEAL PROGRAM 2015/16 - CONTINUED				
Crocker Road	Morphettville	Mullawirra	Claines Avenue	Dead End
Gordon Terrace	Morphettville	Mullawirra	Stephens Place	Alua Grove
Hamley Street	Morphettville	Mullawirra	Oaklands Road	Hendrie Street
Hunt Avenue	Morphettville	Mullawirra	Hendrie Street	Lloyd Street
Lloyd Street	Morphettville	Mullawirra	Houston Street	Hunt Street
Owen Street	Morphettville	Mullawirra	Houston Street	Hamley Street
Jacaranda Grove	Oaklands Park	Warracowie	Dwyer Road	Cul-De-Sac
Neville Court	Oaklands Park	Warracowie	Cul-De-Sac	Perrin Street
Christopher Court	Ohalloran Hill	Southern Hills	Christopher Grove	Cul-De-Sac
Craig Avenue	Ohalloran Hill	Southern Hills	Ella Crescent	Erin Place
Craig Court	Ohalloran Hill	Southern Hills	Craig Avenue	Cul-De-Sac
Bowaka Street	Park Holme	Mullawirra	Nilpena Avenue	Nunyah Avenue
Edwards Avenue	Park Holme	Mullawirra	Western Avenue	Ragless Avenue
Galbraith Street	Park Holme	Mullawirra	Duncan Avenue	Pildappa Avenue
Nunyah Avenue	Park Holme	Mullawirra	Rotorua Avenue	Hendrie Street
Sutherland Street	Park Holme	Mullawirra	Parsons Grove	Western Avenue
Tiparra Avenue	Park Holme	Mullawirra	Rotorua Avenue	Mulcra Avenue
Clement Street	Plympton Park	Mullawirra	Browning Avenue	South Terrace
Coles Street	Plympton Park	Mullawirra	Bray Street	Tarranna Avenue
Downer Street	Plympton Park	Mullawirra	Bray Street	Aldridge Avenue
Jordan Street	Plympton Park	Mullawirra	Bray Street	Aldridge Avenue
Milton Avenue	Plympton Park	Mullawirra	Park Terrace	Swinburne Avenue
Tarranna Avenue	Plympton Park	Mullawirra	Marion Road	Jackson Street
High Street	Seacliff Park	Southern Hills	Arthur Street	End
Eurunderee Avenue	Seacombe Gardens	Warracowie	Morphett Road	Rider Street
Fern Grove	Seacombe Gardens	Warracowie	Harbrow Grove	Russell Avenue
Kingston Avenue	Seacombe Gardens	Warracowie	Glamis Avenue	Alderman Avenue
Rider Street	Seacombe Gardens	Warracowie	Limbert Avenue	Eurunderee Avenue
Bangalla Road	Seaview Downs	Southern Hills	Davenport Terrace	Ross Street
Eyre Street	Seaview Downs	Southern Hills	Fowler Street	Kara Road
Mitchell Street	Seaview Downs	Southern Hills	Eyre Street	Keen Avenue
Carya Court	Sheidow Park	Southern Hills	Oakbank Crescent	Dead End
Pryor Loop	Sheidow Park	Southern Hills	Kew Court	Reserve
Pryor Loop	Sheidow Park	Southern Hills	Pryor Loop	Loop
Rees Court	Sheidow Park	Southern Hills	Rees Street	Cul-De-Sac
Rees Street	Sheidow Park	Southern Hills	Bryans Street	Heysen Drive
Tindall Court	Sheidow Park	Southern Hills	Tindall Crescent	Cul-De-Sac
Weanda Court	Sheidow Park	Southern Hills	Werlinga Road	Cul-De-Sac
Laurence Street	South Plympton	Woodlands	Daly Street	William Street
New Street	South Plympton	Woodlands	Cross Road	Pleasant Avenue
Wheaton Street	South Plympton	Woodlands	Wintrena Street	Towers Terrace
Greenock Drive	Sturt	Warraparanga	Parkmore Avenue	Grandview Road
Lindsay Street	Sturt	Warraparanga	Duncan Street	Maesbury Circuit
Lindsay Street	Sturt	Warraparanga	Maesbury Circuit	Inverell Avenue
Moss Street	Sturt	Warraparanga	Melbourne Street	Darlington Street
Travers Street	Sturt	Warraparanga	Marion Road	Bradman St
Austin Court	Trott Park	Southern Hills	Klippel Avenue	Cul-De-Sac
Cassab Court	Trott Park	Southern Hills	Adams Road	Cul-De-Sac
Coburn Court	Trott Park	Southern Hills	Klippel Avenue	Cul-De-Sac
Dobell Court	Trott Park	Southern Hills	Hessing Crescent	Cul-De-Sac
Hele Court	Trott Park	Southern Hills	Heysen Drive	Grieve Court
Hessing Crescent	Trott Park	Southern Hills	Heysen Drive	Tucker Court
Kahan Court	Trott Park	Southern Hills	Whiteley Drive	Cul-De-Sac
Kemp Court	Trott Park	Southern Hills	Whiteley Drive	Cul-De-Sac
Klippel Avenue	Trott Park	Southern Hills	Adams Road	Scarvel Avenue
Lyons Circuit	Trott Park	Southern Hills	Deakin Court	End
Meldrum Street	Trott Park	Southern Hills	Boyd Court	French Crescent
Ming Court	Trott Park	Southern Hills	Doulton Drive	Cul-De-Sac
Scarvell Avenue	Trott Park	Southern Hills	Adams Road	Klippel Avenue
Spode Court	Trott Park	Southern Hills	Doulton Drive	Cul-De-Sac
Dorset Avenue	Warradale	Warracowie	Cedar Avenue	Pine Avenue
Egmont Avenue	Warradale	Warracowie	Ballara Avenue	Mcarthur Avenue
Hobart Avenue	Warradale	Warracowie	Sturt Road	Gardiner Ave
Louise Avenue	Warradale	Warracowie	Balmoral Avenue	Astrid Avenue
Walkley Avenue	Warradale	Warracowie	Jeffery Avenue	Ballara Ave

KERB & WATER TABLE PROGRAM 2015/16				
Road Name	Suburb	Ward	From Street	To Street
Percy Avenue	Clovelly Park	Woodlands	Terra Avenue	Thirza Avenue
Windsor Avenue	Clovelly Park	Woodlands	English Avenue	Scottish Avenue
Yarmouth Road	Dover Gardens	Warracowie	Clacton Road	Bristol Street Eastern End
Arabrie Avenue	Edwardstown	Woodlands	Conmurra Avenue	Service Lane
Russell Terrace	Edwardstown	Woodlands	Furness Avenue	Flinders Street
Gilpippi Avenue	Edwardstown	Woodlands	Kordando Terrace	Service Lane
Konando Terrace	Edwardstown	Woodlands	South Road	Coongie Avenue
Konando Terrace	Edwardstown	Woodlands	Yanyarrie Avenue	Allambee Avenue
Lockhart Terrace	Edwardstown	Woodlands	Calstock Avenue	Weaver Street
Marryatt Street	Glengowrie	Mullawirra	Hardy Avenue	Meredith Avenue
Penn Corner	Glengowrie	Mullawirra	St Giles Way	Wycombe Way
Willoughby Avenue	Glengowrie	Mullawirra	Francis Avenue	Cul-De-Sac
Coringle Crescent	Hallett Cove	Coastal	Warilda Crescent (South)	Warilda Crescent (North)
Robertson Place	Marino	Coastal	Jervios Terrace	Rockford Place
Clyde Street	Marion	Warriparinga	Alison Avenue	Oakleigh Road
Emma Close	Mitchell Park	Warriparinga	Bradley Grove	Dead End
Kelly Grove	Mitchell Park	Warriparinga	Harkin Avenue	Hester Avenue
Maldon Avenue	Mitchell Park	Warriparinga	Karu Crescent	Mcinerney Avenue
Raggatt Crescent	Mitchell Park	Warriparinga	Thorne Crescent	Minke Avenue
Thorne Crescent	Mitchell Park	Warriparinga	Minkie Avenue	Thorne 2 Crescent West
Woodland Road	Mitchell Park	Warriparinga	Bradley Grove	Handley Avenue
Hunt Avenue	Morphettville	Mullawirra	Hendrie Street	Everest Avenue
Lloyd Street	Morphettville	Mullawirra	Houston Street	Hunt Street
Owen Street	Morphettville	Mullawirra	Houston Street	Hurst Street
Ellis Avenue	Morphettville	Mullawirra	Bray Street	Austral Terrace
Barry Road	Oaklands Park	Warracowie	Shearing Street	Doreen Street
Johnstone Road	Oaklands Park	Warracowie	Masters Avenue	Perrin Street
Osborne Street	Oaklands Park	Warracowie	Morphett Road	Barry Road
Coles Street	Plympton Park	Mullawirra	Bray Street	Tarranna Avenue
Downer Street	Plympton Park	Mullawirra	Bray Street	Aldridge Avenue
Jordan Street	Plympton Park	Mullawirra	Bray Street	Aldridge Avenue
Aldridge Avenue	Plympton Park	Mullawirra	Ferry Avenue	Park Terrace
Kingston Street	Plympton Park	Mullawirra	Bray Street	Tarranna Avenue
Eurunderee Avenue	Seacombe Gdns	Warracowie	Moonya Avenue	Reid Street
Gorda Place	Seacombe Gdns	Warracowie	Morphett Road	Greenasche Grove
New Street	South Plympton	Woodlands	Cross Road	Pleasant Avenue
Castle Street	South Plympton	Woodlands	Korana Street	Yapinga Street
Hele Court	Trott Park	Southern Hills	Heysen Drive	Strutt Court
Klippel Avenue	Trott Park	Southern Hills	Austin Court	Scarvel Avenue
Scarvell Avenue	Trott Park	Southern Hills	Reserve Street	Klippel Avenue
Eucla Avenue	Warradale	Warracowie	Gardiner Avenue	Sunshine Avenue
McLaughlan Avenue	Warradale	Warracowie	Macarthur Avenue	Lindley Avenue

STORMWATER DRAINAGE PROGRAM 2015/16				
Road Name	Suburb	Ward	From Street	To Street
Radstock Avenue	Morphettville	Mullawirra	Rosedale Avenue	Radstock Avenue
Keen Avenue	Seaview Downs	Southern Hills	Davenport Terrace	Ross Street
Hammersmith Avenue	Edwardstown	Woodlands	Cross Road	Hammersmith Avenue
Farne Terrace	Oaklands Park	Warracowie	Alison Avenue	End
Pindee Street	Hallett Cove	Coastal	The Cove Road	End
First Avenue	Hallett Cove	Coastal	South Avenue	Cul-de-sac
Maxwell Terrace	Glengowrie	Mullawirra	Duggan Avenue	Boundary
Nannagai Avenue	Hallett Cove	Coastal	Capella Drive	Reserve
Towers Terrace	Edwardstown	Woodlands	Lawerance Street	Castle

TRAFFIC DEVICES PROGRAM 2015/16		
Location	Suburb	Ward
George Street / Dwyer Road Treatments	Marion / Oaklands Park	Warriparinga
Jervois Street	Edwardstown	Woodlands
Minor proactive traffic control treatments (eg signs, equipment, traffic islands)	Various	Various

RESIDENTIAL FOOTPATH PROGRAM (RENEWAL) 2015/16		
Road Name	Suburb	Ward
Proactive Footpath Works	Various	Various

Appendix 8. Rating Policy

This document sets out the policy of the City of Marion for the setting and collection of rates from its community. The policy has been prepared to ensure transparency and accountability under the Local Government Act 1999 (the Act) and it is the Council's intent when imposing rates to do so in a fair and equitable manner.

RATING POLICY

(1) Valuation Methodology and Adoption

Council uses Capital Value as the basis for valuing land within the Council area. Capital Value is the value of the land and all of the improvements on the land. The Council also continues to adopt the capital valuations distributed by the Valuer-General.

(See Annexure 1)

(2) Differential General Rates

All land within a council area, except for land specifically exempt under section 147 (2) of the Act is rateable. The Act provides for a council to raise revenue through a general rate, which applies to all rateable land, or through differential general rates, which differentially apply to classes of rateable land. Council uses a differential rating system to raise revenue based upon Land Use and will continue to do so to ensure a fair and equitable distribution of rates within the City of Marion. In applying this approach Council will take into consideration all prevailing economic conditions and changes and adjust its differential rates accordingly, to ensure an appropriate and fair equalisation of rates across all land use categories.

The differential general rate Land Use categories are as follows

Category 1	Residential
Category 2	Commercial – Shop
Category 3	Commercial – Office
Category 4	Commercial – Other
Category 5	Industrial – Light
Category 6	Industrial – Other
Category 7	Primary Production
Category 8	Vacant
Category 9	Other

These differential rates will be used to determine the rates in the dollar for all properties within the City of Marion area for the financial year. These rates will be specified in Council's rate declaration for each financial year.

(See Annexure 1)

(3) Minimum Rate

A minimum amount payable by way of general rates is determined to apply to the whole of an allotment (including land under a separate lease or licence) and only one minimum amount is payable in respect of two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier.

The Minimum Rate to apply to properties within the City of Marion will be detailed in Council's rate declaration for each financial year.

(See Annexure 1)

(4) Service Charge

The Council has decided not to impose any service charges for this financial year.

(5) Natural Resources Management (NRM) levy

The Council, under the Natural Resource Management Act 2004, is required to collect this levy. It does so by imposing a separate rate for all properties within the Council area.

For each financial year, the levy for each property will be determined by the total capital valuation within the City of Marion. The calculation is as follows;

- Total Capital Value divided by the Total Amount Required, (set for the financial year by the NRM Board) determines an appropriate rate in the dollar, this rate in the dollar will then be adopted to each property.

(See Annexure 1)

(6) Payment of Rates

The Council has determined that payment of rates for the 2015/16 financial year will be by four instalments, due on 1 September 2015, 1 December 2015, 1 March 2016 and 1 June 2016. However the total amount of rates may be paid in full at any time.

Council has determined that rates may be paid by the following methods;

- Australia Post – Post Office, Telephone or Internet
- Bpay – Telephone or internet payments
- Centrepay – Deductions directly from Centrelink deductions
- Direct Debit – Direct from either a Cheque or Savings account
- Eservices – Direct through the Councils Internet system
- In person - At Council Offices
- By Mail - Locked Bag 1 Oaklands Park SA 5046

(7) Late Payment of Rates

Council imposes an initial penalty (a fine) of 2% as prescribed under the Act on any payment for rates, whether by instalment or otherwise, that is received late. A payment that continues to be late is then charged a prescribed interest rate (which includes the amount of any previous unpaid fine and interest) on the expiration of each month that it continues to be late.

When the Council receives a payment in respect of overdue rates the Council applies the money received in the order set out below in accordance with Section 183 of the Act,

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed;
- Fourth – in payment of rates, in chronological order (starting with the oldest account first).

(See Annexure 1)

(8) Rebates and Postponement of Rates

(8.1) Rate Rebate Policy

Refer to the Rate Rebate Policy attached.

(8.2) Rate Capping

Section 166(1)(i)(ii) of the Local Government Act 1999 provides the power to grant a discretionary rebate of rates where, amongst other things, there has been a rapid change in valuations.

The Council has determined to provide relief against a substantial increase in rates payable on residential land due to large increases in valuations by applying a rebate (capping) of general rates for eligible ratepayers.

Further information about this relief may be found in the Annual Business Plan and Budget (Section 7.7), including the qualifying criteria.

(8.3) Residential Construction on Vacant Land

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a discretionary rebate of general rates for the 2015/16 financial year will be granted in respect of an Assessment classed as vacant land by the Council, where:

- The Principal Ratepayer of the Assessment applies to the Council for the rebate prior to 30 June 2016, and
- The footings have been poured on the property by 30 June 2016

The amount of the rebate will be the difference between the general rate in the dollar applicable to Vacant land, and the general rate in the dollar applicable to Residential land. This is calculated by the number of days remaining between 1 July 2015 and 30 June 2016 from the date footings are poured for a residence on the land. Minimum Rate is still applicable.

(8.4) Postponement of Rates – Hardship

Section 182 of The Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to submit an application in writing to the Council's Team Leader Rating Services. The Council treats such inquiries confidentially.

(8.5) Postponement of Rates – Seniors

An Application may be made to Council by ratepayers who meet the criteria required for qualification for the postponement under Section 182A of The Act. (see Annexure 1 for criteria)

(9) Sale of Land for Non-Payment of Rates

The Act provides that a council may sell any land where the rates have been in arrears for three years or more. Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates.

(10) Concessions

Pensioner and Self-Funded Retiree Concessions

The State Government announced on the 14th May 2015 that it will replace all Council Rate Concessions with the Cost of Living Concession for 2015-16.

Cost of Living Concession

Pensioners, low-income earners and self-funded retirees holding a Commonwealth Seniors Health Card will receive up to \$200 per year. This will come into effect on 1 July 2015. Eligibility has been extended to include pensioners and low-income earners who are tenants.

The concessions will be paid to recipients by cheque with payments expected to be made in about September 2015 (and to tenants by early 2016).

Home owners who currently receive the council rate concession will not need to apply separately for this concession.

For further information contact the Concessions Hotline on 1800 307 758.

RATE REBATE POLICY

(1) Policy Statement

Council has decided to adopt a Rate Rebate Policy for all rateable land within the Council's area which is applied in accordance with Sections 159 to 166 of the Act. This Policy will assist the Council as a decision making function and is intended to provide guidance to the community as to the matters that the Council will take into account in deciding an application for a rebate.

The Policy also sets out the type of land use for which the Council must grant a mandatory rebate of rates and the percentage amount applicable, and those types of land use where the Council has the ability to grant a discretionary rebate of rates. Rebates will only be available when the applicant satisfies the requirements under both the Act and, where appropriate, the requirements of this Policy.

(2) Mandatory Rebates

Mandatory rate rebates will be granted by Council at the prescribed rate in accordance with Sections 159 to 165 of The Act.

S160 – Health Services	100% Rebate
S161 – Community Services (Including Housing Associations)	75% Rebate
S162 – Religious Purposes	100% Rebate
S163 – Public Cemeteries	100% Rebate
S164 – Royal Zoological Society of SA	100% Rebate
S165 – Educational Purposes	75% Rebate

Where the Council is satisfied from its own records, or from other sources, that a person or body meets the necessary criteria for a mandatory rate rebate, the Council will grant the rebate accordingly. Where the Council is not satisfied based upon the information in its possession or otherwise does not hold relevant information it will require the person or body to lodge an application in accordance with this Policy.

Where a person or body is entitled to mandatory rate rebate of 75% only, the Council may increase the rebate up to a further 25%. The Council may grant this further 25% rebate upon application.

Where an application is made to the Council for a rebate of up to a further 25% the application will be determined and written notice will be provided to the applicant of its determination of that application.

(3) Discretionary Rebates

A discretionary rate rebate may be granted by the Council at its absolute discretion up to and including 100% relief to any cases pursuant to Section 166 of the Act.

Any persons or bodies seeking a discretionary rebate, will be required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require.

(4) Application

The Council will inform the community of the provisions for rate rebate under the Act by the inclusion of suitable details in the Rating Policy Summary distributed with the annual rate notice.

Application forms may be obtained from the Council office located at 245 Sturt Road, Sturt.

The Council will advise an applicant for a rebate of its determination of that application in due course, after receiving the application and receiving all information requested by the Council. The advice will state –

- if the application has been granted, the amount of the rebate; or
- if the application has not been granted, the reasons why.

(5) In regards to prescribed discretionary rate rebates the Council will take into account, in accordance with Section 166(1a) of the Act, the following matters –

- The nature and extent of Council services provided in respect of the land for which the rebate is sought, in comparison to similar services provided elsewhere in the Council area;
- The community need that is being met by activities carried out on the land for which the rebate is sought; and
- The extent to which activities carried out on the land, for which the rebate is sought, provides assistance or relief to disadvantaged persons ; and
- Such other matters as the Council considers relevant.

(6) The Council may take into account other matters considered relevant by the Council including, but not limited to, the following–

- Why there is a need for financial assistance through a rebate;
- The level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- The extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- Whether the applicant has made/intends to make applications to another Council;
- Whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
- Whether the applicant is a public sector body, a private not for profit body or a private for profit body;
- Whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- The desirability of granting a rebate for more than one year;
- Consideration of the full financial consequences of the rebate for the Council;
- The time the application is received;

- The availability of any community grant to the person or body making the application;
- Whether the applicant is in receipt of a community grant; and
- Any other matters and policies of the Council, which the Council considers relevant.

All persons or bodies wishing to apply to the Council for a discretionary rebate of rates must do so on or before 31 May in that financial year for which the rebate is sought.

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

It is an offence for a person or body to make a false or misleading statement or representation in an application, or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.

The maximum penalty for this offence is \$5,000.

If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The maximum penalty for this offence is \$5,000.

(7) Delegation

The Council has delegated its power, pursuant to Section 44 of the Act, to grant applications for mandatory rebates that meet the requirements of the Act, to the Chief Executive Officer.

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

- Where the discretionary rebate is not more than \$5,000.

(8) Review of Rebate

A person or a body aggrieved by a determination of the Council in respect of an application for a rebate may, within 14 days of the date of the notice of determination, seek a review of that decision in accordance with the Council's Internal Review of Council Decisions Policy.

(9) Community Grants

If an application for a rebate is unsuccessful, the Council has an absolute discretion to then treat the application as one for a community grant and to determine it in accordance with the Council's Community Grant's Policy.

(10) Availability of Policy Documents

Policy documents are available for inspection at the Council offices and on the website at www.marion.sa.gov.au. Persons may obtain a copy of any Policy document upon payment of the fee set by the Council.

DISCLAIMER

A rate cannot be challenged on the basis of non-compliance with this Policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this Policy he/she/it should raise the matter with the Council. In the first instance contact the Council's Team Leader – Rating Services on 8375 6617 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, City of Marion, PO Box 21, Oaklands Park, SA 5046.

Annexure 1

1. Valuation Methodology and Adoption

Under the Act, the Council may adopt one of three valuation methodologies to value the properties in its area. They are:

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

The Council considers that the Capital Value method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value;
- The distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

Any ratepayer dissatisfied with the valuation made by the Valuer-General may object in writing to the Valuer-General, served personally or by post, within 60 days of receiving a rate notice, explaining the basis for the objection. This is provided that ratepayer has not:

- (a) previously received a notice of this valuation under the Act, in which case the objection period is 60 days from the receipt of the first notice; or
- (b) previously raised an objection to that valuation.

The 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause to do so.

It is important to note that the lodgement of an objection does not change the due date for payment of rates.

2. Differential General Rates

All land within a council area, except for land specifically exempt (e.g. crown land, council occupied land and other land prescribed under the Act – refer to Section 147), is rateable. The Act provides for a council to raise revenue for the broad purposes of the council through the imposition of a single general rate or through differential general rates that apply to all rateable properties within the council area.

Following a review of rating options available under the Act during the 2002/2003 financial year, the Council consulted extensively with the community on this issue and concluded that a differential rating system would improve the equity in rate distribution across the community. The review included a comparison of rating methods and rates by land use within the Adelaide metropolitan area.

Differential general rates are based on Land Use as determined in the Local Government (General) Regulations 2013 under the Act. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then they may object (to the Council) to that land use within 60 days of being notified. A ratepayer may discuss the matter with a Rates Officer, on 8375 6600 in the first instance. The Council will provide, on request, a copy of Section 156 of the Act which sets out the rights and obligations of ratepayers in respect of objections to a land use.

An objection to the land use:

- must be in writing
- must set out-
 - the grounds of the objection; and
 - the land use (being a land use being used by the Council as a differentiating factor) that should, in the objector's opinion, have been attributed to the land; and
- must be made within 60 days after the objector receives notice of the particular land use to which the objection relates.
- this 60 day objection period may be extended where it can be shown there is reasonable cause to do so.

The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court. It is important to note that the lodgement of an objection does not change the due date for payment of rates.

3. Minimum Rate

The reasons for imposing a minimum amount payable by way of general rates are:

- The Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities;
- The Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.

No more than 35% of properties will be subject to the minimum amount.

4. Natural Resource Management Levy

It is important to note that Council is required to collect this levy under the Natural Resource Management Act 2004 and operates as a revenue collector for the Natural Resources Management Board in this regard. It does not retain this revenue or determine how the revenue is spent.

For further information contact the board by phone 8273 9100 , email reception@adelaide.nrm.sa.gov.au

5. Late Payment of Rates

Under the Act, the Council applies penalties (fines and interest) to arrears of rates (i.e rates which are not paid on or before the due date). The Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. If rates remain unpaid more than 21 days after the issue of the final notice then the Council may refer the debt to a debt collection agency for collection. The debt collection agency may charge collection fees to the ratepayer.

The Council has adopted a policy to assist ratepayers experiencing difficulty in making their rate payment by the due date. The Council will consider approving extended payment provisions or, in circumstances where hardship can be demonstrated, deferring the payment of rates.

The Council may be prepared to remit penalties for late payment of rates where ratepayers can demonstrate hardship or sufficient other reason for late payment.

All applications for remissions must be in writing, addressed to: Rating Services Section, City of Marion, PO Box 21, Oaklands Park, SA 5046.

6. Discretionary Rebate

The Act requires the Council to rebate the rates payable on certain land ('mandatory rebates'). The Act, at section 166, also empowers the Council to grant discretionary rebates of rates of up to 100% of the rates and/or charges payable. The Council, in considering discretionary rebates, must balance the benefits of providing rebates, with the impact that such rebates have on its overall income (and hence upon the general ratepayer base). To promote the transparency of this process the Council has adopted a Rate Rebate Policy. A copy of this Policy is available at the Council offices or on Council's website at www.marion.sa.gov.au.

7. Postponement of Rates – (Seniors)

The following criteria must be satisfied before the postponement is granted.

- The person is a prescribed ratepayer, or the spouse of a prescribed ratepayer;
- A prescribed ratepayer means the holder of a current State Seniors Card or a person eligible to hold such a card who has applied but is yet to be issued with a card.
- Rates are payable on the principal place of residence.
- The land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.
- Any current mortgage over the property which was registered prior to 25 January 2007 will be no more than 50% of the Valuer-General's capital value of the property.

An application must be made in the prescribed manner and form and be accompanied by such information as the Council may require. Any rates which are postponed will become due and payable when:

- the title to the land is transferred to another person; or
- there is failure to comply with a condition of postponement.

A minimum amount of \$500 of the annual rates must be paid.

An entitlement to a remission will be applied to the proportion of the rates that has not been postponed, unless notice to the contrary is received in writing from the owner.

Interest will accrue on the amount postponed at the prescribed rate per month, under the Act until the amount is paid.

Should the entitlement to a postponement cease to exist, the owner of the land must inform the Council in writing, unless the rates and any interest have been paid in full.

Appendix 9. Treasury Management Policy

POLICY STATEMENT:

INTRODUCTION

This policy provides clear direction to the management, staff and Council in relation to the treasury function. It underpins Council's decision-making regarding the financing of its operations as documented in its annual budget, long-term financial plan, projected and actual cash flow receipts and outlays.

Council is committed to adopting and maintaining a long-term financial plan and operating in a financially sustainable manner.

POLICY OBJECTIVES

This Treasury Management Policy establishes a decision framework to ensure that:

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

OTHER RELATED POLICIES

Reserve Funds Policy

DEFINITIONS

Financial Assets include cash, investments, receivables and prepayments. Equity held in a Council business is normally regarded as a financial asset but is excluded for the purpose of calculating Local Government published financial indicators. Also, inventories and land held for resale are not regarded as financial assets.

Financial Sustainability is achieved where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Net Financial Liabilities equals total liabilities less financial assets, where financial assets for this purpose include cash, investments, receivables and prepayments, but excludes equity held in a Council business, inventories and land held for resale.

Interest Cover Ratio indicates the extent to which a Council's operating revenues are committed to interest expenses.

Net Financial Liabilities Ratio indicates the extent to which net financial liabilities of a Council could be met by its operating revenue.

Non-financial or Physical Assets means infrastructure, land, buildings, plant, equipment, furniture, and fittings, library books and inventories.

Operating Revenues are “operating revenues” as shown in the Income Statement but exclude profit on disposal on non-financial assets and grants and contributions received specifically for new/upgraded infrastructure and other assets, e.g. from a developer. For Local Government published financial indicators calculated where the denominator specified is total operating revenue, Natural Resource Management (NRM) levy revenue is excluded. For the purpose of calculating the **Interest Cover Ratio** investment income also is excluded from the denominator.

Rates Revenue is general and other rates net of the impact of rate rebates and revenue from the NRM levy.

PRINCIPLES

Treasury Management Strategy

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

- identified community need and benefit relative to other expenditure options;
- cost effectiveness of the proposed means of service delivery; and,
- affordability of proposals having regard to Council’s long-term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Council’s Net Financial Liabilities and Interest Cover ratios)

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

- maintain target ranges for both its Net Financial Liabilities and Interest Cover ratios;

Net Financial Liabilities ratio: Between 0 - 50%

Interest Cover ratio: Between 0 - 5%

- borrow funds in accordance with the requirements set out in its Long-Term Financial Plan;
- not utilise borrowings to finance operating activities or recurrent expenditure;
- endeavour to fund all capital renewal projects from operating cash flow and borrow only for new/upgrade capital projects, having regard to sound financial management principles and giving consideration to inter-generational equity for the funding of long term infrastructure projects;
- not retain and quarantine money for particular future purposes unless required by legislation or contractual agreement with other parties (related policy : Reserve Funds Policy);

- apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

Borrowings

All borrowings will be subject to Council approval on the recommendation of the Director responsible for Financial Services.

To ensure an adequate mix of interest rate exposures, Council will structure its portfolio of borrowings to ensure an optimal Treasury Management position, taking into account all borrowing options including fixed and variable terms. In order to spread its exposure to interest rate movements, Council will aim to have a variety of maturity dates on its fixed interest rate borrowings over the available maturity spectrum.

Council will establish, and make extensive use of, a *long-term variable interest rate borrowing facility / LGFA's Cash Advance Debenture facility* that requires interest payments only and that enables any amount of principal to be repaid or redrawn at call. The redraw facility will provide Council with access to liquidity when needed.

Investments

Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings will be invested. The balance of funds held in any operating bank account that does not provide investment returns at least consistent with 'at call' market rates shall be kept at a level that is no greater than is required to meet immediate working capital requirements.

Council funds available for investment will be lodged 'at call' or, having regard to differences in interest rates for fixed term investments of varying maturity dates, may be invested for a fixed term. In the case of fixed term investments the term should not exceed a point in time where the funds could otherwise be applied to cost-effectively defer the need to raise a new borrowing or reduce the level of Council's variable interest rate borrowing facility.

When investing funds Council will select the investment type which delivers the best value, having regard to investment returns, transaction costs and other relevant and objectively quantifiable factors.

Investments fixed for a period greater than 12 months are to be approved by Council.

Council may from time to time invest surplus funds in:

- deposits with the Local Government Finance Authority;
- bank interest bearing deposits;
- bank accepted/endorsed bank bills;
- bank negotiable Certificate of Deposits;
- State/Commonwealth Government Bonds.

Investment of surplus funds outside of the above investment choices must be reported to Council for approval.

Examples of specific investment activities Council would not participate in include shares in private/public companies, listed or unlisted property trusts and derivatives.

Reporting

In accordance with Section 140 of the Local Government Act, a report will be presented to Council annually which will summarise the performance of the investment portfolio.

RELEVANT LEGISLATION

For Borrowings

- Local Government Act, 1999
 - Section 44/Section 122/Section 134
- Regulations 5 and 5B of the Financial Management Regulations under the Act

The main legislative provisions in the Local Government Act covering borrowings are:

- *Section 44 – a Council must approve all borrowings and the legislation clearly states that the power to borrow cannot be delegated (for simplicity many Councils appropriately just have all proposed borrowings for the year approved at the time the annual budget is adopted)*
- *Section 22 – a Council's strategic managements plans must include an assessment a Council's proposals with respect to debt levels*
- *Section 134 – empowers a Council to borrow and requires a Council to consider expert advice before entering into financial arrangements for the purpose of managing, hedging or protecting against interest rate movements and other risks associated with borrowing money*
- *Regulations 5 and 7 of the Financial Managements Regulations under the Act – require the preparation of Cash Flow Statements (including financing transactions) covering Councils' Long-term Financial Plans and Budgets*

For Investments

- Local Government Act, 1999
 - Section 47/Section 139/Section 140

The main Local Government Act provisions covering investments are:-

- *Section 47 – prohibits a Council from directly acquiring shares in a company*
- *Section 139 – empowers a Council to invest and requires that the power of investment be exercised with the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons. Section 139 also requires Council to avoid investments that are speculative or hazardous in nature*
- *Section 140 – requires that a Council review the performance of its investments at least annually*

Appendix 10. Asset Management Policy

POLICY STATEMENT

City of Marion owns and manages assets in order to provide services to the Community for current and future generations. This Policy supports informed and strategic decision making on the provision of assets to support services.

SCOPE

This policy applies to Council assets within the City of Marion that are owned, managed and under the care control and management of Council.

CONTEXT

The City of Marion currently owns and maintains over \$1 billion worth of assets including infrastructure (e.g. roads, drainage), land, buildings, furniture and fittings, and equipment. These assets make up the social and economic infrastructure that enables the provision of services to the community and businesses, playing a vital role in the local economy and on quality of life. Asset management is a critical tool in ensuring appropriate provision is made for the long-term management of Council assets, and their impacts on all areas of service planning and delivery.

The *Local Government Act 1999* provides the highest level authorising framework for councils to conduct their business. The Act sets out the functions of a council which provides the basis for determining service provision and associated asset management. The Act makes explicit that councils have a role to play in planning, protecting, managing, developing, promoting, improving, restoring and enhancing their local communities. Asset management is a critical element in undertaking these functions.

The *Local Government Act 1999* also requires that Councils must develop and adopt plans (to be collectively called the strategic management plans) for the management of its area including the extent to which any infrastructure will need to be *maintained, replaced or developed* by the council.

The City of Marion's Strategic Management Framework provides the overarching framework that supports Council in setting strategic direction and making determinations relating to priorities and resource allocation. The Community Plan- Towards 2040 and the Council Plan – Towards 2025, provide clarity on strategic direction and focus for the City of Marion over the next 30 years, and articulate how City of Marion will undertake its role and functions as described in the *Local Government Act 1999*. Decisions regarding asset provision and management are a critical element in the delivery of the Plans.

This policy sets the principles that govern the provision and management of assets in order to deliver asset related services and programs. The strategic management framework sets

out the process to determine the life cycle cost and funding requirements of each service for current and future generations. The Asset Management Plans and Long Term Financial Plans are the mechanisms by which the asset related priorities are resourced to ensure delivery of strategic outcomes.

DEFINITIONS

Asset

An individual or group of physical objects, which has value and enables services to be provided.

Asset Management

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required service level in the most cost effective manner.

Lifecycle Cost

The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

Asset Sustainability Index

Provides a measure as to whether Council's asset base is being adequately maintained. It expresses as a percentage the proportion of the total asset value consumed (depreciation) compared to the amount spent in preserving the asset (capital replacement/renewal).

*further definitions included in the Strategic Asset Management Framework presented below

PRINCIPLES

The following key principles will define Council's approach to asset management.

1. Assets exist to support the delivery of services to the service levels adopted by Council.
2. All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
3. Asset management is an integral element of Strategic Management and forms part of key strategic management plans.
4. Asset management decisions are based on Council's Strategic Asset Management Framework (as described below). The framework comprises an assessment of asset criticality, based on priority 1-critical, priority 2-important and priority 3-aspirational/discretionary; and asset action based on asset maintenance before renewal and renewal before new/upgrade (where it is cost effective to do so).

5. Asset renewal actions will consider all options and opportunities for more efficient and effective means of service delivery prior to investment.
6. Council will consider asset ownership and management model options in its strategic asset decision making.
7. Prioritisation of new asset investments and asset disposal decisions are based on an evaluation of potential public value, encompassing consideration of such criteria as asset utilisation potential, benefits, risks, ownership and management options, life cycles and costs.
8. Asset disposal will occur following a transparent process, aligned with all legislative requirements.
9. Systems including an effective internal control structure are established and adhered to, to provide responsibility and accountability for asset conditions, usage and performance.
10. Council will maintain Long Term Asset Management Plans that identify current and future asset management requirements within the context of the Strategic Management Framework.
11. Council's Long Term Financial Plan will align with Asset Management Plans to ensure adequate financial forecasts for asset management.
12. Council recognises the need to maintain its asset base and will target a long term asset sustainability index averaging 95-100%.
13. Council will use the Asset Management Sustainability Reserve (refer 'Reserve Fund Policy') to assist with funding Long Term Asset Management requirements.

STRATEGIC ASSET MANAGEMENT FRAMEWORK

In order for assets to be managed in a way that ensures efficient, effective and sustainable service delivery all assets are assessed using a decision-making matrix based on asset criticality and priority for action.

1. Strategic Asset Criticality

All City of Marion assets are categorised to determine their criticality, based on the definitions below.

Priority 1- Critical	<ul style="list-style-type: none"> Those assets that are <u>essential</u> in discharging council's role and functions as set out in the LG Act 1999 eg to provide infrastructure for its community and for development within its area (including infrastructure that helps to protect any part of the local or broader community from any hazard or other event, or that assists in the management of any area); Those assets that will result in <u>severe</u> consequence to community, or financial, business or service levels in event of failure, repurposing or disposal.
Priority 2- Important	<ul style="list-style-type: none"> Those assets that contribute <u>significantly</u> to the role and function of council under the LG Act. Those assets that are important in the delivery of identified services, with <u>major/moderate</u> consequence to community, or financial, business or service levels in event of failure, repurposing or disposal.
Priority 3- Aspirational/ Discretionary	<ul style="list-style-type: none"> Those assets that <u>contribute</u> to the role and functions of council under the LG Act. Those assets that <u>contribute</u> to the achievement of CoM Community aspirations and council outcomes. Those assets that contribute to the delivery of identified services, with <u>minor</u> consequence to community, or financial, business or service levels in event of failure, repurposing or disposal.

2. Asset Management Actions

All actions associated with asset management are categorised to determine their priority based on the definitions provided below. Asset management will follow an approach based on maintenance before renewal and renewal before new/upgrade (where it is cost effective to do so).

Maintain	All operational actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal. Maintenance <u>does not increase the service potential</u> of the asset or keep it in its original condition, it slows down deterioration and delays when rehabilitation or replacement is necessary (IIMM 2011).
Renew/Replace	Restores, rehabilitates, refurbishes existing asset to its original capacity. <u>Returns service capability</u> of the asset up to that which it had originally (AIFM Guidelines 2009).
New/Develop/Upgrade	Enhancements to an existing asset or creation of a new asset to provide <u>higher service levels, or new service level/output</u> that did not exist beforehand. Also includes the extension/expansion of an existing asset to provide benefits to a new user group. May also increase the life of the asset beyond that which it had originally (AIFM Guidelines 2009).

3. Strategic Asset Management Decision Making Matrix

Strategic decisions on asset management are made based on consideration of asset criticality and priority for action.

	Priority 1- Critical	Priority 2- Important	Priority 3- Aspirational/ Discretionary
Priority 1- Maintain			
Priority 2- Renew			
Priority 3- New/Develop/Upgrade			



Any decision that falls in the green section of the matrix is considered operational/business as usual.

- These decisions are automatically planned for and funded as part of the Annual Business Planning and Budgeting process.
- These decisions are automatically reflected in the Asset Management Plans and Long Term Financial Plan.
- Decisions made on renewal actions will consider all options and opportunities for more efficient and effective means of service delivery prior to investment.



Any decision that falls in the yellow section of the matrix is considered beyond operational/business as usual.

- These decisions are automatically referred to the 'new initiatives' process to be assessed and prioritised for action. This process is a critical element of the Annual Business Plan and Budgeting process to ensure Council considers potential funding of prioritised initiatives as part of the setting of the budget.
- These actions are not reflected in the Asset Management Plans or Long Term Financial Plan until Council has made a decision to implement the action.

Appendix 11. Fees and Charges Policy

POLICY STATEMENT:

Council will adopt a Fees and Charges Schedule on an annual basis separated between Statutory and User Charges. Where Council's Fees and Charges are not of a statutory nature, Council will apply the principle of user pays and where possible recover the full cost of operating or providing the service or goods. Where it can be demonstrated that members of the community are unable to meet the full cost, concessions may apply.

DEFINITIONS:

Statutory Charges - fees from regulatory services. They are associated with the granting of a permit/license or the regulation of an activity

User Fees/Charges - revenues from the sale of goods and services or rent of property facilities. They are discretionary charges for which the payer receives a direct benefit.

PRINCIPLES:

The Fees and Charges Schedule details the user charges to be set by Council and the current statutory charges set by the State Government in regulations.

User Charges set by Council includes:

- Swimming Pool Fees
- Land Clearing Fees
- Library Service Fees
- Halls/Community Centre Hire Fees
- Recreational Fees

Statutory Charges set by State Government in regulations includes:

- Animal Registration Fees
- Parking Infringements
- By Laws
- Development Assessment Fees

The statutory fees and charges listed may be amended at any time during the financial year. The Fees and Charges Schedule will be updated as statutory charges are amended.

Concessions can be applied for by members of the community in relation to User Charges. These applications are required to be in writing on the basis that it can be demonstrated that due to financial hardship they are unable to meet the full cost. Council will consider applications for concessions on a case by case basis.

The relevant work areas and community groups have been consulted in relation to the proposed fees and charges and the following factors have been examined when determining the proposed fees:

- the cost of providing the service, inclusive of overhead costs
- the importance of the service to the community
- market comparison of fees and pricing structures with other enterprises who offer a similar service
- the level of service/facility provided by the City of Marion
- increase in statutory charges set by regulation

Appendix 12. Reserve Funds Policy

POLICY STATEMENT:

Council will maintain Accounting Reserves as a means by which to separate monies for a particular purpose.

DEFINITIONS:

Reserve - any part of the accumulated surplus of Council or controlling authority set aside for a particular purpose.

PRINCIPLES:

Council has established the following reserves:

Asset Revaluation Reserve

Purpose - this is a statutory reserve fund required under Australian Accounting Standards. The balance of this reserve represents net increments associated with the revaluation of non-current assets.

Open Space Reserve

Purpose - this reserve has been established to account for the following:

- I. set aside open space contributions provided by developers in accordance with the Development Act (conditions may apply)
- II. separate net proceeds associated with Road Closures.
- III. net proceeds associated with disposal of minor land holdings
- IV. funds received from the 'Urban Trees Fund'

Use of Fund - monies can be applied to the development of Open Space facilities as approved by Council and in accordance with the Open Space Policy (pending). Interest revenues earned on contributions provided by developers are transferred to the Fund.

Grants/Carry Forward Projects Reserve

Purpose - this reserve was created to account for:

Grants received in advance - occasionally a funding body has provided Grant funds relating to the following financial year in advance. When this has occurred it has been necessary to transfer these funds to this reserve so that they can be matched against the expenditures planned to be incurred in the next financial year.

Unexpended Grants - when grant monies have not been fully acquitted in the financial year this reserve is used to transfer the unexpended balance to the following financial year.

Carryovers - typically represent unspent capital and service improvement budgets carried forward to the following financial year.

Use of Fund - monies are utilised in accordance with the initial transfer of funds

Asset Sustainability Reserve

Purpose - this is a reserve fund established to:

- I. Primary Purpose – Provide Council with the ability to access sufficient funds to enable it to respond to a major infrastructure failure or fund an infrastructure gap identified in periodic asset audits. A minimum balance of \$2 million will be retained in the Asset Sustainability Reserve for this purpose.
- II. Assist Council fund its Long Term Asset Management objectives.
- III. Provide a means by which to spread the cost of intergenerational assets thereby reducing the need for borrowings.
- IV. Provide a means by which Council can strategically plan to maintain its asset base within a long term Financial framework.
- V. Quarantine funds specifically set aside in the Community Facilities Partnership Program (CFPP) for the purpose of funding the renewal, upgrade and purchase of Council assets as resolved by Council. This will include encouraging organisations leasing council facilities to seek partnership funding for required renewal and upgrade of those community facilities.

The Asset Sustainability Reserve is underpinned by Council's Annual Savings Initiative that was established in June 2003 with the objective of identifying annual budget savings. Initially the target was set at \$1 million per annum over a 3 year period. As of 27 June 2006 this target was revised to 2% per annum of operating expenditures from original adopted budget. This resolution came as a result of a number of discussions that raised the need for Council to have increased flexibility in setting the annual budget to more effectively respond to the changing needs of the people of Marion.

Identified savings are allocated providing a balance between funding new prioritised service improvements identified in the Strategic Plan and addressing Council's financial position.

- I. Savings identified during a financial year are forecasts only and therefore will be held for consideration by Council in the 1st Budget Review in the following year.
- II. Savings will be separated between recurrent (ongoing) and once off savings. This process is designed to develop a high level of trust in the organisation in the budget review process.
- III. Savings of a:
 - a. recurrent nature may be allocated to service improvements identified in the Strategic Plan that are of a recurrent nature.
 - b. one-off nature may be applied to capital items, new or renewal, or a non recurrent service improvement (once off).
- IV. Council must ensure that it continues the improvement in its financial performance. It is essential that the Annual Savings Initiative focuses on achieving that objective. In relation to the long term financial plan the Annual Savings Initiative will focus on four areas:
 - a. Increase expenditure on Infrastructure/Asset replacement/renewal sustainability
 - b. Reduce proposed borrowing program - debt servicing ratio improves
 - c. Retain savings to improve liquidity (cash) - working capital improves
 - d. Reduce reliance on rate revenue to achieve community objectives

The Asset Sustainability Reserve will be funded from planned surpluses identified in the Long Term Financial Plan (LTFP) and from funds specifically set aside for the CFPP in the LTFP.

The Asset Sustainability Reserve will benefit Council by enabling the allocation of funds for future capital expenditure for the purpose of funding major infrastructure failures, replacing, renewing and procuring significant assets, as well as utilising funds in accordance with the CFPP eligibility criteria. This will assist in minimising the impact on rates and/or debt levels.

Use of Fund - Reserve transfers will be controlled by specific Council resolutions or identified as part of the approved annual Strategic Plan and Budget.

Appendix 13. Asset Accounting Policy

POLICY STATEMENT:

Assets shall be recognised and accounted for in accordance with Australian Accounting Standards and the details contained in this policy.

DEFINITIONS:

Fair value - is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Materiality - in relation to information, that information which if omitted, misstated or not disclosed has the potential to adversely affect decisions about the allocation of scarce resources made by users of the financial report or the discharge of accountability by the management or governing body of the entity.

Consideration - in the context of this policy, shall be recognised in "monetary terms" e.g. purchase cost.

PRINCIPLES:

Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred in getting the assets ready for use.

Capitalisation

Assets should have a useful life of greater than one year in order for the expenditure to be capitalised and have a value above the Materiality Thresholds described below.

Any expenditure considered to be Capital must also pass a materiality test. Materiality levels are set so as not to misstate financial statements and to provide a guide whether it is practical from an Administrative perspective that expenditure is capitalised.

Materiality Levels are;

Infrastructure	\$5,000
Land	\$5,000
Buildings	\$5,000
Furniture & Fittings	\$3,000
Equipment	\$3,000
Other	\$3,000

Networked/Aggregate Assets - Expenditure can still be capitalised on items that fall below materiality thresholds individually but operate together as a cohesive whole to form a substantial/significant total value. Examples include the computer network, library books, and reserve furniture.

Maintenance or Capital Expenditure

Maintenance

Expenditure on a non-current asset that does not meet capitalisation criteria is considered maintenance expenditure and must be expensed as incurred. In general, maintenance expenditure will allow the asset to realise its expected service levels and estimated life.

Capital

Capital expenditure can relate to new or existing assets. Capital expenditure shall be recognised (taken into consideration materiality levels) where:

- Expenditure results in an effective increase in future economic benefits
- Expenditure results in an increase in the quality of services provided by the asset beyond that previously determined; or
- Expenditure results in an effective extension to the asset's useful life.

Asset Stocktake

A stocktake of current Inventory items will be conducted at least annually.

Revaluations of Non-current Assets

Infrastructure assets and library stock are revalued annually. Land, Buildings and Other assets are revalued with sufficient regularity to ensure the carrying amount does not differ materially from the fair value that would otherwise be determined at the reporting date.

Revaluations of Non-Current Assets are carried out by an independent professionally qualified valuer with the exception of Library Stock which is valued internally. Comprehensive independent valuations are performed every 3 years with desktop valuations performed annually between comprehensive valuations.

Plant, Equipment, Furniture and Fittings are recognised at cost less accumulated depreciation and any accumulated impairment and are not subject to revaluation.

Non-monetary assets received without charge are recognised as assets and revenues at their fair value at the date of receipt, except for land under roads. Land under roads and trees are not recognised because there is currently no reliable method of valuation.

Depreciation of Non-current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the economic benefits provided by those assets. Land is not a depreciable asset. The Depreciation method applied shall be the straight-line basis, except for infrastructure assets where the "Advanced Straight Line Asset Management" consumption based depreciation methodology is employed. Depreciation rates shall be reviewed each year.

Appendix 14. Budget Policy

POLICY STATEMENT:

INTRODUCTION:

The City of Marion's Strategic Management Framework provides the strategic direction for the development of the Long Term Financial Plan (LTFP) and Annual Business Plan & Budget (ABP&B). Continually improving the integration between Marion's Strategic Plan, LTFP and ABP&B processes ensures Council develops and implements a robust and transparent system of financial management aligned to Marion's Strategic Plan and aimed at establishing, maintaining and assessing long term financial sustainability.

POLICY OBJECTIVES:

To develop and produce robust, flexible and leading practice long-term (LTFP) and short-term (ABP&B) financial plans that are directly aligned to Council's Strategic Plan, which:-

- establish clear lines of accountability;
- include the use and assessment of appropriate Key Performance Indicators as a performance measurement tool;
- enable regular monitoring, assessment and reporting of financial performance in all Work Areas across Council;
- provide a strong basis for sound decision making;
- facilitates Council's long term financial sustainability.

COMPLIANCE - LEGISLATIVE REQUIREMENTS:

On an annual basis Council is required to:-

1. Prepare and adopt a Long Term Financial Plan for a period of at least 10 years - LG Act 1999 s122 (1a)
2. Prepare an Annual Business Plan - LG Act 1999 s123 (1a)
3. Prepare a Budget - LG Act 1999 s123 (1b)
4. Prepare and consider three Budget Reviews – LG (Financial Management) Regulations 2011 s9

DEFINITIONS:

Long Term Financial Plan (LTFP) – financial planning to accomplish long term goals. Enables Council to plan for the long term financial sustainability and deliver the Strategic Plan of the organisation. It translates the objectives and strategies of the Strategic Plan into financial terms.

Budget – is a financial document used to project future income and expenses and represents the first year in the LTFP. A budget is a management tool that enables the effective ongoing management and monitoring of income and expenses (financial performance). It translates the objectives and strategies of the Annual Business Plan into financial terms.

Budget Review – is a revised forecast of the original budget or previous budget review and requires the preparation of revised Financial Statements and associated Financial Ratios.

Budget Carryovers - represent unspent capital and service improvement budgets, together with unspent grant funds that are carried forward to the following financial year.

PRINCIPLES:

Framework and Assumptions

The LTFP and Annual Business Plan & Budget (ABP&B) are prepared under a single framework that is reviewed annually and which links to the key objectives of Council's Strategic plan. The framework details the specific parameters under which the LTFP and ABP&B are set. In addition a number of assumptions and variables underpin the construction of the LTFP and Annual Budget (AB).

LTFP linked to Asset Management Plans (AMP)

The LTFP is linked to Council's established AMPs thereby identifying funding requirements and assessing the adequacy of existing funding capacity within the LTFP.

Financial Modeling and Scenarios

In preparing the LTFP and AB various financial modeling is to be conducted, including, but not limited to, a variety of:-

- Rating scenarios
- Borrowing options
- Savings targets

In addition appropriate consideration needs to be given to prevailing economic conditions nationally and on a global basis, and the potential impact that these conditions may have on the local community.

Budgeting Approach

"Zero Based" budgeting is to be employed when preparing budgets:-

- Budgets are built around what is actually needed for the upcoming budget period, regardless of the previous budget and must be based on reality.
- Sound, logical assumptions are to be used and documented to support budget items wherever required.
- All expense and revenue lines must be fully justified for each new budget period.
- Budgets are to be reviewed line by line and at transaction level, analysing each line item for its relevant needs and costs.
- Any proposed expenditure increases must be fully justified and appropriately approved by the relevant Director and Executive Management Group, prior to presentation to Council.
- In regards to Fees & Charges Council will apply the principle of user pays and where possible recover the full cost of operating or providing the service or goods. Where it can be demonstrated that members of the community are unable to meet the full cost, concessions may apply.
- General contingencies are to be eliminated.
- Where necessary budgets for major projects can include contingencies to reflect cost uncertainties, however any contingencies are to be separately identified and reported.

- Consideration should be given to:
 - Current year and prior year actual results;
 - Once-off events not to be repeated;
 - New events not previously encountered;
 - New information and data now available.

Budget Objectives

1. Maintain a financial position at an average of Category 3 (moderate level of comfort with an Operating Profit range of 0 – 5% of rates revenue), over any five consecutive years.
2. Achievement of a breakeven Funding position or better.

Budget Carryovers

Budget Carryovers should be avoided wherever possible, but where necessary (for example “Work In Progress”) are limited to unspent:-

- capital budgets;
- service improvement budgets;
- grant funds and grants received in advance.

Carryovers do **not** include normal operating expenditures and Labour and Internal Charges (eg. Plant Hire) cannot be carried over under any circumstances.

Budget Reviews

Budget Reviews are required to be conducted 3 times per financial year and this will typically be at the end of September, December and March.

A Budget Review is a reforecast of the full year budget and:-

- Is an assessment of the YTD actual result plus a reforecast of the budget for the remainder of the financial year;
- Should include a thorough and rigorous review of every budget line item (income, expense and capital);
- Should identify any savings opportunities (once-off and recurrent).

Budget Approval

The Corporate Management Group is responsible for the review and approval of all budgets within their Departmental/Work Area responsibility, as well presenting their finalised budgets to their Director for clearance and final approval.

Appendix 15. Glossary

Asset Consumption Ratio

The Asset Consumption Ratio highlights the potential service level remaining in Council's assets. The ratio is calculated by measuring the written down value of the assets against their replacement cost. If the Asset Consumption Ratio is high, this indicates that Council's assets are in relatively good condition - that is they are either relatively new or have been maintained in good condition. If the Asset Consumption Ratio is low, this indicates that Council's assets are in relatively poor condition - that is assets have not been renewed at a time when renewal was expected to occur.

Asset Sustainability Ratio

Asset Sustainability Ratio indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its assets are used or 'consumed'. The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the level of depreciation. Where a Council has a soundly based Infrastructure and Asset Management Plan, a more meaningful asset sustainability ratio would be calculated by measuring the actual level of capital expenditure on renewal and replacement of assets (or proposed in the Budget) with the optimal level identified in the Plan.

Financial Assets

Financial Assets include cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and land held for resale.

Financial Sustainability

Financial Sustainability is where planned long-term service and infrastructure levels and standards are met without unplanned and disruptive increases in rates or cuts to services.

Key Objectives

A high level expression of what Council seeks to achieve on an annual basis, the key objectives guide Council's activities in the coming year. They can be seen as steps towards achievement of the long-term Vision.

Local Government Price Index (LGPI)

The LGPI is a reliable and independent measure of the inflationary effect on price changes in the South Australian Local Government sector. It is prepared and updated on a quarterly

basis by the South Australian Centre for Economic Studies. The index is similar in nature to the Consumer Price Index (CPI), however represents the movements of prices associated with the goods and services consumed by local government in South Australia as opposed to the basket of goods and services consumed by the 'average metropolitan household'. Unlike the CPI however, the LGPI is not an "official" ABS publication.

Net Financial Liabilities

Net Financial Liabilities equals total liabilities less financial assets, where financial assets for this purpose includes cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and land held for resale.

Net Financial Liabilities Ratio

Net Financial Liabilities Ratio expresses Net Financial Liabilities as a percentage of total operating revenue. The ratio allows interested parties to readily equate the outstanding level of the Council's accumulated financial obligations against the level of one-year's operating revenue. Where the ratio reduces over time, it generally indicates that the Council's capacity to meet its financial obligations is strengthening.

Net Lending/ (Borrowing)

Net Lending/ (Borrowing) equals Operating Surplus / (Deficit), less net outlays on non-financial assets. The Net Lending / (Borrowing) result is a measure of the Council's overall (i.e. Operating and Capital) budget on an accrual basis. Achieving a zero result on the Net Lending / (Borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's revenues.

Non-financial or Physical Assets

Non-financial or Physical Assets refer to infrastructure, land, buildings, plant, equipment, furniture and fittings, library books and inventories.

Operating Deficit

Operating Deficit is where operating revenues are less than operating expenses (i.e. operating revenue is therefore not sufficient to cover all operating expenses).

Operating Expenses

Operating Expenses are expenses shown in the Income Statement, including depreciation, but excluding losses on disposal or revaluation of non-financial assets.

Operating Revenues

Operating Revenues are incomes shown in the Income Statement, but exclude profit on disposal of non-financial assets and amounts received specifically for new/upgraded assets (e.g. from a developer). For ratios calculated where the denominator specified is total operating revenue or rate revenue, Natural Resource Management (NRM) levy revenue is excluded.

Operating Surplus

Operating Surplus is where operating revenues are greater than operating expenses (i.e. operating revenue is therefore sufficient to cover all operating expenses).



LONG TERM FINANCIAL PLAN

2015/16 to 2024/25

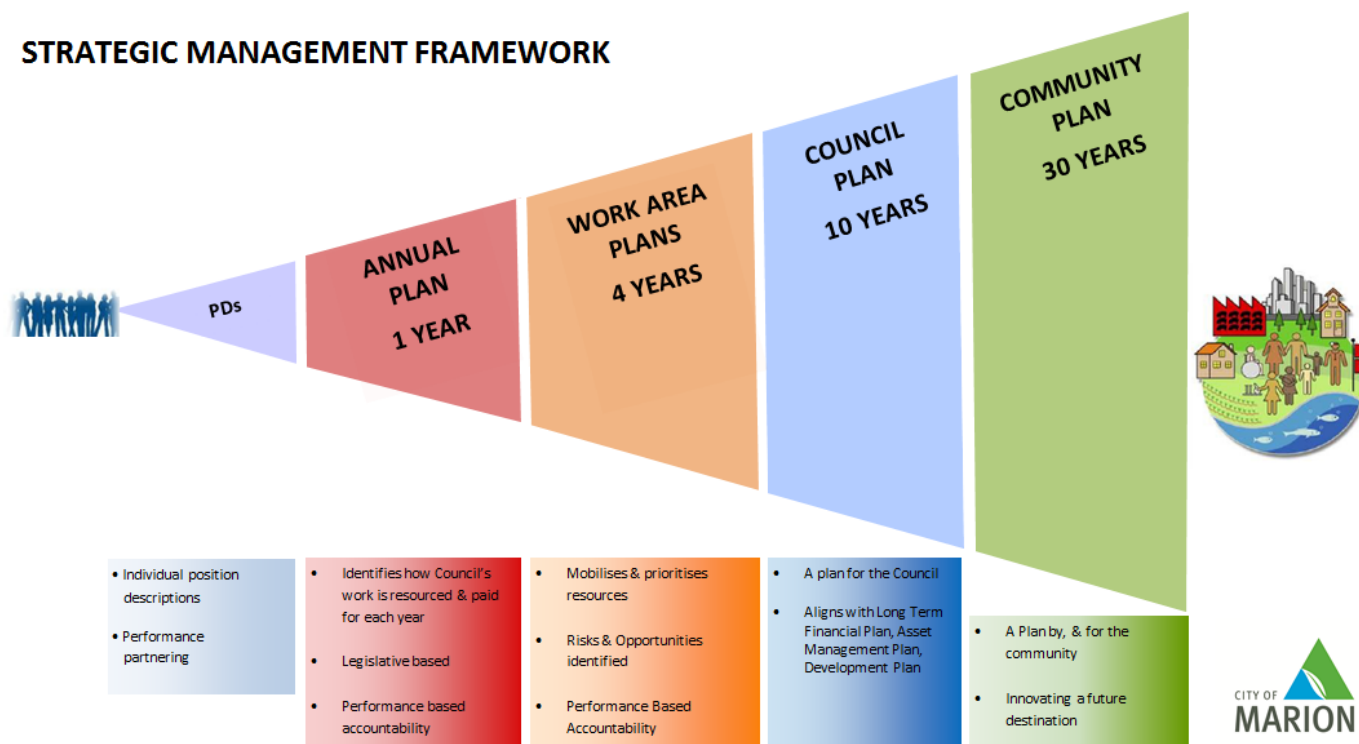
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Purpose of the LTFP

The Long Term Financial Plan (LTFP) sits within Council's Strategic Management Framework and supports the delivery of the Community Plan – 'Towards 2040'

STRATEGIC MANAGEMENT FRAMEWORK



The LTFP enables Council to plan for the long term financial sustainability of the organisation. It links the Council Plan and Asset Management Plans and translates the objectives and strategies within these into financial terms. The first year of the LTFP is consistent with the 2015/16 Annual Business Plan and Budget, with future years being projected from this base year.

A comprehensive environmental scan of internal and external political, economic, environmental, social, technological issues was conducted as part of the Annual Business Plan & Budget 2015/16 process. The majority of these influences were longer term and as such, these issues and opportunities have been considered through the development this LTFP, including:

- Changing demographics including population growth
- Compromised financial capacity of ratepayers in economic climate, including rising utility and fuel costs
- Changes to Local Government funding programs and potential risk in relation to cost shifting from the Federal and State Government to Local Government, particularly with the uncertainty brought on by recent elections
- Assessment of funding requirements in Council's Asset Management Plans (including Property, Drainage and Open Space) to maintain and develop Council's infrastructure

Because of the nature of the estimates and assumptions made and the changes within the economy, the LTFP requires regular review and updating on a six-monthly basis. This process involves input from management, Council and the Audit Committee. The LTFP also requires updating as and when new strategic projects come to fruition.

The review and updating of Council's Asset Management Plans is currently in progress and these will assist in providing more accurate information for the renewal and ongoing maintenance of Council's existing assets.

CEO Statement on Financial Sustainability

This LTFP demonstrates that Council is in a strong financial position forecasting an operating surplus before capital expenditure for 2015/16 and maintaining a relatively low level of debt over the term of the LTFP. Key financial indicators used to assess Council's long term financial sustainability include the operating surplus/(deficit) ratio, asset sustainability ratio and the net financial liabilities ratio. These ratios are in line with Council's established benchmarks to ensure the sustainability of Council's long-term financial performance and position.

The LTFP is an integral part of Council's suite of Strategic Management Plans and links the Council Plan and Asset Management Plans, translating the objectives and strategies within these plans into financial terms. Continually improving the integration between the City of Marion's Council Plan, Asset Management Plans, LTFP and Annual Business Plan and Budget processes ensures Council develops and implements a robust and transparent system of financial management aligned to the Council Plan which aims at establishing, maintaining and assessing long term financial sustainability.

The LTFP is the mechanism by which the funding requirements of the Asset Management Plans and other corporate objectives in the Council Plan are implemented to ensure we continue to operate in a financially sustainable way and continue to maintain and develop our city to meet the needs and aspirations expressed in our Community Plan towards 2040.

The Council ensures we have the financial capacity to continue to provide service levels which meet the needs of our community in a financially sustainable way by:

- Developing our Asset Management Plans to ensure we are properly maintaining over \$1.1b of assets by renewing vital infrastructure and facilities and integrating funding for these plans into our LTFP.
- Striving to continually improve our efficiency in the provision of existing and future services by proactively seeking out savings without affecting service delivery levels.
- Maintaining an operating budget surplus for the remaining life of the LTFP whilst spending \$208m on renewal and upgrade of community assets.
- Maintaining our debt and interest costs within Council's established benchmarks and ensuring our capacity to service and repay this debt into the future.
- Operating within the key financial indicators benchmarks over the life of the LTFP to ensure we maintain a sound financial position.

Consideration however must also be given to a number of risks which have the potential to influence the outcomes and affect Council's long term financial position. The following key risks may fall into this category:

- Our rates assumption forecasts an average rate increase 2.9% in 2015/16 and an annual average rate increase of 2.75% throughout the remainder of the LTFP (2016/17 – 2024/25). The capacity of the community to meet this level of increase may not be sustainable over the long term. Council will need to ensure it balances the real cost of service provision and service demand from the community to minimise where possible the need to have continual rate increases.
- Any currently unknown funding gaps that may be identified through the process in developing our Asset Management Plans.
- Changes to Local Government funding programs and potential risk in relation to cost shifting from the Federal and State Government to Local Government.

Long term financial planning is an iterative process and the assumptions applied are reviewed annually using updated information. This ensures Council continually reviews its financial performance and remains firmly focussed on maintaining long term financial sustainability.

Basis of Preparation

This iteration of the LTFP has been prepared with the first year being based off of the 2015/16 Annual Business Plan & Budget.

Plan Framework

The LTFP has been prepared under the following framework:

- Support the achievement of the City of Marion's Strategic Directions
- Address issues arising from internal audit reviews and business excellence assessments
- Maintain a financial position at an average of category 3 over any five consecutive years, with a primary focus being on Cash Flow and Funding
- Continue to improve the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance before renewal, and renewal before new where it is cost effective to do so
- Review existing services and assets to ensure they meet prioritised community needs
- Council only considers new Major Projects where it has the identified funding capacity to do so
- Maintain council's position for an average residential rate which remains among the lower rating metropolitan councils
- Implement responses for progressing liveable cities strategies and funding opportunities within Marion.

Assumptions

In constructing the LTFP, a number of assumptions and variables were applied:

- Service delivery levels are maintained at current levels (annual service improvements are prioritised and approved separately by Council subject to financial capacity).
- A 2.5% increase per annum is applied to operating expenditures/income to allow for inflation and growth with the following exceptions:

- Employee operating costs are forecast to increase by 2.0%.
- Interest expenses are directly related to Council borrowings and cash flows.
- Rates –an increase of 2.9% for 2015/16 and 2.75% for the remainder of the LTFP (2016/17 – 2024/25) plus growth which is forecast at 1.0%. Council will continue to investigate and develop strategies to reduce the need for such rate increases balancing this with the real cost of service provision and service demand from the community.
- Interest revenue is directly related to Council investments and cash flows and in light of recent global economic forecasts will be carefully monitored in line with interest rate movements.
- An adjustments schedule has been developed to account for any future variations in operating activities (e.g. an adjustment is made for election expenses to reflect that they only occur once every 4 years).
- Contributed assets from developers of \$1.5m have been forecast for 2015/16 – 2024/25 (includes roads, footpaths, drains etc. provided by developer or new subdivisions occurring in the Council area).
- Capital Grants, subsidies and monetary contributions reflect tied monies received in relation to the purchase/construction of new assets and are budgeted in accordance with information known at the time of preparing this document. While Council does not currently expect to receive any capital grants, any grant funding opportunities will be actively pursued as they arise as this is an important source of revenue.
- Quarantining of the funds for the Community Facility Partnership Program in the Asset Sustainability Reserve.

Key Outcomes/Conclusions

Overview

The major outcomes contained within the LTFP include:

- Loans totaling \$8.348m are proposed for the completion of Council's major projects, including the City Services Redevelopment. An amount is also included for essential works relating to the Administration Centre, however these works are subject to further review and the provision of a report to Council.
- Renewal and replacement of existing assets totaling \$162m.
- Spending of \$46m on new and upgraded assets.
- Provision of \$12.8m in operating service improvements.

Major Projects

The commencement and introduction of major projects need to be appropriately considered and incorporated into the LTFP both in terms of timing and financial impact.

Major projects currently funded in the LTFP are:

City Services Redevelopment

The City Services Redevelopment construction commenced in 2014/15 following completion of the tender process and final endorsement by Council and is due for completion by December 2015. The total budget for this project is \$14.3m with \$5.4m included in the LTFP to finalise this project.

Essential works for the Administration Building

Funding of \$2.96m has been allocated in the adopted LTFP for essential works for the Administration Building. These works would include the replacement of outdated and redundant systems such as the air-conditioning system, lighting and security systems. An initial assessment of the essential works necessary has indicated that a lower level of funding may be required.

The Community's Capacity to Pay

CPI, and ultimately average wage movements, is a guide of the ability of most residents to pay. Those residents whose financial position does not necessarily move with CPI (ie. pensioners) may not have the ability or capacity to afford the full payment of rates. This is in part dealt with by Council's existing rating policy which provides a number of forms of financial assistance to these people:-

- Postponement of Rates – Hardship
- Postponement of Rates – Seniors
- Payment on Terms
- Rate Capping
- Large variety of payment options

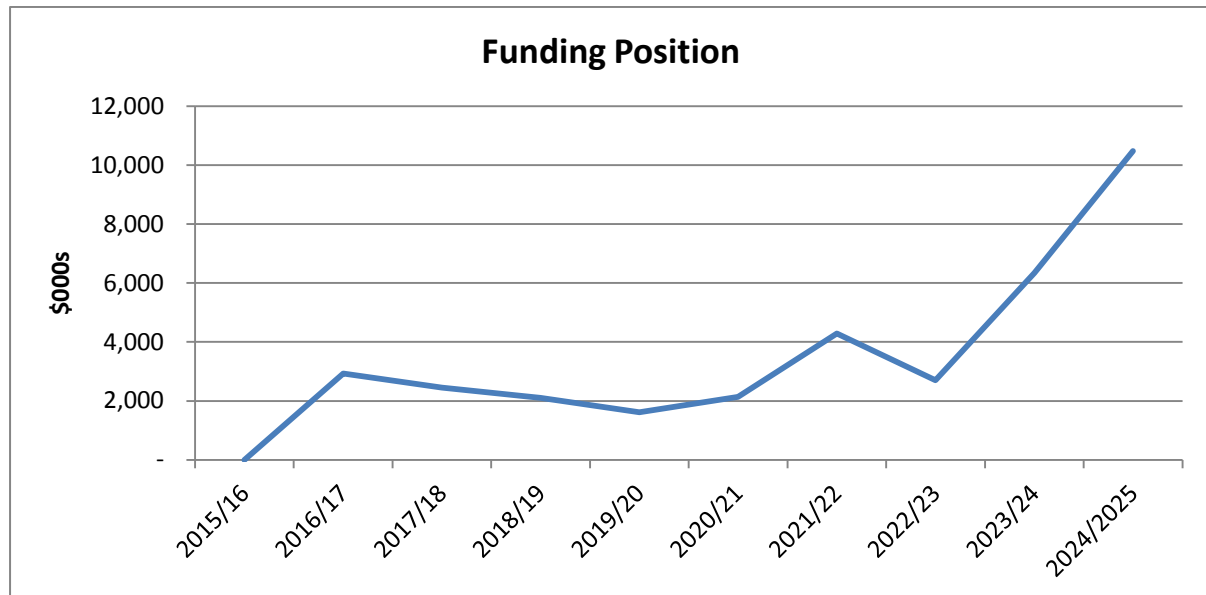
Other Potential Revenue Sources/ Opportunities

- Grant funding is Council's second largest operating revenue source representing 8% of operating income over the term of the LTFP. Council's ability and opportunity to attract State and Federal Government funding for major projects and service improvements is critical to the long term financial sustainability of the organisation.
- Shared services – entering into shared service arrangements with other councils and the LGA in order to achieve economies of scale. Partnering with not-for-profit entities to provide services and facilities for the community is another option with Rajah Reserve being one such successful example of this.
- Potential sale of surplus land and buildings – Whilst the LTFP is prepared on the basis that there is no reliance on gains from the disposal of assets to fund essential services, consideration should be given to this potential revenue source when considering the funding options for major strategic redevelopment projects.
- Exploring community governance and community capacity building opportunities – that is empowering the community to explore, fund and manage projects with minimal council assistance.

Funding Position

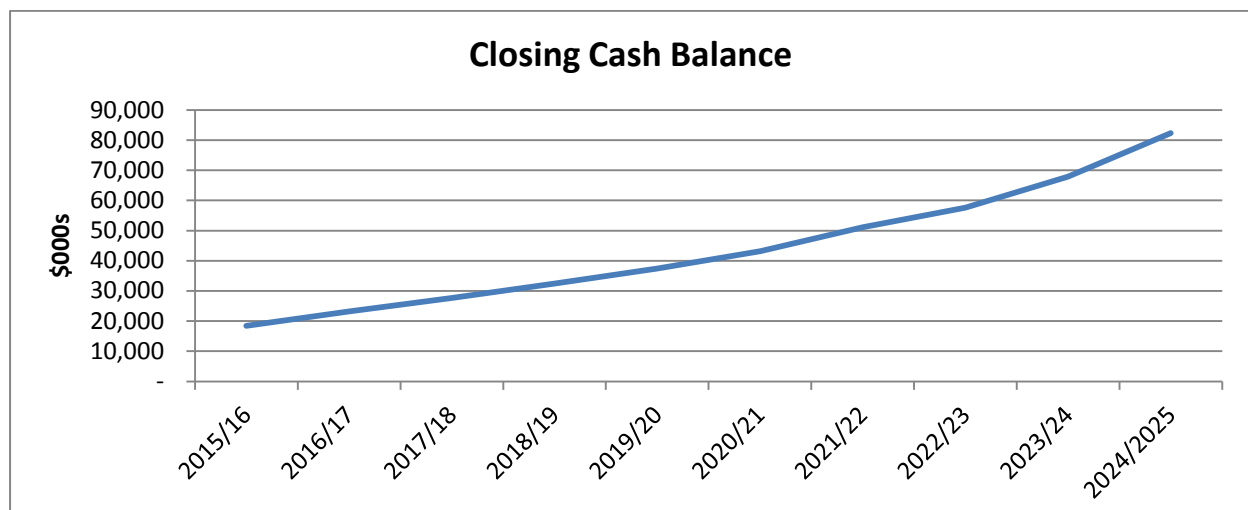
The funding position of Council indicates whether or not the LTFP is fully funded each year (that is, total operating revenue is sufficient to fund the cost of providing existing operations and services, including budgeted expenditure for capital works). Council's aim is for a balanced funding position each year, however this is not always possible and in some years Council may be required to put aside extra funds and in other years it may be required to draw down on existing cash funds.

The following graph shows Council's funding position based on a 2.9% average rate increase in 2015/16 and proposed average 2.75% rate increases for the remainder of the LTFP (2016/17 – 2024/25).

**Closing Cash Balance**

The closing cash balance indicates how much money Council has in the bank at the end of each year. It is effectively a cumulative view of Council's funding position taking its current cash balance into account and includes funding quarantined for use in the Community Facilities Partnership Program (CFPP). A negative cash balance indicates that Council does not have sufficient funds to continue providing services on a Business As Usual approach.

The below graph shows Council's Closing Cash Balance based on a 2.9% average rate increase in 2015/16 and proposed average 2.75% rate increase.



Financial Statements

Uniform Presentation of Finances

	ABP&B 2015/2016 \$000's	2016/2017 \$000's	2017/2018 \$000's	2018/2019 \$000's	2019/2020 \$000's	2020/2021 \$000's	2021/2022 \$000's	2022/2023 \$000's	2023/2024 \$000's	2024/2025 \$000's
Income	81,221	83,275	86,243	89,316	92,503	95,807	99,231	102,780	106,461	110,277
<i>less Expenses</i>	72,636	75,120	76,995	79,779	81,515	83,354	85,296	87,909	89,506	91,568
Operating Surplus / (Deficit)	8,585	8,155	9,248	9,537	10,988	12,453	13,935	14,871	16,955	18,709
<i>less Net Outlays on Existing Assets</i>										
Capital Expenditure on renewal and replacement of Existing Assets	13,357	15,013	13,759	14,629	15,898	16,362	16,480	19,343	18,776	18,076
Depreciation, Ammortisation and impairment	(13,821)	(14,374)	(14,949)	(15,546)	(16,168)	(16,815)	(17,488)	(18,189)	(18,917)	(19,674)
Proceeds from Sale of Replaced Assets										
	(464)	639	(1,190)	(917)	(270)	(453)	(1,008)	1,154	(141)	(1,598)
<i>less Net Outlays on New and Upgraded Assets</i>										
Capital Expenditure on New and Upgraded Assets	6,504	3,882	3,840	3,705	4,036	4,924	5,056	5,193	4,700	4,225
Amounts received specifically for New and Upgraded Assets	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Surplus Assets										
	6,504	3,882	3,840	3,705	4,036	4,924	5,056	5,193	4,700	4,225
Net Lending / (Borrowing) for Financial Year	2,545	3,634	6,598	6,749	7,222	7,982	9,887	8,524	12,396	16,082

Budgeted Funding Statement

	ABP&B 2015/2016 \$000's	2016/2017 \$000's	2017/2018 \$000's	2018/2019 \$000's	2019/2020 \$000's	2020/2021 \$000's	2021/2022 \$000's	2022/2023 \$000's	2023/2024 \$000's	2024/2025 \$000's
(a) Operating Revenue										
Rates										
General	68,489	71,076	73,761	76,547	79,439	82,440	85,554	88,786	92,140	95,621
Other	1,569	1,608	1,648	1,689	1,731	1,774	1,818	1,863	1,910	1,958
Statutory Charges	1,630	1,671	1,713	1,756	1,800	1,845	1,891	1,938	1,986	2,036
User Charges	1,633	1,674	1,716	1,759	1,803	1,848	1,894	1,941	1,990	2,040
Operating Grants and Subsidies	6,024	5,648	5,772	5,899	6,029	6,163	6,300	6,440	6,584	6,732
Investment Income	270	260	260	260	260	260	260	260	260	260
Reimbursements	770	789	809	829	850	871	893	915	938	961
Other	536	549	564	577	591	606	621	637	653	669
	80,921	83,275	86,243	89,316	92,503	95,807	99,231	102,780	106,461	110,277
(b) Operating Expenses										
Employee Costs	32,139	32,594	33,246	33,911	34,589	35,281	35,987	36,707	37,441	38,190
Contractual Services	14,561	15,764	16,075	17,104	17,707	18,042	18,432	19,056	19,353	19,889
Materials	4,668	4,775	4,894	5,016	5,141	5,270	5,402	5,537	5,675	5,817
Finance Charges	1,343	1,435	1,500	1,375	1,252	1,122	992	881	762	456
Depreciation	13,821	14,374	14,949	15,546	16,168	16,815	17,488	18,189	18,917	19,674
Other	6,104	6,178	6,331	6,827	6,658	6,824	6,995	7,539	7,358	7,542
	72,636	75,120	76,995	79,779	81,515	83,354	85,296	87,909	89,506	91,568
Less Operating Surplus/(Deficit) before Capital Revenues	8,285	8,155	9,248	9,537	10,988	12,453	13,935	14,871	16,955	18,709
Add Capital Revenue	1,815	1,825	1,834	1,844	1,855	1,865	1,876	1,888	1,899	1,911
Equals Net Surplus/(Deficit) resulting from operations	10,100	9,980	11,083	11,382	12,843	14,318	15,811	16,759	18,854	20,620
Adjust for non-cash items										
Add Depreciation	13,821	14,374	14,949	15,546	16,168	16,815	17,488	18,189	18,917	19,674
Less Share of Profit SRWRA (excl div)	315	325	334	344	355	365	376	388	399	411
Equals Funding available for Capital Investment expenditure	23,606	24,029	25,697	26,583	28,656	30,768	32,923	34,560	37,372	39,883
Capital										
Less Capital Expenditure - Renewal	13,057	15,013	13,759	14,629	15,898	16,362	16,480	19,343	18,776	18,076
Less Capital Expenditure - New	6,504	3,882	3,840	3,705	4,036	4,924	5,056	5,193	4,700	4,225
Less Capital - contributed assets	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Equals Net Overall funding Surplus/(Deficit)	2,545	3,634	6,598	6,749	7,222	7,982	9,887	8,524	12,396	16,082

		ABP&B 2015/2016 \$000's	2016/2017 \$000's	2017/2018 \$000's	2018/2019 \$000's	2019/2020 \$000's	2020/2021 \$000's	2021/2022 \$000's	2022/2023 \$000's	2023/2024 \$000's	2024/2025 \$000's
	Loans										
	Loan Principal Receipts (Net)	5,388	2,960	-	-	-	-	-	-	-	-
Less	Loan Principal Payments	2,314	1,839	2,076	2,029	2,151	2,281	1,922	2,033	2,152	1,601
	Loans - Increase/(Decrease)	3,074	1,121	(2,076)	(2,029)	(2,151)	(2,281)	(1,922)	(2,033)	(2,152)	(1,601)
	Movement in level of cash, investments & accruals										
Less	Reserves Transfer from/(Transfer to)	(5,619)	(1,828)	(2,070)	(2,613)	(3,458)	(3,564)	(3,673)	(3,785)	(3,901)	(4,000)
	Funding Surplus/(Deficit)	-	2,927	2,452	2,107	1,613	2,137	4,292	2,706	6,343	10,481
	Cash/Investments/Accruals Funding	5,619	4,755	4,522	4,720	5,071	5,701	7,965	6,491	10,244	14,481
<i>Equals</i>	Funding Transactions	(2,545)	(3,634)	(6,598)	(6,749)	(7,222)	(7,982)	(9,887)	(8,524)	(12,396)	(16,082)

- (a) Operating Revenue excludes book gains on sale of assets
- (b) Operating Expense excludes book losses on revaluation or sale of assets
- (c) Aside from the assumptions specifically listed within this LTFP, indexation of 2.5% p.a. has been applied to all income and expenditure amounts. This rate is in line with the Reserve Bank's targeted CPI.
- (d) The Financial Statements only incorporate audited savings achieved and do not include any targeted aspirational savings
- (e) All amounts are stated in current year values

Budgeted Income Statement

	ABP&B 2015/2016 \$000's	2016/2017 \$000's	2017/2018 \$000's	2018/2019 \$000's	2019/2020 \$000's	2020/2021 \$000's	2021/2022 \$000's	2022/2023 \$000's	2023/2024 \$000's	2024/2025 \$000's
Operating Revenue										
Rates										
General	68,489	71,076	73,761	76,547	79,439	82,440	85,554	88,786	92,140	95,621
Other	1,569	1,608	1,648	1,689	1,731	1,774	1,818	1,863	1,910	1,958
Statutory Charges	1,630	1,671	1,713	1,756	1,800	1,845	1,891	1,938	1,986	2,036
User Charges	1,633	1,674	1,716	1,759	1,803	1,848	1,894	1,941	1,990	2,040
Operating Grants and Subsidies	6,324	5,648	5,772	5,899	6,029	6,163	6,300	6,440	6,584	6,732
Investment Income	270	260	260	260	260	260	260	260	260	260
Reimbursements	770	789	809	829	850	871	893	915	938	961
Net Gain - SRWRA	-	-	-	-	-	-	-	-	-	-
Other	536	549	563	577	591	606	621	637	653	669
Total Operating Revenue	81,221	83,275	86,243	89,316	92,503	95,807	99,231	102,780	106,461	110,277
Operating Expenses										
Employee Costs	32,139	32,594	33,246	33,911	34,589	35,281	35,987	36,707	37,441	38,190
Contractual Services	14,561	15,764	16,075	17,104	17,707	18,042	18,432	19,056	19,353	19,889
Materials	4,668	4,775	4,894	5,016	5,141	5,270	5,402	5,537	5,675	5,817
Finance Charges	1,343	1,435	1,500	1,375	1,252	1,122	992	881	762	456
Depreciation	13,821	14,374	14,949	15,546	16,168	16,815	17,488	18,189	18,917	19,674
Loss on Revaluation	-	-	-	-	-	-	-	-	-	-
Other	6,104	6,178	6,331	6,827	6,658	6,824	6,995	7,539	7,358	7,542
Total Operating Expenses	72,636	75,120	76,995	79,779	81,515	83,354	85,296	87,909	89,506	91,568
Operating Surplus/(Deficit) before Capital Revenues	8,585	8,155	9,248	9,537	10,988	12,453	13,935	14,871	16,955	18,709
Capital Revenues										
Capital Grants, Subsidies and Monetary Contributions	-	-	-	-	-	-	-	-	-	-
Physical resources received free of charge	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Gain/(Loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of Profit/(Loss) SRWRA	315	325	334	344	355	365	376	388	399	411
Net Surplus/(Deficit) resulting from Operations	10,400	9,980	11,083	11,382	12,843	14,318	15,811	16,759	18,854	20,620

Budgeted Statement of Financial Position

	ABP&B 2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Current Assets										
Cash	18,421	23,176	27,697	32,418	37,490	43,192	51,157	57,648	67,892	82,372
Receivables	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071
Inventory	172	172	172	172	172	172	172	172	172	172
Other Receivables & Prepaid Expenses	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474
Total Current Assets	22,138	26,893	31,414	36,135	41,207	46,909	54,874	61,365	71,609	86,089
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Creditors	9,049	9,049	9,049	9,049	9,049	9,049	9,049	9,049	9,049	9,049
Provisions	2,291	2,291	2,291	2,291	2,291	2,291	2,291	2,291	2,291	2,291
Loans	1,839	2,076	2,029	2,151	2,281	1,922	2,033	2,152	1,601	1,694
Total Current Liabilities	13,179	13,416	13,369	13,491	13,621	13,262	13,373	13,492	12,941	13,034
Net Current Assets/(Liabilities)	8,959	13,477	18,045	22,644	27,586	33,647	41,501	47,873	58,668	73,055
Non-Current Assets										
Investment in SRWRA	4,924	5,249	5,583	5,928	6,282	6,648	7,024	7,412	7,811	8,222
Land	345,093	345,557	346,102	346,753	347,613	348,400	349,203	350,030	350,262	350,501
Buildings	111,157	110,308	106,104	101,609	97,102	93,423	89,576	86,263	82,725	77,021
Infrastructure	649,492	654,663	661,647	668,922	676,951	684,953	692,896	701,068	709,171	717,508
Equipment	7,696	8,834	9,631	10,626	11,508	12,379	13,052	13,629	14,442	14,938
Furniture & Fittings	441	587	737	892	1,051	1,215	1,383	1,556	1,733	1,915
Other	10,576	10,527	10,405	10,112	9,954	9,779	9,586	10,998	11,269	11,847
Total Non-current Assets	1,129,379	1,135,725	1,140,209	1,144,842	1,150,461	1,156,797	1,162,720	1,170,956	1,177,413	1,181,952
Non-current Liabilities										
Provisions	527	527	527	527	527	527	527	527	527	527
Loans	23,251	24,135	22,106	19,955	17,674	15,752	13,719	11,567	9,966	8,272
Total Non-current Liabilities	23,778	24,662	22,633	20,482	18,201	16,279	14,246	12,094	10,493	8,799
Net Assets	1,114,560	1,124,540	1,135,622	1,147,003	1,159,846	1,174,165	1,189,976	1,206,734	1,225,588	1,246,208
Equity										
Accumulated surplus	368,320	376,172	385,184	393,952	403,337	414,092	426,230	439,203	454,156	470,776
Reserves	746,240	748,368	750,438	753,051	756,509	760,073	763,746	767,531	771,432	775,432
Total Equity	1,114,560	1,124,540	1,135,622	1,147,003	1,159,846	1,174,165	1,189,976	1,206,734	1,225,588	1,246,208

Budgeted Statement of Changes in Equity

	ABP&B 2015/2016 \$000's	2016/2017 \$000's	2017/2018 \$000's	2018/2019 \$000's	2019/2020 \$000's	2020/2021 \$000's	2021/2022 \$000's	2022/2023 \$000's	2023/2024 \$000's	2024/2025 \$000's
Accumulated Surplus										
Balance at beginning of period	363,539	368,320	376,472	385,484	394,252	403,637	414,392	426,530	439,503	454,456
Net Surplus/(Deficit)	10,400	9,980	11,083	11,382	12,843	14,318	15,811	16,759	18,854	20,620
Adjustments										
Transfers from Reserves	-	92	92	92	92	92	92	92	92	92
Transfers to Reserves	(5,619)	(1,920)	(2,162)	(2,705)	(3,550)	(3,656)	(3,765)	(3,877)	(3,993)	(4,092)
Balance at end of period	368,320	376,472	385,484	394,252	403,637	414,392	426,530	439,503	454,456	471,076
Asset Revaluation Reserve										
Balance at beginning of period	736,479	736,479	736,479	736,479	736,479	736,479	736,479	736,479	736,479	736,479
Gain on revaluation of infrastructure - SRWRA										
Net change this year	-	-	-	-	-	-	-	-	-	-
Balance at end of period	736,479	736,479	736,479	736,479	736,479	736,479	736,479	736,479	736,479	736,479
Open Space Reserves										
Balance at beginning of period	888	910	930	950	970	990	1,010	1,030	1,050	1,070
Net change this year	22	20	20	20	20	20	20	20	20	-
Balance at end of period	910	930	950	970	990	1,010	1,030	1,050	1,070	1,070
Other Reserves										
Balance at beginning of period	3,254	8,851	10,659	12,709	15,302	18,740	22,284	25,937	29,702	33,583
Net change this year	5,597	1,808	2,050	2,593	3,438	3,544	3,653	3,765	3,881	4,000
Balance at end of period	8,851	10,659	12,709	15,302	18,740	22,284	25,937	29,702	33,583	37,583
Total Reserves	746,240	748,068	750,138	752,751	756,209	759,773	763,446	767,231	771,132	775,132
Total Equity	1,114,560	1,124,540	1,135,622	1,147,003	1,159,846	1,174,165	1,189,976	1,206,734	1,225,588	1,246,208

Budgeted Statement of Cashflows

	ABP&B 2015/2016 \$000's	2016/2017 \$000's	2017/2018 \$000's	2018/2019 \$000's	2019/2020 \$000's	2020/2021 \$000's	2021/2022 \$000's	2022/2023 \$000's	2023/2024 \$000's	2024/2025 \$000's
Cash Flows from Operating Activities										
<i>Receipts</i>	81,221	83,275	86,242	89,316	92,503	95,807	99,231	102,780	106,461	110,277
<i>Payments</i>	(58,815)	(60,746)	(62,046)	(64,233)	(65,347)	(66,539)	(67,808)	(69,720)	(70,589)	(71,894)
Net Cash Provided by Operating Activities	22,406	22,529	24,196	25,083	27,156	29,268	31,423	33,060	35,872	38,383
Cash Flows from Financing Activities										
<i>Receipts</i>										
Loans Received	5,388	2,960	-	-	-	-	-	-	-	-
<i>Payments</i>										
Principal	(2,314)	(1,839)	(2,076)	(2,029)	(2,151)	(2,281)	(1,922)	(2,033)	(2,152)	(1,601)
Net Cash (Used In) Financing Activities	3,074	1,121	(2,076)	(2,029)	(2,151)	(2,281)	(1,922)	(2,033)	(2,152)	(1,601)
Cash Flows from Investing Activities										
<i>Receipts</i>										
Capital Grants/Subsidies & Contributions/Investments	-	-	-	-	-	-	-	-	-	-
<i>Payments</i>										
Purchase of Land	(1,151)	(444)	(525)	(631)	(840)	(767)	(783)	(807)	(212)	(219)
Purchase of Buildings	(6,075)	(3,745)	(574)	(474)	(661)	(1,696)	(1,743)	(2,501)	(2,509)	(585)
Purchase/Construction of Infrastructure	(10,253)	(11,016)	(13,122)	(13,718)	(14,789)	(15,092)	(15,376)	(15,962)	(16,264)	(16,884)
Purchase of Equipment	(1,333)	(2,468)	(2,180)	(2,433)	(2,378)	(2,427)	(2,291)	(2,260)	(2,563)	(2,316)
Purchase of Furniture & Fittings	(175)	(180)	(185)	(191)	(196)	(202)	(208)	(215)	(221)	(228)
Purchase/Construction of Other Assets + Investments	(873)	(1,042)	(1,013)	(887)	(1,069)	(1,101)	(1,134)	(2,792)	(1,706)	(2,070)
Net Cash (Used In) Investing Activities	(19,860)	(18,895)	(17,599)	(18,334)	(19,933)	(21,285)	(21,535)	(24,537)	(23,475)	(22,302)
Net Increase/(Decrease) in Cash Held	5,620	4,755	4,521	4,720	5,072	5,702	7,966	6,490	10,245	14,480
Cash at Beginning of Reporting Period	12,801	18,421	23,176	27,697	32,418	37,490	43,192	51,157	57,648	67,892
Cash at End of Reporting Period	18,421	23,176	27,697	32,418	37,490	43,192	51,157	57,648	67,892	82,372

Glossary

Asset Consumption Ratio

The Asset Consumption Ratio highlights the potential service level remaining in Council's assets. The ratio is calculated by measuring the written down value of the assets against their replacement cost. If the Asset Consumption Ratio is high, this indicates that Council's assets are in relatively good condition - that is they are either relatively new or have been maintained in good condition. If the Asset Consumption Ratio is low, this indicates that Council's assets are in relatively poor condition - that is assets have not been renewed at a time when renewal was expected to occur.

Asset Sustainability Ratio

Asset Sustainability Ratio indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its assets are used or 'consumed'. The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the level of depreciation. Where a Council has a soundly based Infrastructure and Asset Management Plan, a more meaningful asset sustainability ratio would be calculated by measuring the actual level of capital expenditure on renewal and replacement of assets (or proposed in the Budget) with the optimal level identified in the Plan.

Debt Servicing Ratio

The Debt Servicing Ratio indicates the percentage of rate revenue (excluding NRM levy) required to meet principal and interest repayments on fixed term borrowings.

Financial Assets

Financial Assets include cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and land held for resale.

Financial Sustainability

Financial Sustainability is where planned long-term service and infrastructure levels and standards are met without unplanned and disruptive increases in rates or cuts to services.

Interest Cover Ratio

Interest Cover Ratio indicates the extent to which Council's commitment to interest expenses are met by total operating revenues. The ratio is calculated by measuring net interest expense to total operating revenue (excluding NRM levy).

Net Financial Liabilities Ratio

Net Financial Liabilities Ratio expresses Net Financial Liabilities - made up of total liabilities less financial assets (where financial assets for this purpose includes cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council

businesses, inventories and land held for resale) - as a percentage of total operating revenue. The ratio allows interested parties to readily equate the outstanding level of the Council's accumulated financial obligations against the level of one year's operating revenue. Where the ratio reduces over time, it generally indicates that the Council's capacity to meet its financial obligations is strengthening.

Net Lending/ (Borrowing)

Net Lending/ (Borrowing) equals Operating Surplus / (Deficit), less net outlays on non-financial assets. This result is a measure of the Council's overall (i.e. Operating and Capital) budget on an accrual basis. Achieving a zero result in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's revenues.

Non-financial or Physical Assets

Non-financial or Physical Assets refers to infrastructure, land, buildings, plant, equipment, furniture and fittings, library books and inventories.

Operating Deficit

Operating Deficit is where operating revenues are less than operating expenses (ie. operating revenue is therefore not sufficient to cover all operating expenses).

Operating Expenses

Operating Expenses are operating expenses shown in the Income Statement, including depreciation, but excluding losses on disposal or revaluation of non-financial assets.

Operating Revenues

Operating Revenues are incomes shown in the Income Statement, but exclude profit on disposal of non-financial assets and amounts received specifically for new/upgraded assets (e.g. from a developer). For ratios calculated where the denominator specified is total operating revenue or rate revenue, Natural Resource Management (NRM) levy revenue is excluded.

Operating Surplus

Operating Surplus is where operating revenues are greater than operating expenses (ie. operating revenue is therefore sufficient to cover all operating expenses), but does not take into account any capital expenditure.

Operating Surplus Ratio

Operating Surplus Ratio expresses the operating surplus/(deficit) as a percentage of general and other rates. It gives an indication of Council's ability to service its operations from expected rate income and maintain financial sustainability in the long term.

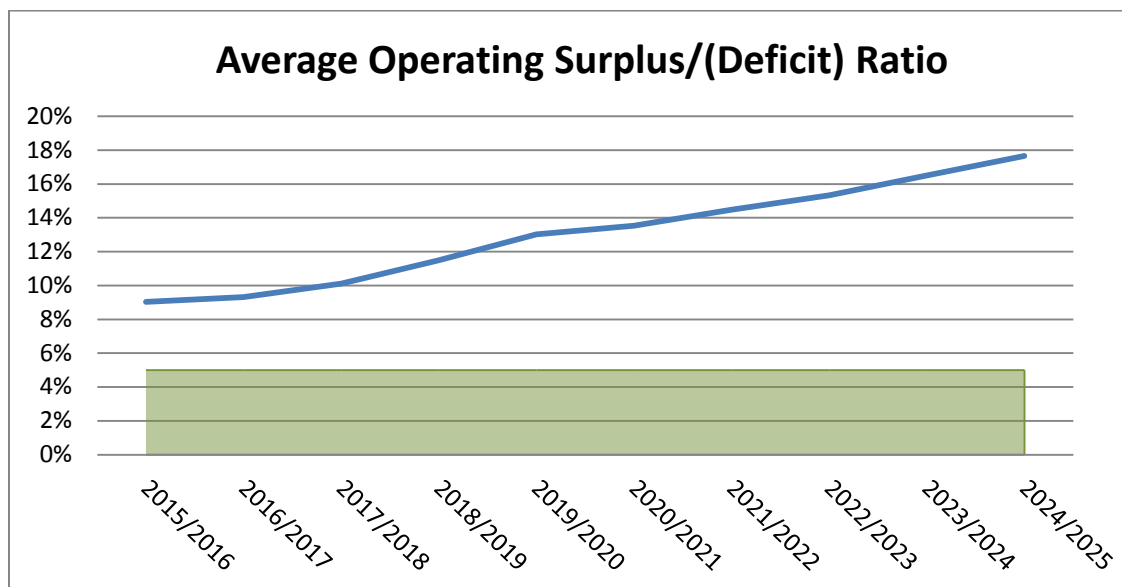
Appendix 1 – Financial Indicators

Key Financial Indicators

The Local Government (Financial Management) Regulations 2011 specifies that a Council must use three specific indicators in its LTFP, annual budget and budget reviews. Those three specific indicators are as follows.

Average Operating Surplus/(Deficit) Ratio

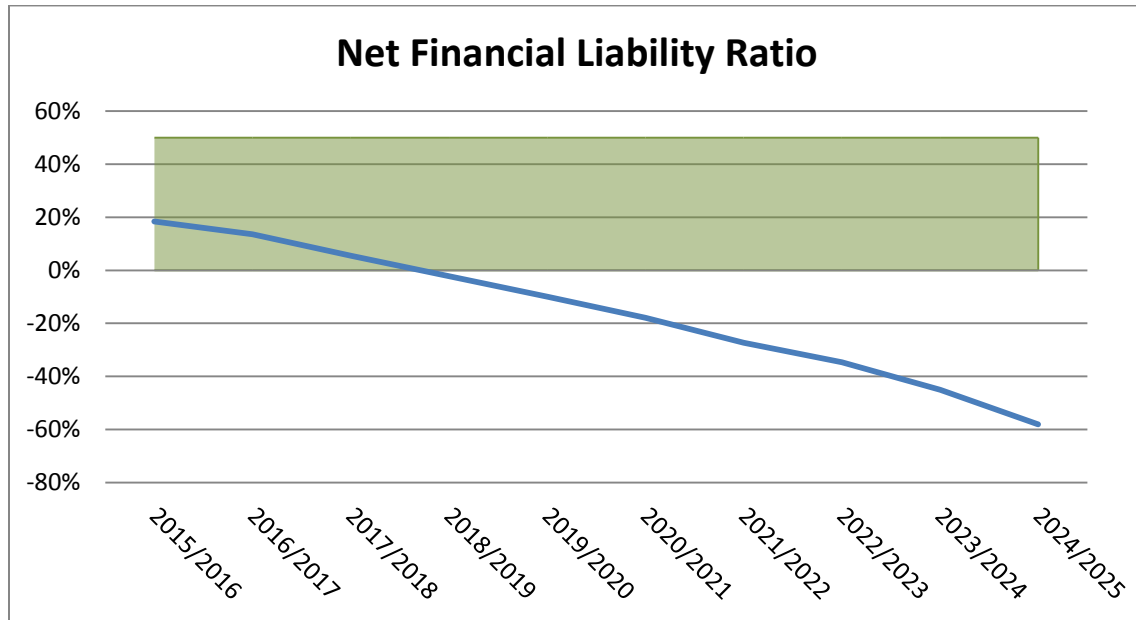
The Operating Surplus ratio expresses the level of operating surplus/deficit before capital expenditure as a percentage of rates. A negative ratio would highlight the additional rates percentage required to ensure current ratepayers are paying for their current consumption of resources.



The desired target (an operating surplus before capital expenditure averaging category 3 - between 0-5% rate revenue over any 5 consecutive years is required) is being exceeded over the term of the plan. Amongst other things, this is because adequate Operating Surpluses are required to ensure sufficient funding for Council's planned forward capital renewal requirements, in accordance with the current iteration of the Asset Management Plans (AMP's). Restricting the Operating Surplus Ratio to no more than 5% will limit Council's funding capability to do this. A positive operating cash flow is vital to support operating requirements, renewal of existing assets over time and maintain community service standards.

Net Financial Liability Ratio

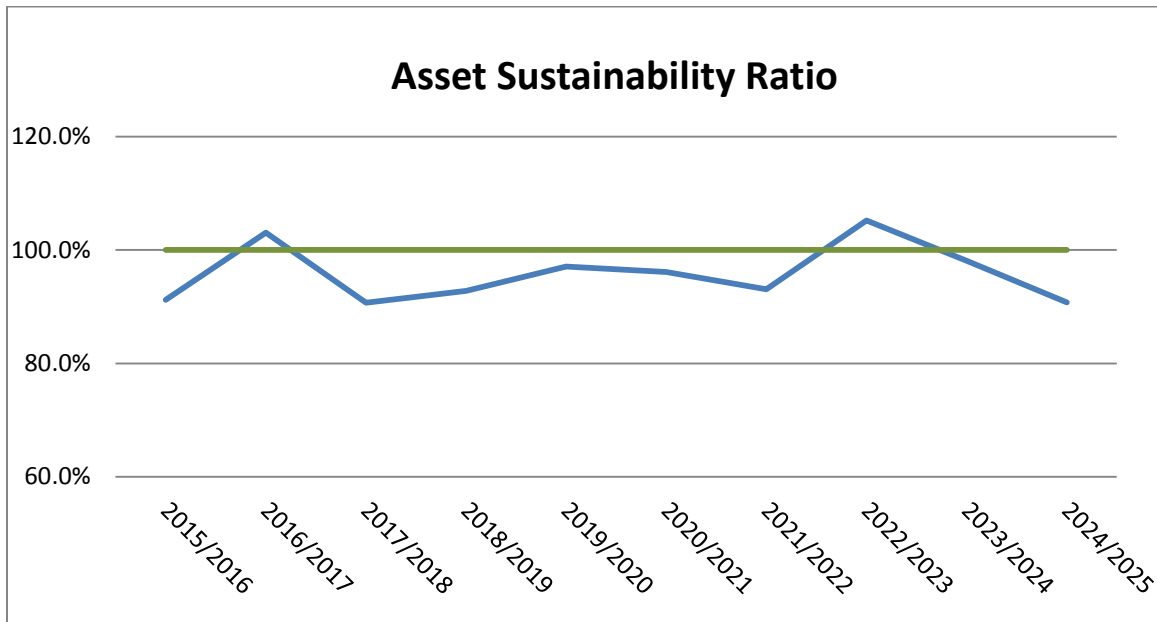
The Net Financial Liability ratio indicates Council's capacity to meet its financial obligations from operating revenue. A reducing ratio indicates that Council's capacity to meet its financial obligations from operating revenues is strengthening.



The net financial liability ratio is forecast at 18.5% in 2015/16, decreasing across the LTFP as loan repayments are made. As a guide a target between 0-50% of total operating revenue is considered desirable. A negative ratio means Council is in a financially favourable position with more financial assets than liabilities (more cash than debt).

Asset Sustainability Ratio

The Asset Sustainability ratio indicates Council's ability to meet its future Asset Management renewal requirements. This target is currently measured against depreciation, however going forward the requirement is to measure this against the required renewal in Council's Asset Management Plans. The review and updating of Council's Asset Management Plans is currently in progress and these will assist in provide more accurate information for the renewal and ongoing maintenance of Council's existing assets.



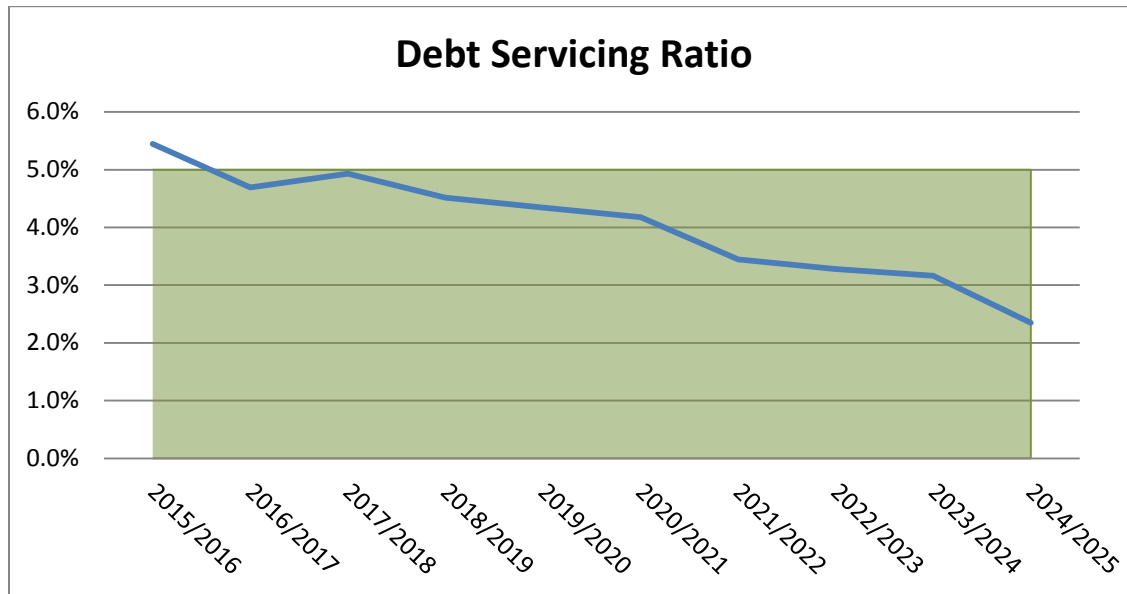
It is suggested that a long term asset sustainability index between 95-100% is acceptable as per Council's Asset Management Policy; the desired target is being exceeded over the term of the plan which currently makes provision to fund depreciable assets to a projected 10 year average of 95.8%. Any material underspending on renewal and replacement over the medium term is likely to adversely impact on the achievement of preferred, affordable service levels and could potentially progressively undermine a Council's financial sustainability

Other Financial Indicators

Whilst the Key Financial Indicators are those that are required by the Regulations, a number of other ratios can be used to measure financial performance. The two other indicators that Council has elected to use are as follows:

Debt Servicing Ratio

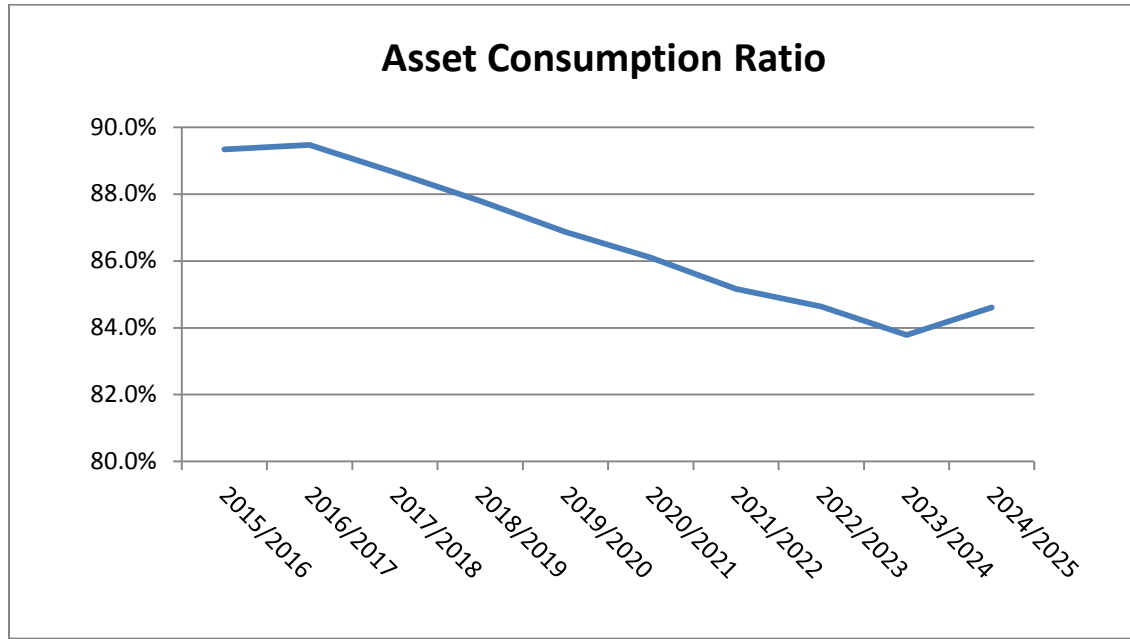
The Debt Servicing ratio indicates the ability of Council to service fixed borrowings (interest and principal) from forecast rate income.



This indicator peaks at 5.4% in 2015/16 compared to the metropolitan average of 9.6% (2011). The target line reflects the benchmark set out in Council's Borrowings Policy, whereby as a guide, the debt servicing level is to be maintained between 5% and the metropolitan average (assuming the metropolitan average remains > 5%).

Asset Consumption Ratio

The Asset Consumption ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate as its assets are used or 'consumed'. Depreciation represents the reduction in value of the assets each year and therefore accumulated depreciation is the total reduction in the carrying value of the assets.



Target – The average proportion of 'as new condition' left in assets is greater than 80% and less than 100%.



23 June 2015

**RATE IMPACT ANALYSIS
2015-2016**

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NB: The figures in the following tables are preliminary valuations and estimates only. The final Valuer General report is received in week 52 (22rd June) and will be adopted by Council on 23 June 2015.

NEW VALUATIONS

Valuation Comparison Table by Land Use

The City of Marion uses the Capital Value provided annually by the Valuer-General as the basis for valuing all property within its area. The Capital Value method includes both the value of the land and improvements on the land.

Sales of all property types are analysed to determine market movements. This analysis of sales happens continuously throughout the year and occurs both in reference to Site (Land) Values and Capital (Improved) Values.

Valuations	No. of Rateable Assessments	Current Capital Value	Proposed Capital Value	% Change	% Change (less growth)
Residential	39,239	14,097,810,000	14,784,684,000	4.87%	3.64%
Commercial	1,540	1,824,525,000	1,870,655,000	2.53%	3.10%
Industrial	251	175,202,200	184,450,300	5.28%	-1.59%
Primary Production	15	16,157,000	15,014,500	-7.07%	2.06%
Vacant Land	670	248,623,400	260,296,900	4.70%	-9.06%
Other (churches/schools/govt land)	128	643,985,340	730,081,360	13.37%	3.57%
Total	41,843	17,006,302,940	17,845,182,060	4.93%	3.34%

Properties based on Authority Valuation Report 15 June 2015

This table reveals that the market revaluations for the City of Marion have increased by 3.34% (excluding growth) representing a moderate property market increase in Adelaide.

Valuation increases were not equally represented through all land use types. Residential property and Commercial property had moderate increases of (3.64%) and (3.10%) respectively, while Industrial property had a decrease of (-1.59%).

SUBURB BY COMPARISON TABLE – PROPOSED VALUATIONS

The table below shows a summary of the total Capital Value for each suburb.

	2014/2015	2015/2016	% Change	Total Growth	% of Growth
	\$	\$	%	\$	%
Ascot Park	550,832,220	573,166,220	4.05%	6,029,000	1.09%
Bedford Park	61,300,500	63,700,000	3.91%	1,200,000	1.96%
*Clovelly Park	663,754,720	735,630,920	10.83%	69,257,000	10.43%
Darlington	129,269,760	134,045,380	3.69%	615,000	0.48%
Dover Gardens	480,027,000	506,561,000	5.53%	12,692,000	2.64%
Edwardstown	1,119,269,620	1,154,999,740	3.19%	7,100,000	0.63%
Glandore	331,362,900	342,525,200	3.37%	975,000	0.29%
Glengowrie	1,073,782,000	1,132,248,200	5.44%	19,380,000	1.80%
Hallett Cove	2,040,365,660	2,141,525,180	4.96%	20,511,000	1.01%
Lonsdale	10,000	10,000	0.00%	-16,500	-165.00%
Marino	537,970,200	565,738,300	5.16%	5,968,000	1.11%
Marion	761,985,000	796,138,200	4.48%	7,058,000	0.93%
Mitchell Park	925,117,020	942,138,120	1.84%	15,041,000	1.63%
Morphettville	610,152,900	639,639,200	4.83%	9,860,000	1.62%
O'Halloran Hill	73,108,700	75,899,300	3.82%	661,000	0.90%
**Oaklands Park	1,573,221,120	1,643,391,420	4.46%	13,161,000	0.84%
Park Holme	526,028,200	558,016,800	6.08%	6,060,000	1.15%
Plympton Park	554,831,500	588,320,500	6.04%	10,497,000	1.89%
Seacliff Park	205,546,880	212,035,580	3.16%	170,000	0.08%
Seacombe Gardens	510,973,000	542,077,000	6.09%	10,515,000	2.06%
Seacombe Heights	286,477,000	296,103,300	3.36%	830,000	0.29%
Seaview Downs	484,109,500	500,343,000	3.35%	870,000	0.18%
Sheidow Park	892,927,760	931,801,020	4.35%	11,616,000	1.30%
South Plympton	765,956,000	802,581,000	4.78%	8,376,000	1.09%
Sturt	430,400,300	457,526,300	6.30%	10,092,000	2.34%
Trott Park	415,596,480	436,624,180	5.06%	1,415,000	0.34%
Warradale	1,001,927,000	1,072,397,000	7.03%	20,815,000	2.08%
Total All Suburbs	17,006,302,940	17,845,182,060	4.93%	270,747,500	1.59%

Figures as at 15 June 2015

An analysis of suburbs reveals the level of variation around the average value movement is 4.93% (including growth). Individual properties may however vary to a lesser or greater extent.

*This suburb includes the Flinders Uni and TAFE sites at Tonsley Park which are both non-rateable.

**This suburb includes the State Aquatic Centre, GP Plus and Westfield Shopping Centre.

RATE REVENUE BY LAND USE TYPE

Valuations	No. of Assessments 2014-15	Rate Revenue 2014-15 \$	Rate Revenue 2015-16 \$	Change Excluding Growth %
Residential	38,816	52,819,805	54,920,567	2.8%
Commercial	1,526	10,943,676	11,324,686	3.5%
Industrial	252	1,060,274	1,059,916	-0.1%
Primary Production	15	25,412	25,859	10.8%
Vacant Land	649	1,388,411	1,487,068	-8.8%
Other (churches/schools/ Council/govt land)	118	495,363	508,516	3.7%
TOTAL	41,376	66,732,938	69,326,612	2.8%

2014-15 data based on declaration of rates 24 June 2014

DISTRIBUTION OF RATES REVENUE BY LAND USE		
Land Use	Revenue	% of Total Revenue
Commercial	11,260,910	16.2%
Industrial	1,131,899	1.6%
Primary Production	25,856	0.0%
Vacant Land	1,483,329	2.1%
Other (Churches/Schools/Council/Govt land)	508,425	0.7%
Residential		
0 - \$500K	46,684,767	67.3%
\$500 - \$800K	7,174,684	10.3%
\$800 - \$1M	486,774	0.7%
\$1M - \$5M	332,438	0.5%
\$5M+	237,530	0.3%
TOTAL	69,326,612	100%

DIFFERENTIAL RATE

Council currently derives 18% of its rate revenue from the Commercial/Industrial sector. Commercial and Industrial users consume a greater proportion of council resources than residential properties, particularly in regard to the use of roads, traffic, parking, storm water, public health and environment. Council has addressed the need to provide local support to the business sector.

Council applies a higher differential to the Commercial sector than to the Industrial sector to recognise the pressures confronting the Industrial sector such as increased competition from international imports, at the present time.

The use of differentials enables the equalisation of rates across Land Use Codes ie: fair and equitable rates.

METROPOLITAN COUNCILS WITH DIFFERENTIAL RATES

2014-2015 Comparison Differential Percentage			
Council	Commercial	Industrial	Vacant Land
Charles Sturt	202%	284%	200%
West Torrens	128%	128%	128%
Port Adelaide Enfield	118%	118%	118%
Unley	125%	82%	82%
Mitcham	96%	96%	96%
Marion	85%	65%	90%
Prospect	105%	105%	25%
Tea Tree Gully	50%	50%	100%
Holdfast Bay	45%	45%	45%
Onkaparinga	31%	31%	55%
Salisbury	41%	41%	30%
Norwood Payneham St Peters	20%	20%	20%
Average	87%	89%	82%
For Information only			
Adelaide	not available	not available	not available
Playford	576%	not available	not available

The above table identifies Council's 2014-15 differential rate position compared to other metropolitan councils.

DIFFERENTIAL RATES FOR 2015-16

2015-2016 Differential Percentages		
Commercial 85%	Industrial 65%	Vacant Land 90%

INCREASE IN RATEABLE ASSESSMENTS SINCE 2000-2001

	Rateable Assessments	Change
2000-2001	35,541	-
2001-2002	36,045	504
2002-2003	36,625	580
2003-2004	37,159	534
2004-2005	37,610	451
2005-2006	37,945	335
2006-2007	38,465	520
2007-2008	38,667	202
2008-2009	39,009	342
2009-2010	39,357	348
2010-2011	39,689	332
2011-2012	40,196	507
2012-2013	40,612	416
2013-2014	40,923	311
2014-2015	41,359	436
*2015-2016	41,843	484

**Figures as at 15 June 2015*

Since 2000/01 the number of new assessments has increased by 6,302 representing a growth in properties of 18% over the 15 year period.

2014-2015 to 2015-2016 COMPARISONS

	2014-2015	2015-2016
Capital Value of all Properties	\$17,006,292,940	\$17,845,182,060
Capital Value of Rateable Properties	\$16,274,996,835	\$17,093,776,435
Total Rateable Properties	41,376	41,843
Gross Rate Revenue	\$66,732,938	\$69,326,612
Rate Rebates – Rebates – Capping	\$1,400,000 \$25,500 12% cap - \$20 min & \$200 max 9% pensioner cap - \$10 min & \$300 max	\$985,000 \$25,500 12% cap - \$20 min & \$200 max 9% pensioner cap - \$10 min & \$300 max
Differential General Rate Residential/Primary Prod/Other	0.00367725	0.00364584
Differential General Rate Industrial	0.00606746	0.00601563
Differential General Rate Commercial	0.00680291	0.00674480
Differential General Rate Vacant Land	0.00698677	0.00692709
Minimum Rate % Increase	\$938	\$965 2.9%
% on Minimum Rate	9.4%	9.7%
Natural Resources Management	0.00009534	0.00009344
Maximum Pension Concession	\$190 (since 2001-2002)	All concessions have been replaced by State Govt Cost of Living Concession of \$200 for 2015-16. More information on page 11
Maximum Self Funded Retirees Concession	\$100	

Figures at 15 June 2015

CAPPING – RESIDENTIAL PROPERTIES

In 2004/2005 there was a considerable variation to the increase in residential valuations. In order to equalise the rate responsibility a cap of 15% was introduced. The rate capping program has proved to be very beneficial to ratepayers experiencing a spike in their annual valuation movement.

Council has adopted a two tiered rate capping policy for the 2015/16 financial year.

Tier 1 – Rate Capping for Qualifying Residential Ratepayers

A rebate of general rates will be granted to Residential ratepayers on their principal place of residence within the category of residential land use, under the above Act.

The Annual Business Plan and Budget 2015/16 will apply a 12% rate-cap with a \$20 minimum and a \$200 maximum (excluding new or improved properties) for ratepayers who meet the Qualifying Criteria set out below.

Tier 2 – Rate Capping for Qualifying Pensioners and Self-Funded Retirees

A rebate of general rates will be granted to qualifying Pensioners and Self-Funded Retirees, who are residential ratepayers on their principal place of residence within the category of residential land use under the above Act and do not own any other property and meet the Qualifying Criteria set out below.

The Annual Business Plan and Budget 2015/16 will apply a 9% rate-cap with a \$10 minimum and a \$300 maximum for those Pensioners and Self-Funded Retirees who meet the qualifying criteria set out below.

Qualifying Criteria:

- The property is the owner's principal place of residence.
- The property has not had more than \$20,000 of improvements.
- The property value has not increased due to a zoning change.
- The land use for rating purposes has not changed since 1st July of the previous financial year.
- The property has not sold since the 1st January of the previous financial year.

A rebate of general rates will be applied automatically under both rate capping tiers, where the Council has sufficient information to determine the entitlement to the rebate.

PENSIONER & SELF FUNDED RETIREE CAPPING 2014-2015		
	GRANTED	AMOUNT
PENSIONER	54	\$3,740
SFR	5	\$958
TOTAL	59	\$4,698

MAXIMUM RATE

The Local Government Act states Council must take into consideration whether or not a maximum rate on the principal place of residence should be declared.

A Maximum rate would result in a lower amount in rates being paid by the very highest rated properties which would cause the rate in the dollar to rise to offset the loss of revenue from these properties.

For example, Council have 79 residential properties with a Capital Value greater than \$1,000,000 which would generate rates above \$3,000 per property.

TOP 20 INDIVIDUAL RESIDENTIAL VALUATIONS
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Valuation 2015-16	Proposed General Rates 2015-16 \$	Suburb
2,300,000	8,385	Marino
2,275,000	8,294	Seacliff Park
2,175,000	7,930	Hallett Cove
1,850,000	6,745	Marino
1,825,000	6,654	Marino
1,800,000	6,563	Marino
1,700,000	6,198	Marino
1,700,000	6,198	Marino
1,575,000	5,742	Marino
1,575,000	5,742	Marino
1,575,000	5,742	Marino
1,475,000	5,378	Marino
1,475,000	5,378	Marino
1,450,000	5,286	Hallett Cove
1,425,000	5,195	Seacliff Park
1,425,000	5,195	Hallett Cove
1,425,000	5,195	Marino
1,400,000	5,104	Marino
1,375,000	5,013	Marino
1,375,000	5,013	Marino

Maximum rates are not currently adopted by any of our neighbouring Councils.

ASSISTANCE TO RATEPAYERS

Rebate of Rates

The Local Government Act 1999 requires Councils to rebate the rates payable for certain land uses. This includes land used for health and community services, religious purposes, cemeteries, educational institutions, housing associations and housing cooperatives.

The mandatory rebates vary from 75% to 100%. People or bodies seeking a rebate must make a written application to the Council. Information and application forms can be obtained from the Council office at 245 Sturt Rd, Sturt. Applications for Discretionary Rebates must be received by May 31st of the current year for consideration in the following financial year.

Residential Construction on Vacant Land (Discretionary Rebate)

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a rebate of general rates for the 2015-2016 financial year will be granted in respect of an assessment rated as vacant land in the Council's Assessment Book where the:

- Principal Ratepayer of the Assessment applies to the Council in writing for the rebate prior to 30 June 2016, and
- Footings have been poured on the property by 30 June 2016.

The amount of the rebate will be the difference between the general rate in the dollar applicable to vacant land, and the general rate in the dollar applicable to residential property. This is calculated by the number of days remaining between 1 July 2015 and 30 June 2016 from the date footings are poured.

If the calculated rebate reduces the rates payable to less than the amount fixed as the minimum amount payable by way of rates, then the rebate shall be reduced so that the rates payable are equal to the amount of the minimum.

Postponement of Rates – Hardship

Section 182 of The Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they are invited to submit an application in writing to the Council's Team Leader Rating Services. The Council treats such inquiries confidentially.

Postponement of Rates - Seniors

- Number of seniors currently postponed: 28
- New applications approved for 2015-16: 0
- Current legislated interest rate: 5.75% pa (2014-15)

The following criteria must be satisfied before the postponement is granted.

- The person is a prescribed ratepayer, or the spouse of a prescribed ratepayer.
- A prescribed ratepayer means the holder of a current State Seniors Card or a person eligible to hold such a card and has applied but is yet to be issued with a card.
- Rates are payable on the principal place of residence.
- The land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.
- Any current mortgage over the property which was registered prior to 25 January 2007 will be no more than 50% of the Valuer-General's capital value of the property.

An application must be made in the prescribed manner and form and be accompanied by such information as the council may require. Any rates which are postponed will become due and payable when:

- the title to the land is transferred to another person; or
- there is failure to comply with a condition of postponement.

A minimum amount of \$500 of the annual rates must be paid.

An entitlement to a concession or remission will be applied to the proportion of the rates that has not been postponed, unless notice to the contrary is received in writing from the owner.

Interest will accrue on the amount postponed at the prescribed rate per month, under the Act until the amount is paid.

Should the entitlement to a postponement cease to exist, the owner of the land must inform the Council in writing, unless the rates and any interest have been paid in full.

[Concessions](#)

Pensioner and Self-Funded Retiree Concessions

The State Government announced on the 14th May 2015 that it will replace all Council Rate Concessions with the Cost of Living Concession for 2015-16.

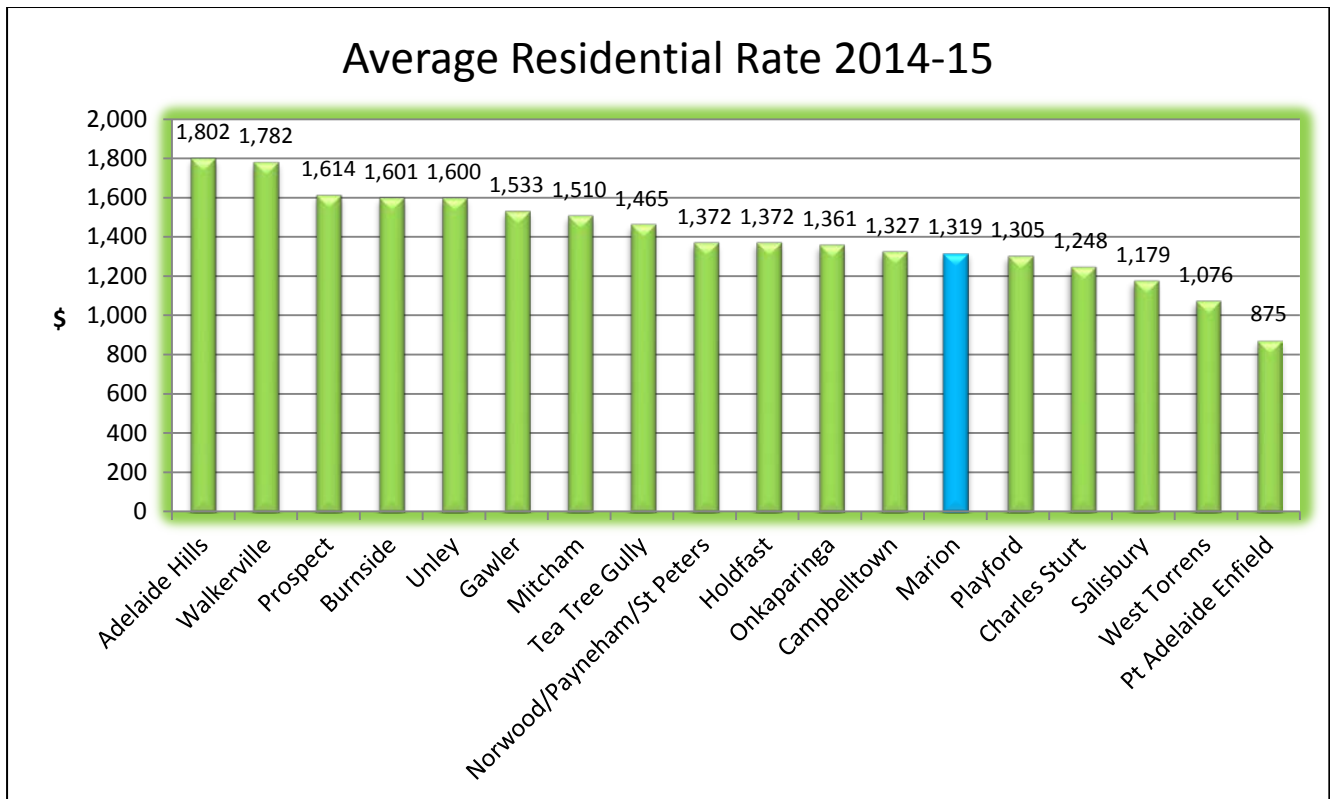
Cost of Living Concession

Pensioners, low-income earners and self-funded retirees holding a Commonwealth Seniors Health Card will receive up to \$200 per year. This will come into effect on 1 July 2015. Eligibility has been extended to include pensioners and low-income earners who are tenants.

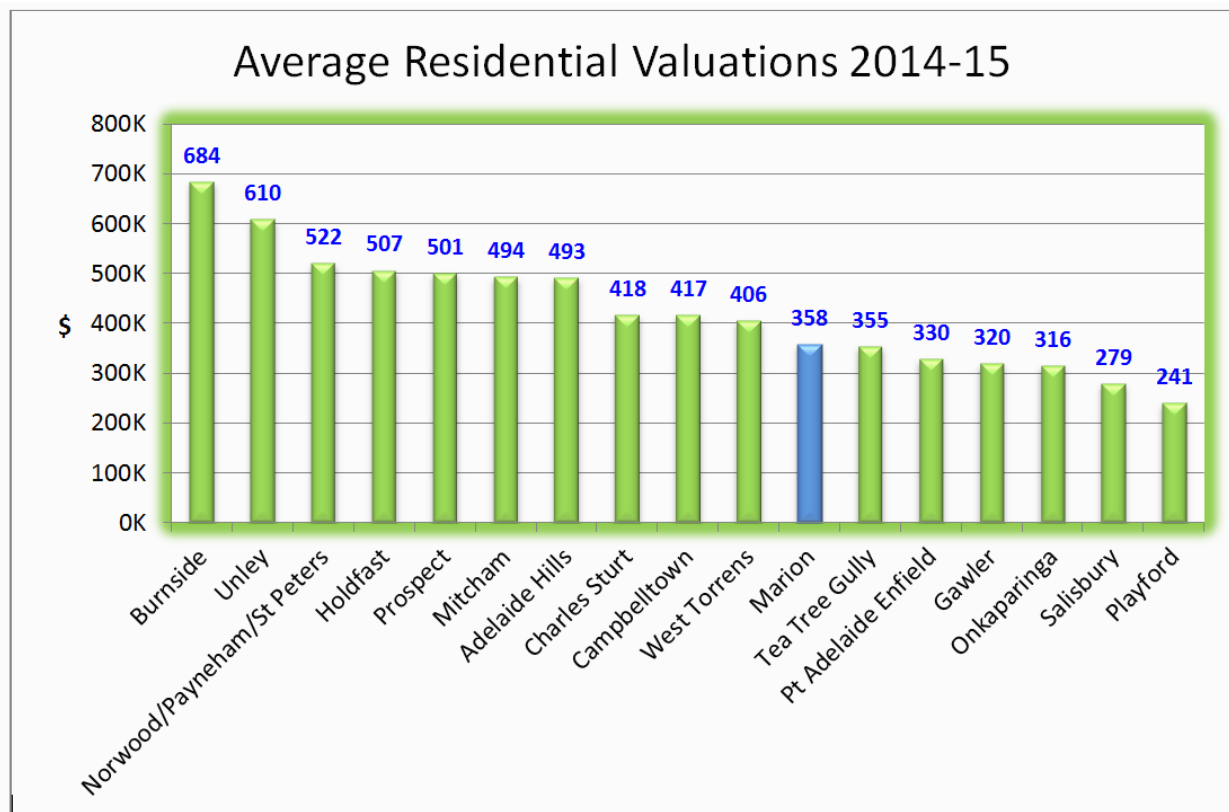
The concessions will be paid to recipients by cheque with payments expected to be made in about September 2015 (and to tenants by early 2016).

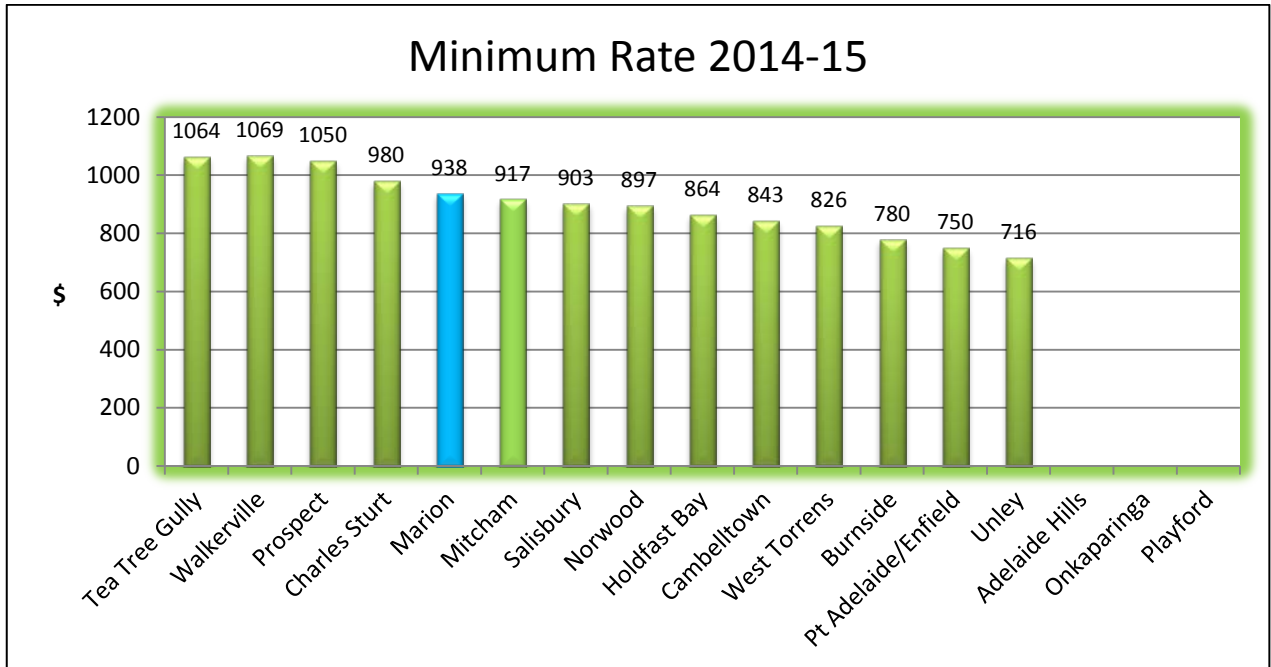
Home owners who currently receive the council rate concession will not need to apply separately for this concession.

For further information contact the Concessions Hotline on 1800 307 758.

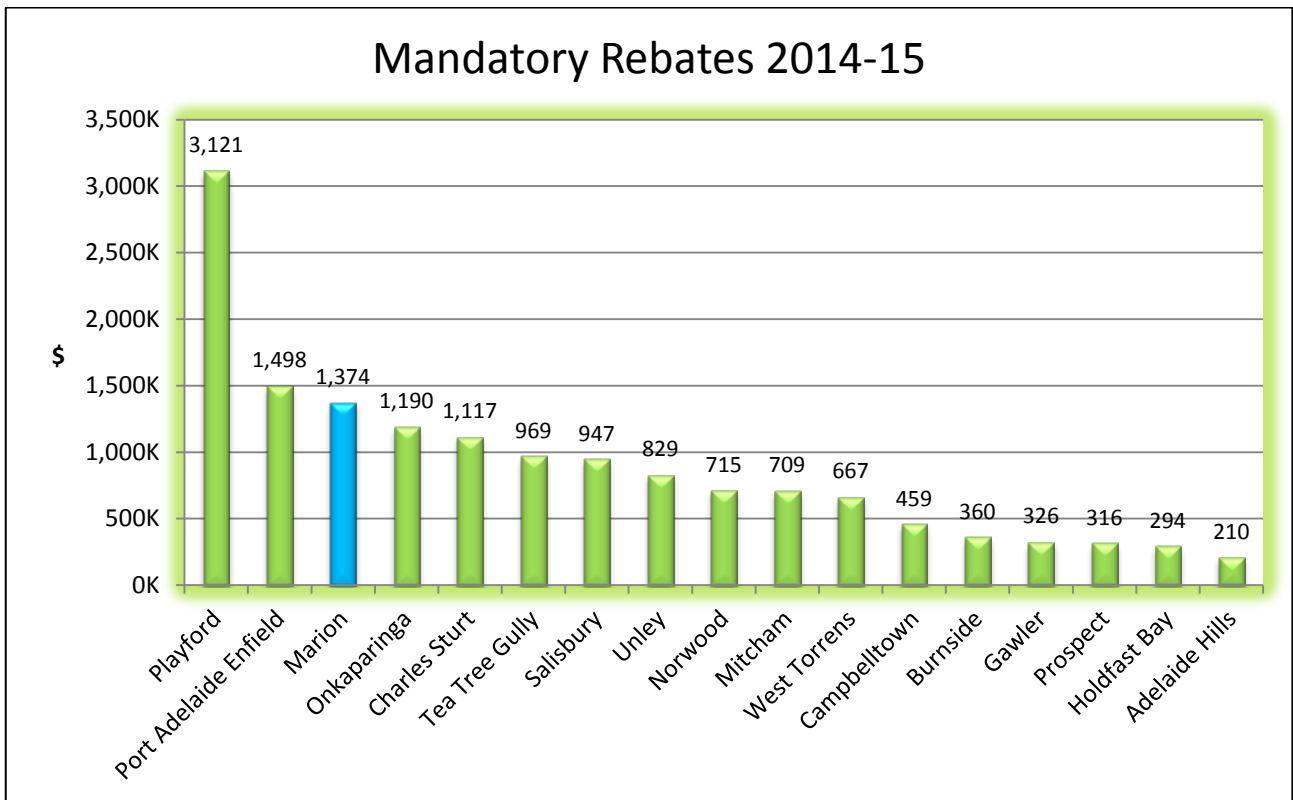


Marion is currently ranked 6th lowest of 18 metropolitan councils
(2013-14 - ranking was also 6th lowest)





Note: No minimum rate for Onkaparinga, Adelaide Hills and Playford due to a fixed charge being applied



METROPOLITAN COUNCILS RATE IN THE DOLLAR COMPARISON - 2014-15

Council	Fixed Charge	Residential Rate in the Dollar	Commercial Differential	Industrial Differential Rate	Average Residential Valuation (\$)
Playford	\$845	0.002041	0.013806	0.013806	\$241,400
Salisbury		0.00422	0.005954	0.005954	\$279,383
Onkaparinga	\$350	0.003195	0.004187	0.004187	\$316,541
Gawler		0.004781	0.009824	0.009824	\$320,644
Port Adelaide Enfield		0.00265	0.00577	0.00577	\$330,188
Tea Tree Gully		0.00409	0.006136	0.006136	\$355,837
Marion		0.003677	0.006802	0.005067	\$358,961
West Torrens		0.002649	0.006033	0.006033	\$406,177
Campbelltown		0.003175	0.003175	0.003175	\$417,717
Charles Sturt		0.002784	0.008412	0.010707	\$418,127
Adelaide Hills	\$418	0.00271	0.003117	0.003117	\$493,470
Mitcham		0.003005	0.005906	0.005906	\$494,765
Prospect		0.003216	0.006585	0.006585	\$501,725
Holdfast Bay		0.002707	0.003932	0.003932	\$507,677
Norwood Payneham/St Peters		0.002625	0.00315	0.00315	\$522,666
Unley		0.00262	0.005897	0.004831	\$610,535
Burnside		0.00234	0.00234	0.00234	\$684,095
Walkerville		0.002473	0.003833	0.003833	\$701,570

The above table details the rate in the dollar applied to metropolitan Councils.

Note that some Councils also apply a fixed charge which has the effect of reducing the rate in the dollar applied across land use codes.

VALUATIONS BY LAND USE SHOWING GROWTH PERCENTAGE
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	Residential	Commercial	Industrial	Primary Production	Vacant Land	Other	Total
Current Values	14,097,810,000	1,824,525,000	175,202,200	16,157,000	248,623,400	643,985,340	17,006,302,940
Proposed CV	14,784,684,000	1,870,655,000	184,450,300	15,014,500	260,269,900	730,081,360	17,845,182,060
Total Increase	4.87%	2.53%	5.28%	-7.07%	4.70%	13.37%	4.93%
Growth \$	173,302,000	-10,440,000	12,040,000	-1,475,000	34,189,500	63,131,000	270,747,500
Growth % (Proposed CV)	1.229%	-0.572%	6.872%	-9.129%	13.752%	9.803%	*1.592%
No of Assmts (VG)	37,150	701	199	15	753	778	39,596
Average Value (VG)	397,973	2,668,552	926,886	1,000,967	345,680	938,408	450,681
Percentage Increase Less Growth	3.64%	3.10%	-1.59%	2.06%	-9.06%	3.57%	3.34%

- Figures as at 15 June 2015
- Forecast growth assumes 1.0%
- *Figure includes growth for Flinders Uni and TAFE sites at Tonsley Park which are both non-rateable. The Growth figure excluding these sites is 1.180%



**FEES & CHARGES
SCHEDULE
2015/16**

Pricing Policy Document

FEES AND CHARGES SUMMARY 2015/16

The 2015/16 fees and charges are to be set in accordance with Council Policy in relation to user pays principles. The policy directs that Council will levy fees and charges for goods and services on a user pays basis and, where possible to recover the full cost of operating or providing the service or goods. Where it can be demonstrated that members of the community are unable to meet the full cost, concessions may apply.

User charges and statutory fees play an important role in enabling Council to provide a range of specific services and community facilities. The following table of user/statutory charges illustrates the movement in fees & charges over the past few years.

The statutory fees and charges listed may be amended at any time during the financial year. The Fees and Charges Schedule will be updated as statutory charges are amended.

The relevant Divisions and community groups have been consulted in relation to the proposed fees and charges and the following factors have been examined when determining the proposed fees:

- the cost of providing the service, inclusive of overhead costs
- the importance of the service to the community
- market comparison of fees and pricing structures with other enterprises who offer a similar service
- the level of service/facility provided by the City of Marion
- increase in statutory charges set by regulation

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Animals**Dog and cat regulation and control.****Income Comparison**

Actual	11/12	(\$438,980)
Actual	12/13	(\$435,409)
Actual	13/14	(\$431,899)
Revised Budget	14/15	(\$427,096)
Budget	15/16	(\$428,213)

Estimated Current Cost of Service

Income	Registration Fees/Fines	(\$428,213)
Expenditure	Direct Cost	\$695,323
	Overhead	\$100,467
	Total Cost	\$795,790
Net Cost		\$367,577

Statutory Charge

Council set their own fees based on a fee range provided by the Dog & Cat Management Board.
The proposed fees are then endorsed by the Dog & Cat Management Board.

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Animal Registration Fees			
<u>Not desexed</u>			
Ordinary	60.00	0.00	60.00
Microchipped	54.00	0.00	54.00
Trained	54.00	0.00	54.00
Microchipped & Trained	48.00	0.00	48.00
Concession - Permanent	30.00	0.00	30.00
Concession - Temporary	30.00	0.00	30.00
Concession - Microchipped	27.00	0.00	27.00
Concession - Trained	27.00	0.00	27.00
Concession - Microchipped & Trained	24.00	0.00	24.00
Guide Dog/Therapeutic Dog	0.00	0.00	0.00
Working Dog	14.00	0.00	14.00
<u>Desexed</u>			
Ordinary	36.00	0.00	36.00
Microchipped	30.00	0.00	30.00
Trained	30.00	0.00	30.00
Microchipped & Trained	24.00	0.00	24.00
Concession - Permanent	18.00	0.00	18.00
Concession - Trained	15.00	0.00	15.00
Concession - Microchipped	15.00	0.00	15.00
Concession - Microchipped & Trained	12.00	0.00	12.00

Animals

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Dog Infringements			
Unregistered Dog	82.00	0.00	82.00
Unregistered Dangerous/Prescribed Breed Dog	215.00	0.00	215.00
Dog not properly identified	82.00	0.00	82.00
Dog not properly identified Dangerous/Prescribed Breed Dog	215.00	0.00	215.00
Wandering at Large	82.00	0.00	82.00
Wandering at Large Dangerous/Prescribed Breed	215.00	0.00	215.00
Failure to notify Council of Registration change	82.00	0.00	82.00
Failure to remove dog faeces	56.00	0.00	56.00
A Dog in School Premises	82.00	0.00	82.00
Dog in School Premises Dangerous/Prescribed Breed Dog	215.00	0.00	215.00
Dog in Shop without Consent	82.00	0.00	82.00
Dog in Shop without Consent Dangerous/Prescribed Breed dog	215.00	0.00	215.00
Creates noise by barking or otherwise	107.00	0.00	107.00
Prescribed breed not on leash	215.00	0.00	215.00
Prescribed breed without muzzle	215.00	0.00	215.00
Greyhound without muzzle	82.00	0.00	82.00
Greyhound not on leash	82.00	0.00	82.00
Dog subject to Order fails to notify etc	82.00	0.00	82.00
Fail to notify new owner of Order	107.00	0.00	107.00
Fail to notify Council of Guard Dog Reg	82.00	0.00	82.00
Rushes or chases a vehicle	107.00	0.00	107.00
Attacks, rushes or chases person etc.	215.00	0.00	215.00
Other Charges			
Cat Traps - deposit returnable	40.00	0.00	40.00
Cat Traps not returned at 4 weeks	210.00	0.00	210.00
Animal Tag Replacement	9.00	0.00	9.00
Change of Ownership	9.00	0.00	9.00
Change of Address	9.00	0.00	9.00
Extract from Register	5.00	0.00	5.00
Late Fee on Unpaid Dog re-registrations	13.00	0.00	13.00
Dog Infringement reminder notice	46.00	0.00	46.00
Dog Impounding Fee (Mon-Fri 10am-5pm)	Impound Fee as charged by RSPCA		
Dog Impounding Fee (A/H & weekend)	Impound Fee as charged by RSPCA		

By-Laws

To administer By-Laws adopted by Council.

Income Comparison

Actual	11/12	(\$1,786)
Actual	12/13	(\$1,980)
Actual	13/14	(\$3,075)
Revised Budget	14/15	(\$3,403)
Budget	15/16	(\$1,200)

Estimated Current Cost of Service

Income	Statutory Charges	(\$1,200)
Expenditure	Direct Cost	\$50,612
	Overhead	\$25,352
	Total Cost	\$75,964
Net Cost		\$74,764

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
All By-Laws Expiation apart from littering:	187.50	0.00	187.50
Expiation reminder notice	44.55	4.45	49.00
Littering	315.00	0.00	315.00
Permit to sell flowers on side of road	35.00	0.00	35.00
Permit to place Mini-skip on public land	35.00	0.00	35.00
Application to keep more than prescribed number of dogs	35.00	0.00	35.00
Application to keep more than prescribed number of cats	35.00	0.00	35.00

Cooinda Neighbourhood Centre

Community and recreational activities for members over 55 years, and occasional community hall hire.

Income Comparison

Actual	11/12	(\$165,639)
Actual	12/13	(\$68,619)
Actual	13/14	(\$123,078)
Revised Budget	14/15	(\$156,716)
Budget	15/16	(\$150,639)

Estimated Current Cost of Service

Income	User Charges/Grants	(\$150,639)
Expenditure	Direct Cost	\$502,457
	Overhead	\$190,716
	Total Cost	\$693,173
Net Cost		\$542,534

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Yoga	6.36	0.64	7.00
Light Weights	6.36	0.64	7.00
Fitness	6.36	0.64	7.00
Tai Chi/ Keep fit	5.45	0.55	6.00
Dancing	5.45	0.55	6.00
Ceramics	5.45	0.55	6.00
Computing	5.45	0.55	6.00
Hall Hire - Community Groups	145.45	14.55	160.00
Hall Hire - Casual (per hr)	36.36	3.64	40.00
Hall Hire - Private Functions	327.27	32.73	360.00

Halls & Meeting Rooms for hire

Income Comparison

Budget 15/16 (\$70,000)

Estimated Current Cost of Service

Income User Charges (\$70,000)

Expenditure Direct Cost \$410,083

Net Cost \$340,083

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
<u>Room Hire</u>			
Hall - Full (max 200 people)			
<u>Corporate</u>			
Session Rate Mon-Sat 8:30-12:30pm or 1-5pm or 5:30-10pm	381.82	38.18	420.00
Session Rate Sun & Public Holidays (4 hour session)	381.82	38.18	420.00
<u>Community/Small Business</u>			
Session Rate Mon-Sat 8:30-12:30pm or 1-5pm or 5:30-10pm	254.55	25.45	280.00
Session Rate Sun & Public Holidays (4 hour session)	254.55	25.45	280.00
Hall - Half (max 100 people)			
Corporate	54.55	5.45	60.00
Community/Small Business	27.27	2.73	30.00
Hall - Quarter (max 50 people)			
Corporate	45.45	4.55	50.00
Community/Small Business	22.73	2.27	25.00
Meeting Rooms (max 6 people)			
Corporate & Community	9.09	0.91	10.00
Meeting Rooms (max 10 people)			
Corporate & Community	18.18	1.82	20.00
IT Training Room			
Session Rate Mon-Sat 8:30-12:30pm or 1-5pm or 5:30-10pm	272.73	27.27	300.00
Session Rate Sun & Public Holidays (4 hour session)	272.73	27.27	300.00
<u>Business Services</u>			
Business Subscription - Annual	90.91	9.09	100.00
Business Subscription - Monthly	9.09	0.91	10.00

Development Assessment

General advice to customers on the requirements and options available for development within the City of Marion

Enforcement of the requirements of the Development Plan and Building Rules in relation to development.

Assessment of development applications for compliance with the Development Plan and Building Code of Australia in accordance with the Development Act.

Copying and viewing of plans, monthly building schedules and provision of property searches.

Income Comparison

Actual	11/12	(\$744,556)
Actual	12/13	(\$868,405)
Actual	13/14	(\$817,353)
Revised Budget	14/15	(\$914,900)
Budget	15/16	(\$855,528)

Estimated Current Cost of Service

Income Statutory/User Charges (\$855,528)

Expenditure

Direct Cost	\$2,142,780
Overhead	\$488,343
Total Cost	\$2,631,123

Net Cost \$1,775,595

	Excl Price for 2015/16 GST Charge		Incl Price for 2015/16
	\$	\$	\$
Assessment Fees			
*Lodgement Fee	59.50	0.00	59.50
*Lodgement Fee (if assessment against Building Rules is required and Development Cost > \$5,000)	68.00	0.00	68.00
Staged Consent Fee	59.50	0.00	59.50
Extension of Approval Fee	96.00	0.00	96.00
Swimming Pool Inspection Fee	175.00	0.00	175.00
Complying Development			
Development Plan assessment develop *costs <\$10,000	37.50	0.00	37.50
*Develop costs >\$10,000 & <\$100,000	103.00	0.00	103.00
*Develop costs >\$100,000 (Max \$200,000)	Development Cost x 0.125% (GST Exempt)		
Non Complying Development Administration Fee	121.50	0.00	121.50
Non Complying Development Assessment Fee up to \$10,000	51.50	0.00	51.50
Non Complying Development Assessment Fee \$10,000 to \$100,000	122.00	0.00	122.00

Development Assessment

	Excl Price for 2015/16	GST Charge	Incl Price for 2015/16
Residential Development Code			
Schedule 1A Fee	50.00	0.00	50.00
*Referrals per dept	212.00	0.00	212.00
Other Statutory Fees			
*Public Notification	103.00	0.00	103.00
Advertising Fee	636.36	63.64	700.00
*Statement requirements	282.50	0.00	282.50
Other Planning Fees			
Certificate of Title	40.91	4.09	45.00
*Search Fees	20.50	0.00	20.50
DA - Urban Tree Fund (Regulated)	168.00	0.00	168.00
DA - Urban Tree Fund (Significant)	250.00	0.00	250.00
Building Rules Assessment, where there is a floor area			
Building Assessment Fee	59.09	5.91	65.00
*Class 1, 2 & 4	2.09	0.21	2.30
*Class 3, 5 & 6	2.73	0.27	3.00
*Class 7 & 8	2.00	0.20	2.20
*Class 9a & 9c	3.09	0.31	3.40
*Class 9b	2.73	0.27	3.00
*Class 10	0.64	0.06	0.70
Class 10b Retaining Walls, Signs Masts, Fences, Pools min fee \$55.50	0.64	0.06	0.70
*Building rules Modification Fee	134.55	13.45	148.00
*Certificate of Occupancy	39.09	3.91	43.00
*Essential Fire Safety Schedule	83.64	8.36	92.00
Other Building Fees			
Copying & Viewing of plans:-			
File Search Fee	65.00	0.00	65.00
Copying of plans - per page:-			
A4	1.82	0.18	2.00
A3	3.64	0.36	4.00
Sec 34(2) - Copies of plans on public notice	20.00	2.00	22.00
Monthly Building Schedules (Current)	61.82	6.18	68.00
Monthly Building Schedules (Previous)	42.73	4.27	47.00
Monthly Building Schedules - yrly subscription	536.36	53.64	590.00
CITB Levy	6.36	0.64	7.00

General Information

Information available when requested as required under the Local Government Act 1999.

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
<i>FREEDOM OF INFORMATION</i>			
Application for access to document (includes first 2 hours spent dealing with application)	32.25	0.00	32.25
Each subsequent 15 mins spent on application	12.00	0.00	12.00
Where access is to be given in the form of a written transcript of words contained in document (per page)	7.20	0.00	7.20
Photocopy of documents (per page)	0.18	0.02	0.20

PUBLIC INFORMATION

Annual Report (includes audited Financial Statements)			No charge
Community Consultation Policy			No charge
Copies of the following Council Agendas, Minutes, Policies, Registers, Codes and Procedures (per A4 page) :-	0.50	0.05	0.55
Notification of Council Meetings - Notice & Agenda			
Notification of Committee Meetings			
Council & Committee Minutes			
Annual Financial Plan (Budget)			
Rating Policy			
Code of Practice - Meetings and Documents			
Strategic Management Plan			
Register of By-Laws			
Order Making Policy			
Grievance Procedure			
Register of Delegations and Sub-delegations			
Tenders & Contracts Policy			
Code of Conduct for Members			
Code of Conduct for Staff			
Reimbursement of Members Expenses Policy			
Freedom of Information - Information Statement			
Council Electoral Roll (a full copy may be purchased - P.O.A)			

****These documents are available for inspection at the Marion Council Administration Office,
245 Sturt Road, Sturt, 5046, at no charge***

OTHER CHARGES

History of Marion book	10.00	1.00	11.00
History of Marion book - Volume 2, Soft Cover	22.68	2.27	24.95
History of Marion book - Volume 2, Hard Cover	36.32	3.63	39.95

Glandore Community Centre

Community and recreational activities for adults and occasional hall hire.

Income Comparison

Actual	11/12	(\$139,623)
Actual	12/13	(\$131,599)
Actual	13/14	(\$131,703)
Revised Budget	14/15	(\$176,712)
Budget	15/16	(\$128,736)

Estimated Current Cost of Service

Income	User Charges	(\$128,736)
Expenditure	Direct Cost	\$479,352
	Overhead	\$27,882
	Total Cost	\$507,234
Net Cost		\$378,498

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
<u>Hall Hire</u>			
Clark Function centre			
Hall Hire - Casual (per hr)	59.09	5.91	65.00
Half Hall Hire - Casual (per hr)	31.82	3.18	35.00
Saturdays max - midnight	454.55	45.45	500.00
OPAL Space (Naldera Building)			
Hall Hire - All day	163.64	16.36	180.00
Hall Hire - Casual (per hr)	31.82	3.18	35.00
Hall Hire - 3 hour session	90.91	9.09	100.00
Slade Building			
Hall Hire - Casual (per hr)	27.27	2.73	30.00
Hall Hire - All day	145.45	14.55	160.00
Hall Hire - single room casual three hours	81.82	8.18	90.00
Counselling room three hour session	54.55	5.45	60.00
Rugby Building			
Children's parties three hours	72.73	7.27	80.00
Children's parties after three hours (per hr)	27.27	2.73	30.00
Hall hire - All day/ Children's party	136.36	13.64	150.00
Hall hire per hour not children party	31.82	3.18	35.00
All day hire not children's party	163.64	16.36	180.00

Glandore Community Centre

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
<u>Courses (per class)</u>			
Art/Sketching	6.36	0.64	7.00
Woodwork	4.55	0.45	5.00
Garden Plots	22.73	2.27	25.00
Playgroups / Social Groups	3.64	0.36	4.00
Craft groups	4.55	0.45	5.00
Computing Tuition	4.55	0.45	5.00
<u>Market Fees</u>			
Powered Site	27.27	2.73	30.00
Unpowered Site	18.18	1.82	20.00
Trestles	4.55	0.45	5.00
<u>Other</u>			
Photocopying 1 side A4	0.18	0.02	0.20
Photocopying 1 side A3	0.27	0.03	0.30
\$2 Users Support Group	1.82	0.18	2.00

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Halls for Hire

Perry Barr Farm is now only available to existing current users until renegotiations are undertaken by Council. Marion Community Centre allows the community access to quality space. The centre is used by a number of residents who can access services and programs at an affordable rate.

Income Comparison

		Perry Barr Castrol Shed
Actual	11/12	(\$5,239)
Actual	12/13	(\$6,619)
Actual	13/14	(\$3,345)
Revised Budget	14/15	(\$5,060)
Budget	15/16	(\$3,408)
<u>Estimated Current Cost of Service</u>		
Income	User Charges	(\$3,408)
Expenditure	Direct Cost	<u>\$16,280</u>
Net Cost		\$12,872

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
PERRY BARR FARM - Castrol Shed			
Hourly Rate - Non permanent users	20.00	2.00	22.00
Hourly Rate - Permanent users	16.36	1.64	18.00
Weekend Hire (per day)	236.36	23.64	260.00
Bond (Refundable)	300.00	0.00	300.00

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Health Services

*Health standards are monitored in relation to food and water quality, soil and pollution, waste management, mosquito control, and housing.
Advice and education is also provided on food related matters. Regular food sampling is conducted on various foods produced within the City of Marion to monitor bacteria levels.*

Income Comparison

Actual	11/12	(\$65,474)
Actual	12/13	(\$43,203)
Actual	13/14	(\$24,674)
Revised Budget	14/15	(\$22,992)
Budget	15/16	(\$23,618)

Estimated Current Cost of Service

Income	User Charges	(\$23,618)
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Expenditure	Direct Cost	\$406,673
	Overhead	\$249,150
	Total Cost	\$655,823

Net Cost		\$632,205
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	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Environmental Health			
Statutory Fines			As per legislation
Food Safety			
Statutory Fines			As per legislation
Food handler training course - Full	72.73	7.27	80.00
Food handler training course - Summary	36.36	3.64	40.00
Food premises inspection fees	82.00	0.00	82.00
Food safety audit: \$154 per hr	140.00	14.00	154.00
<i>Rates capped as per below:</i>			
Child care centres (\$140 per hr until capped)	127.27	12.73	140.00
Aged Care Facility/hospital - small, less than 40 beds	127.27	12.73	140.00
Public Health			
Statutory Fines			As per legislation
Sale of sharps containers	4.55	0.45	5.00
Renewal of SRF licence (Statutory)	75.00	0.00	75.00
SRF License Fees	318.18	31.82	350.00
SRF Audit Fee	163.64	16.36	180.00
<u>High Risk manufactured water systems (statutory charge)</u>			
Registration of first unit	30.00	0.00	30.00
Registration of subsequent units	20.00	0.00	20.00
Registration renewal (per unit)	15.00	0.00	15.00
Inspection of first system	120.00	0.00	120.00
Inspection of additional systems (on same premises)	80.00	0.00	80.00

Home & Community Care

Home support, maintenance services and rubbish removal services aim to assist older residents and disabled people to remain independent within our community. Services substantially reduce the overall cost to the community of providing institutionalised care.

Income Comparison

Actual	11/12	(\$1,284,341)
Actual	12/13	(\$1,626,974)
Actual	13/14	(\$1,585,818)
Revised Budget	14/15	(\$1,870,181)
Budget	15/16	(\$1,509,564)

Estimated Current Cost of Service

Income	User Charges/Grant	(\$1,509,564)
Expenditure	Direct Cost	\$1,509,564
	Overhead	\$221,535
	Total Cost	\$1,731,099
Net Cost		\$221,535

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Home Assist			
Home maintenance - per hour (materials used to be reimbursed at cost incl. GST)	12.50	0.00	12.50
Domestic Assistance	12.50	0.00	12.50
Rubbish Removal per trailer load (includes 2 hrs labour)	35.00	0.00	35.00
Gardening - per hour	12.50	0.00	12.50
Volunteer Social/Transport Support (per round trips i.e. two way trip)	6.00	0.00	6.00

Land Clearing

Council has a responsibility to ensure all high grass is cut to a maximum height of 100mm during the fire danger season. Community benefit from the reduced fire risk over summer months.

Income Comparison

Actual	11/12	(\$2,704)
Actual	12/13	(\$3,198)
Actual	13/14	\$0
Revised Budget	14/15	(\$3,000)
Budget	15/16	(\$1,000)

Estimated Current Cost of Service

Income	User Charges	(\$1,000)
Expenditure	Direct Cost	\$84,524
	Overhead	\$26,286
	Total Cost	\$110,810
Net Cost		\$109,810

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Land Clearing - per 1000m2 or part thereof (e.g. 1500m2 block = \$792)	360.00	36.00	396.00
Land Clearing - Admin Fee	67.27	6.73	74.00
Land Clearing - Expiation Fee	315.00	0.00	315.00
*Expiation late fee	46.00	0.00	46.00

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Library Services

The toy library provides toys and materials designed to increase the development of motor skills, literacy and imagination of young children. Photocopying and colour copying is easily accessible to the community. Fines are charged as a deterrent for late returns of books, CDs and videos. Children's activities and guest speakers are offered to promote literacy and participation in social skills.

Income Comparison

Actual	11/12	(\$74,233)
Actual	12/13	(\$68,366)
Actual	13/14	(\$60,835)
Revised Budget	14/15	(\$49,015)
Budget	15/16	(\$45,500)

Estimated Current Cost of Service

Income	Total income	(\$45,500)
Expenditure	Direct Cost	\$3,988,448
	Overhead	\$39,774
	Total Cost	\$4,028,222
Net Cost		\$3,982,722

	Excl Price for 2015/16 GST Charge		Incl Price for 2015/16
	\$	\$	\$
Photocopying			
- Per page A4	0.18	0.02	0.20
- Per page A3	0.27	0.03	0.30
- Colour A4	1.36	0.14	1.50
- Colour A3	1.82	0.18	2.00
Other Library Income			
Toy Library Annual M/ship - Individual	18.18	1.82	20.00
Toy Library Annual M/ship - Concession	11.82	1.18	13.00
Toy Library Annual M/ship - Family	27.27	2.73	30.00
Toy Library Annual M/ship - Family Concession	20.00	2.00	22.00
Toy Library Annual M/ship - Organisation	59.09	5.91	65.00
Other Income			
In Ear Headphones	2.73	0.27	3.00
USB	5.45	0.55	6.00

Events/programs - cover charge

Programs Adults	Prices range from \$2 - \$120 (GST Inclusive)
Programs Children	Prices range from \$2
Sale of debitted stock	Prices range from \$0.10 to \$1.00 (GST Inclusive)
Sale of Library Bags	Prices range from \$1.00 to \$5.00 (GST Inclusive)

Non Statutory Fines

Processing Fee - Lost/Damaged/Overdue Items / cost of replacement RFID tags	4.55	0.45	5.00
Lost/Damaged Items	Replacement Cost		

Living Kurna Cultural Centre

Venue hire for meetings, functions, cultural tours and group events at the Living Kurna Cultural Centre Warriparinga.

Income Comparison

Actual	11/12	(\$53,925)
Actual	12/13	(\$59,633)
Actual	13/14	(\$60,807)
Revised Budget	14/15	(\$59,268)
Budget	15/16	(\$60,596)

Estimated Current Cost of Service

Income	User Charges	(\$60,596)
Expenditure	Direct Cost	\$364,619
	Overhead	\$314,662
	Total Cost	\$679,281
Net Cost		\$618,685

Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
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Room Hire**Education/Community Group Rate**

Hrly Rate above weekday hrs	61.82	6.18	68.00
1/2 day weekday (4hrs) 8am - 12pm then 12.30pm to 4.30/5pm	118.18	11.82	130.00
Full Day	207.27	20.73	228.00

Corporate Rate

Hrly Rate above weekday hrs	104.55	10.45	115.00
1/2 day weekday (4hrs) 8am - 12pm then 12.30pm to 4.30/5pm	172.73	17.27	190.00
Full Day	313.64	31.36	345.00

Cultural Tours

Cultural Tour Fee - Adult	19.09	1.91	21.00
Cultural Tour Fee - Concession	10.00	1.00	11.00
Art workshops - Adult	20.45	2.05	22.50
Art workshops - Concession / child	11.36	1.14	12.50
Weavers Adult	19.09	1.91	21.00
Weavers concession / child	10.00	1.00	11.00
Weavers additional materials / room	45.45	4.55	50.00

Living Kurna Cultural Centre***Fairford House*****Education/Community Group Rate**

Hrly Rate above weekday hrs	45.45	4.55	50.00
1/2 day weekday (4hrs) 8am - 12pm then 12.30pm to 4.30/5pm	68.18	6.82	75.00
Full Day	136.36	13.64	150.00

Corporate Rate

Hrly Rate above weekday hrs	72.73	7.27	80.00
1/2 day weekday (4hrs) 8am - 12pm then 12.30pm to 4.30/5pm	118.18	11.82	130.00
Full Day	227.27	22.73	250.00
Full Use / Park Use	545.45	54.55	600.00
Kitchen	100.00	10.00	110.00

Marion Cultural Centre

Hire of Domain Theatre, Foyer, Plaza and Function Rooms at the Cultural Centre.

Income Comparison

Actual	10/11	(\$219,262)
Actual	11/12	(\$313,675)
Actual	12/13	(\$221,153)
Actual	13/14	(\$293,909)
Revised Budget	14/15	(\$274,956)
Budget	15/16	(\$270,264)

Estimated Current Cost of Service

Income	User Charges	(\$270,264)
Expenditure	Direct Cost	\$984,049
	Overhead	\$777,195
	Total Cost	\$1,761,244
Net Cost		\$1,490,980

Exclusive Price for 2015/16	GST Charge	Incl Price for 2015/16
\$	\$	\$

DOMAIN THEATRE - PERFORMANCE**Community (Subsidised) Rate**

Rehearsal Rate Per Hour Mon-Sat	90.91	9.09	100.00
Rehearsal Rate Per Hour Sun & PH	122.73	12.27	135.00
Session Rate Mon-Sat 8.30am-12.30pm & 1pm-5pm (4 hrs)	400.00	40.00	440.00
Session Rate Sun & PH 8.30am-12.30pm & 1pm-5pm (4 hrs)	654.55	65.45	720.00
Session Rate Mon-Sat 6pm-11pm (5 hrs)	500.00	50.00	550.00
Session Rate Sun & PH 6pm-11pm (5 hrs)	818.18	81.82	900.00
Full Day Mon-Sat (8.30am-11pm)	1,180.00	118.00	1,298.00
Full Day Sun & PH (8.30am-11pm)	1,930.91	193.09	2,124.00

Corporate Rate

Rehearsal Rate Per Hour (only if performance booked)	136.36	13.64	150.00
Rehearsal Rate Per Hour Sun & PH 8am-6pm	168.18	16.82	185.00
Session Rate Mon-Sat 8.30am-12.30pm & 1pm-5pm (4 hrs)	600.00	60.00	660.00
Session Rate Sun & PH 8.30am-12.30pm & 1pm-5pm (4 hrs)	854.55	85.45	940.00
Session Rate Mon-Sat 6pm-11pm (5 hrs)	750.00	75.00	825.00
Session Rate Sun & PH 6pm-11pm (5 hrs)	1,068.18	106.82	1,175.00
Full Day Mon-Sat (8.30am-11pm)	1,770.00	177.00	1,947.00
Full Day Sun & PH (8.30am-11pm)	2,520.91	252.09	2,773.00

Marion Cultural Centre

	Exclusive Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
<u>DOMAIN THEATRE & STURT ROOM - PERFORMANCE</u>			
Community (Subsidised) Rate			
Session Rate Mon-Sat 8.30am-12.30pm & 1pm-5pm (4 hrs)	489.09	48.91	538.00
Session Rate Sun & PH 8.30am-12.30pm & 1pm-5pm (4 hrs)	870.91	87.09	958.00
Session Rate Mon-Sat 6pm-11pm (5 hrs)	589.09	58.91	648.00
Session Rate Sun & PH 6pm-11pm (5 hrs)	1,034.55	103.45	1,138.00
Full Day Mon-Sat (8.30am-11pm)	1,420.00	142.00	1,562.00
Full Day Sun & PH (8.30am-11pm)	2,514.55	251.45	2,766.00
Corporate Rate			
Session Rate Mon-Sat 8.30am-12.30pm & 1pm-5pm (4 hrs)	734.55	73.45	808.00
Session Rate Sun & PH 8.30am-12.30pm & 1pm-5pm (4 hrs)	1,116.36	111.64	1,228.00
Session Rate Mon-Sat 6pm-11pm (5 hrs)	884.55	88.45	973.00
Session Rate Sun & PH 6pm-11pm (5 hrs)	1,330.00	133.00	1,463.00
Full Day Mon-Sat (8.30am-11pm)	2,116.36	211.64	2,328.00
Full Day Sun & PH (8.30am-11pm)	3,227.27	322.73	3,550.00
Extras			
Staging - load in, load out	186.36	18.64	205.00
Curtain de-rig & re-rig	331.82	33.18	365.00
Technical and duty staff - per hr (Mon -Sat) min 3hrs	46.59	4.66	51.25
Front of House staff - per hr (Mon - Sat) min 3 hrs	46.59	4.66	51.25
Technical and duty staff - per hr (Sun & PH) min 4hrs	67.73	6.77	74.50
Front of House staff - per hr (Sun & PH) min 4hrs	67.73	6.77	74.50
Access before 8.30am or after 11pm - per hr (Mon-Sat)	46.59	4.66	51.25
Access before 8.30am or after 11pm - per hr (Sun & PH)	67.73	6.77	74.50
<u>Front of House/Box Office</u>			
Ticket sales via box office - per ticket	2.73	0.27	3.00
Ticket Printing - per performance (credit card transaction charges also apply)	104.55	10.45	115.00
8 person round table (incl cloths)	4.55	0.45	5.00
Merchandise Commission 10% Gross Sales			
<u>DOMAIN ROOM - OVER 120 PAX</u>			
Community (Subsidised) Rate			
Session Rate Mon-Sat 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	272.73	27.27	300.00
Session Rate Sun & PH 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	400.00	40.00	440.00
Full Day Mon-Sat (8.30am-10pm)	736.36	73.64	810.00
Full Day Sun & PH (8.30am-10pm)	1,080.00	108.00	1,188.00
Corporate Rate			
Session Rate Mon-Sat 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	400.00	40.00	440.00
Session Rate Sun & PH 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	527.27	52.73	580.00
Full Day Mon-Sat (8.30am-10pm)	1,080.00	108.00	1,188.00
Full Day Sun & PH (8.30am-10pm)	1,423.64	142.36	1,566.00

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Marion Cultural Centre

	Exclusive Price for 2015/16	GST Charge	Incl Price for 2015/16
	\$	\$	\$
<u>DOMAIN ROOM - UP TO 120 PAX</u>			
Community (Subsidised) Rate			
Session Rate Mon-Sat 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	145.45	14.55	160.00
Session Rate Sun & PH 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	272.73	27.27	300.00
Full Day Mon-Sat (8.30am-10pm)	392.73	39.27	432.00
Full Day Sun & PH (8.30am-10pm)	736.36	73.64	810.00
Corporate Rate			
Session Rate Mon-Sat 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	218.18	21.82	240.00
Session Rate Sun & PH 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	345.45	34.55	380.00
Full Day Mon-Sat (8.30am-10pm)	589.09	58.91	648.00
Full Day Sun & PH (8.30am-10pm)	932.73	93.27	1,026.00
<u>STURT ROOM</u>			
Community (Subsidised) Rate			
Session Rate Mon-Sat 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	89.09	8.91	98.00
Session Rate Sun & PH 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	216.36	21.64	238.00
Full Day Mon-Sat (8am-11pm)	240.55	24.05	264.60
Full Day Sun & PH (8am-11pm)	608.73	60.87	669.60
Corporate Rate			
Session Rate Mon-Sat 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	134.55	13.45	148.00
Session Rate Sun & PH 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	261.82	26.18	288.00
Full Day Mon-Sat (8.30am-10pm)	363.27	36.33	399.60
Full Day Sun & PH (8.30am-10pm)	706.91	70.69	777.60
<u>GREEN ROOM</u>			
Community (Subsidised) Rate			
Session Rate Mon-Sat 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	49.09	4.91	54.00
Session Rate Sun & PH 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	49.09	4.91	54.00
Full Day Mon-Sat (8.30am-10pm)	132.55	13.25	145.80
Full Day Sun & PH (8.30am-10pm)	132.55	13.25	145.80
Corporate Rate			
Session Rate Mon-Sat 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	72.73	7.27	80.00
Session Rate Sun & PH 8.30am-12.30pm, 1pm-5pm or 6pm-10pm (4 hrs)	72.73	7.27	80.00
Full Day Mon-Sat (8.30am-10pm)	196.36	19.64	216.00
Full Day Sun & PH (8.30am-10pm)	196.36	19.64	216.00
<u>FOYER SPACE (Hrly Rate only)</u>			
Community Rate	49.09	4.91	54.00
Corporate Rate	72.73	7.27	80.00
<u>PLAZA SPACE (Hrly Rate only)</u>			
Community Rate	68.18	6.82	75.00
Corporate Rate	100.00	10.00	110.00
<u>CAFÉ SPACE (Hrly Rate only)</u>			
Community Rate	68.18	6.82	75.00
Corporate Rate	100.00	10.00	110.00
<u>Exclusive Whole Venue or Multiple Hire Packages</u>			POA
<u>Duty Manager/Technical Staff Hirer Charges (min 3 hrs)</u>			
Technical and Duty Staff - per hr (Mon-Sat)	46.59	4.66	51.25
Technical and Duty Staff - per hr (Sun & PH)	67.73	6.77	74.50
Front of House Staff - per hr (Mon-Sat)	46.59	4.66	51.25
Front of House Staff - per hr (Sun & PH)	67.73	6.77	74.50

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Marion Swim Centre

Aquatic based recreational activities providing fun, fitness, learn to swim and recreation swimming to all members of the community in a safe environment with a high level of amenities.

Income Comparison

Actual	11/12	(\$485,900)
Actual	12/13	(\$530,795)
Actual	13/14	(\$447,164)
Revised Budget	14/15	(\$524,551)
Budget	15/16	(\$537,430)

Estimated Current Cost of Service

Income	User Charges	(\$537,430)
Expenditure	Direct Cost	\$577,752
	Overhead	\$229,464
	Total Cost	\$807,216
Net Cost		\$269,786

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Admissions			
General Public	6.18	0.62	6.80
Children under 4 years			Free
Children 4-14 years	5.00	0.50	5.50
Aged/Disabled Concession	5.00	0.50	5.50
Family	17.27	1.73	19.00
Student & Concession	5.00	0.50	5.50
Spectator	2.73	0.27	3.00
Adult Multi Visit Pass 10	54.55	5.45	60.00
Adult Multi Visit Pass 30	152.27	15.23	167.50
Concession Multi Visit Pass 10	44.09	4.41	48.50
Concession Multi Visit Pass 30	123.18	12.32	135.50
Season Pass (Adult)	386.36	38.64	425.00
Season Pass (Family)	840.91	84.09	925.00
Season Pass (Child)	290.91	29.09	320.00
Season Pass (Club)	213.64	21.36	235.00
Vac Swim	5.00	0.50	5.50
Vac Swim Pass	36.36	3.64	40.00
Activity Pass - Waterside or Inflatable for 10 uses	6.82	0.68	7.50
Swim Club Entry	4.36	0.44	4.80
Aqua - Fitness Class	8.64	0.86	9.50
Aqua - Fitness Class Concession	7.27	0.73	8.00
Aqua - Fitness Class Multi Visit Pass 10	77.73	7.77	85.50
Aqua - Fitness Class Multi Visit Pass 10 Concession	65.45	6.55	72.00
Aqua - Fitness Class Member	2.09	0.21	2.30
Birthday Party (games only)	14.55	1.45	16.00
Birthday Food (food as extra)	5.91	0.59	6.50
Group Entry 20+ Swim Only per person - not for profit/vacation care only	4.55	0.45	5.00
Group Entry 20+ Swim and Slide per person - not for profit/vacation care only	7.73	0.77	8.50
Picnic Week - Swim & Icy Pole / person	5.09	0.51	5.60
Picnic Week - Swim & Activity Pass / person	9.55	0.95	10.50
Picnic Week - Swim & Activity Pass & Icy Pole / person	10.00	1.00	11.00
Locker Hire	4.55	0.45	5.00

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Marion Swim Centre

	Excl Price for 2015/16	GST Charge	Incl Price for 2015/16
Hire Charges			
Lane Hire - regular user lane hire per hr + entry fee	13.64	1.36	15.00
Lane Hire - casual user lane hire per hr	18.18	1.82	20.00
Hourly Rate - all 8 lanes Main Pool only - Normal Operating Hours	186.36	18.64	205.00
Hourly Rate - Learner's Pool - Normal Operating Hours	81.82	8.18	90.00
Hourly Rate - Toddler's Pool - Normal Operating Hours	50.00	5.00	55.00
Term Time 45 minutes - DECD Only	2.55	0.25	2.80
Term Time 90 minutes - DECD Only	3.09	0.31	3.40
Carnivals & Picnics - Main Pool Only (3 hours)	540.91	54.09	595.00
Carnivals & Picnics - Normal Operating Hours All Pools (3 hours)	936.36	93.64	1,030.00
After Hours All Pools - Hourly Rate	195.45	19.55	215.00
Additional Lifeguards - 1 per 100 swimmers above 250 - Hourly Rate	50.00	5.00	55.00
Waterslide hire - Hourly Rate	81.82	8.18	90.00
Inflatable hire (per hire - min 2 hours)	81.82	8.18	90.00
Carnival Extra Staff >250 people + 1 staff per 75	50.00	5.00	55.00
Tuition			
Swim Lessons - Pay as you go per lesson	17.27	1.73	19.00
Swim Lessons - Paid up front per lesson	15.00	1.50	16.50

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Memorials

The opportunity for members of the community to commemorate a person or group through a memorial in a public space.

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Memorial			
Recycled Plastic Seat	1,236.36	123.64	1,360.00
Recycled Plastic Picnic Bench	1,327.27	132.73	1,460.00
Timber Seat	1,963.64	196.36	2,160.00
Timber Picnic Bench	4,654.55	465.45	5,120.00
Shelter	19,000.00	1,900.00	20,900.00
Large Boulder/Rock	159.09	15.91	175.00
Tree	181.82	18.18	200.00
Etched Paver	345.45	34.55	380.00
Bronze Plaque - Small	227.27	22.73	250.00
Bronze Plaque - Medium	436.36	43.64	480.00
Bronze Plaque - Large	636.36	63.64	700.00

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Neighbourhood Centres

The primary function of these facilities is to meet the needs of the community by providing and co-ordinating various public services, programs and facilities.

Income Comparison

Actual	11/12	(\$200,908)
Actual	12/13	(\$181,113)
Actual	13/14	(\$129,597)
Revised Budget	14/15	(\$157,494)
Budget	15/16	(\$157,563)

Estimated Current Cost of Service

User/Hire Charges	(\$157,563)
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Expenditure

Direct Cost	\$424,054
Overhead	\$94,990
Total Cost	<u>\$519,044</u>

Net Cost	\$361,481
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	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
MITCHELL PARK NEIGHBOURHOOD CENTRE			
Main Hall - Hire Charges			
General Hire (per hour)	27.27	2.73	30.00
Children's Parties: 12 yrs & under (up to 3hrs daytime)	59.09	5.91	65.00
Community/Family Functions (per day) Day only	100.00	10.00	110.00
User Charges - Facilities at the Centre			
Photocopies A4 single	0.18	0.02	0.20
Exercise Classes tuition	4.55	0.45	5.00
TROTT PARK NEIGHBOURHOOD CENTRE			
Main Hall - Hire Charges			
Community Groups (per hour)	27.27	2.73	30.00
Play Room & Seminar Room			
Community Groups (per hour)	22.73	2.27	25.00
Children's Parties: 12 yrs & under (up to 4hrs - daytime only)	136.36	13.64	150.00
Community Event (per day)	136.36	13.64	150.00
Other Charges			
Photocopies A4 single	0.18	0.02	0.20
Photocopies A3 single	0.27	0.03	0.30

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Parking Control

*Control and regulation of parking within the Council area including Westfield Marion.
After hours inspection is also provided.*

Income Comparison

Actual	11/12	(\$522,645)
Actual	12/13	(\$538,844)
Actual	13/14	(\$449,566)
Revised Budget	14/15	(\$350,000)
Budget	15/16	(\$378,064)

Estimated Current Cost of Service

Income	Statutory Charges	(\$378,064)
Expenditure	Direct Cost	\$320,446
	Overhead	\$217,016
	Total Cost	\$537,462
Net Cost		\$159,398

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
<u>Private Parking</u>			
Disabled Zone	341.00	0.00	341.00
No Standing Zone	89.00	0.00	89.00
Permit Parking Area	64.00	0.00	64.00
Loading Zone	64.00	0.00	64.00
Time Limit Area	48.00	0.00	48.00
<u>Road Traffic Act</u>			
Stop on Continuous Yellow Line	89.00	0.00	89.00
Contravene No Stopping Sign	89.00	0.00	89.00
Contravene No Parking Sign	72.00	0.00	72.00
Stopping in loading zone	64.00	0.00	64.00
Stopping in Bus Zone	119.00	0.00	119.00
Stop within 10m l/section w/out traffic lights	89.00	0.00	89.00
Stop within 20m l/section with traffic light	89.00	0.00	89.00
Stopping on path, dividing strip or nature strip	89.00	0.00	89.00
Other public place	64.00	0.00	64.00
Obstructing access to & from a Driveway	72.00	0.00	72.00
Stop near a Fire Hydrant	72.00	0.00	72.00
Stopping at or near bus stop	89.00	0.00	89.00
Not Parallel	64.00	0.00	64.00
Exceed 1 hr Time Limit Long or Heavy Vehicles	106.00	0.00	106.00
Exceeding Time Limit	48.00	0.00	48.00
Further Offence	48.00	0.00	48.00
Double Parking	89.00	0.00	89.00
Obstruct access to/from a footpath or ramp	72.00	0.00	72.00
Stop in a Truck Zone	64.00	0.00	64.00
Stop in a Taxi Zone	119.00	0.00	119.00
Stop in Permit Zone	64.00	0.00	64.00
Stop in a Mail Zone	89.00	0.00	89.00
Stop on or near a Children's Crossing	89.00	0.00	89.00

Parking Control

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Fail to Angle Park	64.00	0.00	64.00
Fail to park with 1m between vehicles	64.00	0.00	64.00
Park close to Dividing Line or Strip	64.00	0.00	64.00
Stopping on a Bridge	89.00	0.00	89.00
Stopping in a Bicycle Lane	250.00	0.00	250.00
Stopping on a Clearway sign	250.00	0.00	250.00
Stopping in a Bus Lane	250.00	0.00	250.00
Stopping in a emergency stopping lane	250.00	0.00	250.00
Stopping in a Disabled Zone	341.00	0.00	341.00
<u>Other</u>			
Impounded Vehicle	180.00	0.00	180.00
Parking Expaiation Reminder Notice	49.00	0.00	49.00

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Private Works

To provide installation of concrete crossovers, inverts, stormwater pipe connections and footpath reinstatements within the City for residents, developers, builders, public utilities and commercial businesses.

Income Comparison

Actual	11/12	(\$204,326)
Actual	12/13	(\$253,764)
Actual	13/14	(\$229,570)
Revised Budget	14/15	(\$240,226)
Budget	15/16	(\$240,228)

Estimated Current Cost of Service Income

User Charges	(\$240,228)
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Expenditure

Direct Cost	\$198,204
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Net Cost

(\$42,024)

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Driveway Crossover Installations			
Driveway Crossover (normal std) per sq metre	145.45	14.55	160.00
Driveway Crossover (heavy duty) - per sq metre	192.73	19.27	212.00
Driveway Invert Installations			
Driveway Invert (saw cut, removal & 0-5m std single	818.18	81.82	900.00
5-8 std single	1,309.09	130.91	1,440.00
Residential Stormwater Pipe Connection			
Council sawcut footpath, resident supplies & lays pipe & Council reinstates 75mm or 90mm diameter	431.82	43.18	475.00
Footpath Repairs			
Minor reinstatement - per linear metre	140.91	14.09	155.00
Road Closures			
Sale of land	Price set by valuer as negotiated		

Searches

Searches are issued as required under the Local Government Act 1999 and the Land and Business Agents Act.

Income Comparison

Actual	11/12	(\$41,644)
Actual	12/13	(\$94,884)
Actual	13/14	(\$104,093)
Revised Budget	14/15	(\$112,750)
Budget	15/16	(\$112,750)

Estimated Current Cost of Service

Income	User/Statutory Charges	(\$112,750)
Expenditure	Direct Cost	\$15,217
	Overhead	\$3,127
	Total Cost	\$18,344
Net Cost		(\$94,406)

	Excl Price for 2015/16 GST Charge		Incl Price for 2015/16
	\$	\$	\$
Land & Business Agents			
Rates only	30.50	0.00	30.50
Zoning	20.00	0.00	20.00
Full Search	50.50	0.00	50.50
Urgent Search	60.50	0.00	60.50
Extract from Assessment Book	10.50	0.00	10.50
Copy of prior year rates notice	10.00	1.00	11.00
Copy Rate Accounts	No charge		

Transport - Community Bus

The transport service assists older, frail residents with access to shopping and other community activities which they would otherwise not be able to attend. It enables users to remain active within the community and reduce social isolation. Carers also receive respite whilst family members attend these activities.

Income Comparison

Actual	11/12	(\$19,896)
Actual	12/13	(\$25,758)
Actual	13/14	(\$26,872)
Revised Budget	14/15	(\$28,081)
Budget	15/16	(\$24,996)

Estimated Current Cost of Service

Income	User Charges	(\$24,996)
Expenditure	Direct Cost	\$180,719
	Overhead	\$106,205
	Total Cost	\$286,924
Net Cost		\$261,928

	Excl Price for 2015/16 \$	GST Charge \$	Incl Price for 2015/16 \$
Contribution for return trip	3.64	0.36	4.00
One way trip	1.82	0.18	2.00
One way trip (Weekend)	5.45	0.55	6.00

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Originating Officer: Kylie Jaggard, Team Leader Rating Services
Corporate Manager: Ray Barnwell, Manager Finance
Director: Vincent Mifsud
Subject: Valuation – Adoption for 2015/2016 Financial Year
Reference No: GC230615R05

REPORT OBJECTIVE AND EXECUTIVE SUMMARY:

Council is required to adopt the Valuation which is to apply to all land within its area for rating purposes, prior to declaring rates.

RECOMMENDATIONS (2):

DUE DATE

That:

- | | |
|--|---------------------|
| 1. pursuant to Section 167(2)(a) of the Local Government Act 1999 Council adopts the capital valuations as supplied by the Office of the Valuer-General, (at Supplementary Week 51 dated 22 June 2015), as the Valuations that are to apply to land within its area for rating purposes for the 2015/2016 financial year. | 23 June 2015 |
| 2. Council notes that, at the time of adoption, the Valuation totalled \$17,847,592,060 (including \$17,096,186,435 Rateable and \$751,405,625 Exempt). | 23 June 2015 |

BACKGROUND:

This Report provides the information required by the Council to allow adoption of the Valuation for the 2015/2016 financial year, as required by the Local Government Act.

DISCUSSION:

Section 167 (1) of the Local Government Act requires the adoption of the valuations which are to apply to land within its area for rating purposes for that year, prior to declaration of the rate or rates.

Section 167 (2) provides that a Council must adopt either valuations made, or caused to be made, by the Office of the Valuer-General, or by a valuer employed or engaged by the Council, or by a firm or consortium of valuers engaged by the Council. The valuation presented for adoption has been prepared by the Valuer General.

CONCLUSION:

Adoption of this report is required prior to the declaration of rates for the 2015/2016 financial year.

Appendix 1: Notice of Adoption of Valuation

CITY OF MARION

NOTICE is hereby given that on 23 June 2015 the Council of the City of Marion, pursuant to the provisions of the Local Government Act 1999, for the year ending 30 June 2016,

ADOPTION OF VALUATIONS

adopted the capital valuations to apply in its area for rating purposes for the 2015-2016 financial year as supplied by the Valuer-General totalling \$17,847,592,060

DECLARATION OF RATES

declared differential general rates in the dollar based on capital value as follows:

- (a) **0.364584** cents in the dollar on rateable land of Category 1 – Residential, Category 7 – Primary Production and Category 9 – Other.
- (b) **0.674480** cents in the dollar on rateable land of Category 2 – Commercial Shop, Category 3 – Commercial Office, Category 4 – Commercial Other.
- (c) **0.601563** cents in the dollar on rateable land of Category 5 – Industrial Light, Category 6 – Industrial Other.
- (d) **0.692709** cents in the dollar on rateable land of Category 8 – Vacant Land.

resolved that the minimum amount payable by way of general rates in respect of rateable land within the area for the year ending 30 June 2016 be \$965.00; and

declared a Separate Rate of 0.009344 cents in the dollar on all rateable land within the Adelaide and Mount Lofty Ranges Natural Resources Management Board Area within the area.

The Council resolved that rates will be payable in four equal or approximately equal instalments, and that the due dates for those instalments will be 1 September 2015, 1 December 2015, 1 March 2016 and 1 June 2016.

Geoff Whitbread
Acting Chief Executive

**CITY OF MARION
GENERAL COUNCIL MEETING
23 JUNE 2015**

Originating Officer: Kylie Jaggard, Team Leader Rating Services
Corporate Manager: Ray Barnwell, Manager Finance
Director: Vincent Mifsud
Subject: Rates Declaration – 2015/2016
Reference No: GC230615R06

REPORT OBJECTIVE AND EXECUTIVE SUMMARY:

Having first adopted the Valuation of land within its area and the Annual Business Plan and Budget 2015/2016, the Council is now required to declare the rates for the financial year.

RECOMMENDATIONS (5):

DUE DATE

1. That

- i. pursuant to Section 153(1)(b) and 156 (1)(a) of the Local Government Act, 1999 the Council declares differential general rates according to land use based on Capital Value within the area for the 2015/2016 financial year as follows: **23 June 2015**
- (a) 0.364584 cents in the dollar on rateable land of Categories 1 - Residential, 7 - Primary Production, 9 – Other.
 - (b) 0.674480 cents in the dollar on rateable land of Categories 2 – Commercial Shop, 3 – Commercial Office, 4 - Commercial Other.
 - (c) 0.601563 cents in the dollar on rateable land of Categories 5 - Industry Light and 6 - Industry Other.
 - (d) 0.692709 cents in the dollar on rateable land of Category 8 - Vacant Land
- ii. pursuant to Section 158 (1)(a) of the Local Government Act 1999, fixes a minimum amount payable by way of General Rates in respect of rateable land within the area for the 2015/2016 financial year of \$965.00.

2. That pursuant to Section 153(3) of the Local Government Act 1999 the Council has determined not to fix a maximum increase under this Section in the general rate to be charged on a principal place of residence of a principal ratepayer upon the basis that relief is otherwise provided under the 'Discretionary Rebate – Residential Land Use (Rate Capping)' provision of its Rating Policy. **23 June 2015**

3. That, as required by the Natural Resources Management Act 2004, and pursuant to Section 95 of that Act and Section 154 (1) of the Local Government Act, the Council declares a Separate Rate of 0.009344 cents in the dollar on all rateable land in the area covered by the Adelaide and Mount Lofty Ranges Natural Resources Management Board within this Council's area for the 2015/2016 financial year. 23 June 2015
4. That pursuant to Section 181 (1) of the Local Government Act rates are payable in four equal or approximately equal instalments, and Council resolves that pursuant to section 181(2) of the Act the due dates for those instalments shall be: 23 June 2015
- 1 September 2015
1 December 2015
1 March 2016
1 June 2016
5. That pursuant to Section 44 of the Local Government Act 1999 the Council delegates to the Chief Executive Officer the power at Section 181(4)(b) to alter the due date for payment of any rate or instalment payment of a ratepayer where circumstances warrant such action, and to make any arrangement for payment of an account (either including or excluding the imposition of fines thereon) over an extended period. 23 June 2015

BACKGROUND:

This report sets the differential general rate and the minimum general rate payable on all properties within the Council's area, and the separate rate which the Council is obliged to collect on behalf of the Adelaide and Mount Lofty Ranges Natural Resources Management Board. It also sets the due dates for payment for each quarter, and delegates authority to the Chief Executive Officer to vary the due dates and to make arrangements with ratepayers for extension of time to pay their accounts, with or without interest.

DISCUSSION:

Rate Declaration

The proposed differential general rates are as follows:

Category 1	Residential	0.364584c
Category 2	Commercial - Shop	0.674480c
Category 3	Commercial – Office	0.674480c
Category 4	Commercial – Other	0.674480c
Category 5	Industrial - Light	0.601563c
Category 6	Industrial – Other	0.601563c
Category 7	Primary Production	0.364584c
Category 8	Vacant	0.692709c
Category 9	Other	0.364584c

and combined with a minimum rate payable of \$965.00 will raise the required rate income.

The Adelaide and Mount Lofty Ranges Natural Resources Management Board extends from Cape Jervis in the south to Stockwell in the north. The City of Marion will be charged an amount of \$1,572,828 payable in four quarterly instalments of \$393,207. The proposed

separate rate of 0.009344 cents in the dollar, will be applied to all rateable properties within the area and will recoup the amount the Council is required to contribute to the Natural Resources Management Board. A levy on ratepayers will add an average \$38 to each rate account. In accordance with an agreement with the Natural Resources Management Board, Council may claim administrative costs on an agreed basis. A claim of \$12,816 is forecast for 2015/16 (\$12,534 – 2014/15).

Collection of this money on behalf of the Natural Resources Management Board will be revenue-neutral for the Council.

CONCLUSION:

Adoption of the recommended differential general rates, minimum general amount and the separate rate for the Natural Resources Management Board levy will ensure that budget requirements are met.

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Originating Officer: Kylie Jaggard, Team Leader Rating Services
Corporate Manager: Ray Barnwell, Manager Finance
Director: Vincent Mifsud
Subject: Rate Rebates 2015-16
Reference No: GC230615R07

REPORT OBJECTIVE AND EXECUTIVE SUMMARY:

That the Council review applications received from community service organisations requesting rate rebates in accordance with the Council's Rate Rebate Policy.

RECOMMENDATIONS (8):

DUE DATE

That:-

- | | | |
|----|--|--------------|
| 1. | The Schedule of Mandatory Rate Rebates (refer Appendix 1) be noted. | 23 June 2015 |
| 2. | Council resolves that a discretionary rate rebate of 25% be granted under Section 166(1)(j) of the Local Government Act, 1999 to Foodbank SA on the properties it occupies for the 2015-16 financial year. | 23 June 2015 |
| 3. | Council resolves that a discretionary rebate of 25% be granted under Section 166(1)(d) of the Local Government Act, 1999 to Suneden School on the property it occupies and uses for educational purposes for the 2015-16 financial year. | 23 June 2015 |
| 4. | Council resolves that a discretionary rate rebate of 25% be granted under Section 166(1)(g) of the Local Government Act, 1999 to Developing Alternative Solutions to Housing Inc (DASH) on the properties it occupies at 1/5 and 3/5 Finniss St Marion, 105 Nunya Ave, Morphettville, 348 & 348A Sturt Rd, Clovelly Park for the 2015-16 financial year. | 23 June 2015 |
| 5. | Council resolves that a discretionary rate rebate of 100% be granted under Section 166(1)(j) of the Local Government Act, 1999 to the Scout and Guide Organisations on the properties currently occupied by them for the 2015-16 financial year. | 23 June 2015 |

6. Council resolves that a discretionary rate rebate of 50% be granted under Section 166(1)(j) of the Local Government Act, 1999 to The Abbeyfield Society (Marion) Inc on the property it occupies at 5 Lawrence Ave, Edwardstown for the 2015-16 financial year, subject to receipt by Council of a new rebate application request. 23 June 2015
7. Council resolves that a discretionary rate rebate of 50% be granted under Section 166(1)(j) of the Local Government Act, 1999 to the Plympton Glenelg RSL Sub Branch on the property it occupies at 464 Marion Rd, Plympton Park for the 2015-16 financial year, subject to receipt by Council of a new rebate application request. 23 June 2015
8. Council resolves that a discretionary rate rebate of 25% be granted under Section 166(1)(j) of the Local Government Act, 1999 to Prison Fellowship Australia (SA) on the property it occupies at 397C and 397E Diagonal Rd, Sturt for the 2015-16 financial year, subject to receipt by Council of a new rebate application request. 23 June 2015

BACKGROUND:

The Local Government Act 1999 provides for rebates of rates, on either a mandatory (Sections 160 to 165) or discretionary (Section 166) basis of 100% or less. The discretionary rebate may, for example, apply where a not-for-profit community services organisation does not fall within the provisions for a mandatory rebate (under Section 161) but does fall within the discretionary rebate grounds. Section 161(3) of the Local Government Act 1999, as reflected in the Council's Rating Policy, sets a three part test for eligibility for a mandatory 75% rebate for a community service organisation:-

“161 – Rebate of rates - community services

- (1) The rates on land being predominantly used for service delivery or administration by a community service organisation will be rebated at 75 per cent (or, at the discretion of a council, at a higher rate).
- (3) For the purposes of this section, a community service organisation is a body that –
 - (a) is incorporated on a not-for-profit basis for the benefit of the public; and
 - (b) provides community services without charge or for a charge that is below the cost to the body of providing the services; and
 - (c) does not restrict its services to persons who are members of the body.”

The Act also stipulates what is regarded as a community service.

DISCUSSION:

Council periodically receives applications from organisations occupying property within the City of Marion requesting Mandatory or Discretionary Rebates.

All the applications have been considered in accordance with the relevant sections of the Local Government Act 1999 and the Rate Rebate section of Council's Rating Policy.

Appendix 1 summarises the mandatory and discretionary rebates.

INTERNAL ANALYSIS:

Legal / Legislative and Risk Management:

Mandatory Rebates

The Local Government Act provides for a number of mandatory 100% rebates, these rebates apply to land being used for the provision of health services, religious purposes, public cemeteries and the Royal Zoological Society of SA, and mandatory 75% rebates for educational purposes, community services, private schools and housing associations.

Discretionary Rebates

When considering granting any Discretionary Rebates, Council must also consider the provisions of the Rating Policy.

"The Council will in accordance with Section 166(1a) of the Act take into account the following matters when deciding whether to grant a discretionary rebate of rates of charges under Section 166(1) (d), (e), (f), (g), (h), (i) or (j).

- 18.6.4 the nature and extent of Council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in the Council's area;
- 18.6.5 the community need that is being met by activities carried out on the land for which the rebate is sought; and
- 18.6.6 the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons."

Council has previously approved discretionary rebates to the following community organisations:

Foodbank SA

Foodbank SA meets the requirement for a 75% mandatory rebate. In addition, Council in previous financial years has granted a discretionary rebate of 25% in accordance with Council's Rating Policy.

It is proposed that a 25% discretionary rebate be approved for 2015-16.

Suneden School

This organisation meets the requirement for a 75% mandatory rebate. In addition, Council in previous financial years has granted a discretionary rebate of 25% in accordance with Council's Rating Policy.

It is proposed that a 25% discretionary rebate be approved for 2015-16.

Developing Alternative Solutions to Housing Inc (DASH)

This organisation meets the requirement for a 75% mandatory rebate on properties at 1/5 and 3/5 Finnis St Marion, 105 Nunya Ave, Morphettville, 348 and 348A Sturt Rd, Clovelly Park. DASH provides emergency accommodation to youth.

It is proposed that in addition a 25% discretionary rebate be approved for 2015-16.

Scout and Guide Organisations:

The Scouting and Guide organisations do not meet the definition of community services set out in the Rate Rebate Policy and therefore do not qualify for a mandatory rebate. However, Council has previously granted discretionary rebate of up to 100%.

It is proposed that a 100% discretionary rebate be approved for 2015-16.

The Abbeyfield Society (Marion) Inc

This organisation does not meet the definition of Community Services set out in the Rate Rebate Policy and therefore does not qualify for a mandatory rebate.

A discretionary rebate of 50% to The Abbeyfield Society (Marion) Inc has previously been approved by Council, from 2004-05 through to the 2014-15 financial year.

It is recommended that the rebate be extended for the 2015-16 financial year subject to receipt by Council of a new application request.

Plympton Glenelg RSL Sub Branch

This organisation does not meet the definition of Community Services set out in the Rate Rebate Policy and therefore does not qualify for a mandatory rebate.

A discretionary rebate of 50% to the Plympton Glenelg RSL Sub Branch has previously been approved by Council, from 2004-05 through to the 2014-15 financial year.

It is recommended that the rebate be extended for the 2015-16 financial year subject to receipt by Council of a new application request.

Prison Fellowship Australia (SA)

This organisation does not meet the definition of Community Services set out in the Rate Rebate Policy and therefore does not qualify for a mandatory rebate.

A discretionary rebate of 25% to the Prison Fellowship Australia (SA) has previously been approved by Council for the 2009-10 through to the 2014-15 financial years.

It is recommended that the rebate be extended for the 2015-16 financial year subject to receipt by Council of a new application request.

Council Property - Leased

Under the provisions of the Local Government Act, Council must rate all Council owned property over which a lease has been granted.

However, the Recreation Grounds Rates and Taxes Exemption Act, 1981 exempts sporting and recreation clubs from Council Rates. The exemption will only apply where the total income (if any) derived by a club from the use of the land is used to maintain the club facilities at that site.

Financial Implications:

The nature of rebates is that the rate responsibility is shifted from one section of the community to another. The provision of discretionary rebates directly impacts on Council's finances.

CONCLUSION:

All applications for rate rebates have been reviewed individually in accordance with the relevant sections of the Local Government Act 1999 and with Council's Rating Policy.

Appendix 1: Schedule of Mandatory and Discretionary Rate Rebates

APPENDIX 1 - RATE REBATE REPORT 2015-16

Mandatory 100%		
Organisation	Rate \$	Rebate \$
Adelaide Society of The New Church Inc	1,496	1,496
Apostolic Church Aust Ltd	3,029	3,029
Baptist Churches of South Australia Inc	12,284	12,284
Brighton Christadelphian Ecclesia Inc	2,804	2,804
Catholic Church Endowment Society Inc	11,546	11,546
Churches of Christ in SA & NT Inc	14,004	14,004
City Of Marion	12,340	12,340
Community of Christ	2,505	2,505
Corp of Presiding Bishop of Latter-Day Saints	6,918	6,918
Good Shepherd Lutheran Church Hallett Cove Inc	6,824	6,824
Hallett Cove Parish	4,207	4,207
Hindu Society Of SA Inc	1,870	1,870
Islamic Society Of SA Inc	1,795	1,795
Lutheran Church Of Australia (SA) Inc	4,412	4,412
Lutheran Church of Australia SA & NT District Holding Ltd	2,617	2,617
Maranatha Christian Assembly & School Inc	4,020	4,020
New Apostolic Church Aust Pty Ltd	954	954
Oasis Family Church Inc	1,327	1,327
Park Holme Baptist Church Inc	2,991	2,991
Seaview Community Church Inc	2,393	2,393
Synod Diocese Murray Anglican Church	2,673	2,673
Synod Diocese Adelaide Anglican Church	6,207	6,207
The Salvation Army (SA) Property Trust	9,649	9,649
Uniting Church in Australia Property Trust SA	41,319	41,319
Total	160,184	160,184

Mandatory 75%		
Organisation	Rate \$	Rebate \$
Accessible Housing Assoc Inc	61,769	46,327
Anglicare SA Housing Assoc	29,709	22,281
Anglicare SA Inc	43,843	32,882
Bedford Industries Inc	23,670	17,752
Catholic Church Endowment Society Inc	35,991	26,993
Common Equity Housing SA Ltd	22,791	17,093
Community Housing Ltd	7,516	5,637
Developing Alternative Solutions To Housing Inc	4,038	3,029
Eco Housing Co-Operative Inc	5,422	4,066
Eldercare Inc	48,941	36,705
Emmaus Christian College Inc	22,903	17,177
James Brown Memorial Trust Inc	11,730	8,797
Julia Farr Housing Assoc	47,205	35,404
Junction & Women's Housing Ltd	4,038	3,029
Laura & Alfred West Cottage Homes	5,908	4,431

Lutheran Community Housing Support Unit Inc	32,113	24,085
M D & L M Lucas - Hallett Cove school building	989	742
M I Davis - Hallett Cove school building	986	740
Minda Inc	23,707	17,780
Mr J Boulderstone - Hallett Cove school building	988	741
Netherlands Aust Aged Services Assoc Inc	28,045	21,033
Olsberg Pty Ltd - Hallett Cove school building	991	743
Portway Housing Assoc Inc	4,543	3,407
Red Shield Housing Assoc Inc	17,257	12,943
Renton Holdings Pty Ltd	841	631
Resthaven Inc	49,522	37,142
RSL Poppy Day Housing Assoc - ILU	6,207	4,655
Southern Cross Care (SA & NT) Inc	27,390	20,543
Southern Junction Community Services Inc	33,633	25,225
St Martin De Porres Catholic School	7,666	5,749
Sunrise Christian School Inc	9,816	7,362
The Adelaide Benevolent & Strangers Friend Society	11,667	8,750
The Frederic Ozanam Housing Assoc Inc	44,279	33,209
The Salvation Army (SA) Property Trust	1,944	1,458
The Womens Housing Assoc Inc	30,769	23,077
Trustee of Marist Bros. Southern Province	55,341	41,506
Trustees of the Marist Brothers	1,271	954
Unity Housing Co	141,034	105,776
Westminster School Inc	83,420	62,565
Westside Housing Association	27,058	20,293
Woodend Primary School	19,070	14,303
Whalers Housing Association	2,487	1,865
Total	1,038,508	778,881

Mandatory 75% and Discretionary 25%		
Organisation	Rate \$	Rebate \$
Developing Alternative Solutions To Housing Inc	4,966	4,966
Foodbank of South Australia Inc	10,323	10,323
Geddes Building Services Pty Ltd & Mr I Stewart (Foodbank)	4,787	4,787
Suneden Intellectually Disabled Childrens Inc	8,600	8,600
Total	28,676	28,676

Discretionary 100%		
Organisation	Rate \$	Rebate \$

Dover Gardens Guide Assoc	984	984
The Scout Assoc of South Australia	12,145	12,145
Total	13,129	13,129

Discretionary 50%		
Organisation	Rate \$	Rebate \$
Plympton Sub-Branch Returned & Services League	3,624	1,812
The Abbeyfield Society (Marion) Inc	3,291	1,645
Total	6,915	3,457

Discretionary 25%		
Organisation	Rate \$	Rebate \$
Prison Fellowship Australia (SA)	1,943	486
Total	1,943	486

SUMMARY		
	Rate \$	Rebate \$
Mandatory 100%	160,184	160,184
Mandatory 75%	1,038,508	778,881
Mandatory 75% & Discretionary 25%	28,676	28,676
Discretionary 100%	13,129	13,129
Discretionary 50%	6,915	3,457
Discretionary 25%	1,943	486
TOTAL	1,249,355	984,813

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Director: Heather Montgomerie
Subject: Disposal of Land and Assets Policy
Report Reference: GC230615R08

REPORT OBJECTIVES:

The purpose of this report is to seek Council's adoption of a revised 'Asset Management Policy' (AM Policy) and a new 'Disposal of Land and Assets Policy'.

This responds to an earlier recommendation of the Audit Committee that Council's existing 'Acquisition and Disposal of Land Assets Policy' (A&DLA Policy) be reviewed in the context of the AM Policy adopted in August 2014 (GC120814R04).

EXECUTIVE SUMMARY:

The AM Policy contains a Strategic Asset Management Decision Making Matrix, which highlights opportunities to either acquire new assets or dispose of assets that are considered discretionary (following consultation processes, where applicable), or Council may resolve to maintain and renew them, in which case they would be appropriately factored into Asset Management Plans.

Furthermore, the AM Policy requires that prior to renewal of assets, consideration be given to more efficient and effective means of service delivery prior to investment. This may give rise to the opportunity to reduce the scale of the assets or asset disposal in the event that another asset could provide the same service, or a non-asset solution is available.

With respect to the A&DLA Policy, it is a requirement of the *Local Government Act 1999* (the Act) that Council adopt policies on contracts and tenders, including policies on the sale or disposal of land or other assets.

A review of Council's existing policies and the relevant provisions of the Act has highlighted to opportunity address acquisition and disposal of land assets through the following actions including consolidation of a number of Council policies, thus reducing the volume and complexity of documents relating to acquisition and disposal of assets.

- The provisions of the existing A&DLA Policy relating to 'Acquisition Criteria' are also dealt with in Council's AM Policy, Prudential Management Policy and Procurement Policy, so there is no need to duplicate them further.
- Consultation provisions contained in the existing A&DLA Policy are dealt with in Council's existing Community Consultation Policy, so there is no need to duplicate them further.
- Consolidating relevant disposal provisions of Council's A&DLA Policy and Disposal of Assets Other Than Land Policy into a single Disposal of Land and Assets Policy (Appendix 1) will meet the requirements of Section 49 of the Act, reduce the number of Council policies by one and ensure consistency of approach across various assets.
- Minor amendments to the AM Policy (Appendix 2) will clarify the linkages between the various policies.

RECOMMENDATIONS (2)**DUE DATES****That Council:**

- | | |
|---|------------------|
| 1. Adopt a revised Asset Management Policy, clarifying linkages to other relevant Council policies; | June 2015 |
| 2. Adopt a Disposal of Land and Assets policy, replacing the 'Acquisition and Disposal of Land Assets Policy' and 'Disposal of Assets Other Than Land Policy'. | June 2015 |

BACKGROUND

In 2012 the LGA developed a 'Guide Policy for Disposal of Land and Assets' which meets the requirements of the Act, and it is proposed that Council adopt a policy based on that guide covering land and other assets. A draft policy is set out as Appendix 1 for consideration.

It is further proposed that the AM Policy have minor amendments made, as set out in Appendix 2, which would clarify the linkages between policies to avoid the need for duplication.

Council has a range of policies that are relevant to acquisition and disposal of assets, including:

Policy	Relevance
A&DLA Policy	Sets out provisions for acquisition and disposal of land assets, some of which are duplicated in other Council policies
Asset Accounting Policy	Sets materiality levels in accordance with accounting standards and other principles
Asset Management Policy	Establishes broad objectives and a decision matrix to inform preparation of asset management plans
Community Consultation Policy	Captures legislative responsibilities to consult, and outlines the City of Marion's approach to community consultation
Disposal of Assets Other than Land Assets Policy	Considers disposal of vehicles, major plant, and 'assets of value' other than vehicles and major plant by one of three methods (trade in, auction, sale by tender)
Procurement Policy	Sets out good procurement practice to achieve value for money; broad enough to apply to Council's wide range of procurement activity
Prudential Management Policy	Guides Council's investment decision making for projects to ensure alignment and accountability

Since adoption of the majority of these policies, Codes of Conduct have also been gazetted for Council Employees and Elected Members under the Act. These may also be relevant in terms of 'benefits' that may accrue if open and transparent disposal methods are not in place. The LGA template explicitly states that "Elected members and employees of the Council will not be permitted to purchase Assets unless the purchase is via an open tender process or an auction, and the tender submitted or bid made is the highest" and this has been incorporated at section 1.2.4 of the attached draft policy.

Further, the LGA Guide proposed a register of interest for Minor Plant and Equipment that would require Council to maintain a register of parties who may be interested in items

becoming available for disposal for a period of 12 months, then contact the parties inviting bids if/when the particular item became available. This was considered an onerous process, so an alternative is proposed at section 1.3 of the draft policy whereby a list of available items is published inviting bids within a thirty day period. Decision criteria are further proposed to promote transparency.

ANALYSIS

Consultation

The Audit Committee considered the draft Disposal of Land and Assets Policy and revised Asset Management policy at their meeting on 14 April 2015 (AC140415R6.5). The Audit Committee were supportive of the approach and sought clarification in the policy that any decision to dispose of land must be a decision of Council, and that appropriate delegations are exercised in the disposal of land, and that the Policy Principles reflect that *“Council will seriously consider the disposal of land where it has been determined that is no longer required for the community”*. These matters have been incorporated into the policy presented.

Legal / Legislative and Risk Management

The proposed Disposal of Land and Assets policy is based on an LGA(SA) template which was developed to meet the requirements of the *Local Government Act 1999* (SA).

Financial Implications

There are no financial implications arising from the adoption of the revised AM Policy or Disposal of Land and Other Assets Policy.

CONCLUSION:

Minor amendments to the AM Policy will clarify that the same decision making matrix used to identify where prioritisation needs to occur for asset acquisitions or upgrades can also be used to identify where prioritisation opportunities exist for asset disposals.

Existing prudential management and procurement policies cover off adequately on acquisition of land assets, leaving an opportunity to simplify the City of Marion's suite of policies by considering all provisions relating to asset disposals into one policy based on a template developed by the LGA to meet the requirements of the Act.

Disposal of Land and Assets Policy



POLICY STATEMENT

The Local Government Act (the Act)¹ requires Council to develop and maintain policies, practices and procedures directed towards the sale or disposal of land or other assets to:

- obtain value in the expenditure of public money; and
- provide for ethical and fair treatment of participants; and
- ensure probity, accountability and transparency in all disposal processes.

The Act requires that Council prepare and adopt a range of policies, including a policy relating to the sale of land and other assets. The policy seeks to identify circumstances where Council will call for the disposal of land or other assets, and set out associated processes.

DEFINITIONS

In this Policy, unless the contrary intention appears, these words have the following meanings:

Asset means any physical item that the Council owns and that has at any time been treated pursuant to the Australian Accounting Standards as an 'asset'. It includes Major Plant and Equipment such as infrastructure and buildings it **does not include** financial investments, trees or Land.

Land includes community land, vacant land, operational land, road reserves, any legal interest in land, and any other land-related assets, including all buildings (community and operational) on Land.

Major Plant and Equipment includes all major machinery and equipment owned by the Council. It includes all trucks, graders, other operating machinery and major plant items. It does not include Minor Plant and Equipment.²

Minor Plant and Equipment includes all minor plant and equipment owned by Council. It includes all loose tools, store items, furniture, second hand items removed from Major Plant and Equipment (such as air conditioners, bricks and pavers) and surplus bulk items (such as sand and gravel).

POLICY PRINCIPLES

Council must have regard to the following principles in its disposal of Land and Assets:

- Council seriously consider the disposal of land where it has been determined that it is no longer required for the community.
- Encouragement of open and effective competition.
- Obtaining value for money (not restricted to price alone). An assessment of value for money may include the consideration of;
 - the contribution to Council's long term financial plan and strategic management plans;

¹ Local Government Act 1999 (SA) s 49(1)(d)

² Materiality; Infrastructure, land and buildings \$5000. Furniture, equipment and other \$3 000. GC240614R03 - Asset Accounting Policy

- any relevant direct and indirect benefits to Council, both tangible and intangible;
- efficiency and effectiveness;
- the costs of various disposal methods;
- internal administration costs;
- risk exposure; and
- the value of any associated environmental benefits.
- Council is to behave with impartiality, fairness, independence, openness and integrity in all discussions and negotiations.
- Ensuring compliance with all relevant legislation including;
 - Local Government Act 1999 (SA)
 - Real Property Act 1886 (SA)
 - Land and Business (Sale and Conveyancing) Act 1994 (SA)
 - Development Act 1993 (SA)
 - Retail and Commercial Leases Act 1995 (SA)
 - Residential Tenancies Act 1995 (SA)
 - Strata Titles Act 1988 (SA)
 - Crown Land Management Act 2009 (SA)
 - Community Titles Act 1996 (SA)
 - Roads (Opening and Closing) Act 1991 (SA)
 - Land Acquisition Act 1969 (SA).

CONSIDERATIONS PRIOR TO DISPOSAL OF LAND AND ASSETS

Any decision to dispose of Land and Assets will be made after considering (where applicable):

- the usefulness of the Land or Asset;
- the current market value of the Land or Asset;
- the annual cost of maintenance;
- any alternative future use of the Land or Asset;
- any duplication of the Land or Asset or the service provided by the Land or Asset;
- any impact the disposal of the Land or Asset may have on the community;
- any cultural or historical significance of the Land or Asset;
- the positive and negative impacts the disposal of the Land or Asset may have on the operations of the Council;
- the long term plans and strategic direction of the Council;
- the remaining useful life, particularly of an Asset;
- a benefit and risk analysis of the proposed disposal;
- the results of any community consultation process;
- any restrictions on the proposed disposal;
- the content of any community land management plan; and
- Other relevant policies of the Council, including:
 - Asset Accounting
 - Asset Management
 - Community Consultation
 - Procurement
 - Prudential Management

DISPOSAL METHODS

1. LAND DISPOSAL

Any decision to dispose of land must be a decision of Council.

- 1.1.1 Where the Land forms or formed a road or part of a road, the Council must ensure that the Land is closed under the *Roads Opening and Closing Act 1991* (SA) prior to its disposal.
- 1.1.2 Where Land is classified as community land, the Council must:
 - 1.1.2.1 undertake public consultation in accordance with the Act and the Council's public consultation policy; and
 - 1.1.2.2 ensure that the process for the revocation of the classification of Land as community land has been concluded prior to its disposal; and
 - 1.1.2.3 comply with all other requirements under the Act in respect of the disposal of community land.³
- 1.1.3 Where the Council proposes to dispose of Land through the grant of a leasehold interest, the Council must have complied with its obligations under the Act, including its public consultation obligations under Section 202 of the Act.
- 1.1.4 The Council will, where appropriate and through the use of appropriate delegations, dispose of Land through one of the following methods:
 - 1.1.4.1 *open market sale* - advertisement for disposal of the Land through the local paper and where appropriate, a paper circulating in the State, or by procuring the services of a licensed real estate agent and/or auctioneer (following compliance with the Council's Procurement Policy);
 - 1.1.4.2 *expressions of interest* - seeking expressions of interest for the Land;
 - 1.1.4.3 *select tender* - seeking tenders from a selected group of persons or companies;
 - 1.1.4.4 *open tender* - openly seeking bids through tenders, including public auction;
 - 1.1.4.5 *by negotiation* – with owners of land adjoining the Land or others with a pre-existing interest in the Land, or where the Land is to be used by a purchaser whose purpose for the Land is consistent with the Council's strategic objectives for the Land.
- 1.1.5 Selection of a suitable disposal method will include consideration of (where appropriate):
 - 1.1.5.1 the number of known potential purchasers of the Land;
 - 1.1.5.2 the original intention for the use of the Land;
 - 1.1.5.3 the current and possible preferred future use of the Land;
 - 1.1.5.4 the opportunity to promote local economic growth and development;
 - 1.1.5.5 delegation limits, taking into consideration accountability, responsibility, operation efficiency and urgency of the disposal;
 - 1.1.5.6 the total estimated value of the disposal; and
 - 1.1.5.7 compliance with statutory and other obligations.
- 1.1.6 The Council will not dispose of Land to any Council Member or employee of the Council who has been involved in any process related to a decision to dispose of the Land and/or the establishment of a reserve price.
- 1.1.7 If Land is to be auctioned or placed on the open market or disposed of by an expression of interest, then (unless the Council resolves otherwise) one independent valuation must be obtained to establish the reserve price for the Land. The independent valuation must be made no more than 6 months prior to the proposed disposal.
- 1.1.8 If Land is to be disposed of via a select tender or direct sale, then (unless the Council resolves otherwise) a minimum of two independent valuations must be

³ The Act may be amended from time to time.

obtained to ensure that an appropriate market value is obtained. The independent valuation must be made no more than 6 months prior to the proposed disposal.

- 1.1.9 The Council will seek to dispose of Land at or above current market valuation by whichever method is likely to provide the Council with a maximum return, unless there are reasons for the Council to accept a lesser return which is consistent with the Council's overall strategic direction. These reasons must be documented in writing.
- 1.1.10 If the disposal is not to be on the open market, the disposal should be at or above the current market valuation (with due regard to all associated costs to achieve the transaction or such other amount as the Council resolves).

1.2 ASSETS DISPOSAL

The sale of Assets (both Major Plant and Equipment and Minor Plant and Equipment) will be the responsibility of the relevant Council Officer who is responsible for those Assets and who has the necessary delegations.

- 1.2.1 The Council will, where appropriate, dispose of Assets through one of the following methods:
 - 1.2.1.1 *trade-in* – trading in equipment to suppliers;
 - 1.2.1.2 *expressions of interest* – seeking expressions of interest from buyers;
 - 1.2.1.3 *select tender* – seeking tenders from a selected group of persons or companies;
 - 1.2.1.4 *open tender* – openly seeking bids through tenders;
 - 1.2.1.5 *public auction* – advertisement for auction through the local paper and, where appropriate, a paper circulating in the State, or procuring the services of an auctioneer (following compliance with the Council's Procurement Policy).
- 1.2.2 Selection of a suitable method will include consideration of (where appropriate):
 - 1.2.2.1 the public demand and interest in the Asset;
 - 1.2.2.2 the method most likely to return the highest revenue;
 - 1.2.2.3 the value of the Asset and whether it is Major Plant and Equipment or Minor Plant and Equipment;
 - 1.2.2.4 the costs of the disposal method compared to the expected returns; and
 - 1.2.2.5 compliance with statutory and other obligations.
- 1.2.3 Preference will be given to community groups for Minor Plant and Equipment
- 1.2.4 Elected Members and employees of the Council will not be permitted to purchase Assets unless the purchase is via an open tender process or a public auction, and the tender submitted or bid made is the highest.
- 1.2.5 Purchasers of Assets must be required to agree in writing that before purchasing any Asset that no warranty is given by the Council in respect of the suitability and condition of the Asset for the purchaser and that the Council will not be responsible for the Asset in any respect following the sale.

1.3 MINOR PLANT AND EQUIPMENT: REGISTER OF INTEREST

Where Minor Plant and Equipment has not been disposed of through any of the processes in clause 1.2 of this Policy, the City of Marion will publish a list of surplus items and seek offers for their disposal. Decision making will be supported by the following provisions:

- 1.3.1. If two or more offers are the same and one is from within the City of Marion area but the other is not, preference is to be given to the offer within the City of Marion.
- 1.3.2 If two or more offers are the same and one is from a community group, preference is to be given to the community group.
- 1.3.3 If two or more offers are the same and one is from a staff member or elected member and the other is from a community member, preference is to be given to a community member.
- 1.3.4 If the above process does not yield a preferable result as indicated, a random draw be conducted and no further correspondence entered into.

2. CONSULTATION

Council must undertake public consultation in respect of its proposed disposals in accordance with the Act and its public consultation policies where applicable.

3. DELEGATIONS

Council or its officers with delegated authority will, when implementing the decisions under this policy, act in accordance with the Council's budget, relevant policies, plans, agreements and resolutions.

Council acknowledges that the Chief Executive Officer may sub-delegate matters related to this policy to staff or other persons employed or engaged by Council.

4. RECORDS

Council must record reasons for utilising a specific disposal method and where it uses a disposal method other than a tendering process.

5. EXEMPTIONS FROM THIS POLICY

This Policy contains general guidelines to be followed by the Council in its disposal activities. There may be emergencies, or disposals in which a tender process will not necessarily deliver best outcome for the Council, and other market approaches may be more appropriate. In certain circumstances, the Council may, after approval from its elected members, waive application of this Policy and pursue a method which will bring the best outcome for the Council. The Council must record its reasons in writing for waiving application of this Policy.

6. FURTHER INFORMATION

- 6.1 This policy will be kept on the Council's website for the public to view.
- 6.2 This policy will be reviewed in conjunction with the suite of finance policies every two years.
- 6.3 However, Council may revise or review this Policy at any time (but not so as to affect any process that has already commenced).

**CITY OF MARION
GENERAL COUNCIL MEETING
23 JUNE 2015**

Originating Officer: John Silverblade, Manager Strategic Assets
Director: Heather Montgomerie, Director
Subject: Asset Management Plan
Report Reference: GC230615R09

REPORT OBJECTIVES:

The City Of Marion's Asset Management Plan (AMP) has been drafted in preparation for public consultation. The plan covers transport infrastructure (roads, footpaths, kerbing, bridges, signage and traffic control devices), open space, buildings, drainage and coastal walking trail assets.

The AMP provides information on Council's asset needs over the life of the 10 year Long Term Financial Plan (LTFP) with financial projections extending over 20 years. This will allow Council to make informed decisions and adjustments to strategy to meet its long term asset aspirations.

EXECUTIVE SUMMARY:

The key objective of the AMP is to inform Council's long term investment in its assets and align forecast expenditure in the LTFP with projected asset maintenance and renewal requirements.

The AMP has been prepared in accordance with Council's Asset Management Policy adopted in August 2014 (GC120814R04), which places priority on maintenance before renewal, and renewal of assets before acquisition of new or upgrade of existing assets where it is cost effective to do so. Any acquisitions or upgrades will need to be prioritised by Council prior to their inclusion in future iterations of the AMP, having regard to whole of life costs.

The AMP has been prepared on the basis of the proposed 2015/16 LTFP taking into account all existing information available, and with action plans being developed for improved asset management and asset planning (including data and systems improvement). New or upgrade works have not been included in this AMP unless there is a specific Council resolution or legislative requirement to do so (eg new stormwater works arising from adoption of Council's Stormwater Management Plans, new signage and DDA building works).

The draft AMP was considered by the Audit Committee at their meeting on 15 June 2015 (AC150615R7.3), and the following feedback was provided:

The Committee raised the following points for Council to consider:

- *The AMP only reflects like for like renewal. No new works are included, except for storm water drainage.*
- *The AMP reflects a projected funding shortfall of \$10.2m, which was highlighted as being a “best case” scenario. There are a number of ways for this to be addressed and one of them may be through asset disposal of underutilised assets.*
- *The figure of \$49m for building renewals (which is based on accumulated depreciation to 30 June 2014) is likely to be low. This means that the identified funding gap of \$10.2m may in fact be close to \$20m or \$30m over the course of the LTFP. It is important that Council regularly reviews and updates the AMP as further information, in particular in relation to building renewal, comes to hand to ensure that any further funding gaps are identified.*
- *The CFPP can be used for alternate purposes but Council should be aware that if funds are used for the upgrade and/or purchase of new assets, the increase in whole of life costs associated with those new assets/upgrades, including future renewal costs, will need to be appropriately considered and provided for in the AMP and LTFP, creating a larger funding shortfall.*
- *Strategic Projects are not included in the AMP or LTFP and will need to be prioritized and presented as a business plan. Additionally, any project with a value over \$4m will need to comply with the requirements of section 48 of the Local Government Act 1999 with the completion of a prudential report including all financials and whole of life costs.*
- *Council leases require many of the small community groups to undertake maintenance work on the leased properties. From experience, Council is aware that some community groups are not maintaining the buildings to Councils required standards. The Committee noted that many of these community groups are only paying a “peppercorn” rent to Council and they have a legal responsibility to ensure the terms of the lease are fulfilled. It was also noted that often leases are only as good as they are managed. Unless monitored regularly, often parts of the lease obligations will not be fulfilled.*
- *It is important for the LTFP and the AMP to be considered together as they are inter-related.*
- *The disposal plan on page 180 of the agenda identifies assets for disposal of playgrounds that needs to be considered as part of the Playspace Strategy. These items have been identified as surplus and are planned to be disposed of in coming years in accordance with Council's resolution. If disposed of, the costs of remediation of each site has not been included within the AMP. The disposal relates to the playground equipment only and not the sale of the land.*
- *Most land owned by the Council is classified as Community Land. If Council resolved to sell any land, the Community Land title must be revoked by Ministerial approval.*

The Audit Committee resolved to recommend to Council that the Asset Management Plan be adopted for community consultation.

Council is required to develop and adopt an infrastructure and asset management plan in accordance with section 122(1a)(b) of the *Local Government Act 1999* (the Act), which is taken to form part of Council's strategic management plans. As such, Council is required to undertake a period of consultation and four weeks is proposed. Although this AMP is a 'baseline' plan to maintain and renew existing assets at current service levels, any feedback received will inform future iterations which will seek to ensure community expectations are translated into appropriate and sustainable service levels.

RECOMMENDATIONS (2):

DUE DATES

That Council:

23 June 2015

1. Note the report and the Audit Committee's feedback

2. Endorse the draft AMP for a period of 4 weeks community consultation.

23 June 2015

DISCUSSION:

The Audit Committee considered a report on 14 April 2005 (AC140415R6.3) which provided a progress report on development of AMPs. Since then, all assets have been consolidated into a single plan that draws data from a series of background papers. At the time the progress report was prepared a number of the plans had different 'commencement dates', however all asset types have now been brought up to date, with the plan commencing in 2015/16 and as such the forecasts for operations, maintenance and renewals have been updated accordingly.

The AMP focusses on 'built' assets, rather than land, information technology, fleet or fixtures and fittings. While Council does have some vacant land assets, the majority contain buildings, sporting or recreational infrastructure. Council is currently in the process of compiling information on vacant land assets for further consideration. Information technology, fleet and fixtures and fittings are generally considered 'operational' in nature.

Current forecasts for Council to operate, maintain and renew existing assets, minor building renewals and new signage and stormwater works equates to \$216.6 million over the 10 year life of the LTFP, excluding building renewals as building renewal plans have not yet been developed. As noted by the Audit Committee on 14 April 2015 (AC140415R6.4), it is proposed that building renewal plans be developed over the coming 2 years. However, given the current consumption of building assets, it would be reasonable to initially provision \$49 million (equivalent to accumulated depreciation to 30 June 2014) for building renewals, pending the assessment of buildings and development of renewal plans.

As noted on page 4 of the AMP (Appendix 1), it is generally considered unreliable to draw comparisons between annual depreciation figures and sustainable renewal requirements, as infrastructure renewal requirements generally exceed depreciation. The forecast building renewal requirement outlined above is therefore considered low, and it is expected the accuracy of this figure will be improved considerably through the development of building renewal plans.

However, using the \$49 million figure and based on information presently to hand, the AMP demonstrates a forecast funding shortfall of \$10.2 million over 10 years when compared to forecast asset expenditure in the LTFP, as outlined below:

Draft 2015/16 LTFP Projections for operations, maintenance & renewal	\$231.3 million
Draft 2015/16 LTFP Projections for approved new stormwater works	\$24.1 million
Less Draft AMP forecasts for Operations, Maintenance & Renewal (excluding building renewals) + new stormwater works	(\$216.6 million)
Less proposed provision for Building Renewals	(\$49.0 million)
Projected funding shortfall based on draft 2015/16 LTFP & draft AMP, including provision for building renewals	(\$10.2 million)

Impacts from asset acquisitions, upgrades, grants, contract unit rates, a downward variation of rates / revenue and development of building renewal plans will impact on available funding and may necessitate review of Council's works and approach to its assets.

Council may choose to manage this shortfall through a range of measures including increasing revenue (rates and/or grant funding), asset disposal, realignment of funding in the LTFP or reducing costs elsewhere.

Council's asset management approach needs to reflect the changing priorities, focus and decisions of Council and to adapt as further assessments of asset condition are completed and community needs and expectations are clarified.

The AMP highlights areas of operational improvement by driving the development of renewal and service strategies where these do not exist to a high degree. The plan also highlights the need for on-going discussion with Elected Members and the community regarding service standards to be delivered within Council's available resources.

As Council is required to undertake a period of consultation for this plan, it is recommended that an 'inform' approach be taken to this AMP as it is effectively a 'baseline' plan to maintain and renew existing assets at current service levels, in accordance with Council's Asset Management Policy. However, any feedback received will be valuable in informing future iterations, which will have a more comprehensive engagement approach and seek to ensure community expectations are translated into appropriate service levels.

In endorsing the AMP for consultation, the following points should be noted:

Buildings

- Council's 106 buildings have an estimated 'like for like' renewal value of approximately \$123 million (valuation as at 30 June 2014), with an average annual operating, maintenance and minor renewal spend of \$4.6 million.
- A number of Council's buildings are approaching the later years of their lives and will require renewal, so it is critical that provision for renewal costs be incorporated into asset management planning.
- A key opportunity for improvement in the AMP will be to review utilisation, community need and development of renewal plans (or, in some cases, Council may wish to prioritise disposal of under-utilised assets).
- The AMP does not include maintenance where a lease exists and maintenance is the responsibility of the leaseholder.

Open Space

- Council's open space assets include playspaces, outdoor furniture, fencing, etc with an estimated 'like for like' renewal value of approximately \$29.3 million (valuation as at 30 June 2014), requiring an average annual operating, maintenance and renewal spend in the order of \$4.8 million.
- Many open space assets are approaching the end of their useful lives, with issues including restricted access, limited parent or carer facilities, limited creative play opportunities, and limited diversity and challenge.
- The Open Space AMP originally presented to Audit Committee (AC300713R5.2) included projections of levels of service that represented significant upgrades rather than 'like for like' renewal. This had the effect of adding in the order of \$20.6 million to the forecast resource requirements over the life of the LTFP (or \$43.2 million over the 20 year life of the AMP). These forecasts have now been excluded in line with Council's adopted Asset Management Policy.
- The Playspace Strategy is currently under review, and when completed this will provide a basis for Council's setting of service standards and associated costs.

Drainage

- Council's drainage and stormwater infrastructure has an estimated 'like for like' renewal value of approximately \$206.8 million (valuation as at 30 June 2014), requiring an average operating, maintenance and renewal spend in the order of \$3.35 million.
- Council has adopted stormwater management plans (SMPs) for two of its four catchment areas. These plans have provided information on necessary stormwater works, prioritisations and cost estimates within the relative catchments. Given that these plans have been adopted by Council and the Stormwater Management Authority, this information has been used in the development of this report.
- Outcomes of the remaining two catchment studies will be incorporated in future iterations of the plan.

Coastal Walking Trail

- The Coastal Walking Trail forms a 7.2 km section between Hallett Cove and Marino.
- Initially a State Government initiative to develop a 70 km linear park along the Adelaide metropolitan coastline from Sellicks Beach to North Haven, maintenance and renewal of sections of the Coastal Walking Trail are now the responsibility of each Council.
- The trail requires an average annual operating, maintenance and minor renewal spend in the order of \$2.234 million over 10 years.
- While the maintenance of the trail is funded within the 10 year LTFP horizon, future renewal costs fall outside the scope of the report and will need to be considered in future iterations of the AMP.

Transport

- Council's transport infrastructure covers road seals, pavements, kerbs, footpaths, bus shelters, walking and cycling trails and other transport infrastructure with an estimated 'like for like' renewal value of approximately \$565.9 million (valuation as at 30 June 2014), requiring an average annual operating, maintenance and renewal spend in the order of \$8.73 million per annum.
- Analysis of the road audit has identified opportunities to implement alternative seal treatments and the need to renew some pavements, resulting in changes to the intervention methodology. This change will be monitored over future years and the impact on the road network validated by further audits and analysis including specific inspections.

ANALYSIS:

Legal / Legislative and Risk Management

The AMP will meet the requirements of the *Local Government Act 1999* (SA). A section on risk is contained in the AMP, which has been developed in conjunction with Council's risk unit and will be incorporated into future reviews of Council's corporate risk register.

Financial Implications

As outlined above, the AMP identifies a forecast funding shortfall in the order of \$10.2 million based on information presently to hand. This forecast is likely to be low as the cost of renewal is generally greater than the accumulated depreciation. Council may choose to address this shortfall through a range of means including increasing revenue (rates and/or grant funding), asset disposal, realignment of funding in the LTFP or reducing costs elsewhere.

Policy Implications

The AMP has been prepared in accordance with Council's Asset Management Policy.

CONCLUSION:

The AMP has been developed to meet the requirements of the *Local Government Act 1999* (SA), for transport infrastructure, buildings, open space, coastal walking trail and drainage assets. The plan supports the Council's forward planning framework.

The AMP has been developed in accordance with Council's Asset Management Policy, with any upgrades or new work not included unless there is a Council resolution to do so. Upgrades or the acquisition of new assets will require prioritisation and endorsement from Council prior to inclusion in future iterations of the AMP and Long Term Financial Plan.

As this plan forms part of Council's strategic management plans it will be necessary to undertake community consultation prior to its adoption, however it is proposed that an 'inform' consultation approach be taken on this occasion, with feedback informing service standards and future iterations of the AMP.

City of Marion





Transport, Stormwater, Open Space, Buildings and Coastal Walking Trail

Asset Management Plan



Scenario 1 Version 1

May 2015

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1. EXECUTIVE SUMMARY

Context

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner. An asset management plan (AMP) details information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective manner. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services.

The AMP incorporates key information drawn from individual Transport, Stormwater, Open Space, Buildings and Coastal Walking Trail Asset Management Plans (background documents) that have recently been developed by Council.

One of the principle aims of this plan is to inform the preparation of Council's Long Term Financial Plan (LTFP). The plan uses the Draft 2015/16 10 year LTFP as its basis but ultimately proposes a realignment of funds between the different infrastructure asset types and between renewal and new / upgrade expenditure.

In the development of the plans it became clear that there was opportunity for reform particularly in the programming of the road reseal / reconstruction program. Following the recent adoption of Council's Asset Management Policy¹, projections of upgrade and new work have been removed, so that only projects approved by Council are included in the plan. The result of these two changes is an indicative (unrealised) surplus of \$38.8 million over the 10 years of the Draft 2015/16 LTFP based on projected budget requirements and projected budget availability. However, it is important to note that this does not include provision for major renewal of Council owned buildings, with building renewal plans to be developed over the next two years. It has been recommended that Council provision \$49 million for building renewal², being equivalent to accumulated depreciation on buildings as at June 2014. This would actually result in a net \$10.2 million deficit in renewal expenditure over the 10 year life of the LTFP, as set out below:

Draft 2015/16 LTFP Projections for operations, maintenance & renewal	\$231.3 million
Draft 2015/16 LTFP Projections for approved new stormwater works	\$24.1 million
Less Draft AMP forecasts for Operations, Maintenance & Renewal (excluding building renewals) + new stormwater works	(\$216.6 million)
Less proposed provision for Building Renewals	(\$49.0 million)
Projected funding shortfall based on currently adopted LTFP & draft AMP, including provision for building renewals	(\$10.2 million)

However, it is generally considered unreliable to draw comparisons between annual depreciation figures and sustainable renewal requirements, as infrastructure renewal requirements generally exceed depreciation. The forecast building renewal requirement outlined above is therefore considered conservative (low).

This plan does not include short term assets (such as fleet, furnishings, telecommunications equipment). While land assets are not discussed explicitly, most land assets contain building or open space infrastructure.

Assets covered by this plan and background documents include;

- Bridges
- Buildings
- Bus shelters
- Coastal walking trail
- Footpaths
- Irrigation
- Kerbing
- Playgrounds
- Reserves assets, benches / bins etc
- Road seals and pavements
- Signs
- Sports courts
- Stormwater pipes & pits
- Traffic control devices
- Wetlands

¹ <https://www.marion.sa.gov.au/webdata/resources/files/Asset-Management-Policy.pdf>

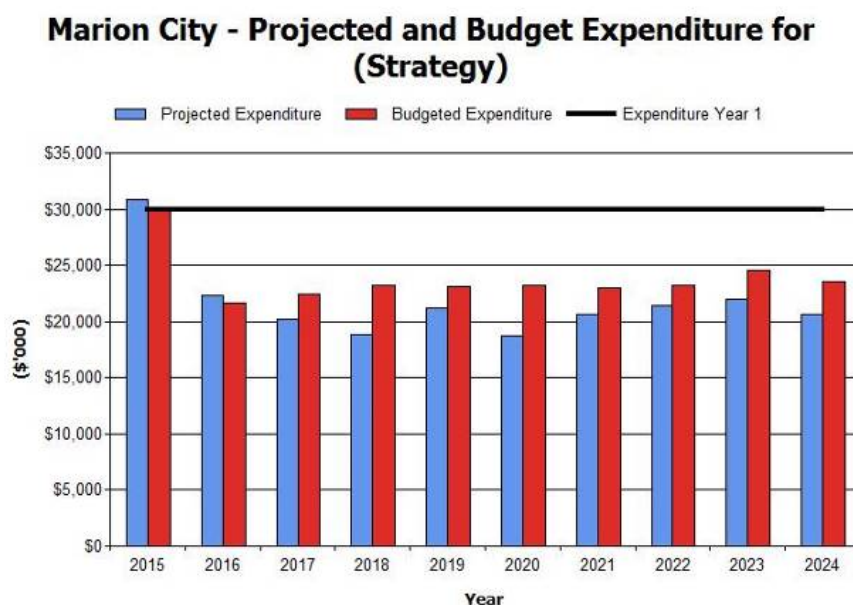
² City of Marion Audit Committee 14 April 2015 Report AC140415R6.3
<https://www.marion.sa.gov.au/webdata/resources/files/AC140415%20-%20Combined%20Agenda%20&%20Reports.pdf>

The infrastructure assets have a current replacement cost of \$938.9 million and a depreciable amount of \$609 million (Council audited valuations).

What does it cost?

The projected outlays necessary to provide the services covered by this AMP includes operations, maintenance, renewal and minor upgrade of existing assets plus approved stormwater works over the 10 year planning period is \$216.6 million or \$21.66 million on average per year, excluding major building renewals as discussed above.

Estimated available funding for this period according to the Draft 2015/16 LTFP is \$255.4 million or \$25.54 million on average per year which is 118% of the cost to provide the service, excluding major building renewals. Projected expenditure required to provide services in the AMP compared with planned expenditure currently included in the LTFP are shown in the graph below.



Changes to Council rates or service standards and the development of building renewal plans will impact on the forecasts outlined in this plan.

What is included in financial projections

We plan to provide services for the following:

- Operation, maintenance, renewal and minor upgrade of infrastructure to meet service levels set in annual budgets.
- No major upgrades within the 10 year planning period, other than currently approved Council building projects, stormwater and some signage.
- Rectify identified defects where they are deemed maintenance and renewal activities.

What is not included in financial projections

New work or upgrades beyond existing service levels have not been included in financial projections, unless there is a specific Council resolution for that work to be undertaken.

Confidence Levels

This AMP is based on medium to high level of confidence information.

2. INTRODUCTION

2.1 Background

This AMP is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide existing levels of service over a 10 year planning period, with financial projections extending over 20 years.

The AMP is based on the format for AMPs recommended in Section 4.2.6 of the International Infrastructure Management Manual³.

In the preparation of this plan, information has been drawn from a number of background papers which include more detail for transport, stormwater, open space, building and coastal walking trail assets.

Once adopted, this AMP will inform the next iteration of the LTFP. When compared to the Draft 2015/16 LTFP, available funds for approved stormwater works, asset operating, maintenance and renewal and minor upgrades amount to \$255.4 million while this plan identifies a resource requirement of \$216.6 million, resulting in a surplus of \$38.8 million before any provision is made for major building renewal plans. A range of measures have been identified, including :

- A detailed review has been undertaken of the Councils road resealing / reconstruction practices which has found significant potential savings provided that an alternative philosophy and program of works is adopted.
- In accordance with Councils current Asset Management Policy, upgrades of assets have not been included in the plan unless there is a specific Council resolution to do so.
- Other than existing building projects, stormwater assets and some signage works, construction of new assets has not been considered.
- Prior to upgrades to existing assets or construction of new assets, Council will prioritise works and have regard to whole of life costs and impacts on the LTFP.

It has been recommended that Council provision \$49 million for building renewal, being equivalent to accumulated depreciation on buildings as at 30 June 2014 and the projected depreciation of these assets over the life of the plan. This would result in a net \$10.2 million deficit in renewal expenditure over the life of the LTFP.

The infrastructure assets covered by this AMP are shown in Table 2.1. The cost to renew the asset has been calculated using asset management information including Council's estimated actual costs in undertaking renewal works or brownfield unit rates.

Table 2.1: Assets covered by this Plan

Asset category/sub-category	Dimension	Renewal Cost (\$million)
TRANSPORT		
Seals	458km	71.2
Pavements	482km	220.2
Kerb	980km	140.2
Footpath	777km	111.3
Traffic Control Devices	10758 of	13.4
Signs	14,811 of	2.7
Bus shelters	515 of	1.9
Bridges	31 of	5.0
SUB-TOTAL		565.9

³ IPWEA, 2011, Sec 4.2.6, Example of an Asset Management Plan Structure, pp 4 | 24 – 27.

Asset category/sub-category	Dimension	Renewal Cost (\$million)
STORMWATER		
Drainage pipes	258km	145.9
Drainage pits, manholes, inlets & outlets.	6.550 of	28.7
Box culverts	6.1km	12.1
GPTs and trash racks	45 of	2.2
Wetlands, dams and detention basins	12 of	17.9
SUB-TOTAL		206.8
OPEN SPACE		
Reserve general assets including park benches, bins, fences, etc	1256 of	22.5
Irrigation systems	72 of	3.0
Playgrounds (like for like)	93 of	5.2
Tennis Courts (not club courts)	29 of	1.6
SUB-TOTAL		32.2
BUILDINGS		
Structure	99 of	43.9
Roofing	99 of	13.8
Fitout	99 of	28.5
Services	99 of	31.5
Entire simple buildings	106 of	5.4
SUB-TOTAL		123.1
COASTAL WALKING TRAIL		
Path	6.5km	5.4
Benches	38 of	.076
Signs	61 of	.018
Bins	3 of	.005
Bridges	3 (37m total length)	.213
Structures	564m	3.8
Balustrade	728m	.036
Fencing	5.489km	.017
Drainage	36 items	.027
Viewing Points	5 of	.113
Links	26 of	.989
SUB-TOTAL		10.9
TOTAL		938.9

2.2 Goals and Objectives of Asset Management

The City of Marion exists to provide services to its community. Some of these services are provided by infrastructure assets. We have acquired infrastructure assets by 'purchase', by contract, construction by our staff, by donation of assets constructed by developers, by co-contribution via grant funding and others to meet increased levels of service for open space.

Our goal in managing infrastructure assets is to meet the existing level of service (as amended from time to time, in accordance with Council's Asset Management Policy) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,

- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed.⁴

2.3 Plan Framework

Key elements of the plan are

- Levels of service – specifies the services and levels of service to be provided by Council,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Life cycle management – how we will manage our existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices,
- Monitoring – how the plan will be monitored to ensure it is meeting the organisation's objectives,
- Asset management improvement plan.

A road map for preparing an AMP is shown on the following page.

2.4 Core and Advanced Asset Management

This AMP plan has generally been prepared using advanced condition data collected at the individual asset level. Remaining lives have been estimated from this condition data and unit rates applied to the individual assets peculiar to the environment in which they are located.

2.5 Community Consultation

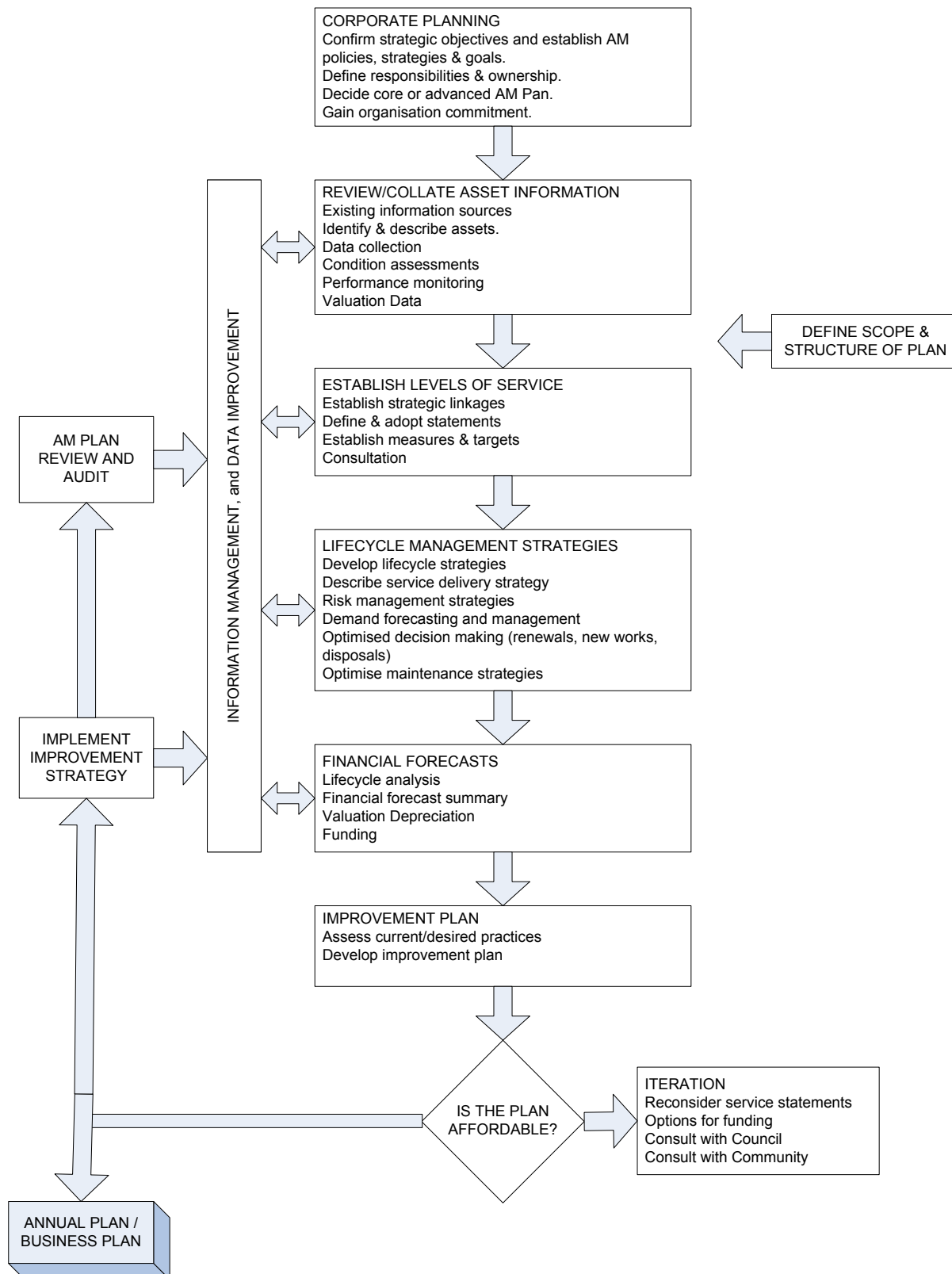
This AMP is prepared to facilitate community consultation prior to adoption by the Council.

Future revisions of the AMP will incorporate community consultation on desired / preferred service levels and provide clarity on the costs of providing the service. This will assist the Council and the community in aligning the level of service desired by the community, service risks and consequences with the community's ability and willingness to pay for the service.

⁴ Based on IPWEA, 2011, IIMM, Sec 1.2 p 1|7.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11.



3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council participates in the Local Government Association of South Australia Comparative Performance Measures in Local Government Customer Satisfaction survey. This telephone survey, last undertaken in 2012, polled a sample of residents on their level of satisfaction with Council's services. The most recent customer satisfaction survey reported above average satisfaction levels with Council's management of assets.

Table 3.1: Community Satisfaction Survey Levels

Performance Measure	Satisfaction Level				
	Very Satisfied	Fairly Satisfied	Satisfied	Somewhat satisfied	Not satisfied
Community satisfaction with asset management	√				

Source: LGA Customer Satisfaction Survey

While this plan largely represents existing levels of service, a community engagement approach is planned for the next iteration which will support Council to better understand customer expectations with respect to its assets. In addition, consultation will occur as part of Council's review of its Open Space and Playspace strategies (planned throughout 2015/16), as well as on a project-by-project basis.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the organisation's Community Plan – Towards 2040.

Our vision is:

Wellbeing

The six themes of the Community Plan are:

- Liveable
- Biophilic
- Engaged
- Prosperous
- Innovative
- Connected

The Council is currently working on a Council Plan, which will detail how we aim to turn the community's aspirations into reality. The AMP will be updated accordingly to include the Council Plan outcomes

3.3 Legislative Requirements

Council is required to meet many requirements including Australian and State legislation and State regulations, and various standards, rules and codes, as set out in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
<i>Aboriginal Heritage Act 1988 (SA)</i>	Provides for the protection and preservation of aboriginal heritage and includes legislation for the discovery, acquisition, damage or sale of sites, objects or remains of aboriginal significance.
<i>Civil Liability Act 1936 (SA)</i>	Liability of road authorities
<i>Coastal Protection Act 1972 (SA)</i>	Council responsible for the day to day maintenance of beach and coastal facilities.
<i>Dangerous Substances Act 1979 (SA)</i>	An Act to regulate the keeping, handling, transporting, conveyance, use and disposal, and the quality, of dangerous substances.
<i>Development Act 1993 (SA)</i>	An Act to provide for planning and regulate development in the State; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate.
<i>Disability Discrimination Act 1992 (Cth)</i>	Sets out the responsibilities of Council and staff in dealing with access and use of public infrastructure
<i>Environmental Protection Act 1993 (SA)</i>	To provide for the protection of the environment and related areas. Sets out the role, purpose, responsibilities and powers of Council relating to protection and preservation of the environment; policies include Water Quality Policy
<i>Heritage Act 1993 (SA)</i>	To conserve places of heritage value, and for other purposes.
<i>Highways Act 1926 (SA)</i>	An Act to....."make further and better provision for the construction and maintenance of roads and works, and for other purposes"
<i>Local Government Act 1999 (SA)</i>	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a LTFP supported by AMPs for sustainable service delivery.
<i>Native Title Act 1993 (Cth)</i> <i>Native Title (South Australia) Act 1994 (SA)</i>	Protects native title and ensures that it cannot be extinguished contrary to the Act.
<i>Natural Resource Management Act 2004 (SA)</i>	Sets out the role, purpose, responsibilities and powers of Council relating to managing natural resources.
<i>Road Traffic Act 1961 (SA)</i>	Defines layout and format of roads within the city. Defines control requirements including use of traffic control, traffic calming, crossings, speed setting and general limitations of use
<i>South Australian Public Health Act 2011 (SA)</i>	An Act dealing with public and environmental health.
<i>Work, Health and Safety Act 2012 (SA)</i>	Proactive in occupational health, safety and welfare practices in all undertakings of Council.
Standards, Rules and Codes	Requirement
AS 1742	Manual of uniform traffic control devices
Australian Accounting Standards	Sets out the financial reporting standards relating to the (re)valuation and depreciation of infrastructure assets.
Australian Road Rules	Contain the basic rules of the road for motorists, motorcyclists, cyclists, pedestrians, passengers and others
Australian Standards AS/NZS4422 – 1996 Playground Surfacing AS4685-2004 Playground Equipment AS4486-1-1997 Playground Inspection & Maintenance	Sets out the general requirements for surfacing to be used in children's playgrounds A general standard in 6 parts that deals with playground equipment Sets out the requirements for the development, installation, inspection and maintenance of playgrounds and playground equipment
Building Code of Australia (status of building regulation in all States and Territories)	Enables the achievement of nationally consistent, minimum necessary standards of relevant safety (including structural safety and safety from fire), health, amenity and sustainability objectives efficiently.

3.4 Current Levels of Service

We have defined service levels in two terms.

Community Levels of Service measure how the community receives the service and whether the organisation is providing community value.

Community levels of service measures used in the AMP include:

Quality	How good is the service?
Function	Does it meet users' needs?
Capacity/Utilisation	Is the service over or under utilised?

Technical Levels of Service - Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing frequency, mowing frequency, etc.
- Maintenance – the activities necessary to retain an assets as near as practicable to an appropriate service condition (e.g. road patching, unsealed road grading, building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade – the activities to provide an higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library). In accordance with Councils asset management policy upgrade has not been considered in the preparation of this plan.

Asset managers plan, implement and control technical service levels to influence the customer service levels.⁵ These technical levels of service inform annual works programs and budgets.

Our current service levels are detailed in Appendix A.

In some cases current and/or optimal levels of service have not been defined, however it is proposed that this will be the subject of community engagement in preparation for the next iteration of the plan.

⁵ IPWEA, 2011, IIMM, p 2.22

4. FUTURE DEMAND

4.1 Demand Drivers

Over recent years The City of Marion has upgraded assets to a much higher standard than what existed before. One example is the practice of upgrading playgrounds in response to community expectations for a higher level of service, being driven by the following objectives:

- Design of quality and accessible play spaces that meet both child and parent/ carer needs
- A hierarchy of play spaces based on the Open Space & Recreation Strategy 2006-2016
- Improving the play value in the various levels of play spaces
- An equitable distribution of play spaces throughout the Council area

Following the adoption of Council's Asset Management Policy in August 2014, such upgrades will require prioritisation and approval of Council, with full knowledge of the whole of life costs and subsequent impacts on Council's LTFP.

4.2 Demand Forecast

The present position and projections for demand drivers that may impact future service delivery and utilisation of the assets are identified and are documented in Table 4.3.

4.3 Demand Impact on Assets

The impact of demand drivers that may affect future service delivery and utilisation of Council assets are shown in Table 4.3.

4.4 Demand Management Plan

Demand for services may be managed through innovative renewal practices, non-asset solutions, insuring against risks and managing failures.

In accordance with Council's current asset management policy, no new or upgraded assets are included in this plan, apart from stormwater, minor building works and signage already approved by Council.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

4.5 Asset Programs to meet Demand

In the preparation of this AMP it has been assumed that no new assets will be constructed or no substantial upgrades will be undertaken, other than stormwater, some immediate building works and signage already approved by Council. The cumulative value of upgrade / new asset construction over the 10 years of this plan is \$30.7 million. Any further upgrades or new asset construction will need to be prioritised by Council, with consideration of the whole of life costs and subsequent impacts on the LTFP.

In preparing the 2013 version of the Stormwater Asset Management Plan, \$35.375 million of drainage projects (2012 values) were identified to be constructed over 20 years. The LTFP budget projections provide sufficient funds each financial year for these works.

The new / upgrade assets relating to buildings include \$4.5 million in 2015 for the depot upgrade and \$700k between 2015 and 2017 for sustainability upgrades to buildings.

Table 4.3: Demand Drivers, Projections and Impact on Services

Demand drivers	Present position	Projection	Impact on services	Demand Management Plan
Population	<ul style="list-style-type: none"> The current population of Marion Council is estimated to be 85,398⁶ in 2013. 	<ul style="list-style-type: none"> It is estimated that the population will grow to 97,867⁷ by 2031. This equates to a growth of 693 people or 0.8% per year. 	<ul style="list-style-type: none"> Increased population will likely result in increased use of the asset which may result in higher maintenance costs. 	<ul style="list-style-type: none"> Prioritise maintenance activities
Seal: Expectation that roads will be sealed with 'hotmix' rather than any other treatment.	<ul style="list-style-type: none"> Approximately 99% of the network has a 'hotmix' seal with only a few segments having a spray seal treatment. 	<ul style="list-style-type: none"> Options for different treatments including rejuvenation may result in lower lifecycle network cost. 	<ul style="list-style-type: none"> If different treatments are considered then lower lifecycle costs may result. 	<ul style="list-style-type: none"> Monitor availability of treatments
Pavement: Increase in traffic loading	<ul style="list-style-type: none"> Over the last 50 years Councils road pavements have seen increased axle loadings from commercial vehicles 	<ul style="list-style-type: none"> It is likely that commercial vehicle loadings will continue to increase 	<ul style="list-style-type: none"> Accelerated deterioration of road pavements 	<ul style="list-style-type: none"> Communicate options and capacity to fund Transport Infrastructure with community. Monitor community expectations re service levels and communicate financial capacity to balance priorities with what the community is prepared to pay. Fund priority works. Continue to seek grant funding for identified projects. Improve understanding of costs and capacity to maintain current service levels. Continue to analyse cost of providing services and capacity to fund at current level of service.
Kerb:	<ul style="list-style-type: none"> Replacement of short 'failed' kerb sections proceeds the resealing of a road. 	<ul style="list-style-type: none"> If different resealing treatments are used there may not be the necessity to replace sections of kerb. 	<ul style="list-style-type: none"> Increased works programming opportunities may exist where kerb does not need to be replaced prior to reseal. 	
Footpath:	<ul style="list-style-type: none"> Councils footpaths are largely 1.2m wide 	<ul style="list-style-type: none"> Current Council standards require a width of 1.5m 	<ul style="list-style-type: none"> Increase in width of entire footpath network to meet standards comes at a substantial unfunded cost. 	
Footpath: New	<ul style="list-style-type: none"> There are still streets in Councils network that are not serviced by a footpath on either side of the road. 	<ul style="list-style-type: none"> Some residents demand footpaths on low traffic streets whilst property owners to the frontage to the path may not want it. 	<ul style="list-style-type: none"> Demand for footpath needs to be balanced against available funds, substantiated risks and resident requests. 	
Bus shelters: provision of shelters to bus stops not currently serviced by shelters	<ul style="list-style-type: none"> There are a number of bus stops not currently serviced by a shelter 	<ul style="list-style-type: none"> Council is required to complete DDA compliant bus shelters by December 2020 	<ul style="list-style-type: none"> Additional shelters require funding to establish and maintain Currently there is no provision for new shelters within Council LTFP and approval mechanisms 	
Traffic Control Devices	<ul style="list-style-type: none"> Councils installation of traffic control devices has growth in response to community requests and traffic investigations 	<ul style="list-style-type: none"> Further requests from the community may continue. 	<ul style="list-style-type: none"> Demand for the installation of traffic calming measures. 	

⁶ LGA Directory 2013

⁷ Estimate Based on <http://www.id.com.au/>

Demand drivers	Present position	Projection	Impact on services	Demand Management Plan
Stormwater: Development Trends - urban infill and regeneration	<ul style="list-style-type: none"> Dwelling growth historic trend is 4% over 5 years 36,941 dwellings in 2011 Allotment impervious area from 50% towards 90%	<ul style="list-style-type: none"> 43,416 dwellings Increase urban infill and regeneration and TODs. Dramatic increase in allotment impervious area ie towards 90% - resulting in a significant increase in allotment stormwater runoff. 	<ul style="list-style-type: none"> Existing stormwater infrastructure has insufficient design capacity to cope with increase runoff from development – increase frequency of property flooding and damages. 	<ul style="list-style-type: none"> Implement strategies, actions and programs contained in Stormwater Management Plans. Design drainage works to ensure flooding is not increased downstream of the works. Developers required to treat and reduce peak flows and volume of water entering Council's drainage system. Stormwater inlets, outlets, trash racks, GPTs are to be regularly cleaned, repaired and emptied to ensure flows are not obstructed. Watercourses and channels are to be maintained to ensure flows are not obstructed. Develop WSUD schemes and guidelines. Rehabilitate and restore watercourses, improve biodiversity and rectify erosion problems as they occur. Develop and manage harvest/reuse schemes on Council buildings and land, encourage other property owners/users to harvest/reuse water.
Stormwater: Catchment Management	<ul style="list-style-type: none"> Direct stormwater discharge into river and marine environment with some pollution control measures and limited stormwater reuse. 	<ul style="list-style-type: none"> Regulated controls on quality of stormwater discharging into river and marine environment and stormwater reuse. 	<ul style="list-style-type: none"> Increase in infrastructure to control pollutants, capture and reuse stormwater. 	
Stormwater: Climate Change	<ul style="list-style-type: none"> Awareness that climate change is occurring and its impact on water supply and usage, increase sea levels, changes in rainfall intensities and storm events. 	<ul style="list-style-type: none"> Rising sea levels, decreasing water supply and increasing water demand. Onsite and catchment stormwater reuse and change to parks and gardens plantings due to water restrictions. 	<ul style="list-style-type: none"> Impacts on coastal environment, reduction in stormwater outfall capacity, stormwater capture and reuse infrastructure. 	
Open Space: Playspace (playground) upgrades	<ul style="list-style-type: none"> One third of Councils existing playgrounds have been upgraded to the higher standard originally proposed for all playgrounds in the playspace strategy 	<ul style="list-style-type: none"> Current proposal is replacement of playgrounds on a like for like basis, essentially duplicating the existing level of service 	<ul style="list-style-type: none"> Nil if current proposal is realised 	<ul style="list-style-type: none"> Further playspace upgrades to be prioritised by Council.
Open Space: Reserve irrigation	<ul style="list-style-type: none"> Irrigation systems in many reserves are currently not active following being 'turned off' during a recent drought 	<ul style="list-style-type: none"> Community demand for a higher level of amenity during summer months 	<ul style="list-style-type: none"> Renewal of irrigation systems required 	<ul style="list-style-type: none"> Fund priority works Stormwater harvested from Sturt River channel to be treated, stored and distributed for water specified open space areas.

Demand drivers	Present position	Projection	Impact on services	Demand Management Plan
Open Space: Ageing population	• Status Quo	• General aging of the population	• Demand for open spaces with appropriate amenities within walking distance of residences	<ul style="list-style-type: none"> • Prioritise maintenance of existing infrastructure. • New or upgrade work to be prioritised by Council.
Open Space: Increase living density	• Status Quo	• Urban consolidation through housing renewal	• Demand for increased environmental, recreational, cultural and environmental value of open spaces	
Open Space: Community expectation of open spaces	• Status Quo	• Higher level of service expected	• Demand for equitably distributed, accessible, safe, high quality and provide diverse settings to meet the needs of user groups	
Open Space: Awareness of natural environment	• Status Quo	• Community expecting to see action on behalf of Council	• Greater need to protect and enhance the natural environment	
Buildings: Sustainability and climate change	• The Strategic Plan lists issues that must be addressed for climate change and water and energy efficiency.	• Changes might be required in renewals to bring to minimum future standards, and new buildings might have to meet higher standards.	• Possible increases to initial/renewal costs of assets to meet minimum required standards.	<ul style="list-style-type: none"> • Develop building renewal plans to understand potential impacts.
Buildings: Legislation	<ul style="list-style-type: none"> • Any existing asbestos conditions will have to be managed and planned for. • Health and safety issues in e.g. aquatic centres being met. • Disabled access provisions at present might reflect standards when buildings were created. 	<ul style="list-style-type: none"> • Renewals might encounter complications if asbestos present. • Future requirements might increase Council obligations. • Renewals will have to address disability issues. 	<ul style="list-style-type: none"> • Planning required to manage any existing asbestos issues. • Possible increases future costs of services. • Possible programs requiring capital upgrades. Possible increased renewal costs. 	
Buildings: Technology	• Current community needs being met, though customer request are an indication of preferences.	• Community needs for wireless internet technology in libraries etc. likely to increase.	• Possible additional lifecycle costs for enhanced services.	

Demand drivers	Present position	Projection	Impact on services	Demand Management Plan
Coastal Walking Trail: Accessibility Requirements for disabled and elderly users	At present the walking trails contain large sections that are inappropriate for some trail users including: <ul style="list-style-type: none"> • Extensive sections of steps and landings that do not meet current Australian Design Standards for access. • Some sections of trail are excessively steep and inappropriate for wider community use. • Some sections of trail are experiencing significant erosion problems due to poor and dilapidated surface treatments and unsustainable trail grades. 	<ul style="list-style-type: none"> • Increased demand to provide services to broader group of users. 	<ul style="list-style-type: none"> • Requirement to upgrade assets to provide greater access. Swanbury Penglase Architects have identified 18 potential sites for upgrades. 	<ul style="list-style-type: none"> • Council to prioritise upgrades or, where possible, undertake improvements as part of planned maintenance/ renewal if budget allows.
Coastal Walking Trail: Improve the recreational value of the trail for walking, jogging sight seeing and cycling.	<ul style="list-style-type: none"> • Presently limited facilities for cyclists. 	<ul style="list-style-type: none"> • Increased demand for a “shared path” trail suitable for pedestrians and cyclists. 	<ul style="list-style-type: none"> • Potential demand to upgrade path assets to replace structures such as stairs (upgrades are presently unfunded in this plan in accordance with Councils asset management policy) 	
Coastal Walking Trail: Links to surrounding urban environment.	<ul style="list-style-type: none"> • Series of formal and informal links to the adjacent suburbs. 	<ul style="list-style-type: none"> • Increased demand to link trail in to surrounding suburbs. 	<ul style="list-style-type: none"> • Creation of additional links and formalising existing informal links. 	

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the organisation plans to manage and operate the assets at the agreed levels of service while optimising life cycle costs.

This section considers risk management approaches, routine operation, maintenance and renewal strategies. The data sources used to inform this section are contained at Appendix B.

5.1 Asset capacity and performance

The organisation's services are generally provided to meet design standards where these are available.

Known deficiencies in service performance are summarised in Table 5.1. Where it is consistent with Council's Asset Management Policy, these service deficiencies will be addressed in operating, maintenance and renewal programs, however some would be considered upgrade or new works, therefore requiring prioritisation by Council, with consideration of the whole of life costs and subsequent impacts on the LTFP.

Table 5.1: Known Service Performance Deficiencies

Asset Portfolio	Location	Service Deficiency
Transport	Road Pavements	There are some road pavements in poor condition which require reconstruction rather than reseal as has previously been the practice of Council
Stormwater	Stormwater drainage network	Under capacity pipe and pit drainage, lack of drainage system and property flooding.
	Stormwater quality improvements	Not all stormwater outlets have pollution control devices. Limited use of WSUD devices
	Stormwater harvesting and reuse	Limited infrastructure installed
Open Space	Playgrounds	Restricted access e.g. no paths, physical barriers such as high concrete edges Limited parent/carer facilities such as seating Predominantly equipment based play provision and therefore limited creative or quiet play opportunities Many are poorly located in terms of casual surveillance and access Very limited natural elements such as sand, boulders, plantings etc. Limited diversity Limited graduated challenge – most play spaces only provide for one particular age group
Buildings	City wide	Adequately supplied in some areas; shortages in others. Refer to Draft Community Facility Strategy 2010. Environmental, asbestos and DDA concerns.
Coastal Walking Trail	Multiple locations	Environmental Defects – Erosion, vegetation encroachment, water ponding etc. Safety – trip hazards, slippery paths Structural – corroded steel, split timber

5.2 Infrastructure Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock' to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan, together with the estimated residual risk after the selected treatment plan is operational are summarised in Table 5.2.

Table 5.2: Critical Risks and Treatment Plans

Risk	Risk Cause/Source	Current Controls	Likelihood	Consequence	Risk Rating	Risk Treatment Plan	Likelihood	Consequence	Risk Rating
Major asset failure	<ul style="list-style-type: none"> • Lack of funding to operate, maintain and renew assets (buildings, playspaces, sporting facilities, roads, drainage, footpaths etc) • Inadequate asset management planning • Under estimated or unknown condition and life cycle performance of asset resulting in structural failure • Under design of asset • Changing environmental condition • Maintenance level below Technical Level of Service/Standard 	<ul style="list-style-type: none"> • Asset Management Policy • AMP • Planned maintenance • Condition audits • Review and updating of asset related information • Stormwater master plan prepared for the Glenelg to Marion catchment and the Hallett Creek catchment • Insurance coverage for some assets only • Capital Works Plan 	L	Ma	High	<ul style="list-style-type: none"> • Rigorously apply Asset Management Policy, eg "maintain before renew and renew before new" • Review the lease/licence methodology and maintenance of community of assets • Work has commenced on the Marion / Mitcham stormwater master plan • CCTV inspection and condition rating of stormwater assets. • Further integration of the AMP into LTFP 	U	Ma	Medium
Loss of opportunity to address required transport asset upgrades i.e. bus shelters, kerb ramps and new footpaths	<ul style="list-style-type: none"> • Failure to budget appropriately for the required asset upgrades 	<ul style="list-style-type: none"> • Annual Business Plan and Budget 	AC	Mo	High	<ul style="list-style-type: none"> • Transport asset upgrades to be prioritised by Council • Works undertaken 	R	Mo	Low

Risk	Risk Cause/Source	Current Controls	Likelihood	Consequence	Risk Rating	Risk Treatment Plan	Likelihood	Consequence	Risk Rating
Asset service is below Technical Level of Service/Community expectations	<ul style="list-style-type: none"> Design of assets does not meet demand/capacity Insufficient funding to operate, maintain and renew assets Deficient routine/cyclic maintenance and renewal of assets 	<ul style="list-style-type: none"> Asset Management Policy AMP & LTFP Planned maintenance Condition audits Review and updating of asset related information in relation to demand and capacity of our networks 	L	Ma	High	<ul style="list-style-type: none"> Rigorously apply Asset Management Policy, eg "maintain before renew and renew before new" Further integration of the AMP into LTFP 	U	Ma	Medium
Excessive service cuts and/or excessive rates rises to meet asset commitments	<ul style="list-style-type: none"> Inappropriate decisions made on services/assets operations, maintenance or renewal which leave an unmanageable legacy in the future 	<ul style="list-style-type: none"> Asset Management Policy AMP & LTFP Planned maintenance Condition audits Continual improvement in understanding the lifecycle and whole of life costs by decision makers 	L	Ma	High	<ul style="list-style-type: none"> Rigorously apply Asset Management Policy, eg "maintain before renew and renew before new" Further integration of the AMP into LTFP Review the lease/licence methodology and maintenance of community of assets Development of documented Maintenance Plans 	U	Ma	Medium

5.3 Routine Operations and Maintenance Plan

Operations include regular activities to provide services such as cleaning, provision of utilities, etc.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, e.g. replacement of corroded fasteners, isolated 'topping up' of gravel but excluding rehabilitation or renewal. Maintenance may be classified into reactive, planned and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting etc. This work falls below the capital/maintenance threshold but may require a specific budget allocation.

Actual past maintenance expenditure is shown in Tables 5.3.

Table 5.3: Maintenance Expenditure Trends

Asset type	2012/13	2013/14	2014/15
Seal	480,761	517,410	513,807
Pavement	139,555	141,608	143,560
Kerb	445,799	683,993	560,926
Footpath	657,412	1,163,422	1,201,326
Traffic Control Device	3,037	3,433	3,937
Signs	268,966	220,404	252,769
Bus Shelters	433	166,939	181,123
Bridges	1,324	5,470	4,457
Stormwater – Planned and specific	597,600	596,400	661,367
Stormwater – Unplanned	398,400	397,500	342,317
Coastal Walking Trail	72,775	25,530	221,250
Open Space	2,938,430	3,030,728	3,074,616
Buildings – Planned and specific	N/A	N/A	N/A
Buildings - Unplanned	N/A	N/A	1,138,601

Council will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities aim to include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner,
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost),
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs,
- Maintain a current hierarchy of critical assets and required operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability,
- Review operations and maintenance activities to ensure Council is obtaining best value for resources used.

5.3.1 Critical Assets

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, Council can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenance activities may be targeted to mitigate critical asset failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc. Critical asset failure modes and required operations and maintenance activities are detailed in Table 5.3.1.

Table 5.3.1: Critical Assets and Service Level Objectives

Asset Portfolio	Critical Assets	Critical Failure Mode	Operations & Maintenance Activities
Transport	Road Pavements	Reconstruction required	Undertake reseals only on roads with a sound pavement base Identify roads requiring reconstruction at project planning phase Develop proactive deep lift patching maintenance program to treat 'pavement failures' on roads not requiring a reseal.
	Footpaths	Injury to walking public	Develop proactive costed program of maintenance / renewal works
Stormwater	Side entry pits, drain inlets and outlets	Blockage cause localised street and property flooding. Scouring downstream of drain outlets – erosion and watercourse bank collapse.	Regular cleaning of pits, inlets and outlets. More frequent cleaning of known 'hot spots' Regular street sweeping to minimise amount of pollutants entering the drainage system.
	Box Culverts and pipes	Collapse of asset	CCTV monitoring of drain lines. Repair/replace high risk defects.
	Gross Pollutant Traps (GPTs) and Trash Racks	Asset blocked by excessive pollutants causing localised flooding.	Regular cleaning and monitor and additional clean prior to heavy rain event.
Open Space	Playgrounds	Poor maintenance practices may lead to injury of users	Regular proactive inspection of playground assets
Buildings	High profile buildings offering services in demand with whole community, e.g. administration offices, libraries, depot .	Services cannot be provided because of failure of mechanical services such as air conditioners or filtration plant.	Regular inspection and servicing of plant and equipment.
Coastal Walking Trail	Bridges and Elevated Walkways	Component failure	Periodic inspection to locate and treat areas of timber rot or metal corrosion.
	Balustrade	Component failure	Periodic Inspection
	Path	Trip Hazards and uneven surface	Periodic inspections and replacement of gravel

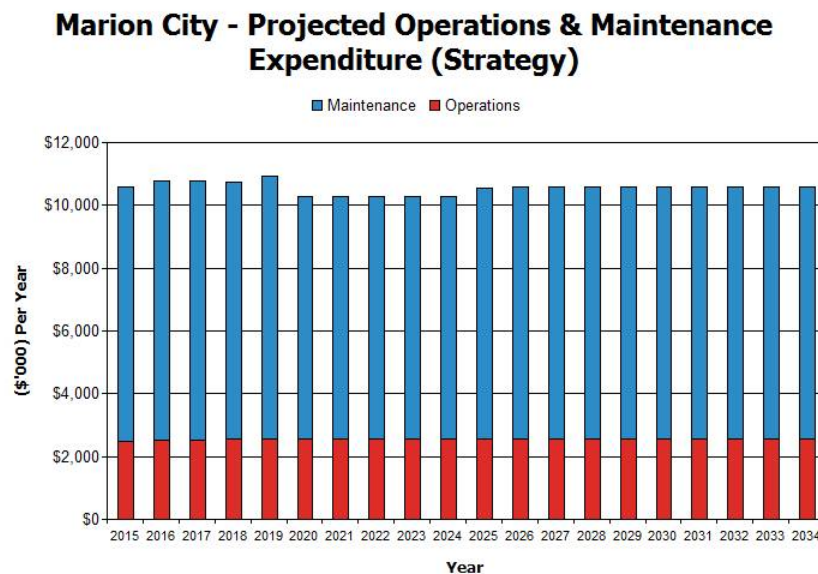
5.3.2 Standards and specifications

Maintenance work for Infrastructure contained within this plan is generally carried out by Council Staff using practices developed over many years, and in accordance with the legislative requirements, standards, rules and codes set out in 3.3 of this plan.

5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend as demonstrated in Figure 5.3.3 in line with the value of the asset stock. Note that all costs are shown in current 2014/2015 dollar values (i.e. real values).

Figure 5.3.3: Projected Operations and Maintenance Expenditure



Maintenance is funded from the operating budget where available.

5.4 Renewal/Replacement Plan

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

5.4.1 Renewal plan

Assets requiring renewal/replacement are identified using asset register data to project the renewal costs using acquisition year and useful life to determine the renewal year.

Useful lives of assets are detailed in the annual valuation documents prepared by independent valuers and are reviewed by the Finance Department on an annual basis.

5.4.2 Renewal and Replacement Strategies

The City of Marion aims to plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner,
- Undertaking project scoping for all capital renewal and replacement projects to identify:
 - the service delivery 'deficiency', present risk and optimum time for renewal/replacement,
 - the project objectives to rectify the deficiency,
 - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency,
 - and evaluate the options against evaluation criteria adopted by Council, and
 - select the best option to be included in capital renewal programs,
- Using 'low cost' renewal methods (cost of renewal is less than replacement) wherever possible,
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs,
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required ,
- Review management of capital renewal and replacement activities to ensure Council is obtaining best value for resources used.

5.4.3 Renewal ranking criteria

As part of its Asset Management Policy (2014), the City of Marion has adopted a Strategic Asset Management Decision Making Matrix that guides the process by which decisions are made as to whether an asset is maintained, renewed or upgraded.

5.4.4 Renewal and replacement standards

Renewal work is carried out in accordance with the legislative requirements, standards, rules and codes set out in 3.3 of this plan. In addition, reference is made to the following:

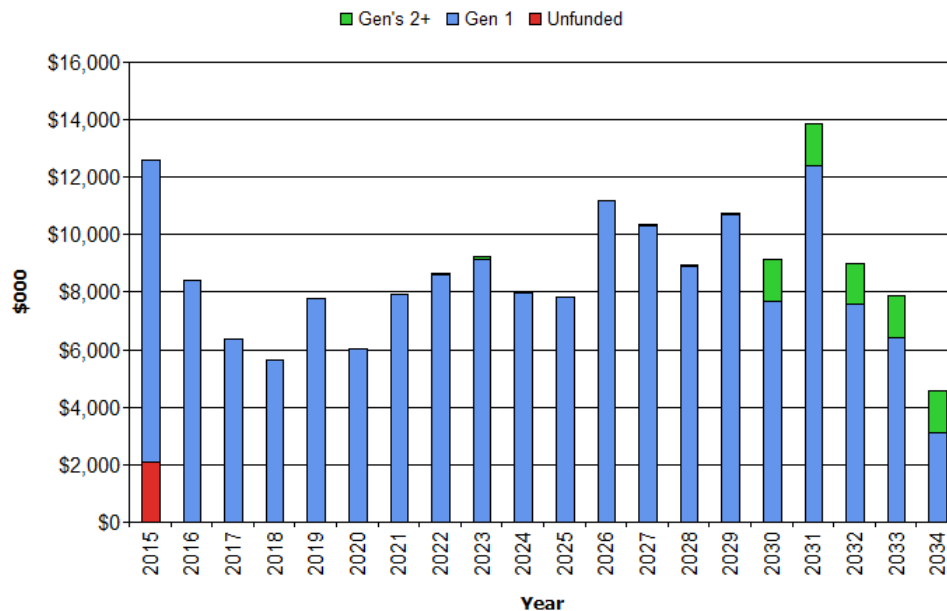
- Annual contracts & associated specifications for resealing, footpath paving and kerb laying
- Australian Rainfall and Runoff, Institution of Engineers Australia
- Australian Runoff Quality, Engineers Australia, 2006
- Australian Standards
- Council environmental and sustainability policies
- Council policies
- Council Standards and Specifications for works (developed on a project basis specific to capital asset being renewed)
- Council Standards and Specifications for works.
- Relevant AUSTROADS publications
- Special one off contracts for bridge construction and pavement reconstruction

5.4.5 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock ages. The expenditure is summarised in Figure 5.4.5. Note that all amounts are shown in real values.

Figure 5.4.5: Projected Capital Renewal and Replacement Expenditure

Marion City - Projected Capital Renewal Expenditure (Strategy)



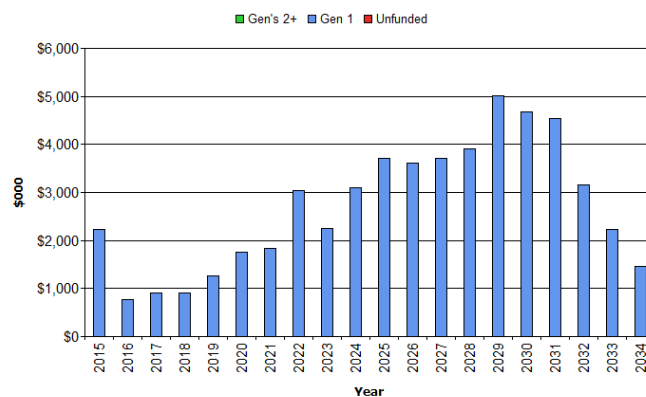
Gen 2+ renewals indicate assets that are being renewed for the second time (or more) over the 20 year forecast period. These will be assets with short useful lives such as gravel paths.

Renewals and replacement expenditure in the organisation's capital works program will be accommodated in the LTFFP.

The following graphs indicate the renewal expenditure required to support sub categories of assets within the portfolio that make up the total in Figure 5.4.5.

Seals

Marion City - Projected Capital Renewal Expenditure (Seals 2015 V1_S1_V1)



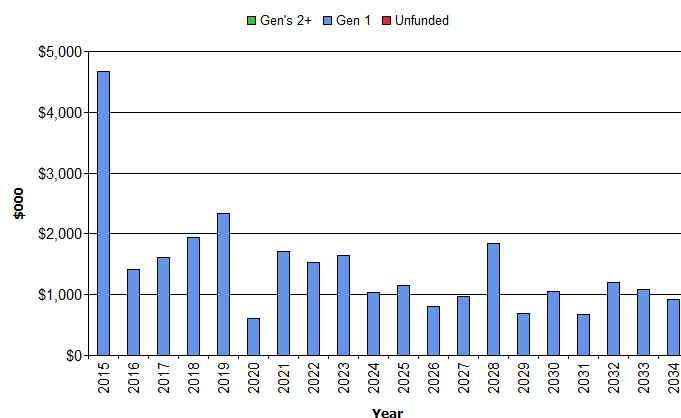
The analysis of seals undertaken in the preparation of this plan indicates that there is an opportunity to reduce existing expenditure (currently \$4.3 million) through a more rigorous prioritisation of works including:

- Implementation of a rejuvenation program
- For local roads (>80% of Councils network) delay of a reseal until environmental conditions (aging of the binder) dictate a reseal is required.
- Less emphasis given to cracking in determination of the remaining life
- Not undertaking a reseal on a road that requires pavement reconstruction
- Prioritisation given to roads that have programmed for resealing via the analysis conducted under this plan
- Implementation of a regime of rigorous onsite inspections and verification prior to a treatment being programmed

An average annual capital renewal of \$1.8 million pa is required over 10 years (2015/16 – 2024/25) and \$2.7 million over 20 years (2015/16 – 2034/35) to support the defined levels of service of the assets.

Pavements

Marion City - Projected Capital Renewal Expenditure (Pavements 2015 V1_S1_V1)



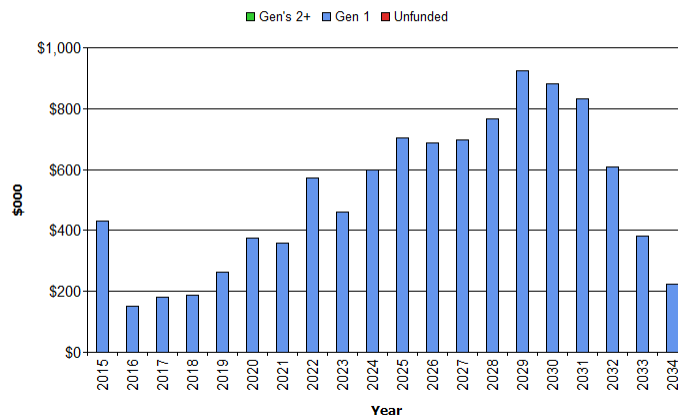
For a period of more than 10 years Council has not had a defined pavement reconstruction program. Instead, in many cases, roads have been resealed often with little rehabilitative pavement works. This has resulted in some cases in premature failure of the seal.

The analysis of pavements undertaken in the preparation of this plan indicates that pavement reconstruction is required and it will be necessary for Council to adopt a pavement reconstruction program. The graph above has been developed from a preliminary project planning perspective. It should be noted that where the required funding is shown as being high in 2015 actual projects can be delayed several years pending further detailed investigations.

An average annual capital renewal of \$1.8 million pa is required over 10 years (2015/16 – 2024/25) and \$1.4 million over 20 years (2015/16 – 2034/35) to support the defined levels of service of the assets. It is considered that the 20 year figure may be conservative since during the next 5-10 years it is expected that more pavements may show signs of structural failure due to the recent resealing practices.

Kerb

Marion City - Projected Capital Renewal Expenditure (Kerb 2015 V1_S1_V1)

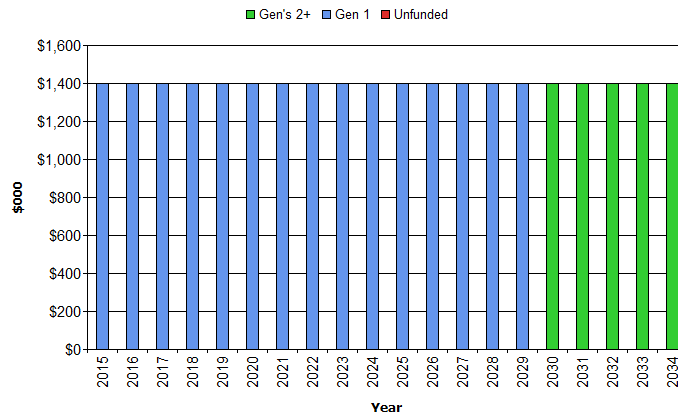


The projected renewals for kerbs can be seen to trend in line with the Seal graph. This is a result of the renewals being developed for the assumption that 5% of the kerb will be replaced on each segment of road before it is resealed.

An average annual capital renewal of \$357k pa is required over 10 years (2015/16 – 2024/25) and \$514k over 20 years (2015/16- 2034/35) to support the defined levels of service of the assets.

Footpaths

Marion City - Projected Capital Renewal Expenditure (Footpaths 2015 V1_S1_V1)

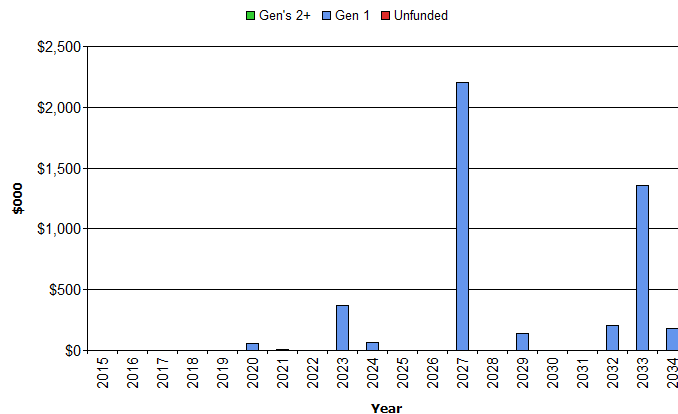


The footpath projected renewal expenditure has been derived from lifting the current service level of defect repair over the entire network from an estimated 18 years to 15 years.

An average annual capital renewal of \$1.4 million pa is required over 10 years (2015/16 – 2024/25) and 20 years (2015/16 – 2034/35) to support the defined levels of service of the assets.

Traffic Control Devices

Marion City - Projected Capital Renewal Expenditure (TCD 2015 V1_S1_V1)

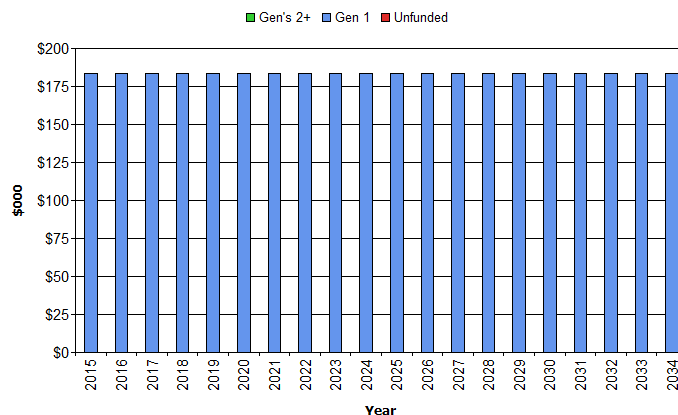


The traffic control device renewals have been estimated from valuation data.

An average annual capital renewal of \$49.6k pa is required over 10 years (2015/16 – 2024/25) and \$229.3k (2015/16 – 2034/35) over 20 years to support the defined levels of service of the assets.

Signs

Marion City - Projected Capital Renewal Expenditure (Signs 2015 V1_S1_V1)

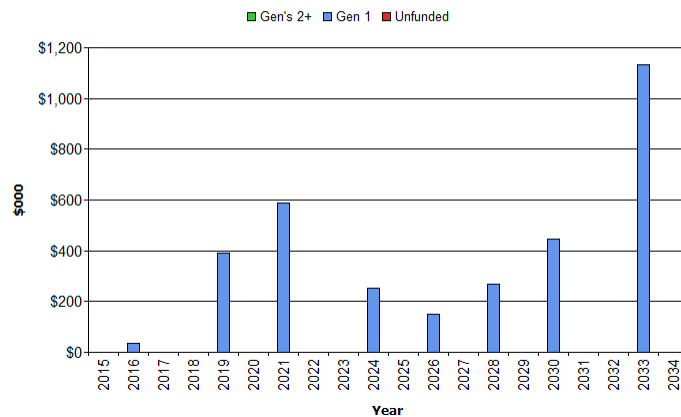


The signage renewals have been estimated from valuation data using an annual depreciation figure calculated without residuals and using straight line depreciation. This is considered satisfactory for renewal planning purposes since Council has many thousand signs all in different condition (and age) states.

An average annual capital renewal of \$184k pa is required over 10 years (2015/16 – 2024/25) and 20 years (2015/16 – 2034/35) to support the defined levels of service of the assets.

Bus Shelters

Marion City - Projected Capital Renewal Expenditure (Bus Shelters 2015 V1_S1_V1)

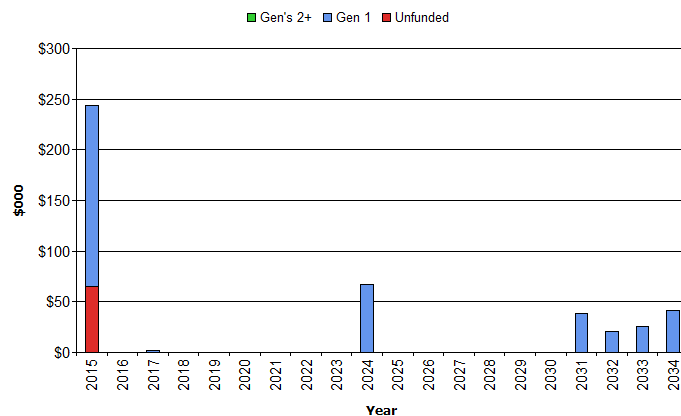


The bus shelter renewals have been estimated from valuation data.

An average annual capital renewal of \$127k pa is required over 10 years (2015/16 – 2024/25) and \$163k pa over 20 years (2015/16 – 2034/35) to support the defined levels of service of the assets.

Bridges

Marion City - Projected Capital Renewal Expenditure (Bridges 2015 V1_S1_V1)



The data used to generate the renewal profile for bridges has been drawn for valuations and a condition audit undertaken by the state road authority.

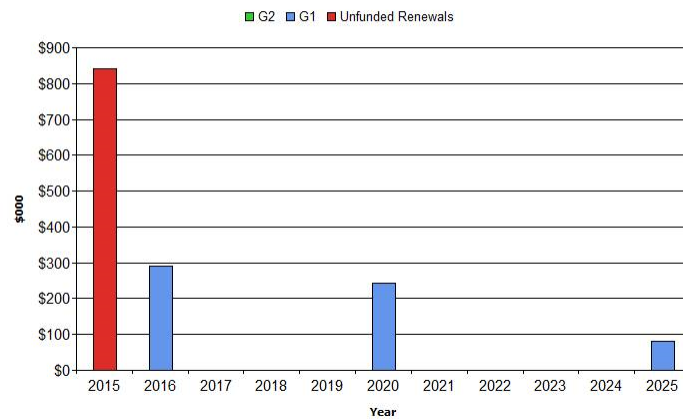
An average annual capital renewal of \$31k pa is required over 10 years (2015/16 – 2024/25) and \$22k pa over 20 years (2015/16 – 2034/35).

Stormwater assets

Due to the long life nature of the stormwater assets no renewals are predicted over the 20 year term of this plan (2015/16 – 2034/35).

Irrigation

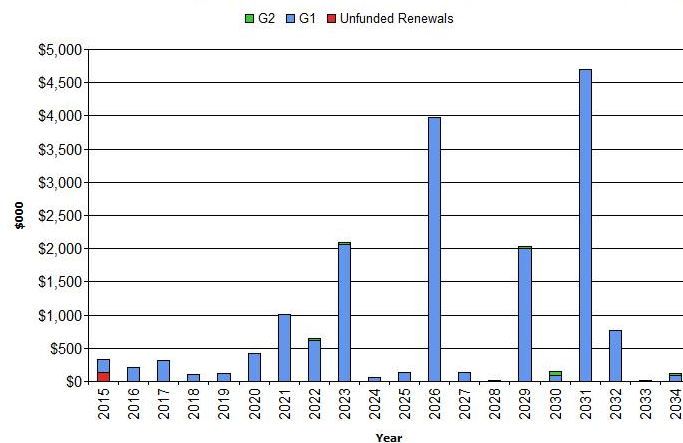
Marion City - (Open Space 2015 V10 Hub_S1_V8 - IPOS Irrigation)



Irrigation relates to optimised irrigation renewals (not including Oaklands ASR reserves) i.e. only portions of existing irrigated areas will be renewed. Only systems that are currently active are included for renewals.

Ancillary assets

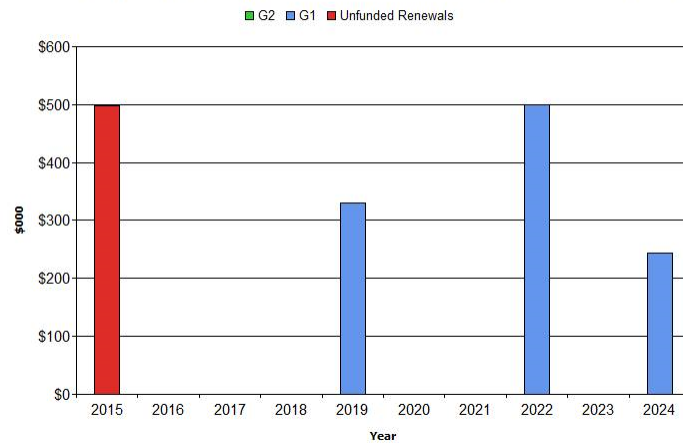
Marion City - (Open Space 2015 V10 Hub_S1_V8 - Maloney All)



The 'Maloney All' asset group relates to ancillary assets on reserves such as BBQ's, fences and seats.

Oaklands Irrigation

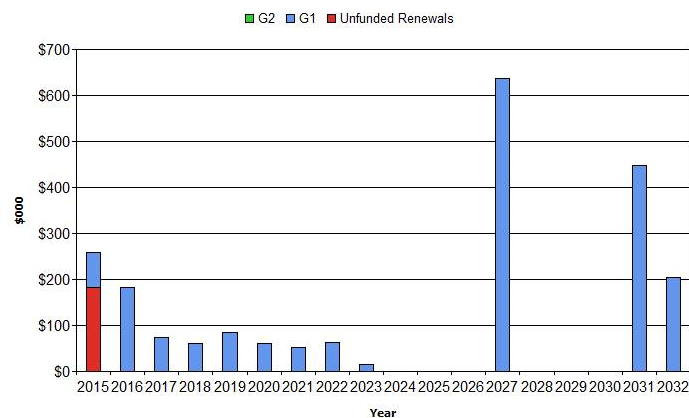
Marion City - (Open Space 2015 V10 Hub_S1_V8 - Oak IPOS Irr)



This asset group references optimised irrigation renewals on reserves proposed to be irrigated through the Oaklands Wetlands ASR scheme.

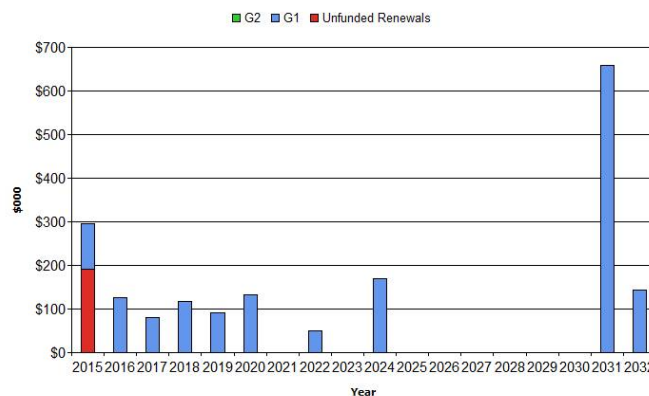
Playspace local

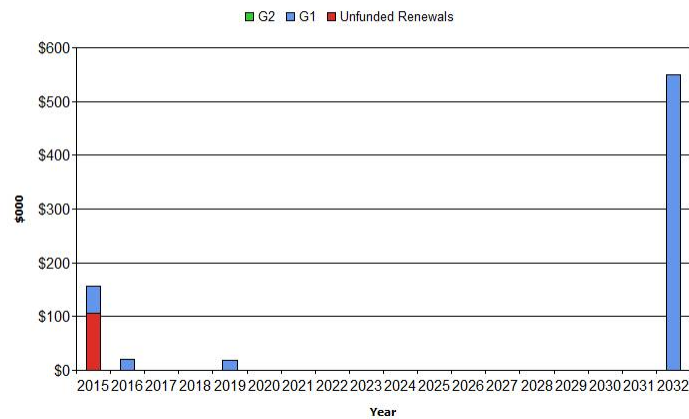
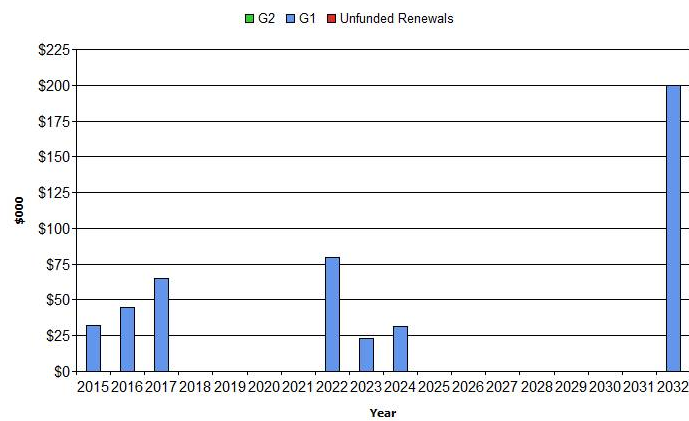
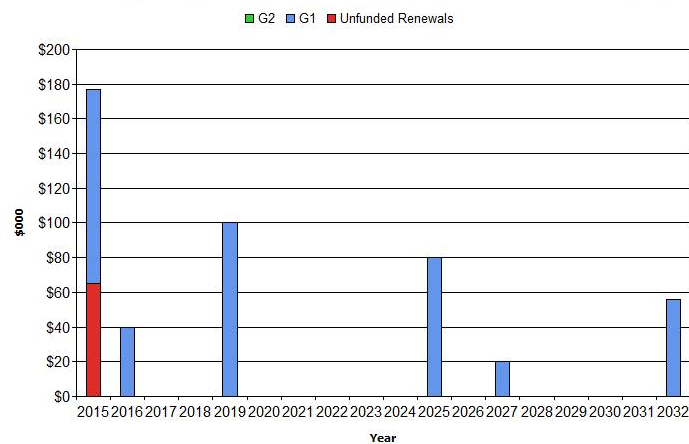
Marion City - (Open Space 2015 V10 Hub_S1_V8 - Playspace Local)



Playspace neighbourhood

Marion City - (Open Space 2015 V10 Hub_S1_V8 - Playspace Nhood)

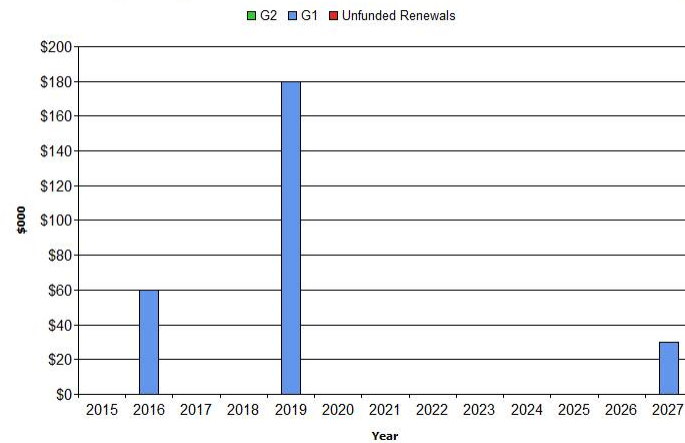


Playspace precinct**Marion City - (Open Space 2015 V10 Hub_S1_V8 - Playspace Precinct)****Playspace regional****Marion City - (Open Space 2015 V10 Hub_S1_V8 - Playspace Regional)****Tennis court AC surface****Marion City - (Open Space 2015 V10 Hub_S1_V8 - T Court AC)**

This graph refers to the asphaltic concrete component of a tennis court asset.

Tennis court base

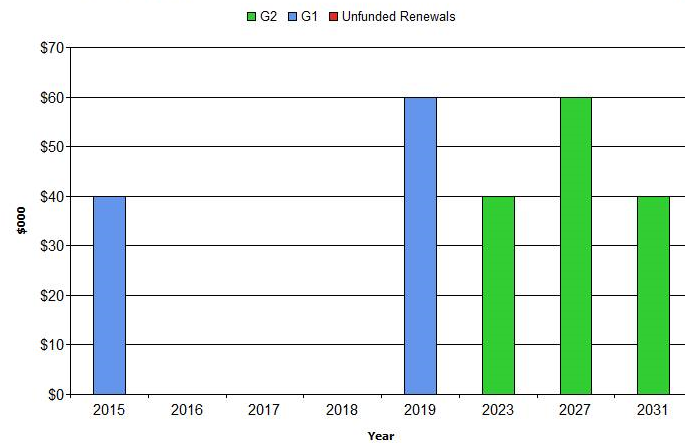
Marion City - (Open Space 2015 V10 Hub_S1_V8 - T Court Base)



This graph refers to the crushed rock base component of a tennis court asset.

Tennis court acrylic surface

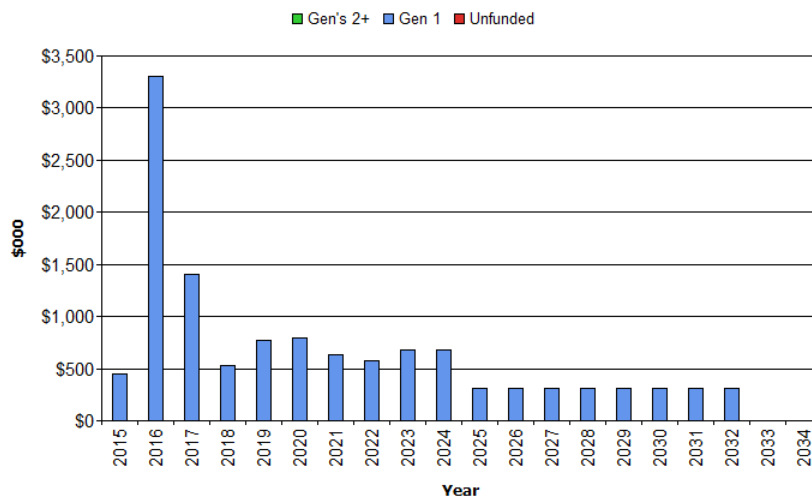
Marion City - (Open Space 2015 V10 Hub_S1_V8 - T Crt Acr Surf)



This graph refers to the coloured acrylic surfacing component of the tennis court where applicable.

Building assets

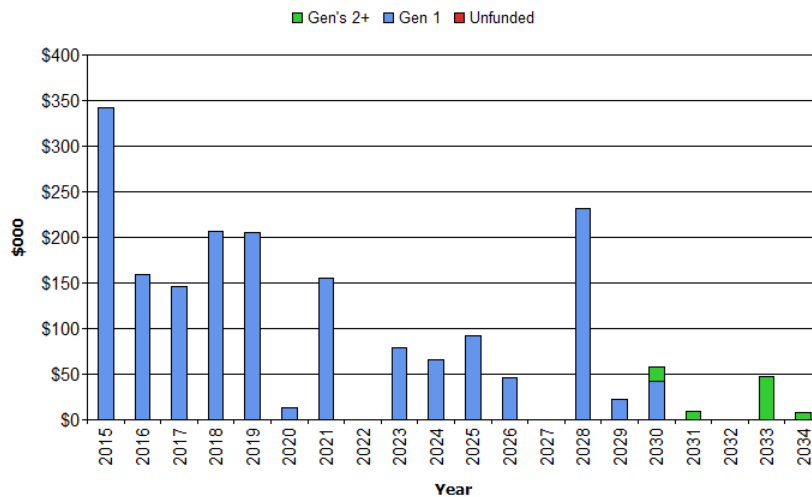
Marion City - Projected Capital Renewal Expenditure (Buildings 2015 V3_S1_V3)



Note that building renewal plans are to be developed over the coming 2 years which will more accurately inform forecast building renewal costs.

Coastal Walking Trail

Marion City - Projected Capital Renewal Expenditure (Coastal Walking Trail_S1_V5)



5.5 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the organisation from land development.

5.5.1 Selection criteria

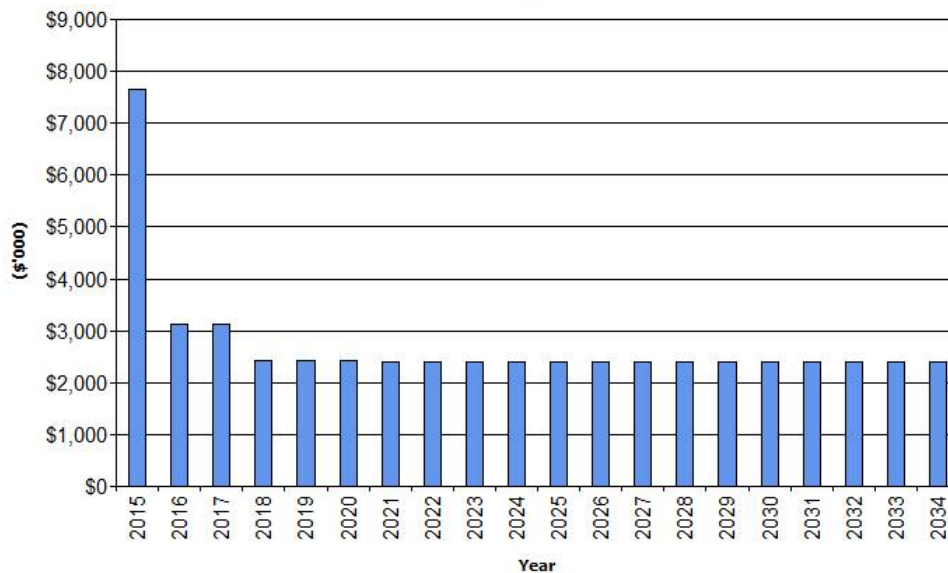
This AMP has been prepared in accordance with Council's Asset Management Policy, essentially requiring new or upgrade works to gain Council approval, having regard to whole of life costs and subsequent impacts on the LTFFP.

5.5.2 Summary of future upgrade/new assets expenditure

In accordance with the Strategic Asset Management Decision Making Matrix no new assets are proposed other than Council approved stormwater, buildings and signage as detailed in Figure 5.5.2.

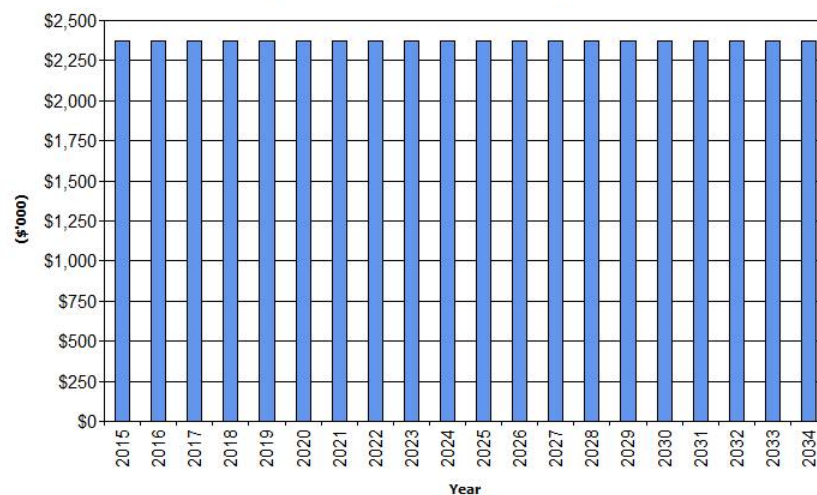
Figure 5.5.2: Projected Capital Upgrade/New Asset Expenditure

Marion City - Projected Capital Upgrade/New Expenditure (Strategy)

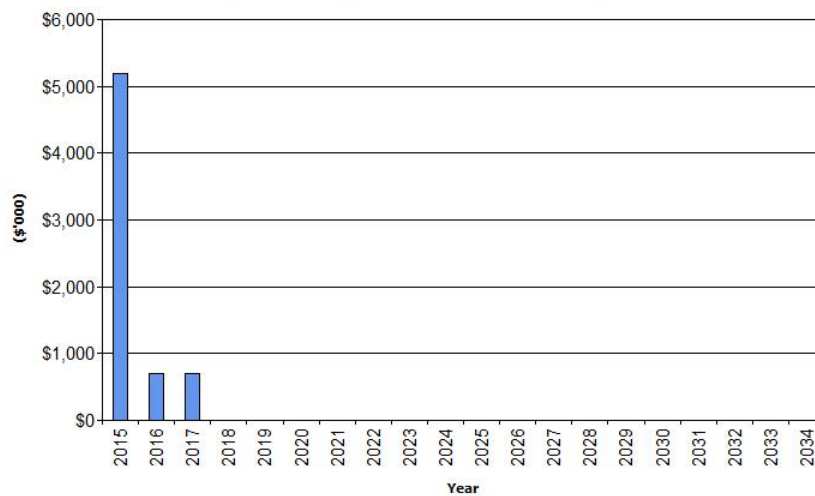


Stormwater assets

Marion City - Projected Capital Upgrade/New Expenditure (Stormwater_S1_V1)



In preparing the 2013 version of the Stormwater Asset Management Plan \$35.375 million of drainage projects (2012 values) were identified to be constructed over 20 years. The LTFP budget projections provide sufficient funds each financial year for these works.

Building assets**Marion City - Projected Capital Upgrade/New Expenditure
(Buildings 2015 V3_S1_V3)**

The new / upgrade assets relating to buildings include \$4.5 million in 2015 for the depot upgrade and \$700k between 2015 and 2017 for sustainability upgrades to buildings.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. Once decommissioning has occurred, the renewal forecasts in the AMP and LTFP will be adjusted accordingly.

Playground assets have been identified for disposal as part of the investigation conducted in preparation of the City of Marion Playspace Strategy.

Table 5.6: Assets Identified for Disposal

Playground Asset	Suburb	Reason for Disposal	Renewal Cost (\$)
Ben Pethick Reserve	Marion	Surplus as identified in playspace review	18,000
Cohen Court Reserve	Clovelly Park	Surplus as identified in playspace review	21,600
Cowra Crescent Reserve	Park Holme	Surplus as identified in playspace review	25,200
Everest Avenue Reserve	Morphettville	Surplus as identified in playspace review	30,000
Everest Avenue Reserve	Morphettville	Surplus as identified in playspace review	30,000
French Court Reserve	Trott Park	Surplus as identified in playspace review	16,800
Glandore CC - Childcare	Glandore	Surplus as identified in playspace review	20,000
Lapwing Street Reserve	Hallett Cove	Surplus as identified in playspace review	9,600
Louise Avenue Reserve	Warradale	Surplus as identified in playspace review	19,800
Luke Court Reserve	O'Halloran Hill	Surplus as identified in playspace review	19,200
Mitchell Park Oval East	Mitchell Park	Surplus as identified in playspace review	26,300
Myers Road Reserve (Travers)	Sturt	Surplus as identified in playspace review	19,200
Oliphant Avenue Reserve (Small)	Oaklands Park	Surplus as identified in playspace review	25,400
Parsons Grove Reserve	Park Holme	Surplus as identified in playspace review	32,400
Ranger Street	Hallett Cove	Surplus as identified in playspace review	12,000
Waratah Square Reserve	Seacombe Gardens	Surplus as identified in playspace review	59,760
Totals			480,660

This table includes only those assets that Council has resolved to dispose of. Other assets may be identified for disposal and included in future iterations of this plan as resolved by Council.

Note that the assets identified for disposal are playspace assets only, due to their age and condition and investment in nearby facilities. Council has not resolved to dispose of the land outlined.

6. FINANCIAL SUMMARY

The preparation of this plan allows for alignment of operating, maintenance and renewal funding requirements in the LTFP to support necessary works.

This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP.

Once adopted, this AMP will inform the next iteration of the LTFP. When compared to the adopted Draft 2015/16 LTFP, available funds for asset operating, maintenance and renewal amount to \$255.4 million while this plan identifies a resource requirement of \$216.6 million, resulting in a surplus of \$38.8 million 2015/16 – 2024/25), before any provision is made for major building renewal. A range of measures have been identified, including :

- A detailed review has been undertaken of the Councils road resealing / reconstruction practices which has found significant potential savings provided that an alternative philosophy and program of works is adopted.
- In accordance with Councils current Asset Management Policy upgrades of transport, open space, buildings and coastal walking trail assets have not been included in the plan unless there is a specific Council resolution to do so. Any new or upgrade works not contained in this plan will require prioritisation and approval by Council, having regard to whole of life costs and subsequent impacts on the LTFP.
- Other than some new stormwater, building and signage assets which Council has resolved to undertake, construction of new assets has not been considered.

It has been recommended that Council provision \$49million for building renewal, being equivalent to accumulated depreciation on buildings as at 30 June 2014. This would result in a net \$10.2 million deficit in renewal expenditure over the life of the LTFP.

In the following sections of the plan a comparison is made between depreciation (calculated using the valuation depreciable amount) and renewal expenditure (driven by the renewal cost), however depreciation is unlikely to reflect actual renewal costs and therefore should not be used as a method to reliably inform required renewal expenditure.

In the absence of a current AMP, the LTFP has been based on depreciation. The purpose of this iteration of the AMP is to highlight areas for improved alignment of available funding in future iterations of the LTFP, based on more current information than previous versions. Therefore, the most relevant consideration for Council is the total forecast funding available for operating, maintenance and renewal of assets (plus approved new and upgrade works) compared to the total forecast requirement. This is outlined below:

Draft 2015/16 LTFP Projections for operations, maintenance & renewal	\$231.3 million
Draft 2015/16 LTFP Projections for approved new stormwater works	\$24.1 million
Less Draft AMP forecasts for Operations, Maintenance & Renewal (excluding building renewals) + new stormwater works	(\$216.6 million)
Less proposed provision for Building Renewals	(\$49.0 million)
Projected funding shortfall based on currently adopted LTFP & draft AMP, including provision for building renewals	(\$10.2 million)

Current financial ratios are contained in Council's LTFP and will be updated following the adoption of this AMP and subsequent alignment of works budgets.

6.1 Financial Statements and Projections

The financial projections are shown in Figure 6.1 for projected operating (operations and maintenance) and capital expenditure (renewal). Note that all costs are shown in real values.

Figure 6.1: Projected Operating and Capital Expenditure

Marion City - Projected Operating and Capital Expenditure ()

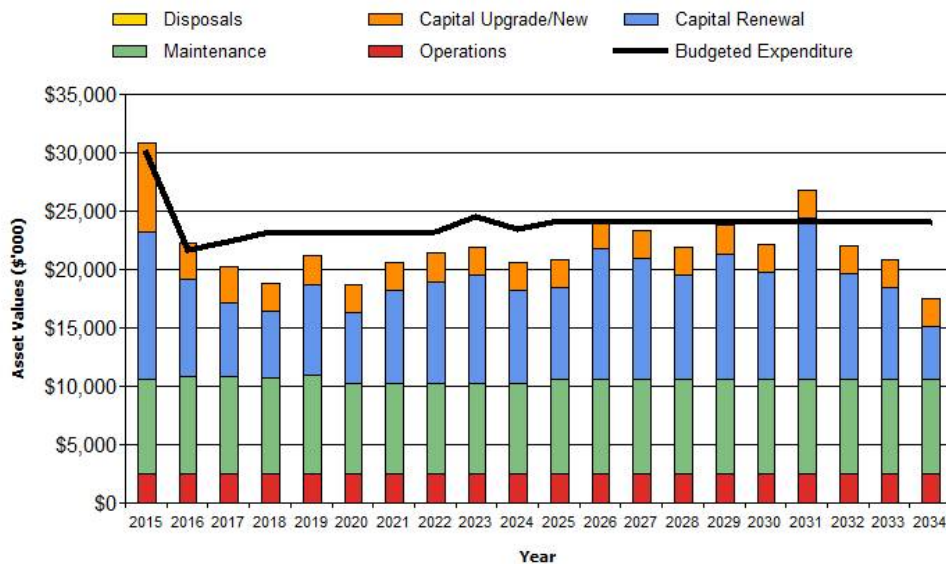


Figure 6.1.1a: Projected and LTFP Budgeted Renewal Expenditure

Marion City - Projected & LTFP Budgeted Renewal Expenditure (Strategy)

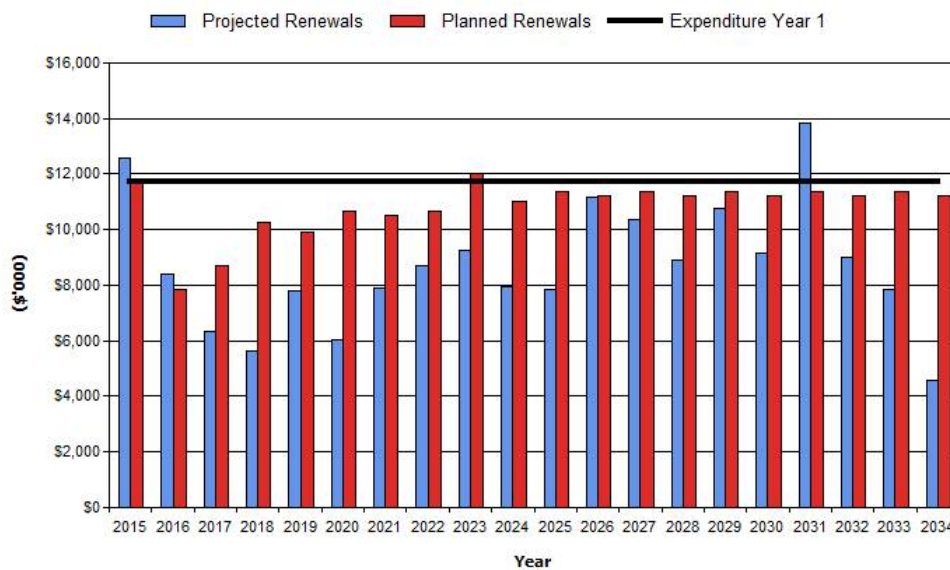


Table 6.1.1 shows the shortfall between projected renewal and replacement expenditures and expenditure accommodated in the LTFP. This does not include provision for major building renewals.

Table 6.1.1: Projected and LTFP Budgeted Renewals and Financing Shortfall

Year	Projected Renewals (\$000)	2015/16 LTFP Renewal Budget (\$000)	Renewal Financing Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2015/16	\$12,587	\$11,747	-\$839	-\$839
2016/17	\$8,390	\$7,834	-\$556	-\$1,395
2017/18	\$6,356	\$8,681	\$2,325	\$929
2018/19	\$5,637	\$10,276	\$4,639	\$5,568
2019/20	\$7,800	\$9,918	\$2,118	\$7,686
2020/21	\$6,045	\$10,687	\$4,642	\$12,328
2021/22	\$7,921	\$10,534	\$2,613	\$14,940
2022/23	\$8,689	\$10,658	\$1,969	\$16,909
2023/24	\$9,245	\$12,012	\$2,767	\$19,676
2024/25	\$7,955	\$10,998	\$3,043	\$22,719
2025/26	\$7,848	\$11,347	\$3,499	\$26,218
2026/27	\$11,170	\$11,231	\$61	\$26,279
2027/28	\$10,369	\$11,347	\$978	\$27,257
2028/29	\$8,928	\$11,231	\$2,303	\$29,560
2029/30	\$10,789	\$11,347	\$558	\$30,118
2030/31	\$9,157	\$11,231	\$2,074	\$32,192
2031/32	\$13,837	\$11,347	-\$2,490	\$29,702
2032/33	\$9,008	\$11,231	\$2,224	\$31,925
2033/34	\$7,861	\$11,347	\$3,486	\$35,411
2034/35	\$4,554	\$11,231	\$6,677	\$42,088

Note: A negative shortfall indicates a financing gap, a positive shortfall indicates a surplus for that year.

Providing services in a sustainable manner will require matching of projected asset renewal and replacement expenditure to meet agreed service levels with **the corresponding** capital works program accommodated in the LTFP.

6.1.2 Projected expenditures for long term financial plan

Table 6.1.2 shows the projected expenditures for the 10 year LTFP.

Expenditure projections are in 2015/16 real values, and exclude provision for building renewals.

Table 6.1.2: Projected Expenditures for Long Term Financial Plan (\$000)

Year	Operations (\$000)	Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2015/16	\$2,468	\$8,120	\$12,587	\$7,645	\$0
2016/17	\$2,528	\$8,260	\$8,390	\$3,113	\$0
2017/18	\$2,536	\$8,242	\$6,356	\$3,113	\$0
2018/19	\$2,545	\$8,198	\$5,637	\$2,413	\$0
2019/20	\$2,545	\$8,392	\$7,800	\$2,413	\$0
2020/21	\$2,545	\$7,736	\$6,045	\$2,413	\$0
2021/22	\$2,545	\$7,740	\$7,921	\$2,402	\$0
2022/23	\$2,545	\$7,742	\$8,689	\$2,402	\$0
2023/24	\$2,545	\$7,745	\$9,245	\$2,402	\$0
2024/25	\$2,545	\$7,748	\$7,955	\$2,402	\$0

Table 6.1.2 is broken down into renewals by asset portfolio Figure 6.1.3 and Capital Upgrade / New by asset portfolio in Figure 6.1.4.

Table 6.1.3: Projected Capital Renewal Expenditure by Asset Portfolio for Long Term Financial Plan (\$000)

Year	Transport	Stormwater	Open Space	Buildings	Coastal Walking Trail	Projected Capital Renewal (\$000)
2015/16	9,168	0	2,630	446	342	12,587
2016/17	3,950	0	975	3,305	159	8,390
2017/18	4,277	0	530	1,402	146	6,356
2018/19	4,616	0	284	531	205	5,637
2019/20	5,839	0	980	775	205	7,800
2020/21	4,387	0	855	790	13	6,045
2021/22	6,076	0	1,060	630	155	7,921
2022/23	6,726	0	1,391	570	0	8,689
2023/24	6,307	0	2,176	683	79	9,245
2024/25	6,710	0	504	676	65	7,955

Table 6.1.4: Capital Upgrade/ New Expenditure by Asset Portfolio for Long Term Financial Plan (\$000)

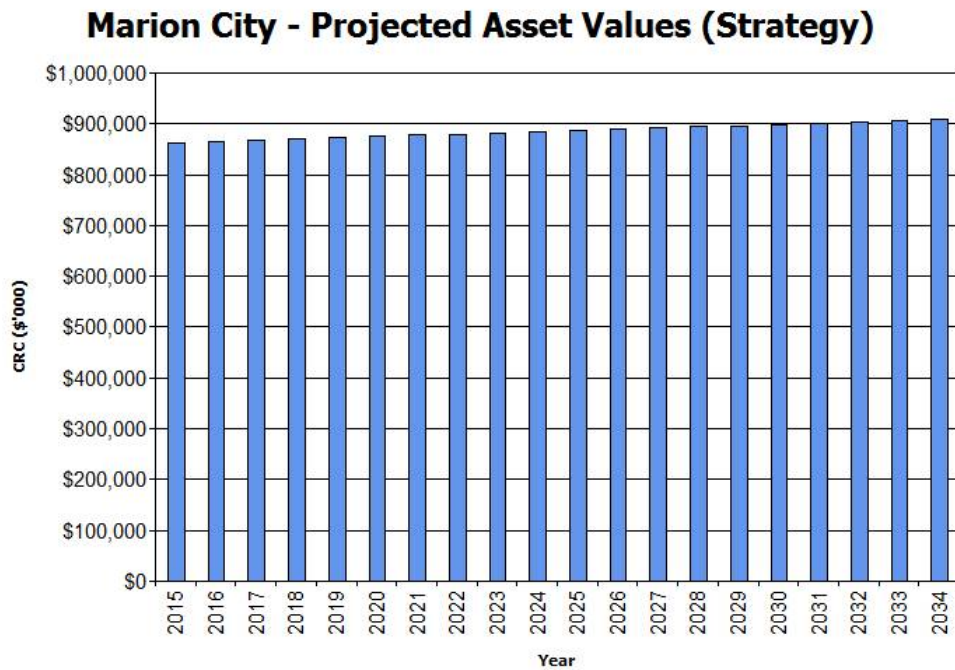
Year	Transport	Stormwater	Open Space	Buildings	Coastal Walking Trail	Capital Upgrade/ New (\$000)
2015/16	74	2,371	0	5,200	0	7,645
2016/17	42	2,371	0	700	0	3,113
2017/18	42	2,371	0	700	0	3,113
2018/19	42	2,371	0	0	0	2,413
2019/20	42	2,371	0	0	0	2,413
2020/21	42	2,371	0	0	0	2,413
2021/22	31	2,371	0	0	0	2,402
2022/23	31	2,371	0	0	0	2,402
2023/24	31	2,371	0	0	0	2,402
2024/25	31	2,371	0	0	0	2,402

6.2 Funding Strategy

After reviewing service levels, as appropriate to ensure ongoing financial sustainability projected expenditures identified in Section 6.1.2 will be accommodated in the Council's 10 year LTFP.

6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock. Figure 6.3 shows the projected replacement cost asset values over the planning period in real values. The figure shows constant values due to new / upgrades not being considered in the preparation of this plan.

Figure 6.3: Projected Asset Values

Depreciation expense values are forecast in line with asset values as shown in Figure 6.3a.

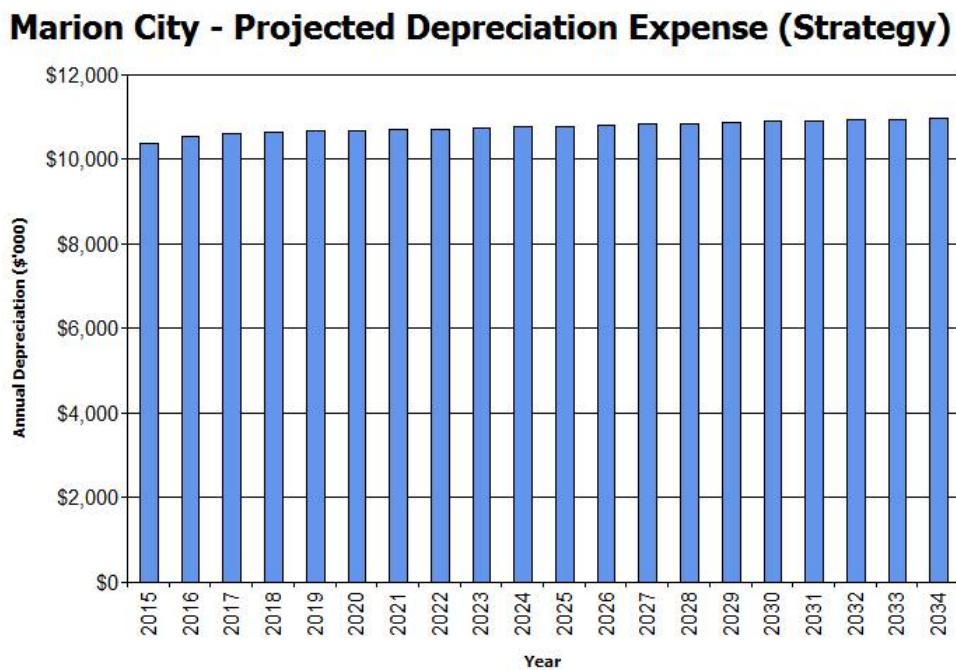
Figure 6.3a: Projected Depreciation Expense

Figure 6.3b: Projected Depreciated Replacement Cost

Marion City - Projected Depreciated Replacement Cost (Strategy)



The marked increase in the depreciated replacement cost is an anomaly associated with low calculation of the CRC and hence DRC (Direct Replacement Cost) through valuations as previously noted. The DRC therefore increases as renewals associated with the higher actual renewal costs are undertaken.

6.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP and risks that these may change are shown in Table 6.4

Table 6.4: Key Assumptions made in AMP and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Resealing program developed as part of this plan will be followed	The renewal forecast has been developed around an analysis of data that produces a more sustainable program of works without changes to existing service levels. This program of works will require change to be facilitated by Council in the processes that are currently adopted
Pavement reconstruction program developed as part of this plan will be followed	Analysis of data has shown that Council should develop a program of pavement reconstruction and detailed investigation. Currently in some cases roads are being resealed rather than reconstructed resulting in a short seal life and high lifecycle costs.
Kerb renewal assumptions are correct	It has been assumed that approximately 5% of the kerb length in a street will require renewal at the time of a reseat. This is based on a survey of kerb condition undertaken in 2010. Another survey of kerb condition is planned which will improve estimates on a segment by segment basis.
Assumed unit rates are correct	Unit rates in some cases have been based on valuations and in other cases have been compiled from first principles without reference to actual Council costs. In most cases however it is expected that unit rates will be reasonably accurate, particularly for the large asset groups of seals, pavements, kerb and footpaths. Where valuations have been used as a proxy for unit rates used in establishing renewal costs i.e. stormwater and open space (in some cases) the figures will be less reliable.

Key Assumptions	Risks of Change to Assumptions
Drainage network overall condition is fair to good based on remaining life derived from age profile and current CCTV information (assume 100 year useful life)	If poorer condition drain lines are identified by future CCTV this will change the service life and introduce a renewal program
No significant changes to legislation	WSUD mandatory – changes capital works program
Urban growth has a similar pattern to previous years	Increase growth changes capital works program priorities
Maintenance funds can retain existing levels of service	Additional funds required to meet desirable level of service and community expectations
Actual major storm event does not occur in the next 4 years	Extensive clean up changes maintenance and capital works priorities. Additional funds would be required for storm damage and clean up.
Design and operations staffing needs are adequately resourced staff	Unable to resource planned asset management activities
Unclear open space capitalisation threshold may mean that some renewals are being undertaken using maintenance expenditure	Estimated funds required for renewal may already be met through the maintenance budget
Assumption of 'like for like' replacement of open space assets has been made in the development of this plan, whereas historically significant upgrades have taken place	Underestimation of required budget
The desktop exercise to identify the required <u>minor</u> building renewals was comprehensive and adequate.	It is virtually certain that the desktop exercise undervalued the required renewals, which are estimated to be higher by a simple lifecycle calculation, and which should be modelled from conditions and useful lives of components, based on site inspections which take defects into account.
Existing valuations do not accurately reflect the renewable assets contained within the Coastal Walking Trail corridor that are under the control of Council. Hence sustainability ratios calculated within this plan cannot be considered reasonable.	The sustainability ratios will become more accurate following revaluations undertaken by Council.

6.5 Forecast Reliability and Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale⁸ in accordance with Table 6.5.

Table 6.5: Data Confidence Grading System

Confidence Grade	Description
A Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and recognised as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Tables 6.5.1. – 6.5.5

⁸ IPWEA, 2011, IIMM, Table 2.4.6, p 2|59.

Table 6.5.1: Data Confidence Assessment for Data used in AMP - Transport

Data	Confidence Assessment	Comment
Demand drivers	C	Upgrade / new expenditure has been based on Council's recently adopted Asset Management Policy. If Council resolves to increase upgrade/ new expenditure amendments to future funding will be required.
Growth projections	B	Much of the Council has already been developed and a large amount of future growth is not predicted
Operations expenditures	E	Operations expenditure has not been directly considered in this plan but has been included within maintenance expenditure
Maintenance expenditures	A	Based on Council's actual costs
Projected Renewal exps. - Asset values	B	Asset values are generally based on costs to renew the asset
- Asset residual values	C	Residual values have been ignored in renewal planning costs, since they will not be realised
- Asset useful lives	B	Established useful lives have been used
- Condition modelling	B	For seals and pavements a great deal of work has been done on modelling existing condition data, although in some cases the data has been shown to be inaccurate
- Network renewals	B	Network renewals have been used for signage and kerbing
- Defect repairs	N/A	N/A
Upgrade/New expenditures	B - C	Generally no upgrade / new expenditure has been assumed. This will be the subject of future resolutions of Council
Disposal expenditures	N/A	N/A

Table 6.5.2: Data Confidence Assessment for Data used in AMP- Stormwater

Data	Confidence Assessment	Comment
Demand drivers	B	The two Stormwater Management Plans have provided reliable information on demand drivers.
Growth projections	B	Growth projections are based development potential from Housing id Report (2011), Jensen Planning SWMP Report (2011) and 30 year plan for greater Adelaide.
Operations expenditures	C	Work orders have not been implemented for these activities.
Maintenance expenditures	C	Work orders have not been implemented for these activities.
Projected Renewal exps. - Asset values	B	Unit rates are used which are based on current contract rates and Rawlinson handbook.
- Asset residual values	B	Low salvage/reuse value.
- Asset useful lives	D	Insufficient research and testing in useful life predictions.
- Condition modelling	E	Insufficient research and testing on the correlation between useful life and condition of asset.
- Network renewals	C	Condition assessment is based on sample CCTV survey. Further condition inspections are required to improve predictions.
- Defect repairs	C	Work orders have not been implemented for these activities.
Upgrade/New expenditures	B	Decision to upgrade is based on SWMP projects, CCTV assessments, drainage capacity analysis and known flooding and pipe capacity problems.
Disposal expenditures	B	Unit rates for disposal are based on contract rates.

Table 6.5.3: Data Confidence Assessment for Data used in AMP – Open Space

Data	Confidence Assessment	Comment
Demand drivers	A	Open space planning documents detail community demand via consultation mechanisms
Growth projections	B	Growth is based on demand for new assets
Operations expenditures	C	Based on existing budget, growth predicted though increased asset base through upgrades
Maintenance expenditures	C	Based on existing budget, growth predicted though increased asset base through upgrades
Projected Renewal exps. - Asset values	C	Based on valuation data rather than condition based renewals
- Asset residual values	A	No residuals have been assumed
- Asset useful lives	C	Lives will not play a significant role in the assets requiring renewal during the course of the plan
- Condition modelling	C	Based on valuation data
- Network renewals	C	Based on valuation data
- Defect repairs	D	Defect repairs not considered
Upgrade/New expenditures	C	Asset upgrades as appearing in other open space planning documents is not considered in the development of this version of the AMP
Disposal expenditures	C	Disposal of existing playgrounds where they are not renewed is unknown

Table 6.5.4: Data Confidence Assessment for Data used in AM Plan - Buildings

Data	Confidence Assessment	Comment
Demand drivers	C	The recommendations of Councils draft facility review plan have not been allowed for in the development of this plan
Growth projections	B	The assumption of 0% growth is close to the actual situation.
Operations expenditures	B	
Maintenance expenditures	B	
Projected Renewal exps. - Asset values	D	Projected building renewal are not included in this plan. Building renewal plans are to be developed over the next 2 years.
- Asset residual values	NA	Residual values provided by external valuers.
- Asset useful lives	NA	Aged building nearing the end of their useful lives..
- Condition modelling	NA	See comments above.
- Network renewals	NA	See comments above.
- Defect repairs	D	Based on desktop identification.
Upgrade/New expenditures	B	Based on preliminary cost estimates
Disposal expenditures	B	

Table 6.5.5: Data Confidence Assessment for Data used in AM Plan – Coastal Walking Trail

Data	Confidence Assessment	Comment
Demand drivers	B	
Growth projections	A	Data based on historical records and professional opinions
Operations expenditures	A	No operations costs are considered in preparation of the plan
Maintenance expenditures	A	Proactive maintenance program has been developed
Projected Renewal exps. - Asset values	B	Renewal projections based on up to date register of assets
- Asset residual values	D	Valuations based on out of date register
- Asset useful lives	A	No residual value is expected.
- Condition modelling	B	Harsh coastal environment creates uncertainty
- Network renewals	E	Full visual condition audit has been undertaken.
- Defect repairs	D	No network assets currently considered
Upgrade/New expenditures	A	No new or upgraded assets unless approved by Council
Disposal expenditures	A	None considered

7. PLAN IMPROVEMENT AND MONITORING

7.1 Status of Asset Management Practices

7.1.1 Accounting and financial systems

The finance system used by the City of Marion is Authority, a product of Civica Pty Ltd. The financial modules within Authority include the following:

- General Ledger
- Receipting
- Payroll
- Rate Debtors/Property Management
- Purchasing
- Accounts Receivable/Accounts Payable
- Inventory
- Bank Reconciliation
- Estimates
- Contracts
- Loans
- Plant
- Work Orders
- Capital Value Register (CVR)

Within the Work Orders module, there are links to the General Ledger, the Plant Module and the AIM system.

Within the Capital Value Register, the following functions/programs are available:

- Asset capitalisation
- Asset disposal
- Depreciation
- Revaluation

All of the above programs perform automatic updates to the General Ledger via Control Accounts created for each Asset Record.

Depreciation charges are processed monthly according to the useful life (taking into consideration residual values) recorded against each Asset Record.

Infrastructure Assets are comprehensively revalued every 3-5 years and also have annual “desktop” valuations.

The Capital Value Register incorporates the following Asset Classifications:

- Land
- Buildings
- Plant & equipment
- Furniture & fittings
- Other
- Other infrastructure
- Intangibles

Infrastructure Assets including Roads, Drains, Kerb, Footpaths, Bridges and Traffic Devices are held on systems external to Authority, e.g. Pavement Management System, Spreadsheets. External Valuers use this data as a basis for providing valuations which are added to the Balance Sheet Control Accounts via a general journal.

Accountabilities for financial systems

The responsibility for the integrity of the finance system is assigned to the Finance Manager and senior Accounting staff.

Accounting standards and regulations

The accounting standards and guidelines that must be complied with are as follows:

- *Local Government Act 1999*
- Local Government General Regulations 1999
- Local Government (Financial Management) Regulations 2022
- State and Federal Legislation (e.g. taxes)
- Australian Accounting Standards set by the Australian Accounting Standards Board (AASB)
- City of Marion financial policies and procedures

Capital/maintenance threshold

Assets should have a useful life of greater than one year in order for the expenditure to be capitalised and have a value above the Materiality Thresholds described below.

Any expenditure considered to be Capital must also pass a materiality test. Materiality levels are set so as not to misstate Financial Statements and to provide a guide whether it is practical from an Administrative perspective that expenditure is capitalised.

Table 7.1: Materiality Levels

Asset Group	New/Replacement
Infrastructure	\$5,000
Land	\$5,000
Buildings	\$5,000
Furniture & Fittings	\$3,000
Equipment	\$3,000
Other	\$3,000

Networked/Aggregate Assets - Expenditure can still be capitalised on items that fall below materiality thresholds individually but operate together as a cohesive whole to form a substantial/significant total value. Examples are the Computer Network, Library Books, and Reserve Furniture.

7.1.2 Asset management system

An asset management system is a combination of processes, data and software applied to provide the essential outputs for effective AM such as reduced risk and optimum infrastructure investment.

Council utilises a number of asset management systems which contribute to the overall management of the long term planning of infrastructure. These include Stormwater Management Database in the MapInfo Exponare and MapInfo Professional GIS linked to Microsoft spreadsheets, IBM Lotus Notes Customer Request System and Authority financial and asset modules.

The current systems are being reviewed with the aim of integrating asset information into the corporate AM system.

Asset registers

A database of data collected in the field was used to compile this AMP.

Linkage from asset management to financial system

Further integration of the asset management systems and processes and the LTFP are being developed.

Accountabilities for asset management system and data maintenance

The responsibility of asset management planning system and data maintenance is assigned to the Manager Strategic Assets and Strategic Asset Services staff.

Required changes to asset management system arising from this AM Plan

Reviews and improvements to asset management systems are ongoing and part of the organisation process towards best practice. Improvements are implemented as required.

7.2 Improvement Program

The asset management improvement plan generated from this AMP is shown in Table 7.2.

Table 7.2: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Undertake condition assessment of assets	Mgr. Strategic Assets	Recurrent	December 16
2	Develop an optimised program of infrastructure repair / renewal	Mgr. Strategic Assets & Mgr. Infrastructure	Recurrent	December 16
3	Develop a program of bus shelter renewal and compliance upgrade	Mgr. Strategic Assets & Mgr. Infrastructure	\$1.2m	2020
4	Prepare a service level and community consultation plan for assets linking with the Council Plan, LTFP and AMPs	Mgr. Strategic Assets & Mgr. Infrastructure	\$30,000	December 15
5	Implement the two adopted Stormwater Management Plans	Infrastructure	Consultancy and Infrastructure and Strategic Assets staff	2034
6	Prepare Stormwater Management Plans for the remaining catchments in the city ie east of Sturt River and urban area abutting Field River	Infrastructure	Consultancy and Infrastructure and Strategic Assets staff	2016
7	Prepare Operations and Maintenance Management Plan for infrastructure. The plan to include service levels, inspection frequency, maintenance activities and response times	Infrastructure	Infrastructure staff	2016
8	Review asset management and procedural frame work for inter-departmental/work group areas, update asset register, condition rating etc	Strategic Assets	Strategic Assets staff	2016
9	Continue annual CCTV surveys to inspect and assess the performance and condition of the stormwater assets to determine remaining life	Infrastructure and Strategic Assets	Infrastructure and Strategic Assets staff	Annual program

Task No	Task	Responsibility	Resources Required	Timeline
10	Integrate asset and financial systems	Strategic Assets	Strategic Assets staff	2016
11	Prepared long term projection of depreciation expenses on assets based on consumption.	Strategic Assets	Strategic Assets staff	2016
12	Undertake annual review and update the SAM Plan and integrate with LTFP. The capital works selection criteria and decision making process is to be included in the review	Infrastructure and Strategic Assets	Infrastructure and Strategic Assets staff	Annual program
13	Develop a reserve name and numbering system linked to GIS and Asset Management System	Strategic Assets & Open Space	Strategic Assets & Open Space Staff	2018
14	Develop condition rating methodologies for open space assets that will allow informed decision making for asset renewal	Strategic Assets & Open Space	Strategic Assets & Open Space Staff	2016
15	Undertake further research on actual renewal costs of open space assets and develop realistic unit rates for same	Strategic Assets & Open Space	Strategic Assets & Open Space Staff	2016
16	Develop unit rates for open space assets	Strategic Assets & Open Space	Strategic Assets & Open Space Staff	2016
17	Review the LTFP against proposed renewals for assets with a view to matching the funds required or altering the service levels to match sustainable funds available through the LTFP	Strategic Assets & Finance	Strategic Assets & Finance staff	Ongoing post AMP endorsement
18	Review the method of determining required renewals. Adopt forward modelling based on component replacement values, component conditions, and useful lives.	Strategic Assets & Finance	Strategic Assets & Finance Staff	2017
19	Improve asset and financial systems	Strategic Assets & Finance	Strategic Assets & Finance staff	Ongoing
20	Undertake annual review and update the Buildings AM Plan and integrate with LTFP. The capital works selection criteria and decision making process is to be included in the review.	Infrastructure and Strategic Assets	Strategic Assets & Finance staff	Annual program

7.3 Monitoring and Review Procedures

This AMP will be reviewed and updated during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The AMP has a life of 4 years, and is due for complete revision within 24 months of each Council election (November 2016) to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the Council's LTFP.

7.4 Performance Measures

The effectiveness of the AMP can be measured in the following ways:

- The degree to which the required projected expenditures identified in this AMP are incorporated into the organisation's long term financial plan,
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the AMP,
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the organisation's Strategic Plan and associated plans,

- Council's Asset Renewal Funding Ratio achieving the target of 1.0.

8. REFERENCES

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/IIMM

IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/namsplus.

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City of Marion, 2015 'Asset Management Policy',

City of Marion, 'Annual Plan and Budget'.

Asset Engineering Pty Ltd, 2013, 'Remaining life of road seals and comparison against Councils 14/15 Works Program

Asset Engineering Pty Ltd, 2013, 'DTIMS Works Program Review'

Asset Engineering Pty Ltd, 2014, 'Seal and Pavement, Determination of Remaining Life' (DRAFT)

9. APPENDICES

Appendix A Current and Desired Service Levels

Appendix B Data Sources and assumptions

Appendix A Current and Desired Service Levels***Current and Desired Service Levels - Transport***

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Desired Level of Service
COMMUNITY LEVELS OF SERVICE				
Quality	<u>Seals & pavements</u> Provide a smooth road with no potholes	Customer service requests	293 requests under 'roads, maintenance'	To be reviewed
	<u>Kerb</u> Provide kerb & water table of a standard to provide the transfer of stormwater along a road with minimal pooling.	Customer service requests	94 requests under 'general enquires / inspection required	To be reviewed
	<u>Traffic Control Devices</u> Provide an effective network of traffic control devices	Customer service requests	51 requests under 'traffic control devices'	To be reviewed
	<u>Bus shelters</u> Provide a functional network of bus shelters at key locations	Customer service requests	34 requests under 'bus shelters'	To be reviewed
Safety	<u>Bridges</u> Provide a safe network of vehicular & pedestrian bridges.	Customer service requests	3 requests under 'bridge'	To be reviewed
	<u>Footpath</u> Provide a safe network of pedestrian paths.	Customer service requests	1252 requests under 'footpaths'	To be reviewed
	<u>Signs</u> Provide an effective, safe network of traffic signs	Customer service requests	355 requests under signs: road traffic, advisory, directional, street names, traffic / school	To be reviewed
TECHNICAL LEVELS OF SERVICE				
Renewal	Seal	Adherence to revised works program	Single treatment only used for renewal (AC10) based on rudimentary intervention levels.	To be reviewed
		Budget	\$44.0m (10 years)	
	Pavement		Council has not undertaken an extensive reconstruction program for some years.	To be reviewed and validated
			\$0	\$18.5m (10 years)

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Desired Level of Service
	Kerb		LTFP kerb program based on increasing expenditure over that in place at the moment	Revised and optimised our works program
		Budget	\$23.7m (10 years)	\$3.6m (10 years), maintaining kerb replacement at current (2015) levels.
	Footpath	Enhanced renewals	Current defect repair over entire network (2014 budget of \$1.2m) will take approximately 18 years.	Review the defect repair time
		Budget	\$16.6m (10 years of LTFP)	\$14 million (10 years)
	Traffic Control Devices	Enhanced renewals	Provisions within LTFP are not based on detailed analysis	Maintain traffic control devices to meet community needs related to consultation through local area traffic management studies.
		Budget	\$721,000 (10 years of LTFP)	\$496,000 (10 years)
	Signs	Enhanced renewals	Budget for signage is based on historic practice.	Proposed budget is based on matching straight line depreciation calculations
		Budget	\$590k (10 years of LTFP)	\$1,840k (10 years)
	Bus shelters	Enhanced renewals	Budget for bus shelters is based on historic practice	To be reviewed. DDA compliance by 2020
		Budget	\$504k (10 years of LTFP)	\$1,271k (10 years)
	Bridges	Enhanced renewals	Budget for bridges is based on historic practice	Renewals based on replacing some footbridges and significant defect repair
		Budget	\$584k (10 years)	\$313k (10 years)
Upgrade	All apart from signage	No upgrades	Upgrades take place	Impact of upgrades / new assets not modelled in this AMP

Current and Desired Service Levels - Stormwater

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Desired Level of Service
COMMUNITY LEVELS OF SERVICE				
Quality	Provide an efficient method of collection and environmentally friendly disposal of stormwater runoff	Community forum feedback. Number of customer complaints.	Under review – see Improvement Plan (table 7.2)	Under review – see Improvement Plan (table 7.2)
Function	Provide a safe and effective stormwater drainage network	Frequency of property flooding.	Under review – see Improvement Plan (table 7.2)	Under review – see Improvement Plan (table 7.2)
Capacity/ Utilisation	Ensure stormwater drainage network meets capacity requirements	Number of customer requests relating to property/street flooding and pollution discharges into waterways.	Under review – see Improvement Plan (table 7.2)	Under review – see Improvement Plan (table 7.2)
TECHNICAL LEVELS OF SERVICE				
Operations & Maintenance	Programmed maintenance to clean drain and pit, street sweeping and emptying GPTs .	Number of customer requests/complaints.	Under review – see Improvement Plan (table 7.2)	Under review – see Improvement Plan (table 7.2)
		Planned maintenance activities are completed to schedule.	Under review – see Improvement Plan (table 7.2)	Under review – see Improvement Plan (table 7.2)
Renewal	Activities that review the existing condition and capacity of the drainage network	Structural assessment of poor condition drains from the annual CCTV condition and defects inspection.	Risk based approach to replace assets identified as being in poor structural condition.	Risk based approach to replace assets identified as being in poor structural condition.
Upgrade/New	Activities that improve/upgrade the existing drainage network to meet 1 in 5 ARI storm design requirements and to reduce hazardous flooding from 1 in 100 ARI storm.	Stormwater Management Plan and Flood Plain Mapping to identify drainage network deficiencies.	Implement capital works program based on Drainage Priority Matrix.	Implement capital works program based on Drainage Priority Matrix.

Current and Desired Service Levels – Open Space

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Desired Level of Service
COMMUNITY LEVELS OF SERVICE				
Quality	Well maintained and suitable Open Space	Customer service requests	Under review	<1,000 requests per annum for trees <500 requests for park infrastructure
Accessibility	Open Space assets will be accessible during normal operating business hours	Customer service requests relating to availability.	Under review	95% compliance. In this instance where an Open Space is closed to users for reasons such as maintenance, upgrading, renewal or a Council related public event or non-Council events, then appropriate notification shall be given to relevant users in accordance with Council's Public Consultation Policy and the requirements of Council's Community Land Management Plans.
Function	Open Space assets meet community need	To be defined	Under review	>60% customer survey satisfaction
Responsiveness	Response time to customer requests	Review of closure times for Customer Service Requests	Under review	>90% of all requests adequately responded to within target
TECHNICAL LEVELS OF SERVICE				
Condition	Condition assessment of Open Space network every 3 years	Assessment of condition data collected for valuation purposes.	Under review	Open Space condition index to be no worse than an average 3 out of a possible 5
Accessibility	Provide all weather access to category 1, 2 and 3 reserves.	Customer service requests relating to access	Under review	<20 requests / complaints relating to access of Open Space (within category 1-3)
Cost Effectiveness	Provide services in cost effective manner	Maintenance / Operational costs in line with industry standards	Under review	To be assessed
Safety	Undertake risk based inspection of Open Space network every three years	Audit of all Open Space undertaken in line with relevant standards	Under review	Reactive and proactive maintenance programs optimised against risk profiling.

Table 3.4.4: Current and Desired Service Levels - Buildings

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Desired Level of Service
COMMUNITY LEVELS OF SERVICE				
Quality	Ensuring that buildings are safe, clean, efficient, and accessible.	Community forum feedback. Number of customer complaints.	Under review – see Improvement Plan (table 7.2)	Under review – see Improvement Plan (table 7.2)
Function	Ensuring that the services offered by buildings are relevant and efficient.	Community forum feedback. Number of customer complaints/requests.	Under review – see Improvement Plan (table 7.2)	Under review – see Improvement Plan (table 7.2)
Capacity/ Utilisation	Ensuring that the buildings provide a useful and viable service to the community.	Community forum feedback. Number of customer complaints/requests	Under review – see Improvement Plan (table 7.2)	Under review – see Improvement Plan (table 7.2)
TECHNICAL LEVELS OF SERVICE				
Operations and maintenance.	Programmed maintenance to continue the level of services.	Number of customer requests/complaints. Planned maintenance activities are completed to schedule.	Under review – see Improvement Plan (table 7.2)	Under review – see Improvement Plan (table 7.2)
Renewal	Renewal of components at end of life to continue the level of service.	Required works identified by staff in desktop exercise are achieved.	Risk based approach to replace assets identified as being in poor structural condition.	Risk based approach to replace assets identified as being in poor structural condition.
Upgrade/New	Provide new facilities or levels of service as required.	Building Management Plan to identify future needs.	Implement capital works program based on Priority Matrix.	Implement capital works program based on Priority Matrix.

Table 3.4.5: Current and Desired Service Levels – Coastal Walking Trail

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Desired Level of Service
COMMUNITY LEVELS OF SERVICE				
Quality	Customer satisfaction	Customer Survey	Unknown	To be determined
Function	Meets user requirements	Customer Service Requests	10 Customer Service Requests were logged in the last year.	To be determined
Safety	Does not cause user hazard	Insurance Claims	Unknown	Nil Insurance Claims
TECHNICAL LEVELS OF SERVICE				
Condition	Average Condition of Assets (Average Weighted by CRC of assets)	Condition scores (1, good – 5, bad) at periodic inspections. (% consumption)	1.87, average all assets inspected (47%)	Maintain at current level
Condition	Assets not providing acceptable level of service	Assets past expiry	6 Assets requiring replacements	Nil Assets requiring replacements
Condition	Assets requiring immediate repair/maintenance	Defects recorded at periodic inspections	200 defects recorded at last inspection: <ul style="list-style-type: none"> • Environmental Defects – Erosion, vegetation encroachment, water ponding etc. 74 Locations • Safety Defects – Trip hazard, slippery path 65 Locations • Structural Defects – Corroded steel, split timber etc. 61 Locations 	To be determined

Appendix B Data Sources and assumptions

The following data sources and assumptions have been used in the compilation of this report:

TRANSPORT ASSET PORTFOLIO

Road Seal & Pavement

In 2012 ARRB collected road condition attribute data across the Council network, including:

- Visual data populated via interrogation of images i.e. cracking surface defects etc.
- Surface texture
- Roughness
- Rutting

This data was subsequently analysed to produce a program of works and estimated remaining life of each seal and pavement, in part initially by ARRB and later by Asset Engineering Pty Ltd. Renewal costs have been calculated with reference to council's actual costs in undertaking works, council contracts and Rawlinsons Australian Construction Cost Guide.

Kerbing

In 2010 Council undertook an extensive condition audit of its kerb network, which found approximately 5% of Councils kerb network was below level of service standards mainly due to sections of kerb that were cracked and lifted by trees mostly. Council's kerb replacement program is predominantly developed around the road resealing program with small sections of kerb being replaced prior to a reseal.

For the preparation of the AMP it has been assumed that 5% of the adjacent kerb is replaced in each street prior to a reseal taking place. Renewal costs have been calculated with reference to council's actual costs in undertaking works, council contracts and Rawlinsons Australian Construction Cost Guide.

Footpaths

Council currently (and for some time) has not undertaken renewal of footpaths on a complete segment basis, but rather continually 'repairs' defects (trip steps / cracked slabs) on footpaths through replacement of small sections of path.

Council's 2014/15 budget had a figure of \$1,191k for such works and based on the network coverage undertaken each year, the entire network would likely be expected to be completed over a period of 18 years. This AMP has been based on increasing this funding to \$1.4m per year which will enable Council to complete the entire network over a period of approximately 15 years.

On average over the last 6 years there has been \$211k pa (up to 2014/15) allocated to the construction of new footpaths. It should be noted that this AMP has not included new footpath construction.

Traffic Control Devices

The traffic control device data compiled by APV Valuers (from Council data) has been used in the development of this AMP. The remaining life documented by APV has been used in the development of the projected renewals.

Renewal Costs have been estimated from Councils valuation CRC with no allowance for a residual i.e. renewal cost = depreciable amount + residual. This was found to reflect estimated actual renewal costs.

Signage

The sign data compiled by APV Valuers (from Council data) has been used in the development of this AMP.

An annual renewal cost has been estimated from the valuation register by recalculating the annual depreciation figure assuming no residual value and straight line depreciation. Since there are many thousands of signs, all in varying condition states it is considered that this method establishes a reasonable sustainable renewal estimate.

Bus Shelters

Data relating to bus shelters has been taken from 2014 valuation information and a condition assessment undertaken by Maloney Field Services. A renewal cost of \$9,000 has been defined through the preparation of this AMP to reflect a replacement of existing shelter infrastructure to current service levels and Council construction techniques.

Bridges

The renewal year of bridges has been derived from a 2011 survey of the bridge network undertaken by DPTI's Transport Services. Bridges are classified as either footbridges or road bridges and it is noted that no road bridges are due for complete renewal within the term of the AMP whereas there are several footbridges due for renewal within the term of this AMP.

Also included in the renewal costs is a list of capital partial renewal works identified by DPTI during the 2011 survey. Renewal Costs have been estimated from Councils valuation CRC with no allowance for a residual i.e. renewal cost = depreciable amount + residual. This was found to reflect estimated actual renewal costs.

STORMWATER ASSET PORTFOLIO

Closed circuit television video (CCTV) is the method of inspecting the structural condition and deterioration of underground drainage.

To date 9.3% of the total drainage network has been reviewed by the CCTV survey which represents 49.6% of the replacement value of the total drainage network. Based on this review and that the drainage network has a remaining life greater than 40 years, it is assumed that the majority of the drainage network is in fair to good condition. Further CCTV inspection of drains will be undertaken to validate this assumption and included in the next review of this AM plan.

Stormwater Management Plans have also been developed for Hallett Cove Creeks and Marion-Holdfast which have informed the preparation of this plan and the LTFP.

OPEN SPACE ASSET PORTFOLIO

Playgrounds / Playspace

Consulting Coordination Pty Ltd audit of playgrounds was conducted in 2012 has been used to define the priority (year) for renewal of playgrounds and the cost of that renewal where available.

Maloney Valuations 2011 have been used to define the renewal costs of existing playgrounds where the Consulting Coordination Pty Ltd information was not available.

Tennis Courts

"Marion Tennis Facilities, March 2013" (Tennis SA) has been used as the basis for determining the renewal cost and date for all Council Courts not coming under the jurisdiction of clubs. In addition, courts were broken down into components (acrylic surface, asphalt, and base) and individual unit rates used to predict a renewal program.

It should be noted that tennis courts occupied exclusively by clubs and not available for public use have been removed from this version of the AMP since these are the responsibility of the clubs to maintain and renew under existing lease arrangements.

Irrigation:

This AMP has been developed using an investigation and report entitled "Landscape Irrigation Management Plan", prepared by IPOS Consulting in June 2013. This report has assumed that in line with Council's adopted Irrigation Management Plan, whereby only portions of reserves where activity is centred will be irrigated.

In addition it has assumed that reserves with an irrigation system that is currently inactive will remain that way i.e. no allowance has been made for renewal of the asset. The exception to this is where the reserve is where the reserve is one of the reserves proposed to be irrigated from the Oaklands Park Aquifer Storage and Recovery Scheme.

Ancillary Assets:

Maloney Valuations 2011: The Maloney infrastructure valuations have been used to define the renewal costs and dates of all the other assets contained within the open space asset portfolio such as sports courts, lighting, carparks, artwork, structures, fences, bins, paths etc.

BUILDING PORTFOLIO

At present, the City estimates required renewals by in desktop exercises. A recommendation is that regular condition assessments should be undertaken (e.g. every 3 years) to monitor the deterioration of the asset stock and to provide accurate information for renewal modelling. A recommendation has been included in the Improvements Plan.

COASTAL WALKING TRAIL PORTFOLIO

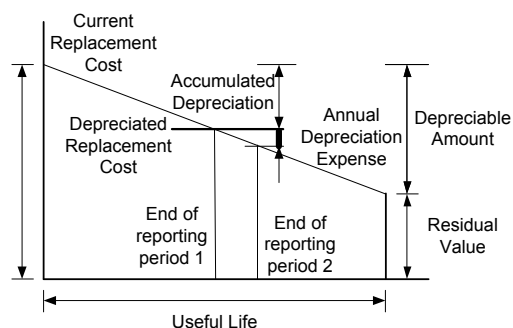
Condition was monitored by undertaking a visual inspection of every asset and logging condition attributes:

- Structural Condition – A score of 1-5 was assigned based on apparent structural adequacy of the section/item in question, identified only via a visual assessment.
- Age – A score of 1 to 5 was determined based on the apparent age of the asset as a proportion of its useful life.
- Visual – A score of 1-5 was assigned based on the visual appearance of an asset. An asset that is visually as new was assigned a 1 with assets subject to graffiti, staining etc given higher scores.

ASSET VALUATIONS

The value of assets as appearing in Councils audited financial statements as 30 June 2014 are shown below.

Current Replacement Cost	\$884.2 m
Depreciable Amount	\$609.5 m
Depreciated Replacement Cost ⁹	\$699.9 m
Annual Depreciation Expense	\$10.4 m



⁹ Also reported as Written Down Current Replacement Cost (WDCRC).

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Originating Officer: David Harman, Financial Accountant
Corporate Manager: Ray Barnwell, Manager Finance
Director: Vincent Mifsud
Subject: Finance Report – May 2015
Report Reference: GC230615R10

REPORT OBJECTIVES AND EXECUTIVE SUMMARY:

This report provides Council with information relating to the management of financial resources under its control as at May 2015. This report is one of a series of reports designed to assist Council in achieving and maintaining a financially sustainable position. Other reports assisting in this process include the Quarterly Budget Reviews and the Long Term Financial Plan.

It is considered appropriate that financial information regarding Major Projects be presented on a monthly basis in this report. Financial information regarding Major Projects will also be summarised in the quarterly Major Project reports. The principles used for assessment of reportable projects are according to the following criteria:

- Council has agreed to proceed with the project and approved a Section 48 Prudential Report.
- The Whole Of Life Cost is greater than \$4 million dollars (including grant assisted projects).
- Has a project life of more than 12 months.

According to the above criteria, the Cove Civic Centre and the City Services Redevelopment projects qualify and are included in Section 2 of this report.

RECOMMENDATIONS (1)

DUE DATES

That Council:

- 1. Receive the report “Finance Report – May 2015”.**

23 June 2015

BACKGROUND

This report is presented on a monthly basis to provide Elected Members with key financial information to assist in monitoring Council's financial performance.

DISCUSSION:

Appendix 1 contains a financial report to identify Council's performance against budget utilising a "Funding Statement". It provides a review against all of the elements contained within the Statement of Comprehensive Income and Statement of Financial Position that are adopted as part of the Annual Budget Report.

The following reports are included:

(1) Major Projects

Section 48 approved Projects

- (a) Cove Civic Centre (CCC)
- (b) City Services Redevelopment

(2) Funding Statement – Actual versus Budget (Appendix 1)

(3) Debtors Reports for Sundry Debtors and Rates Debtors (Appendix 2)

(1) Major Projects**(a) Cove Civic Centre**

	2014/15 Actual + Committ YTD 31/05/2015	2014/15 Budget	Project Cost At Completion
Income			
Federal Budget Grant 2011-12 Contribution			3,400,000
Total Income			3,400,000
Expenditure			
Operating	-	-	-
Capital Construction	(5,262,512)	(8,387,095)	(13,400,000)
Total Expenditure	(5,262,512)	(8,387,095)	(13,400,000)
Project Result Surplus/(Deficit)	(5,262,512)	(8,387,095)	(10,000,000)

The net deficit forecast will be funded in the following manner:

Funded By :	\$
(Over Project Life)	
Fixed Term Loan	10,000,000
	10,000,000

Construction of the Cove Civic Centre was originally forecast to commence in 2010/11 and is now included in the current Long Term Financial Plan to take place over the 2013/14 and 2014/15 financial years. On the 14 February 2012 (GC140212R02) Council resolved to support a design-led approach to provide greater certainty regarding design and project costs.

The Federal Budget announcement on the 8 May 2012 advised that the Government would provide \$3.4 million which was received in June 2012 as a contribution to the Cove Civic Centre. At the 13 November 2012 Council Meeting, a Section 48 Prudential report (GC131112R01) was considered and adopted by Council.

Operating costs from the existing Hallett Cove Library will be transferred and additional net annual operating costs once the new Cove Civic Centre is opened will be required. These funds are now incorporated in the current Long Term Financial Plan as outlined in the Section 48 Prudential Report.

(b) City Services Redevelopment

	2014/15 Actual + Committ YTD 31/05/2015	2014/15 Budget	Project Cost At Completion
Income			
Total Income			-
Expenditure			
Operating	-	-	-
Capital Construction	(5,949,631)	(7,836,623)	(14,332,000)
Total Expenditure	(5,949,631)	(7,836,623)	(14,332,000)
Project Result Surplus/(Deficit)	(5,949,631)	(7,836,623)	(14,332,000)

The net deficit forecast will be funded in the following manner:

Funded By :	\$
(Over Project Life)	
Operating Revenue	1,732,000
Fixed Term Loan	12,600,000
	14,332,000

The City Services Redevelopment design work commenced in 2011/12, with tendering for the project commencing in March 2014. Following the completion of the tender process, Council have unanimously approved the awarding of the construction contract for the redevelopment to Badge Constructions, with work expected to be completed late 2015 (SGC190814F01).

On the 11 February 2014 (GC110214R04) Council approved the change in allocated funding for this project of up to \$14.332m.

On the 25 March 2014 (GC250314R01) Council approved loan funding of up to \$12.6m to be taken out for this project. Council has also agreed that it will consider a report on the timing and methodology for disposal of any surplus land following completion of the project.

INTERNAL ANALYSIS

Financial Implications:

This report is an information report only and has no direct financial implications.

CONCLUSION:

The main monthly reporting focus is to report the “Actual versus Budget” position to enable regular monitoring of Council’s financial performance. Major Projects require regular reporting and monitoring by Council to ensure prudent financial management is maintained.

Appendix 1: Funding Statement & Graphs – Actual versus Budget.

Appendix 2: Sundry Debtors & Rates Debtors Report

(2) Funding Statement – Actual versus Budget

The Funding Statement provides a view of Council's financial performance against the approved budget and is consistent with the information provided at budget reviews. It provides a review against all of the elements contained within the Statement of Comprehensive Income and the Statement of Financial Position that are adopted as part of the Annual Budget Report. It details Council's:

Statement of Comprehensive Income -

The operating result is recognised as one of Council's key financial indicators. The budget framework includes a commitment to maintaining a Category 3 Financial Sustainability rating, on average over each five year period, which for 2014/15 means a targeted operating surplus of between \$0 and \$3.285m.

Comment: Council has a net operating surplus result of \$10.190m before capital revenues, against a year end forecast from Budget of \$4.091m surplus.

Capital Budget -

The Capital Budget is linked to Council's key financial indicator – "Asset Sustainability Ratio" and an actual to budget comparison reflects Council's progress in achieving its Capital program.

Comment: The year to date actual to budget position reveals that 86% of the financial Capital Renewal Budget to date has been spent or committed.

The actual progress to date of Council's full Capital New and Renewal Expenditure program is detailed by asset class in the attached graphs, with the exception of major projects which have previously been detailed in this report.

Loans -

The loans component of the Funding Statement identifies any new proposed loan receipts or principal payments. Council's borrowings are included in Council's key financial indicator – "Net Financial Liabilities" which reflects Council's total indebtedness.

Comment: New borrowings of \$10.116m for Cove Civic Centre and for the City Services Redevelopment, are included in the 2014/15 budget as part of Council's Major Projects. Principal repayments of \$1.572m mean that the overall loan liability balance is forecast to increase by \$8.544m.

Reserves & Cash -

Various fund movements such as surplus budget review results, unspent grants and carryover projects at year end are reflected as transfers to reserves, whilst utilisation of reserve funds are recognised as transfers from reserves.

Cash may be utilised to fund expenditure within the context of Treasury Management to ensure loans are not drawn down where temporary cash holdings are available.

Comment: Major movements in Net Transfers from Reserve of \$16.040m include the following:

Transfers from Reserve

Grants & Carryovers Reserve	\$ 15,669k
Asset Sustainability Reserve	\$ 349k
Open Space Reserve	\$ 650k

Transfers to Reserve

Open Space Development Contribution and Interest	(\$ 250k)
Grants & Carryovers Reserve	(\$ 378k)

A net cash surplus of \$1.076m is forecast to occur in 2014/15.

Funding Statement

As at 31 May 2015

Original Adopted Budget \$'000		YTD Actual + Committ \$'000	YTD Budget \$'000	YTD Variance \$'000		Annual Budget \$'000	Note
	Operating Revenue						
67,051	Rates	61,873	61,819	54	F	67,300	
1,803	Statutory Charges	1,602	1,600	2	F	1,762	
1,717	User Charges	1,581	1,561	20	F	1,699	
5,667	Operating Grants & Subsidies	6,177	5,385	792	F	5,903	A
560	Investment Income	739	728	11	F	903	
910	Reimbursements	846	863	(17)	U	935	
399	Other	839	1,020	(181)	U	1,088	B
246	Net gain - SRWRA	60	60	-	-	306	
78,353		73,717	73,036	681	F	79,896	
	Operating Expenses						
32,777	Employee Costs	26,028	28,529	2,501	F	31,692	C
16,293	Contractual Services	15,708	15,853	145	F	18,636	D
5,086	Materials	4,239	4,372	133	F	4,822	E
770	Finance Charges	413	413	-	-	830	
12,958	Depreciation	11,963	12,037	74	F	13,136	
6,726	Other	5,176	5,692	516	F	6,689	F
74,610		63,527	66,896	3,369	F	75,805	
3,743	Operating Surplus/(Deficit) before Capital Revenues	10,190	6,140	4,050	F	4,091	
	Capital Revenue						
657	Capital Grants & Subsidies	1,581	1,555	26	F	1,555	
1,500	Contributed Assets	-	-	-	U	1,500	
-	Gain/(Loss) on Asset Disposal	93	-	93	F	-	
2,157		1,674	1,555	119	F	3,055	
5,900	Net Surplus/(Deficit) resulting from operations	11,864	7,695	4,169	F	7,146	
12,958	add Depreciation	11,963	12,037	(74)		13,136	
(246)	less Share of Profit SRWRA (excluding dividend)	-	-	-		(246)	
18,612	Funding available for Capital Investment	23,827	19,732	4,095	F	20,036	
	Capital						
13,914	less Capital Expenditure - Renewal	10,360	12,078	1,718	F	16,644	G
14,516	less Capital Expenditure - New	14,534	22,186	7,652	F	25,400	H
1,500	less Capital - contributed assets	-	-	-	U	1,500	
(11,318)	Net Overall lending/(borrowing)	(1,067)	(14,532)	13,465	F	(23,508)	

Original Adopted Budget \$'000		YTD Actual + Committ \$'000	YTD Budget \$'000	YTD Variance \$'000	Annual Budget \$'000	Note
Funded by;						
Loans						
12,628	Loan Principal Receipts (Net)	-	-	-	-	10,116
-	Loan Receipts/(Payments) from Sporting Clubs (Net)	-	-	-	-	-
1,417	less Loan Principal Repayments	1,136	1,136	-	-	1,572
11,211	Loan Funding (Net)	(1,136)	(1,136)	-	-	8,544
Movement in level of cash, investments and accruals						
-	Cash Surplus/(Deficit) funding requirements	13,395	401	12,994		1,076
107	less Reserves (Net)	15,598	16,069	(471)		16,040
(107)	Cash/Investments/Accruals Funding	(2,203)	(15,668)	13,465		(14,964)
11,318	Funding Transactions	1,067	14,532	(13,465)	F	23,508 I

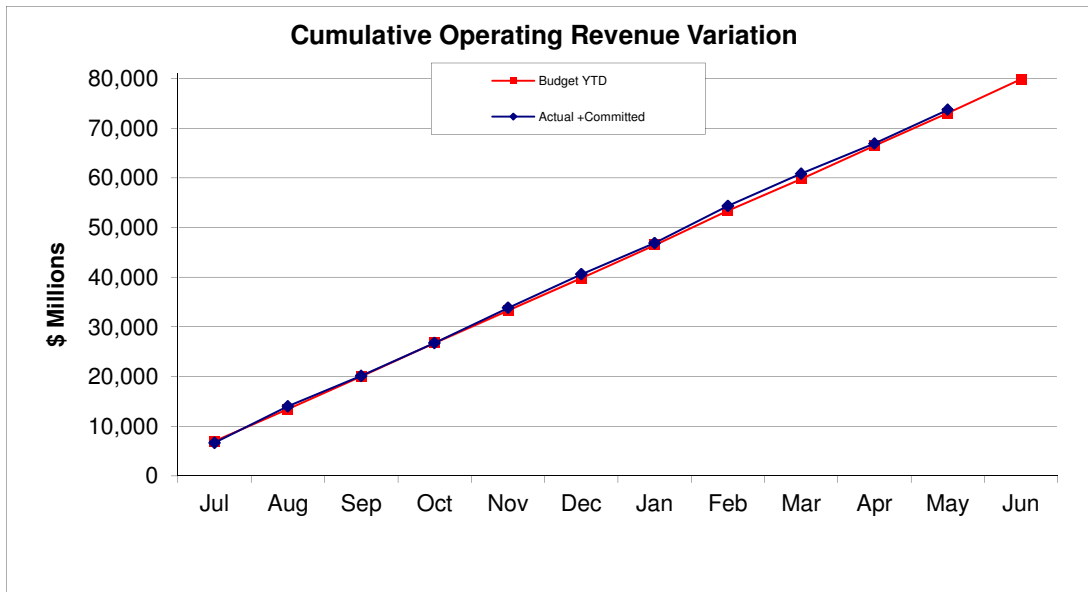
Variation Notes

A	Operating Grants & Subsidies	Favourable \$792k	Predominantly reflects budget timing variations in Roads 2 Recovery grant (\$170k), Grants Commission grant (\$232k) and Library operating grant (\$250k).
B	Other Revenue	Unfavourable \$181k	Predominantly reflects a number of monthly budget timing variations, none of which are individually significant.
C	Employee Costs	Favourable \$2,501k	Predominantly reflects budget timing variances arising from the way pay weeks fall, as well as the existence of some temporarily vacant positions.
D	Contractual Services	Favourable \$145k	Predominantly reflects budget timing variations in relation to the Marion Outdoor Pool Masterplan (\$94k).
E	Materials	Favourable \$133k	Predominantly reflects budget timing variations in regards to electricity.
F	Other Expenses	Favourable \$516k	Predominantly reflects savings in training (\$301k) and a number of other monthly budget timing variations, none of which are individually significant.
G	Capital Expenditure (Renewal)	Favourable \$1,718k	Predominantly reflects budget timing variations including City Services Redevelopment (\$207k), footpath construction (\$306k), road reseals (\$160k), fleet purchases (\$583k) and ICT equipment/software (\$206k).
H	Capital Expenditure (New)	Favourable \$7,652k	Predominantly reflects budget timing variations in regards to the Cove Civic Centre (\$2,517k), City Services Redevelopment (\$1,025k), drainage construction (\$1,122k) and reserve redevelopments (\$2,788k).
I	Funding Transactions	Favourable \$13,465k	The increase in cash/investments/accruals funding is attributable to the corresponding net overall lending/(borrowing) position.

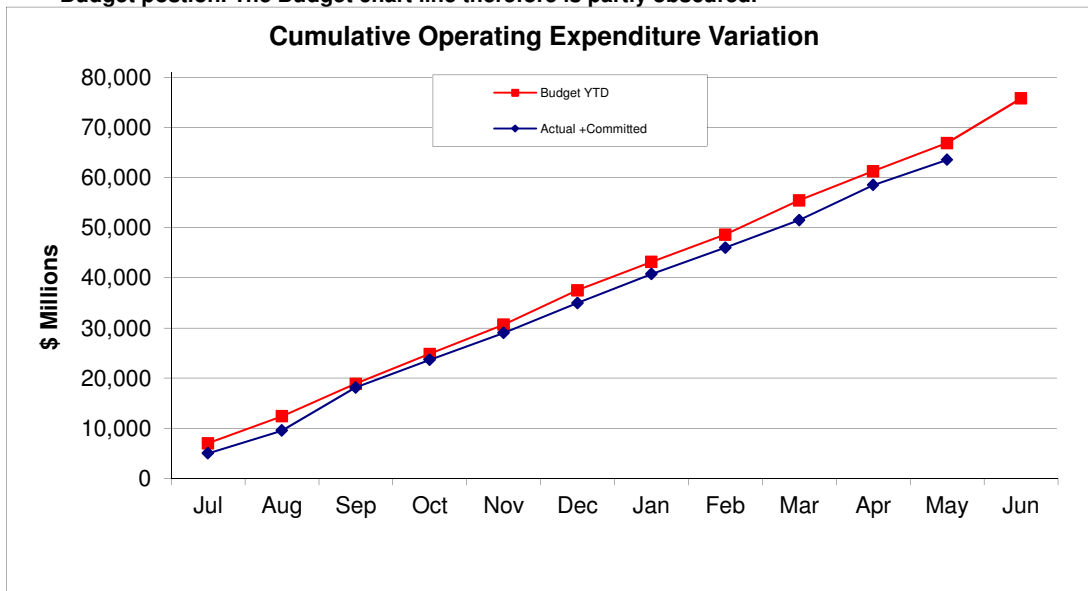
The above comments referring to budget timing variations are where some monthly budget estimates are not reflective of the actual expenditure patterns as at the reporting date.

Note: The progress to date of Capital Expenditure programs (New and Renewal) is detailed in the attached graphs, noting that where no budget exists in the initial months this is primarily due to certain types of capital works that cannot be carried out during periods of inclement weather.

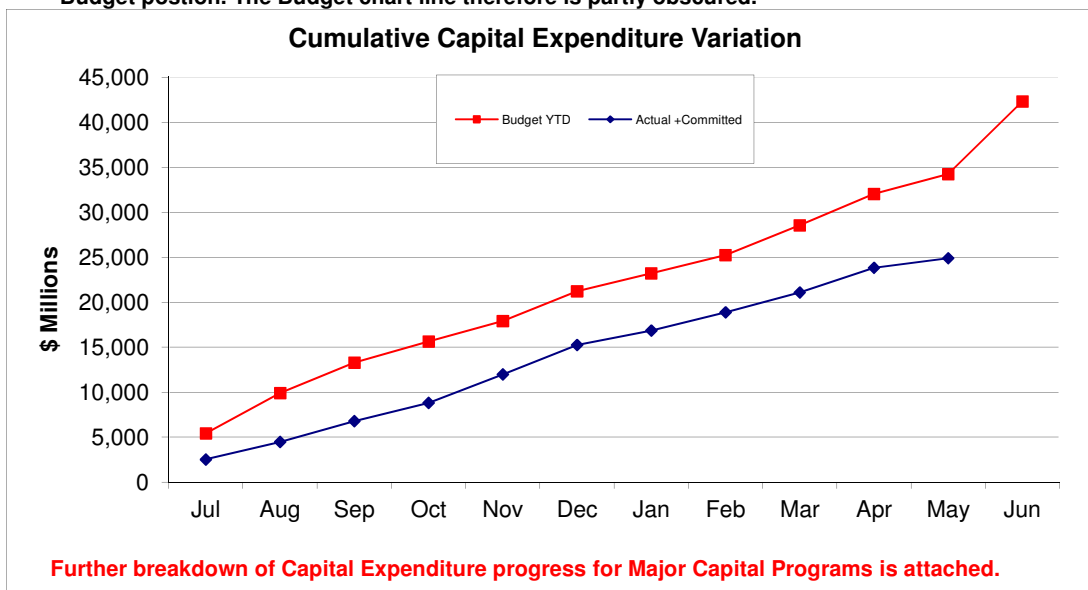
Funding Statement Cumulative Position - 2014/15

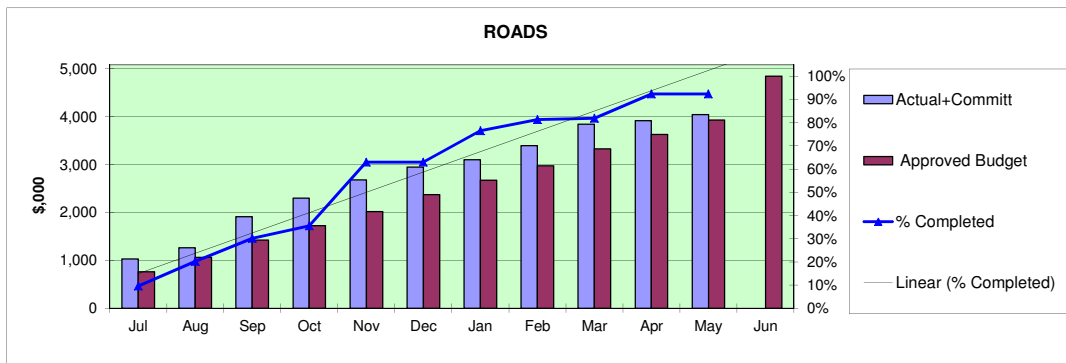


Note - The Year to Date Actual + Committed position result is accurately aligned to the Year to Date Budget position. The Budget chart line therefore is partly obscured.

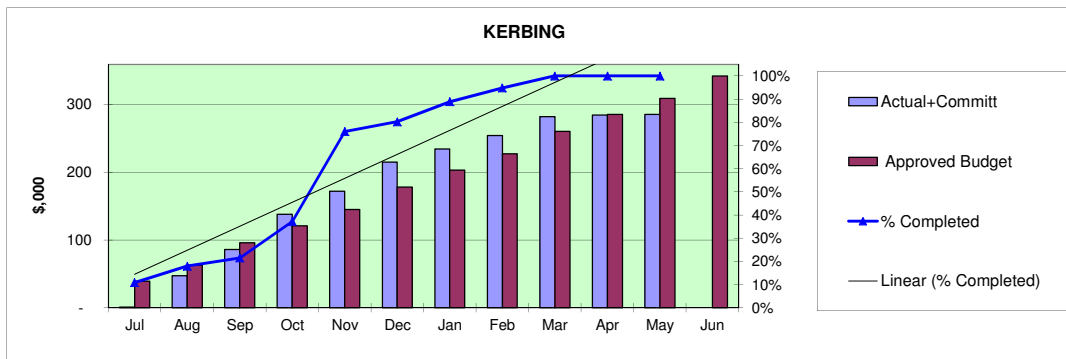


Note - The Year to Date Actual + Committed position result is accurately aligned to the Year to Date Budget position. The Budget chart line therefore is partly obscured.

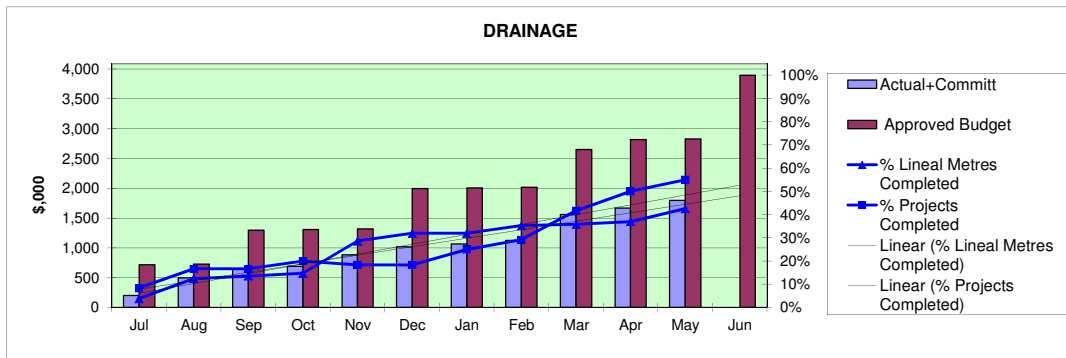




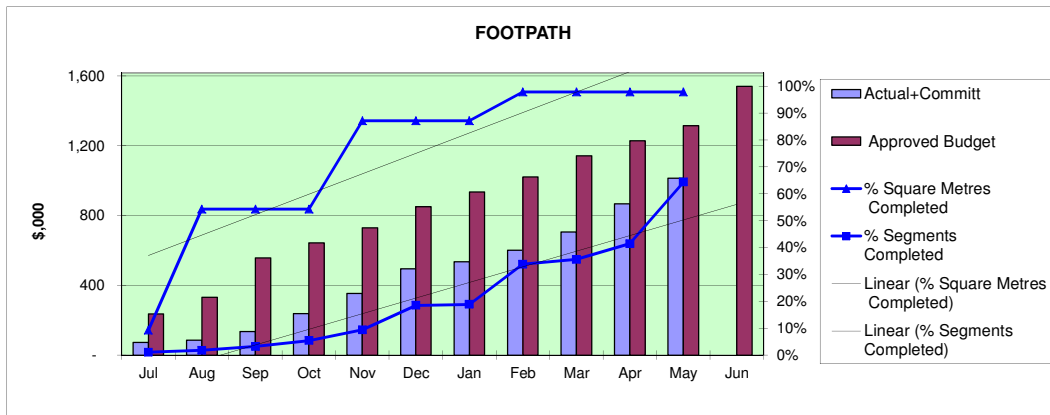
- Road seal program in progress, 92% complete.



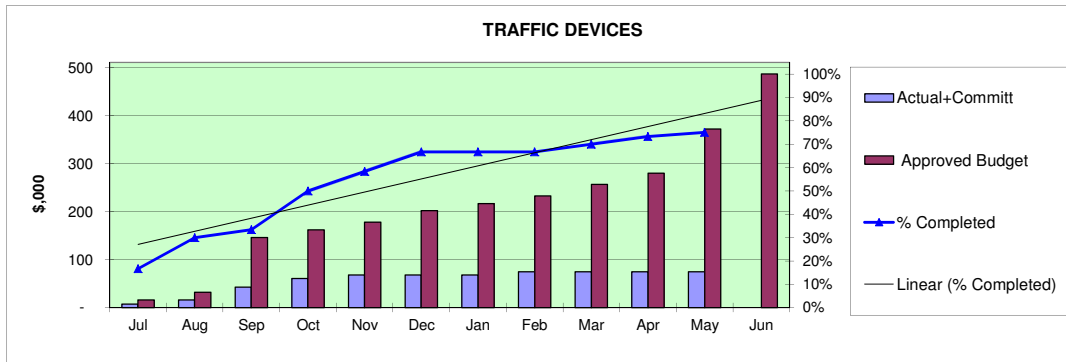
- Kerb program complete.



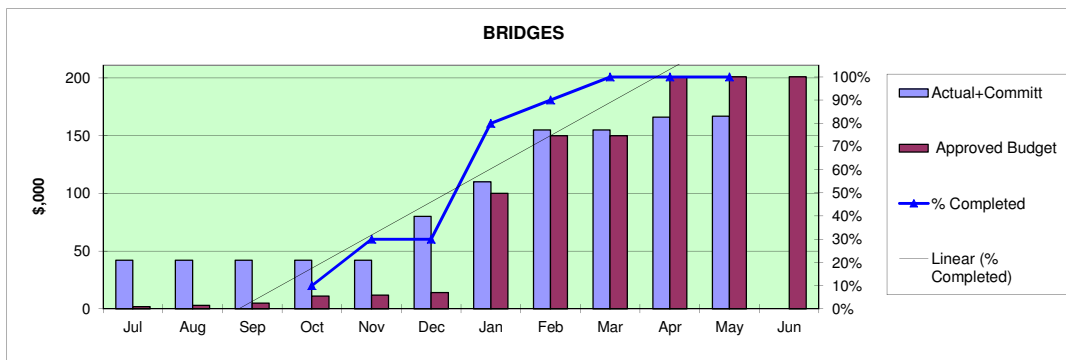
- Waterfall Creek retention structures, Ragamuffin Ave drain Ramrod Ave drain and Graham Road SEP, Waterfall Creek retention structures, complete.
- Coolah Ave box drain, Crozier Tce drain, Travers Street drain, Radstock Ave Stage 1 drain, Nanagai Ave drain Harbrow Grove spoon drain, Brigalow Ave spoon drain, West Street spoon drain, in progress.



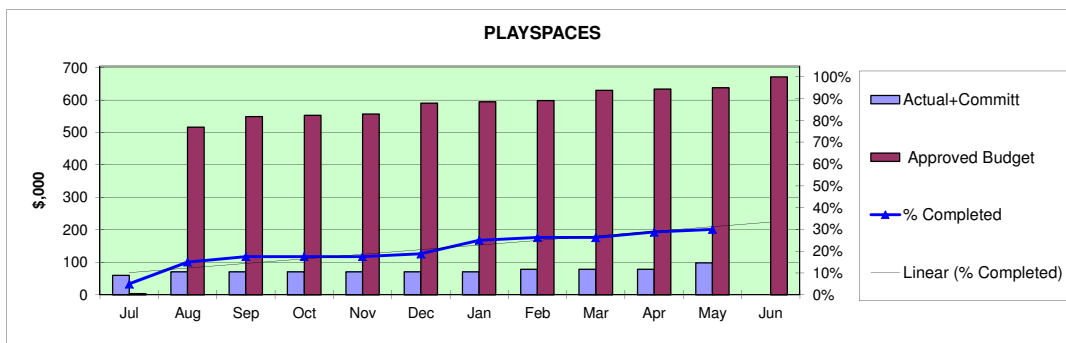
- Footpath construction in progress, 98% complete.
- Proactive works in progress, 64% complete.



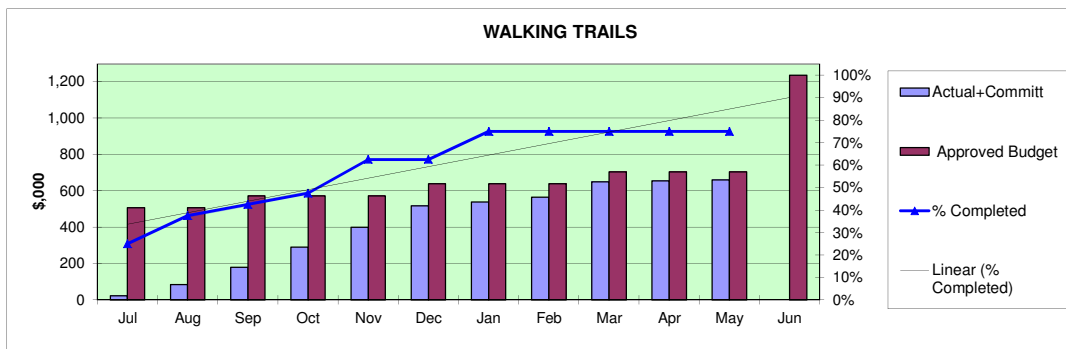
- Traffic Devices program 75% complete.
- Trott Grove parking bay, Towers Tce parking bay, Quailo Ave, Nottingham Tce parking bays complete.



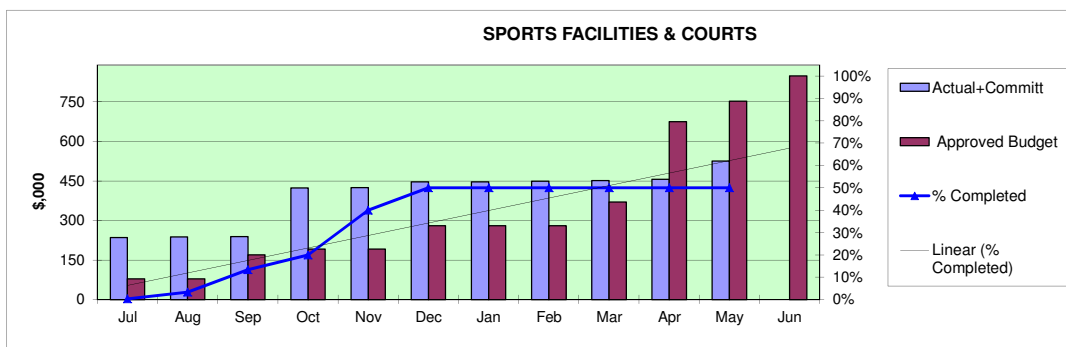
- Gannett Court bridge complete.



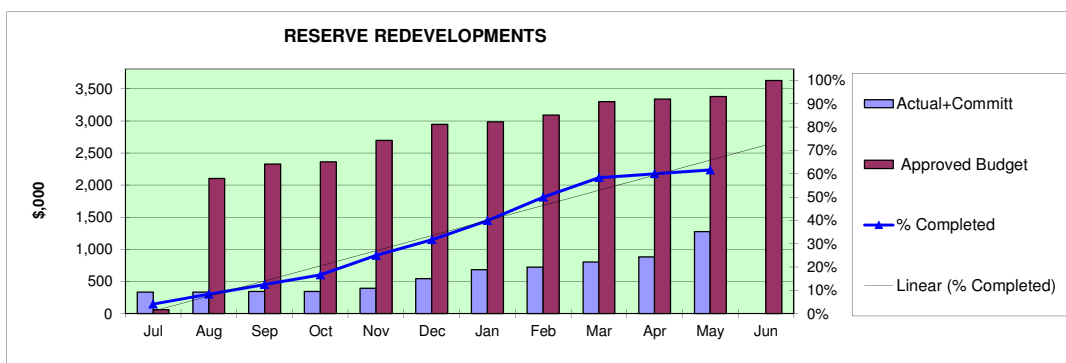
- Playspace program 30% complete.
- Plympton Oval upgrade and Edwardstown Oval upgrade consultation complete.
- York Street Reserve complete.



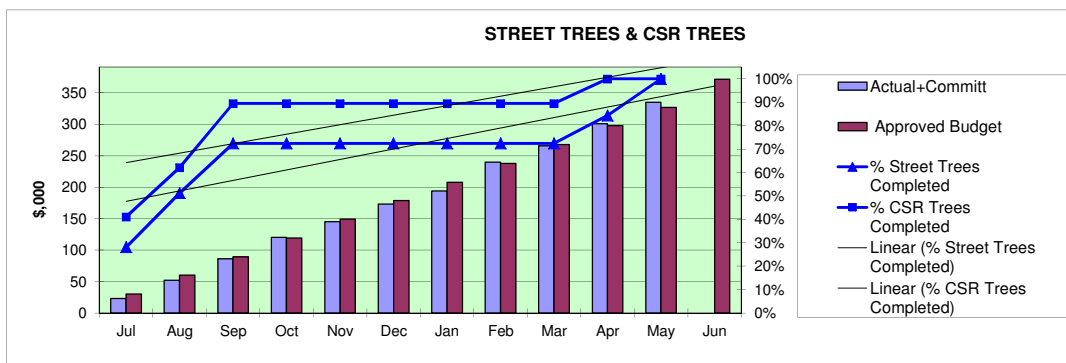
- Walking Trail program 75% complete.
- Sturt Linear Park Stage 1, Sturt Linear Park Stage 2 and Linear Park (Barramundi) complete.
- Quailo Shared Path in progress.



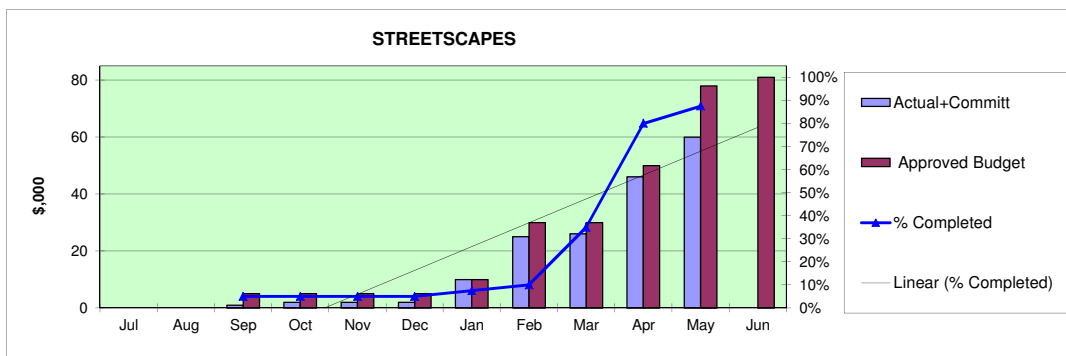
- Sports Facilities & Courts Program 50% complete.
- Mitchell Park Oval, lighting complete and fitness equipment design in progress.
- Edwardstown Multipurpose Courts consultation complete, design and specification in progress.
- Cove Sports construction works and changerooms completed.



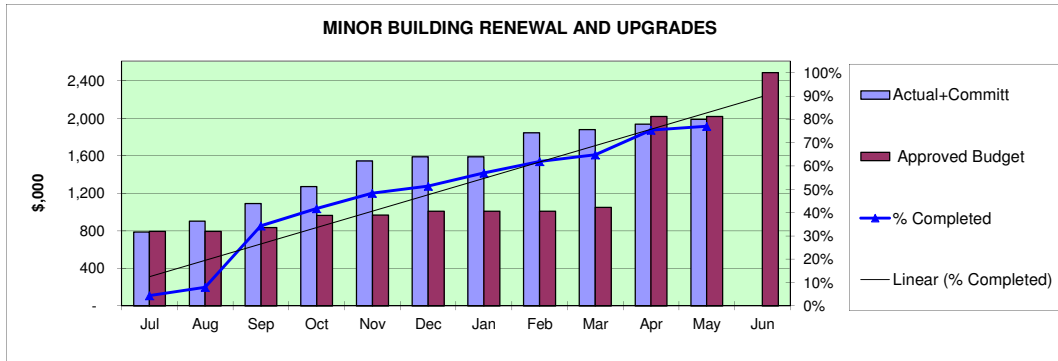
- Reserve Redevelopments program 62% complete. Works program increased to 7 projects.
- Oaklands Recreation Plaza construction commenced, 70% complete.
- Hallett Cove Beach Stage 1, complete.
- Oaklands Reserve Inclusive Playspace concept and Jervois Street Reserve in progress.
- Edwardstown Oval open space improvement and Trott Park Dog Park projects added to works program February 2015.



- CSR Tree Planting Program complete. Original program was for 190 trees, currently CSR planting total 390.
- Street Tree Planting Program complete. Original program was for 1,193 trees, currently planted 1,216.
- Total trees planted to date 1,606.



- Streetscape program 88% complete.



• Minor Building Renewal and Upgrade program 75% complete.

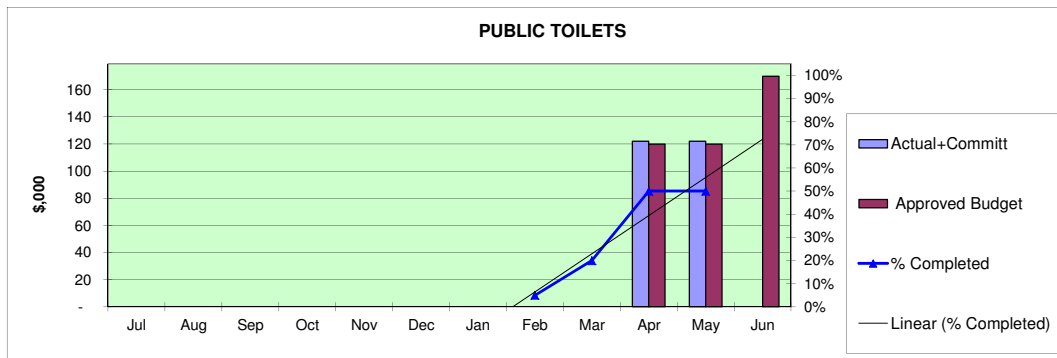
Complete

- Marion Golf Park asbestos removal.
- Outdoor Pool pipework replacement, tiling, water slide, sign.
- DDA Clovelly Park Tennis Club.
- DDA Southbank Tennis Club.
- Glandore Community Centre Clark building lighting.
- Edwardstown Rotary Club carpark.
- Seacombe Heights Tennis Club retaining wall.
- Abbeyfield House switchboard upgrade.
- Red House air-conditioning.
- Plympton Sports firewall.
- Glandore Community Buildings - Fitzjames windows, Slade carpet and Malwa air-conditioning.

- Cooinda veranda, painting and doors.
- Tjilbruke Gateway renewal.
- Hallett Cove Sports Club DDA upgrade.
- Marion Golf Park water tank.

In Progress

- Glandore Oval lighting and scoreboard.
- Glandore Oval asbestos removal.
- Ascot Park Vermont Tennis Club asbestos removal.
- Plympton Park Sports Club fence replacement.



• Southbank Reserve public toilet project added to works program February 2015 - procurement in progress.

Debtor	Total Balance	Current	30 Days	60 Days	90 Days	90+ Days	Percentage of total 90+ day balance	Comments for 90+ Day balances
General Total	16,843.66	1,252.00	1,137.41	604.00	.00	13,850.25	4%	Predominantly relates to one debtor on an ongoing payment regarding illegal tree removal (repayment plan is in place).
Hire of Council Facilities Total	29,550.47	8,789.60	.00	1,736.20	5,579.16	13,445.51	4%	Made up of 20 out of 41 debtors in this category, with none individually significant. \$4,504.16 since paid.
Land Clearing Total	2,146.45	.00	.00	.00	2,146.45	.00	0%	
Sporting Clubs & Other Leases Total	254,585.15	101,513.13	2,352.08	2,996.57	5,477.13	142,246.24	41%	Made up of 10 out of 19 debtors in this category. One accounts for \$57,300.54, four accounts (totalling \$21,099.75) are on payment plans (since paid \$3,526.30) and one debtor totalling \$35,180.74 has been subsequently fully settled in June.
Extra Works Total	40,387.50	2,495.00	1,685.00	5,755.00	7,550.00	22,902.50	7%	Made up of 15 out of 25 debtors in this category, with none individually significant, one debtor has been put on a payment plan and one has been subsequently settled in full (\$1,250) in June.
Swim Centre Debtors Total	9,122.15	167.70	.00	553.30	4,685.60	3,715.55	1%	Made up of 5 out of 11 debtors in this category, with the highest individual amount of \$1,946.45 being since paid in full in June.
Grants & Subsidies Total	288,107.84	117,714.53	.00	30,800.00	.00	139,593.31	40%	\$110,000 relates to one specific debtor, with a credit of \$23,220 since being issued - related work will not commence until grant funding is received in full. Three other debtors make up the remainder and are being followed up accordingly.
Environmental Health Total	13,750.99	4,807.80	.00	574.00	902.00	7,467.19	2%	Made up of 48 out of 96 debtors in this category, with none individually significant, \$82 since paid
Impoundment	135.00	.00	.00	135.00	.00	.00	0%	
Tree Funds Total	13,975.64	10,459.80	330.00	246.00	246.00	2,693.84	1%	Made up of 10 out of 22 debtors in this category, with none individually significant.
Living Kaurna Cultural Centre	2,080.20	2,080.20	.00	.00	.00	.00	0%	
Marion Cultural Centre Total	8,230.55	6,788.55	369.00	915.50	157.50	.00	0%	
Total	678,915.60	256,068.31	5,873.49	44,315.57	26,743.84	345,914.39		
Total Aging Profile		38%	1%	7%	4%	51%		

Category	Description
General	Anything that does not fit into one of the below categories.
Hire of Council Facilities	For hire of rooms in Neighbourhood Centres, etc - usually charged out at an hourly rate. Also includes cultural workshops and tours.
Land Clearing	Relates to the clearing of vacant land
Sporting Clubs & Other Leases	Rent, electricity, water, maintenance, etc charged out to lessees.
Extra Works	For repairs or modifications to infrastructure (footpaths, kerbs, driveway inverts). Can be at resident request.
Swim Centre Debtors	Outdoor Swimming Centre - used for lane hire, school visits, etc
Grants & Subsidies	Government grants and subsidies
Environmental Health	Food Inspection fees
Impoundment	Used for Vehicle Impoundment fees.
Tree Funds	Includes contribution from residents and/or developers for the removal and/or replacement of Council Street Trees and significant trees.
Living Kaurna Cultural Centre	Relates to programs run through the LKCC
Marion Cultural Centre	For invoices relating to the Marion Cultural Centre

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Question Received from: Councillor Bruce Hull

Subject: Waste Recycling Community Education

Ref No: GC230615Q01

File No: 9.33.3.27

QUESTION:

"How can Council better educate the community regarding recycling waste"

COMMENTS: Councillor Bruce Hull

The response should take into consideration the community's expectation for privacy in relation to their garbage bins.

COMMENTS: Roger Belding, Unit Manager Operational Support

Marion promotes community waste education through several levels of communication designed to inform and provide understanding across multiple demographics.

Information provided to the community is designed to reaffirm and encourage households to recycle and where required to promote behavioural change improving recycling outcomes.

Current waste strategies adopted include:

- Waste and recycling information, both in print and outlined on Council's web site. Printed information provided by the City of Marion includes the household Bin Collection Calendar and Recycling Guide.
- Presentations and workshops with community groups, schools and small businesses.
- Recycle Right bin tagging program. The Recycle Right bin tagging campaign, initiated through Zero Waste SA, is an example of our partnering with other organisations to provide a consistent waste education message across Adelaide (refer Appendix 1). Staff place an information tag on bins advising that a bin audit is to be conducted. This advisory tag provides relevant contact details should residents seek additional information (refer Appendix 2). The intent of the survey is to encourage appropriate waste minimisation and improve recycling habits. The bin audit identifies the types of materials being recycled whilst maintaining privacy for residents.
- Waste and recycling information for other activities of Council such as major events (Marion Celebrates) and the green at work programme.

- Residents also have the opportunity to attend tours of waste and recycling facilities to see what happens to their waste and learn more about the benefits of recycling.

Application of these approaches has achieved benefit for the City of Marion through a marked reduction of contaminants being placed in kerbside recycling bins.

Other strategies for community waste education could be explored including:

- Continued development of partnership approaches
- Greater utilisation of social media
- Capturing community interest towards improved recycling outcomes.

Our waste education approach is achieved through ongoing evaluation and assessment against what is a constantly changing environment.

Appendix:

1. Zero Waste SA Guidelines Bin Tagging
2. Bin Inspection - Example of Pre-Inspection Advice Provided to Residents



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Government of South Australia
Zero Waste SA

Zero Waste SA, established by the *Zero Waste SA Act 2004*, provides strategic policy advice and direction to government and stakeholders.

It undertakes programs and projects that maximise waste reduction and promote recycle and sustainability. It engages with the community, business and government, building partnerships for change.

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KERBSIDE WASTE AND RECYCLING IN SOUTH AUSTRALIA

South Australians continue to recycle more each year and send less waste to landfill, despite the state's population growth. However, ongoing research undertaken by Zero Waste SA since 2005 continued to indicate a need to improve bin disposal behaviour. Representations from local government, waste industry, material recovery facilities and re-processors have also focussed on the persistent problem of contamination.

Zero Waste SA's Recycle Right program aims to change the way householders think and behave when recycling through consistent, quality advertising and materials. The initiative was developed in collaboration with South Australian local government, waste educators and the waste and recycling industry. It is the most comprehensive household recycling education program developed by a state jurisdiction in Australia on kerbside recycling.

Recycle Right provides template materials commonly created by councils such as calendars, fact sheets, stickers, banners and waste tours along with a one-stop recycling hotline, user-friendly search engine <http://www.zerowaste.sa.gov.au/at-home/recycle-right> and social media to provide information tailored to individual councils.

Central to Recycle Right is press advertising and sponsorship of high profile activities which have ensured wide and general knowledge of the campaign. Education resources for all years of schooling and non-English speaking members of the community have also been created.

Recycle Right has supported all councils in South Australia with kerbside recycling. This represents 80% of South Australian councils covering 98% of the population. Market research completed by The Ehrenberg-Bass Institute of Marketing Science, University of South Australia, has shown the campaign has been successful in improving householder knowledge about recycling, however, increased knowledge has not yet had a significant impact on bin disposal behaviour.

There are many factors that may impact on knowledge being translated into changed behaviour including that bin disposal is habitual, is not socially visible and does not have an immediate feedback loop to reinforce behaviour. Householders also report feeling confident in their knowledge about recycling and well informed on how to recycle. This presents a challenge to recycling campaigns – if householders think they know how to recycle correctly, and have all the information they need, they are less likely to pay attention to communications about recycling as they may not see them as relevant to them.

A new approach towards householder education was required in order to respond to industry concerns about contamination.

Bin tagging follows a staged process of education and inspections of bins to inform households about waste services and their performance. The aim of the program is to reduce contamination in recycling and green organics bins, and promote placement of food scraps in green organics bins.

Bin tagging has been a successful way to translate improved and increased knowledge into improved behaviour for a variety of reasons:

- the colourful nature of the tags, and location of the tag on the bin, makes bin disposal behaviour more socially visible
- placing the information on the bin, rather than in the letterbox, has been more effective in gaining householder attention on recycling issues. People do not expect to see a tag on their bin and as such are immediately drawn to it and tend to take more time to read the information
- the tags provide immediate feedback to reinforce desired behaviour and alert householders to changes that are required in their behaviour particularly where there is a disconnect between householders' perceived and actual levels of knowledge
- bin tagging rewards desired behaviour and can apply punitive measures to ongoing or gross contamination issues. Incentives and enforcement have been shown to be powerful motivators in changing behaviour
- sequential visits to the same household, keeps desired bin disposal behaviour front of mind across a number of weeks, encouraging the desired behaviour to become habitual. It also allows and encourages householders to ask questions and improve their knowledge during the program.

Zero Waste SA has developed two case studies with regional councils in South Australia which are published at zerowaste.sa.gov.au.

IAN HUNTER MINISTER FOR SUSTAINABILITY, ENVIRONMENT AND CONSERVATION

South Australians are great recyclers and deserve thanks for their efforts. However, there are still some Council areas that report high levels of contamination in kerbside recycling bins.

This appears to be primarily due to a lack of understanding of what can go into each bin, rather than a lack of care.

We therefore continue working closely with residents and Councils to establish a better understanding of recycling.

Recycle Right® is the most comprehensive state-wide household recycling education programme in Australia. It was developed to help householders improve the way they use their bins at home, and it has become a valuable and widely-used educational programme.

It includes an impressive list of tools such as press advertising, a user-friendly online search engine, a 1300 hotline, fact sheets, and resources for schools, calendars, a training programme for local

government staff and elected members, and a growing use of social media.

And now we are introducing bin tagging as an additional component of Recycle Right® that promises to be one of the most successful behaviour change programmes.

Bin tagging trials have shown impressive changes in the way participants recycle, including a reduction of up to 66% in the number of contaminated recycling bins, and increased recycling rates of up to 43% after just six recycling collections.


The programme is effective because South Australians care and are enthusiastic recyclers. It is another way people can get information about recycling correctly, and trials have shown that people respond positively when a problem is pointed out to them after a simple inspection of their bins.

It's no wonder, therefore, that more and more Councils, in both metropolitan and regional areas, are showing an interest in bin tagging and looking for guidance and support to introduce the programme

in their area. These guidelines have been designed specifically to support Councils to run bin tagging programmes in their areas.

Our partnership with local government and the community have been key to achieving the great results we have seen waste reduction in South Australia. Today, there are 685,000 households in metropolitan and regional South Australia using the three-bin system. Recycling has doubled in the last 10 years in metropolitan areas – from 24% in 2003 to 50% - and more than tripled in regional areas – from 11% in 2003 to 36%.

I am confident that bin tagging will be another innovative, well-targeted and successful programme to help us achieve even better results in recycling and diversion from landfill.



Ian Hunter

Minister for Sustainability,
Environment and Conservation

JUSTIN LYNCH CHIEF EXECUTIVE CITY OF HOLDFAST BAY

The City of Holdfast Bay first ran the Recycle Right campaign along our Jetty Road precinct in 2012 as a joint venture between us, Zero Waste SA, VISY recycling and the collectors of the recycling bins SOLO Resource Recovery.

We saw an immediate and real change occur with the way in which traders were using their bins, and by the end of the project there was a 60% decrease in the number of bins containing contamination. Audits conducted by VISY concurred and showed an incredible 62% decrease in the amount of incorrect waste present.

Our campaign, along with the efforts of the traders, has made the sorting of recyclables more viable and safer.

The traders are to be congratulated. We wanted to acknowledge traders who recycled right and invited them to become 'Recycle Right Ambassadors' with stickers displayed in their shop window or recycling bin. I'm really pleased to report that 78 out of 189 traders who participated in the campaign achieved Ambassador status.

Red Cross Threads were one of these Recycle Right Ambassadors. They have always been an environmentally conscience business, recycling

all possible materials. Donations received are never thrown away, items that cannot be sold in store are re-distributed to larger outlets and clothes that are torn and dirty are collected as rags.

In relation to bin tagging program, self-confessed 'bin monitor', Pat, stated, "It was always nice to receive a happy face tag on your bin. It confirmed we were doing the right thing. Once you get everyone into the habit of recycling, it's not a hard task at all."

The City of Holdfast Bay continue to help residents Recycle Right through the bin tagging program.

WHAT IS CONTAMINATION

The issue of contamination

Contamination occurs when items that do not belong in a particular bin are placed in that bin.

Contamination can cause problems during the sorting of recyclables, and in severe cases, can affect the ability of the item to be processed into a new product.

What is a contaminant can change from council to council and is dependent on what the sorting facilities and re-processors can take.

Councils and waste and recycling contractors are working closely together to reduce the incidence of contamination. This can include contaminated bins not being emptied in order to avoid contaminating an entire truckload of quality materials.

During the collection of data for bin tagging, officers record the level of contamination in bins:

1 = less than 10% of the contents were a contaminant

2 = between 11–30% of the contents were contaminants

3 = gross contamination with more than 30% of the contents contaminants.

Levels of contamination can also range dramatically from Council to Council; region to region; however, most consider that reducing contamination to between 0-10% is the goal.



START – THE EDUCATION COMPONENT

Communicate internally

Liaise with councillors and Council staff about the program in case they are asked to provide information or comment, and share all resources that will go to householders.

Contact your waste contractor to inform them when you will be in the area and arrange a change of route, if necessary, to ensure bins are not collected before inspections.

Train staff in visual inspections to ensure these are done accurately and consistently.

Arrange Personal Protective Equipment (PPE) to meet occupational health and safety guidelines.

Communicate with residents

It is important that the education campaign complements both engagement and enforcement. This is to ensure that residents know that their area will be a part of the bin tagging program, why it is occurring and understand how to be successful, that is, 'recycle right'.

Educational resources could include fact sheets / flyers (see Appendix 4) on:

- what can and cannot be placed in each bin
- rewards for 'recycling right'
- potential penalties for continual or gross contamination.

Information on bin tagging can be provided through:

- a **letterbox drop** with a Recycle Right® flyer or letter to participant residents (see Appendix 5)
- an **advertisement** in the local paper (see Appendix 6)
- **media releases or articles** in local papers regarding implementation of bin tagging
- the **Council web page** displaying information on where the bin tagging will be occurring and the benefits of the program.

Information on recycling can be provided through:

- a **Recycle Right® calendar** or similar that clearly outlines what can and cannot go in each bin (see Appendix 7)
- **Council web page** with information on contamination figures and how residents can 'recycle right'.
- **pull-up banners** in Council offices and shopping centres promoting recycling (see Appendix 8)
- **education sessions** in local schools and libraries
- **media releases or articles** about recycling in local papers
- **managing agents' kits** for distribution to new tenants, containing information on collection services and waste management facilities.



One way information about recycling can be provided is through pull-up banners in Council offices and shopping centres promoting recycling.

GO – THE ENGAGEMENT COMPONENT

Preferably working in pairs, one person inspects, marks the tag and attaches it to the bin and the other records on the Inspection Monitoring Sheet and places fact sheets into letterboxes as needed.

Pack for the journey

Get all equipment ready and packed into a satchel or trolley so the team has everything it needs:

- flyers/information letter to residents on bin tagging (most relevant for first week)
- enough of all tags (three for green bins, two for waste bins and two for recycling bins)
- a highlighter pen (pink)
- a biro / pencil
- a map of area to be tagged
- Inspection Monitoring Sheets
- Clipboard
- two rubber bands per household (at least 10 centimetres long not stretched)
- fact sheets on relevant issues (pet waste, food scraps, plastics and hazardous waste).

Protect staff

Staff will need PPE for the season, timing and area according to Occupational Health and Safety regulations including the provision of:

1. high visibility vest/jackets
2. gloves (waterproof)
3. sun hats/raincoats
4. closed shoes
5. safety glasses
6. tongs
7. head torches (if early morning or late night inspections)
8. sunscreen
9. water
10. hand sanitiser gel.

Visual inspections

Engagement includes visual inspections of bins and tagging with feedback to residents.

A visual inspection of recycling bins allows quick identification of contaminants such as:

- soft plastics
- lids on bottles and containers
- un-rinsed containers
- polystyrene
- textiles
- plastic bags.

A visual inspection of organic bins identifies whether residents are adding food scraps and / or any contaminants such as:

- dirt, rocks or bricks
- metal or glass
- hard plastics such as plant pots
- soft plastics such as plastic bags.

Tagging the waste bin and indicating if food and recyclables are present also helps to improve recycling.

Tagging

Zero Waste SA has designed tags to suit councils with red and blue lidded waste bins, yellow lidded recycling bins and green lidded organics bins (see Appendix 1), but these can be adjusted for other colours and needs.

Tags used for recycling (yellow lids):

- Yellow happy face (THANK YOU)

If the recycling bin is free of contamination, attach a yellow tag to the bin thanking the resident for doing the right thing.

- Grey sad face (We ask one small favour)

If the recycling bin contains contaminants, attach a grey tag to the bin stating the contaminant.

Tags used for waste bins (red or blue lids):

- Red or blue happy face (THANK YOU)

If the waste bin is free of recyclables or food, a red or blue tag (depending on lid colour) thanks the resident for doing the right thing.

- Grey sad face (We ask one small favour)

If the waste bin contains contaminants such as recyclables and / or food, attach this grey tag informing the resident of the contaminant.

Tags used for organics:

- Green happy face (THANK YOU)

If the organics bin is free of contamination, a green tag thanks the resident for doing the right thing.

- Grey sad face (We ask one small favour)

If the organics bin contains contaminants, attach this grey tag informing the resident of the contaminant.

- Grey question mark (We didn't see any food...)

If the organics bin does not appear to have food waste, attach a grey question tag to the bin informing the resident. It is not assumed that the resident is not doing the right thing as they may have compost bins, worm farms or pets.

- Grey sad face (We were not able to collect your bin today)

Do not collect grossly contaminated recycle / organics bins. Instead attach this grey tag. The tag informs residents that their bin was not collected due to contamination and that they will need to remove the contaminants before it can be collected during the next collection.

Inspection procedure

1. Find the recycling and waste bin details on the Inspection Monitoring Sheet (listed by street address). If possible ensure that the correct bin is selected by checking the serial number. Do not inspect any bins that are not listed on the Inspection Monitoring Sheets as they may not have received the appropriate information.
2. Open the bin lid and visually inspect materials inside. Move objects with tongs to inspect what is underneath for approximately the top 30 centimetres.
3. a) If contamination is found place a 'Y' in 'Contaminated?' field of the Inspection Monitoring Sheet.
- b) If no contamination is found, place an 'N' in the 'Contaminated?' field.
- c) If no contamination is found but loose shredded paper is present, place an 'S' in the 'Contaminated?' field.
- d) If the bin is overfull (lid cannot be closed), add an 'O' in the 'Contaminated?' field (for example, if a bin is not contaminated but overfull, write 'N/O').

4. If contamination is found, note the types and volume of contaminants found (for example 'filled with plastic bags of garbage' or 'one bottle found with lid') in the 'Types of Contaminants' field on the Inspection Monitoring Sheet.
5. If the **recycling bin** is contamination free, attach the yellow happy face tag to the bin lid handle. If the bin contains contamination, select the grey sad face tag, highlight the contaminant in pink and attach this to the bin.
6. If the **waste bin** is free of recyclables and organic matter, attach the red/blue happy face tag to the bin lid handle. If the waste bin contains these, select the grey sad face tag, highlight the contaminant in pink and attach this to the bin.

Inspect the same households each fortnight to give householders a chance to change their behaviour and receive positive reinforcement and to determine levels of contamination during the program.

To support householders who have received feedback, education should continue during the engagement through:

- **pull-up banners** placed in the Council office and shopping centres
- **fact sheets** distributed to households where a sad tag has been given
- **Council web page** with information on contamination figures and how residents can 'recycle right'.
- **education sessions and workshops** offered to community and service groups, local schools or libraries.



THE ENFORCEMENT COMPONENT

Positive reinforcement

Each fortnight randomly select a household with no contamination in either bin (from the Inspection Monitoring Sheet) to win the Recycle Right® Jackpot. Council should predetermine what the 'jackpot' will be (a voucher to spend at a local store, cash, compost bin or kitchen caddy or similar).

Enforcement

After a determined number of grey sad face tags have been attached to a bin Council may choose to start enforcement procedures. In the initial trials this came after three consecutive incidences of contamination. If only four visits are planned, enforcement should be included at the third and fourth visits. Note that enforcement is not done for waste bins, which must be collected.

1. After three grey sad faces have been given, the recycling / organics bin is not collected. Tag the bin with the grey 'We were not able to collect your bin today' tag, highlighting why the bin was not collected. The bin should be moved back from the verge. The bin will not be collected and the resident will need to remove contaminants from the bin before the next collection.
2. Take photos of the contaminated bin showing the contaminants and the serial number of the bin in case further enforcement action is required. Place a letter in the letterbox (can be posted) or a tag warning that should further contamination occur the bin collection service will be stopped and a fee of \$80 will be needed to reinstate the service.
3. If a fourth incidence of contamination occurs, remove the recycling / organics bin from the property and place a letter in the letterbox (can be posted) informing the resident of the fee and procedure to have the bin service reinstated.

Evaluation

The data collected will enable the Council to determine whether contamination frequency decreases and whether identified 'hot spots' improve. Council may choose to analyse the cost benefits.

It may also be a time to re-evaluate the effectiveness of educational resources and update information to focus the campaign with the most effective resources to achieve the desired outcomes.

Zero Waste SA may be able to help with:

- design of tags to incorporate any differences in collections and logos
- design and printing of banners for education in libraries, schools and civic centres
- printing of flyers and tags.

Support from Zero Waste SA will assume data and information on the campaign's effectiveness can be shared.



APPENDIX ONE BIN TAGS

THANK YOU! 

Your efforts help recycle valuable resources.

- ✓ Glass bottles and jars
- ✓ Hard plastics, cartons
- ✓ Aluminium and steel
- ✓ Paper and cardboard

Remove lids (see reverse for tips on recycling lids)

RECYCLING RIGHT:

- ✓ Saves water, energy and resources
- ✓ Reduces waste to landfill
- ✓ Reduces harmful greenhouse gases
- ✓ Is more cost effective

RECYCLE RIGHT  

www.delaware.vic.gov.au delaware@yourdel.com

RECYCLE RIGHT

Please place your bins out the night before your bin collection day and bring them in within 24 hours.

- ✓ Ensure your bin lid is able to close.
- ✓ Give containers a **quick** rinse to ensure they are free of food.
- ✓ Flatten boxes and do not bundle papers or cardboard. Place items loosely in the bin.
- ✓ Remove lids. These can be recycled if placed in a detergent or fabric softener bottle. Call the Recycle Right hotline on 1300 137 118 for more information.

What DOES NOT go in your recycling bin:

- ✗ No nappies
- ✗ No polystyrene
- ✗ No food scraps or other green organic matter
- ✗ Remove lids (see above for how to recycle lids)
- ✗ No plastic bags (do not place recyclables in plastic bags, simply leave all recyclables loose)

THANK YOU FOR YOUR EFFORTS.  

www.delaware.vic.gov.au delaware@yourdel.com

WE ASK ONE SMALL FAVOUR 

Please do not place these contaminants in your recycling bin.

- ✗ No nappies
- ✗ No polystyrene
- ✗ No clothing or textiles
- ✗ No food scraps or other green organic matter
- ✗ Ensure containers are free of food
- ✗ Remove lids (see reverse for tips on recycling lids)
- ✗ No plastic bags and soft plastics (cling film, newspaper wrap, bubble wrap, frozen food)
- ✗ Other

THANK YOU FOR YOUR EFFORTS.  

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RECYCLE RIGHT

Please place your bins out the night before your bin collection day and bring them in within 24 hours.

- ✓ Ensure your bin lid is able to close.
- ✓ Give containers a **quick** rinse to ensure they are free of food.
- ✓ Flatten boxes and do not bundle papers or cardboard. Place items loosely in the bin.
- ✓ Remove lids. These can be recycled if placed in a detergent or fabric softener bottle. Call the Recycle Right hotline on 1300 137 118 for more information.

No plastic bags (do not place recyclables in plastic bags, simply leave all recyclables loose)

What DOES GO in your recycling bin:

- ✓ Glass bottles and jars
- ✓ Hard plastics, cartons
- ✓ Aluminium and steel
- ✓ Paper and cardboard

RECYCLE RIGHT  

www.delaware.vic.gov.au delaware@yourdel.com

WE WERE NOT ABLE TO COLLECT YOUR BIN TODAY. 

Please remove the following contaminants from your recycling bin. Your bin will then be collected on the next recycling collection.

- ✗ No nappies
- ✗ No polystyrene foam
- ✗ No clothing or textiles
- ✗ No food scraps or other green organic matter
- ✗ Ensure containers are free of food
- ✗ No pillows & quilts
- ✗ No plastic bags and soft plastics (cling film, newspaper wrap, bubble wrap, frozen food)
- ✗ Other

THANK YOU FOR YOUR EFFORTS.  

www.delaware.vic.gov.au delaware@yourdel.com

RECYCLE RIGHT

Please place your bins out the night before your bin collection day and bring them in within 24 hours.

- ✓ Ensure your bin lid is able to close.
- ✓ Give containers a **quick** rinse to ensure they are free of food.
- ✓ Flatten boxes and do not bundle papers or cardboard. Place items loosely in the bin.
- ✓ Remove lids. These can be recycled if placed in a detergent or fabric softener bottle. Call the Recycle Right hotline on 1300 137 118 for more information.

No plastic bags (do not place recyclables in plastic bags, simply leave all recyclables loose)

What DOES GO in your recycling bin:

- ✓ Glass bottles and jars
- ✓ Hard plastics, cartons
- ✓ Aluminium and steel
- ✓ Paper and cardboard

RECYCLE RIGHT  

www.delaware.vic.gov.au delaware@yourdel.com

THANK YOU! 

Your efforts help make great compost.

- ✓ Lawn clippings
- ✓ Garden prunings and small branches
- ✓ Leaves and twigs
- ✓ Food scraps, bones and paper towel

PLACING FOOD SCRAPS TISSUES AND PAPER TOWEL IN THE GREEN BIN:

- ✓ Saves these resources from going to waste
- ✓ Reduces waste to landfill
- ✓ Reduces harmful greenhouse gases
- ✓ Is more cost effective

RECYCLE RIGHT  

www.delaware.vic.gov.au delaware@yourdel.com

COMPOST RIGHT

Please place your bins out the night before your bin collection day and bring them in within 24 hours.

- ✓ Ensure your bin lid is able to close.
- ✓ Solid green boxes with food can be placed in the green bin.
- ✓ Shredded paper can go in the green bin mixed with lawn clippings and other organic material.

What DOES NOT go in your organics bin:

- ✗ No plastic bags
- ✗ No dirt, rocks and soil
- ✗ No gardening tools
- ✗ No irrigation pipes, hoses or plant pots
- ✗ No nappies
- ✗ No polystyrene

RECYCLE RIGHT  

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WE ASK ONE SMALL FAVOUR



Some items are better recycled or composted so please do not place these items in your waste bin.

- ☒ Food scraps or other green organic matter (goes in the green bin)
- ☒ Recyclables (these go in the recycling bin: cans, bottles and jars, hard plastic containers and paper)
- ☒ e-waste (take to an e-waste recycle)
- ☒ Light globes (take to Mitec 10 and True Value hardware store)

THANK YOU FOR YOUR EFFORTS

RECYCLE RIGHT
DELAIDE CITY COUNCIL

delmcc@delmcc.vic.gov.au delmcc@yourdelmcc.com

USING YOUR WASTE BIN RIGHT:

- ☒ Please place your bins out the night before your bin collection day and bring them in within 24 hours.
- ☒ Ensure your bin lid is able to close.

What **DOES GO IN** your waste bin:

- ☒ Polystyrene
- ☒ Clothing and textiles
- ☒ Broken drinking glasses, crockery and cutlery
- ☒ Nappies

DID YOU KNOW?

Soft plastics **CAN GO** in your waste bin. But did you know you can recycle soft plastics at metro Coles stores including plastic bags, bread bags, magazines and newspaper wraps, food packaging and old 'reusable' bags?

RECYCLE RIGHT
DELAIDE CITY COUNCIL

delmcc@delmcc.vic.gov.au delmcc@yourdelmcc.com

THANK YOU!



We didn't see any recyclables or organic material in your waste bin.

What **DOES GO IN** your waste bin:

- ☒ Polystyrene
- ☒ Broken drinking glasses, crockery and cutlery
- ☒ Clothing and textiles
- ☒ Nappies

USING YOUR WASTE BIN RIGHT:

- ☒ Saves water, energy and resources
- ☒ Reduces harmful greenhouse gases
- ☒ Is more cost effective

RECYCLE RIGHT
DELAIDE CITY COUNCIL

delmcc@delmcc.vic.gov.au delmcc@yourdelmcc.com

USING YOUR WASTE BIN RIGHT:

- ☒ Please place your bins out the night before your bin collection day and bring them in within 24 hours.
- ☒ Ensure your bin lid is able to close.

What **DOES NOT GO** in your waste bin:

- ☒ Food scraps or other green organic matter (goes in the green bin)
- ☒ Recyclables (go in the recycling bin)
- ☒ e-waste (take to an e-waste recycle)
- ☒ Light globes (take to Mitec 10 and True Value hardware store)

DID YOU KNOW?

Soft plastics **CAN GO** in your waste bin. But did you know you can recycle soft plastics at metro Coles stores including plastic bags, bread bags, magazines and newspaper wraps, food packaging and old 'reusable' bags?

RECYCLE RIGHT
DELAIDE CITY COUNCIL

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WE ASK ONE SMALL FAVOUR



Please do not place these contaminants in your organics bin.

- ☒ Plastic bags
- ☒ Soil, rocks and soil
- ☒ Gardening tools
- ☒ Irrigation pipes, hoses or plant pots
- ☒ Nappies
- ☒ Polystyrene

Other ☒

THANK YOU FOR YOUR EFFORTS

RECYCLE RIGHT
DELAIDE CITY COUNCIL

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COMPOST RIGHT

- ☒ Please place your bins out the night before your bin collection day and bring them in within 24 hours.
- ☒ Ensure your bin lid is able to close.

Soiled pizza boxes with food can be placed in the green bin.

Shredded paper can go in the green bin mixed with lawn clippings and other organic material.

What **DOES GO IN** your organics bin:

- ☒ Lawn clippings
- ☒ Garden prunings and small branches
- ☒ Leaves and twigs
- ☒ Food scraps, tissues and paper towel

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WE DIDN'T SEE ANY FOOD OR COMPOSTABLE BAGS IN YOUR GREEN BIN..



If you are already composting at home, many thanks and please continue to do so.

Did you know you can place all your food scraps paper towel and tissues in the green bin including:

- ☒ Fruit and veg
- ☒ Cheese and yogurt
- ☒ Eggshells
- ☒ Meat, bones
- ☒ Tea bags and coffee grounds
- ☒ Seafood
- ☒ Paper towel

Did you know kitchen caddy and compostable bags are available FREE from Council or community centres to make recycling food scraps easier? Call 8203 1000.

RECYCLE RIGHT
DELAIDE CITY COUNCIL

delmcc@delmcc.vic.gov.au delmcc@yourdelmcc.com

COMPOST RIGHT

- ☒ Please place your bins out the night before your bin collection day and bring them in within 24 hours.
- ☒ Ensure your bin lid is able to close.

Soiled pizza boxes with food can be placed in the green bin.

Shredded paper can go in the green bin mixed with lawn clippings and other organic material.

PLACING FOOD SCRAPS IN THE GREEN BIN:

- ☒ Saves these resources from going to waste
- ☒ Reduces waste to landfill
- ☒ Reduces harmful greenhouse gases
- ☒ Is more cost effective

Please continue to use composting or worm farms and use your green bin for items you don't place in these systems such as meat, bones and seafood.

RECYCLE RIGHT
DELAIDE CITY COUNCIL

delmcc@delmcc.vic.gov.au delmcc@yourdelmcc.com

APPENDIX TWO

GREEN ORGANICS AND WASTE BIN INSPECTION MONITORING SHEET

GENERAL KEY	N = no contamination	NP = bin not presented	O = overfull (lid cannot close)
RECYCLABLES KEY	SP = soft plastics S = shredded paper T = textiles or fabric F = food/food in containers	B = bagged waste P = polystyrene GO = green organics E = e-waste	F = food/food in containers L = lids on or loose R = recyclables
	1 = low levels of contamination (less than 10 %)	2 = medium levels of contamination (10-30%)	3 = high levels of contamination (above 30%)

STREET NAME

HOUSE NUMBER	BIN SERIAL NUMBER	WEEK 1	WEEK 2	WEEK 3	WEEK 4
10	R012345 - Green	F/O	N	S/P	N
	GOO1234 - Waste	R/F	F	S/G	N
	NOTES Lid broken on green and 2 waste bins – needs investigating Fact sheet on shredded paper given				
12					

APPENDIX TWO

RECYCLING AND WASTE BIN INSPECTION MONITORING SHEET

GENERAL KEY	N = no contamination	NP = bin not presented	O = overfull (lid cannot close)
RECYCLABLES KEY	SP = soft plastics S = shredded paper T = textiles or fabric F = food/food in containers	B = bagged waste P = polystyrene GO = green organics E = e-waste	F = food/food in containers L = lids on or loose R = recyclables
	1 = low levels of contamination (less than 10 %)	2 = medium levels of contamination (10-30%)	3 = high levels of contamination (above 30%)

STREET NAME

HOUSE NUMBER	BIN SERIAL NUMBER	WEEK 1	WEEK 2	WEEK 3	WEEK 4
1A	R012345 - Recycling	F/O	E	S	N
	GOO1234 - Waste	R/F	E/F	S/P	N
	NOTES Lid broken Fact sheet on paper given				
1B	R012346 - Recycling				
	GOO1235 - Waste				

APPENDIX THREE

RECYCLE RIGHT AMBASSADOR STICKER



APPENDIX FOUR EDUCATIONAL FLYERS

Use the right bin and win cash and a caddy



The City of Unley provides all households with a 240L green lidded organics bin service. Recent audits of bins in 2014 have shown that some material is going in the wrong bin.

In order to improve the use of our recycling service, Council is implementing a "Recycling Right" campaign.

And just by Recycling Right, you could win cash and a kitchen organics caddy with compostable bags!

For more information on recycling right and the bin tagging program visit www.unley.sa.gov.au or contact the Council on **8372 5111**

Use the right bin and win!



The City of Onkaparinga provides residents with a three bin kerbside waste and recycling collection service for household waste, recycling and green organics. Results of a recent bin content audit showed that some materials are going in the wrong bin.

Did you know putting the wrong items in your recycling and green organics bins is a waste? If the bins are contaminated with unsuitable items these cannot be processed, so the material goes as waste to landfill. We also need to ensure recyclable material is not going as waste to landfill.

A new revolution in recycling has begun! A wider range of household items can now be placed in your recycling bin.

Join the revolution! Recycle more, recycle right and reward your Customer Relations Officer.

For a complete A-Z listing of recyclable items, and to learn how to recycle right, visit www.onkaparingacity.com/recyclingrevolution or contact Customer Relations on **8204 0465**.

APPENDIX FIVE RECYCLE RIGHT FACT SHEETS

GREEN ORGANICS BIN – Some simple tips on how to Recycle Right

Garden organics recycling is a great way to help our environment. The key to its success is ensuring that the right items are placed in the green organics bin.



TIP 3
Remember the GREEN BIN rules: If it didn't grow, it doesn't go.



TIP 5
No dirt, rocks or bricks in the GREEN BIN. Small quantities of these items can go in your WASTE BIN. Take larger amounts to your local waste transfer station (tip).



TIP 7
No garden hoses, tools or plastic plant pots in the GREEN BIN. Place garden tools in your WASTE BIN and clean plastic pots in your RECYCLING BIN.



TIP 9
Don't put your garden waste in a plastic bag. Place garden or organic waste directly into your GREEN BIN.

Saving water and supporting food security

Using mulch and compost (both made from the material collected from green organics bins) will help to:

- hold water, reduce leaching loss and improve the soil
- create biologically healthy soils that use less water, less fertiliser and lower pesticides – mulches can save more than 30% of irrigation water
- lower extreme soil temperatures in summer thereby alleviating plant stress by insulating the soil.

Reducing climate change

- Around 90% of greenhouse gas emissions from landfill are a result of decomposing organic material which could be diverted. Composting garden materials and food scraps diverts this organic matter from landfill.
- Composting reduces the quantity of waste going to landfill and therefore cuts down on methane, a strong greenhouse gas and contributor to global warming.
- Compost can reduce soil erosion by up to 20% through adding structure and assisting plant growth and vegetation establishment.

Unsure about which bin a specific waste item should go?

Check out the RECYCLE RIGHT online search engine that will provide details specific to your council. Visit zerowaste.sa.gov.au/recycle-right or call 1300 137 118. You can also find tips on what to do with items that cannot be placed in your kerbside bins, such as oils, e-waste, light globes and household chemicals. Some of these services are free. Visit zerowaste.sa.gov.au/oh-home or call 1300 137 118.



THE TRUTH ABOUT PLASTICS



Many of us have been tricked into using the triangular symbol with a number inside to identify what can be recycled.

But this symbol is NOT a recycling symbol. It is a plastic identification code used to tell manufacturers what type of plastic the item is made from.



WHAT PLASTICS CAN BE RECYCLED?

Any plastic container that is rigid can be recycled! A handy tip for deciding if the container is "rigid" is if it:

- holds its shape when crushed, bent or
- would hold liquid.

Here's a quick guide to containers with the plastic code that CAN be placed in your recycling bin:



Symbol	Type of plastic	Types of containers	Accepted in your recycle bin?
1 PET	Polyethylene Terephthalate PET	Carbonated soft drink bottles, detergent bottles.	YES!
2 HDPE	High Density Polyethylene HDPE	Milk and cream bottles, shampoo bottles, cleaning products.	YES!
3 PVC	Polyvinyl Chloride PVC	Clear cereal and juice bottles.	YES!
4 LDPE	Low Density Polyethylene LDPE	Squeeze bottles.	YES!
5 PP	Polypolyethylene PP	Ice cream containers and lids, plastic take away containers.	YES!
6 PS	Polystyrene PS	Yoghurt containers and margarine/butter containers.	YES!



These fact sheets can be downloaded from zerowaste.sa.gov.au

APPENDIX SIX ADVERTISEMENT



 **DO THE RIGHT BIN
AND WIN 100s!**

Each week a random household's bin in Holdfast Bay will be chosen to win the wheelie bin jackpot.

If on organics bin week the chosen organics bin contains food scraps and the garbage bin contains no contamination, the household wins a \$100 Jetty Road gift card. If on recycling week both the recycling bin and garbage bin contains no contamination, the household also wins a \$100 gift card. If the random bin inspected each week isn't being used correctly the prize jackpots to a \$200 Jetty Road gift card and so on.

HOLDFAST.SA.GOV.AU | P 8229 9999

APPENDIX SEVEN CALENDARS



WHAT CAN I PUT IN MY RECYCLING BIN?



RECYCLING

Your recycling bin is the 240 litre bin with the yellow lid. Please check Section 1 for your collection day.

Collected: fortnightly on the days in yellow on the calendar

- WHAT GOES IN THE RECYCLING BIN?**
- Tins and cans (with lids off - recycling annually)
 - All glass bottles and jars (rinsed and with lids off)
 - Paper and cardboard (e.g. newspapers, magazines, envelopes, junk mail, egg cartons and cardboard boxes - flattened)
 - Shredded paper (based on an envelope or less)
 - Liquid paper-based products (e.g. paint and milk cartons - rinsed)
 - Clean plant pots and seedling tubs
 - All rigid plastic containers (e.g. plastic drink bottles, detergent bottles, yogurt, cream and margarine containers - rinsed and lids off)
 - Empty glass bottles, most cleaning coffee cups and aluminium trays
- RECYCLING TIPS**
- Place all recyclables loose into the bin
 - If you can attach a piece of plastic packaging in your hand it cannot be recycled and needs to be put into your blue-lidded bin
 - Flatten all tins from jars, bottles and plastic containers before putting them in the bin
 - Hard, rigid plastic lids can be collected in a plastic milk bottle which can be placed in the recycling bin once full
 - Rinse containers as necessary - save water and use the reverse dishwasher
- DO NOT**
- Do not put your recycling in plastic bags
 - Do not mix recyclables (e.g. putting cans in boxes)
 - Do not bundle newspaper or cardboard

SECTION 4 - RECYCLING BIN

HOW TO USE YOUR WASTE BIN CORRECTLY

You can reduce what goes into your waste bin by doing the following:

REDUCE waste in the first place

- Reduce, reuse and recycle
- Shop responsibly and responsibly to reduce their waste

REDUCE what you throw away

- Get a compost bin and water tank
- Buy in bulk and produce with minimal packaging
- Reuse where possible

REUSE materials in an innovative way

- Buy items in reusable containers
- Reuse containers for storage (e.g. jars, tins, bottles, etc.)

RECYCLE products for reuse and reuse materials

- Clean the bin and use recycled products
- Use your recycling bin for your recycling waste



WASTE

Your waste bin is the smaller 140 litre bin with the red lid or sticker. Please check the bin collections section for your collection day.

Collected: weekly

- WHAT GOES IN THE WASTE BIN?**
- Any remaining items that cannot be recycled or composted
 - Plastic bags, garbage bags, non-recyclable plastic and food packaging (e.g. chip packets)
 - Cooking, broken glass, mirrors, etc.
 - Plastic bags, polystyrene, foam, chip bin
 - Nappies
 - Paper and tissues
- WHAT DOES NOT GO IN THE WASTE BIN?**
- All liquid waste, building and construction waste (including nails and earth)
 - Hot ashes, hazardous or radioactive materials
 - Flares, ammunition or explosives
 - Medical waste
 - Automobile parts
 - Gas cylinders
 - Alkaline batteries

For a comprehensive guide of what to do with waste and recycling items see the [What to Recycle Where](#) list on Council's website.

SECTION 4 - WASTE BIN



**THANK
YOU** 



Government of South Australia
Zero Waste SA

RECYCLE RIGHT CHOOSE THE RIGHT BIN

The City of Marion is implementing a **RECYCLE RIGHT** campaign to improve the use of our recycling service. Bin audits have shown that some materials are going into the wrong bin.



A team will conduct fortnightly inspections of green organics bins presented in your area. At the same time we will inspect your waste bin to help ensure valuable resources are not going to waste.

You will be given feedback from each inspection in the form of one of three tags attached to your bins:

- **Thank you** – please keep up the great effort
- **We didn't see any food scraps in your green organics bin** – with some helpful tips on placing compostables in the green bin

- **We ask one small favour** – no contaminants such as gardening tools, dirt and rocks in the green organics bin.

For more information on the **RECYCLE RIGHT** campaign contact Council on 8375 6600 or email waste@marion.sa.gov.au



Government of South Australia
Zero Waste SA



BIN AUDITS* HAVE SHOWN THAT SOME MATERIALS ARE GOING INTO THE WRONG BIN.

The City of Marion provides residents with a three-bin kerbside waste and recycling collection service for recycling, green organics and waste to landfill.

Bin audits have shown that 34% of material in the red waste bin was primarily food waste which could have been composted through disposal in the green organics bin.

You can help by using the green bin even more!

DID YOU KNOW YOU CAN PUT IN THE GREEN BIN:

- any food scraps, cooked or raw, including meat, bones, cheese, eggshells, cake, bread and seafood
- compostable papers such as paper towel and tissues
- pet hair and poo either loose, wrapped in newspaper or in your compostable bags but **NEVER** in plastic bags please.

By placing food scraps in the green bin, these will be composted into a nutrient rich resource rather than sent to landfill.



*Audit conducted June 2012.

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Question Received from: Councillor Bruce Hull

Subject: Marion Swimming Pool LED Signage

Ref No: GC230615Q02

File No: 9.33.3.27

QUESTION: Councillor Hull

Can you tell me who approved the new LED ready Swimming Pool sign to go up in that location prohibiting it from having LED signage?

There is a 100 meters of frontage there on Oaklands Road that could have been used for the sign. Can you advise please?

COMMENTS: Abby Dickson, Manager Libraries & Cultural Development

The Marion Outdoor Swimming Pool sign is located on the corner of Oakland's Road and Hendrie Street and its primary role is to provide directional signage for traffic entering into Hendrie Street from either direction on Oaklands Road. The sign required replacement this year and falls under the category renewal/replacement within Council's Asset Management Framework. The entrance into the Outdoor Swimming Pool is not visible from Oaklands Road making signage on this corner essential. Locating the sign away from the corner would not provide traffic on Oaklands Road with clear directions to the Centre's carpark and entrance. It is on this basis a decision has been made to retain the current location of the sign.

A report is in the process of being developed for Council's consideration which outlines the sign's usage moving forward, and whether or not installing LED functionality is possible. This will include detailing the associated development assessment processes, including advice from DPTI.

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Notice Received from: Councillor Bruce Hull

Subject: Oaklands Crossing

Ref No: GC230615M01

File No: 9.24.1.4 & 9.33.3.27

MOTION:

That Council calls for a report in relation to the costs and other associated detail related to a Council led campaign for a grade separation engineering solution for the Oaklands Crossing. That this campaign incorporates the use of Bill Boards, namely those operated by ooh! media at this very crossing (as pictured in Appendix 1). That the funding of this campaign is not limited to Council with Council canvassing local businesses to potentially co-fund this campaign

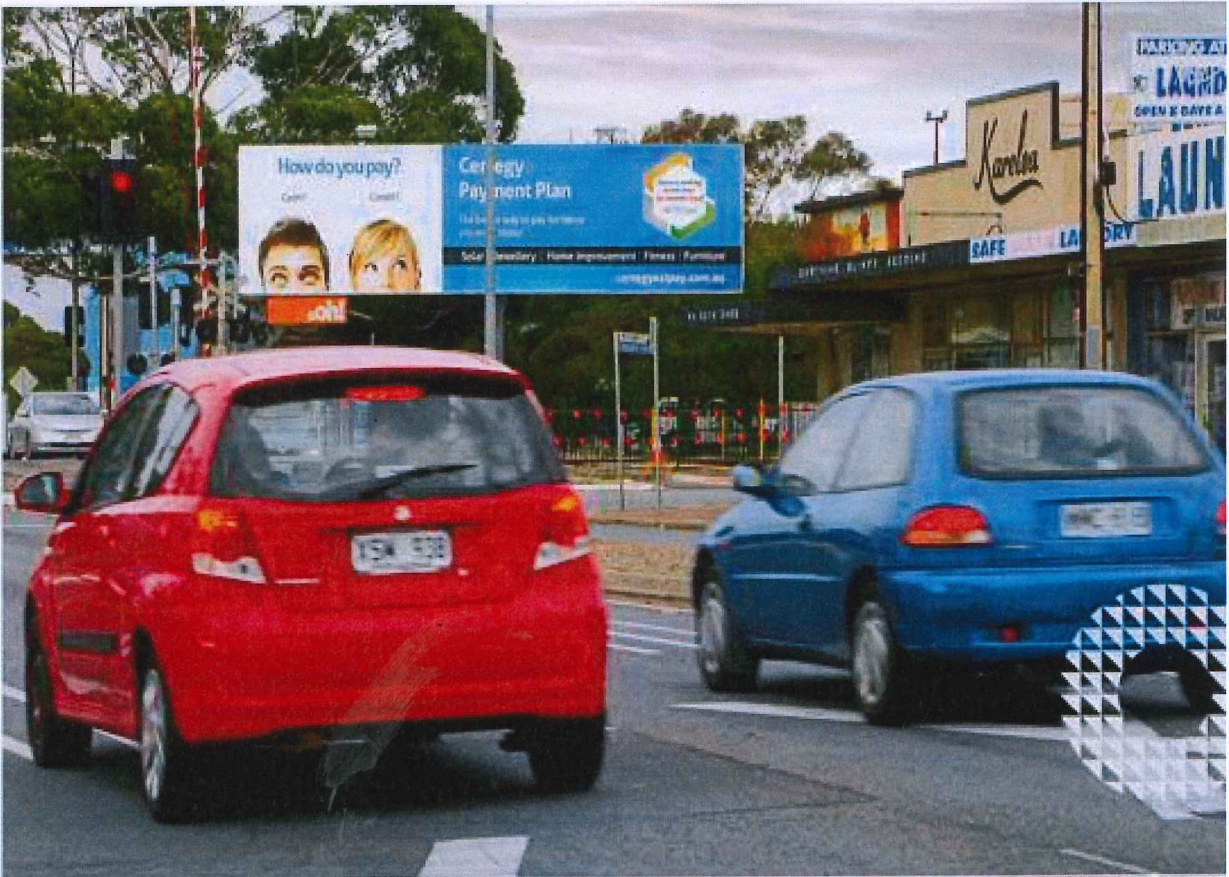
COMMENTS: Councillor Hull

Nil

COMMENTS: John Valentine, Manager Strategic Projects

A Forum has been scheduled for 21 July to discuss grade separation at the Oaklands Crossing. Information will be developed for the Forum such as an overall strategy including roles and responsibilities, cost of billboards and general advertising, assessment of parties to be approached for co-funding and related matters.

YES OPTUS 3G 6:41 pm
oohmedia.com.au



OS-00735
South Australia

Format	Superside	Description
Size	12.61 x 3.3m	Positioned at a busy intersection in close proximity to

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**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Notice Received from: Councillor Jerome Appleby
Subject: Rainbow Flag Rescission
Ref No: GC230615M02
File No: 9.24.1.4 & 9.33.3.20

MOTION:

That the following motion passed at the 9 June 2015 Council Meeting be rescinded:

1. *Endorses The Rainbow Flag to be flown at the City of Marion administration building on an on-going basis.*
2. *The flag pole flying the City of Marion flag be changed at times of other significant events (e.g. flying the Eureka Flag).*
3. *Not register the flying of the flag with any organisation.*

COMMENTS: Councillor Appleby

I have taken advice from Senior Counsel and insofar as is necessary put the following motion without prejudice to my primary position that the motion did not comply with the mandatory requirement as the mover did not have leave of the meeting to amend the motion:

*LOCAL GOVERNMENT (PROCEDURES AT MEETINGS) REGULATIONS 2013 -
REG 14*

14—Variations etc

(1) The mover of a motion or amendment may, with the consent of the seconder, request leave of the meeting to vary, alter or withdraw the motion or amendment.

*(2) The presiding member **must immediately** put the question for leave to be granted and no debate will be allowed on that question.*

The Chair must immediately put the question as to whether leave is granted to a vote. There is **no discretion** as the section of the regulation is set in **mandatory terms**. That did not take place. Therefore the motion is invalid.

I raised the point at the time that the mover and seconder could not simply amend their motion but was overruled by the Chair.

I note Council's provision of the case of *Johnson v Director of Consumer Affairs Victoria; Johnson v Victorian Civil and Administrative Tribunal & Anor* [2011] VSC 595 in support of its view that the motion is valid due to the presumption of regularity and make the following points:

1. The case in Victorian.
2. The case makes clear that the presumption of regularity is a rebuttable presumption (see paras 65 – 69).
3. Mr Johnson was found not to have rebutted the presumption (see para 70).
4. The case can be distinguished from the present situation where the presumption has been rebutted. Indeed, Council's acknowledgment that I was "probably correct" about the "variation to the motion not being properly disposed of according to the Regulations" confirms this.
5. As the presumption has been rebutted the motion is invalid.

COMMENTS: Kate McKenzie, Manager Governance

Section 12 (3) of the Local Government (Procedures of Meetings) Regulations 2013, outlines the process for Council to rescind or amend a resolution of Council passed since the last general election . This section states "A motion the effect of which, if carried, would be to revoke or amend a resolution passed since the last general election of the council must be brought by written notice of motion."

If a rescission motion is successful, Council would be able to pass another resolution if it desired.

Councillor Appleby's motion fits within these parameters.

If a motion to rescind/amend is lost, a motion to the same effect cannot be brought until after the expiration of 12 months or until after the next general elections (whichever is the sooner).

For Council's further information, the original motion was the subject of discussion and with the consent of the seconder, the motion was varied and the original proposed motion was abandoned.

Following the meeting, legal advice has been sought from Kaye Smith (EMA Legal) on the resolution in question and her advice is provided as follows:

"There is a presumption of regularity, unless an appropriate authority determines otherwise. This is a presumption of (administrative) law. Whilst there are procedural defects in arriving at the final decision of Council, the procedural irregularity does not invalidate, or make unlawful, that decision of Council.

That decision of Council ultimately carried, is understood.

If any Elected Member wishes to change a decision then a motion on notice to revoke or amend the decision is required"

**CITY OF MARION
GENERAL COUNCIL MEETING
23 JUNE 2015**

Notice Received from: Councillor Raelene Telfer
Subject: Rainbow Flag Rescission
Ref No: GC230615M03
File No: 9.33.3.33

MOTION (1):

That the following motion passed at the 9 June 2015 Council Meeting be rescinded:

1. *Endorses The Rainbow Flag to be flown at the City of Marion administration building on an on-going basis.*
2. *The flag pole flying the City of Marion flag be changed at times of other significant events (e.g. flying the Eureka Flag).*
3. *Not register the flying of the flag with any organisation.*

MOTION (2):

That Council

1. *Endorses the Rainbow Flag to be flown at the City of Marion administration building until 30th November 2015.*
2. *Continues to fly the City of Marion flag.*
3. *Not register the flying of the Rainbow Flag with any organisation.*

COMMENTS: Councillor Raelene Telfer

Council makes decisions such as this on a case-by-case basis, and we accept the community may have a variety of views on social inclusion issues. Council's decision to fly the Rainbow flag was in response to a request from festival organisers to fly this flag during their event in November. It prompted a discussion in Council about whether the flag should be flown year round in the spirit of social inclusion. Council chose not to support a specific festival or event. The issue of same-sex marriage was not discussed. Council resolved six votes to five to fly the Rainbow flag on a permanent basis alongside our other flags. This rescission and this foreshadowed motion will allow one City of Marion flag to remain, and will provide social inclusion opportunities for flags of other minority groups to be flown after 30th November 2015.

COMMENTS: Kate McKenzie, Manager Governance

As previously advised (GC230615M02), a rescission motion can only be brought by way of notice of motion by an Elected Member. If the previous rescission motion is successful, motion (1) is not required and Council may consider motion (2).

If the rescission motion is unsuccessful, motion (2) will not be able to be considered by Council as the previous decision of Council will stand.

Council should note that pursuant to section 12 (4) of the Local Government (Procedures of Meetings) Regulations 2013, if a motion to rescind is lost, a motion to the same effect cannot be brought until after the expiration of 12 months or until after the next general elections (whichever is the sooner).

**CITY OF MARION
GENERAL COUNCIL MEETING
23 June 2015**

Notice Received from: Councillor Jason Veliskou

Subject: Renewal of the Management Agreement with the Red House Group Inc for the Management of Gallery M – Amendment

Ref No: GC230615M04

File No: 9.24.1.4 & 9.33.3.17

MOTION:

That the resolution passed by Council at the 9 June 2015 meeting relating to the Renewal of the Management Agreement with the Red House Group Inc for the Management of Gallery M (reference GC090615R03) be amended to provide for a new three year funding agreement with the Red House Group Inc. for the Management of Gallery M commencing 1 July 2015 and concluding on 30 June 2018. The amended motion would read:

That Council:

1. Enter into a new three year funding agreement with the Red House Group Inc., for the Management of Gallery M commencing 1 July 2015 and concluding on 30 June 2018.
2. Approve that the new agreement allows for the Red House Group Inc. to retain in full any income generated from gallery fees throughout the life of the agreement.

COMMENTS: Councillor Veliskou

I am seeking a variation to the motion passed last council meeting in regards to the Red House Group management agreement. Time spent in negotiating a new agreement each year is counter-productive for both City of Marion & RHG staff.

The RHG seeks a 3 year agreement and has sought council's consideration for this request.

RHG has provided stable, quality & cost effective management of Gallery M for past 14 years. Below is some excerpts from the management agreement between the RHG and the City of Marion that engages them to run the gallery on their behalf.

Recitals (from Gallery Management Agreement)

- A. The Council is the Owner and Manager of the Venue.
- B. Council requires gallery management services at the venue to operate the Gallery and the retail outlet.
- C. Red House provides gallery management services and is skilled in the management and operation of galleries and retail outlets.
- D. Council has requested and Red House has agreed to provide a service to Council through the operation of the Gallery and Retail Outlet at the Venue on the terms and conditions of this Agreement.

COMMENTS: Kate McKenzie, Manager Governance

Section 12 (3) of the Local Government (Procedures of Meetings) Regulations 2013, outlines the process for Council to rescind or amend a resolution of Council passed since the last general election. This section states "A motion the effect of which, if carried, would be to revoke or amend a resolution passed since the last general election of the council must be brought by written notice of motion."

If a motion to rescind/amend is lost, a motion to the same effect cannot be brought until after the expiration of 12 months or until after the next general elections (whichever is the sooner).

Councillor Veliskou's motion fits within these parameters

**CITY OF MARION
GENERAL COUNCIL MEETING
23 JUNE 2015**

CONFIDENTIAL REPORT

Originating Officer: Kate McKenzie, Manager Governance
Subject: Chief Executive Officer Recruitment Process
Reference No: GC230615F01

If the Council so determines, this matter may be considered in confidence under Section 90(3)(a) of the *Local Government Act 1999* on the grounds that the report contains information concerning the personal affairs of a living person.



**Geoff Whitbread
Acting Chief Executive Officer**

RECOMMENDATION:

1. That pursuant to Section 90(2) and (3)(a) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Kate McKenzie, Manager Governance be excluded from the meeting as the Council receives and considers information relating to the 'Chief Executive Officer Recruitment Process', upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to nominated persons for the role who are yet to be appointed for the position.