

Agenda

Audit and Risk
Committee

NOTICE OF MEETING

Notice is hereby given that a meeting of the
Audit and Risk Committee will be held in the

Kingston Room, Civic Centre
24 Jetty Road, Brighton

12 June 2024 at 6.00pm



Roberto Bria
Chief Executive Officer



1. Opening

The Chief Executive Officer will declare the meeting open at 6.00pm.

2. Appointment of Presiding Member

The Audit and Risk Committee's Terms of Reference provides that it may nominate any member of the Committee to be its presiding member (other than the Mayor).

Motion

That the Audit and Risk Committee appoints _____ as Presiding Member for this meeting.

3. Kurna Acknowledgement

We acknowledge Kurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kurna People today.

4. Apologies

4.1 Apologies received – Councillor J Smedley, P Davies

4.2 Absent

5. Declaration Of Interest

If a Committee Member has an interest (within the terms of the Local Government Act 1999) in a matter before the Committee they are asked to disclose the interest to the Committee and provide full and accurate details of the relevant interest. Committee Members are reminded to declare their interest before each item.

6. Confirmation Of Minutes

That the minutes of the Audit and Risk Committee held on 15 April 2024 be taken as read and confirmed.

7. Action Items - Nil

8. Presentations

8.1 Nil



9. Reports By Officers

- 9.1 Standing Items (Report No: 173/24)
- 9.2 Internal Audit Program Report (Report No: 168/24)
- 9.3 Risk Report – June 2024 (Report No: 169/24)
- 9.4 Draft 2024-25 Annual Business Plan and Long Term Financial Plan 2024-34 Community Engagement Results (Report No: 183/24)
- 9.5 Annual Business Continuity Report (Report No: 170/24)
- 9.6 Financial Hardship Policy and Procedure, and Rates Policy (Report No: 172/24)
- 9.7 2023-24 Audit and Risk Committee Annual Report to Council (Report No: 171/24)

10. Urgent Business – Subject to the Leave of the Meeting

11. Date and time of next meeting

The next meeting of the Audit and Risk Committee will be held on Wednesday 14 August 2024 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

12. Closure



Roberto Bria
Chief Executive Officer

Item No: 9.1

Subject: **STANDING ITEMS – JUNE 2024**

Summary

The Audit and Risk Committee is provided with a report on standing items at each ordinary meeting.

Recommendation

That the Audit and Risk Committee advises Council it has received and considered a Standing Items Report addressing:

- **Monthly Financial Statements**
 - **External Audit**
 - **Public Interest Disclosures**
 - **Economy and Efficiency Audits**
 - **Council Recommendations**
 - **Audit and Risk committee meeting schedule**
-

Background

The Audit and Risk Committee has previously resolved that a report be included in the agenda of each meeting of the Committee addressing the following standing items:

- Monthly Financial Statements
- Audit – External
- Public Interest Disclosures
- Economy and Efficiency Audits

Also included in this Standing Items report is an item to formally advise the Committee of the outcomes of its recommendations and advice to Council. This is aimed at ‘closing the communication loop’ between the Committee and Council.

Report

Monthly Financial Statements

The budget update results for the periods ended 30 September 2023, 31 December 2023 and 31 March were considered by Council at its meetings on 24 October 2023, 13 February 2024 and 14 May 2024 respectively. Members of the Committee have received copies of these reports (361/23, 33/24 and 140/24) which included a number of budgetary changes. For Council’s municipal operations a surplus of \$625,000 is now forecast for 30 June 2024, while Ayndor operations are estimating a forecast surplus of \$412,000.

A financial report for municipal operations for the month ended 30 April 2024 was considered by Council at its meeting on 28 May 2024. Members of the Committee have received a copy of this report.

External Audit

Council's external auditor, Dean Newbery, attended Council offices during week starting 2 April 2024 and Alwyndor offices week starting 16 May 2024 to commence the 2023-24 interim audit as per the Audit Plan. An Interim Management Report will be issued to the next Audit and Risk Committee scheduled for 14 August 2024.

Public Interest Disclosures

There have been no public interest disclosures made to Council since the previous standing items report on 27 March 2024.

Section 130A Economy and Efficiency Audits

Council has not initiated any review pursuant to Section 130A of the *Local Government Act* since the previous Standing Items Report on 27 March 2024.

Urban Tree Canopy Management Review

The Committee was previously advised in confidence that the Auditor-General had selected City of Holdfast Bay, along with City of Port Adelaide Enfield to conduct a review of how we manage our urban tree canopy. The review has now been finalised and the report was tabled in Parliament on 4 June 2024.

Refer Attachment 1

Council Recommendations

At its meeting on 9 April 2024 Council received the minutes and endorsed the recommendations of the meeting of the Audit and Risk Committee held on 27 March 2024. At its meeting on 23 April 2024 it also received and noted the minutes of the special Audit and Risk Committee meeting held on 15 April 2024.

Audit and Risk Committee Meeting Schedule 2024

The Audit and Risk Committee's Terms of Reference require it to meet at least four times each year and at least once each quarter. These meetings are held to align with the two important financial programs in which the Audit and Risk Committee plays an important role:

- Development of the annual business plan and budget; and
- Completion of the annual financial statements, external audit and annual report.

In order to accommodate the above reporting requirements the following ordinary meeting schedule is proposed for the remainder of 2024:

- Wednesday 14 August 2024
- Wednesday 16 October 2024

As the above reporting requirements have been addressed no further meetings at this time are proposed for the remainder of 2024.

Budget

Not applicable

Life Cycle Costs

Not applicable

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999, sections 41 and 126
Public Interest Disclosure Act 2018

Written By: Manager Finance

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

OFFICIAL

Private and Confidential



Government of South Australia

Auditor-General's Department

Our ref: G24/007

3 June 2024

Mayor Amanda Wilson
City of Holdfast Bay
PO Box 19
Brighton SA 5048

By email: awilson@holdfast.sa.gov.au

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

Dear Mayor Wilson

Report of the Auditor-General: Report 6 of 2024
Urban tree canopy management

Under section 32(1)(c) of the *Public Finance and Audit Act 1987*, I present you a copy of this report. The report must remain confidential and not be distributed or released publicly until it is tabled in Parliament.

I have also delivered copies of this report to the Speaker of the House of Assembly and the President of the Legislative Council for tabling in Parliament.

A copy of this report was also delivered to the Mayor of the City of Port Adelaide Enfield.

The enclosed report will be available electronically for members of the City of Holdfast Bay and the public to download from the Auditor-General's Department web site¹ after the report is publicly released in the afternoon of 4 June 2024.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew Blaskett'.

Andrew Blaskett
Auditor-General

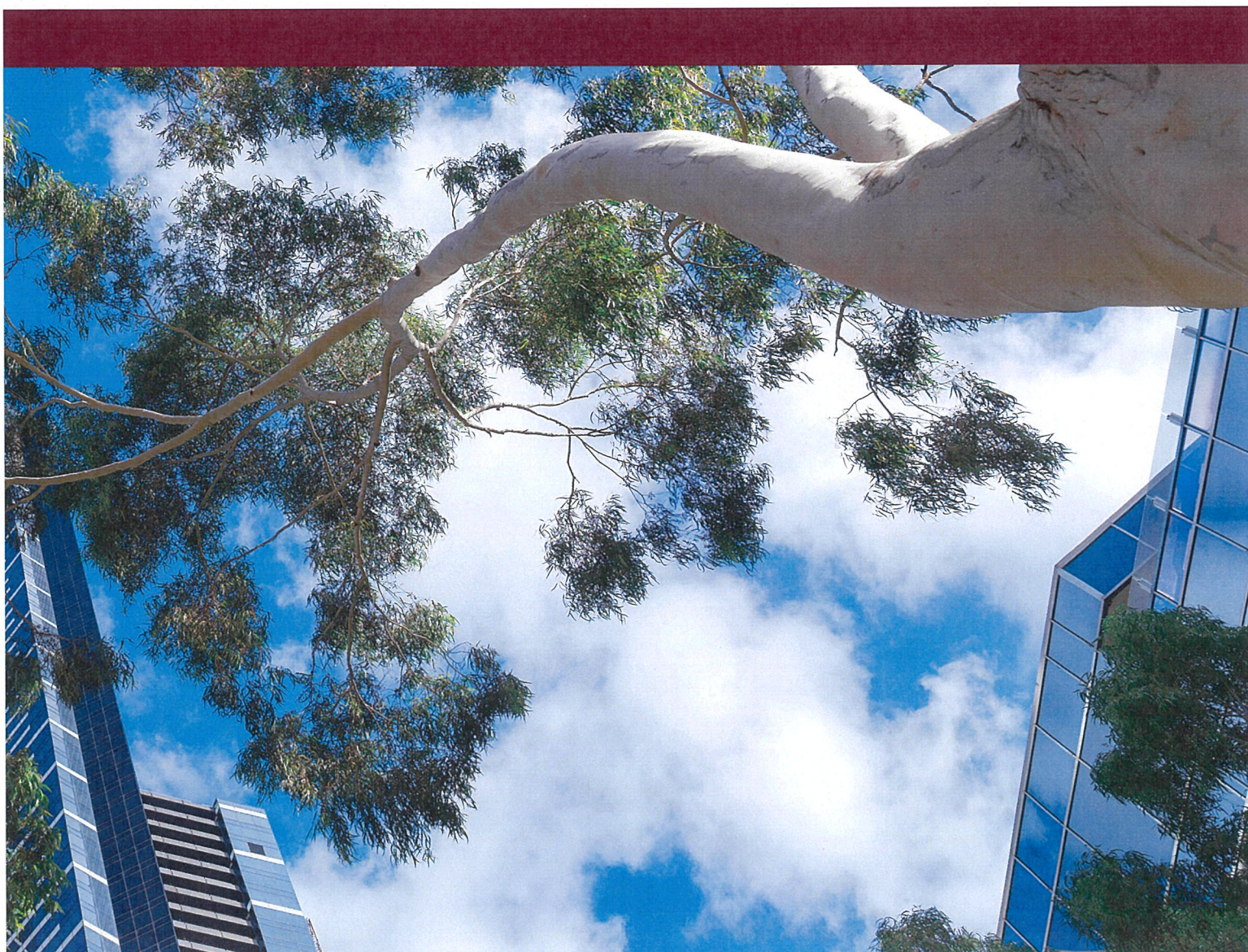
enc

cc: Mr Roberto Bria, Chief Executive Officer, rbria@holdfast.sa.gov.au

¹ <https://www.audit.sa.gov.au/reports>

Report 6 of 2024

Urban tree canopy management



Report of the Auditor-General

Report 6 of 2024

Urban tree canopy management

Tabled in the House of Assembly and ordered to be published, 4 June 2024

First Session, Fifty-Fifth Parliament

By authority: T. Foresto, Government Printer, South Australia

2024

*The Auditor-General's Department acknowledges and respects
Aboriginal people as the State's first people and nations, and
recognises Aboriginal people as traditional owners and occupants of
South Australian land and waters.*



**Auditor-General's
Department**

www.audit.sa.gov.au

Enquiries about this report should be directed to:

Auditor-General
Auditor-General's Department
Level 9, 200 Victoria Square
Adelaide SA 5000

ISSN 0815-9157



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

4 June 2024

President
Legislative Council
Parliament House
ADELAIDE SA 5000

Speaker
House of Assembly
Parliament House
ADELAIDE SA 5000

Dear President and Speaker

**Report of the Auditor-General:
Report 6 of 2024 *Urban tree canopy management***

Under section 32(1)(c) of the *Public Finance and Audit Act 1987* (PFAA), I have conducted a review of the urban tree canopy management by the City of Holdfast Bay and the City of Port Adelaide Enfield.

I present to each of you my independent assurance report on the findings of the review. Copies of this report have also been provided to the City of Holdfast Bay and the City of Port Adelaide Enfield.

Content of the report

Our review assessed whether the City of Holdfast Bay and the City of Port Adelaide Enfield have effective activities in place to increase or maintain the tree canopy cover in their council areas.

My responsibilities

Reviews conducted under section 32(1)(c) of the PFAA are assurance engagements that assess whether a publicly funded body is achieving economy, efficiency and effectiveness in its activities. These engagements conclude on the performance of the activities evaluated against identified criteria.

The Auditor-General's roles and responsibilities in undertaking reviews are set out in the PFAA. Section 32(1)(c) of the PFAA empowers me to conduct this review while sections 32(4) to (6) deals with the reporting arrangements.

The review was conducted in line with the Standard on Assurance Engagements ASAE 3500 *Performance Engagements*. We complied with the independence and other relevant ethical requirements for assurance engagements.

Acknowledgements

The audit team for this Report was Salv Bianco, Iolanda Telford, Kris Slaytor and Sharon Ryan. They were assisted by RM Consulting Group Pty Ltd. The audit team were also assisted by Jueying Wu and Jennifer Huynh in developing the data published on the Auditor-General's Department's website.

We appreciate the cooperation and assistance given by the staff of the City of Holdfast Bay and the City of Port Adelaide Enfield.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Blaskett', with a long horizontal flourish extending to the right.

Andrew Blaskett
Auditor-General

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Audit snapshot

What we reviewed and why

Like the rest of the world, South Australia continues to experience a rise in average temperatures. Trees help mitigate the effects of rising temperatures and the build-up of heat in cities by providing shade and cooling, and many other benefits to the community.

The SA Government has acknowledged the importance of trees, setting voluntary long-term targets to increase and maintain tree canopy cover over metropolitan council areas. Many Adelaide metropolitan councils have also set their own tree canopy targets.

We reviewed two metropolitan councils to form a view on whether they have effective activities in place to increase or maintain the tree canopy cover in their areas.

What we concluded

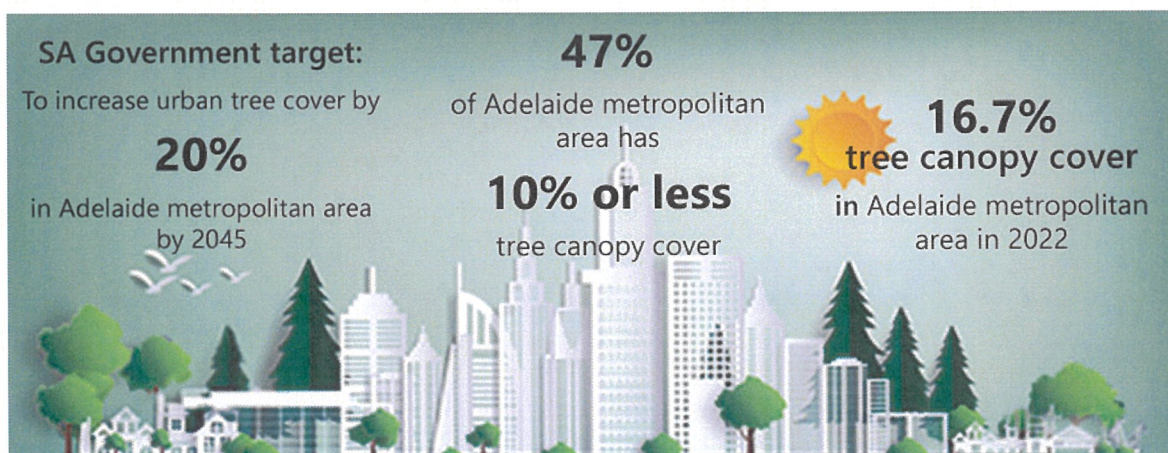
Both councils we reviewed had tree management activities to increase and maintain their tree canopies that were partly effective. Some activities were operating effectively but there were gaps in others that need to be addressed to be effective, such as maintaining council tree data and documenting the assessment and treatment of all tree risks.

Tree canopy management is an area that continues to evolve for Local Government. Both councils had a clear long-term commitment to increase their tree canopies and strategies to promote tree growth on private property – one council conducted an audit of its public trees and the other council had modelled tree data to set its tree canopy targets.

Key insights for councils

This report provides our key insights that all councils can consider in maintaining and growing a resilient and healthy tree canopy, including:

- maintaining current and high quality tree data
- managing tree risks effectively
- monitoring and reporting performance against their objectives and targets
- setting separate tree canopy targets and guidelines for tree species and age diversity
- implementing strategies to encourage positive community attitudes towards trees.



1 Report overview

1.1 Introduction

An urban tree canopy has many benefits. Trees give shade, reduce the urban heat island effect,^a improve air quality and community health and wellbeing, and help manage stormwater. Adelaide’s metropolitan councils recognise the important contribution trees make to the community, and most have set targets to increase and maintain their tree canopy cover in line with the SA Government’s voluntary long-term targets. Figure 1.1 shows the SA Government’s targets.

Figure 1.1: SA Government’s tree canopy target for Greater Adelaide¹

Target 5 – A green liveable city

For council areas with **less than 30%** tree canopy cover currently, cover should be **increased by 20%** by 2045.

For council areas with **more than 30%** tree canopy cover currently, this should be maintained to ensure **no net loss** by 2045.

Adelaide’s metropolitan tree canopy cover was 16.7% in 2022,² well short of the generally accepted target for urban areas of around 30%.³ This cover varies considerably across the city’s metropolitan council areas, with 47% of metropolitan Adelaide having tree canopy cover of 10% or less.⁴

Councils face many challenges in increasing and maintaining the tree canopy in a constantly changing urban landscape. Limited planting space, urban infill, the need for affordable housing, insufficient legislative protection for trees, vandalism and negative community perceptions are just some of the difficulties councils told us they experience.^b

Adelaide’s changing climate is also impacting our tree canopy. Climate projections predict that Adelaide will experience more extreme weather events in the coming years with longer and hotter heat waves, prolonged periods of drought, less annual rainfall, more intense storms and flooding.⁵ As Adelaide’s climate shifts, there is an increasing need for councils to ensure public trees are suited to these conditions to protect the tree canopy and help reduce the urban heat island effect.

While councils continue to develop and refine their tree canopy strategies, plant more trees and find innovative ways to improve tree health and resilience, they will need to educate, support and encourage their communities to retain and plant trees on private land if targets are to be met.

We reviewed two Councils, the City of Port Adelaide Enfield (PAE Council) and the City of Holdfast Bay (CHB Council), to assess whether they have effective activities in place to increase

^a Buildings, roads, roofs and concrete can absorb and trap heat in dense urban environments, making urban areas hotter than surrounding rural areas. This is referred to as the urban heat island effect.

^b We surveyed Adelaide metropolitan councils in November 2023 about how they are managing their tree canopies. See the annexure for more information.

or maintain the tree canopy cover in their council areas. We selected these Councils because they had low tree canopy cover, high population density, a high number of building approvals per km² and a high number of vulnerable community members.

We show the change in tree canopy cover over Adelaide metropolitan council areas for 2018 and 2019, and 2022 in a dashboard on the Auditor-General Department's website – www.audit.sa.gov.au. See the annexure for more information.

1.2 Overall conclusions

We concluded that both Councils had tree management activities to maintain and increase their tree canopies that were partly effective. This is because while some activities were operating effectively, we identified gaps in others that need to be addressed to be effective, such as:

- capturing and maintaining data about Council trees
- documenting the assessment and treatment of all tree canopy risks
- developing better functionality in tree management systems
- monitoring and reporting of performance.

Both Councils demonstrated a clear long-term commitment to actions to increase the tree canopy cover in their areas.

Our full conclusions including our findings, recommendations and the Councils' responses are detailed in section 4 for the PAE Council and section 5 for the CHB Council. Our findings and recommendations were shared with each Council.

Details of our audit mandate, review objective and scope are provided in appendix 1.

1.3 The structure of this report

This report details our review approach and results, including audit conclusions, findings and recommendations for the two metropolitan councils we reviewed as follows:

- section 2 provides some key insights from our audit work which councils can consider for their tree management activities
- section 3 provides an overview of what is happening to metropolitan Adelaide's tree canopy, the impact this is having on the environment and community, and what councils can do to protect and maintain their tree canopies
- section 4 provides an overview of the City of Port Adelaide Enfield's tree management activities, its current tree canopy measurement, the results of our review and the Council's responses
- section 5 provides an overview of the City of Holdfast Bay's tree management activities, its current tree canopy measurement, the results of our review and the Council's responses.

2 Key insights on urban tree canopy management for councils

Trees take time to establish, grow and provide shade, canopy and amenity. But they also require proper management in their planning, resourcing, planting and maintenance to achieve their maximum benefit and minimise their risks. There is no standard approach to managing trees.^c Each council must develop strategies and plans that address their own unique needs and circumstances. In conducting our review, we developed some key insights for councils to consider when planning how to increase and maintain their urban tree canopies.

2.1 Councils need current and high-quality data about their trees

Councils need current and high-quality data about their trees to maintain and grow a resilient, healthy canopy. Comprehensive data helps councils:

- make reliable, effective and informed decisions about their tree population (such as improvements to diversity of species and tree health), maintenance activities, resource allocation and priorities
- manage tree risks such as tree limb failure, die back and lack of species and age diversity in tree populations
- manage their responsibilities under the *Local Government Act 1999* (LG Act) by having records of tree inspections and condition, and a history of council work performed
- coordinate tree planting programs with asset works programs such as kerb and footpath replacement and road resurfacing
- respond to complaints or enquiries about trees.

Capturing tree data over time also means councils can analyse trends, monitor changes in the tree canopy and assess progress towards achieving targets and objectives.

Case study 1: Data about tree canopy composition

Between 2021 and 2023, the City of Holdfast Bay conducted an audit of its street and open space trees. This resulted in a database of its 21,100 trees (approximately). Data captured included tree numbers, species, age, health, risk status and plantable spaces. The Council will use this data to develop an urban forest strategy and tree management plan, including targets for tree planting numbers, guidelines for species diversity and the actions needed to achieve them. The data will also support the Council's move to a more proactive tree management approach.

^c Appendix 2 provides a model of a tree management framework councils could refer to when developing and reviewing their tree management frameworks.

2.2 Councils need to manage tree risks

Managing risk is a key feature of tree management and is essential for maintaining and growing the tree canopy. Councils should have documented risk frameworks, policies, procedures, tools and registers to evidence their approach to managing risks such as tree limb failure, die back and lack of species and age diversity in tree populations. This, together with regular monitoring and reporting, will help councils manage their tree risks, achieve their targets and grow a healthy, resilient tree canopy.

2.3 Councils need to report and monitor performance against their tree targets

To improve the likelihood of achieving their objectives and tree canopy targets, councils should periodically report and monitor their tree management activities. Where possible, they should consider the benefits of presenting results against targets and supplementing this with contextual information to help users understand and assess council performance.

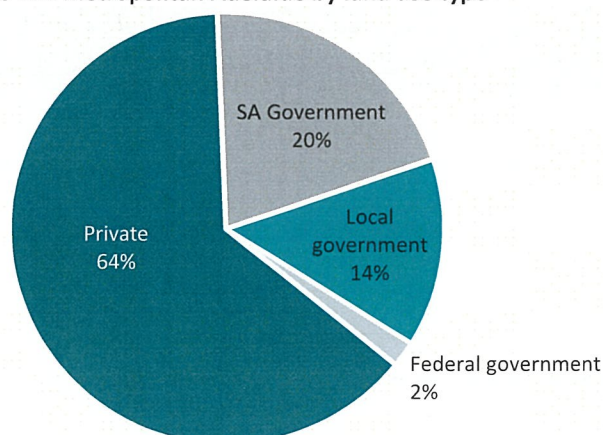
Performance reporting about council trees and tree canopy could include:

- the number of trees planted on and removed from council land
- plantable spaces available and filled
- watering, pruning and other maintenance
- the general health and condition of the tree population or segments of it
- changes in species diversity against target ratios or guidelines
- changes in average tree age in specific neighbourhoods against target ratios or guidelines.

2.4 Councils should have separate targets for tree canopy and guidelines for tree species and age diversity

A significant challenge for metropolitan councils working to increase their tree canopies is that much of the land in their areas is privately owned. Figure 1.2 shows the percentage of land use type in metropolitan Adelaide.

Figure 1.2: Metropolitan Adelaide by land use type



Source: Based on Green Adelaide 2022, *Urban tree canopy, green spaces and built environment data analysis and reporting 2022 Survey Area Technical Report*, January 2022, Government of South Australia, Adelaide.

The availability of council land for planting is also often limited by infrastructure like powerlines, storm and wastewater networks, footpaths and roads, and house and fence footings.

To recognise these limitations, some councils set separate tree canopy targets for different land use and tenures. This can provide a fairer measure of council performance and help guide different management or planning directions for various types of land use.

Councils should also set locally appropriate guidelines for tree species and age diversity to maximise the resilience of their canopies. A diverse mix of tree species will reduce the risk of widespread loss of one or more species to pests, diseases and climate extremes. Diversity of tree ages help councils ensure that new generations of trees are planted to replace those reaching the end of their natural life or that need to be removed because of poor structure or health.

Example 1: An exotic pest outbreak shows why tree species diversity is important

In July 2023, an outbreak of the Giant Pine Scale pest was discovered at the Elliston Reserve in Highbury in Adelaide's north-east and another two locations in Hope Valley. This pest sucks the sap of pine trees causing branch die back and eventual death. Close to 800 trees were felled in a bid to stop the spread of the insects, which posed a threat to South Australia's forest industry. The loss of so many trees drastically changed the landscape of the reserve, which is owned by the SA Government but maintained by the City of Tea Tree Gully. A revegetation plan will be developed for the reserve.^{vi}

2.5 Councils need strategies to educate and encourage positive community attitudes about trees

With so much private land in council areas, activities that support the retention of existing trees and encourage new planting of private trees are key to increasing the tree canopy. While the SA Government controls the removal of trees through the *Planning, Development and Infrastructure Act 2016* (PDI Act), councils can still influence community behaviour through programs and initiatives that highlight the value of having trees on private land.

Example 2: Council strategies to change community attitudes about trees

Both Councils we reviewed had initiatives to change community perceptions about trees and contribute to their maintenance, including:

- tree giveaways
- grants to residents to help maintain significant and regulated trees
- a tree of the month recognition program where trees nominated by the community were displayed on the Council's website
- an 'adopt a street tree' program where responsibility for establishing trees was shared between residents and the Council.

3 Background

3.1 What is happening to Adelaide's tree canopy

In 2018 and 2019 Regional Climate Partnerships and individual metropolitan councils undertook a number of projects which measured tree canopy cover across metropolitan Adelaide using Light Detection and Ranging (LiDAR) data.^d

The council areas of the Town of Gawler and the City of Playford were only partially surveyed at this time and metropolitan Adelaide's tree canopy was calculated to cover 14.5% of the metropolitan area.

In 2022 LiDAR was again used to measure the tree canopy across the same 18 council areas. This time the Town of Gawler and the City of Playford were surveyed in full and the tree canopy was calculated to cover 16.7% of metropolitan Adelaide.⁷

To enable comparison between 2022 and 2018–2019 LiDAR results, Green Adelaide recalculated canopy cover for 2018–2019 based on the same method applied in 2022. When the parts of the Town of Gawler and City of Playford that were not surveyed in 2018–2019 were removed from the 2022 survey results, the tree canopy cover measurement rose to 18.3%, a net increase of 3.8%.^e This small increase in canopy resulted from existing mature trees having developed further crown spread and trees planted during the past few years having grown in height to 3 metres or more. However the gain in canopy was offset partly by tree loss from pruning and removal during this time. Although all Local Government areas experienced tree canopy cover increases, Adelaide's metropolitan tree canopy is still a long way from the SA Government target.

LiDAR measurement in 2022 shows that metropolitan Adelaide lost almost 7 million square metres of tree canopy across residential land through tree removal, pruning and storm damage between 2018 and 2022, enough to fill about 434 Adelaide Ovals.⁸

Urban areas (particularly residential) make up a significant portion of metropolitan Adelaide. High demand for housing has meant infill development has become a significant source of new housing in the metropolitan area, contributing to the loss of mature trees in many of Adelaide's neighbourhoods. New development often increases the amount of dark, impermeable surfaces such as roofing, roads, concrete and asphalt. This reduces the amount of space available for gardens and tree planting and passive irrigation through localised water infiltration necessary to maintain the health and survival of trees. LiDAR measurement in 2022 shows impermeable surfaces cover 29%⁹ of metropolitan Adelaide.

Appendix 3 provides further information about the LiDAR measurement of tree canopy in 2018–2019 and 2022.

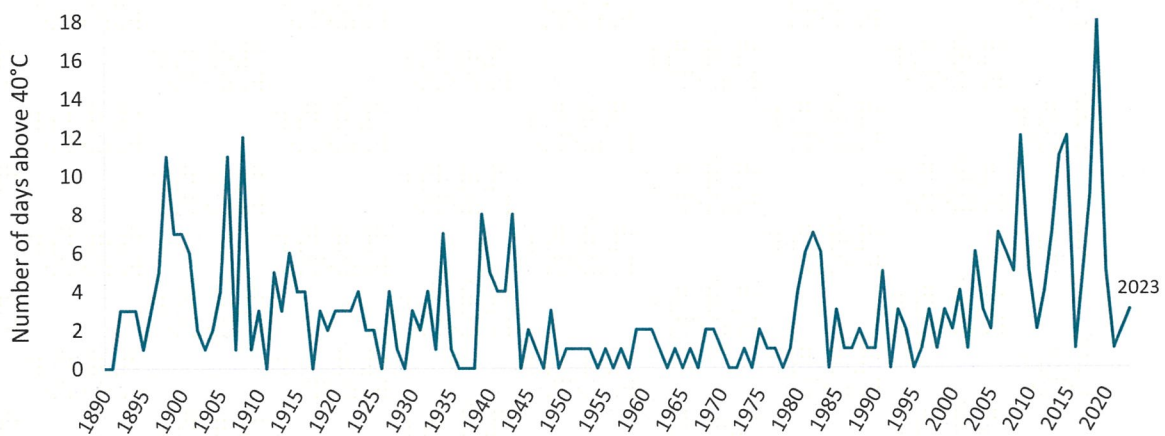
^d See appendix 3 for an explanation about the LiDAR data used to measure tree canopy cover in council areas.

^e We did not review LiDAR data from 2018–2019 or 2022 for its completeness and accuracy. We did not review Green Adelaide's recalculation of 2022 canopy cover based on the council areas surveyed in 2018–2019.

3.2 How climate change will impact Adelaide's tree canopy

Climate change is a significant risk to the urban tree canopy. Records continue to show that South Australia's climate is changing, with long-term shifts in temperatures and weather patterns.¹⁰ As well as a rise in average temperature of 1.15°C in South Australia in 2023,¹¹ there have been three times the average number of days reaching 40°C in Adelaide in the last 10 years than in the previous four decades.¹² Figure 3.1 shows the number of days above 40°C in Adelaide over the last 130 years.

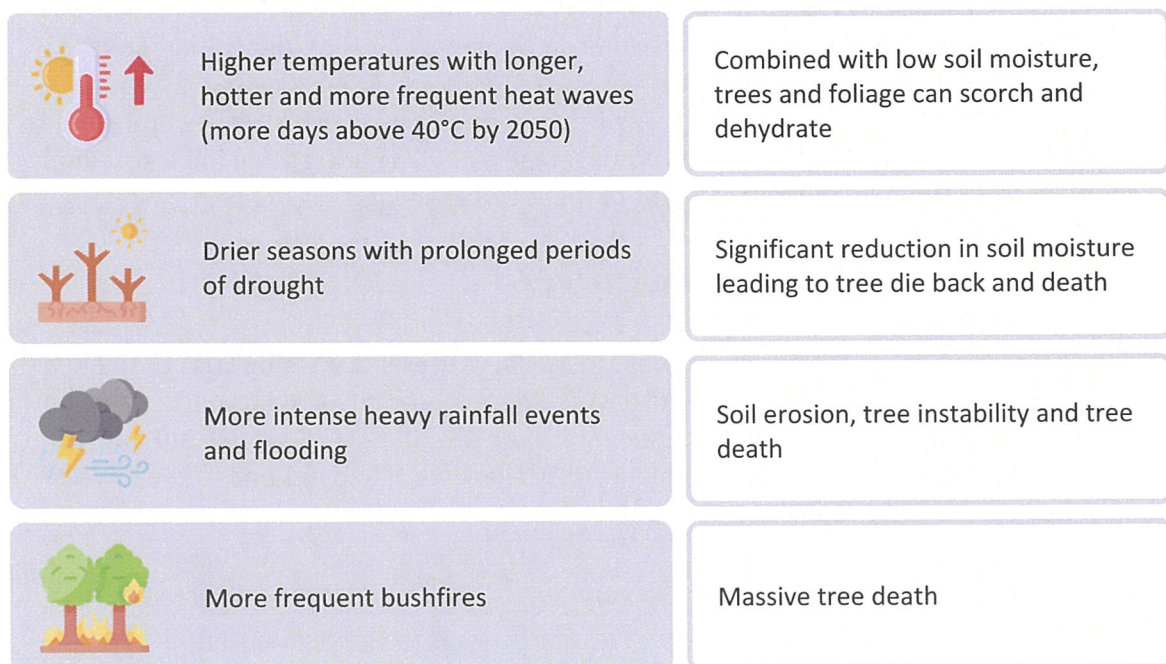
Figure 3.1: Number of days above 40°C in Adelaide over the last 130 years



Source: Based on data from the Australian Bureau of Meteorology, Climate Data Online – Map search (www.bom.gov.au)

Climate projections predict that Adelaide will experience more extreme weather events in the coming years.¹³ This can weaken tree health, leaving them vulnerable to pests and disease as shown in figure 3.2.

Figure 3.2: Predictions about Adelaide's changing climate¹⁴ and its impact on trees



Some tree species will not survive sustained increases in temperature or long-term changes in rainfall. The lack of diversity of tree species and age of the tree populations in some council areas only compounds this problem, increasing the risk and frequency of tree death and further reducing the canopy.

Councils will need to consider the effects of climate change when planning their tree management activities. Factors such as species selection and the mix of tree ages can help to optimise the resilience of their canopy and reduce their exposure to these long-term changes and uncertainties.

3.3 Why it is important to increase the tree canopy

Studies show that average temperatures in large cities are between 2°C and 12°C higher than in rural areas.¹⁵ This is because the increase in artificial impermeable surfaces such as roads and buildings absorb more heat than natural surfaces like vegetation and water. Higher temperatures can negatively impact community health and wellbeing, the environment, economic productivity, infrastructure and public services.

3.3.1 The urban heat island effect

Some suburbs are more vulnerable to higher temperatures because of the urban heat island effect, created when there are large amounts of hard, sealed surfaces and less green cover like the tree canopy, parks and reserves. Hard surfaces absorb, store and radiate heat, while green cover reflects it, provides shade and releases water into the atmosphere through transpiration and evaporation.

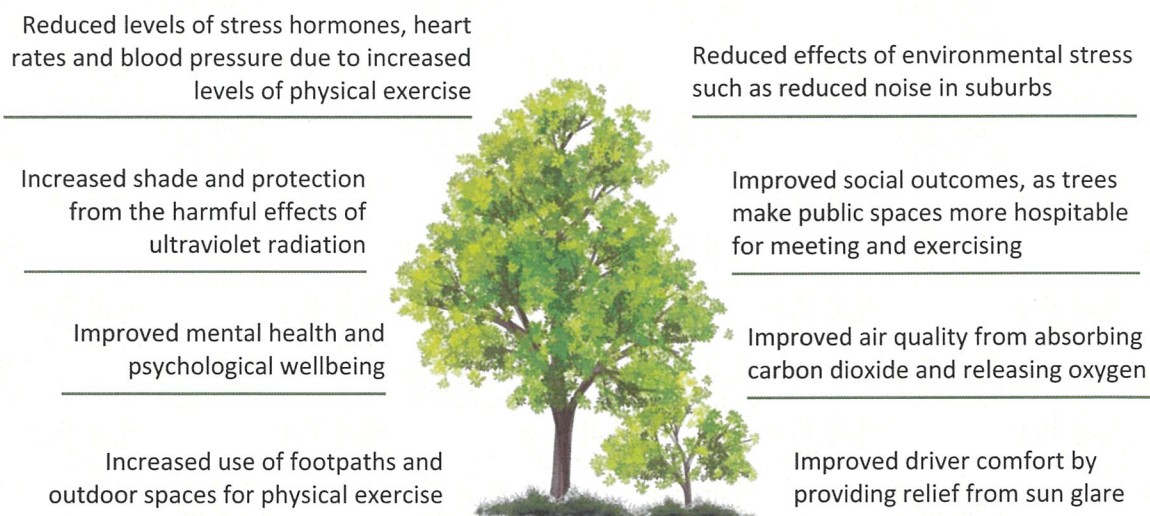
The loss of tree canopy increases the urban heat island effect, raising air temperatures and making extreme hot weather events more difficult to manage. It is predicted that South Australia will become hotter and drier with more frequent and intense extreme weather events because of climate change.¹⁶ Average temperatures across the state are projected to rise by as much as 2.1°C above the long-term average by 2050.¹⁷ Increasing the tree canopy will help cool our suburbs and better adapt to meet this challenge.

3.3.2 Community health and wellbeing

The projected increase in extremely hot days in Adelaide presents a serious risk to the health and wellbeing of residents. Adelaide is Australia's driest capital city and has particularly hot summers, with an average 10.5 hours of daily sunshine in summer.¹⁸ Adelaide already has the highest heatwave death rate of any major Australian city,¹⁹ and has one of the lowest tree canopy covers of Australia's state capitals.²⁰

Some benefits of trees and their impact on community health and wellbeing are shown in figure 3.3.

Figure 3.3: Benefits of trees and their impact on health and wellbeing²¹



3.3.3 The environment

Trees provide many environmental benefits, with urban forests described as ‘the engine room for urban ecosystems’.²² The benefits include:

- improving air quality and storing carbon (the most prevalent greenhouse gas) through sequestration
- filtering traffic-related and other urban pollutants and fine particulates
- providing habitat, food and protection to native plants and animals, increasing urban biodiversity
- cooling down the surrounding air by releasing moisture on leaves
- branches, bark and leaves intercepting water flow and reducing surface water runoff during heavy rainfall
- tree root systems absorbing stormwater runoff and reducing the nitrogen, phosphorus and heavy metal content in stormwater
- tree root systems preventing or stabilising soil erosion
- protecting the surrounding flora and fauna from weather by providing windbreak and rain cover protection.

3.4 Challenges for Adelaide’s metropolitan councils in increasing the tree canopy

Councils face many challenges in their efforts to increase the urban tree canopy. These include:

- the lack of available plantable space on public land

- existing infrastructure such as powerlines, storm and wastewater networks, footpaths, roads, house and fence footings which interfere with tree roots and crown spread
- the PDI Act allowing trees within 10 metres of a dwelling or in-ground swimming pool to be removed without development approval, with the exception of certain tree species and significant and regulated trees
- climate conditions and ongoing tree maintenance such as watering and pruning
- tree loss from storms, bushfires and drought and trees reaching the end of their natural life
- public concerns about the threat of damage, obstruction of view, and leaf, nut and bark litter
- the need for new developments, in particular housing
- changing developers' perceptions about the value of trees
- encouraging residents to retain existing trees or plant new trees on their properties
- vandalism of trees or the unapproved removal of them.

Addressing these challenges is key to councils achieving their targets and working towards the SA Government's long-term tree canopy targets.

3.5 Roles and responsibilities

Appendix 4 provides an overview of the state and local government frameworks that govern the roles and responsibilities for managing trees.

The SA Government has recently completed or has ongoing reviews related to this topic, including:

- a parliamentary inquiry into the urban forest, conducted by the Environment Resources and Development Committee (ERDC). The ERDC released its interim urban forest report on 18 October 2023.²³ It will release its final report in 2024.
- the State Planning Commission initiated the Open Space and Trees Project to better understand the use and benefits of open space and trees in an urban context, and the impact of infill development on our urban tree canopy. The project is in three parts, with part three currently on hold, pending the outcome of an expert panel review.^f
- the Expert Panel on Planning Reform's (the Panel) review of the PDI Act. The Panel provided the Minister for Planning with its final report on 6 April 2023. The SA Government prepared a response to this report, and both were publicly released on 28 March 2024.²⁴

^f An update on this project is available at <https://www.saplanningcommission.sa.gov.au/projects_and_engagement/commission_projects/Commission_Projects/open_space_and_trees_project>.

Appendix 5 provides an extract from CHB Council's response to our findings and recommendations because the Council details some of the legislative and regulatory barriers it has highlighted in submissions about trees and the urban forest to:

- the parliamentary inquiry into the urban forest
- the State Planning Commission's review of regulated and significant trees.

On 17 May 2024 the SA Government announced that it had introduced new planning regulations to better protect Adelaide's urban tree canopy and large, mature trees from removal. The changes include reducing the:

- trunk size for regulated trees from two metres to one metre
- trunk size for significant trees from three metres to two metres
- distance that allows trees near homes and pools to be removed without development approval from 10 metres to three metres.

The new planning regulations place pruning limits on regulated and significant trees allowing only 30% of the tree's canopy to be removed every five years.

4 City of Port Adelaide Enfield

4.1 Executive summary

4.1.1 Conclusion

We assessed the effectiveness of the PAE Council's tree management activities to increase or maintain the tree canopy in its area.

We concluded that its tree management activities were partly effective, because while some activities were operating effectively, gaps in others need to be addressed to be effective. Activities where the PAE Council needs to take action to achieve effectiveness are:

- capturing and maintaining up-to-date data about its public trees
- documenting the assessment and treatment of all tree canopy risks
- developing better functionality in its tree management systems
- monitoring and reporting its performance.

Activities where the PAE Council was effective included having:

- a long-term tree canopy target
- strategies with specific actions to increase the tree canopy cover that continue to evolve
- strategies to increase public awareness about the value of trees and improve its tree canopy cover
- clearly defined roles and responsibilities for tree management activities.

The PAE Council demonstrated a clear long-term commitment to actions to increase the tree canopy cover in its area.

4.1.2 What we recommended

We recommended that the PAE Council should:

- determine the data it needs to make effective decisions about tree management activities, then capture and maintain this data
- develop system functionality that supports effective tree management
- document the assessments of all tree risks and accurately reflect the mitigating and treatment controls
- review the risk reporting process to support effective oversight of tree risks
- ensure accurate and relevant performance information is used and reported against its annual planting target

- develop performance reporting requirements that contribute to achieving its objectives and tree canopy target.

4.1.3 City of Port Adelaide Enfield's response

The PAE Council accepted our detailed findings and told us how it would action our recommendations. Its response to each recommendation is included in sections 4.3 to 4.6.

The PAE Council also provided the following feedback on our review:

We wish to acknowledge that it has been a valuable exercise, it has drawn our attention closer to several key areas of management of our tree canopy and its associated risk management. The exercise will result in positive improvements in both areas. In receiving the report Council was also pleased to see the review identified a number of areas where Councils' efforts across policy, strategy and program and service delivery are progressing positive impacts on improving on urban tree canopy management.

On behalf of Council's Administration team, I wish to acknowledge the professionalism and partnership approach taken by your team, who engaged constructively and widely with Council staff to ensure this review delivered value for both organisations.

Appendix 6 contains the PAE Council's full response to this report.

4.2 Overview of the City of Port Adelaide Enfield

4.2.1 About the City of Port Adelaide Enfield

The PAE Council is in the north-western suburbs of Adelaide, about eight kilometres from the CBD. It covers 51 suburbs over an area of around 94 km², and had a population of 138,600 people in 2023. This is a population density of about 1,474 people/km².

The PAE Council is a residential, commercial and industrial area with over 22,000 registered businesses.

4.2.2 Tree canopy target

The PAE Council's *Living Environment Strategy 2017–2022* includes the Greening our City program that aims to improve the greening of the council area and set a tree canopy target. In April 2021, the PAE Council endorsed the Greening our City program framework which includes a target to increase its tree canopy by 35% by 2050 as shown in case study 2.

Case study 2: The PAE Council's approach to setting a tree canopy target

The PAE Council measured and investigated changes to its tree canopy cover across the council area between 2008 and 2017. This included measuring the tree canopy cover over three tenure types (Local Government, SA Government and private). This provided information to enable the PAE Council to make planning decisions and assess the success of its greening activities.

From these investigations, the Council found:

- they needed to map the potential plantable spaces that they had identified and confirm its suitability for planting trees
- most canopy cover loss occurred on private land
- they needed to develop engagement and incentive programs to gain support from the community to retain and plant trees on private land
- they needed to develop a tree canopy target that at least meets *The 30 year plan for Greater Adelaide* by the SA Government.

In early 2021, the PAE Council performed further analysis to develop its canopy target and a five year tree planting program. This was performed in **two stages**.

Stage 1: Identify how many trees to plant

This considered the:

- tree canopy cover at that time
- net annual tree loss (0.08%)
- establishment success of new trees planted (85%)
- available land options by tenure type
- tree types and their growth parameters
- cost per tree to plant and maintain (\$540)
- rate of tree canopy cover change over time.

Stage 2: An analysis of plantable space in streets

This considered:

- urban heat islands within the council area
- social vulnerability
- plantable opportunities.

The Council found:

- it had 10% tree canopy cover which became its baseline for setting the target
- it had 54,701 plantable spaces in streets
- it would take 22 years to plant trees in the plantable street spaces – an average of 2,500 trees per year
- the proposed five year tree planting program would achieve 23% of plantable spaces.

Target: Achieve 13.5% tree canopy cover by 2050

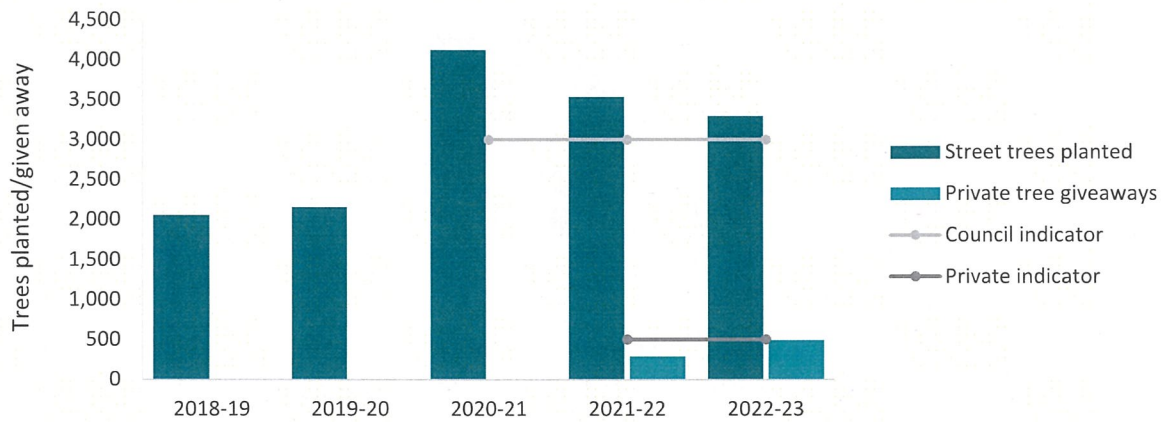
In April 2021 the PAE Council endorsed a tree canopy cover target to achieve a 35% increase from a baseline of 10% in 2017 to 13.5% by 2050. To achieve this target, the following yearly indicators were set:

- plant and maintain at least 3,000 new trees in council streets and reserves each year
- encourage other landowners to plant at least 500 new trees each year.

Source: Based on data from the PAE Council Greening our City program framework.

With the introduction of its tree canopy target, the Council committed to planting 3,000 trees on its streets and reserves each year. In 2021-22, it also implemented initiatives to encourage tree planting on private land through the Get Shady program where the Council provides a free tree to private property owners in the council area. The first year of this program targeted some of the hottest suburbs or those with low tree canopy cover. In 2022-23 it was offered to all property owners in the council area. Figure 4.1 shows the number of trees the Council has planted and given away against yearly indicators for the last five years.

Figure 4.1: Tree planting numbers and tree giveaways compared to yearly indicators

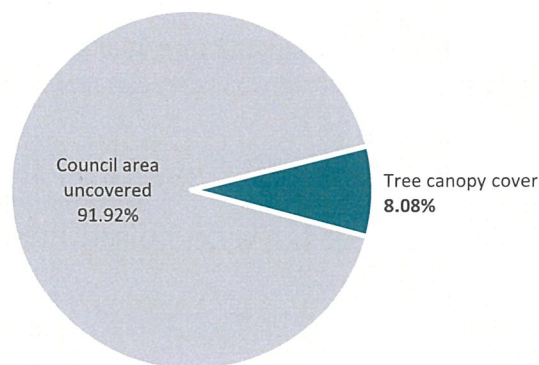


Source: Based on data from the PAE Council.

4.2.3 2022 tree canopy measurement

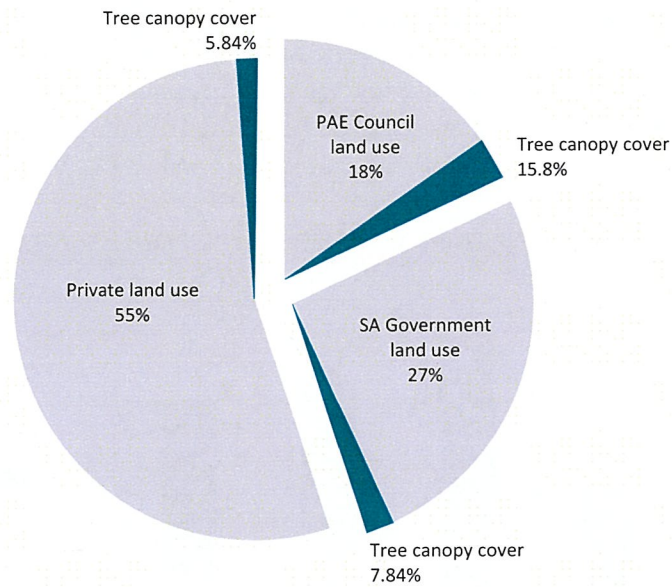
The LiDAR data shows that the PAE Council’s tree canopy cover was 8.08% in 2022, as shown in figure 4.2. This is a decrease of 1.9% against its baseline of 10%, but an increase of 1.5% against the recalculated LiDAR data for 2018–2019.

Figure 4.2: Total tree canopy cover in PAE Council area



As discussed in section 3.1 and appendix 3, there was a recent change in LiDAR measurement methodology. The PAE Council intends to review its tree canopy target based on the 2022 LiDAR data. Figure 4.3 shows a breakdown of the percentage of land use type and tree canopy over the PAE Council area based on 2022 LiDAR data.

Figure 4.3: Percentage of PAE Council by land use type and its tree canopy in 2022



Source: Based on Green Adelaide, *Urban tree canopy, green spaces and built environment data analysis and reporting 2022 Survey Area Technical Report*, January 2022.

4.2.4 Initiatives the PAE Council has implemented to improve tree health

The PAE Council has implemented initiatives to improve tree health, including:

- partnering with TreeNet in their street tree trial project to grow uncommon tree species in the Council’s nursery for planting on street verges. The project aims to determine whether these tree species are suitable to grow in a changing climate
- reviewing its street planting program to add new tree species and discontinue planting certain tree species that do not survive well in increased median temperatures and reduced annual rainfall
- future streetscape upgrade projects to install tree inlet systems for passive irrigation of street trees, water sensitive urban design raingardens and terrestrial verge gardens.

4.3 Data and asset management systems findings

4.3.1 The PAE Council does not have complete and accurate tree data

Recommendation

The PAE Council should determine:

- the data it needs to make effective decisions about its tree management activities to increase its tree canopy
- the most cost-effective way to capture, store and maintain a complete and accurate register of tree data.

Findings

We found that the PAE Council did not have a tree register providing a complete and accurate understanding of its tree population. This makes it difficult to exercise effective tree management.

The PAE Council performed a tree audit 12 years ago to capture data about its trees. It recorded the total number of the two most dominant tree species planted for each street. The data from the audit was stored in the PAE Council's tree management system but is not complete and accurate because:

- it has not been updated since the tree audit
- it did not include all PAE Council trees and did not provide the information about each tree needed to manage them effectively
- the system cannot be used to record individual tree data
- data on trees planted since June 2017 is recorded in another system.

The PAE Council advised us that it prunes all trees on its street verges every two years. While this cyclical program has shown benefits, the data recorded about it is not sufficient to properly inform strategic tree management activities. For example, the trees pruned are assessed for risks such as limb failure, tripping hazards and root conflicts with houses and infrastructure, but this assessment is not documented. There is an opportunity for Council staff to record more tree data to build the tree data profile.

An effective tree management system could store tree data like tree species, location, planting date, health and risk ratings, and maintain this data efficiently. It is important for staff to be able to easily access this information to make effective and efficient decisions about tree management.

City of Port Adelaide Enfield's response

Council has recently initiated the procurement of a new Tree Management software application – Forestree that is a purpose-built application to enable the collection and storage of tree data and support effective tree management services. This application will support Council to plan and implement the collection of accurate, comprehensive and complete tree data across the entire City. It will also support Council's ongoing efforts to improve programming of key tree management activities such as tree planting, pruning and removals, as well as responding to enquiries, complaints and emergency response efforts.

In conjunction with the implementation of Forestree, Council will undertake planning for the most effective and cost-efficient approach to:

- *transitioning its existing tree data into the new Forestree application*
- *establish a methodology and program to undertake data collection on its existing trees*
- *establish protocols for data capture on any new trees being planted.*

Council is also engaging with other Councils that are using Forestree and have valuable insights to share regarding its implementation, integration with other key enterprise systems, and system set-up that supports effective data capture and storage.

4.3.2 The PAE Council's systems do not support effective tree management

Recommendation

In developing its tree management system, the PAE Council should consider system functionality that helps:

- team leaders to easily allocate and monitor work to staff and contractors for maintenance programs
- staff and contractors to update tree records for maintenance data and risks easily and promptly
- staff access to data to update it, analyse it and use it for decision making
- staff to create reports to support their tree management activities.

Findings

We found that the PAE Council keeps data about its trees in various systems and manual records like spreadsheets. When tree data is dispersed it makes it difficult for PAE Council staff to access and analyse the data they need to make proactive, effective and efficient decisions about tree management. There is therefore:

- an increased risk of data error in maintaining various systems, in particular manual records
- reactive rather than proactive tree maintenance
- potential limitations and inefficiencies in data analysis and reporting.

At the time of our review, the PAE Council advised us that it was considering a new tree management system. A more effective tree management system could provide benefits like:

- a register to store tree data (such as tree species, location, planting date, health, risk ratings) and the ability to maintain this data efficiently
- the ability to manage tree maintenance activities efficiently and effectively (such as creating, coordinating and monitoring planting, watering and pruning programs, and coordinating planting programs with footpath and kerb maintenance programs)
- the ability to manage community complaints and requests, and record when and how they were resolved
- information to monitor and evaluate performance against the Council's objectives and targets.

City of Port Adelaide Enfield's response

The new tree management software package (Forestreet) has a range of modules that include fit-for-purpose user-friendly tools that enables access for staff and contractors engaged in tree management services. Examples of modules relevant for staff workflows include:

- *tree inspections undertaken on field devices*
- *works programming and allocation according to various type of works activities e.g. planting, pruning, removal*
- *collection of relevant and accurate tree data, associated with each activity/work program*
- *work efficiently and effectively with contractors and ensure adequate data and information flow between parties*
- *ability to drill down through data that supports team leaders to assign priorities, allocate work, monitor service delivery against targets and indicators and gain insights to inform future programs.*

Planning and programming of tree planting on a seasonal basis and ensuring adequate data on each tree is collected as it is planted.

As Forestreet is implemented a staged approach to integration with other key Council digital applications and enterprise systems will be programmed and progressed in line with Council's Digital Transformation Program.

4.4 Risk management findings

4.4.1 The PAE Council has not documented some of its risk assessments and assessment of controls

Recommendation

The PAE Council should ensure that:

- its parks and gardens risk register documents the risk assessment for all tree risks and accurately reflects the existing controls that are in place to mitigate these risks
- any further treatment controls that need to be developed to reduce the risks to an acceptable level are recorded separately from existing controls
- all inherent high and extreme risks are reported to the executive leadership team (ELT) to give them effective oversight and management of tree management risks.

Findings

The PAE Council's risk management policy and procedure outline the key elements of a sound risk management process. It defines roles and responsibilities, processes and reporting requirements.

Effective risk management involves identifying, analysing, mitigating, monitoring, evaluating and communicating risk and treatment controls. Having a risk register is key to performing these activities.

Assessment of risks

While the PAE Council advised us of its tree management risks, we found that its assessment of some of those risks was not documented in its parks and gardens risk register. Some of the missing assessments were the risks of:

- not achieving its tree canopy targets
- inequitable distribution of tree canopy cover across vulnerable communities
- tree data not being maintained to understand the status of its tree population, and individual tree health, diversity and risk rating.

Assessment of controls

The PAE Council's parks and gardens risk register records the outcome of the risk assessment process but not the existing controls it has in place to mitigate them and support the residual risk rating. The residual risk rating should reflect the exposure remaining after action has been taken to manage it. If it is not acceptable, additional controls need to be developed and implemented.

For some risks in the parks and gardens risk register, the inherent risk rating was reduced from extreme to a moderate residual risk rating. The controls identified were not existing controls, but controls that needed to be developed and implemented. Because they were not existing controls, the residual rating should have remained extreme, and a separate risk assessment performed for any proposed controls.

Reporting of risks

In line with the PAE Council's risk management policy and operating guideline, the ELT is responsible for reviewing strategic and operational risks. Its asset management steering group is required to report all high and extreme risks to the ELT.

In practice, only risks that have a high or extreme residual risk rating are reported to the ELT. However, risks with a high or extreme inherent risk rating should also be reported so that the ELT can ensure controls are in place to mitigate them to an acceptable level and are operating effectively.

Without a clearly documented assessment of all risks, management cannot determine and demonstrate whether:

- risks have been adequately assessed and treated, and the remaining risk levels are acceptable to the PAE Council
- current controls and other risk treatments are effective, including controls being implemented, monitored and evaluated to ensure they remain appropriate
- risk information is being reported to senior management, council committees and the elected body, as required by the PAE Council's risk management policy.

City of Port Adelaide Enfield's response

Corporate Risk Management

The Council acknowledges that it has not formally defined 'inherent risk' in any of its corporate documentation or policy. Furthermore, staff have communicated to the Auditor General's Department (AGD) that the ISO 31000 – Risk management standard does not provide an explicit definition of 'inherent risk', and that this concept is subject to debate within the professional sphere.

The AGD has articulated inherent risk as risks existing in the absence of any implemented controls or actions. However, Council has diverged from this approach and interpretation in practice. The rationale behind this departure lies in the limited value of speculating on scenarios devoid of mitigations or controls, as it would entail considering situations where key personnel/roles or current state assessments do not exist.

In practical terms, this deviation could result in a subjective qualitative assessment wherein every inherent risk is deemed catastrophic. Such an approach would offer limited value to the Council's Executive, who are committed to prioritising the escalation of high-catastrophic residual risks. The current operational protocol involves Council staff evaluating the current state of risk, with existing controls, and assessing the effectiveness of those controls. This allows staff to consider the current state of their operations. This methodology aims to provide an accurate depiction of the current risk environment, rather than delving into hypothetical scenarios where controls or measures may be absent (unless that is an actual depiction of the current state).

Council will endeavour to explicitly define inherent risk to avoid any confusion and will look to ensure this is further understood through its future risk training and organisation risk engagement programs.

Operational Risk Management Practices

To support Council's continued improvement in managing risks at an operational level, the implementation of the new Forestree application will be used to support team and program leaders to consistently assess tree risks, through the entire tree management process including planting, pruning, canopy management, complaint management, and potential emerging risks. The application has a specific module assigned to tree risk assessment and control measures for operational services and standards. The system is based upon Quantified Tree Risk Assessment (QTRA) methodology. The module has standardised risk levels which will assist in effectively assessing risks and prioritising works. This type of improved system functionality will support leaders and staff to have improved data capture and insights into individual tree risk management and create reports to build further knowledge of risk patterns in particular species, areas or locations.

Council will continue to invest in training for relevant arboriculture staff, particularly focused on the QTRA methodology. QTRA has also been used within the legal system associated with claims for damages and or physical harm arising from whole/part tree failures.

4.5 Monitoring and reporting performance findings

4.5.1 Improvements in performance reporting are needed

Recommendation

The PAE Council should review its monitoring and reporting process to ensure accurate and relevant performance information is used and reported against its annual planting target.

The PAE Council should develop performance reporting requirements that contribute to achieving its objectives and tree canopy targets. These could include:

- numbers of trees removed, and new and replacement plantings during the period
- changes in overall tree population diversity and performance against target ratios or guidelines
- status of tree population health
- plantable spaces available for public planting
- estimated trees lost on private land
- estimated canopy spread or loss
- tree risks.

Findings

The PAE Council's annual report records the total number of street and reserve trees planted during the financial year. It improved this reporting in 2022-23 by comparing the actual trees planted with the annual tree planting indicators it had set.

We found the actual trees planted figures used in 2022-23 were based on the number of plants issued from its nursery for planting and not the actual trees planted. Tree plantings are recorded in a system that records the tree species, location and year planted, but the PAE Council is not using this system to monitor and report planting numbers.

It is important that actual performance is compared to targets for the PAE Council to monitor and assess whether its actions are successful, or changes are needed to achieve its objectives and long-term tree canopy target.

The PAE Council told us that it is developing an Urban Greening and Biodiversity Management Plan and will include targets to increase the tree canopy and indicators for tree planting. This document was not available at the time of our review.

City of Port Adelaide Enfield's response

Council currently records newly planted street trees through a mapping application using GIS software. The GPS location, date, and species are recorded. Going forward, it is the Council's intention to record this information into the new tree management software application (Forestree) where all tree data will be stored, updated and used for reporting and future planning. This will support improved reporting of tree plantings against annual targets.

The draft Urban Greening and Biodiversity Plan contains several monitoring metrics within the monitoring and evaluation section. Those relating to tree canopy and the urban forest include:

Metric 1: Total canopy cover % (include private and public)

Measurement: LiDAR analysis of canopy cover % >3m in height

Target: 35% increase by 2050

Measurement: Canopy growth: using LiDAR analysis change detection from 2022 data.

Target: Greater % of canopy growth versus loss from pruning and removal.

Measurement: Street and Reserve tree planting: using Forestree, record date, location, and species of new trees planted/year by Council.

Target: 2,500 planted on public land (streets, parks & reserves) and 500 planted on private land.

Measurement: Tree removals: using Forestree, record date, location, and species of trees removed on Council land.

Metric 2: % of Green spaces

Measurement: green space extent: using LiDAR and NDVI data.

Target: no change or increase from baseline 2022 data (16.47%).

Metric 3: Urban forest health and diversity function

Measurement: Using Forestree, keep a record of Council tree species, analyse diversity of tree species.

Target: increase from baseline collection data 2024/25, working towards a targeted species, genus, and family ratio of 5/10/15%.

Forestree module includes a tree planting app that provides numerous opportunities to load every tree planted each year with a predictor that allows Council proactive tree planting strategies to meet targets set by the Urban Greening and Biodiversity Plan.

The data collected on tree species also allows predictive tree species selection in coming years to maintain species consistency and or modify species selections to achieve species diversity within specific suburbs/areas.

4.6 Strategic planning for tree management findings

4.6.1 The PAE Council has not set specific tree canopy targets for land use and tenure

Recommendation

The PAE Council should consider setting tree canopy targets that are specific to land uses and tenures and based on available plantable space and resources. Specific strategies, actions and resource allocations can then be planned to achieve those targets.

Findings

In April 2021 the PAE Council endorsed a target to increase its tree canopy cover by 35% by 2050. A well-known challenge to Adelaide metropolitan councils in their efforts to increase their tree canopies is that they do not own or control a large portion of the land in their areas. The amount of land controlled by councils and available for planting is further limited by infrastructure such as powerlines, storm and wastewater networks, footpaths and roads, and house and fence footings.

To recognise these limitations, many councils set separate tree canopy targets for different land uses and tenures. For example, another local council has split its tree canopy targets by land use and ownership:

We will increase average township tree canopy cover to 20% by 2043 and to 30% by 2073 by meeting the following targets:

- *Average Road reserve tree canopy from 11% to 20%*
- *Average Open space tree canopy cover from 7% to 30%*
- *Aiming for net gain of tree canopy cover on private residential land within township boundaries.*

It is important to link the performance targets set to what the PAE Council can deliver through its planned strategies, allocated resources and available planting space. Setting more specific targets will help to inform its actions and more accurately measure its performance.

City of Port Adelaide Enfield's response

In light of new, more accurate LiDAR data Council intends to review the tree canopy target set in 2023 regarding the overall % of tree canopy cover across the LGA.

The review will consider setting specific targets based on land use types, an analysis of resourcing and improved strategies and action to achieve targets.

Council will consider the timing of this review.

4.7 What the City of Port Adelaide Enfield did well

We identified PAE Council activities to increase the tree canopy and tree health in its area that were operating effectively.

4.7.1 The PAE Council has a *Living Environment Strategy*

The PAE Council had a *Living Environment Strategy 2017–2022* with a foundation initiative being the Greening our City program. The program aimed to:

- increase urban greening in the city’s public realm (streets, parks, trails, coastline and waterways)
- improve the integration of its tree and vegetation planting program in the design of its streetscapes, roads and stormwater infrastructure
- educate the private sector and community
- adopt evidence-based approach in target setting and prioritisation of opportunities for urban greening.

The PAE Council advised us that it is revising its plans and developing an Urban Greening and Biodiversity Management Plan, which will continue to provide tree canopy targets and indicators. This document was not available at the time of our review.

4.7.2 The PAE Council has undertaken detailed tree canopy cover modelling and set a long-term target

The PAE Council has performed detailed tree canopy cover modelling based on a range of scenarios to determine the most appropriate tree canopy cover target and a five-year planting program.

4.7.3 The PAE Council has strategies to increase public awareness and improve its tree canopy cover

The PAE Council has strategies that aim to increase public awareness about the value of trees and improve the tree canopy cover on private land. These strategies include:

- the Get Shady program. This was established as an incentive program to increase tree planting on private land. In 2022 the PAE Council provided 150 property owners in the hottest suburbs with a free advanced (1 metre high) tree to plant on their land. In 2023, it provided 300 trees to property owners. This program is continuing in 2024.
- a grant program to help residents maintain large trees (with a trunk circumference of at least 2 metres) on their properties. The maintenance works intend to prevent the removal of the tree and extend its lifespan. This program contributes to the PAE Council’s tree canopy targets and provides amenity benefits to the local neighbourhood.

4.7.4 The PAE Council has clearly defined roles and responsibilities for tree management

The PAE Council has clearly defined, documented and communicated to staff their roles and responsibilities for tree management, including:

- program delivery and oversight
- reporting
- risk management.

This has given staff transparency and understanding about work expectations, and how they contribute to the PAE Council's broader strategic objective of increasing the tree canopy.

5 City of Holdfast Bay

5.1 Executive summary

5.1.1 Conclusion

We assessed the effectiveness of the CHB Council's tree management activities to increase and maintain the tree canopy in its area.

We concluded that its activities were partly effective, because while some activities were operating effectively, gaps in others need to be addressed to be effective.

Activities where the CHB Council needs to take action to achieve effectiveness are:

- maintaining data about its public trees
- documenting the assessment and treatment of all tree canopy risks
- developing better functionality within its tree management systems
- monitoring and reporting its performance.

Activities where the CHB Council was effective included it having:

- a long-term tree canopy target
- strategies with specific actions to increase the tree canopy cover that continue to evolve
- strategies to increase public awareness about the value of trees
- clearly defined roles and responsibilities for tree management activities.

The CHB Council demonstrated a clear long-term commitment to actions to increase the tree canopy cover in its area.

5.1.2 What we recommended

We recommended that the CHB Council should:

- develop system functionality to ensure:
 - tree data is able to be easily accessed and maintained by staff in line with their work responsibilities
 - staff can easily produce comprehensive reports to support their analysis, decisions and monitoring of activities
 - staff can easily produce reports for monitoring against Council objectives and tree canopy targets
 - staff can consistently assess and record tree risks, access and maintain this data and retrieve information about works performed
- documenting the assessment and treatment of all tree canopy risks.

5.1.3 City of Holdfast Bay’s response

The CHB Council accepted our detailed findings and told us how it would action our recommendations. Its response to each recommendation is included in sections 5.3 to 5.6.

Appendix 7 contains the CHB Council’s full response to this report.

5.2 Overview of the City of Holdfast Bay

5.2.1 About the City of Holdfast Bay

The CHB Council is a south-western coastal council area of Adelaide, about 11 kilometres from the CBD. It covers an area of around 14 km² and had a population of 38,000 people in 2022. This is a population density of about 2,767 people/km².

The CHB Council area is predominantly residential with some commercial and industrial land use. There were around 4,500 residential dwellings approved to be built in the area in 2023-24. The CHB Council includes the suburbs of Glenelg and Brighton, which are popular tourist destinations and are widely known for the iconic Norfolk Pines that line much of the esplanade and surrounding streets.

5.2.2 Tree canopy target and 2022 measurement

The CHB Council’s *Environment Strategy 2020–2025* includes a target to increase its tree canopy by 10% from a baseline of 15.28% in 2018 to 16.8% in 2030. This target was based on original 2018–2019 LiDAR data, but due to the change in measurement methodology discussed in section 3.1 and appendix 3, the measurement was recalculated in 2022.

The recalculated LiDAR data for 2018–2019 measures the CHB Council’s tree canopy at 10.17%. LiDAR data shows that since then, its tree canopy cover has increased slightly to 11.73% in 2022, as shown in figure 5.1.

The CHB Council intends to revise its tree canopy target based on the 2022 LiDAR data.

Figure 5.1: Total tree canopy cover in CHB Council area in 2022

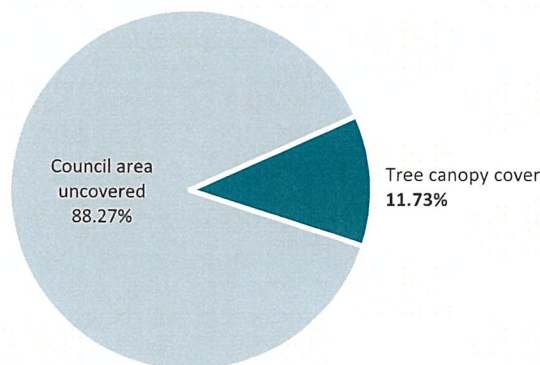
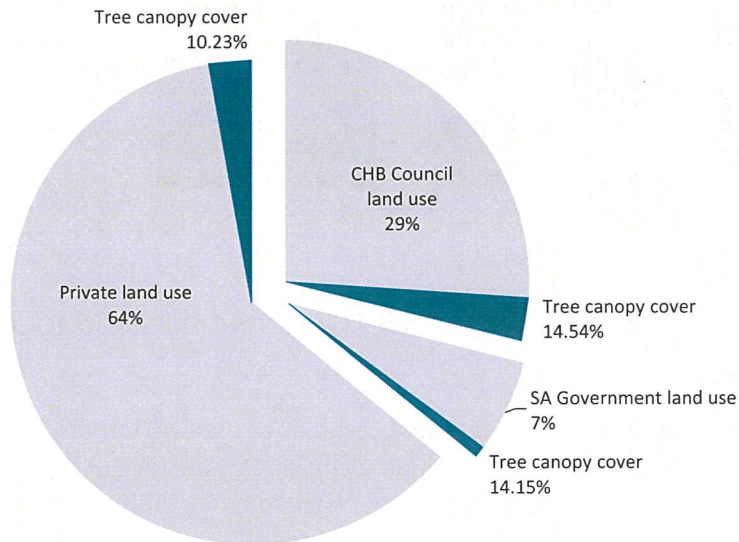


Figure 5.2 shows a breakdown of the percentage of land use type and tree canopy over the CHB Council area based on 2022 LiDAR measurements.

Figure 5.2: Percentage of CHB Council by land use type and its tree canopy in 2022

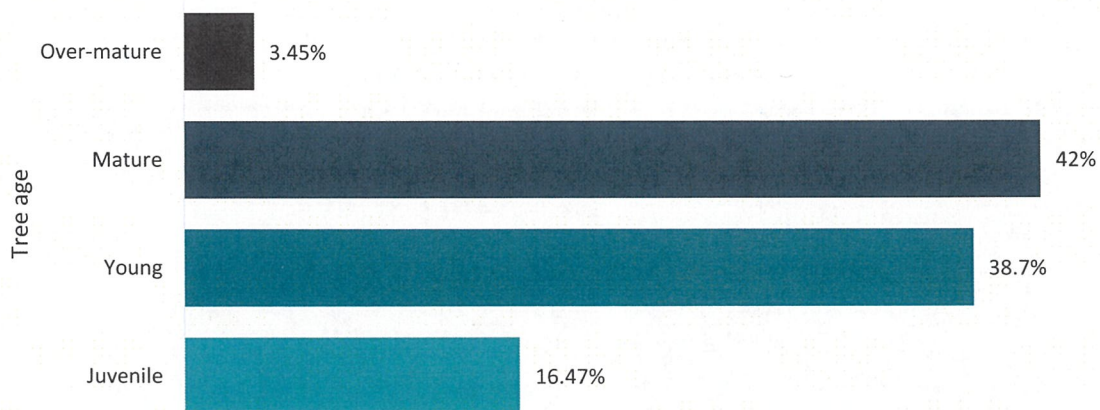


Source: Based on the *Urban tree canopy, green spaces and built environment data analysis and reporting 2022 Survey Area Technical Report*, January 2022, Green Adelaide, Government of South Australia, Adelaide.

5.2.3 CHB Council tree canopy data

The CHB Council’s tree audit found the Council has approximately 21,100 street and open space trees and most of its trees are young or mature in age as shown in figures 5.3.

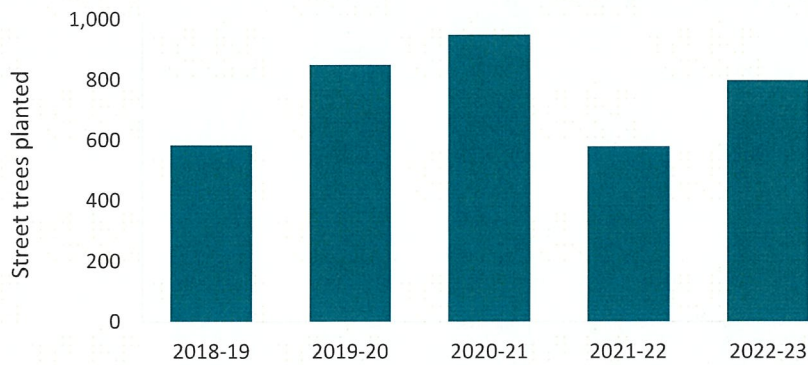
Figure 5.3: CHB Council’s public trees by age distribution



Source: Based on data from the CHB Council.

Figure 5.4 shows the number of street trees planted by the CHB Council in the last five years.

Figure: 5.4 Number of street trees planted by the CHB Council in last 5 years



Source: Based on data from the CHB Council.

5.2.4 Innovative techniques the CHB Council has used to improve tree health

During our review we observed some innovative techniques the CHB Council has used to improve the health of the trees in its area. These include using water sensitive urban design (WSUD) to improve street and open space tree health, through the passive infiltration of stormwater.

WSUD provides environmental benefits such as capturing rainfall runoff to prevent flooding and improving stormwater quality, which reduces sediment and pollution into waterways. It is also highly valuable for providing supplementary irrigation to urban vegetation and improving tree and canopy health and longevity.

We saw several examples, as shown in figure 5.5 where the CHB Council had used:

- WSUD in the form of rain gardens to capture stormwater runoff, including in high-traffic streets and in parks from tennis courts to passively irrigate trees and vegetation
- street tree inlets to redirect stormwater from roads to tree roots, which increases the available water for the surrounding street trees.

Figure 5.5: Examples of WSUD under Norfolk Pines in Glenelg and a street tree inlet to redirect stormwater to tree roots in South Brighton



5.3 Data and asset management systems findings

5.3.1 The CHB Council's system does not support effective tree management

Recommendation

In developing its tree management system, the CHB Council should consider system functionality that:

- lets staff and contractors update tree records for maintenance data and risks easily and timely
- gives staff access to data to update it, analyse it and use it for decision making
- lets staff create reports that provide information to support their decision making on tree management activities.

The CHB Council should prepare a plan of the system changes needed for actioning and monitoring.

Findings

We found that the CHB Council's enterprise management system was not mature enough to support effective tree management. It did not have functionality to:

- ensure accurate and complete tree data was maintained
- provide information needed to perform tree management activities effectively.

Maintaining complete and accurate tree data

From 2021 to 2023, the CHB Council conducted the first audit of its public trees. It collected comprehensive data that gave an up-to-date picture of its tree population, species diversity and other tree demographics such as information about an individual tree's health, location, age and risk status. A tree asset management system was used to record this data and individual tree records were updated to show the maintenance work needed or performed. This ensured the CHB Council had current and complete information about its trees.

In early 2023, the CHB Council stopped using the tree asset management system and built tree management functionality into its existing enterprise management system. Tree data was transferred in from the tree asset management system, but not all of the functionality needed to support tree management was fully developed.

We found that:

- some CHB Council staff did not have access to tree data in the enterprise management system that they needed to perform their roles
- one Council officer maintained manual records to support certain tree management activities.

As a result, tree data obtained during the CHB Council's audit was not being fully maintained in the enterprise management system, increasing the risk of it becoming redundant.

Gaps in reporting capability

We found that the enterprise management system's reporting capabilities were still being developed for key tree management activities. For example, the system could not produce automated reports to help staff evaluate and monitor tree management activities like:

- annual planting, including details about planned tree species, planting dates and locations
- watering routes
- risk-based tree maintenance and inspection programs
- tree health and risk status
- performance against objectives and targets.

We also found that staff had difficulty accessing information in the enterprise management system, making analysis and decisions more difficult and time consuming.

It is important for staff to be able to easily access information that helps them make effective and efficient decisions about their work, such as:

- setting performance targets or guidelines for tree diversity and annual planting to achieve the CHB Council's long-term tree canopy target
- deciding on the timing, level and allocation of resources needed to maintain healthy trees and increase the tree population
- managing risks such as tree limb failure, tripping hazards and root conflicts with footpath and road infrastructure
- managing work crews and contractors
- assessing whether tree management activities are achieving the CHB Council's objectives and targets
- deciding whether strategic plans for urban forest and tree management need to change.

The functionality an effective tree management system could provide includes:

- a register to store tree data such as tree species, location, planting date, health and risk rating, and the ability to maintain this data efficiently
- the ability to manage tree maintenance activities efficiently and effectively. These activities include creating, coordinating and monitoring planting, watering and pruning programs, and coordinating planting programs with footpath and kerb maintenance programs
- the ability to manage community complaints and requests, and record when and how they were resolved
- information to monitor and evaluate performance against the CHB Council's objectives and targets.

Plan for changes to the enterprise management system

We found that the CHB Council did not have a documented plan of the changes to the enterprise management system needed to improve access and reporting. It is important to have a plan to ensure all the required system changes are identified, prioritised, allocated for actioning and monitored for progress.

City of Holdfast Bay's response

During the public tree data collection and assessment (2021-2023), Council captured comprehensive data of all individual trees. After the audit this data was transferred into council's asset management register.

Council has committed to build additional functionality for tree management into the existing enterprise asset management system to address the gaps identified in the review.

5.4 Risk management findings

5.4.1 The CHB Council's system does not support effective management and reporting of tree risks

Recommendation

As a matter of priority, the CHB Council should develop system functionality to support the effective management of tree risks.

The CHB Council should review its processes to ensure reporting is in place to help it oversee its key tree risks.

Findings

We found that the CHB Council's enterprise management system did not support the effective management of tree risks because it did not:

- have a built-in risk assessment methodology to help staff assess tree risks. This could lead to inconsistencies in how staff assess and conclude on tree risks
- give staff easy access to tree risk ratings and information about work previously performed on trees to address identified risks. We found that staff could only see the complete history of work performed on a particular tree and the effect on its risk status by looking at all the individual work orders for the tree.

It is important for staff to have access to information to monitor, evaluate and report on tree risks efficiently. The CHB Council's system, however, could not provide this. For example, it could not provide a list of all high-risk trees for staff to use to monitor tree health and update the corporate risk register. We found that staff were instead keeping manual records about high-risk trees and there was no evidence that these risks were being reported in line with CHB Council policy.

City of Holdfast Bay's response

See response in section 5.4.2.

5.4.2 The CHB Council had not documented some of its tree management risk assessments

Recommendation

The CHB Council should:

- comprehensively review its tree data and tree management practices to identify and assess all tree risks
- maintain a complete central record of the risk assessments and treatment plans needed to monitor and report on tree risks.

Findings

The CHB Council's risk management policy and procedure outline the key elements of a sound risk management process. It defines roles and responsibilities, processes and reporting requirements.

Effective risk management involves identifying, analysing, mitigating, monitoring and communicating risk. Having a risk register is key to performing these activities.

The CHB Council's corporate risk register identifies its strategic, operational, asset and project risks and requires enough information to be recorded to tell elected members and staff how risks will be managed.

We found that the corporate risk register included strategic and operational tree management risks but did not recognise some relevant risks, such as the risk of:

- tree data not being maintained to understand the status of the CHB Council's tree population, and individual tree health, diversity and risk ratings
- specific trees assessed as high operational risks not being managed effectively
- adverse impact to trees and the tree canopy from Council or State managed civil or capital works
- adverse impact to trees from natural events, such as pest outbreak or disease
- Council trees and the tree canopy not being resilient to climate change and extreme weather events, such as warming average temperatures and lower average annual rainfall
- negative public perceptions of trees.

Without a complete listing of all risks, management cannot determine and demonstrate whether risks are:

- adequately assessed and treated
- being reported to senior management, council committees and elected members, as required by the CHB Council's policy.

City of Holdfast Bay's response

During the public tree data collection (2021-2023), every tree was assessed for risk. High risk trees were identified in real time to be dealt with urgently. By the completion of the audit, council had no identified high risk trees remaining. Each tree has an ongoing assessment frequency based on its risk status.

Existing operational tree risks are captured in the operational risk register. Through the development of the tree management plan, council will undertake a review of its tree risks and update the operational risk register. This will ensure central reporting enables appropriate oversight of these risks.

5.5 Monitoring and reporting of performance findings

5.5.1 The CHB Council has limited performance reporting

Recommendation

The CHB Council could improve its reporting of tree management performance by sourcing actual tree planting numbers from its enterprise management system and reporting this against its annual planting target.

In finalising its draft urban forest and tree management plans, the CHB Council should develop and document performance reporting requirements that contribute to achieving its objectives and tree canopy target. These could include:

- numbers of trees removed, and new and replacement plantings during the period
- changes in overall tree population diversity and performance against target ratios or guidelines
- status of tree population health
- plantable spaces available for public planting
- estimated trees lost on private land
- estimated canopy spread or loss

Findings

The CHB Council's reporting of its tree management performance is limited to the yearly tree planting numbers it publishes in its annual report. It told us that these numbers are based on the maximum plantings that could be achieved with the resources it allocates. This is taken from records that staff maintain about the purchase of trees rather than being actual planting data sourced from the enterprise management system.

It is important that actual performance is compared to targets for the CHB Council to assess whether its actions are successful or changes are needed to achieve its objectives and long-term tree canopy target.

We noted that the CHB Council's draft urban forest and tree management plans do not specify reporting requirements for the achievement of objectives or targets for new and replacement tree plantings, tree population health, tree risks and species diversity.

City of Holdfast Bay's response

Council's tree performance reporting will be refined and integrated into the development of the strategic planning documentation.

5.6 Strategic planning for tree management findings

5.6.1 The draft urban forest and tree management plans are missing some key elements

Recommendation

The CHB Council should consider including our suggestions in its draft urban forest and tree management plans.

Observations

The CHB Council engaged a consultant to help develop an urban forest plan and a tree management plan. These plans will reflect the outcomes of the CHB Council's 2023 tree audit and the 2022 LiDAR data. They aim to support a proactive, best practice approach to managing public trees and related risks and increasing the CHB Council's tree canopy.

We considered the draft plans available at the time of our review and identified some areas that could be improved to help the CHB Council achieve the aim of these plans, which included analysing comprehensive tree data to inform its planning activities.

We suggested that the plans explain how they relate to each other to help users understand their purpose and linkage.

City of Holdfast Bay's response

Council will consider these recommendations in detail and select appropriate placing for the inclusion of them in development of the strategic planning documents.

Council has made significant progress on developing its action plan with specific actions to improve our overall urban forest management to achieve targets, including allocation of resources.

The strategic planning documents were required to be put on hold due to the time delay in delivery of the 2022 tree canopy data capture from the state government. It was critical to understand the baseline 2018 data set and subsequent change in canopy to 2022 to undertake accurate modelling to develop canopy targets.

5.6.2 The CHB Council does not set specific tree canopy targets for land use and tenure

Recommendation

The CHB Council should consider setting tree canopy targets that are specific to land uses and tenures and based on available plantable space and resources.

In finalising its urban forest and tree management plans, the CHB Council should consider specific strategies, actions and resource allocation to achieve the specific targets set.

Findings

The CHB Council's *Environment Strategy 2020–2025* includes a target to increase its tree canopy by 10% from a baseline of 15.28% in 2018 to 16.8% in 2030. A well-known challenge to Adelaide metropolitan councils in their efforts to increase their tree canopies is that they do not own or control a large portion of the land in their areas. The amount of land controlled by councils and available for planting is further limited by infrastructure such as powerlines, storm and wastewater networks, footpaths and roads, and house and fence footings.

To recognise these limitations, many councils set separate tree canopy targets for different land uses and tenures. For example, another local council has split its tree canopy targets by land use and ownership:

We will increase average township tree canopy cover to 20% by 2043 and to 30% by 2073 by meeting the following targets:

- *Average Road reserve tree canopy from 11% to 20%*
- *Average Open space tree canopy cover from 7% to 30%*
- *Aiming for net gain of tree canopy cover on private residential land within township boundaries.*

Some councils have also set annual tree planting targets that are linked to their tree canopy targets.

It is important to link the performance targets set to what the CHB Council can deliver through its planned strategies, allocated resources and available planting space. Setting more specific targets will help to inform its actions and more accurately measure its performance.

City of Holdfast Bay's response

A subset of targets specific to land use types, available plantable space and council resources will be included in the urban forest strategy and tree management plans following the release of the tree canopy data by the state government.

5.7 What the City of Holdfast Bay did well

We identified CHB Council activities to increase the tree canopy and tree health in its area that were operating effectively.

5.7.1 The CHB Council has an Environment Strategy

The CHB Council has an *Environment Strategy 2020–2025* that identifies five environmental action themes, each with its priority activities and benefit rankings. It includes tree-related action items that will help the CHB Council increase its tree canopy, improve tree health and raise community awareness about the value of trees. The elements of the strategy concerning trees will be supported by the urban forest and tree management plans when they are finalised.

5.7.2 The CHB Council conducted a tree audit

High-quality data about trees is key to a council maintaining and growing a healthy urban forest. Council staff can make more efficient and effective decisions about tree management if they are evidence based.

Between 2021 and 2023, the CHB Council conducted the first audit of its public trees, which produced a database of over 21,100 trees. The audit identified that the Council had around 6,000 more trees than it had estimated and around 5,500 plantable spaces. It captured wide-ranging data about the CHB Council's trees, including data about species diversity, tree health, age, useful life expectancy, works required and risk status.

This data will help the CHB Council to develop informed urban forest and tree management plans, identify priority actions and set attainable targets or guidelines that consider available

plantable space and species diversity needs. It will also help the CHB Council to better understand what resources are needed to support and grow its trees and increase its tree canopy.

We did not review the CHB Council's tree audit process.

5.7.3 The CHB Council has strategies to increase public awareness about the value of trees

The CHB Council has an Adopt a Tree program, where it allocates new trees to be planted on residents' verges each year. Registration is free and trees are issued on a 'first come first serviced' basis. Residents must commit to watering the new trees for the first three to four years after planting.

The CHB Council also has a Tree of the Month program that aims to increase community awareness about the value of trees and the role they play in providing shade and habitat, cleaning the air and supporting public health and wellbeing. Residents can nominate a tree that is significant to them and it is showcased on the CHB Council's website.

5.7.4 The CHB Council has clearly defined roles and responsibilities for tree management

The CHB Council has clearly defined, documented and communicated to staff their roles and responsibilities for tree management, including:

- program delivery and oversight
- reporting
- tree risk assessment and treatment.

This has given staff transparency and understanding about work expectations, and how they contribute to the CHB Council's broader strategic objective of increasing the tree canopy.

Appendix 1 – Audit mandate, objective and scope

Our mandate

The Auditor-General has authority to conduct this review under section 32(1)(c) of the *Public Finance and Audit Act 1987 (PFAA)*. This section allows the Auditor-General to review the efficiency, economy and effectiveness of the activities of a public funded body.

Section 4 of the PFAA includes a council constituted under the *Local Government Act 1999* (LG Act) in the definition of a publicly funded body.

Our objective

The objective of our review was to conclude on whether selected metropolitan councils have effective activities in place to increase or maintain the tree canopy cover in their areas.

Our review covered the period from July 2018 to November 2023. This period aligns with the capture of tree canopy data across metropolitan Adelaide by SA Government entities in partnership with councils in 2018–2019, and Green Adelaide in 2022 for the update of *The 30 Year Plan for Greater Adelaide*.

What we reviewed and how

We considered whether the two councils we selected to review had:

- documented plans and/or strategies to increase or maintain the tree canopy cover
- governance structures to manage and oversee their performance while working towards their tree canopy target
- systems and process to effectively manage their tree data and monitor and report on their outcomes.

Figure A1.1: Performance audit sub-objectives

Audit area	Audit sub-objective
Tree canopy planning	Does the Council effectively plan its tree canopy activities.
Governance structures and practices	Does the Council have effective governance arrangements over its tree canopy activities, including: <ul style="list-style-type: none">• establishing clearly defined roles and responsibilities• monitoring the performance of tree canopy activities and its performance against targets• risk management processes for managing its tree canopy.
Management of tree canopy data	How effectively the Council manages information about its trees to increase and/or maintain its tree canopy.

We reviewed documents in detail and held discussions with Council staff to conduct our review. We considered:

- LG Act requirements
- Council objectives, targets, policies and plans for tree canopy management
- the 2017 update of *The 30 Year Plan for Greater Adelaide* by the SA Government, which includes tree canopy targets for council areas
- the *Planning, Development and Infrastructure Act 2016*
- the Electricity (Principles of Vegetation Clearance) Regulations 2021
- risk management processes based on ISO 31000:2018 *Risk management guidelines*.

We engaged a subject matter expert to provide guidance and advice to us throughout our review and to ensure that our findings and recommendations were consistent with sound industry practice.

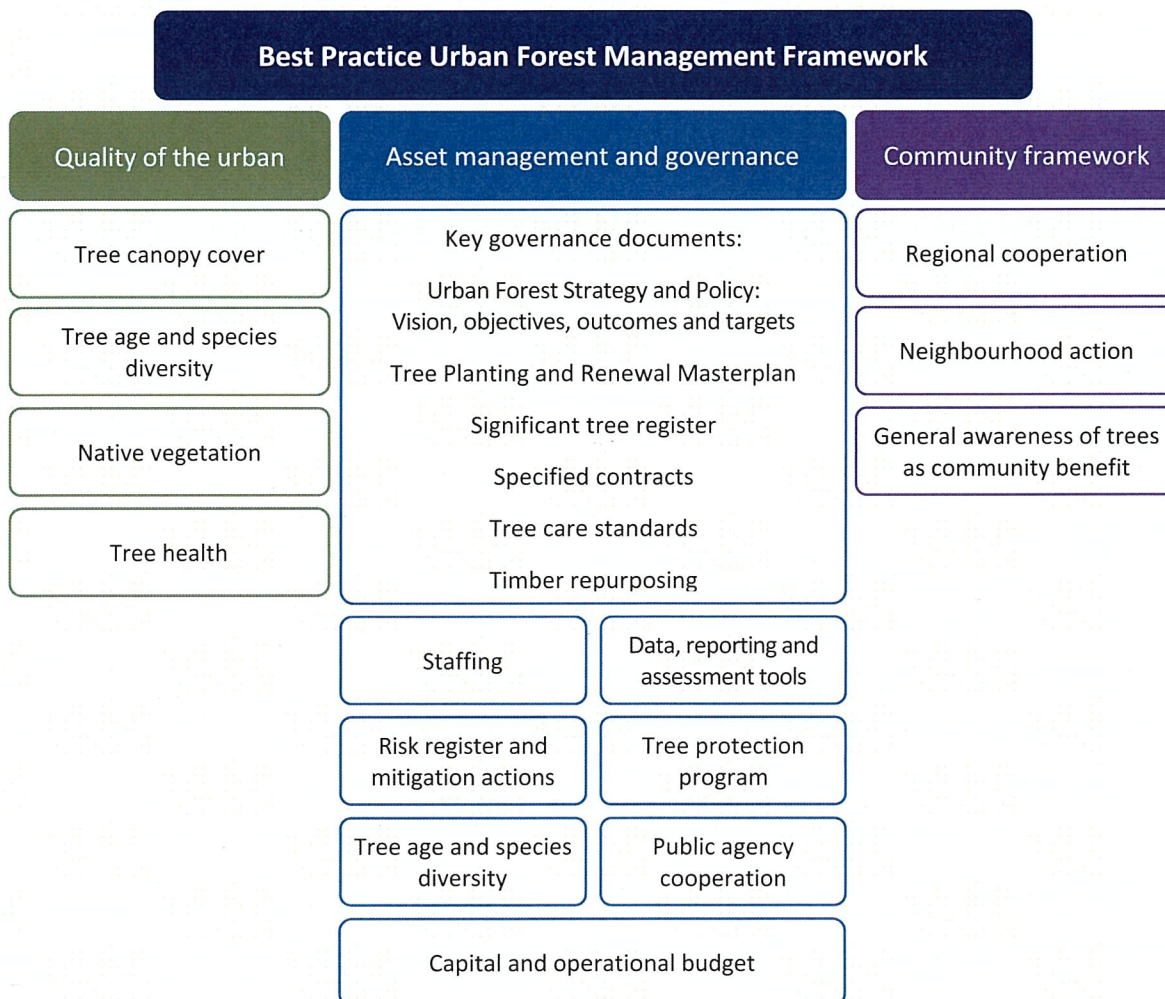
What we did not review

We did not assess:

- Council risk management practices across all functions. We focused on risks relevant to managing the tree canopy
- compliance with significant or regulated trees legislation
- how other land holders are managing their trees
- the completeness and accuracy of LiDAR tree canopy data
- the merits of alternative tree canopy measurement methodologies
- the Council's tree audit process.

Appendix 2 – A model tree management framework

This model tree management framework is one that councils could refer to when developing and reviewing their own frameworks.²⁵



We did not consider all aspects of this tree management framework in our reviews of the PAE Council and CHB Council.

Our review focused on the key activities related to our review objective:

- planning (including key strategies, objectives and targets)
- governance arrangements (including roles and responsibilities, performance monitoring and reporting, risk management)
- management of tree canopy data and information.

Appendix 3 – LiDAR measurement of metropolitan Adelaide’s tree canopy cover

What LiDAR is and what its data says about the tree canopy

LiDAR measures the time taken for a laser pulse to travel from an airplane’s sensor to the ground surface and be reflected back again to create a highly accurate point cloud which defines the height and horizontal extents of ground features. The point cloud can be used to produce spatial datasets which describe features on the earth’s surface, such as trees and buildings in three dimensions. This method measures the height and horizontal extents of tree canopy (defined as vegetation greater than 3 metres in height) and provides a repeatable measure of canopy for monitoring of change over time.

Between 2018–2019 a number of projects were conducted through partnerships between the SA Government and Regional Climate Partnerships (representing the 18 metropolitan councils) to capture tree canopy data across metropolitan Adelaide using the LiDAR method, as shown in figure A4.1.

Figure A4.1: Adelaide metropolitan council areas surveyed in 2018 – 2019

Council	Area surveyed	Council	Area surveyed
City of Adelaide	Complete	City of Onkaparinga	Complete
City of Burnside	Complete	City of Playford	Partial
Campbelltown City Council	Complete	City of Port Adelaide Enfield	Complete
City of Charles Sturt	Complete	City of Prospect	Complete
Town of Gawler	Partial	City of Salisbury	Complete
City of Holdfast Bay	Complete	City of Tea Tree Gully	Complete
City of Marion	Complete	City of Unley	Complete
City of Mitcham	Complete	Town of Walkerville	Complete
City of Norwood Payneham & St Peters	Complete	City of West Torrens	Complete

The Town of Gawler and the City of Playford were only partially surveyed at this time. Tree canopy was measured at a resolution of 1 metre x 1 metre by LiDAR.

In 2022 LiDAR was again used to measure the tree canopy across the same 18 Adelaide metropolitan council areas. This time the entire council areas of the Town of Gawler and the City of Playford were included and the tree canopy was measured at a 0.5 metre x 0.5 metre resolution. This survey calculated a tree canopy cover of 16.7% over the 2022 study area extent.²⁶

To enable consistent comparison and meaningful change detection analysis, the 2018–2019 LiDAR data was recalculated to a 0.5 metre x 0.5 metre resolution, bringing it into line with the 2022 data. This calculated Adelaide’s tree canopy cover at 14.5% of combined study footprint of the 2018–2019 surveys.

Green Adelaide also recalculated the canopy cover for 2022 based on the same metropolitan area measured in 2018–2019. When only the parts of the Town of Gawler and City of Playford which were previously captured are included in the 2022 survey results, tree canopy cover is calculated at 18.3%.^g

The net increase in the tree canopy of nearly 4% between 2018 and 2022 is due to the increase in crown spread of existing mature trees and the trees planted over the past few years having grown in height to 3 metres or more. The gain in canopy was however offset in part by tree loss from pruning and removal during this period.

g We did not review LiDAR data from 2018–2019 or 2022 for its completeness and accuracy. We did not review Green Adelaide’s recalculation of 2022 canopy cover based on the council areas surveyed in 2018–2019.

Appendix 4 – Government frameworks for tree canopy

SA Government	Local Government
Role Responsible for the regulation and management of the urban greening framework relevant to urban tree canopy	Role Responsible for managing, developing, protecting, restoring, enhancing and conserving the environment in their council areas in an ecologically sustainable manner
Act <i>Planning, Development and Infrastructure Act 2016</i> <i>Landscape South Australia Act 2019</i>	Act <i>Local Government Act 1999</i>
Plans/Strategies <i>The 30 Year Plan for Greater Adelaide (Regional Plan)</i> <i>Climate Change Action Plan 2021–2025</i> <i>State Landscape Strategy</i> <i>Green Adelaide Regional Landscape Plan 2021–2026</i>	Plans/Strategies A council will determine its policies, objectives and strategies for tree management and the actions it will take to increase or maintain tree canopy

Appendix 5 – Extract from the City of Holdfast Bay’s response to our findings and recommendations

Context, Challenges and Opportunities

Our urban forest is inclusive of all trees within the City of Holdfast Bay on public and private land. Trees are also subject to a range of diverse legislative and regulatory requirements. As the management of the urban forest is a joint responsibility and impacted by a number of stakeholders, it is important to recognise the external constraints that impact the success of achieving an increase in canopy across the city as a whole.

During the last 18 months, council has made two significant submissions about trees and the urban forest to the:

- Planning System Implementation Review
- Parliamentary Inquiry into the Urban Forest

We would like to take this opportunity to summarise some of the legislative and regulatory barriers to retaining, managing and increasing the urban forest, which we identified through these processes.

Conflict Between Trees and Utilities

There are several state-government laws, regulations or policy documents that restrict the trees that can be planted on public land, including:

- *Electricity (Principles of Vegetation Clearance) Regulations 2021*; including the Approved and Permitted Species lists maintained by the Office of the Technical Regulator that mandate which species may be planted under power lines;
- *Water Industry Act 2012*, including the SA Water Tree Planting Guide which mandates which species may be planted in the vicinity of water and wastewater infrastructure; and
- Operational Instruction 19.8: Trees in Medians and Roadsides in the Urban Environment, which mandates vegetation clearances from road corridors.

These documents treat trees only as a risk to critical infrastructure or life, rather than as green infrastructure with the same value as grey infrastructure. While trees can pose a risk to infrastructure, these documents ignore the numerous benefits that trees provide to the community.

As infrastructure proliferates with urban sprawl and infill, regulations that allow trees to be removed and limit replacement plantings, make it impossible for councils to achieve canopy targets on public land alone, especially because most metropolitan councils own a lower proportion of land than private landowners, as is the case for the City of Holdfast Bay.

There is an urgent need to incorporate a more sophisticated understanding of trees as community assets and an important mitigator of climate risk, rather than simply as a threat to infrastructure. There is also a need for harmonisation of all tree-relevant legislation and regulation to ensure this balanced and wholistic view of trees is promulgated across all state government policies, aligning infrastructure and development regulation with the principles of the 30-Year Plan for Greater Adelaide (and/or its replacement, the Greater Adelaide Regional Plan), and government commitments to greening and increasing canopy, such as the Urban Greening Strategy currently being developed by Green Adelaide.

Undergrounding and Aerial Bundling of Power Lines to Avoid Conflict

Independent of legislative and regulatory reform to the utilities sector, one of the simplest initiatives the state government could invest in to improve the extent of the urban forest and its performance is to underground power lines, including in common services trenches under roadways and in new land divisions, which combine electricity, gas, water, sewerage and communications services in a single trench. The placement of a common trench in the middle of a roadway would increase the amount of above- and below-ground space for planting on the verge, increasing the number and size of trees that can be planted on roadsides.

Alternatively, the bundling of power lines together (called 'aerial bundle cabling') overhead is also a cost-effective approach to existing suburbs with a similar outcome, making more space for tree canopy and reducing the need for large pruning clearances. Both of these approaches also increase the stability of the electricity grid due to reduced damage in storms and fires.

However, retrospectively undergrounding power lines is expensive (ca. \$3,000 per metre). The Power Line Environment Committee (PLEC) is a committee assisting the Minister responsible for the *Electricity Act 1996* in assessing and recommending locations for the undergrounding of overhead power lines. PLEC has annual funding in the order of \$10M, and operates in a co-funding model, whereby councils are invited to apply for funds to support undergrounding in specific areas.

Councils are generally expected to contribute at least one third of the costs of undergrounding (ca. \$1,000 per metre) and are expected to also commit to all of the costs of aesthetic improvement of the space after the undergrounding has happened.

This high requirement for council funds and limited co-funding available through PLEC means that undergrounding of existing overhead cables remains rare. In addition, in the current selection criteria of the PLEC funding program, tree canopy is not considered as part of the decision-making about locations to receive funding, therefore locations that could potentially provide important additional canopy are ignored.

Providing additional funding to PLEC, reducing the level of co-funding required by councils, and including expansion of urban tree canopy in the funding criteria, would allow the removal of more overhead power lines, thereby improve safety and public amenity, and increasing opportunity for greening. Undertaking more undergrounding would possibly also reduce the net cost per metre due to efficiencies of scale.

Alternatively, the state government could identify high priority targets for undergrounding (e.g. specific major transport corridors) to target for power line undergrounding and greening, providing the majority funding as a major project. Such projects could effectively transform barren transport corridors into shady boulevards with high public amenity and increased appeal for active transport users.

Landscape South Australia Act 2019

The *Landscape South Australia Act 2019* prevents the planting of species declared as weeds including common trees such as Aleppo pine (*Pinus halepensis*), box elder (*Acer negundo*) and desert ash (*Fraxinus angustifolia*). These species are prohibited because they have the potential to pose a risk to South Australia's environment and primary industries.

Prohibiting the planting of these species in rural, regional and peri-urban areas has sound logic. However, the traits that allow them to grow and proliferate also make some of them effective urban trees. For example, the desert ash has been planted extensively as a street tree and is popular in gardens because it is shady and performs well. The major risk this species poses is its ability to colonise and spread along streams, which may not be an issue in some urban contexts.

New developments

Developers are often heavily criticised for perceived failings in the environmental or social amenity created by their developments, particularly when large trees are removed to facilitate building.

Under the current legislation, it is extremely difficult for councils to enforce or prosecute vandalism of trees (removal, damaging, poisoning), with limited mechanisms to defer illegal removal of public trees.

Linking tree retention and other public good outcomes to economic incentives (e.g. charging developers the full assessed financial value of a tree before approving its removal) would ensure that commercial and public good incentives are better aligned. Another proposed financial incentive method is the use of tree bonds, especially for regulated and significant trees. The bond value would be derived using an agreed methodology embedded in the PDI Act, would be charged prior to development approval, and only refunded in part or in full depending on the extent of any damaged suffered by the tree, as assessed by a qualified consulting arborist.

Large trees valued by industry-accepted methodologies often exceed \$100,000 in value, therefore funds accumulated through these processes would be significant enough to support major greening projects, including the purchase of land for pocket parks or other greening opportunities. Such an approach would lead to more certainty for developers, and to development that is in line with public expectations.

Planning, Infrastructure and Development Act 2016

The *Planning, Development and Infrastructure Act 2016* (PDI Act) is the primary mechanism for protecting trees on private land in the greater Adelaide area. The City of Holdfast Bay has provided extensive and specific feedback on the tree protection mechanisms and exemptions within the PDI Act as part of the Planning System Implementation Review. The Act and its regulations require significant improvements in order to retain more private trees.

If Adelaide is to reach its canopy target as set out in the 30 Year Plan for Greater Adelaide, it needs mechanisms to retain, protect and increase tree canopy on private land. This is because the majority of the urban forest is on private land, where the majority of tree loss happens. In the City of Holdfast Bay, the council controls only 29% of the tree canopy, where 64% is controlled by private land owners. Due to significant changes in the planning system between the previous Development Act and the current PDI Act, councils now have no control over trees on private land, therefore the City of Holdfast Bay is currently putting a lot of effort into researching and developing creative ways in which we can encourage and incentivise retention and planting of private trees.

Infill development increases the number of access points to a road that significantly reduces space for trees. More acceptance of combined driveways or stronger clearance zones around existing trees is required.

One of the most important changes that needs to be made to the PDI Act is to remove the ability to remove any tree (other than *Eucalyptus* or *Agonis flexuosa*) that is within 10 metres of a dwelling or in-ground swimming pool, which effectively means that most 'protected' trees in urban areas are exempt from protection, or become exempt after a block with one house on it is subdivided into two or more blocks with multiple dwellings. Reducing or removing this distance will significantly enhance protection for existing trees and bring South Australia into line with other states where the majority of councils do not have a distance provision.

The tree protections currently in place in the PDI Act are defined by the size of the circumference of a tree trunk. This is inadequate both in terms of the specific sizes that are used (2 metres or more for regulated trees; 3 metres or more for significant trees), and because only one measure is used. In the

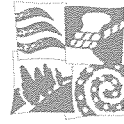
benchmarking study *Urban Tree Protection in Australia: Review of regulatory matters* produced by The University of Adelaide, commissioned as part of the Planning System Implementation Review, it was shown that the majority of the 101 non-South Australian councils included in the study used at least two measures of tree size. These include tree trunk circumference, canopy spread and tree height. It is considered best practice to use at least two of these measures for specific tree protection regulations.

Regulated trees are often removed by the state government on state government land because both the state Department for Infrastructure and Transport, and the Department for Education have exemptions under the PDI Act. However, these types of locations have particularly high risks associated with increased urban heat. The Federal Government (e.g. Department of Defence) also has an exemption from these State laws and therefore has little responsibility to maintain or protect trees on its land (e.g. significant trees at Warradale Army Barracks).

The University of Adelaide review confirmed that South Australia's tree protections were markedly less stringent than those in other Australian capital cities and that the exemptions to protection in South Australia were so broad that few trees in Adelaide's urban setting are actually protected against removal for development. The University of Adelaide report provides several recommendations on reforms that would improve canopy retention on private land.

We would like to thank the Auditor-General and the Department's team for undertaking the review. The timing has assisted the development of our tree management documentation and the recommendations will assist with our commitment to increase our tree canopy and ongoing tree management improvements. We hope these findings will support the industry as a whole in South Australia to improve tree management and result in increased tree canopy cover across the state.

Appendix 6 – Response from the City of Port Adelaide Enfield



CITY OF
Port Adelaide Enfield

20 May 2024

Mr Andrew Blaskett
Auditor-General
Level 9
State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

BY EMAIL: records@audit.sa.gov.au

Dear Mr Blaskett

Review of urban tree canopy management

I write in response to your letter dated 14th of May 2024. We appreciate the opportunity to review and provide comment on your proposed Report to Parliament.

I can confirm that Council's administration has reviewed the report and do not see the need for changes.

Once again, I wish to acknowledge that this has been a valuable exercise and express our appreciation for the professional partnership approach your team, specifically Sharon Ryan and Kris Slaytor, have taken throughout the process.

Yours sincerely

Claire Boan
Mayor

Email: claire.boan@cityofpae.sa.gov.au

Office of the Mayor

CIVIC CENTRE
163 St Vincent Street,
Port Adelaide SA 5015
PO Box 110,
Port Adelaide SA 5015

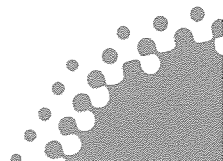
COUNCIL OFFICES
Enfield Library
1 Kensington Crescent, Enfield
Greenacres Library
2 Fosters Road, Greenacres

CONTACT
P (08) 8405 6600
E service@cityofpae.sa.gov.au
www.cityofpae.sa.gov.au

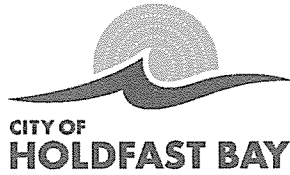
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Appendix 7 – Response from the City of Holdfast Bay



OFFICE OF THE MAYOR

21 May 2024

Mr Andrew Blaskett
Auditor-General
Level 9, State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

Dear Mr Blaskett

Review of urban tree canopy management

Thank you for your letter dated 14 May 2024 including the relevant extracts of the proposed Report to Parliament for our final comment.

Following a review of the proposed report, I am pleased to advise that City of Holdfast Bay is satisfied with the report and has no further comment to provide.

We wish to thank your Department for the thorough review of our urban tree canopy management and look forward to implementing the recommendations made.

Yours sincerely

Amanda Wilson
Mayor

Brighton Civic Centre Contact
24 Jetty Road Phone 08 8229 9999
Brighton SA 5048 mail@holdfast.sa.gov.au

holdfast.sa.gov.au

Appendix 8 – Abbreviations and terms used in this report

The terms used in this report were sourced from legislation, *The 30 Year Plan for Greater Adelaide* and information published by Green Adelaide.

Abbreviation/Term	Description
AGD	Auditor-General's Department
CHB Council	City of Holdfast Bay
Council area	All area within the boundary of the Council
ELT	Executive leadership team
ERDC	Environment Resources and Development Committee
Impermeable surfaces	Impermeable surfaces impede the filtration of water into the soil and are mainly artificial structures such as pavements, roads and buildings
LGA	Local Government area, also known as Council area
LG Act	<i>Local Government Act 1999</i>
LiDAR	Light Detection and Ranging (LiDAR) measures the time taken for a laser pulse to travel from an airplane's sensor to the ground surface and be reflected back again to image landscape features in three dimensions. LiDAR is used to measure tree canopy cover
Metropolitan council	Comprises Adelaide, Burnside, Campbelltown, Charles Sturt, Gawler, Holdfast Bay, Marion, Mitcham, Norwood Payneham and St Peters, Onkaparinga, Playford, Port Adelaide Enfield, Prospect, Salisbury, Tea Tree Gully, Unley, Walkerville and West Torrens councils
PAE Council	City of Port Adelaide Enfield
PDI Act	<i>Planning, Development and Infrastructure Act 2016</i>
PFAA	<i>Public Finance and Audit Act 1987</i>
Sequestration	The process of trees storing carbon
Tree canopy cover	The horizontal extents of the crown of the tree over an area of land when seen from above. It is usually expressed as a percentage of an area of interest, or square metres. As an individual tree grows and the crown expands, the canopy cover increases. Trees are classed as vegetation $\geq 3\text{m}$ in height. Allows for the percentage of tree canopy cover to be calculated across a range of areas of interest (eg LGA or unit area)

Abbreviation/Term	Description
Urban infill	The development or construction of additional housing units into an existing subdivision or neighbourhood within the current built-up urban area of metropolitan Adelaide. It excludes the greenfield and township areas in the greater Adelaide region
Urban heat island	Urban areas that are significantly warmer than surrounding rural or natural areas due to human activities, artificial and impermeable surfaces and land uses
Urban tree cover	Trees and shrubs located in street verges, parks and backyards
WSUD	Water sensitive urban design

Annexure

Data will be published on the Auditor-General's Department's website

Section 32(6) of the *Public Finance and Audit Act 1987* allows the Auditor-General to publish information including data on a website. I have published a summary of the council survey responses and Green Adelaide's LiDAR data for 2018–2019 and 2022 on the Auditor-General Department's website – www.audit.sa.gov.au.

Each council's area is unique and presents its own set of challenges for increasing and maintaining its tree canopy cover. For example, soil types, rainfall volume and amount of grassland and grassy woodlands varies between each council. The data presented should not be used to compare one council against another.

Council survey responses

To provide insight into how Adelaide metropolitan councils are managing their tree canopies, we surveyed 18 councils. We did not verify their responses or audit the results of our survey. We did not form a conclusion about their responses.

We have included some of their summarised responses in section 3 of this report, such as the challenges faced by councils in working towards achieving their targets and the SA Government's targets.

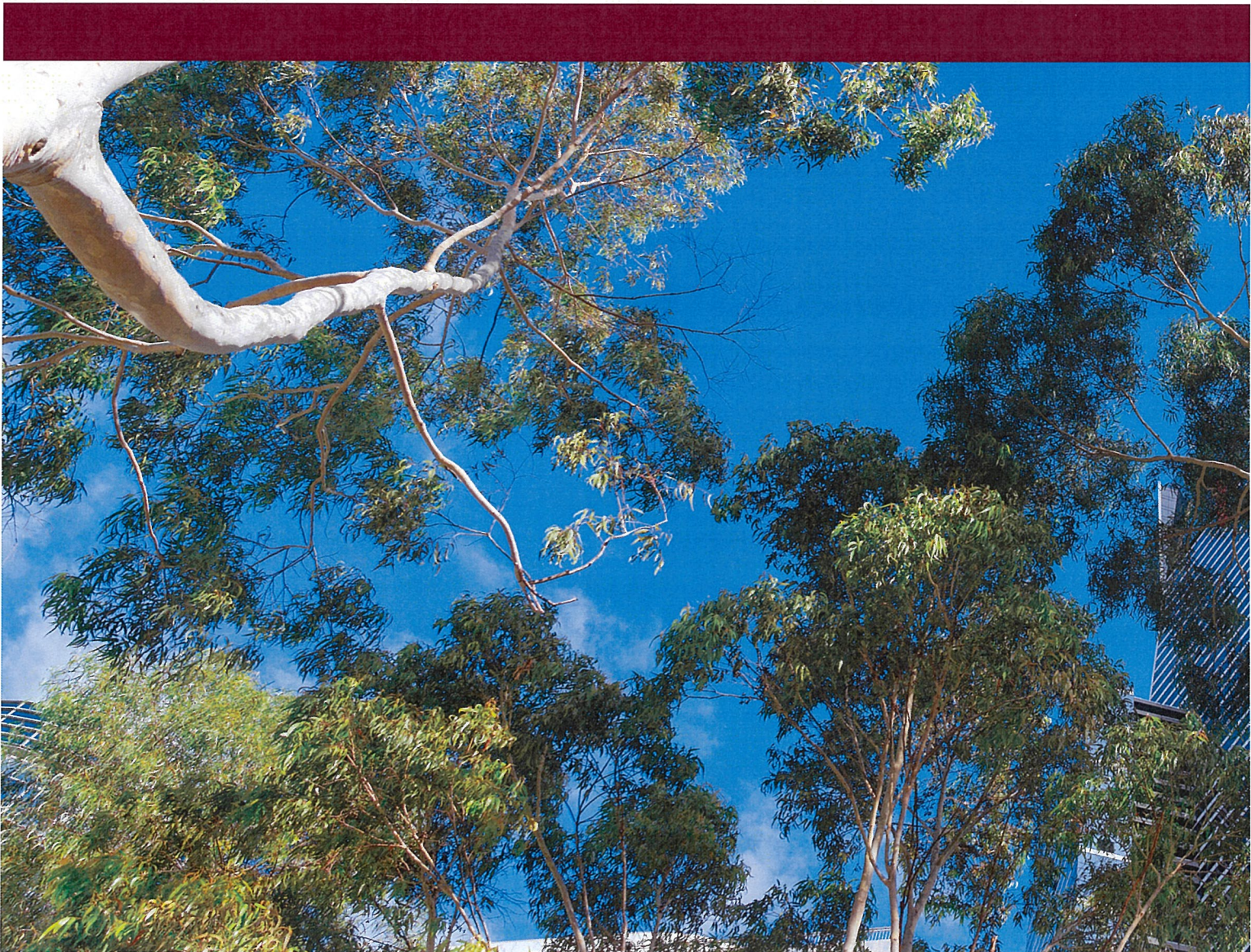
Adelaide tree canopy cover LiDAR data

We obtained LiDAR data about metropolitan Adelaide's tree canopy cover between 2018–2019 and 2022 from Green Adelaide. We did not review the LiDAR methodology or audit its data.

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Item No: 9.2

Subject: INTERNAL AUDIT PROGRAM REPORT

Summary

The Internal Audit Program for 2023-24 is well underway and a report regarding each audit is provided herein.

In addition, the 'Audit Recommendations Outstanding Actions Update' is attached in three parts, highlighting those actions that are either completed, in progress or not yet implemented.

Recommendation

That the Audit and Risk Committee notes this report.

Background

Section 125 of the *Local Government Act 1999* requires Council to implement and maintain appropriate internal control policies and procedures. A risk-based Internal Audit Plan is produced annually to guide internal audit activities throughout the year.

The Internal Audit Plan for the 2023-24 financial year (Year 2) was drafted with Galpins and considered by the Audit Committee in August 2023 (Report No 261/23). A copy is provided as Attachment 1 for reference.

Refer Attachment 1

The Internal Audit Plan for Year 3 of the Internal Audit contract with Galpins, will commence shortly, being the plan for the financial year 2024-25.

The Year 3 audits have been compiled following reference to our strategic and high-rated operational risks, along with business areas identified by senior management as benefitting from further support or post implementation reviews.

Refer Attachment 2

Report

Progress on the 2023-24 Internal Audit Plan, is outlined below:

Procurement	Report finalised – refer Attachment 3
Strategic Planning Alignment	Report finalised – refer Attachment 4
Fraud Detection - Alwyndor	Financial records exported and interrogation underway
Carbon Neutral Plan	Initial meeting undertaken to scope the audit content

Previously, the final audit for the 2023-24 financial year was scheduled to be on the Asset Management of Buildings, however this has recently been postponed for 18 months in order to allow for the results of related work programs already underway.

As a replacement, an audit of our Carbon Neutral Plan has been agreed, which will allow for both an assessment of the plan's stated deliverables, as well as an evaluation of progress to date on their achievement.

Strategically this will then be used to provide valuable insight into our 'carbon neutral' progress planning and will frame opportunities for success of the plan going forward.

Procurement Audit

The Procurement Audit links to the following strategic risks:

- *SC07 Poor or ineffective budget development and management.*
- *SC04 Inadequate utilisation of information technology to support service delivery.*

Following completion of the testing and subsequent meetings with key stakeholders, the management response was forwarded to the Internal Auditors during February/March, however further dialogue was undertaken regarding the potential TechOne system improvements and enhancements outlined in Appendix 6.

Refer Attachment 3

The items listed in Appendix 6 have been referred for assessment, with the recommendation that they be included in the investment evaluation process later in 2024, then allowing for implementation to be formally considered and aligned to available resources.

The finalised audit identified 13 recommendations, all rated within risk tolerance levels as medium/low or referenced as 'better practice'. The resultant actions were agreed and scheduled for completion by April 2025.

Strategic Planning Alignment

The Strategic Planning Alignment audit links to the following strategic risk:

- *SC05 Lack of strategic alignment.*

At the onset of this review, the audit had the following stated objectives:

- to evaluate the Council's strategic planning landscape to establish whether the systems and processes being developed align to better practice and are likely to support achievement of intended outcomes in the Plan; and
- to review the effectiveness of the alignment of the supporting strategic planning and reporting framework to assist achieving of the plan.

Once completed, the audit identified nine recommendations, one rated as high risk with the remaining all rated medium/low.

The management response supported the findings and their suggested actions and agreed to all being scheduled for completion by January 2025.

Refer Attachment 4

The audit identified the following actions, aimed at:

- formalising governance, by strengthening monitoring and reporting;
- better aligning the Strategic Plan to underpinning/supporting documentation;
- development/maturing of key performance indicators;
- strengthening of the linkage between the Strategic Plan and the Annual Business Plan;
- consideration and/or demonstration of various additional reporting alignments.

Going forward, progress on the actions detailed in these completed audits will feature in the 'Audit Recommendations – Outstanding Actions Update.'

Remaining Internal Audits

The remaining two audits for 2023-24, are:

Fraud Detection – Alwyndor

This is a repeat of the Fraud Detection audit undertaken at Council last year, however this time to be undertaken at Alwyndor. The Finance staff at Alwyndor were keen to understand the process and to be involved with this data analytic type audit. The interrogation work has been initiated and results are expected for review and management response in the next few weeks.

Carbon Neutral Plan

As mentioned, this audit program was approved as a replacement for the asset management audit of buildings. As such, the process has just commenced with the scope now approved.

Audit Recommendations – Outstanding Actions Update

Each of the actions resulting from the Internal Audit program are monitored and managed via a master spreadsheet. This captures all related information and tracks the progress through three stages: not yet implemented; in progress and partially implemented; and completed.

In order to provide a clear update, the data from this master spreadsheet is attached in three versions, split to show:

- all actions that have been completed *Refer Attachment 5a*
- all actions that are in progress and partially implemented *Refer Attachment 5b*
- all actions that are not yet implemented *Refer Attachment 5c*

All actions are reviewed regularly, and revised due dates will be kept to a minimum going forward to ensure outcomes are achieved as efficiently and effectively as possible.

Budget

An appropriate budget has been allocated for the 2023-24 Internal Audit Program.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Local Government Act 1999

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

Attachment 1

Internal Audit Program Year 2: 2023 - 24

**PIR = Post Implementation Review*

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Status	Audit Type			Risk Coverage	Project Sponsor
						System/ Process Audit	P.I.R*	Financial Controls Review		
1	Year 2	October/ November	<i>Procurement And Contracting</i>	Review to include flow/processing of documentation, CoHB & Alwyndor Poor or ineffective budget development and management	Strategic			✓	SC08	GM Strategy & Corporate
2	Year 2	August/ September	<i>Strategic Plan</i>	Strategic Plan – assessment of strategic alignment Lack of Strategic Alignment	Strategic	✓			SC05	GM Strategy & Corporate
3	Year 2	April/ May	<i>Fraud Detection</i>	Undertake Fraud Detection across Alwyndor Poor or ineffective budget development and management	Strategic	✓			SC08	GM Strategy & Corporate
4	Year 2	May/ June	<i>Carbon Neutral Plan</i>	Review of Carbon Neutral Plan Poor or ineffective management of the impacts of climate and environmental change	Strategic	✓			AD01	GM Assets & Delivery

Attachment 2

Attachment 2

Internal Audit Program Year 3: 2024 - 25

**PIR = Post Implementation Review*

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Status	Audit Type			Risk Coverage	Project Sponsor
						System/Process Audit	P.I.R.*	Financial Controls Review		
1	Year 3	August/September	<i>Customer Experience Strategy</i>	Following implementation of strategy. Poor or ineffective customer service delivery	Standard		✓		CB03	GM Community & Business
2	Year 3	October/November	<i>Economic Strategy</i>	Following implementation of strategy. Poor or inadequate Economic Development and Tourism Management	Standard		✓		CB05	GM Community & Business
3	Year 3	January/February	<i>WHS</i>	Review/better practice/assessment & feedback' Poor or ineffective workforce planning, including recruitment and retention.	Standard		✓		SC06	GM Strategy & Corporate
4	Year 3	March / April	<i>Financial Controls</i>	EOFY review of internal controls for CHB & Alwyndor Poor or ineffective budget development and management	Average			✓	SC08	GM Strategy & Corporate

Attachment 3

Procurement Audit Report



Prepared For



Galpins

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Document Control

Date	Revision Number	Revision Details	Author	Reviewer
20.03.24	1.0	Final report with management comments	Danika Brown	Janna Burnham

1. Executive Summary

1.1 Background

The City of Holdfast Bay (Council or CHB) procures a variety of products and services. Council's Procurement Policy requires that *"Purchases must be made in the best interests of the community, and in accordance with Council's governing documents and legislative requirements."*¹

A strong procurement framework assists Council in ensuring transparency, accountability and efficiency in the allocation of public resources. The 2023-24 Internal Audit Plan provided for a review of procurement processes.

1.2 Objectives

The objective of this audit was to assess the effectiveness of Council's current framework and approach to procurement activities.

This engagement was intended to identify insights for process improvements, rather than to assess compliance in detail. This engagement was undertaken in line with *consulting* standards as outlined under the International Professional Practices Framework of the Institute of Internal Auditors. In particular, in accordance with standard 2010.C1, the consulting-style engagement was chosen based on its potential to improve the management of risks, add value and improve the organisation's operations.

Procurement processes at Alwyndor were excluded from this audit. The full scope is at **Appendix 1**.

1.3 Relevant Strategic Risks

This audit aligns with Council's strategic risks:

- *Risk SC07 8 – Poor or ineffective budget development and management.*
- *Risk SC04 – Inadequate utilisation of information technology to support service delivery.*

1.4 Good Practices Observed

The following good practices were observed throughout this audit:

- Upcoming introduction of new contract management system will strengthen the ability to manage contractors effectively. Examples of functionality include advance alerts and linkage with Accounts Payable (AP) and stronger record keeping.
- Staff displayed openness and positivity towards the audit, providing feedback and ideas for improvement.
- Council's IT Team confirmed capability and willingness to implement adjustments to the Tech1 system (pending internal approval processes).
- The Procurement Officer demonstrated insight and understanding of procurement activities.
- Staff reported positively about support from the Procurement Officer and Finance.

¹ City of Holdfast Bay, 2022, *Council Procurement Policy*, pg. 2.

1.5 Key Findings and Recommendations

This internal audit project assessed controls around procurement, and also included a forward-focus around the efficiency and effectiveness of procurement processes.

Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is: **Partially Effective**.² This rating is reflective of a need for clearer controls around procurement – currently all procurement steps from raising a Purchase Order (PO) through to receipt and approval of payment can currently be completed by one (delegated) officer. It is also reflective of the need for more formal governance and oversight of procurement - particularly around exception monitoring.

Audit conducted 12 interviews and mapped the procure to pay process to identify bottlenecks and opportunities for efficiency and streamlining the process. It is important to note that efficiency ideas can be considered after the controls highlighted above, in relation to governance and some segregation of duties, are clarified and implemented.³ For context, procurement has recently been highlighted by the SA Independent Commission Against Corruption (ICAC) as *'highly susceptible to corruption...around the misuse of power for personal gain.'*⁴ It is an area where efficiencies can be gained, however public sector organisations need to also be able to demonstrate ongoing consideration of controls.

Staff reported that using the Technology1 (Tech1) system⁵ can be time intensive and not intuitive for occasional users. It is positive that Council's in-house resource can address a range of Tech1 improvements, this would be subject to internal approval mechanisms/prioritisation processes.

Potential opportunities for streamlining the process included:

- opportunities for improving the efficiency of Purchase Order (PO) usage (financial thresholds, greater use of exceptions and standing orders)
- implementing an invoice matching process using Optical Character Recognition (OCR) to reduce processing time
- automating invoice approval for lower-value invoices that match Purchase Orders (note – this is an option only if stronger governance is implemented and segregation of duties in raising POs).

Interviews also identified a need to enhance procurement training and to update procurement information on the 'Baywatch' intranet/remove outdated material.

Audit also reviewed the new contract management system and found that it represents an improvement to the current manual processes in place to track contracts. Some minor better practice findings are addressed in the report.

Galpins thank the officers involved with this review for their cooperative and positive approach to the audit.

² Please refer to **Appendix 2, Overall Control Effectiveness Ratings** for further information.

³ Council does have some oversight of procurement – for example external audit, controls self-assessment and a 2023 data-analytics internal audit with a focus on fraudulent payment.

⁴ ICAC, 2023, *Public Sector Procurement: Corruption risks in procurement*. Online, URL: <https://www.icac.sa.gov.au/evaluations-and-reviews/procurement-survey>.

⁵ This is the in-house Enterprise Resource Management system.

Finding	Recommendation	Audit Risk Rating	CHB Risk Rating	Expected Completion Date
<p>2.1 Clarity of current procurement framework</p>	<p>Recommendation 1: Introduce some governance/ assurance mechanisms to oversight procurement. Examples may include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ exception reporting (purchases above thresholds, varied POs, cancelled POs, exemption spot checks) ▪ supplier creation / amendment / deletion (e.g. proof of supplier requests). <p>Ensure that relevant staff position descriptions reflect this responsibility for assurance around procurement.</p> <p>Recommendation 2: Consider strengthening the Procurement Policy by:</p> <ul style="list-style-type: none"> ▪ clarifying procurement-related roles and responsibilities within CHB, and ▪ linking to clearer guidance about how to assess and manage procurement risk. Recommendation 3 	Medium	Medium	<p>Already occurring</p> <p>June 2024</p>
<p>2.2 Efficiency and effectiveness of current procurement process</p>	<p>Recommendation 3: Consider implementing segregation of duties for raising and approving Purchase Orders, particularly over pre-determined value thresholds.</p> <p><i>Note – subsequent recommendations are then focussed on efficiency of process.</i></p> <p>Recommendation 4: Consider ways to improve the efficiency around use of Purchase Orders. This may include:</p> <ul style="list-style-type: none"> ▪ implementing further exemptions – instances where POs are not required (for example when a contract is in place or for regular purchases – utilities, legal, library) ▪ raising the base threshold for when POs are required ▪ educating staff about ways to use POs more efficiently. 	Medium	Medium	<p>Management have considered recommendation 3 and do not intend to implement it, as existing controls are considered sufficient to maintain risk exposure to an acceptable level</p> <p>June 2024</p>

Finding	Recommendation	Audit Risk Rating	CHB Risk Rating	Expected Completion Date
	<p><i>Note – these are included as options only. Increasing the PO threshold can be considered on a risk/benefit basis and in conjunction with stronger oversight controls as per Recommendation 1.</i></p> <p>Recommendation 5: Investigate implementing an invoice matching process, where Optical Character Recognition is used to automatically link invoices to Purchase Orders. This may help to reduce time in processing invoices before receipt.</p> <p>Recommendation 6: Consider automating invoice approval, particularly for lower value invoices below a pre-determined threshold that can be matched to a Purchase Order. Goods/services must have already been received in the system.</p> <p>Recommendation 7: Formalise a back-up staff member to amend the Supplier Masterfile in the event of the Procurement Officers' absence/leave.</p>			<p>June 2024</p> <p>June 2024</p> <p>Completed</p>
<p>2.3 Training and information availability</p>	<p>Recommendation 8: Embed procurement training into training schedules (e.g. induction process, semi-regular updates) and provide regular procurement refresher training sessions for relevant staff. Training formats may vary and include:</p> <ul style="list-style-type: none"> ▪ F2F training ▪ 'lunch and learn' sessions ▪ online, on-demand videos ▪ step by step guides. <p><i>Note – both the mix and regularity of training provided can be determined by CHB.</i></p> <p>Recommendation 9: Review procurement information available on Baywatch and:</p> <ul style="list-style-type: none"> ▪ update with current tools, templates and guidance (e.g. raising a PO, procure to pay process steps) ▪ ensure process guidance is in place for all procurement-related steps ▪ remove documents/information that is no longer current. 	<p>Medium</p>	<p>Low</p>	<p>Ongoing</p> <p>April 2024</p>
<p>2.4 Tech1 enhancements to improve user experience around payments</p>	<p>Recommendation 10: Review the suggested Tech1 improvements list (included in Appendix 6) and develop a project plan to address these.</p> <p>Present the plan to the IT Steering Committee, with changes to be implemented as part of the team's overall workload.</p> <p>Report back on agreed actions to the Audit and Risk Committee.</p>	<p>Medium</p>	<p>Low</p>	<p>Presentation for investment evaluation by April 2025, implementation as resources allow</p>

Finding	Recommendation	Audit Risk Rating	CHB Risk Rating	Expected Completion Date
2.5 Test results: Compliance with Procurement Policy/Procedures	<p>Recommendation 11: Consider implementing periodic ‘spot checks’ of a sample of procurement, to identify non-compliance, provide appropriate training and to increase the level of compliance with procurement requirements. If this is implemented, ensure that the ‘spot check’ responsibilities are included in a staff member’s position description.</p> <p>Recommendation 12: Reinforce to staff that POs should be created prior to the goods being received or the services being completed, and that exemption should be obtained if PO’s cannot be approved prior to the receipt of the invoice.</p>	Medium	Medium	<p>Ongoing, already occurring.</p> <p>Already in Policy and Procedure</p>
2.6 Review of Contractor Management System (under development)	<p>Recommendation 13: Consider implementing additional functionality to within the contractor management system to:</p> <ul style="list-style-type: none"> ▪ allow contractors to update their own records (e.g. licences, mandatory training, WHS details) within the system (monitored by Council staff), and ▪ allow key users/teams to add contractors to the system, with governance/oversight by Procurement & Supplier Management Officer and Governance team as part of regular checking of amendments to supplier details. 	Better Practice	Better Practice	<p>As resources allow</p>

2. Background

The City of Holdfast Bay (Council or CHB) procures a variety of products and services. Council is committed to providing best value to the community within a framework of fairness, transparency and accountability. According to Council’s Procurement Policy, *“Purchases must be made in the best interests of the community, and in accordance with Council’s governing documents and legislative requirements.”*⁶

A strong procurement framework assists Council in ensuring transparency, accountability and efficiency in the allocation of public resources. By establishing clear guidelines and procedures for purchasing goods and services, Council can mitigate against the risk of corruption and mismanagement. A comprehensive procurement framework not only promotes fair competition among suppliers, but also aids in securing the best value for money. A well-structured procurement framework and system enables Council to deliver essential services and projects while upholding the highest standards of integrity and fiscal responsibility.

Council is committed to the following core principles when conducting procurement:



Source: City of Holdfast Bay Council Procurement Policy (infographic created by Galpins)

A project is also currently underway for a new contractor management system within Council, and this review was intended to identify lessons/potential improvements to feed into this project.

⁶ City of Holdfast Bay, 2022, *Council Procurement Policy*, pg. 2.

3. Detailed Findings and Recommendations

2.1 Clarity of current procurement framework

Medium

Issues and Impact	Recommendations	Management Response
<p>Governance: Roles and Responsibilities</p> <p>Roles and responsibilities are largely clear at the operational level. A centred model is in place with the Procurement & Supplier Management Officer assisting staff as needed. Finance process invoices and accounts payable.</p> <p>Audit found that outside of project management activities, procurement oversight is limited to Finance checking payment runs and unapplied credit.</p> <p>Within CHB, any one delegated person can complete all steps from purchase requisition through to receipt and payment (see also Section 2.2). There is opportunity to implement <u>additional</u> governance mechanisms to provide assurance that purchasing occurs appropriately. For example around:</p> <ul style="list-style-type: none"> ▪ reporting for payments approved as ‘exceptions’ without a PO ▪ new supplier creation ▪ change of bank details (currently managed by Procurement & Supplier Management Officer) ▪ deletion of Purchase Orders. See Recommendation 1. <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ A lack of oversight of procurement may mean that non-compliant or inefficient/incorrect activities are not identified. 	<p>Recommendation 1</p> <p>Introduce some governance/ assurance mechanisms to oversight procurement. Examples may include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ exception reporting (purchases above thresholds, varied POs, cancelled POs, exemption spot checks) ▪ supplier creation / amendment / deletion (e.g. proof of supplier requests). <p>Ensure that relevant staff position descriptions reflect this responsibility for assurance around procurement.</p>	<p>Action Officer</p> <p>Procurement Officer</p> <p>Target Date</p> <p>Complete</p> <p>Response</p> <p>Already occurring – The Procurement Officer undertakes spot checks of outstanding purchase orders and the holding queue to check for anomalies.</p> <p>This will be further strengthened by the introduction of quarterly checks by the Risk and Improvement Officer.</p>

Issues and Impact	Recommendations	Management Response
<p>Policy setting</p> <p>The <i>Council Procurement Policy</i> was last reviewed in June 2022 and is still current. It references contemporary procurement principles (e.g. value for money, social responsibility, environmental considerations), parameters and purchasing methods based on value.</p> <p>The procurement policy could be strengthened by including more clarity about roles/responsibilities for procurement within CHB, particularly for example explaining the decentralised procurement model that is in place, and what staff must do to ensure compliance with requirements. In addition, there is opportunity to further clarify/link to guidance about how to manage procurement risk.⁷ See Recommendation 2.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ Lack of clarity around roles/responsibilities may mean that staff do not comply with internal procurement requirements. ▪ Lack of awareness risk is not adequately managed for procurement (for example, low value but high risk procurement) within CHB. 	<p>Recommendation 2</p> <p>Consider strengthening the Procurement Policy by:</p> <ul style="list-style-type: none"> ▪ clarifying procurement-related roles and responsibilities within CHB, and ▪ linking to clearer guidance about how to assess and manage procurement risk. 	<p>Action Officer</p> <p>Procurement Officer and Manager Strategy and Governance</p> <p>Target Date</p> <p>31 August 2024.</p> <p>Response</p> <p>Policy and Procedure are due for renewal mid-2024, and will be reviewed on schedule. This review will include consideration of how to improve policy compliance.</p>

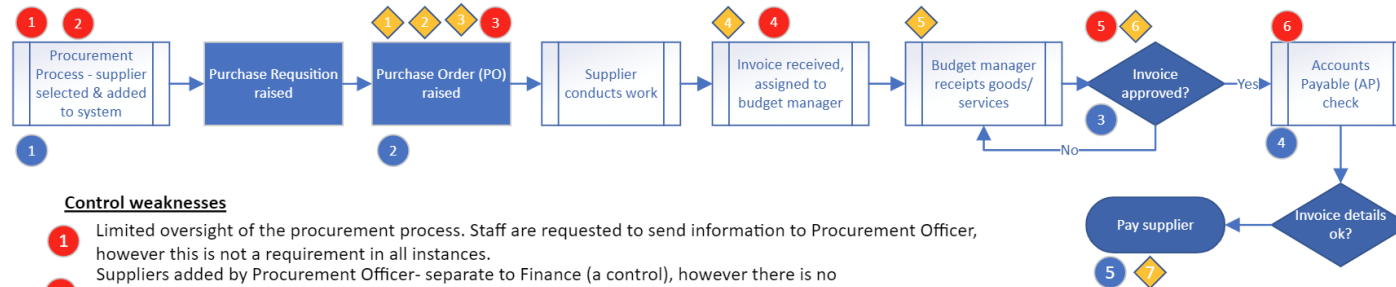
⁷ See for example: SA Government Risk Management Guideline, 2023, URL: <https://www.procurement.sa.gov.au/guidelines2/Risk-Management-Guideline.pdf>
This includes some indication of how to assess the complexity of procurement, and what to do if a procurement is considered higher risk.

2.2 Efficiency and effectiveness of current procurement process

Medium

Audit assessed CHB's procurement framework and approach, with an emphasis on improvements around controls, bottlenecks and a balance between efficiency and assurance/control. The process map below identifies the flow, controls, weaknesses and bottlenecks in the current process:

Diagram 1 –
Procurement
Process Map



Control weaknesses

- 1 Limited oversight of the procurement process. Staff are requested to send information to Procurement Officer, however this is not a requirement in all instances.
- 2 Suppliers added by Procurement Officer- separate to Finance (a control), however there is no independent checking of this and/or variations to supplier master files. There is no current back-up officer.
- 3 Audit received interview feedback of officers 'splitting' purchases so that POs were not required. This represents avoidance of the procurement control.
- 4 The same person (a delegate) can raise the PO, receipt goods, and approve payment.
- 5 Finance do not check that PO numbers referenced match the invoice received. Invoices may not have a linked PO if the 'exception' option ticked.
- 6 Common internal approach - to raise POs only when invoice received.














Bottlenecks

- 1 POs required for all invoices >\$2k. Some staff reportedly raise multiple POs against the same contract instead of one overarching standing PO (knowledge gap)
- 2 Limited ability to use PO exceptions to POs (policy allows exceptions in some specific circumstances)
- 3 Tech1 does not allow for easy transmission of POs to key liaison officer - automatically sends to supplier HQ - staff use manual workarounds such as phone photos, screen shots.
- 4 Invoices manually entered into Tech1 & forwarded to budget manager by AP officer. Potential time delay in entering to system.
- 5 Budget Manager manually matches invoice to PO (not automatic)
- 6 Feedback from users - process to raise PO/receipt/approve payment requires unnecessary extra 'clicks' - potential to reduce the # of clicks required.
- 7 Manual proces to follow up outstanding payments to suppliers

Controls

- 1 Suppliers added by Procurement Officer (separate to AP)
- 2 Delegate must approve PO
- 3 Delegate must approve invoice
- 4 Payment run checked by Financial Accountant
- 5 AP officer does not have a delegation for purchasing.

The bottlenecks and weaknesses from Diagram 1 on the previous page are summarised below, with further discussion following.

Bottleneck	Comment	Recommendation
	Staff reported the process to raise POs is cumbersome. POs required for all purchases >\$2k. Audit identified a need for increased staff awareness of how to use POs efficiently.	See discussion below and Error! Reference source not found.
	Limited options for using exceptions/for when POs are not required. See discussion below.	See discussion below and Error! Reference source not found.
  	Manual elements associated with using Tech1. See discussion in Section 2.4 .	See Recommendation 5, Recommendation 6 and Recommendation 10 .
	Manual process to match invoices to PO, manual approval of invoices.	See discussion below and Recommendation 5 and Recommendation 6 .
	Current process to follow up outstanding payments is manual, involves Finance team manually checking and reminding staff/ supplier follow-up.	See Section 2.4 and Recommendation 10 .
Control weakness	Comment	
  	Lack of separate governance to confirm compliance – for example, exception monitoring. Procurement Officer the only person that adds suppliers. Finance do not check that PO numbers referenced in invoices match an existing PO. POs are routinely created after invoices are received (see Section 2.5), therefore this would be difficult to achieve. Potential automated invoice matching would require pre-establishment of POs and ability to link to invoices. Finance may subsequently have some role in confirming any associated errors.	See Section 2.1 and Recommendation 1 . See Recommendation 7 . See Recommendation 6 and Recommendation 6 .
	Purchase splitting can occur, lack of recent training around procurement requirements.	See Section 2.3 and Recommendation 1 .
	Delegated staff can complete all steps of a purchase, meaning Tech1 system controls do not achieve a greater level of control. This occurred for 10 of 12 (83%) transactions tested.	See discussion below, and Recommendation 1 and Section 2.5 .
	Staff reported raising POs only when invoices are received – this also occurred in six of 11 (54%) relevant tested procurement purchases.	See discussion below and Recommendation 3 .

Issues and Impact	Recommendations	Management Response
<p>Purchase Orders (POs)</p> <p>In relation to bottleneck 1 and 2 from Diagram 1, staff questioned the need to use POs, given that processes allow for POs to be raised, goods receipted and invoices approved all by the one person. Audit testing also found that POs are typically raised after invoices are received, indicating they are not used as a procurement control.</p> <p>POs are used across local and state government, and Audit's consultation with external audit colleagues identified a lack of appetite for their removal.⁸ Instead, these colleagues noted that at some councils, there is a required segregation of duties between Purchase Requisition raising and approval. Examples include the City of Unley, City of Prospect and Victor Harbor City Council.⁹ See Recommendation 3.</p> <p>There are also opportunities to streamline and strengthen the PO process, including:</p> <ul style="list-style-type: none"> ▪ Increasing the instances where PO exceptions are allowed – for example in relation to existing contracts, essential services and legal invoices.¹⁰ ▪ Considering increasing the PO threshold above \$2,000. Internal Audit note that CHB's threshold is at the upper limit within the SA local government sector,¹¹ however the threshold has reportedly been in place for around 10 years and could be reconsidered. 	<p>Recommendation 3</p> <p>Consider implementing segregation of duties for raising and approving Purchase Orders, particularly over pre-determined value thresholds.</p> <p><i>Note – subsequent recommendations are then focussed on efficiency of process.</i></p> <p>Recommendation 4</p> <p>Consider ways to improve the efficiency around use of Purchase Orders. This may include:</p> <ul style="list-style-type: none"> ▪ implementing further exemptions – instances where POs are not 	<p>Response</p> <p>Recommendation has been given consideration and will not be implemented. Delegations and budget management provide adequate controls. Implementing a segregation of duties will add significant administrative burden without improving controls.</p> <p>Action Officer</p> <p>Financial Accountant Lead</p> <p>Target Date</p> <p>June 2024</p> <p>Response</p>

⁸ POs are intended to record Council's commitment to purchase goods and services, and to contain Council's standard terms and conditions for a purchase.

⁹ For example: City of Unley, 2020, *Procurement Policy*. URL: https://www.unley.sa.gov.au/files/sharedassets/public/v/1/ecm-documents/external-website/policies/procurement_policy_-_endorsed_14_december_2020_version_4_adopted.pdf

¹⁰ The Procurement Policy requires a PO for all purchases >\$2,000 except in relation to the Regional Landscape Levy, worker's compensation premiums or utility payments.

¹¹ IA found no instances of other councils with a PO threshold under \$2,000. For example, the City of Marion requires a PO for all purchases, the City of Prospect requires a PO for all purchases over \$50. [SA Health](#) requires Purchase Orders for all purchases unless the item is listed in the approved Purchase Order Exemption List.

Issues and Impact	Recommendations	Management Response
<ul style="list-style-type: none"> ▪ Educating staff about the ability to raise one PO (standing PO) against a contract and receipting invoices against this over time. See Error! Reference source not found.. <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ POs do not act as a control, with staff not using them to record purchase commitments or to provide suppliers with Council terms and conditions. <p>Invoice matching process</p> <p>In relation to bottleneck 5 in Diagram 1, the budget manager currently ‘matches’ invoices to POs, requiring them to open two modules within Tech1 to link the PO to the invoice. This was reported as time consuming. There is opportunity to investigate automatic matching of invoices to POs, using Optical Character Recognition (OCR) to reduce the number of manual steps involved in receipting goods. See Recommendation 5. This is also discussed in Section 2.4.</p> <p>In addition, there is opportunity to streamline payment processes by introducing automatic invoice approval.¹² For example, if OCR can match an invoice to a PO, and the value is within a <u>pre-determined threshold</u>, then the invoice may be automatically paid.</p> <ul style="list-style-type: none"> ▪ this can require budget managers to check when there are variances between POs and invoices ▪ budget managers still receipt goods. 	<p>required (for example when a contract is in place or for regular purchases – utilities, legal, library)</p> <ul style="list-style-type: none"> ▪ raising the base threshold for when POs are required ▪ educating staff about ways to use POs more efficiently. <p><i>Note – these are included as options only. Increasing the PO threshold can be considered on a risk/benefit basis and <u>in conjunction with stronger oversight controls as per Recommendation 1.</u></i></p> <p>Recommendation 5</p> <p>Investigate implementing an invoice matching process, where Optical Character Recognition is used to automatically link invoices to Purchase Orders. This may help to reduce time in processing invoices before receipt.</p>	<p>Raising the base threshold for when POs are required is not favoured at this time, however, additional exemptions will be considered to improve efficiency.</p> <p>Action Officer</p> <p>Financial Accountant Lead</p> <p>Target Date</p> <p>June 2024</p> <p>Response</p> <p>Agreed. This will be implemented subject to ICT feasibility. Oversight of the evaluation and decisions regarding implementation will be via the ICT Steering</p>

¹² This is implemented at other Councils, Audit can provide details separately to this report.

Issues and Impact	Recommendations	Management Response
<p>It is important to consider that, if automatic invoicing is implemented, there are appropriate oversight and checking controls in place (per Recommendation 1).</p> <p>Audit understand that Tech1 has functionality to enable this, called ‘Straight-Through Processing’ (STP) or ‘Auto Invoice matching’.¹³ See Recommendation 6.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ Cumbersome invoice matching and approval processes may create inefficiencies in the use of staff time. <p>Key person risk</p> <p>Internal Audit understand that the Procurement Officer is currently the only person that amends the Supplier Masterfile (adding/amending supplier details). This represents a key person risk. There is opportunity to implement a back-up for this responsibility. See Recommendation 7.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ Supplier details/ processing may be interrupted if the Procurement Officer is absent from work for periods of time. This may impact on timely payments/procurement processing. 	<p>Recommendation 6</p> <p>Consider automating invoice approval, particularly for lower value invoices below a pre-determined threshold that can be matched to a Purchase Order. Goods/services must have already been receipted in the system.</p> <p>Recommendation 7</p> <p>Formalise a back-up staff member to amend the Supplier Masterfile in the event of the Procurement Officers’ absence/leave.</p>	<p>Committee / Project Oversight Committee.</p> <p>Action Officer</p> <p>Financial Accountant Lead</p> <p>Target Date</p> <p>June 2024</p> <p>Response</p> <p>This will be considered further in the context of other available process improvements.</p> <p>Action Officer</p> <p>Manager Strategy and Governance</p> <p>Target Date</p> <p>Complete.</p> <p>Response</p>

¹³ See Tech1, Accounts Payable Factsheet. Online: https://technologyonecorp.com/data/assets/pdf_file/0007/114469/Accounts-Payable-Factsheet-TechnologyOne.pdf

Issues and Impact	Recommendations	Management Response
		Risk and Improvement Officer and Project Officer identified and provided with necessary access and training.

2.3 Training and information availability

Medium

Issues and Impact	Recommendations	Management Response
<p>Training</p> <p>During interviews, Audit found that:</p> <ul style="list-style-type: none"> 4 of 8 (50%) staff reported participating in procurement training during their employment at CHB, but not during recent years 4 of 8 (50%) staff reported that they have not participated in procurement training during their employment at CHB, and interviewees also reported that they learn about procurement processes from their colleagues. <p>Some staff also reported topics that indicate a need for training, such as:</p> <ul style="list-style-type: none"> instances of deliberate splitting of purchases, and lack of clarity/awareness around exemptions. <p>Scheduled training on procurement can assist in ensuring that a consistent approach to procurement is followed by staff, including compliance with the Policy and better practice. See Recommendation 8.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> If staff conducting procurement are unsure of policies/procedures, there may be non-compliance with CHB's procurement requirements. 	<p>Recommendation 8</p> <p>Embed procurement training into training schedules (e.g. induction process, semi-regular updates) and provide regular procurement refresher training sessions for relevant staff. Training formats may vary and include:</p> <ul style="list-style-type: none"> F2F training 'lunch and learn' sessions online, on-demand videos step by step guides. <p><i>Note: Audit consider both the mix and regularity of training provided can be determined by CHB.</i></p>	<p>Action Officer</p> <p>Procurement Officer and Manager Strategy and Governance</p> <p>Target Date</p> <p>30 October 2024 and then Ongoing</p> <p>Response</p> <p>An introduction to procurement principles is already provided as part of employee induction, with an invitation to book in a 1 on 1 session if purchasing activities are required by the role. However, refresher sessions for existing staff and Scribe self-guided lessons will be implemented to improve coverage and increase the</p>

Issues and Impact	Recommendations	Management Response
<p>Procurement information on Baywatch</p> <p>There are some tools and templates in place to support procurement, including policies, standardised templates, quote assessment forms and process guides.</p> <p>Some staff advised that this information could be found in Baywatch, CHB's intranet. However, 3 of 8 (37%) staff reported that information relating to procurement was difficult to find in Baywatch. Audit aimed to download documents from Baywatch and experienced difficulty in finding the right / current information. There is opportunity to review procurement information available on Baywatch and any public internal files, update it with current tools, templates and guidance, and remove documents/information that is no longer accurate.</p> <p>See Recommendation 9.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> Staff may rely on outdated information to guide procurement. 	<p>Recommendation 9</p> <p>Review procurement information available on Baywatch and:</p> <ul style="list-style-type: none"> update with current tools, templates and guidance (e.g. raising a PO, procure to pay process steps), and ensure process guidance is in place for all procurement-related steps remove documents/information that is no longer current. 	<p>learning (and compliance) opportunities available.</p> <p>Action Officer Procurement Officer</p> <p>Target Date May 2024</p> <p>Response Agreed</p>

2.4 Tech1 enhancements to improve user experience around payments

Medium

Issues and Impact	Recommendations	Management Response
<p>Staff reported areas of confusion/difficulty in using the Tech1 system, and Audit have summarised potential opportunities to streamline how the system is used for procurement in Appendix 6. Key examples include:</p> <ul style="list-style-type: none"> ▪ limiting the number of ‘clicks’ required to complete tasks ▪ enabling the ability to edit supplier contact details, to enable staff to directly send POs to the correct contact officer (instead of taking a photo/snip and sending manually) ▪ remembering and auto-filling user-specific information (e.g. with the default department for users) ▪ enabling the ability to delete blank goods/services receipts. <p>Initial conversations with the Innovation and Technology team indicated, positively, that Council’s Business Application Specialist is able to make some changes in-house. The IT Team have an internal process for raising initiatives through a Steering Committee, to promote transparency and ensure that finite resources are managed according to business priority.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ Difficulty usability of and functionality within the Tech1 system may mean that procurement is conducted inefficiently. 	<p>Recommendation 10</p> <p>Review the suggested Tech1 improvements list (included in Appendix 6) and develop a project plan to address these.</p> <p>Present the plan to the IT Steering Committee, with changes to be implemented as part of the team’s overall workload.</p> <p>Report back on agreed actions to the Audit and Risk Committee.</p>	<p>Action Officer</p> <p>Manager Innovation and Technology</p> <p>Target Date</p> <p>October 2024, then ongoing</p> <p>Response</p> <p>Presentation for investment evaluation by October 2024, implementation as resources allow. This will be overseen by the ICT Steering Committee / Project Oversight Committee.</p>

2.5 Test results: Compliance with Procurement Policy/Procedures

Medium

Issues and Impact	Recommendations	Management Response
<p>Audit tested a sample of procurement from across value thresholds and found that Council was compliant with some procurement policy/procedure requirements. In particular:</p> <ul style="list-style-type: none"> ▪ approach to market aligned with procurement value requirements ▪ invoice aligned to the agreed goods/services ▪ templates were used where appropriate, and ▪ appropriate lead time given to suppliers for open/select tender responses. <p>Testing also identified non-compliance with some requirements. These are discussed below. Test results are summarised in Appendix 7.</p> <p>Exemptions</p> <p>In one instance, a purchase was split over three POs on the same date.¹⁴ The value for this procurement was approximately \$35,000. This would have warranted sourcing three quotes. This procurement was not on the exemption register, approval should have been obtained from the CEO to split this purchase across three separate POs. See Recommendation 11.</p>	<p>Recommendation 11</p> <p>Consider implementing periodic ‘spot checks’ of a sample of procurement, to identify non-compliance, provide appropriate training and to increase the level of compliance with procurement requirements.</p> <p>If this is implemented, ensure that the ‘spot check’ responsibilities are included in a staff member’s position description.</p> <p>Recommendation 12</p> <p>Reinforce to staff that POs should be created prior to the goods being received or the services being completed, and that exemption should</p>	<p>Action Officer</p> <p>Financial Accountant Lead and Procurement Officer</p> <p>Target Date</p> <p>Complete</p> <p>Response</p> <p>Agreed. Already occurring, ongoing. Procurement Officer also now spends time at other sites, to assist staff with procurement and promote procedural compliance.</p> <p>Action Officer</p> <p>Financial Accountant Lead and Procurement Officer</p>

¹⁴ Sample testing for \$15k-\$34,999 for Christie Parksafe BBQ equipment.

Issues and Impact	Recommendations	Management Response
<p>Risk Exposure</p> <ul style="list-style-type: none"> Staff may not comply with procurement policy requirements. This may create the risk of error/fraud not being identified and resolved. <p>Timing of PO creation</p> <ul style="list-style-type: none"> For 6 of 11 (55%) relevant procurement samples, the PO was created on the same date or after the invoice was received. <p>This indicates the work was completed prior to the PO being raised. This shows non-compliance with the policy. This is also discussed in Section 2.2.</p> <p>Record keeping</p> <p>Testing showed that of the procurement sampled:</p> <ul style="list-style-type: none"> six of nine (67%) had no approach to market documents on file one relevant contract (17%) was not in contract register and another contract (17%) was partially recorded in the register¹⁵, and one of eight (12%) relevant procurement samples did not have a conflict of interest declaration section within the agreement.¹⁶ <p><i>Note - declarations not required for all procurement. See Recommendation 11 and Recommendation 8.</i></p> <p>Risk Exposure</p> <ul style="list-style-type: none"> Lack of documentation creates lack of transparency/ability to appropriately justify the procurement approach used by Council. 	<p>be obtained if PO's cannot be approved prior to the receipt of the invoice.</p>	<p>Target Date</p> <p>October 2024</p> <p>Response</p> <p>Agreed. Already occurring but will be strengthened with procurement education to ensure that staff are confident in using appropriate procurement techniques. Additional training materials are also being produced. Spot checks will continue to be undertaken and follow up with staff will occur when required.</p> <p>The indicated non-compliances are concerning, and steps have been taken to correct matters with relevant staff and increase oversight, by the Procurement Officer working at different locations to support staff to undertake procurement.</p>

¹⁵ This finding is in relation to Adelaide Cemeteries Authority. This supplier is only noted in Council's Contract Register for administration fees and not for grave digging. Audit note that it may be difficult to value the services needed in advance.

¹⁶ This finding is in relation to procurement with Sprutt (\$35k-\$100k threshold) for Open Space Asset Data and Condition Audit.

2.6 Review of Contractor Management System (under development)

Better Practice

Issues and Impact	Recommendations	Management Response
<p>This engagement’s scope required high-level review of draft business requirements for the new contractor management system. As the system was in test at the time of fieldwork, the audit team instead tested the contractor management system’s functionality, screens and workflow.</p> <p>The system is an improvement from current manual Excel-based processes. It will include functionality to contract managers – with alerts around contract expiry, management of supplier qualifications and links to AP.</p> <p>There are some duplicate ‘clicks’ included in the module, Audit confirmed that these are in-built into the system and cannot be removed.</p> <p>There are some opportunities for gaining further efficiencies from the system/contractor module. These are around allowing:</p> <ul style="list-style-type: none"> ▪ Suppliers to update their own mandatory records – such as licences and WHS details. This functionality has an additional cost. ▪ Some key teams to add suppliers to the system, subject to separate oversight. See Recommendation 13. <p>Risk Exposure</p> <p>Council do not benefit from potential efficiencies associated with the Contractor Management System.</p>	<p>Recommendation 13</p> <p>Consider implementing additional functionality to within the contractor management system to:</p> <ul style="list-style-type: none"> ▪ allow contractors to update their own records (eg licences, mandatory training, WHS details) within the system (monitored by Council staff), and ▪ allow key users/teams to add contractors to the system, with governance/oversight by Procurement & Supplier Management Officer and Governance team as part of regular checking of amendments to supplier details. 	<p>Action Officer</p> <p>Manager Innovation and Technology</p> <p>Target Date</p> <p>October 2024, then ongoing</p> <p>Response</p> <p>Agreed. Will be implemented if possible, once system constraints are understood.</p> <p>As resources allow, following evaluation by October 2024 and implementation scheduling, which will be overseen by the ICT Steering Committee / Project Oversight Committee.</p>

APPENDICES

Appendix 1. Scope of the audit engagement




Internal Audit Scope Procurement


<p>Background</p>	<p>The Internal Audit Program for 2023-24 includes a review of the effectiveness of City of Holdfast Bay (Council's) procurement processes.</p> <p>Council's <i>Procurement Policy (2022)</i> outlines internal principles and requirements in relation to procurement. It applies to all Council and Alwyndor employees.</p> <p>Robust procurement processes are important to local council as they help to ensure that transparent and value for money purchasing occurs. Subsequent to this, key tasks are around the robust management of associated contracts. A project is also currently underway for a new contractor management system within Council, and this review is intended to identify lessons/potential improvements to feed into that project.</p>
<p>Audit Objective</p>	<p>The objective of this audit is to assess the effectiveness of Council's current framework and approach to procurement activities.</p>
<p>Scope</p>	<p>Specific elements for review include:</p> <ul style="list-style-type: none"> ▪ clarity of governance, roles/responsibilities ▪ review the 'Procure to Pay' process and identifying controls, bottlenecks and risk-based opportunities for either streamlining or strengthening process where required to achieve a pragmatic balance of efficiency and assurance/control ▪ useability of systems/tools and templates in place to support procurement through to payment ▪ testing of a select sample of procurement to assess compliance with the procurement policy across value thresholds (including the appropriateness of the market approach used) ▪ a high-level review of draft business requirements established for the new expected contractor management system, with the aim of identifying opportunities for improvement within the planned process. <p>The audit will identify controls in place and also identify areas where potential efficiencies can be realised.</p> <p>Procurement processes at Alywndor will be excluded from this audit. It is important to note that the audit is particularly intended to identify insights for process improvements rather than to assess compliance in detail.</p>
<p>Methodology</p>	<p>In conducting the engagement, the team will:</p> <ul style="list-style-type: none"> ▪ obtain and review key documentation and information ▪ interview key stakeholders and staff that undertake procurement to determine any issues, concerns or opportunities for improvement ▪ understand procurement processes, controls and bottlenecks

	<ul style="list-style-type: none"> ▪ test a select sample of procurement to understand process and assess compliance with policy ▪ consider how effectively relevant risks associated with procurement / planned changes to the contractor management system are managed ▪ identify process improvements ▪ assess and make appropriate recommendations to improve the Council's procurement processes ▪ draft a report summarising findings and recommendations ▪ provide a final report for presentation to the Audit and Risk Committee. <p><i>Note – this engagement is to be provided in line with consulting standards as outlined under the International Professional Practices Framework of the IIA. In particular, in accordance with standard 2010.C1, the engagement is important based on its potential to improve management of risks, add value, and improve the organisation's operations.</i></p>
Relevant Risks	<p>This audit aligns with Council's strategic risks:</p> <ul style="list-style-type: none"> ▪ Risk SC07 8 – Poor or ineffective budget development and management. ▪ Risk SC04 – Inadequate utilisation of information technology to support service delivery.
General Administration	<p>This audit will be performed by Galpins. Galpins will be responsible for maintaining regular communication with Council. The audit will be conducted in September – November 2023.</p>
Key Stakeholders	<p>The key contacts for this internal audit will be:</p> <ul style="list-style-type: none"> ▪ Sharon Wachtel, A/General Manager Strategy & Corporate ▪ Cadel Blunt, Manager Finance ▪ Kate Pillay, Procurement / Supply Management Officer
Audit Team	<ul style="list-style-type: none"> ▪ Janna Burnham (Partner) ▪ Danika Brown (Analyst)

Acknowledgement and Acceptance

I have read the above engagement scope and am satisfied that objectives and scope meet the expectations for this audit.

Signed:		Date:	28/08/2023
Name:	Cadel Blunt	Title:	Manager Finance

Signed:		Date:	29/08/2023
Name:	Sharon Wachtel	Title:	General Manager Strategy & Corporate (Acting)

Note: Liability limited by a scheme approved under Professional Standards Legislation

Appendix 2. Overall Control Environment Conclusion Rating Definitions

This internal audit project aimed to assess the controls established to address a key strategic risk or risks as documented in the Executive Summary. Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is one of the following ratings:

Rating	Effective	Majority Effective	Partially Effective	Requires Significant Improvement	Ineffective
Definition	Controls assessed were effective in mitigating the key strategic risk or risks	Controls assessed were largely effective in mitigating the key strategic risk or risks	Controls assessed were partially effective in mitigating the key strategic risk or risks	Controls assessed require significant improvement to mitigate the key strategic risk or risks	Controls assessed were ineffective in mitigating the key strategic risk or risks

Appendix 3. CHB Risk Framework

The method of risk assessment used in this review is based on Council's Risk Management Framework.

It measures the likelihood of each risk occurring and the consequence of the risk event. From this analysis it is then possible to determine the level of inherent risk (risk without any controls in place) and residual risk (risks when controls are in place). This method of analysis is not an exact science and quite subjective, but it is of value as an indicator and therefore assists in assessing review risks.

Likelihood \ Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

Risk Consequence:

Level	Impact Scale
1	Insignificant
2	Minor
3	Moderate
4	Major
5	Catastrophic

Appendix 4. Documents reviewed

Below is a list of all the documents reviewed during the internal audit process. The results and recommendations within this report consider the analysis and evaluation of these documents:

City of Holdfast Bay documents:

- Council Procurement Policy
- Unsolicited Proposal Policy 2018
- Unsolicited Proposal Application Form
- Supplier Charter
- Purchase Order Terms and Conditions of Contract
- Contract Register
- Contractor Management Discovery – Business Requirement Specification
- Exemption Register Contractor Management Baywatch Page
- Presentation: Contractor Management Discovery – Implementation Initiation Overview
- Dates and Alerts (Contract Management System Upgrade)
- APC Activity Report

City of Holdfast Bay Internal Guides:

- Contractor Qualification Guidelines
- Ezescan – Holding Queue (Z:/drive)
- Opening a Tender on Tenders SA
- Purchase Order Guide
- Putting a Tender on SA Tenders Website
- Step-by-step Guide to Creating a New Account on CiAnywhere Workspace
- Step-by-step Guide to Creating a New Account on Ci Workspace
- Step-by-step Guide to Editing Contract Details and Creating a Requisition (Scribe – Contractor Management System Upgrade)

Appendix 5. Staff members interviewed

A list of all the staff members at CHB that were interviewed during fieldwork in preparation for this report.

Title
General Manager Corporate & Strategy
Strategy & Governance Manager
Community Safety Manager
Operations & Fleet Support Officer
Manager Finance
Rapid Response/City Cleansing Lead
Business Application Specialist
Risk & Improvement Officer
Procurement & Supplier Management Officer
Open Space Lead
Team Leader IT
Financial Account Lead
Technical Officer Buildings & Facilities
Finance Officer Accounts Payable
Operations Support Lead

Appendix 6. Potential Tech1 enhancements/improvements

A summary of feedback from users around Tech1 issues and potential areas for streamlining and fixing.

Summary issue	Detail	Opportunity for improvement
Invoice scanning	Inability to efficiently scan invoices into system; AP officer still needing to manually key in invoice details due to current solution not being efficient/effective enough.	Investigate more efficient ways to import scanning into the system/to use Optical Character Recognition (OCR) technology
Purchase Order creation	Feedback received during interviews that raising a Purchase Order and receipting goods and services in Tech1 involves a lot of steps and clicks.	Potential opportunity to streamline/simplify steps within raising Purchase Order.
Department Field on Purchase Orders	Feedback received that the 'department field' on Purchase Orders is not preset/automatically filled to the department that the user is assigned to.	Have department field pre-filled to the department that the user is assigned to.
Contact for Purchase Order transmission	Inability for staff to enter contact details for the transmission of a PO. Staff reported that if they 'transmit' a Purchase Order, it may go to a central contact in the company (i.e. HQ instead of the local supplier contact). Staff currently work around this by screenshotting/downloading the Purchase Order and sending it to the supplier contact directly via email.	Ability for staff to enter in contact details for transmitting Purchase Order only (i.e. entering these details will not change supplier contact details in the system).
Auto-approval of certain invoices	Potential opportunity for auto-approval of invoices where details of the invoice match the details on the Purchase Order, or where invoice payment is required (eg utilities).	Auto-approval of invoices where details of the invoice match the details on the Purchase Order, and for certain invoices where payment is required (eg utilities).
Deleting blank goods receipts	Staff advised that if they click the wrong button when raising a Purchase Order or receipting goods/services, the system creates a blank goods receipt. When this happens, staff members need to contact Accounts Payable to delete this, or else it remains in the system.	Opportunity to allow users to delete blank goods receipts.

<p>Difficulty finding supplier from list – excess listing</p>	<p>Staff reported some difficulty in finding the correct supplier in the system – due to a range of outdated suppliers still being captured within the system.</p>	<p>Potential to cleanse supplier listing, further removal of old/inactive suppliers.</p>
<p>Manual process to follow-up overdue payments</p>	<p>The current process for handling outstanding/suspended payments to suppliers is manual, reliant on Finance staff following up on these payments and/or phone calls from suppliers to follow-up on overdue payments.</p>	<p>Investigate automating the process to follow-up on outstanding payments to suppliers within the Tech1 system.</p>

Appendix 7. Procurement sample testing

Disclaimers

Inherent limitations

This report has been prepared for the information and internal use of the City of Holdfast Bay in accordance with the scope and objectives outlined in the Executive Summary of this report. The services provided in connection with this engagement comprise an advisory engagement which is not subject to the Australian Auditing Standards or the Australian Standards on Review and Assurance Engagements. Consequently, no express opinions or conclusions have been drawn or intended to convey assurance. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected.

Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures were on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the City of Holdfast Bay's management and personnel. We have not sought to independently verify those sources. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the City of Holdfast Bay. The internal audit findings expressed in this report have been formed on the above basis.

Third party reliance

This report is solely for the purpose set out in the Executive Summary of this report and for the City of Holdfast Bay's information, and is not to be used for any other purpose or distributed to any other party without Galpins' prior written consent. This internal audit report has been prepared at the request of the City of Holdfast Bay or its delegate in connection with our engagement to perform internal audit services. Other than our responsibility to City of Holdfast Bay, neither Galpins nor any member or employee of Galpins undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the City of Holdfast Bay's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

Attachment 4



Strategic Planning Alignment Audit Report

May 2024



Prepared For



Galpins

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Document Control

Date	Revision Number	Revision Details	Author	Reviewer
12.02.2024	1.0	Final Draft Report	Danika Brown/ Janna Burnham	Tim Muhlhausler
23.05.2024	1.0	Final Report	Danika Brown/ Janna Burnham	Tim Muhlhausler

1. Executive Summary

Background

As part of the internal audit program for 2023-24, a review of City of Holdfast Bay's (Council's/CHB's) strategic planning landscape is included for audit.

Section 122 (S.122) of the Local Government Act 1999 (the Act) requires councils to develop strategic management plans. These are intended to set a clear vision and objectives for councils, in consultation with the community, and to build a framework on how councils will work towards these goals.

Council uses the Strategic Plan (Our Holdfast 2050+) to demonstrate its '*ambition for the city today, tomorrow and beyond*'. It includes a range of objectives for the period to 2030 and aspirations for the 2030s and beyond.

Over and above this, council has developed a Strategic Planning Framework that identifies all plans and strategies relevant to achieving the Plan's objectives. Council is also in the process of developing a Corporate Plan to operationalise the Framework and has recently developed a Prioritisation Framework to operationalise the Plan, with the intention of creating a pipeline of prioritised investments (projects).

This review focusses on the current planning framework and is intended to be followed by a post-implementation performance audit in the future.

Objectives

The objective of this audit was to:

- evaluate the Council's strategic planning landscape to establish whether the systems and processes being developed align to better practice and are likely to support achievement of intended outcomes in the Plan, and
- review the effectiveness of the alignment of the supporting strategic planning and reporting framework to assist achieving of the Plan.

*Note – detailed testing of monitoring and reporting was excluded from this review, as a new reporting suite is under development. This review worked to understand the current status of monitoring and reporting. The full audit scope is included in **Appendix 1**.*

Relevant Strategic Risks

This audit aligns with Council's strategic risk 11: *Lack of Strategic Alignment*.

Good Practices Observed

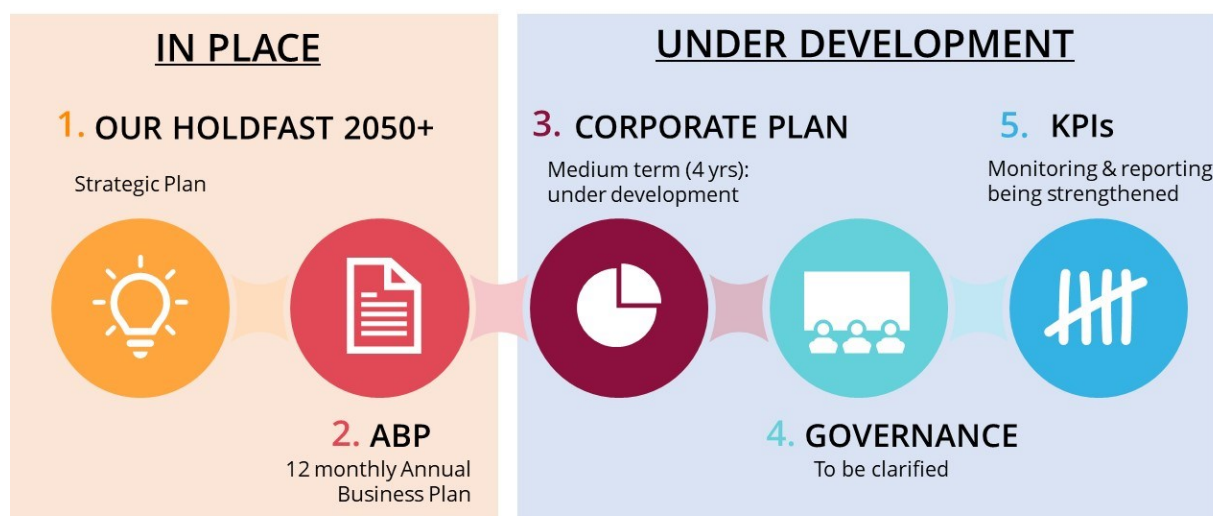
- ✓ The Our Holdfast 2050+ Plan is a visionary document that intends to provide a forward-focus for the Council beyond the mandatory four-year period.
- ✓ CHB have requested this review before the new Strategic Planning Framework has been completed. This represents a positive approach to internal audit, and to obtaining independent insight into the framework.

-
- ✓ A Prioritisation Framework has been developed to support decision-making about projects and programs to be pursued going forward. This represents innovative thinking and includes criteria used to prioritise potential initiatives, strengthening transparency in decision-making and reducing the likelihood of lesser-value projects being prioritised over others.
 - ✓ Work is underway to develop the new Corporate Plan. The intent of this is to translate the longer term aims of the Our Holdfast Strategic Plan into medium-term actions, and to strengthen medium-term planning in general.
 - ✓ Strategy and Governance have developed additional documents to support implementation of the Strategic Plan, including the Service Review Manual and Project Management Framework. These represent significant work and an aim to support CHB to achieve objectives. The Project Management Framework in particular aligns to better practice and the 'Initiate' phase requires a project to have been assessed for priority (per the Prioritisation Framework). As they are recent documents, users may not yet be aware of how they work.

Note – audit fieldwork for this report was from December 2023– January 2024, some action has been taken to address findings in the interim.

Key Findings and Recommendations

CHB has undergone significant change, aiming for innovative transformation of the Strategic Planning Framework. Below summarises key parts of the Strategic Planning framework, plus work underway:



The above demonstrates that some important work is underway – in particular the Corporate Plan and monitoring and reporting framework. The Corporate Plan is aimed to be medium-term over four years, to translate visionary Strategic Plan objectives into actions. This is an innovative approach and new within the local government context.

Development of the above elements is ongoing and has taken longer than anticipated, and Council has been without a revised strategic reporting framework since the introduction of the Strategic Plan from January 2022. This status is deliberate, with CHB specifically focussing finalising the reporting framework in a quality way, rather than rushing to produce a lesser quality product. Audit note that this focus on ‘getting it right’ takes courage.

Audit consider that the systems/processes being developed **are likely** to support achievement of intended outcomes in the Plan. In particular, the translation of longer-term to medium-term activities via the Corporate Plan will be important. Potential risks around achieving outcomes include:

- The Corporate Plan is a complex draft document, and senior stakeholders reported a desire for more clarity about what was included. There is a risk that it does not meet expectations.
- Potential lack of buy-in/use of the Corporate Plan. One Group Manager reported a team developing a local strategic plan, aiming to address their current need for clearer direction.
- KPIs are being finessed to track achievement of the Plan. The current Strategic Plan includes aspirational ‘measures’, there is current work to identify other shorter term measures.

Internal audits also typically assess the strength of controls around strategic risks. Although this audit specifically requests review at a time of change, it is worth including. Around the strategic risk *Lack of strategic alignment*, based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is **partially effective**.¹ The table over page summarises the audit findings.

¹ Please refer to **Appendix 2**, Overall Control Effectiveness Ratings for further information.

Findings are summarised below, with further detail included in the report.

Finding	Summary Recommendation	Audit Risk Rating	CHB Risk Rating	Expected Completion Date
3.1 Corporate Plan: Opportunity to Strengthen	Recommendation 1: Opportunities to strengthen the Corporate Plan – around working with Groups/Group Managers, tracking staffing considerations.	Medium	Medium	Complete
3.2 A need to formalise governance, monitoring and reporting	Recommendation 2: Clarify governance arrangements around Strategic Plan, ownership of objectives and reporting. Recommendation 3: Include performance vs Strategic Plan as part of executive performance assessment.	High	High	31 Jul 2024
3.3 Completeness of Strategic Framework	Recommendation 4: Timing of update of supporting strategic plans and alignment with the Strategic Plan. Recommendation 5: Clearly identifying where corporate performance will be documented and tracked.	Medium	Medium	31 Dec 2024
3.4 Finalising measures of success (KPIs)	Recommendation 6: Continuing work in relation to key performance indicators/measures of success.	Medium	Medium	31 Dec 2024
3.5 Linkage between Strategic Plan and Annual Business Plan	Recommendation 7: Strengthen linkage between Strategic Plan and Annual Business Plan.	Medium	Medium	31 Jan 2025
3.6 Prioritisation Framework and linkage to Strategic Objectives	Recommendation 8: Consider mandatory alignment between Prioritisation Framework and Strategic Plan.	Medium	Medium	31 Oct 2024
3.7 Legislative compliance	Recommendation 9: Clearly demonstrating compliance with more administrative/minor elements of s.122 of the Local Government Act.	Low	Low	30 Nov 2024

2. Detailed Background

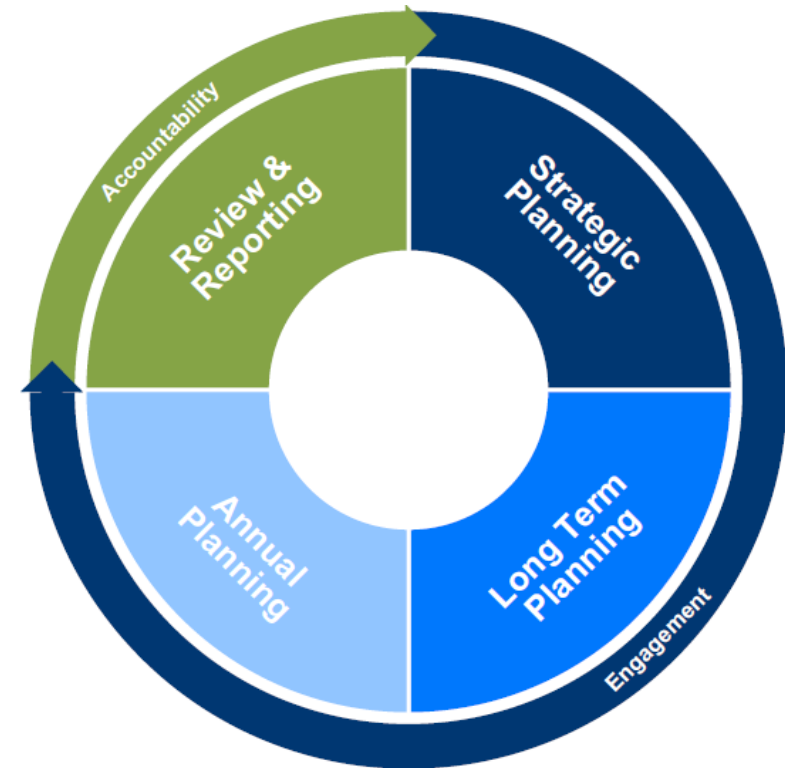
Strategic Planning within the SA Local Government

The *Local Government Act 1999 (SA)* (the Act) requires local councils in South Australia to undertake strategic management planning and reporting. The Act does not, however, include guidance about how to achieve this.

Many approaches to strategic planning exist. The Local Government Association of SA has developed guidance to assist councils to understand what ‘good’ strategic management planning looks like.² The four main elements of the strategic management planning process are below.

Key elements of better practice for consideration include:

- that the City Plan (or ‘Strategic Community Plan’) is the highest level plan that a council will prepare, with all other plans having reference to and aligning with the goals and objectives within this plan
- that community expectations are reflected in the Plan,
- that other strategic plans (e.g. LTFP, Annual Business Plan, SAMP) align with the Plan, and
- that the organisation has an understanding of what success looks like (key measures).



Source: LGA Strategic Integrated Management Planning Guidelines, p.5

² LGA of SA, 2022, *Integrated Strategic Management Planning Guidelines (v1.0)*. Online, accessed 01.08.23. URL: https://www.lga.sa.gov.au/_data/assets/pdf_file/0019/1212337/ECM_731862_v14-Integrated-Strategic-Management-Planning-Guidelines.pdf.

Strategic Planning within CHB

The *Our Holdfast 2050+* Plan (the Strategic Plan) is a visionary document that is intended to be relevant for longer than the mandatory four year period. In effect from 1 January 2022, it includes a vision of:

Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city.

The Strategic Plan's focus areas are outlined in the infographic to the right. Each focus area is supported by a summary of 'Objectives' (to 2030) and 'Aspirations' (both for the 2023s and 2040s). Measures are included for the 'Objectives' section only.



WELLBEING

Good health and economic success in an environment and a community that supports wellbeing.

SUSTAINABILITY

A city, economy and community that is resilient and sustainable.

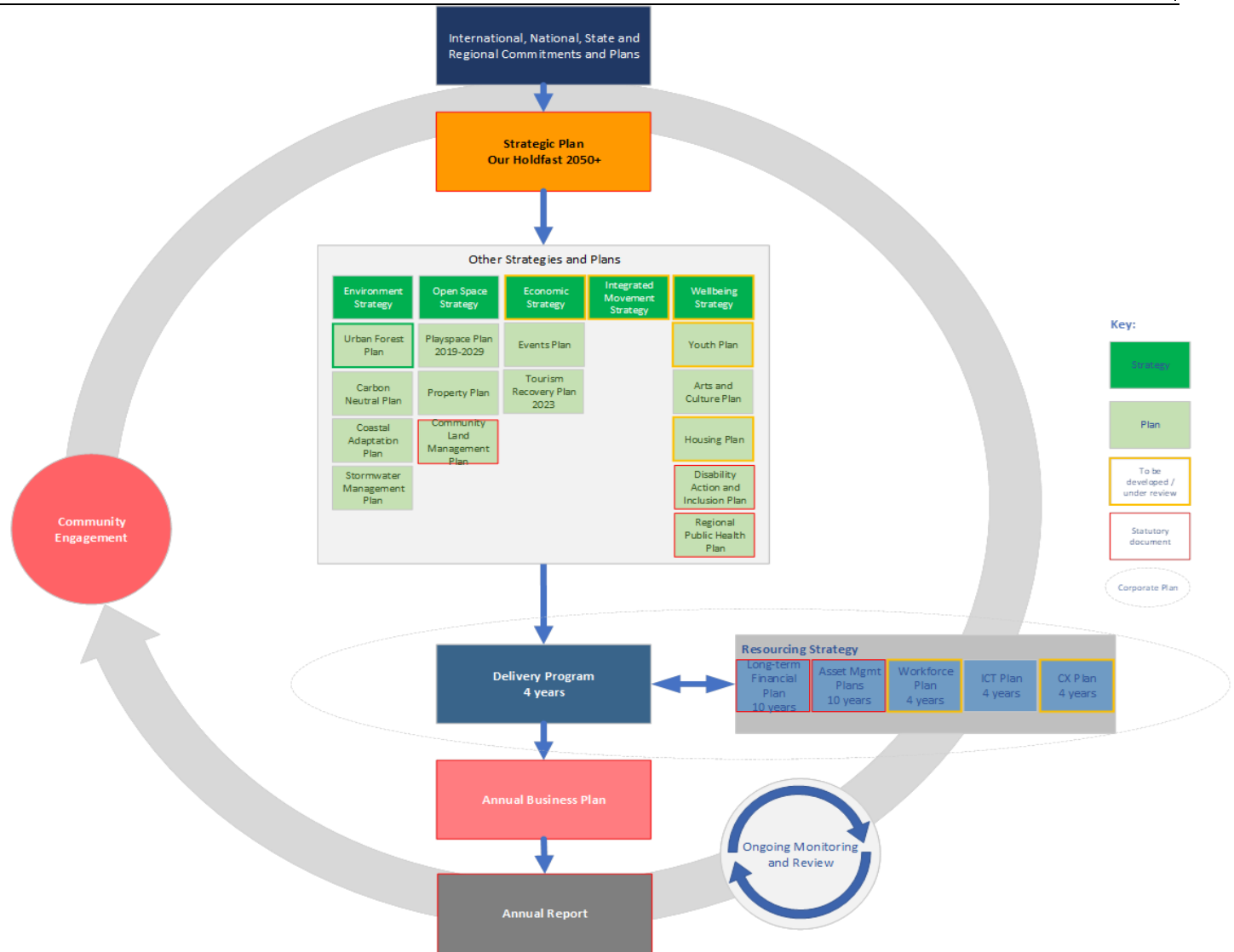
INNOVATION

A thriving economy and community that values life-long education, research, creativity and entrepreneurialism.

This diagram outlines the CHB Strategic Planning Framework (also referred to internally as the ‘Strategic Landscape’).

Approved by the SLT in 2023, it demonstrates that the Strategic Landscape within CHB is considered to be broader than that required by the Act.

This report focuses on the documents outlined as core strategic plans as outlined by the LGA, with some review of additional elements of the strategic framework also.



3. Detailed Findings and Recommendations

3.1 Corporate Plan: opportunity to strengthen		<i>Galpins Risk Rating</i>	<i>CHB Risk Rating</i>
		Medium	Medium
Issues and Impact	Recommendations	Management Response	
<p>Finding</p> <p>Audit reviewed the adequacy of planning for implementation of strategic objectives, with a focus on whether implementation activities meet the <i>intent</i> of these objectives.</p> <p>CHB are currently developing a Corporate Plan to support achievement of intended outcomes in the Strategic Plan. This is one key element of the Strategic Planning Framework and will help to track planning for implementation of strategic objectives.</p> <p>In line with local government requirements, until now CHB have been working to a 12 month business cycle driven by the Annual Business Planning (ABP) process. CHB intend the Corporate Plan to include a more mature translation of the high-level objectives in the Strategic Plan to a four-year time horizon, including specific activities and projects required.</p> <p>One key stakeholder noted that <i>‘Currently we have the Strategic Plan (long term) and then the ABP – we’re aiming to build the Corporate Plan to be medium-term over four years... so that we can realise the benefits of the Strategic Plan. We’re still maturing.’</i></p>	<p>Recommendation 1 Consider the following opportunities to strengthen the Corporate Plan:</p> <ul style="list-style-type: none"> work with Groups to ensure all future activities that are designed to help meet the intent of the <i>Our Holdfast 2050+</i> objectives are included (including business as usual activities and non-major projects) ensure that Group Managers have transparency over the items included in the Corporate Plan, and more clearly track staffing (FTE) considerations associated with future potential projects within the Corporate Plan – to help track whether CHB will have capacity at various points in time to deliver on planned initiatives and to inform scheduling decisions. <p>There is also potential to allocate responsibility for actions included within the Corporate Plan.</p>	<p>Action Officer</p> <p>As mentioned below, this is already ongoing, and has become part of the business process and will mature from here.</p> <p>Target Date</p> <p>Complete</p> <p>This is ongoing, with Leadership Team, Senior Leadership Team and other subject matter experts being involved in discussions on an ongoing basis, both to gain input and to ‘truth-test’ inputs gathered.</p>	

<p>The Governance and Strategy team have developed an initial comprehensive spreadsheet and used it to capture activities and services provided across CHB, in some cases aligned to staffing effort (FTE). Examples include FTE for biodiversity, facilities and IT support. This has involved significant effort to date. This will be the basis of the Corporate Plan, and it is intended to be used as a live plan and updated on a regular basis.³</p> <p>Audit reviewed the draft Corporate Plan and consider it will be a useful document going forward. It is particularly useful that new initiatives can be plotted and costed over time (eg for future years). There is potential for this to be a powerful tool, and there is ongoing investigation of using a system to host this plan.</p> <p>Audit also noted some opportunities for strengthening the draft Corporate Plan, to potentially help it in supporting achievement of the Strategic Plan – around the items included, transparency with key stakeholders and further linkage to FTE requirements for future planned projects.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ The Corporate Plan may not include the right information to help achieve the objectives of the Strategic Plan. 		
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³ It may be incorporated into a system or may continue to be used in Excel format. Note – there are risks associated with manually maintaining an Excel spreadsheet.

3.2 Opportunity to formalise new governance, monitoring and reporting framework		Galpins Risk Rating	CHB Risk Rating
		High	High
Issues and Impact	Recommendations	Management Response	
<p>Finding</p> <p>As the Strategic Plan was a major revision from the previous strategic plan, and as the Corporate Plan is currently under development, previous monitoring and reporting mechanisms, many of which were activity-based, were no longer relevant. Current reporting is achieved primarily within the Annual Business Plan and the Annual Report. This is in line with legislative requirements.</p> <p>Key stakeholders reflected a desire to re-establish governance and monitoring/reporting of progress against the Strategic Plan.</p> <p>Currently, Audit understand that the Strategic Plan is considered at Senior Leadership Team (SLT) meetings. Stakeholders indicated that there are opportunities to strengthen accountability and monitoring/reporting:</p> <p><i>‘Once the Corporate Plan and measures vs the Strategic Plan are in place we can meet to focus on this more regularly... [with a stronger] accountability mechanism.’</i></p> <p><i>‘It comes back to – clarifying components re roles and responsibilities. Eg with the Strategic Plan – who’s the custodian of the Plan? It’s Council’s plan, do SLT play a role as custodians and ensure it’s being delivered? There</i></p>	<p>Recommendation 2 As part of work to develop monitoring/reporting and governance mechanisms to track progress against the Our Holdfast 2050+ Plan:</p> <ul style="list-style-type: none"> ▪ clarify roles/responsibilities for ownership and oversight of achievement against the <i>Our Holdfast 2050+ Plan</i> ▪ ensure that ownership of each objective/ action is clearly allocated ▪ ensure that progress is included as a standing agenda item at a relevant strategic meeting. <p>Recommendation 3 Consider more clearly reviewing performance against relevant parts of the Strategic Plan as part of executive performance discussions/ assessment.</p>	<p>Action Officer</p> <p>Corporate and Service Planning Lead</p> <p>Manager Strategy and Governance</p> <p>Target Date</p> <p>31 July 2024</p> <p>Action Officer</p> <p>Corporate and Service Planning Lead</p> <p>Manager Strategy and Governance</p>	

<p><i>should be a mechanism to ensure reporting/discussion at SLT happens more often.'</i></p> <p><i>'I'm really clear... in my performance discussion with the CEO...he ensures I deliver on my commitments... There's not [yet] a great deal of accountability around what actions in the Strategic Plan I'm accountable for and how they get implemented.'</i></p> <p>Audit has not included a recommendation to develop a monitoring/reporting regime, as this is already planned. Audit identified some potential opportunities for strengthening this planned regime.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ Potential lack of clarity around governance arrangements and responsibilities for implementation of the <i>Our Holdfast 2050+</i> Strategy may create a situation where objectives are less likely to be achieved. 		<p>Target Date</p> <p>31 July 2024</p>
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3.3 Completeness of the Strategic Framework		Galpins Risk Rating	CHB Risk Rating
		Medium	Medium
Issues and Impact		Recommendations	Management Response
<p>Finding</p> <p>Audit reviewed the completeness and adequacy of the key documents and processes as a planning system for the organisation, as well as alignment with better practice. The Local Government Association (LGA's)⁴ outlines that the 'key' strategic documents are the:</p> <ul style="list-style-type: none"> ▪ Strategic Plan (Our Holdfast 2050+) ▪ Annual Business Plan (ABP) ▪ Long Term Financial Plan (LTFP), and ▪ Strategic Asset Management Plan (SAMP).⁵⁶ <p>Each plan is intended to align to the <i>Our Holdfast</i> Strategic Plan, specifically in relation to goals and objectives within this strategy. Audit found that the LTFP references the Strategic Plan at a high level, and the Annual Business Plan includes a report of progress against the Plan.</p> <p>The asset management plans do not yet reflect the Strategic Plan, and as at audit fieldwork were under review for update. Reference to the Strategic</p>		<p>Recommendation 4 In future, consider coordinating the timing of update of Council's supporting strategic plans, so that the <i>Our Holdfast</i> strategy is adopted first, and that subsequent plans are updated and/or adopted subsequent to this. This may also help to enable more depth of alignment between the <i>Our Holdfast</i> strategy and supporting strategic plans.</p> <p><i>Note – some annual updates are legislatively required, however a plan may be developed to help ensure that, over time, the Our Holdfast strategy is finalised in advance of other strategic plans/sub-plans.</i></p>	<p>Action Officer</p> <p>Corporate and Service Planning Lead</p> <p>Manager Strategy and Governance</p> <p>Target Date</p> <p>31 December 2024</p>

⁴ LGA of SA, 2022, Integrated Strategic Management Planning Guidelines (v1.0). Online, accessed 01.08.23. URL: https://www.lga.sa.gov.au/_data/assets/pdf_file/0019/1212337/ECM_731862_v14-Integrated-Strategic-Management-Planning-Guidelines.pdf.

⁵ CHB have a suite of asset management plans in place instead of the SAMP.

⁶ The Corporate Plan will also be part of the strategic framework (see **section 3.2**).

<p>Plan can help to ensure that linkage and alignment occurs, along with associated implementation plans and resourcing.</p> <p>Planning for organisational operations</p> <p>One key stakeholder reflected a need for clearer linkage of organisational performance to the Strategic Plan and/or strategic documents. Upon review, Audit note that the current Strategic Plan does not include an element related to the running and operational side of council. Whilst this is included in business as usual activities, there is opportunity to consider whether this is more clearly included in the upcoming renewed Strategic Plan and/or the Corporate Plan. Better practice does include measurement of business processes,⁷ using for example the idea of ‘what must we excel at’ to identify the areas that matter.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ Potential lack of clarity/awareness within CHB about which strategic goals and objectives are required to be achieved. ▪ Development of subordinate strategies before updates to the <i>Our Holdfast</i> strategy may mean that these documents are not aligned with the <i>Our Holdfast</i> strategy. 	<p>Recommendation 5 Work to more clearly identify where strategic goals for corporate performance will be documented (and tracked). This will for example cover the organisational initiatives required within CHB to help achieve the objectives of Strategic Plan. Eg in corporate plan. Stuart had comments here – ask for input. Reference resourcing strategy in the framework diagram.</p>	<p>Agreed – operational side of Council activities, including corporate performance goals, will be reflected in the Corporate Plan.</p> <p>Action Officer</p> <p>Corporate and Service Planning Lead</p> <p>Manager Strategy and Governance</p> <p>Target date</p> <p>31 December 2024</p>
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⁷ A range of better practice information consulted, including Kaplan, R and Norton, P, 1992, *The Balanced Scorecard – Measures that Drive Performance*. Online, Harvard Business Review, accessed 01.03.2023. URL: <https://hbr.org/1992/01/the-balanced-scorecard-measures-that-drive-performance-2>; Cote, C, 2020, 5 Keys to Successful Strategy Execution, Harvard Business Review, accessed 01.03.23, URL: <https://online.hbs.edu/blog/post/strategy-execution#:~:text=Strategy%20execution%20is%20the%20implementation,flat%20without%20the%20right%20execution>; Neely, Adams and Kennerly, 2002, *The Performance Prism – The Scorecard for Measuring and Managing Business Success*.

3.4 Measures of success (KPIs)		Galpins Risk Rating	CHB Risk Rating
		Medium	Medium
Issues and Impact		Recommendations	Management Response
<p>Finding</p> <p>Better practice is for clarity around what success looks like when achieving objectives in a strategic plan,⁸ and the <i>Our Holdfast 2050+</i> Strategic Plan includes high-level measures. The Governance and Strategy team reported some challenge in being able to track success against these: <i>‘We found that a lot of the measures, because they’re longitudinal are hard to report on, on an annual basis. Some we still don’t quite have a baseline established yet. It’s the longitudinal trend that we’re trying to gauge.’</i> This is a current focus area for improvement, with professional staff considering the forward-approach. Finding useful measures is a challenge across government.</p> <p>The LGA SA’s Guideline <i>‘Integrated Strategic Management Framework (2022)’</i> outlines:</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><i>(14) Performance measures should be relevant, meaningful and provide a mechanism to track how the council and the community is progressing. One performance measure approach is SMART (Specific, Measurable, Attainable and action oriented, Relevant and Time-bound).</i></p> <p><i>(15) Some important things to keep in mind when deciding on performance measures, are to ensure they are:</i></p> </div>		<p>Recommendation 6</p> <p>Continue work to ensure that ‘SMART’ (Specific, Measurable, Attainable and action oriented, Relevant and Time-bound) measures are in place for objectives in the <i>Our Holdfast 2050+</i> Strategic Plan, flowing through to Corporate Plan and other relevant strategies.</p> <p>In addition, work to progress an internal (less formal) understanding of how CHB will measure success towards other ‘aspirations’ included in the Strategy beyond 2030.</p>	<p>Action Officer</p> <p>Corporate and Service Planning Lead Manager Strategy and Governance</p> <p>Target Date</p> <p>31 December 2024</p>

⁸ A range of better practice information consulted, including Kaplan, R and Norton, P, 1992, *The Balanced Scorecard – Measures that Drive Performance*. Online, Harvard Business Review, accessed 01.03.2023. URL: <https://hbr.org/1992/01/the-balanced-scorecard-measures-that-drive-performance-2>; Cote, C, 2020, 5 Keys to Successful Strategy Execution, Harvard Business Review, accessed 01.03.23, URL: <https://online.hbs.edu/blog/post/strategy-execution#:~:text=Strategy%20execution%20is%20the%20implementation,flat%20without%20the%20right%20execution>.

<ul style="list-style-type: none"> • <i>repeatable;</i> • <i>within your control;</i> • <i>well defined (how to calculate, what to include/exclude, etc.); and</i> • <i>the time and cost associated with tracking and recording the measure is considered against the value attained.</i> 			
<p>Audit received feedback from executive stakeholders about KPIs that is worth considering as part of forward planning. One indicated:</p>			
<p><i>‘Some parts [of our work] are being tracked really well, other parts probably not so well. For example– key initiatives out of the Strategic Plan or strategies that are funded on an annual basis... their delivery is tracked quite heavily. What doesn’t get a lot of attention is what’s actually sitting as those measures in the Strategic Plan – they’re reported in the Annual Report, they’re not tabled with the Exec... for example [to] question whether we have it right...’</i></p>			
<p>Audit understand that the measures were initially approved by the SLT at the time of drafting the plan, and the draft Annual Report is also approved by SLT prior to being presented to Council. This comment was more specifically around SLT’s <i>ongoing and regular</i> review of KPIs and strategies. This audit scope excluded testing of achievement of objectives within the plan, however this will be addressed in a future review.</p>			
<p>The Administration are well aware of this challenge and are working towards developing KPIs. A recommendation is included, however, due to the importance and early stages of work in confirming measures for success against the Strategic Plan. This is also a legislative requirement.</p>			
<p>Risk Exposure</p>			
<ul style="list-style-type: none"> ▪ Unclear corporate indicators may create a situation where CHB cannot adequately gauge success in delivering on objectives from the <i>Our Holdfast 2050+</i> Strategic Plan. 			

3.5 Linkage between Strategic Plan and Annual Business Plan		Galpins Risk Rating	CHB Risk Rating
		Medium	Medium
Issues and Impact	Recommendations	Management Response	
<p>Finding</p> <p>Audit reviewed the completeness and effectiveness of linkage between the Strategic Plan and the ABP. The ABP does include a report of initiatives achieved in line with the Strategic Plan. Audit tested the completeness and effectiveness of this reporting by selecting a sample of three objectives of the Strategic Plan and mapping reporting against these in the ABP.</p> <p>Audit found that from the sample of objectives tested:</p> <ul style="list-style-type: none"> 3 out of 9 (33%) had a clear link, 4 out of 9 (44%) had a partial link, and 2 out of 9 (22%) appeared not to be linked or reported to elements/projects outlined under the relevant focus area in the ABP.⁹ <p>For example, for some objectives a specific initiative (new build etc) was reported, but it was difficult to gauge if this meant the overall objective had been met.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> Council may be perceived as not transparent and/or not meeting its obligations in relation to reporting on success in meeting its strategic objectives. 	<p>Recommendation 7</p> <p>Work to strengthen the link between the Strategic Plan and ABP. For example:</p> <ul style="list-style-type: none"> agree which objectives will be reported against each year (some may not be scheduled until future years) track success against KPIs. <p><i>Note – this clearer report on progress will be after clarification of smart measures/KPIs as outlined in Recommendation 5.</i></p>	<p>Action Officer</p> <p>Corporate and Service Planning Lead Manager Strategy and Governance</p> <p>Target Date</p> <p>31 January 2025</p>	

⁹ For the sample testing of linkage between objective measures in the Strategic Plan with the Annual Business Plan, see **Appendix 7**.

3.6 Prioritisation Framework and linkage to Strategic Objectives		<i>Galpins Risk Rating</i>	<i>CHB Risk Rating</i>
		Medium	Medium
Issues and Impact		Recommendations	Management Response
<p>Finding</p> <p>Audit aimed to review the clarity of linkage between how Council sets budgets and achievement of the Strategic Plan, including over the medium-term. This included a review of the new initiative process for clear linkage to strategic objectives.¹⁰</p> <p>Until recently, initiatives were budgeted through the existing budget process (audited in 2022). Strategy and Governance recently developed a Prioritisation Framework to inform budget decisions. This is an innovative approach towards a common problem – how to prioritise between initiatives. It allows assessment of new initiatives against ‘impact’ and ‘urgency’ criteria, with scoring used to inform decision-making and to ensure funding for the most deserving projects.</p> <p>Council have commenced using this framework and it is, understandably, still being finessed, for example the definition of what is a ‘new’ initiative.</p> <p>Audit note that the framework includes ‘Alignment with Strategic Plan’ as one of the 20 prioritisation criteria being examined, and also includes ‘wellbeing’, ‘innovation’ and ‘environment’¹¹ as three other criteria. The Strategic Plan is not specifically rated as being more important than other criteria such as ‘risk to community’, ‘safety’, ‘breadth of benefit’. Considering the Strategic Plan is Council’s highest-level strategic document,</p>		<p>Recommendation 8</p> <p>Aim to strengthen the support of the Strategic Plan via the Prioritisation Framework by:</p> <ul style="list-style-type: none"> considering making alignment with the Strategic Plan a mandatory criterion of the Framework conducting a post-implementation review to assess whether funded projects sufficiently align to the objectives and initiatives outlined in the Strategic Plan. <p><i>Nb – this recommendation is included in recognition that the Strategic Plan</i></p>	<p>Action Officer</p> <p>Corporate and Service Planning Lead Manager Strategy and Governance</p> <p>Target Date</p> <p>31 October 2024</p>

¹⁰ A final related element was to review a sample of larger-scale commitments in the strategic plan and understand how these are approached/budgeted for. This was not specifically examined as the new prioritisation framework was being used for the first time as at audit fieldwork.

¹¹ These largely align with the Strategic Plan’s focus areas of ‘innovation’, ‘wellbeing’ and ‘sustainability’.

<p>Council may benefit from comfort that initiatives align to this. Currently it is difficult to identify whether the funded projects will sufficiently align to the Strategic Plan.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ The new Prioritisation Framework may not result in projects that sufficiently reflect objectives outlined in the Strategic Plan. 	<p><i>is intended as Council's highest-level strategic document.</i></p>	
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3.7 Legislative compliance with S122 of the Local Government Act (the Act)		Galpins Risk Rating	CHB Risk Rating						
		Low	Low						
Issues and Impact	Recommendations	Management Response							
<p>Finding</p> <p>Section 122 of the Act outlines elements that the Strategic Plan must cover. Audit found that CHB would benefit from demonstrating clearer compliance with the following points, and consider that this can be achieved via the Corporate Plan:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #1a3d54; color: white;"> <th style="text-align: center;">Section of the Act</th> <th style="text-align: center;">Status</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">S122 1(d) state the measures (financial & non-financial)... to be used to monitor and assess the performance of the council against its objectives over the relevant period</td> <td style="padding: 5px;">Work is ongoing to define KPIs. Some KPIs are included in the Strategic Plan. See Recommendation 6.</td> </tr> <tr> <td style="padding: 5px;">S122 1(e) [The strategic plans must] identify the means by which its activities are to be carried out and its objectives achieved.</td> <td style="padding: 5px;">Details of how objectives from the Strategic Plan will be achieved are intended to be included in the Corporate Plan. Therefore, no recommendation is included.</td> </tr> </tbody> </table> <p>Work is underway towards achieving the points outlined above. Audit also identified additional minor legislative elements that would further enhance CHB's compliance with the Act. See also Appendix 6.</p> <p>Risk Exposure</p> <ul style="list-style-type: none"> ▪ CHB may be non-compliant with some elements of s.122 of the Act. 	Section of the Act	Status	S122 1(d) state the measures (financial & non-financial)... to be used to monitor and assess the performance of the council against its objectives over the relevant period	Work is ongoing to define KPIs. Some KPIs are included in the Strategic Plan. See Recommendation 6 .	S122 1(e) [The strategic plans must] identify the means by which its activities are to be carried out and its objectives achieved.	Details of how objectives from the Strategic Plan will be achieved are intended to be included in the Corporate Plan. Therefore, no recommendation is included.	<p>Recommendation 9 Aim to achieve clearer compliance with minor administrative elements of s122 Act. These may, for example, be addressed in attachments to the next iteration of the <i>Our Holdfast 2050+</i> Strategic Plan. <i>Nb: A list of relevant elements is in Appendix 6.</i></p>	<p>Action Officer</p> <p>Corporate and Service Planning Lead Manager Strategy and Governance</p> <p>Target Date</p> <p>30 November 2024</p>	
Section of the Act	Status								
S122 1(d) state the measures (financial & non-financial)... to be used to monitor and assess the performance of the council against its objectives over the relevant period	Work is ongoing to define KPIs. Some KPIs are included in the Strategic Plan. See Recommendation 6 .								
S122 1(e) [The strategic plans must] identify the means by which its activities are to be carried out and its objectives achieved.	Details of how objectives from the Strategic Plan will be achieved are intended to be included in the Corporate Plan. Therefore, no recommendation is included.								

APPENDICES

Galpins

Accountants, Auditors & Business Consultants

Appendix 1. Scope of the audit engagement



Internal Audit Scope Strategic Planning Alignment

<p>Background</p>	<p>As part of the internal audit program for 2023-24, a review of City of Holdfast Bay's (Council's) strategic planning landscape is included for audit.</p> <p>S.122 of the <i>Local Government Act 1999</i> (the Act) requires councils to develop strategic management plans. These are intended to set a clear vision and objectives for councils, in consultation with the community, and to build a framework on how councils will work towards these goals.</p> <p>Council's Our Holdfast 2050+ strategic plan (the Plan) demonstrates its 'ambition for the city today, tomorrow and beyond'. It includes a range of objectives for 2020 - 2030 and aspirations for the 2030s and beyond.</p> <p>Over and above this, council has developed a strategic planning framework that identifies all plans and strategies relevant to achieving the Plan's objectives. Council is also in the process of developing a corporate plan and prioritisation framework to operationalise the Plan and to create a pipeline of prioritised investments (projects).</p> <p>This review focusses on the current planning framework, and is intended to be followed by a post-implementation performance audit in the future.</p>
<p>Audit Objective</p>	<p>The objective of this audit is to:</p> <ul style="list-style-type: none"> ▪ evaluate the strategic planning framework to establish whether the systems and processes being developed align to better practice and are likely to support achievement of intended outcomes in the Plan, and ▪ review the effectiveness of the alignment of the supporting strategic planning and reporting framework to assist achieving of the Plan.
<p>Scope</p>	<p>The scope of this audit will include review of:</p> <ul style="list-style-type: none"> ▪ the completeness and adequacy of key documents and processes as a planning system for the organisation ▪ adequacy of planning for the implementation of strategic objectives (with a focus on whether implementation activities meet the <i>intent</i> of the objectives) ▪ the completeness and effectiveness of linkage between the strategic plan and the Annual Business Plan ▪ the clarity of linkage between how Council sets budgets and achievement of the strategic plan, including over the medium-term ▪ compliance with key requirements from s.122 of the Act.

	<p><i>Note – monitoring and reporting will be excluded from this review, as a new reporting suite is under development. The audit will work to understand the current status of monitoring and reporting.</i></p>
Methodology	<p>In conducting the engagement, the team will:</p> <ul style="list-style-type: none"> ▪ interview key stakeholders to understand key processes, particularly in relation to how strategic objectives drive business operations ▪ obtain and review key documentation and information ▪ understand all elements of the strategic planning framework, and compare against better practice ▪ map/understand how a sample of objectives outlined in the Plan translate to the Annual Business Plan/operational plans/actions, how these are intended to be measured for success and reported on ▪ review the new initiative process for clarity of linkage to strategic objectives ▪ review a sample of larger-scale commitments in the strategic plan and understand how these are approached/budgeted for ▪ assess and make appropriate recommendations to improve the strategic plan implementation processes ▪ identify potential improvements to any aspects of the strategic planning landscape ▪ draft a report summarising findings and recommendations, and ▪ provide a final report for presentation to the Audit and Risk Committee.
Relevant Risks	<p>This audit aligns with Council's strategic risk/s:</p> <ul style="list-style-type: none"> ▪ <i>Risk 11: Lack of Strategic Alignment.</i>

Appendix 2. Overall Control Environment Conclusion Rating Definitions

This internal audit project aimed to assess the controls established to address a key strategic risk or risks as documented in the Executive Summary. Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is one of the following ratings:

Rating	Effective	Majority Effective	Partially Effective	Requires Significant Improvement	Ineffective
Definition	Controls assessed were effective in mitigating the key strategic risk or risks	Controls assessed were largely effective in mitigating the key strategic risk or risks	Controls assessed were partially effective in mitigating the key strategic risk or risks	Controls assessed require significant improvement to mitigate the key strategic risk or risks	Controls assessed were ineffective in mitigating the key strategic risk or risks

Appendix 3. CHB Risk Framework

The method of risk assessment used in this review is based on Council’s Risk Management Framework.

It measures the likelihood of each risk occurring and the consequence of the risk event. From this analysis it is then possible to determine the level of inherent risk (risk without any controls in place) and residual risk (risks when controls are in place). This method of analysis is not an exact science and quite subjective, but it is of value as an indicator and therefore assists in assessing review risks.

Likelihood \ Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

Risk consequence

Level	Impact Scale
1	Insignificant
2	Minor
3	Moderate
4	Major
5	Catastrophic

Appendix 4. Documents reviewed

Below is a list of all the documents reviewed during the internal audit process. The results and recommendations within this report consider the analysis and evaluation of these documents:

CHB documents:

- Annual Business Plan 2023-24
- Annual Report
- Long Term Financial Plan
- Our Holdfast 2050+
- Prioritisation Framework
- Strategic Plan Network Diagram

Better practice documents:

- South Australian Local Government Act 1999

Appendix 5. Staff members interviewed

A list of all the staff members at CHB that were interviewed during fieldwork in preparation for this report.

Title
Chief Executive Officer
Corporate & Service Planning Lead
General Manager Assets & Delivery
General Manager Community and Business
General Manager Corporate & Strategy
Manager Strategy & Governance

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Appendix 6. Areas for strengthening clarity of compliance with the Act

This section includes further detail about the sections where Audit noted minor opportunities to further demonstrate compliance with more administrative sections 122 of the *South Australian Local Government Act 1999*. These are included for information and improvement opportunities going forward.

Section	Requirement	In place?
1(a)(i)	There is a clear indication of the extent to which the council has participated with other councils, State and national governments in setting public policy objectives.	Partial
1(a)(iii)	There is a clear indication of the extent to which the council intends to coordinate with State and national governments and councils or other regional bodies in the planning and delivery of services where there is common interest.	Partial
2(a)	SMP should address the strategic planning issues within the area of Council, with reference to any relevant state planning policy or regional plan under the <i>Planning, Development and Infrastructure Act 2016</i> , and set out Council's priorities for the implementation of planning policies.	No

Appendix 7. Linkage between Strategic Plan and Annual Business Plan

Below is a summary of the results from a sample test of the linkage between Council’s Strategic Plan (SP) and Annual Business Plan (ABP). The sample of 3 objectives per focus area (9 of a total 15) tested from the Strategic Plan and into the ABP was chosen using auditor judgement.

Section of Strategic Plan	Linked in ABP?
Assist the city’s main street precincts in becoming dementia-friendly › The number of businesses recognised as dementia-friendly increases year on year	Partial
Increase participation rates in community engagements across all age groups, particularly under-represented demographics such as children and young people by using methods that are appealing and appropriate › The number of participants in formal engagements increases year on year	Partial
Support businesses to operate in mixed use neighbourhoods to improve local access to goods and services and reduce supply transport distances › The proportion of mixed-use developments increases	Not clear
Prioritise sustainable and active transport (such as walking and cycling) across the city, including by reclaiming streets for play and nature and improving walkability to support healthy ageing › Number of kilometres of street prioritised for active transport increases, measured every five years	✓
Support the creation of safer places by improving the public realm and collaborating with transport providers to increase transport options › Programs supporting community safety are developed and implemented	Partial
Encourage more community gardening, including biodiversity sensitive urban design, in public spaces, applying the long-held knowledge of Kaurna people as well as innovation › Number of community gardening spaces increases each year	✓
Maximise the value of public buildings, including libraries, to support innovation by creating co-working spaces and technology/ prototyping/maker spaces and hubs › Utilisation of Council buildings increases	✓
Partner to establish an innovator/entrepreneur in residence program that includes local schools and encourages life-long learning across the population › Program participation rates trend upwards	Not clear
Partner to facilitate the provision of technology infrastructure to support creative and emerging industries, including mobility as a service, startups and other entrepreneurial activities › Number of start-ups, creative and technology-related businesses in the city increases	Partial

Disclaimers

Inherent limitations

This report has been prepared for the information and internal use of the City of Holdfast Bay in accordance with the scope and objectives outlined in the Executive Summary of this report. The services provided in connection with this engagement comprise an advisory engagement which is not subject to the Australian Auditing Standards or the Australian Standards on Review and Assurance Engagements. Consequently, no express opinions or conclusions have been drawn or intended to convey assurance. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected.

Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures were on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the City of Holdfast Bay's management and personnel. We have not sought to independently verify those sources. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the City of Holdfast Bay. The internal audit findings expressed in this report have been formed on the above basis.

Third party reliance

This report is solely for the purpose set out in the Executive Summary of this report and for the City of Holdfast Bay's information, and is not to be used for any other purpose or distributed to any other party without Galpins' prior written consent. This internal audit report has been prepared at the request of the City of Holdfast Bay or its delegate in connection with our engagement to perform internal audit services. Other than our responsibility to City of Holdfast Bay, neither Galpins nor any member or employee of Galpins undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the City of Holdfast Bay's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

Attachment 5

Attachment 5a - Internal Audit - Complete

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Transport Asset Management	May-22	AM08	<p>2.4 Asset Management Systems.</p> <ul style="list-style-type: none"> - Asset management systems used are fit for purpose. - Opportunities exist to work towards use of advanced system functionality, including thematic GIS mapping and scenario predictive modelling to guide future decision making. 	<p>We recommend that;</p> <p>Rec 8: Investigate the use of thematic GIS mapping to support decision making</p> <p>Note: This is considered a longer-term improvement opportunity, with priority to be considered in the context of other asset management improvement initiatives determined via recommendations 1 and 7.</p>	Better Practice	Complete	GM Assets & Delivery	30/06/2024	<p>Comments June 2022 - Progress in line with Target Completion Dates</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comments October 2023 - review of GIS mapping will be undertaken in alignment with this asset management process review</p> <p>Comments February 2024 - work ongoing and on target for due date</p> <p>Comments - May 2024</p> <p>Completed action - with GIS mapping progressing through continuous improvement, using updated transport data collected 23/24 along with asset data.</p>

Attachment 5b - Internal Audit - In Progress

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Workforce Planning	Feb-21	WFP02	<p>2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives:</p> <ul style="list-style-type: none"> - Workforce planning activities are primarily conducted at a team level with the Manager assuming key responsibility. The General Manager and People and Culture provide input and support. - All Managers interviewed demonstrated an understanding of their team's operational workforce requirements and strategic challenges and identified further the need for strategic and holistic workforce planning across Council. - Specific workforce planning approaches are informal, operational, and teams based. There is opportunity to document critical workforce knowledge. - Alwyndor's Managers have demonstrated awareness of WFP recommendations arising from the Royal Commission into Aged Care Quality and Safety (the Royal Commission) and a desire to ensure compliance. Alwyndor have commenced preliminary planning for a strategic WFP.9 	<p>We recommend that:</p> <p>Rec: 2 - Develop an overarching strategy or framework to guide workforce planning initiatives, specifically including strategic workforce planning at both CHB and Alwyndor. Options to achieve this include:</p> <ul style="list-style-type: none"> - develop a high level standalone workforce plan, framework or strategy that documents the overall workforce planning requirements for CHB and Alwyndor. - link more strategic WFP activities to requirements under Council's existing 'culture' pillar. A suite of supporting documents may then be developed to further outline specific actions in place. <p>NOTE: - Internal Audit consider that WFP is an ongoing process and promote a pragmatic approach to WFP rather than a time-intensive and static document. In addition, this work can be completed in line with Council's draft strategy - Audit understand that directions included in the new Strategy are already broadly known. In addition, Alwyndor's Strategic Plan, through the enabler: People and Culture, includes an action to develop a workforce plan for 2021.</p>	Low	In Progress	Manager People and Culture	<p>30/06/2022</p> <p>30/06/2023</p> <p>30/09/2023</p> <p>31/12/2023</p> <p>31/08/2024</p>	<p>Comments June 2022; - Generic principles of Workforce Planning were determined for both Alwyndor and COHB and approved by the SLT. - Strategic Plan 2050 launched in January 2022. Awaiting development of Corporate Plan to determine workforce planning strategies to support future service delivery/strategic outcomes. - 'Culture Pillar' has now been removed for Council so is no longer applicable. Alwyndor has a separate Strategic Plan, therefore Council's 'Culture' Pillar is not applicable. - WFP strategies to be determined annually from strategic plan and workforce trends within a highly regulated industry. - Timeline for Corporate Plan to be established - approx Dec 2022 (as per SB 22/7/22)</p> <p>Comments September 2022 - Corporate Plan underway - due for completion Dec 2022 - Workforce planning strategy to follow once Corporate Plan established.</p> <p>Comments March 2023 - Will be completed to target due date</p> <p>Comments June 2023 - Work progressing to target due date</p> <p>Comments August 2023 - Corporate Plan being finalised which will then inform this strategic workforce planning.</p> <p>Comments October 2023 - Corporate Plan details now finalised - to be used as a reference by newly appointed Manager P&C over coming months to inform WFP. Extended due date until end of next quarter to allow for transfer/update of information.</p> <p>Comments February 2024 - Workforce strategy to guide workforce planning underway - target for completion 30/06/24</p> <p>Comments - May 2024</p> <p>Work on track to finalise required strategy by due date.</p>
Workforce Planning	Feb-21	WFP03	<p>2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives:</p> <ul style="list-style-type: none"> - Workforce planning activities are primarily conducted at a team level with the Manager assuming key responsibility. The General Manager and People and Culture provide input and support. - All Managers interviewed demonstrated an understanding of their team's operational workforce requirements and strategic challenges and identified further the need for strategic and holistic workforce planning across Council. - Specific workforce planning approaches are informal, operational, and teams based. There is opportunity to document critical workforce knowledge. - Alwyndor's Managers have demonstrated awareness of WFP recommendations arising from the Royal Commission into Aged Care Quality and Safety (the Royal Commission) and a desire to ensure compliance. Alwyndor have commenced preliminary planning for a strategic WFP.9 	<p>We recommend that:</p> <p>Rec: 3 - Complete the planned CHB (not Alwyndor) skills/capability and gap analysis and use this to inform plans to obtain and develop critical skills necessary for delivery of its strategic plan. Example required skills gaps identified may include:</p> <ul style="list-style-type: none"> - service design capability - data analytics 	Low	In Progress	Manager People and Culture	<p>30/06/2022</p> <p>30/06/2023</p> <p>30/09/2023</p> <p>31/12/2023</p> <p>30/09/2024</p> <p>30/11/2024</p>	<p>Comment June 2022; *** This recommendation does not apply to Alwyndor.</p> <ul style="list-style-type: none"> - Skills/Capability Audit was undertaken for the Leadership Team, however, not completed for the rest of the organisation - Strategic Plan 2050 launched in January 2022. Awaiting development of Corporate Plan to determine workforce planning strategies to support future service delivery and strategic outcomes. - Timeline for Corporate Plan to be established - approx Dec 2022 (as per SB 22/7/22) <p>Comments September 2022</p> <p>Corporate Plan underway - due for completion Dec 2022 - Skills capability and gap analysis to follow once Corporate Plan established.</p> <p>Comments March 2023</p> <p>Will be completed to target due date</p> <p>Comments June 2023</p> <ul style="list-style-type: none"> - work progressing to target due date <p>Comments August 2023</p> <ul style="list-style-type: none"> - Corporate Plan being finalised which will then inform this skills/capability audit <p>Comments October 2023</p> <ul style="list-style-type: none"> - Corporate Plan details now finalised - to be used as a reference by newly appointed Manager P&C over coming months to inform WFP. Extended due date until end of next quarter to allow for transfer/update of information. <p>Comments February 2024 - Skills/capability gaps analysis underway - target for completion 30/9/2024</p> <p>Comments - May 2024</p> <p>Extended deadline for completion by 8 weeks to enable finalisation/cross checking of details.</p>
Workforce Planning	Feb-21	WFP06	<p>2.4 Opportunity to ensure critical knowledge is formally documented:</p> <ul style="list-style-type: none"> - Knowledge of key workforce demand/supply gaps is informally held by Managers who are familiar with their operational requirements and market conditions. - Manager turnover may lead to inconsistent approaches to managing these risks and/or missed opportunities to more effectively plan for succession and knowledge documentation/transfer. - There is an opportunity to proactively review demand and supply requirements and associated workforce risks. This will strengthen Council's business continuity and knowledge transfer in the event of a General Manager or Manager leaving Council. 	<p>We recommend that:</p> <p>Rec: 6 - Review whether staff in all positions identified as critical across Council have documented their knowledge/role requirements. Where required and to assist in case of staff turnover/ unexpected leave, ensure that this knowledge is formally documented.</p> <p>NOTE: Management will review the work instructions and procedures for all critical roles, in particular Corporate roles where there is real risk due to lean team structures.</p>	Low	In Progress	Manager People and Culture	<p>30/06/2022</p> <p>31/12/2022</p> <p>30/06/2023</p> <p>30/09/2023</p> <p>31/12/2023</p> <p>30/06/2024</p>	<p>Comments June 2022; Alwyndor Management will review the work instructions and procedures for all critical roles, in particular Corporate roles where there is a real risk due to lean team structures. Business Continuity Planning undertaken for Council, with a high focus during the pandemic. Critical roles have been identified as well as succession planning opportunities. Managers responsible for determine their business processes, as well as ensuring adequate records management processes (ECM introduced in 2020 with appropriate training for all staff) to ensure documentation available for Council. NOTE: Could incorporate reference to critical operational procedures via BCP matrices completed by Managers Feb/Mar 2022.</p> <p>Comments September 2022 - Alwyndor/ Strategy & Governance to progress - no action required from Manager P&C perspective.</p> <p>Comments March 2023 - Will be progressed/finaly reviewed in line with current corporate Manager Finance recruitment.</p> <p>Comments June 2023 - Work progressing to target due date</p> <p>Comments August 2023 - Leadership team review now required to ensure workforce risks have been fully recognised and the relevant internal controls are correctly in place.</p> <p>Comments October 2023 - Newly appointed Manager P&C to review the management process for 'critical position data' - with a view to closing off this action within the next quarter.</p> <p>Comments February 2024 - Critical Positions review underway - target for completion 30/6/2024</p> <p>Comments - May 2024</p> <p>Working to have staff Critical Positions review completed by due date - 30/06/24</p>
Budget Management	Mar-22	BM01.7	<p>2.2 Budget Maturity Assessment.</p> <ul style="list-style-type: none"> - The maturity of Council's budget management practices is majority 'advanced', however there are continuous improvement opportunities. - Opportunities for Council to strengthen its budget management include providing additional funding certainty for multi-year projects, use of indexation to improve the accuracy of depreciation in non-valuation years, and encouraging greater use of system functionality to file calculations, non-financial information and other documents supporting budget lines. 	<p>We recommend that;</p> <p>Rec 1.7 - Investigate options for software to replace the existing Corporate Performance Management (CPM) system.</p>	Better Practice	In Progress	Manager Strategy and Governance with Manager Innovation and Technology	<p>30/06/2022</p> <p>31/12/2023</p> <p>30/06/2024</p> <p>31/12/2024</p>	<p>Comments June 2022</p> <ul style="list-style-type: none"> - Investigate software options to replace the existing CPM module, in order to support the development of the Corporate Planning program and improve corporate and management reporting. <p>Comments September 2022</p> <ul style="list-style-type: none"> - 07/07/2022 - IT-GSC approved prioritisation/scheduling Corp.Planning & Reporting - to start in Sept.2022 - 15/09/2022 - IT-GSC approved contractor for Corp.Planning & Reporting (Lack of resources delayed.) - Current start 30/11/2022 and completion 31/12/2022. <p>Comments March 2023 - linked to the Biz Regs.</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comments October 2023 - AMP workload to be scheduled to ensure all aspects reviewed & completed to timeframe - due Dec 2023.</p> <p>Comments February 2024 - Business Requirements were completed in 2023 and further detailed analysis of reporting requirements is in progress. A preferred product has been identified and a budget bid for implementation in 2024/25 has been completed.</p> <p>Comments - May 2024</p> <p>Work is continuing on the corporate plan, however has been slowed by other priorities.</p>
Transport Asset Management	May-22	AM02	<p>2.1 Forward-planning processes and use of asset management information in strategic decision making</p> <ul style="list-style-type: none"> - There is a clear link between long term financial forecasts included in the AMPs and the budget, annual business plan and long term financial plan (LTFP). - A key gap in the asset management framework for CHB is the absence of an Asset Management Strategy. - CHB has recently had a comprehensive condition assessment undertaken of road assets, which identified average conditions as lower than assumed in the current AMP, indicating a need to increase spending on renewals and maintenance. - There is a focus on increasing the level of proactive maintenance of assets. - Service levels are generally defined quite well, though there are improvement opportunities in the ongoing measurement and tracking of service levels. 	<p>We recommend that:</p> <p>Rec 02: - Review and reconfirm / refine the KPIs in the AMPs to ensure they are measurable and provide useful insights to support decision making. Measure and monitor all selected KPIs, implementing any necessary data collection mechanisms (such as additional questions in the 'Quality of Life Community Survey').</p>	Medium	In Progress	GM Assets & Delivery	30/11/2024	<p>Comments June 2022 - Progress in line with audit report</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date - 2023 Quality of Life survey received to be incorporated into the development and measure of KPIs for AMPs.</p> <p>Comments October 2023 - works progressing on KPIs for AMPs</p> <p>Comments February 2024 - work progressing on KPIs within AMP reviews</p> <p>Comments - May 2024</p> <p>Work progressing on KPIs within AMP reviews</p>

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Transport Asset Management	May-22	AM03		<p>We recommend that;</p> <p>Rec: 03 - A review timetable is introduced for all AMPs, scheduling: - annual updates to the 10-year replacement schedule, associated costings and financial summary based on current asset management data - annual updates to the tables within the Risk and Improvement Plan Appendices (including status of treatment plans) - 4-yearly comprehensive AMP updates within 2 years of each general election. Note: It may not be necessary to annually update all AMPs – the transport AMP is highly material and therefore the most beneficial to update. Updates for other asset classes should be considered on the basis of materiality / effort vs benefit.</p>	Medium	In Progress	GM Assets & Delivery	30/11/2024	<p>Comments June 2022 - Progress in line with audit report</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comment October 2023 - work progressing on the AMP format</p> <p>Comment February 2024 - work progressing on the AMP reviews and formats</p> <p>Comments - May 2024</p> <p>Work progressing on the AMP reviews and formats</p>
Transport Asset Management	May-22	AM04		<p>We recommend that;</p> <p>Rec 4: Asset replacement cost estimates within the AMPs are costed on the basis of the most likely actual replacement design (which may constitute an upgrade), rather than an assumption of like-for-like. Note: costings within the AMP for future planning purposes do not impact on asset revaluations or depreciation calculations for financial reporting purposes. These calculations continue to be based on modern equivalent, like-for-like replacement to ensure that depreciation expense captures the current value of consumption of existing services, not future upgrades).</p>	Medium	In Progress	GM Assets & Delivery	31/07/2023 31/08/2024 30/11/2024	<p>Comments June 2022 - Progress in line with audit report</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - valuation for replacement costs open space assets (2022/23) is currently being completed. Due August 2024. To be implemented in AMP in November 2024.</p> <p>Comments October 2023 - AMPs to be reviewed and timeframes checked to ensure delivery of outcomes - Due August 2024.</p> <p>Comments February 2024 - work ongoing and on target for due date</p> <p>Comments - May 2024</p> <p>To be delivered with Asset Mgt Plans - Nov. 2024</p>
Transport Asset Management	May-22	AM06	<p>2.3 Governance and risk management frameworks.</p> <p>- The majority of effectiveness criteria per the IIMM standards have been met.</p> <p>- There is a need to develop an Asset Management Strategy to provide greater cohesiveness of asset management across asset classes, and improve transparency over the prioritisation of strategies for continuous improvement of asset management maturity at an organisational level.</p> <p>- Asset management risks captured within the AMPs would benefit from annual updates to implementation status of treatment plans.</p>	<p>We recommend that;</p> <p>Rec 6: Develop a costed delivery plan for asset management improvement initiatives identified within the Asset Management Plans. Note: the prioritisation of initiatives should be guided by the principals of the Asset Management Strategy.</p>	High	In Progress	GM Assets & Delivery	30/06/2024 30/11/2024	<p>Comments June 2022 - Progress in line with Target Completion Dates</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comments October 2023 - working towards a costed delivery plan in alignment with the Asset Management Strategy</p> <p>Comments February 2024 - work ongoing and on target for due date</p> <p>Comments - May 2024</p> <p>Timeline realigned to be delivered with Asset Mgt Strategy & Asset Management Plans - Nov. 2024</p>
Transport Asset Management	May-22	AM07		<p>We recommend that;</p> <p>Rec 7: Implement a 4-yearly Asset Management Maturity Self-Assessment process.</p>	Better Practice	In Progress	GM Assets & Delivery	30/06/2024 30/11/2024	<p>Comments June 2022 - Progress in line with Target Completion Dates</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - completed initial maturity assessment as part of AMS</p> <p>Comments October 2023 - working towards Asset Maturity Self-Assessment in alignment with asset management strategy</p> <p>Comments February 2024 - work ongoing and on target for due date</p> <p>Comments - May 2024</p> <p>Completed assessment as part of Asset Mgt Strategy. To be published with Asset Management Strategy - Nov.2024</p>
Transport Asset Management	May-22	AM09	<p>2.4 Asset Management Systems.</p> <p>- Asset management systems used are fit for purpose.</p> <p>- Opportunities exist to work towards use of advanced system functionality, including thematic GIS mapping and scenario predictive modelling to guide future decision making.</p>	<p>We recommend that;</p> <p>Rec 9: Pursue the use of Predictive / Scenario modelling to support long term strategic asset management decisions. Note: This is considered a longer-term improvement opportunity, with priority to be considered in the context of other asset management improvement initiatives determined via recommendations 1 and 7.</p>	Better Practice	In Progress	GM Assets & Delivery	30/11/2024	<p>Comments June 2022 - Progress in line with Target Completion Dates</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comments October 2023 - review this as part of the later asset management framework undertaking</p> <p>Comments February 2024 - will incorporate into upcoming elements of AMP reviews</p> <p>Comments - May 2024</p> <p>Will incorporate into upcoming elements of AMP reviews, undertaking basic scenario modelling to inform transport AMP.</p>
2021/22 EOFY Financial Controls Alwyndor	May-22	FC01	<p>Detailed Findings: 1 ASS-DEB-0013</p> <p>The organisation maintains a Debt Collection Policy and/or procedure.</p>	<p>Rec.Treatment Plan 1:</p> <p>Debt Collection Policy to be created.</p>	Better Practice	In Progress	Manager Finance Alwyndor	31/11/2022 31/12/2023 30/06/2024	<p>Comments September 2022 - Alwyndor does not have a policy or formal documented procedure for Debt Collection.</p> <p>- Outstanding debtors are checked regularly and any aged debtors are followed up.</p> <p>- Risk level considered low, the majority of billing is collected via direct debit.</p> <p>- rarely a need for debt collection procedures.</p> <p>- If debt collection is needed the procedure is determined on a case-by-case basis.</p> <p>Comments March 2023 - Due to low level of risk related to this actions and current workloads of Finance Team, it's agreed to reschedule this until Dec 2023.</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comments October 2023 - work being finalised for due date</p> <p>Comments February 2024 - minor extension required to finalise this piece of work</p> <p>Comments - May 2024</p> <p>On track for completion by end on June 2024</p>
2021/22 EOFY Financial Controls Alwyndor	May-22	FC02	<p>Detailed Findings: 2 ASS-FIX-0003</p> <p>Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.</p>	<p>Rec.Treatment Plan 2:</p> <p>Complete Asset Management Plan</p>	Better Practice	In Progress	Manager Finance Alwyndor	31/03/2023 30/06/2023 31/12/2023 30/06/2024	<p>Comments September 2022 - The development of the Asset Management Plan delayed due to resources - planned for 2022/23.</p> <p>- Scheduled maintenance systems in place to maintain/monitor assets against priorities.</p> <p>- Any damage is logged.</p> <p>- Management of assets is undertaken by a register.</p> <p>Comments March 2023 - Asset Management review commenced, review completion date to 30/06/23</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - extension of time required, due to new recruitment of Financial Manager at EOFY.</p> <p>Comments October 2023 - work being finalised for due date</p> <p>Comments February 2024 - minor extension required to finalise this piece of work</p> <p>Comments - May 2024</p> <p>On track for completion by end on June 2024</p>

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2021/22 EOFY Financial Controls Alwyndor	May-22	FC03	Detailed Findings: 3 ASS-FIX-0013 Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Rec.Treatment Plan 3: Fixed Assets, asset accounting policy to be reviewed	Better Practice	In Progress	Manager Finance Alwyndor	31/03/2023 30/06/2023 31/12/2023 30/06/2024	Comments September 2022 - Ref: 3 - Assets regularly maintained/serviced to a maintenance schedule. - The Financial Accountant provides assessment for new assets, reviewed by Finance Manager. - Finance Manager prepares high level review of useful lives/depreciation methodology every two years. - Independent valuations performed every 5 years. - Asset Management Plan to include review of communication between Finance & Maintenance, - To ensure assets effectively monitored and disposals are appropriately documented. Comments March 2023 - To be included in the Asset Management review which has now commenced, review completion date to 30/06/23 Comments June 2023 - work progressing to target due date Comments August 2023 - extension of time required, due to new recruitment of Financial Manager at EOFY. Comments October 2023 - work being finalised for due date Comments February 2024 - minor extension required to finalise this piece of work Comments - May 2024 On track for completion by end on June 2024
2021/22 EOFY Financial Controls Alwyndor	May-22	FC04	Detailed Findings: 4 ASS-FIX-0014 There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Rec.Treatment Plan 4: Fixed Assets, asset accounting policy to be reviewed	Better Practice	In Progress	Manager Finance Alwyndor	31/03/2023 30/06/2023 31/12/2023 30/06/2024	Comments September 2022 - Ref: 4 - Several methods of verification are in place. - Independent valuations every 5 years. - All capital acquisitions signed off to ensure asset received, and being treated as capital, - Entered into asset schedule with end of month checks ensure asset additions are accurate. - Most assets require regular (at least annual) maintenance recorded in maintenance schedule. - Acts as form of stocktake, assets in maintenance schedule have been reconciled against asset register. - Looking to consolidate the asset ID used in Finance with the asset ID used by Maintenance team. - This will ease monitoring however majority of the control is considered effective Comments March 2023 - To be included in Asset Management review - now commenced, completion date to 30/06/23 Comments June 2023 - work progressing to target due date Comments August 2023 - extension of time required, due to new recruitment of Financial Manager at EOFY. Comments October 2023 - work being finalised for due date Comments February 2024 - minor extension required to finalise this piece of work Comments - May 2024 On track for completion by end on June 2024
2022/23 Flood Mitigation	Feb-23	FM02	2.2 Detailed Findings A need to stocktake progress in implementing SMP actions	We recommend that: Rec.2: - Conduct a stocktake of progress in implementing projects identified in the Stormwater Management Plan Coastal Catchments between Glenelg and Marino 2014 (SMP) and identify whether: - (i) sufficient action taken against these compared to associated risk. - (ii) whether sufficient financial resources associated to achieve CHB's expected progress in delivering the projects. - (iii) an action plan to ensure more timely progress is required, or - (iv) each project (considering updated flood risk modelling) is still required/considered a risk area. Report results to the Senior Leadership Team.	Medium	In Progress	Manager Engineering	31/12/2023 30/06/2025	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter. Comments February 2024 - The SMP review to include this review, and provide recs. to reprioritise projects and funding. Remaining projects prior to renewal are Tarlton/Whyte stormwater upgrade, Gilbertson Gully restoration and Harrow Road GPT. Recommend timeframe to change to 30/6/25, inline with SMP. Comments - May 2024 Same comments as February 2024
2022/23 Flood Mitigation	Feb-23	FM03	2.3 Detailed Findings Further encouraging rainwater tank installation/stormwater compliance measures	We recommend that: Re. 3: - Develop a strategy to ensure existing and new rainwater and stormwater detention facilities are installed and maintained correctly. This in line with the Planning, Development and Infrastructure (2016) Act's requirements (as applicable), and CHB's Stormwater Drainage Building and Construction Policy (2020). This may include but is not limited to: (i) - researching/understanding the extent of non-compliance with detention tank installation and risks of non-compliance on stormwater flooding (ii) - confirming that tanks that meet criteria set out in the Code are installed. (iii) - requiring builders to advise owners of their responsibility to install tanks (where applicable). (iv) - offering further incentives associated with tank installation on existing properties (v) - use of education on the importance of installing tanks. (vi) - regular inspection of tank installation and detention installation. (vii) - use of an enforcement/penalty-based approach when tanks / detention are not installed as per approved plans.	Low	In Progress	Manager Engineering/ Manager Development Services	30/06/2024 31/12/2024	Comments June 2023 - work not yet commenced - to be completed in time to inform the FY26/27 budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - A rainwater tank incentive trial was completed in 2022/23 to test uptake of rainwater tank improvements. Outcomes identified that grant incentives did not have the desired outcomes on a large scale. - Stormwater Drainage Building and Construction Policy is being reviewed prior to December 2024. - Compliance, installation, inspections are the responsibility of the Development team. Recommend timeframe to change to 30/12/24, inline with policy renewal. Comments - May 2024 Same comments as February 2024
2022/23 Flood Mitigation	Feb-23	FM04	2.4 Detailed Findings Coastal 'inundation' management is long term, some need to clarify asset ownership	We recommend that: Rec.4: -Pending confirmation of whether ownership of seawalls rests with CHB or the SA Government, review whether: (i) - seawall assets should be included in the Asset Management Plan. (ii) - ongoing monitoring and maintenance of seawall infrastructure is captured adequately in CHB's asset management system.	Low	In Progress	Manager Engineering	30/06/2024 30/06/2025	Comments June 2023 - work not yet commenced - as part of the AMP update Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - Asset ownership of seawalls on a regional scale is being discussed through the 'SA Climate Ready Coasts' joint project by the LG/SA Government/Councils. Outcome of program will include Coastal Adaptation Planning Standards for SA including consistency of governance such as asset ownership throughout the state. - Seawalls are to be excluded from AMP until ownership is resolved at a state level. - Design is continuing for the most at risk seawalls (Glenelg North). To be completed this FY. Recommend timeframe to change to 30/6/25, inline with timeline of the new standards. Comments - May 2024 Same comments as February 2024 - above actions progressing. EMs workshop on topic - 18/06/2024
2022/23 Flood Mitigation	Feb-23	FM05	2.5 Detailed findings Opportunity for proactive condition assessments and oversight of third parties	We recommend that: Rec.5: - Identify the stormwater drains/assets identified as being at higher risk of failure and use this to prioritise proactive condition assessment of these assets. Captured information can then be used to inform proactive maintenance of stormwater infrastructure going forward.	Medium	In Progress	Manager Engineering	30/06/2024	Comments June 2023 - work not yet commenced subject to budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - Condition inspection still in progress. Original timeframe over 3 years 2022/23, 2023/24, 2024/25. On-track to be completed this FY. - Once completed the data from the inspection will inform future condition assessments of pipes. - Condition inspection identified serviceability issues, which are being actioned. - Currently developing a CCTV register to capture historic condition and serviceability data on underground pipes. Comments - May 2024 Above actions progressing; Inspection to be completed EOFY; Serviceability issues to be resolved EOFY; CCTV register completed.
2022/23 Flood Mitigation	Feb-23	FM07	2.6 Detailed Findings Operational maintenance of infrastructure occurs, some minor improvements identified	We recommend that: Rec. 8: Review the Yarrum Grove maintenance schedule and ensure that Field Services have oversight of these requirements.	Low	In Progress	Manager Engineering	30/06/2024 30/09/2024	Comments June 2023 - work not yet commenced - connect to the BMS and provide alarms/training for field staff Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - No progress on this action. Comments - May 2024 Review has begun; - contacted key stakeholders to review existing maintenance practices and preferred structures.

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2022/23 Complaints Handling	May-23	CH02	1.1 Detailed Findings CHB complaints handling framework vs. better practice principles	Recommendation 2: Create an internal procedure that details the complaint process workflows and provides step by step instructions to enable staff to understand expected complaint handling processes and to implement these processes consistently and effectively.	Medium	In Progress	Manager Customer Experience & Library Services	30/06/2023 30/09/2023 30/06/2024	Comments August 2023 - draft in place, reviewing over next 2-3 months Comments October 2023 - draft in place, reviewing over next 2-3 months Comments February 2024 - draft internal procedure has been tested with CE Team and training plan being developed by 30/06/24 Comments - May 2024 Training being developed for 30/06/2024
2022/23 Complaints Handling	May-23	CH03		Recommendation 3: Implement a sample-based approach to conducting quality assurance and review of complaints. This may occur at regular intervals, for example quarterly or six-monthly.	Medium	In Progress	Manager Customer Experience & Library Services	30/06/2023 30/09/2023 30/06/2024	Comments August 2023 - initiated, review will be undertaken in 3 months Comments October 2023 - initiated review of samples from RMS, process successful. RMS Project Team also monitoring and refining process. Continuing to review quarterly. 1st report in January 2024. Comments February 2024 - RMS data tested in Jan.2024 and reported to SLT. Progressing to provide quarterly reports by 30 June. Comments - May 2024 Quarterly reports will be finalised for 30/06/2024.
2022/23 Complaints Handling	May-23	CH04		Recommendation 4: Consider strengthening requirements for significant contractors to report on complaints received from CHB residents in relation to their services. For example, this may cover waste management, after hours call centres, immunisation services. This can help CHB to have a fuller picture of complaints received relevant to their services/areas of responsibility.	Medium	In Progress	Manager Customer Experience & Library Services	30/06/2023 30/09/2023 30/06/2024	Comments August 2023 - conducting a review of the implementation of this recommendation and how to differentiate between contractor service level issues and complaints Comments October 2023 - conducting a review of the implementation of this recommendation and how to differentiate between contractor service level issues and complaints. Refining process with Managers. Aim to be in place end of financial year. Comments February 2024 - liaison with managers to ensure completion of work for 30 June 2024. Comments - May 2024 Complaints process will be completed for 30/06/2024
2022/23 Complaints Handling	May-23	CH05		Recommendation 5: Generate reports to enable review of CHB's complaint handling performance. This can include detail on complaint numbers, complaint by division, timeliness of resolution, and outstanding escalated complaints. Provide these reports to managers for review and discuss the findings as regular items on executive meeting agendas.	Medium	In Progress	Manager Customer Experience & Library Services	30/06/2023 30/09/2023 30/06/2024	Comments August 2023 - partially implemented, meetings with Project Mgt team undertaken and now monitoring complaints handling data received over next quarter, this will enable progression of the recommendation. Comments October 2023 - partially implemented, meetings with Project Mgt team undertaken and now monitoring complaints handling data received over next quarter, this will enable progression of the rec. Provide 6 Monthly report in Jan2024. Comments February 2024 - meetings being held to progress and test data to provided a 6 monthly report by 30 June. Comments - May 2024 Reports will be in place by 30/06/2024
2022/23 Complaints Handling	May-23	CH06		Recommendation 6: Develop complaint handling training, for example as part of induction training and refresher training schedules. Training can cover the definition of complaints, complaints handling processes, communication approaches and tone.	Medium	In Progress	Manager Customer Experience & Library Services	30/09/2023 30/06/2024	Comments August 2023 - being developed and will be informed by the data input over coming 3 months Comments October 2023 - being developed and will be informed by the data input over coming 6 months. Training program developed to be provided from March 2024 Comments February 2024 - on track - training due for rollout during March 2024 with completion of the program by end of June 2024. Comments - May 2024 Training & program development in place by 30/06/2024

Attachment 5c - Internal Audit - Not Yet Implemented

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2022/23 Flood Mitigation	Feb-23	FM01	2.1 Detailed Findings A framework to manage flooding is in place, there's opportunity to review Stormwater Management Plan	We recommend that: Rec. 1: - After updated flood modelling/risk data is received from the State Government, review the Stormwater Management Plan. This can include updated action items/projects for achievement, based on the latest modelling data. Note - this recommendation will be dependent on agreement with the City of Marion and the Stormwater Management Authority.	Low	Not Yet Implemented	Manager Engineering	30/06/2024 30/06/2025	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter. Comments February 2024 - The Stormwater Management Plan has been proposed as a new initiative for 2024/25. With discussion with Marion, they have agreed to co-fund the project for 2024/25 if approved by Council. Comments - May 2024 Same comments as February 2024
2022/23 Flood Mitigation	Feb-23	FM05	2.5 Detailed findings Opportunity for proactive condition assessments and oversight of third parties	We recommend that: Rec. 6: - Develop an approach, for example via two-way liaison, to obtain assurance that Minda's current management of stormwater is effective. <i>Note: the intent of this recommendation is for CHB to have assurance that it will not be unexpectedly impacted by a failure in stormwater asset controls at Minda. Minda may also benefit from two-way discussion with CHB on this matter. If CHB attempt to open liaison and Minda is not forthcoming in engaging, then this recommendation will be considered closed.</i>	Medium	Not Yet Implemented	Manager Engineering/ Manager Development Services	30/06/2024 30/06/2025	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - no progress on this action. Risk and criticality will be further explored in the SMP. Recommend timeframe to change to 30/6/25, inline with SMP. Comments - May 2024 Same comments as February 2024
2022/23 Flood Mitigation	Feb-23	FM06	2.6 Detailed Findings Operational maintenance of infrastructure occurs, some minor improvements identified	We recommend that: Rec.7: - Define the maintenance requirements for CHB's Water Sensitive Urban Design (WSUD) assets and plan an approach to ensure these are maintained in line with industry standards.	Low	Not Yet Implemented	Manager Field Services	30/06/2024 30/09/2024	Comments June 2023 - work not yet commenced - for implementation in FY 2024/25 budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - No progress on this action. Relatively low priority in comparison to other actions. Comments - May 2024 Will review - relatively low priority in comparison to other actions.
2022/23 Flood Mitigation	Feb-23	FM08		We recommend that: Rec. 9: - Work to increase clarity around cost management of Gross Pollutant Traps, in particular: (i) - ensure that ongoing maintenance costs are included as part of forward planning for new GPTs, and (ii) - work to clarify cost recovery arrangements for GPT cleaning with the City of Marion.	Low	Not Yet Implemented	Manager Field Services	30/06/2024 30/09/2024	Comments June 2023 - work not yet commenced - noted as 'ongoing' - need to clarify Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - No progress on this action. Comments - May 2024 Will review - relatively low priority in comparison to other actions.

Item No: 9.3

Subject: RISK REPORT – JUNE 2024

Summary

A review of the Strategic Risk Register and high operational risks was undertaken in line with Council's Risk Management Policy and ISO31000 (2018), to ensure an accurate reflection of the current risk position across the business, scoping both business risks and opportunities.

Recommendation

That the Audit and Risk Committee notes this report.

Background

As per the updated ISO31000 (2018) guidelines, both risks and related opportunities were captured and reviewed by the Senior Leadership Team (SLT) whilst using *Our Holdfast 2050+* and supporting business plans for reference.

Report

Pursuant to Council's Risk Management Policy all strategic risks, and all extreme and high operational risks are required to be reported to the Audit and Risk Committee.

A review of risk data for April to June 2024 has resulted in no movement on the previous quarter.

The resulting twelve-month Corporate Risk Profile Overview (Table 1) and Corporate Risk Profile Movement (Table 2) are shown below. These show the Inherent (I) and Current (C) risk ratings once controls are applied.

The full register detail for '*Strategic and High Level Operational Risk*' is presented for noting and is attached to this report.

Refer Attachment 1

Table 1: Corporate Risk Profile Overview - 12 Months to June 2024

Period	Jul to Sep 2023		Oct to Dec 2023		Jan to Mar 2024		Apr to Jun 2024		Risk Movement current quarter
	I	C	I	C	I	C	I	C	
Extreme	7	0	7	0	7	0	7	0	-
High	28	5	31	6	32	8	32	8	-
Medium	54	47	55	51	55	50	55	50	-
Low	17	54	17	53	17	53	17	53	-
Total	106	106	110	110	111	111	111	111	

Table 2: Corporate Risk Profile Movement – 12 months to June 2024



Strategic and ‘Extreme/High’ Rated Operational Risk Reviews

The risks currently detailed in the strategic risk register and those rated as high from the operational risk register have been reviewed for 2023-24 - Quarter 4 and are summarised in Table 3.

Table 3 – Risks with Current Rating of HIGH – April to June 2024

	I	C	R
Strategic Risk SC01 Inability to respond and recover effectively from disruptive events. <i>Business Continuity Plans updated, and exercise scheduled for August 2024</i>	E	H	M
Strategic Risk SC07 Inability to effectively implement strategic projects. <i>Reviewed due to contractor scarcity, as materials now more readily available</i>	E	H	M
Strategic Risk SC09 Ineffective management of legislative/regulatory obligations and ongoing changes <i>Raised uncertainties - LGA Reforms, Elected Members & Administration</i>	E	H	M
Strategic Risk AD01 Poor or ineffective management of the impacts of climate change <i>Addressed actively at local and metropolitan level - a long-term high risk issue</i>	E	H	M
Operational Risk: AM02 Asset Management Plans with high-risk actions (to be completed within 1 year) <i>Asset Mgt Strategy & Plans being finalised, with completed asset risk assessments</i>	H	H	M
Operational Risk: MA03 Failure of work scheduling processes - <i>Field Services</i> <i>Increased workload, expectation & delivery pressures</i>	H	H	M

New/Emerging Risks and Opportunities

Risk and opportunity discussions were held with our SLT during mid May 2024. These discussions detailed a quarterly review of new and/or emerging risks, including areas previously identified in order to consider them for inclusion in the strategic and/or operational risk registers.

As a result, the issues listed below were identified as aligning to existing risks:

- ***Project management*** - linked to strategic risk SC07
Being tightly managed. Contractor scarcity factors remain however raw materials/ supplies are now recognised as being more readily available.
- ***Financial hardship*** - linked to strategic risk SC08
Continued pressure across the community and business from cost of living, impacts on customer services and challenges for compliance.
- ***Staff attraction and retention*** - linked to strategic risk SC10
People & Culture team finalising workforce planning data over next few months, this will inform recruitment priorities and workplans.
- ***Community wellbeing/open space*** - linked to strategic risk CB01
Recurring discussion on issue of homeless, going into the winter season. Overnight parking occurrences and related issues being monitored by Community Safety and continuing to partner with agencies.
- ***Expansion of Jetty Road, Glenelg*** – linked to strategic risk SC07
Overseen by the Project Control Group and being closely monitored as a major project, linked to local economic risk, revenue loss and key reputation risk, with an impact on rates for local taxpayers.

New and emerging risk areas to be monitored going forwards were identified as:

- ***Business Sustainability*** – remains a current risk discussion with issues being managed via the hardship relief mechanism and being monitored closely going forwards.
- ***Local Civil Unrest*** – potential for increased negative effects, escalating from financial hardship across the community with added impacts resulting from winter/cold weather.
- ***ESCOSA Review*** – Uncertainties resulting from 2025-26, when Council will be subject to review under the ongoing local government rates oversight scheme.

New areas of potential/future opportunity were reviewed, with the following being identified;

- ***Artificial Intelligence (Generative AI)*** – reference to, and growing awareness of, the capabilities and potential opportunities that AI can bring to the workplace. Noted a need to embrace the positive side of this where possible, within recognised parameters.

- **External Funding Opportunities** – with SA State elections in March 2026, there may be funding opportunities over coming months. Need to monitor and maximise those that align to our strategic plans.

2023-24 Work Program

In addition to the regular risk reviews and SLT discussion sessions, the risk management work program has seen the following progress;

- Emergency Risk Management
 - review/update of Council's emergency management related documentation
 - attendance at the SES storm exercise meeting 7th June 2024.
- Project Management
 - review of risk elements initiated, and will be progressed alongside migration onto new project management system/portal.
- Ongoing Operational Risk Register reviews for:
 - Strategy and Corporate Directorate
 - CEO, Community and Business Directorate and
 - Alwyndor.
- Facilitation of an Elected Member workshop later in the year to identify and set the corporate 'Risk Appetite'.

Budget

There are no budget implications associated with this report.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Not applicable

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate , Ms S Wachtel

Attachment 1

Item No: 9.4

Subject: **DRAFT 2024-25 ANNUAL BUSINESS PLAN AND LONG TERM FINANCIAL PLAN 2024-34 COMMUNITY ENGAGEMENT RESULTS**

Summary

At its meeting on 23 April 2024, Council resolved to release the Draft 2024-25 Annual Business Plan and the Long Term Financial Plan 2024-34 for consultation. The consultation period for both plans was from 24 April to 17 May 2024.

The Draft 2024-25 Annual Business Plan included the strategically and financially significant project to transform Jetty Road Glenelg. The Project's Prudential Report had identified funding as a key risk (specifically, that Council required a funding model to fund the project) and recommended community engagement on a funding mechanism.

Historically, response rates to Annual Business Plan consultations are low. Given this, a statistically reliable survey was commissioned from Intuito Market Research, to ensure Council had additional information regarding community sentiment about the project and, specifically, the funding model being proposed. The survey was undertaken between 24 April and 17 May 2024, during the consultation period.

While the survey returned high levels of support for the project and more support than not for the funding model, the consultation feedback raised a range of concerns about debt levels, who should pay and Council's ongoing sustainability. In response to these concerns, an independent review was commissioned from Galpins (Accountants, Auditors and Business Consultants). This review (which is provided as an attachment herein) confirmed the underlying assumptions as being appropriate and found that there is no threat to Council's sustainability from the proposed funding model.

A workshop was held on 4 June 2024, at which the results of the consultation and survey were provided to the Elected Members and Council will be considering this consultation feedback on 11 June 2024. Outcomes from that Council meeting will be provided to the Audit and Risk Committee meeting on 12 June 2024. This report provides information for the Committee to consider the 2023-24 Annual Business Plan and Budget and Long Term Financial Plan 2024-34 to see if this satisfies Council's financial sustainability and performance measures.

The final 2024-25 Annual Business Plan is scheduled to be provided for Council consideration at its meeting on 25 June 2024.

Recommendation

That the Audit and Risk Committee:

- 1. notes the results of the consultation and recommended responses related to the Draft 2024-25 Annual Business Plan and draft Long Term Financial Plan 2024-34 including the feedback on the Transforming Jetty Road Project and funding model; and**
 - 2. notes that the Draft 2024-25 Annual Business Plan and Budget and Long Term Financial Plan 2024-34 satisfies Council's financial sustainability and performance measures and supports its presentation to Council for adoption.**
-

Background

At its April meeting the Audit and Risk Committee noted the Draft 2024-25 Annual Business Plan and Long Term Financial Plan 2024-34 and supported their presentation to Council for community consultation. Council subsequently released both Plans for consultation at its meeting on 23 April 2024. The consultation period for both Plans was from 24 April to 17 May 2024.

The Draft 2024-25 Annual Business Plan included the strategically and financially significant project to transform Jetty Road Glenelg. The Project's Prudential Report had identified funding as a key risk (specifically, the possibility of Council deciding to not fund the Project) and recommended community engagement on a funding mechanism.

Council, on 23 April 2024, based on the Audit and Risk Committee's recommendation, adopted that the Net Financial Liabilities Ratio be increased from 75% to 100%.

Historically, response rates to Annual Business Plan consultations are low. Given this, a statistically reliable survey was commissioned from Intuito Market Research, to ensure Council had reliable information regarding community sentiment about the Project and, specifically, the funding model being proposed. The survey was undertaken between 24 April and 17 May 2024, during the consultation period.

Report

Under section 123 of the *Local Government Act 1999*, before council adopts its annual business plan, it must:

- Follow the relevant steps set out in its public consultation policy;
- Inform the public of its Annual Business Plan and invite them to:
 - attend a public meeting or a meeting of council to ask questions and make submissions,
 - make written submissions within a period, which must be at least 21 days.

After considering:

- any submission made to the council during the public consultation period, and
- any new or revised information in the possession of the council that is relevant to the material contained in the draft annual business plan, and
- such other materials or information as the council thinks fit

Council may adopt its annual business plan, with or without amendment.

In order to meet requirements, the following activities were undertaken:

- a period of consultation from 24 April to 17 May 2024;
- Council invited deputations for its meeting of 14 May 2024, and heard submissions from four people; and
- an additional statistically reliable survey to ensure Council had information about the community's views on the Transforming Jetty Road Project and, specifically, the proposed funding model.

Community Consultation

From 24 April – 17 May 2024, consultation was undertaken and promoted via:

Digital Channels:

- email to YourHoldfast database and business databases (8,297 subscribers)
- Holdfast News e-newsletter (2,437 subscribers)
- home pages of the City of Holdfast Bay and YourHoldfast websites
- Social Media posts.

Analogue Channels:

- direct contact with resident groups (also provided with detailed Operating Budget)
- via Brighton Civic Centre, libraries, community centres, Bay Discovery Centre and Alwyndor
- posters and large screen for print copies in libraries and Brighton Civic Centre
- Public Notice advertisement in The Advertiser
- media opportunities.

Formal consultation concluded on 17 May 2024, however feedback continues to be received and will be monitored and responded to once Council has adopted the 2024-25 Budget, per standard practice. This report considers all feedback up until 22 May from 110 respondents, at which time analysis commenced.

Total responses submitted within the consultation period totaled 82 (compared to 13 last year). Up until 22 May 2024 an additional 28 responses were received. All of the verbatim responses received in this period are not attached, however can be made available if requested.

Via the Your Holdfast webpage there were:

- 669 visitors with 1,136 views (compared to 381 visitors and 543 views last year)
- 361 downloads of Draft Annual Business Plan (compared to 288 last year)
- 53 formal responses (compared to 10 last year).

There were 57 responses via email and phone contacts (compared to three last year).

Of the 110 submissions, there were 69 that were in some way not supportive of the Transforming Jetty Road Glenelg project, or an increase in rates above CPI. Through the general consultation there were 27 submissions in favour of the Project and the additional rate, citing benefits including:

- improved pedestrian areas, lighting, safety and traffic management;
- improved stormwater (less flooding) and more greening; and
- revitalising the street, which needs an upgrade.

As responses to the consultation were qualitative rather than quantitative and of significant volume, they were analysed using a qualitative analysis tool. This enabled an unbiased summary of the responses received to be produced.

The summary of the 82 responses received in the consultation period is:

Many residents have expressed concerns about the financial impact on ratepayers, questioning whether there has been adequate consultation and transparency from the council.

With the cost of living rising, some feel Council should show more financial restraint rather than take on significant debt that will burden future generations. Others note that the main beneficiaries of the upgrades appear to be Jetty Road businesses and visitors, not local residents.

There are also concerns that issues like homelessness, public safety, and existing infrastructure repairs should take priority over beautifying a tourist precinct.

Council has stated the 2.3% above CPI rate increase will fund the Jetty Road project over 2-3 years, but council financial documents forecast it lasting 4-5 years. Some residents have called for a wider survey and new consultation given the last one occurred in 2017 when economic conditions were different.

Overall there is significant opposition from this respondent group to the proposed funding model for the Jetty Road upgrades. Many urge the Council to halt or revise the project in light of rising debt levels and the cost of living crisis impacting ratepayers.¹

The summary of the 110 responses received until 22 May 2024 was the same as the text above plus:

However, some respondents in this respondent group have expressed support, arguing investment is needed to boost tourism and economic activity.

Major themes raised during the consultation period included:

- Level of debt
- Cost of living

¹ Dovetail User Interviews Summary. Input consisted of de-identified comments received within the consultation period. Comments were input as received, without any editorial or other changes.

- Transforming Jetty Road Glenelg
 - Financial model
 - Consultation
 - Who benefits and who should pay

A summary of the major themes raised and recommended responses is attached.

Refer Attachment 1

A small number of other issues were raised, including:

- Transport
- Parks and reserves
- Economic development and activation
- Climate change
- Planning
- Glenelg Football Club debt.

It should be noted that part-way through the consultation period external claims were distributed widely, resulting in many later submissions responding to these claims rather than the direct content of the draft 2024-25 Annual Business Plan or draft Long Term Financial Plan 2024-34.

Survey Results

The survey, undertaken by the independent market research company Intuito, was conducted from 24 April to 17 May 2024. 507 surveys were completed via the following methods:

- 402 Resident ratepayers surveyed
 - Mostly face-to-face intercepts (3 by telephone);
- 105 Businesses surveyed (owners and employees)
 - Online and face-to-face (no telephone).

The survey is statistically reliable. When 400 in any population is surveyed it provides a 95% confidence level of a 2-5% margin of error (i.e. if you ran the same study twice in a short period of time, you can be 95% confident that the results will be within the margin of error).

The survey results are:

- 68% of respondents (348 people) knew about the Transforming Jetty Road, Glenelg project;
- 70% of residents (280 people) and 77% of businesses (81 people) believed that Jetty Road Glenelg needed upgrading.

The surveys also showed support for the 2.3% additional rate increase (on top of increases to reflect inflation) by 49% of residents with 37% unsupportive. Businesses were 37% supportive and 38% unsupportive. The main report from Intuito Market Research is attached.

Refer Attachment 2

Other information

Council received and noted a petition on 28 May 2024, totaling 44 valid signatures, opposing a 7.1% increase to rates and seeking independent consultation on the Transforming Jetty Road Glenelg project.

Administration is aware of other canvassing that has been undertaken within the community, including by the Honourable David Speirs MP and the 5049 Coastal Community group.

Workshop

A workshop was held with Elected Members on 4 June 2024, at which the results of the consultation and survey were provided to them. The full suite of comments received and a comprehensive report on the survey are provided as attachments to this report (refer earlier attachments).

Council, on 27 February 2024 noted and received the Prudential Report for the Transforming Jetty Road project. As some of the findings out of the report have been noted through the consultation period, the author of the report, Mr Mark Booth from BRM Advisory went through some of the important aspects of the report and answered any questions that Elected Members had. He verbally advised that once Council formally considers the results of the consultation and the additional survey, it will have met all the requirements of section 48(2) of the Local Government Act. He advised he would confirm this in writing, if requested, once the consultation has been considered by Council.

Council will formally consider all feedback received on 11 June 2024 and the Committee will be advised at the meeting, the outcomes of the Council meeting.

Draft Budget Financial Performance and Position

The 2024-25 draft budget was developed on the assumptions and parameters discussed at Council workshops held in February and March 2024 and meets Council's financial sustainability and performance measures. The Draft 2024-25 Annual Business Plan and associated Draft Long Term Financial Plan 2024-34 were then reviewed by the Audit and Risk Committee at their 15 April 2024 meeting.

As a reminder, the municipal draft budget features:

- a 7.1% general rate revenue increase plus growth for new development. This comprises a 4.8% rise in line with December Adelaide CPI and an additional 2.3% rise to fund the first stage of the Transforming Jetty Road, Glenelg project.
- an operating surplus of \$958,677 for Council's municipal activities.
- capital expenditure of \$22 million comprising, \$8.5 million on renewal and replacement of existing assets, \$12.4 million for new and upgraded assets and \$1.1 million for employee costs capitalised.
- Alwyndor and Jetty Road Mainstreet budgets to be self-funding.

Several key financial indicators have been prepared to ensure this budget meets Council's adopted targets:

Measure – Municipal Activities	Target	Budgeted Result	Comments
Operating Result <i>Operating revenue less operating expenditure</i>	≥ 0	\$958,677 surplus	Draft result
Net Financial Liabilities Ratio <i>Total liabilities less financial assets as a percentage of operating revenue</i>	≤ 100%	90%	Current (2023-24 forecast) ratio is 71%. Increase in ratio due to new borrowings (\$11m) required to fund proposed (2024-25) capital new initiatives.
Interest Cover Ratio <i>Net interest expense as a percentage of operating revenue</i>	≤ 5%	2.9%	Increased due to additional borrowings, but still within range.
Asset Sustainability Ratio <i>Capital expenditure on renewal of existing assets as a percentage of planned Asset Management Plan expenditure</i>	90% to 110%	114%	Requirement for additional renewal works identified, resulting in a higher percentage.

For Alwyndor activities the financial measures are as follows:

Measure – Alwyndor Activities	Target	Budgeted Result	Comments
Operating Result	≥ 0	\$617,490 surplus	Draft result
Net Financial Liabilities Ratio	≤ 75%	37%	Current (2023-24 forecast) ratio is 39%. This ratio includes Aged Care Facility deposits which are recorded as current liabilities.
Interest Cover Ratio	≤ 5%	0.2%	

Transforming Jetty Road, Glenelg Project

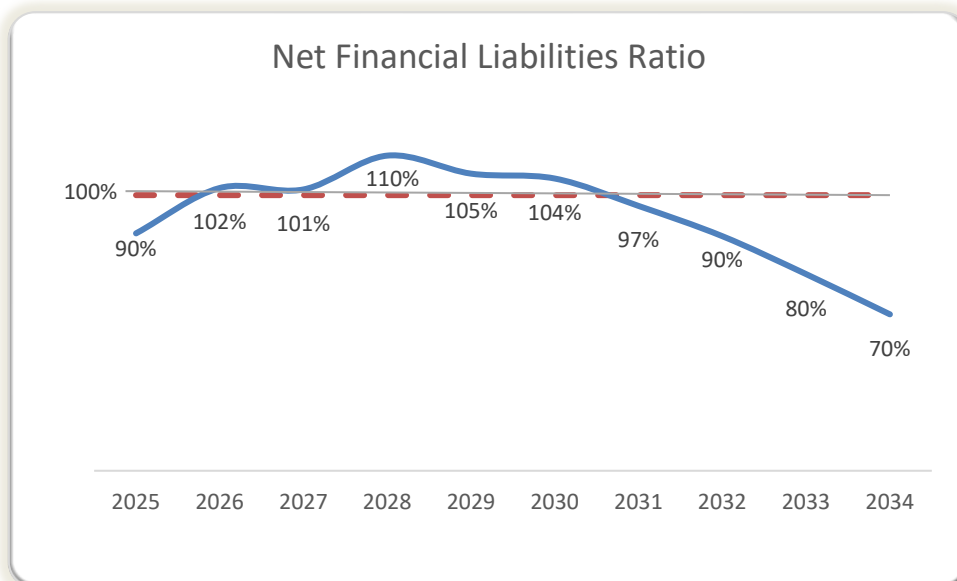
As confirmed through the consultation process the centrepiece of the Draft 2024-25 Annual Business Plan (ABP) is the Transforming Jetty Road, Glenelg project. This multi-million dollar project will start in spring this year and continue for three years.

To help fund this \$40 million project Council has secured a \$10 million grant from the Australian Government to help deliver the Coast zone of the project with the remaining \$30 million to be funded by Council. This will require increased borrowings over the next three years but will enable the costs of the project to be shared fairly between current and future users.

As this is a significant amount it will have an impact on council's total borrowings, however, the cost associated with borrowing an initial \$10 million for the first stage has been taken into consideration when preparing the draft 2024-25 budget. This has resulted in the requirement

for an additional 2.3% increase above CPI in rate revenue, with similar increases expected over the following two years for the remaining stages of the Project.

During the consultation process concerns were raised on the validity of this funding model with a number of questions raised on whether this increase would be sufficient to repay the debt incurred. The Draft Long Term Financial Plan 2024-34 (LTFP) demonstrated how a rate rise above CPI of 2.3% in each of the next three years would be sufficient to repay both principal and interest repayments on a \$30 million, 15 year-term, fixed rate loan. A declining Net Financial Liabilities Ratio over the life of the LTFP confirms this.



In response to the concerns raised in the major themes on the financial aspects, it was viewed as prudent to arrange an independent review of the funding model and how these new borrowings are accounted for in both the ABP and LTFP. To this end Tim Muhlhausler, Director at Galpins (Accountants, Auditors and Business Consultants), was engaged to undertake this review.

In concluding his review Mr Muhlhausler confirmed that the ‘proposal is clearly and transparently detailed within the LTFP’ and that the proposed rate increases ‘have the effect of permanently raising the base level of rates revenue for council by approximately \$3 million, enabling the repayment of borrowings related to the Project over the long term’.

Refer Attachment 3

Long Term Financial Plan

The draft Long Term Financial Plan 2024-34 was reviewed by the Audit and Risk Committee at its meeting on 15 April 2024. Currently it remains unchanged however, if the Annual Business Plan is amended by Council as a result of consideration, it will be updated and brought back to this Committee for a final review.

Refer Attachment 4

2024-25 Annual Business Plan

A revised version of the 2024-25 Annual Business Plan is attached for consideration. There are two sections in this version that are yet to be updated. There is one section that will describe Council's response to the community engagement and a yet-to-be-updated Mayor's Message. These sections are not material to the scope of the Audit and Risk Committee's remit regarding Council's financial sustainability and performance measures.

Refer Attachment 5

Budget

The cost of production of the 2024–25 Annual Business Plan and Long Term Financial Plan 2024-34 and associated community engagement is met within the current budget

Life Cycle Costs

This report does not have any direct full lifecycle cost implications.

Strategic Plan

Statutory compliance

Council Policy

The Council Community Consultation and Engagement Policy is relevant to this report.

Statutory Provisions

Section 123 of the *Local Government Act, 1999* (the Act) sets out the requirements for the development of the Annual Business Plan.

Written By: Manager Finance and Corporate; and Service Planning Lead

General Manager: Strategy and Governance, Sharon Wachtel

Attachment 1

Draft 2024-25 Annual Business Plan and draft Long Term Financial Plan 2024-34

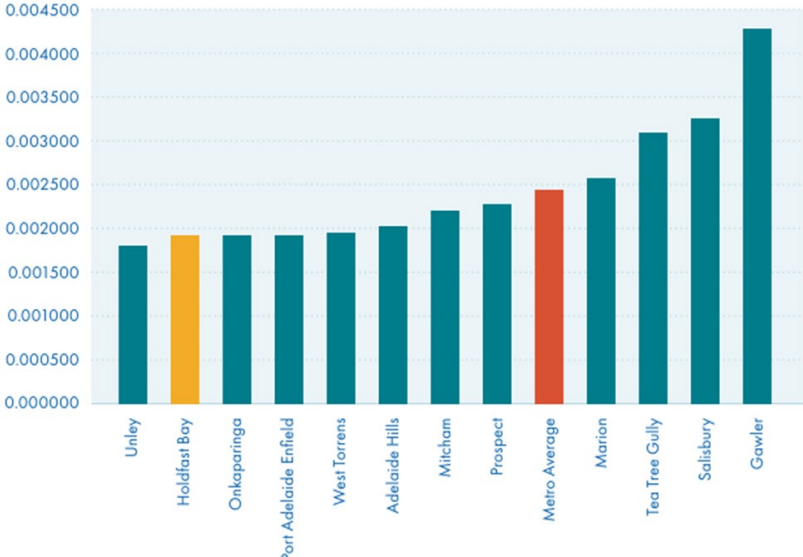
Summary of concerns raised through consultation and recommended responses.

The following table provides a summary of concerns raised through the consultation process up until 22 May 2024.

Many of these concerns were based on information from external claims and not directly from the Draft 2024-25 Annual Business Plan and draft Long Term Financial Plan 2024-34.

Most were related to the Transforming Jetty Road, Glenelg project and its impact on both Plans.

Concern Raised	Recommended Response		
<p>There has not been enough consultation on the Project.</p> <p>Some said every resident should be consulted on the project (a referendum should be held).</p> <p>There has been no consultation on the funding model.</p>	Prior and proposed consultation on the Transforming Jetty Road, Glenelg project has included		
	Stage of Project	Engagement Undertaken	Minimum Requirement
	Masterplan	3 stages of engagement	1 stage of engagement
	Stage 1 Delivery – Chapel Plaza and Bouchée Walk	Engaged on design Engaged on road closure	Design* Engagement on road closure
	Funding Model	Engaged via ABP Additional survey	Engagement via ABP
Stage 2 Design and Delivery	Still to come...	Design* Engagement on any changes to roads	
	<ul style="list-style-type: none"> - On 27 March 2024 the Project was launched, and engagement commenced (noting at this point that specific increases in rates will be required). - On 4 April 2024 the probable rate increase is released and reported in the media (explicitly stating that a \$41 project specific rate increase per average household is proposed for 2024-25 – with similar amounts over the following two years). - The Annual Business Plan and Long Term Financial Plan consultation, including consultation on the funding model ran from 24 April to 17 May. - Council commissioned an additional survey on the project and specifically on a increase in rates of 2.3% . This survey was conducted from 24 April to 17 May. - Transforming Jetty Road engagement continues through the life of the project (per above). - The authors of the Prudential Report for the Transforming Jetty Road, Glenelg project have verbally confirmed that once Council formally considers the results of the consultation and the additional survey, it will have met all the requirements of section 48(2) of the Local Government Act. 		

Concern Raised	Recommended Response																												
<p>It does not benefit residents (especially those not close to Jetty Road) and mostly visitors go to Jetty Road</p> <p>The State Government and/or Jetty Road businesses and landlords should pay for the project</p>	<ul style="list-style-type: none"> - Council has a duty under the <i>Local Government Act</i> to manage for the whole of the city. - The independent community survey conducted by Council showed that 76% of residents currently visit Jetty Road, Glenelg weekly or more often. - The survey also showed that 69% of residents believed the Project would have long term benefit for residents. - Traders and property owners contribute via their rates and pay a 62% premium above residential rates. - Spending, which often includes borrowings, for major projects takes place across the city. - The Australian Government is contributing \$10 million to the Coastal Zone. - Grant funding has been sought, including extensively from the State Government without success to date. 																												
<p>Concerns were raised about the current cost of living and the impact the 2.3% would have on less well-off residents</p>	<ul style="list-style-type: none"> - Council has considered this and has empathy for those who are less well off. - Options are available for those experiencing financial hardship. - Council’s Financial Hardship Policy and Procedure have been revised and will be considered by the Audit and Risk Committee on 12 June 2024 - City of Holdfast Bay currently has some of the lowest rates in the dollar in metropolitan Adelaide, meaning that for a comparable valued property, rates in the City of Holdfast Bay are lower than other Council areas in metropolitan Adelaide. <p style="text-align: center;">2023–24 COMPARISON RATE IN THE DOLLAR – RESIDENTIAL</p>  <table border="1" data-bbox="987 735 1787 1294"> <caption>2023–24 Comparison Rate in the Dollar – Residential</caption> <thead> <tr> <th>Council Area</th> <th>Rate (in the Dollar)</th> </tr> </thead> <tbody> <tr><td>Unley</td><td>0.001800</td></tr> <tr><td>Holdfast Bay</td><td>0.001900</td></tr> <tr><td>Onkaparinga</td><td>0.001900</td></tr> <tr><td>Port Adelaide Enfield</td><td>0.001900</td></tr> <tr><td>West Torrens</td><td>0.001950</td></tr> <tr><td>Adelaide Hills</td><td>0.002000</td></tr> <tr><td>Mitcham</td><td>0.002200</td></tr> <tr><td>Prospect</td><td>0.002300</td></tr> <tr><td>Metro Average</td><td>0.002400</td></tr> <tr><td>Marion</td><td>0.002600</td></tr> <tr><td>Tea Tree Gully</td><td>0.003100</td></tr> <tr><td>Salisbury</td><td>0.003300</td></tr> <tr><td>Gawler</td><td>0.004300</td></tr> </tbody> </table>	Council Area	Rate (in the Dollar)	Unley	0.001800	Holdfast Bay	0.001900	Onkaparinga	0.001900	Port Adelaide Enfield	0.001900	West Torrens	0.001950	Adelaide Hills	0.002000	Mitcham	0.002200	Prospect	0.002300	Metro Average	0.002400	Marion	0.002600	Tea Tree Gully	0.003100	Salisbury	0.003300	Gawler	0.004300
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Concern Raised	Recommended Response
<p>There were claims made that the 2.3% project increase will continue for up to five years (not three).</p> <p>The 2.3% will not be enough to make principal repayments on the \$30 million loan</p>	<ul style="list-style-type: none"> - The Long Term Financial Plan clearly shows the 2.3% above CPI increase in three financial years, not five. - The 2.3% increases above CPI will create capability in the rates raised to pay interest and principal for the borrowings of \$30m over the 15 year term. - The draft 2024-24 Annual Business Plan and the draft Long Term Financial Plan 2024-34 have been reviewed by the Audit and Risk Committee, that includes three independent members who recommended both Plans to Council. - To provide further assurance the financials in the draft 2024-24 Annual Business Plan and the Long Term Financial Plan 2024-34 have been examined by the Galpins (Accountants, Auditors and Business Consultants) and have been found to be sound.
<p>The level of debt required to fund the project is not sustainable and was identified as Extreme Risk in the Prudential Report</p> <p>Debt will hamper future projects in other areas.</p> <p>Debt exceeds reasonable limits.</p> <p>Risk of interest rate rises has not been considered.</p> <p>Assets will be required to be sold off to fund the debt</p>	<ul style="list-style-type: none"> - Current levels of Council debt are \$12-13 million. - Debt will reach \$30 million when Council completes all current projects. - The loan for the Transforming Jetty Road, Glenelg project will have a fixed interest rate for 15 years. - The draft Long Term Financial Plan 2024-34 shows the debt being paid down over the life of the Plan. - It clearly shows that rates will then go back to increases of CPI after the three year period. - The draft Long Term Financial Plan 2024-34 shows a 'worst case' scenario for levels of debt and makes allowances for managing risks. - The Prudential Report identifies that the continuation of the Project is only at Extreme Risk if funding is not allocated by Council (i.e. it would then not proceed). If Council decides to fund the project, then this Extreme Risk rating ends. - The draft 2024-24 Annual Business Plan and the draft Long Term Financial Plan 2024-34 have been reviewed by the Audit and Risk Committee, that includes three independent members who recommended both Plans to Council. - To provide further assurance the financials in the draft 2024-24 Annual Business Plan and the Long Term Financial Plan 2024-34 have been examined by the Galpins (Accountants, Auditors and Business Consultants) and have been found to be sound. - The Prudential Report and the assurances sought from the Galpins confirm that increasing borrowings as proposed is sustainable and within the general limits set within Local Government. - There is no need to sell assets to pay back borrowings, indeed no assets sales have been shown in the Draft Long Term Financial Plan 2024-34.

Attachment 2

Community engagement on the Jetty Road Glenelg Master Plan Report

City of Holdfast Bay

24 May 2024

Intuito
MARKET RESEARCH



Contents

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1. Introduction

We are pleased to be able to provide this market research report to the City of Holdfast Bay on a survey we conducted to gauge the attitude of residents (ratepayers) and businesses toward a 3-year rate increase to fund the Transforming Jetty Road Glenelg Project.

The brief

Council is interested in obtaining a representative opinion from residents (across all age groups and suburbs) on their support for Council's \$30 million funding of the Transforming Jetty Road Project. There is a potential that those living outside of Glenelg may not be as willing to assist with funding through increased rates for a period of 3 years because it doesn't affect them directly or they do not regularly visit Jetty Road Glenelg. This research was designed to capture the views of a fair representation of all ratepayers.

Council is proposing in 24/25 to increase rates by 7.1% which comprises 4.8% which aligns with CPI, along with a 2.3% increase for the Transforming Jetty Road Project, and Council anticipates an increase at a similar level for two further years for the Transforming Jetty Road Project.

The core question that is requiring an answer from a representative sample of residents / ratepayers is:

- Are ratepayers comfortable paying for the Transforming Jetty Road Glenelg Project in the form of increased rates for the next three years?

Other questions:

- Do ratepayers think Jetty Road Glenelg needs an upgrade?
- What value do residents of the area place on improving safety, lighting, appeal of the main street, placemaking, greening, and the ability for more activation to provide entertainment and attractions for residents?

Market research objectives

The overarching objective of this study is to determine if most ratepayers are comfortable paying for the Transforming Jetty Road upgrade in the form of increased rates for the next three years. Specific objectives included:

- Level of acceptance that Jetty Road Glenelg needs to be upgraded (it is important) for the benefit of residents and visitors.
- Level of acceptance that ratepayers should pay for the upgrade.
- Level of acceptance that Jetty Road Glenelg will be more appealing / safer / greener / better activated at the conclusion of the Jetty Road Master plan upgrade.
- Level of acceptance that this upgrade will ensure the Council area is more attractive as a residential area to live, work and play.
- Residents will be more likely to visit Glenelg for their shopping, dining, and entertainment needs because it will be modern, safe, and vibrant.
- Gauge the level of understanding of the communication around the redevelopment including timing and stages.
- Gauge the level of understanding that the Council has been successful in gaining 25% funding through the Federal Government (thus reducing the reliance on ratepayer contributions).
- Will ratepayers accept a 2.3% increase to their rates for the coming year specifically to fund the Transforming Jetty Road Project, and an increase at a similar level for two further years?

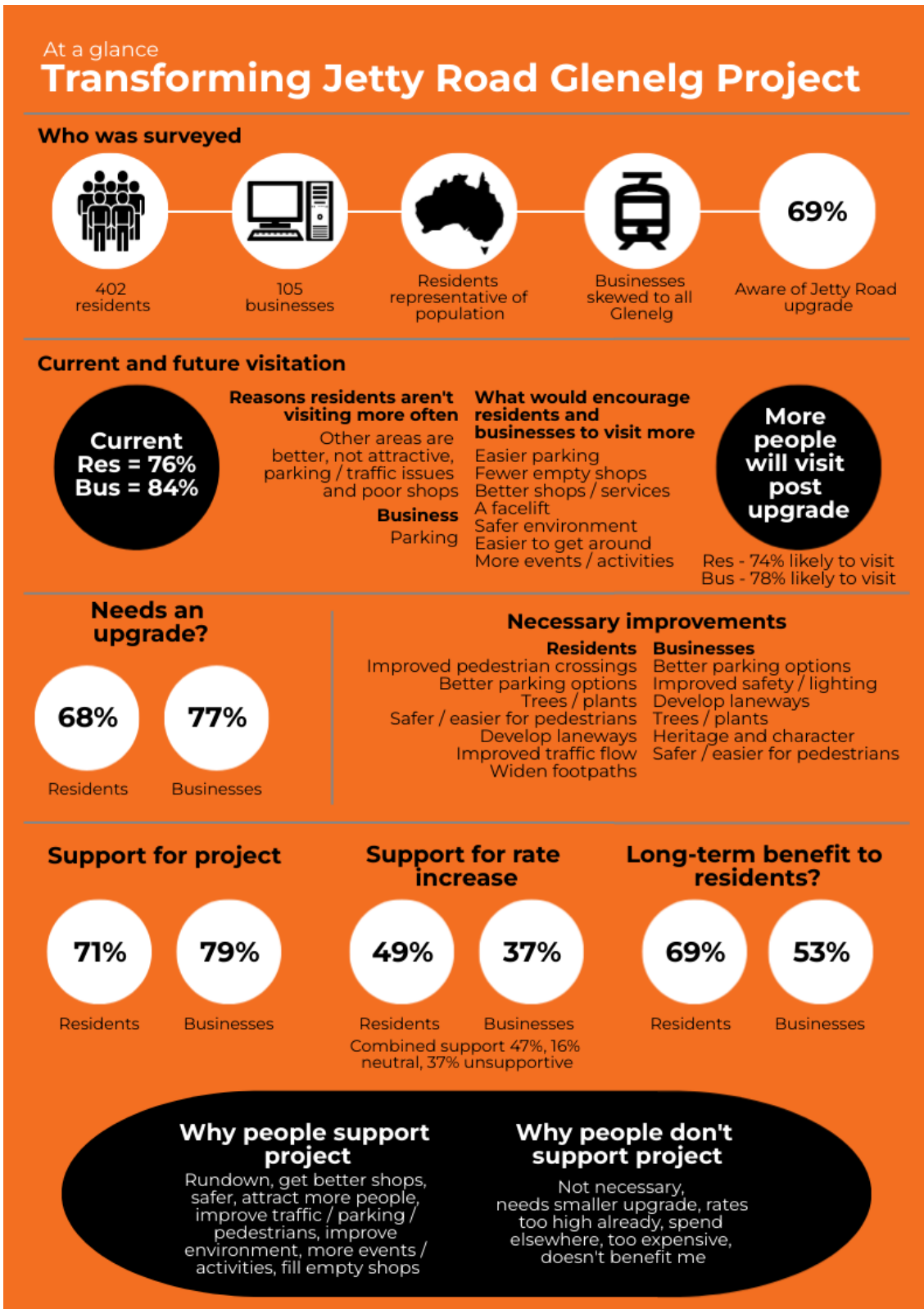
Specifically, Council seeks to understand the above based on age of resident and residential location as there will be variability of attitudes within the city.

Methodology

We conducted the survey face-to-face with residents and we used a combination of online and face-to-face for businesses. As outlined in our proposal we achieved a sample of 402 residents and 105 businesses. The surveys were similar but with slight word changes depending on the cohort and we report on them together in this one document. We have sampled as close to the population breakdown as possible noting that the younger age brackets are extremely difficult to survey face-to-face even though our interviewers worked longer days than usual to capture this demographic.

Interviewing began on Wednesday, 24th April, 2024 and was completed by Friday, 17th May, 2024.

2. Findings at a glance



3. Executive Summary

About the respondents

Residents were from a mix of suburbs across the city with a good mix of the length of time they have lived in the area. 55% of those in this surveyed have lived in the City of Holdfast Bay for less than 10 years, 15% for 11-20 years and 30% over 20 years. 49% were employed and 43% retirees and 8% in other employment. There was good mix of household income with approximately 50% earning less than \$100,000pa and 50% over \$100,000pa. There was a slight skew to females and all age brackets were represented in accordance with the population except for under 30-year-olds that were slightly under represented.

Businesses were skewed toward Glenelg locations but there was a representation from each of the city's suburbs. 43% of businesses have operated for up to 10 years, 21% for 11-20 years and 36% more than 20 years. 58% of the businesses employed 1 – 19 people and 42% more than 20, most had turnovers of less than \$2 million pa. 32% of all businesses were retail, 23% accommodation & food, 17% rental, hiring and real estate services, 13% health care and social assistance, 9% professional services.

Awareness of the upgrade

69% of residents and 68% of businesses claimed to be aware of the Jetty Road upgrade before this survey. Residents and businesses in Glenelg were more likely to know about it than others.

Visitation to Jetty Road, Glenelg

There is high visitation amongst residents with 76% indicating they visit weekly or more often compared to 69% of businesses. Of businesses, there were another 14% that work on Jetty Road Glenelg taking the visitation to 84%.

Reasons for not visiting more often

70 people who visit monthly or less often were asked why they don't visit more often. Amongst residents the main reasons were other areas are better / easier, no interest / lacks attractiveness, parking / traffic issues and shop selection is poor.

10 business respondents talked about parking issues or simply not being interested or close by.

What would encourage people to visit more often

This question was asked of all residents and businesses. For residents the following would encourage people to visit more often:

- fewer empty shops
- easier parking
- better selection of shops / services / activities
- cleaner / needs a facelift
- a safer environment
- more accessible
- more events and activities

For businesses:

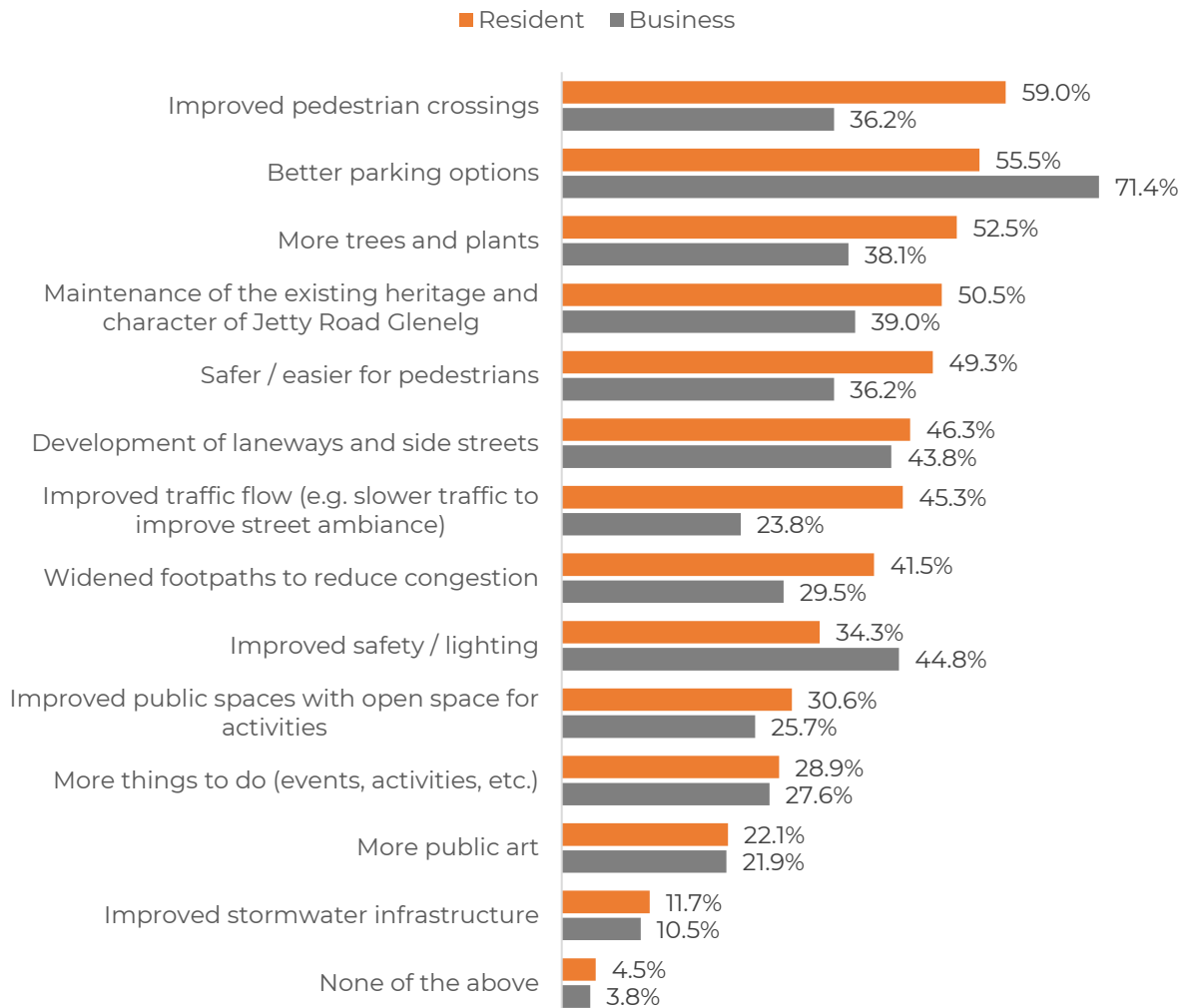
- easier parking
- better selection of shops / services / activities
- cleaner / needs a facelift
- safer
- fewer empty shops

Percentage that believes Jetty Road Glenelg needs an upgrade

70% of residents believe it needs an upgrade compared to 77% of businesses.

Necessary improvements to Jetty Road, Glenelg

There were slight differences between residents and businesses. Residents are more likely to nominate access issues, pedestrian crossings, better parking options, improved traffic flow, widened footpaths, improved safety / lighting whereas business were more focussed on parking issues and development of laneways / side streets. Both cohorts are also interested in the maintenance of the heritage and character of the main street and greening.



Support for the project

When asked how supportive residents and business are of the project, business was slightly more supportive than residents. Across both demographics the support is very strong.

Residents

Unsupportive	Neutral	Supportive
7.4%	21.8%	70.9%

Businesses		
Unsupportive	Neutral	Supportive
8.3%	12.5%	79.2%

We net promoter scored the above and residents was a positive 12 and business was a positive 25.

Reasons for support

Residents

Upgrade needed
 Attract more shops
 Safety / remove homeless
 Attract more people to area
 Improve accessibility
 Improve environment
 More activities / events

Businesses

Upgrade needed
 Attract more people to area
 Attract more shops
 Improve environment
 Improve accessibility
 Improve safety
 Will be a positive for all

Reasons for lack of support

Residents

Not necessary
 Smaller upgrade needed
 Rates too high already
 Too expensive

Doesn't benefit me

Businesses

Not necessary
 Money should be spent on safety

Likelihood of increased visitation

Residents are slightly more likely to visit Jetty Road Glenelg more often post an upgrade than businesses (using the mean scores but looking at likelihood below there are more businesses likely).

Residents		
Not likely	Neutral	Likely
7.5%	18.9%	73.6%

Businesses		
Not likely	Neutral	Likely
7.3%	14.6%	78.1%

Supportive of a rate increase of 2.3%

Residents are slightly more supportive than businesses. When we add both residents and businesses together 46.7% are supportive compared to 37% who are unsupportive. Support is greater in the younger cohorts (18-54 years) and those living nearby (Somerton Park, Glenelg, Glenelg North, and Glenelg South) and high-income earners. Those who are unsupportive are more likely to be 55+ years, low-income earners and those living further away from Glenelg including Brighton and south of Brighton.

Businesses more supportive are Glenelg and Brighton businesses. Businesses not supportive tend to be from Somerton Park, Glenelg East, North and South, North Brighton, and Hove.

Residents		
Unsupportive	Neutral	Supportive
36.8%	13.9%	49.2%

Businesses		
Unsupportive	Neutral	Supportive
38.1%	24.8%	37.1%

Combined total		
Unsupportive	Neutral	Supportive
37.1%	16.2%	46.7%

Will this upgrade benefit residents long term?

69% of residents think there is a benefit compared to only 53% of businesses.

Conclusions

Clearly this project is divisive within the City of Holdfast Bay but the majority believe Glenelg needs an upgrade. Those that are unsupportive of this project still acknowledge that a smaller project to clean up Glenelg is needed they are just opposed to the quantum of the expenditure for the Transforming Jetty Road Glenelg project thinking overall that \$40 million expenditure is not necessary.

Residents and businesses acknowledge that there is safety, parking, pedestrian, traffic flow, footpath congestion and lighting issues with Jetty Road Glenelg. Residents are more inclined to highlight accessibility and pedestrian safety issues whereas businesses are more inclined to focus on better parking options, improved lighting, and overall development of the area to attract more tourists and residents to the area.

Overall support for the project is high amongst both cohorts (seven out of ten or higher) with more people promoting the project than detracting. But more importantly there are only small percentages of residents and businesses that are unsupportive (7.3% of residents and 8.3% of businesses).

Naturally support for a rate increase in a cost-of-living crisis does not have the support of all residents but 49% of residents support assisting with the funding through rate increases over the next three years and 37.1% of businesses support it too. The support outweighs the unsupportive at 36.8% for residents but is equal for businesses at 38.1%. It should be noted that business is doing it tough now suffering too from the cost-of-living crisis as we have seen recently with the bi-annual business survey for the City of Holdfast Bay.

Overall support (residents and businesses combined) is 46.7% compared to 37.1% who are unsupportive and a further 16.2% who are neutral (neither supportive nor unsupportive). Most residents (69%) accept that this upgrade will benefit residents long term and so do 53% of businesses.

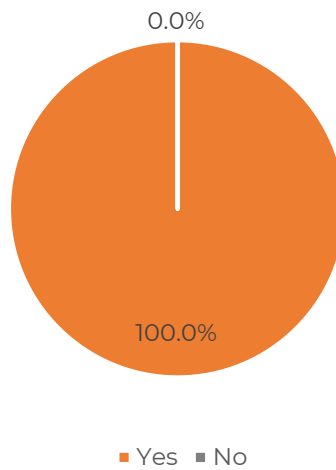
4. Key Findings

Most questions were asked of both residents and businesses, but in two different surveys, because of this some question numbers are different between the two cohorts. These have been indicated question by question as we go through the key findings.

Screeners questions

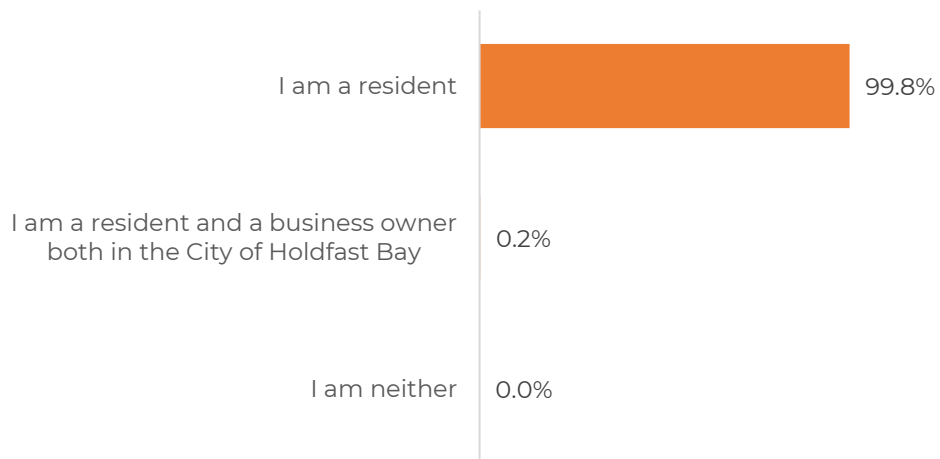
Residents – Q1. Are you aged over 18?

Are you aged over 18?



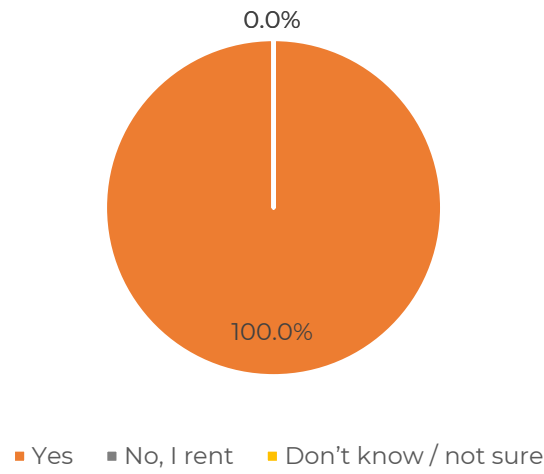
Residents – Q2. Do you live in the City of Holdfast Bay?

Resident or business? n=402



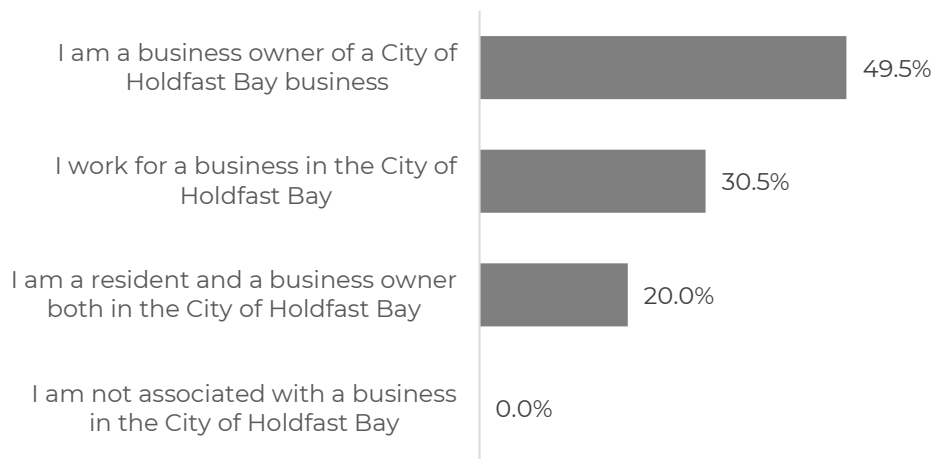
Residents – Q3. Are you or your household ratepayers?

Are you or your household ratepayers? n=402



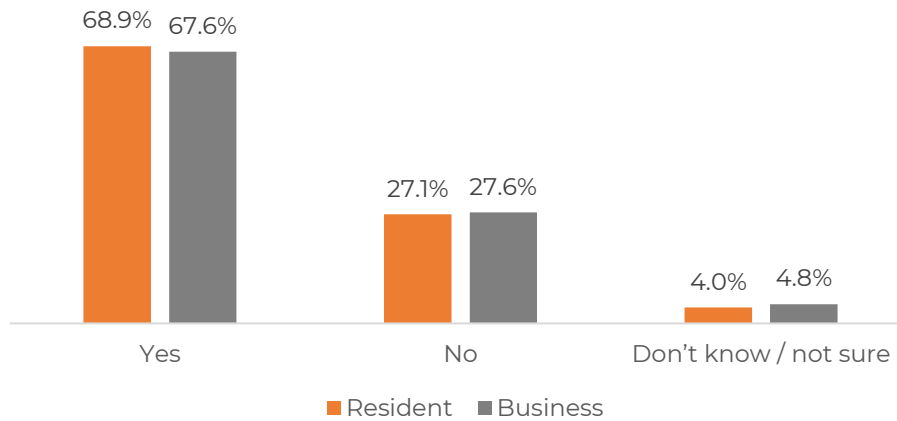
Businesses – Q1. Are you a business owner in the City of Holdfast Bay?

Business owners n=105



Q6: Were you aware before now that this upgrade had been announced?
(Business survey Q4. Were you aware before now that this upgrade had been announced?)

Awareness of the Jetty Road upgrade
n=402 R, n=105 B



Two thirds of residents and businesses were aware of the Transforming Jetty Road Glenelg Project before they participated in this survey.

Those residents more likely to have been aware are those living in Glenelg, those who have lived in the City of Holdfast Bay for more than 20 years, retirees, those earning less than \$50,000pa and \$150,000+pa and residents aged 55-74 years.

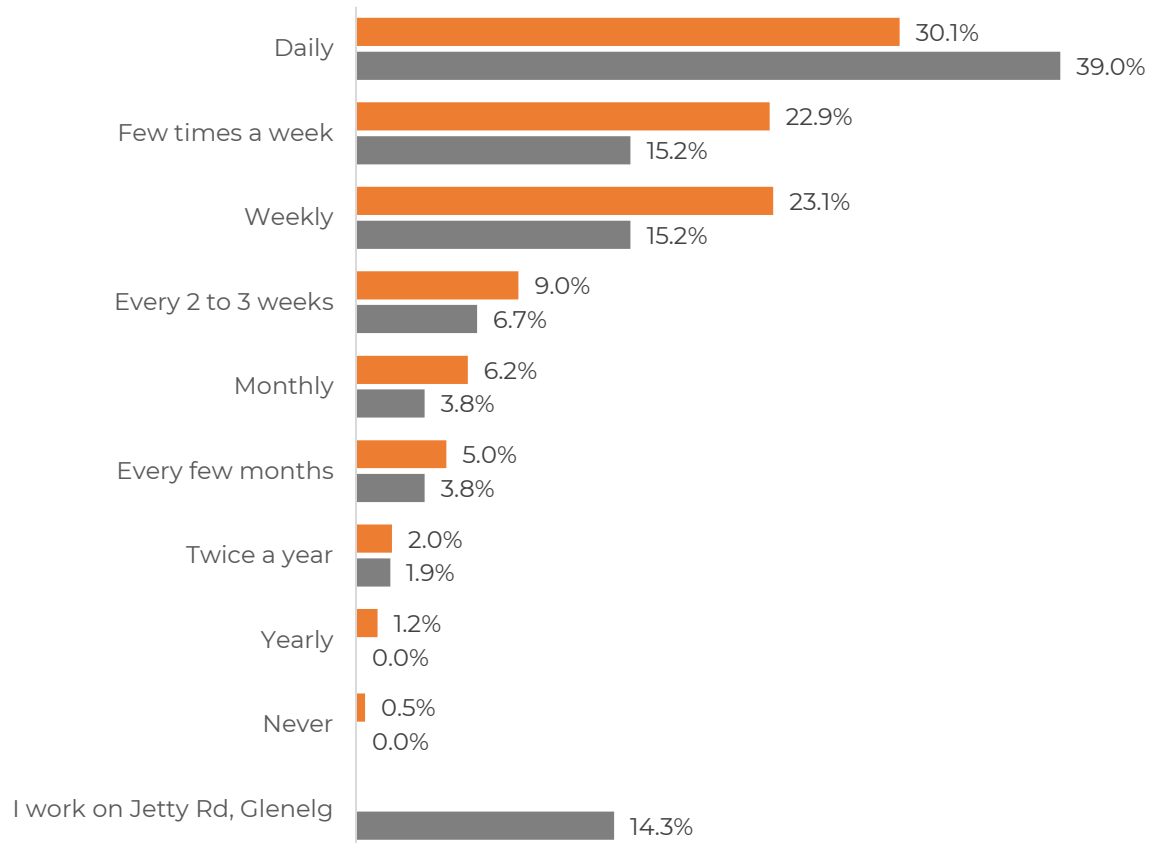
Those businesses more likely to have been aware are those operating in Glenelg and Glenelg South, those businesses that have operated for 5-10 years and 20+ years, those employing one person and 20-49 people, those businesses with \$1-\$2 million turnover and \$5million+ turnover, and those in retail, rental, hiring and real estate, wholesale, and construction.

Q7: How often do you visit Jetty Road, Glenelg?
 (Business survey Q5. How often do you visit Jetty Road, Glenelg?)

Frequency of visitation to Jetty Road, Glenelg

n=402 R, n=105 B

Resident Business



There is very high visitation to Jetty Road Glenelg with 76% of the residents surveyed visiting weekly or more often compared to 69% of businesses. Of businesses there were another 14% that work on Jetty Road Glenelg taking the total visitation for businesses to 84%.

Q8: You stated that you only visit monthly or less often, why don't you visit Jetty Road, Glenelg more often?

(Business survey Q6. You stated that you only visit monthly or less often, why don't you visit Jetty Road, Glenelg more often?)

There was a total of 70 responses to this question and we have grouped common themes as follows:

Resident responses

- Other areas are better / easier (19 comments)
- No interest / lacks attractiveness (18 comments)
- Parking / traffic issues (15 comments)
- Shop selections (10 comments)
- Too crowded (4 comments)
- Other (4 comments)

Other responses included:

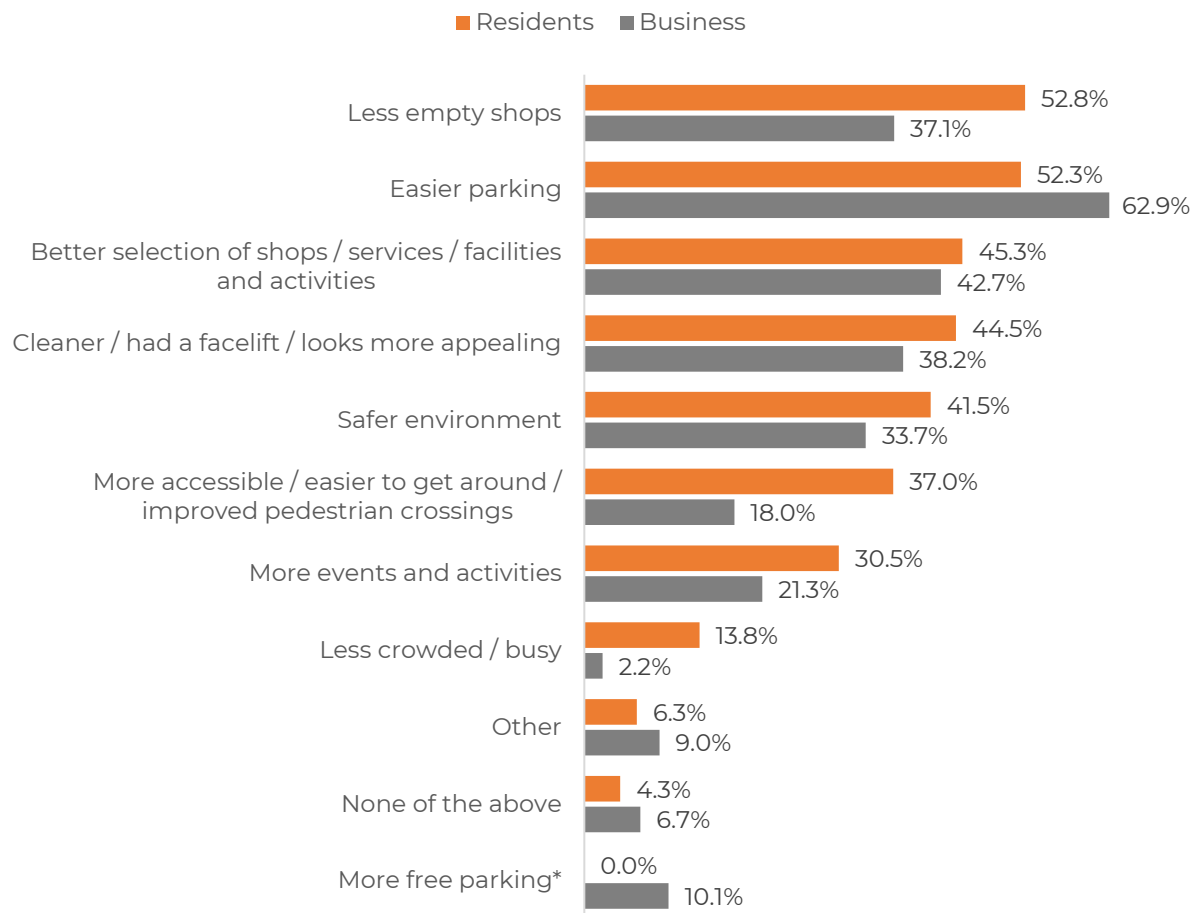
- Only when I have visitors
- Too many homeless people
- Too dumpsy
- Too touristy

Business responses (n=10)

- Better shops
- I previously worked and lived in Glenelg. I went to Jetty Road almost daily. Now I live further South and it is more convenient to go to Jetty Rd Brighton, plus I prefer the cafes there. I also enjoy the Brighton esplanade for walking.
- I work in the city
- It's too hard to get a park. We need more free parking.
- Marion Westfield and Jetty Road Brighton are closer to me.
- Not interested
- Not interested
- Parking difficult. Banks are not open long enough
- Parking issue and the range of shops along jetty road don't appeal to me
- The rent is too high for quality restaurants. The only places that survive are high turnover chains. I've heard it described as a cultural void

Q9: Which of the following would encourage you to visit more often?
 Choose all that apply.
 (Business survey Q7. Which of the following would encourage you to visit more often?)

What would encourage you to visit more often?
 n=402 R, n=105 B



*More free parking was a theme we picked up from the other options on this question and only from businesses. They see paid parking as a big detractor to visiting Jetty Road, Glenelg.

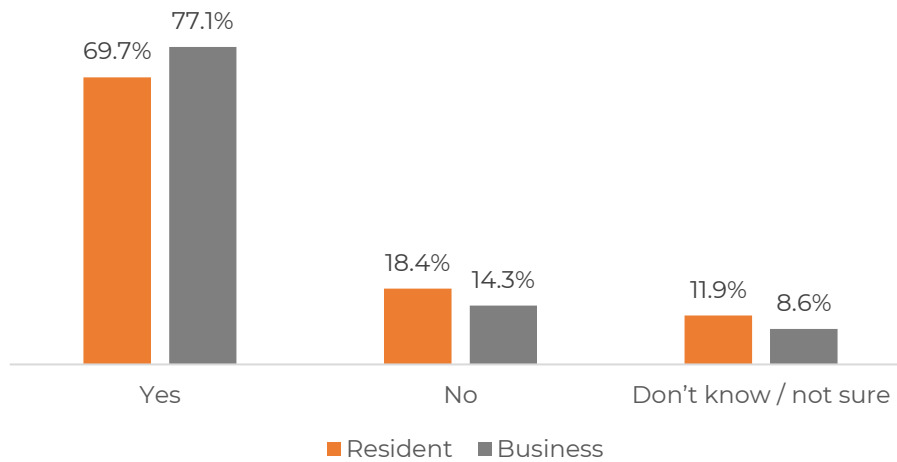
For residents, less empty shops, easier parking, better selection of shops / services, cleaner / had a facelift / looks more appealing, safer, more accessible and more reasons to visit were what would encourage people to visit more.

Less empty shops and better selection of shops / services / facilities and activities was more often nominated by those living in Glenelg, those who have lived in the area for a long time, females, and those aged 18-30 years and 55-64 years. Easier parking was nominated more often by people living in Glenelg South, Brighton, Hove and Kingston Park, those living in the area for 3-4 years and 11-15 years, those in part-time and other employment, females, and those aged 25-54 years. Those who nominated cleaner / had a facelift are those living in Glenelg and Glenelg East and Hove, those who have lived in the area for 3-10 years and 16-20 years,

For business, parking is the big-ticket item, followed by better selection of shops / services, cleaner / had a facelift / looks more appealing, less empty shops and safer were nominated in descending order.

Q10: Do you personally believe that Jetty Road, Glenelg needs an upgrade?
(Business survey Q9. Do you personally believe that Jetty Road, Glenelg needs an upgrade?)

Do you personally believe Jetty Road, Glenelg
needs an upgrade?
n=402 R, n=105 B



Seven in ten residents believe an upgrade is needed to Jetty Road Glenelg and slightly more businesses also agree.

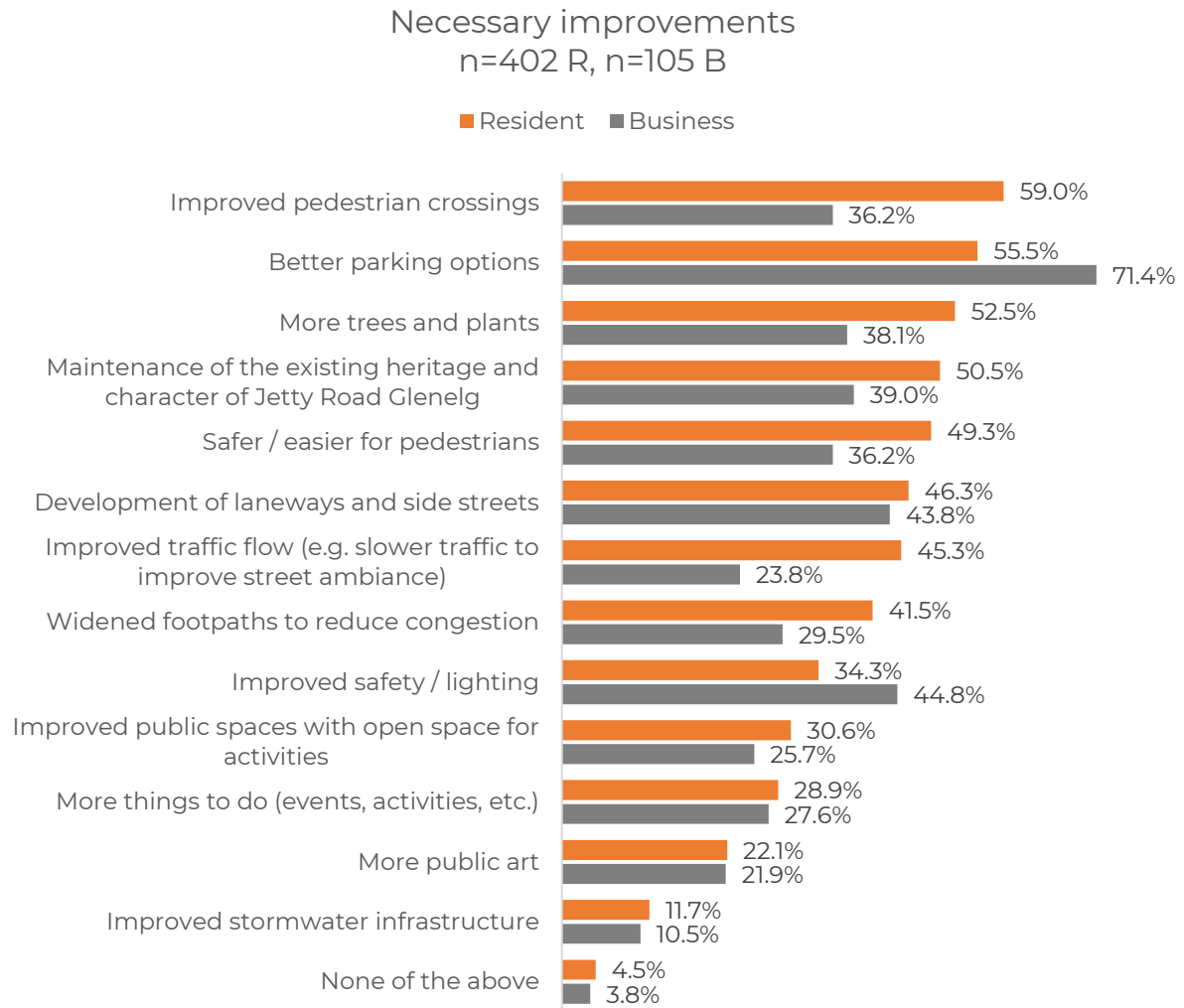
Those residents more likely to think an upgrade is needed are females, those aged 31-54 years, those living in Somerton Park, Glenelg, Glenelg East and North and Hove, those who have lived in the area 3-4 years and 16-20 years, those employed part-time, those on higher incomes of \$100,000+pa.

Those businesses more likely to think an upgrade is needed are those in Somerton Park, South Brighton, Hove and Seacliff, businesses that have been operating for 3-10 years in the area, those employing 20-49 people and \$100+ people, and those in accommodation & food services, construction, rental, hiring and real estate and retail.

The objective of the transformation of Jetty Road is to create a more accessible, attractive, safer mainstreet that is modern, can cater for events and has better pedestrian and traffic flow.

Q11: Which of the following do you think are necessary improvements to Jetty Road, Glenelg? Choose all that apply.

(Business survey Q10. Which of the following do you think are necessary improvements to Jetty Road, Glenelg?)



Residents would mostly like to see improved pedestrian crossings, better parking options, more trees and plants, maintenance of the heritage and character of the area, safer / easier for pedestrians, development of laneways and side streets, improved traffic flow and widened footpaths.

In contrast business would mostly would like to see better parking options, improved safety / lighting, more trees and plants, maintenance of heritage and character, development of laneways and side streets, and safer / easier for pedestrians.

Q12: On a scale of 0 to 10, how supportive are you of the Transforming Jetty Road, Glenelg project?
 (Business survey Q11. On a scale of 0 to 10, how supportive are you of this Jetty Road, Glenelg project?)

How supportive are you of the Transforming Jetty Road, Glenelg project? (mean)



Business is slightly more supportive of the project than residents.

Residents that are above the average in their support are those living in Somerton Park, Glenelg, and Glenelg North, those who have lived in the area for 3-4 years and 16-20 years, those who are employed, high income earners (\$100,000pa+), females, and those aged 18-54 years. Those residents that are below the average in their support tend to be males, those aged 55-64 years and 75+ years, those living in Brighton, and North Brighton, Hove, Kingston Park, and Seacliff, those who have lived in the area 20+ years, retirees and in other employment.

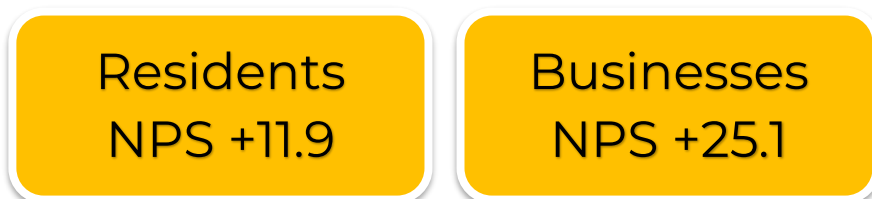
Businesses that are above the average in their support are those operating in Brighton and Hove, those operating for 3-4 years, those employing 20-49 people and 100-199 people, those turning over \$500,000-\$2 million pa, and \$5-10 million pa, in construction, health care and social assistance, manufacturing, professional, scientific and technical services, rental, hiring & real estate services.

Those believe the average in their support are those businesses in Glenelg North and South, those that have operated for 16-20 years, those employing a single person and 50-99 people, those turning over less than \$500,000pa, and \$5-\$10 million, and those in accommodation & food services, arts & recreation, education & training, financial and insurance services, retail, and wholesale trade.

Residents		
Unsupportive	Neutral	Supportive
7.4%	21.8%	70.9%

Businesses		
Unsupportive	Neutral	Supportive
8.3%	12.5%	79.2%

We net promoter scored the results to this question to give a different perspective on the data. Both residents and businesses are more supportive than not.



Q13: You rated your level of support 7 or higher, why are you supportive?
(Business survey Q12. You rated your level of support 7 or higher, why are you supportive?)

There were 281 people who answered this question. Some responses were multi-faceted so the number of responses below add to more than 281.

Resident responses

- Rundown / needs an upgrade (182 comments)
- Attract more shops / variety (58 comments)
- Safety / remove homeless (45 comments)
- Attract people / tourists / younger people (36 comments)
- Improve traffic flow / parking / pedestrians (34 comments)
- Improve the environment / atmosphere (26 comments)
- More events / activities (16 comments)
- Don't change it / too expensive (8 comments)
- Other (14 comments)

Other responses included:

- As I said previously, Jetty Road can feel quite unsavoury and unsafe. Friends who visit me from interstate say the exact same thing and it causes them to avoid the area. This is the main thing I feel needs to change to improve the outlook of the area. Jetty road is also incredibly tourist focused and centric. While I am aware of the merits of this, I also feel more needs to be done for those of us that live here permanently.
- As long as budget was reasonable
- Glenelg is losing its charm. If we can maintain what heritage, we have got. & the upgrade is in keeping with the old charm of Jetty Rd.
- Having lived in Glenelg and growing up in the area it has changed a lot. It is generally not a safe place at night and during the day incidents that have my children asking questions is of concern. The upgrade should include a demand for permanent police presence. Why Henley has it and Glenelg doesn't is incredulous. We have the highest number of alcohol facilities outside of the CBD with direct public transport too. We are one of the most frequented tourist destinations and now also have numerous halfway houses and yet no permanent police. No wonder we can generate high end shops / businesses when the place is just not attractive

You need only look to Henley and King William road to understand what Glenelg should be like... Businesses should be incentivised to come and set up here. The locals love it here but now prefer to go towards Broadway to avoid the fairly ordinary atmosphere and behaviour of those loitering around.

- I like to walk down to up on Jetty Road
- Improvement more tree & lighting. From the buffalo to the bridge a safety rail lower enough for kids to prevent from falling onto the rocks around the Patawalonga.
- Improving traffic necessary everywhere in this council
- It's a great opportunity to be more fun for younger people, right now I end up going down to Marion with my mates, but I'd rather go to Jetty Road.
- It's something to have to be done, but I think the council is unlikely to get it right
- Jetty Road is becoming very tired, it needs an uplift, modernize it. The time frame of projects I have noticed has been very SLOW & the business can't afford to be out of action. Need to be moving a little faster these projects.
- Jetty Road is feeling old and tired so definitely feel like it needs some TLC. We love living here and it would definitely make it more comfortable for residents and visitors. We feel a little embarrassed at times that this is the preeminent beach location for visitors and it's so run down!
- Jetty Road is looking very tired & run down. It currently has a bad vibe. Too many empty shops due to landlords too greedy with rents. They'd rather the shops be empty for a few years. It feels unsafe at night. Need more variety with shops.
- My concern is who is making the decision. Who made the decision regarding the awful squid. Decision that would positively to the outcomes / not just decisions. Safety is a big concern with aboriginal & homeless.
- We need more seating on the Jetty lots more. I think there is only a couple & seats with backs. More greenery. I think heritage light poles like a goose neck would look nice down Jetty Rd. Pop up ice cream van would be good for kids on the Jetty. I really think that wouldn't cost much. The pioneer memorial for Governor Hindmarsh. The wording is in correct & it needs an explanatory plaque. The wording about the first settlers is in correct. These were the first European settlers.

There were 76 people who answered this question. Some responses were multi-faceted so the number of responses below add to more than 76.

Business responses

- Needs a facelift / needs change (50 comments)
- Bring in visitors / tourists (25 comments)
- Fill empty shops / variety / support businesses (24 comments)
- Looking dirty / rundown (18 comments)
- Enhanced experience / atmosphere (13 comments)
- Improve traffic flow / parking (9 comments)
- Improve safety (7 comments)
- Will be a positive for all (5 comments)
- Other (9 comments)

Other comments included:

- Because something needs to be done to clean up and modernise the area. And too many traders have messy storefronts. Where's their pride and professionalism?!

- Councils that are investing in their infrastructure are seeing an increase in both visitors and their spending. We need a council that encourages landlord and business owners to invest in their properties and businesses.
- Glenelg is or was the #1 tourist destination for SA. it should reflect that with lots of things to do and see and food and areas to eat and kid play. the jetty needs a massive overhaul to reflect modern tourism
- Glenelg needs to be and should be the beach jewel of Adelaide, and I believe this project will help us achieve that
- Having been a vendor for 15 years and firsthand experiencing the state of the storm water and infrastructure, I believe it's in all our best interest to at least fix this issue. Our stores get flooded, damaging the buildings, which in the long-term increase running costs and our prices unnecessarily. From an aesthetic point of view, the street needs prettying up in order to leave a better impression, so people want to come back. It is Glenelg after all, the most known suburb of Adelaide when it comes to tourism. And it does look a bit shabby. Improving the street will in turn attract other vendors thus creating a unique beachside boutique feel- rather than empty shops. Change is good- even at a cost. It's moving forward.
- It is so overdue. The detail on the announcement was extremely vague however. What is the 40mil going towards? How is it going to enhance the local economy and small business?
- It needs a refresh as long as it doesn't cost rate payers more
- the street is old and must be upgraded. it is important that on street accessible parking is maintained and council must be transparent about what they are doing.
- Whilst I believe Jetty Rd will benefit from a facelift and more events/activities, I don't believe it will benefit my business. Jetty Rd needs better shops and cafes to draw people to the area.

Q14: You rated your level of support 6 or lower, why are you not supportive?
(Business survey Q13. You rated your level of support 6 or lower, why are you not supportive?)

There were 114 people who answered this question. Some responses were multi-faceted so the number of responses below add to more than 114.

Resident responses

- Happy with current state / not necessary (35 comments)
- Needs clean / smaller upgrade (15 comments)
- Rates too high / cost of living (15 comments)
- Spend on other projects (14 comments)
- Too expensive / already spent a lot (13 comments)
- Doesn't benefit me / rarely go (12 comments)
- Improve traffic flow / parking (7 comments)
- Need more information (7 comments)
- Focus on other suburbs (6 comments)
- Other (11 comments)

Other comments included:

There were 20 businesses who answered this question. Some responses were multi-faceted so the number of responses below add to more than 20.

Business responses (n=20)

- as a business owner, we do not want to deter customers from shopping at the bay. need to remember that activities and widening footpaths should only occur e.g.: Moseley area (or

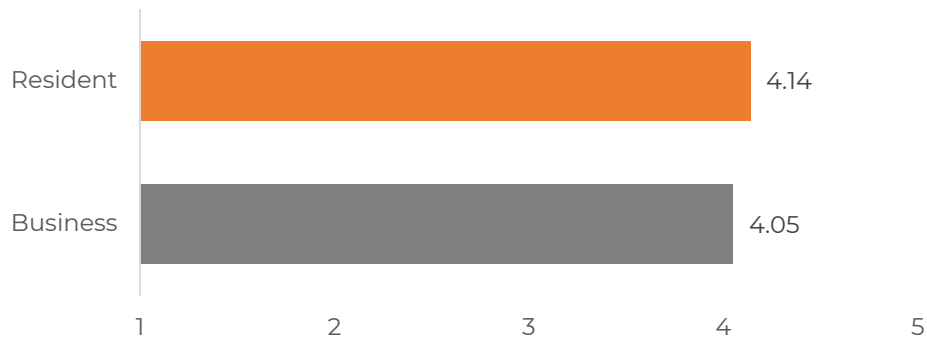
close too)-hope this does not bring back the profound impact of the tram line re-build to traders financially!!

- Because it is short sighted and one dimensional. Until the landlords work together with the council to attract a quality mix of tenants - the perception of JR won't change. Unfortunately, wider footpaths won't help with this, it is a bigger picture issue. The street is unsafe, the mix of tenants is not good, and the marketing is focussed on the same 5 food / hospitality operators
- Do not think that amount of money needs to be spent on Jetty Road Glenelg. Fix the empty shops first I think landlords need to lower rent so businesses can thrive in the area.
- Doesn't affect business
- Doesn't need it
- Doesn't really need it. Sped money in other areas
- Governments at all levels should keep out of business. Let the market sort itself out. The age of the retail strip is dead. People shop more online and greedy landlords charge too much rent to tenants on Jetty Road to sustain and encourage retail activity. The economy is tanking due to Government induced higher inflation. Parking is a big issue but 'upgrades' I have noticed lead to even less street parking. This is just another 'green' led initiative to reduce the number of cars and condition us to a '15-minute City'. The WEF and the UN are corrupt Satanic organisations and anything that they put forward is not to benefit humankind - only enslave us. And as for funding this Jetty Road upgrade by increasing the rates of all other businesses in the Holdfast Council catchment - OUTRAGEOUS AND CRIMINAL. Stick to keeping the place clean and fixing the roads and footpaths. This project is a complete waste of time and money. Stop the madness now.
- I am supportive but see contradictions. The money should be towards the police station 24hrs. Safety for residents. Homeless people re housed instead of sleeping in Jetty Rd. 2 Real estate agents have recently had people with mental problems attack inside their offices with one death. There will be more problems in Maturin Rd with the drug rehab centre. Older people now don't feel safe in Glenelg, no matter how much you beautify it. Tram is not safe anymore with drunk and drugged people. Last night 4/5 at 9.00pm on the tram home, 5 security people trying to calm some drunk agro's almost all the way. Not a good look and most uncomfortable for locals and visitors. A lot of older
- I don't think it will improve the businesses in the area as most people are made to leave the area because of the 1-hour parking. We need less parking restrictions to encourage people to visit the area. Drainage in Moseley Street needs to be improved even with a very light rain the drain fills up to 200mm in water and people can't get out of the cars due to the flooding sometimes it goes over the footpath and into our premises. There is no drains and I have asked several times, but nothing is done.
- I'm supportive of change that is actually necessary and helpful to business owners and our customers. Don't bother wasting council funds on putting in more 'public art' like the atrocious eyesore between the church and sports girl when we need ACTUAL items addressed including public safety and cleanliness. We have held countless meetings/agendas/surveys where we have voiced our concerns about the decline in safety over the past DECADE now. We need ACTION, clean up jetty road, protect businesses and customers from violence and public disturbances from drug and alcohol affected individuals and groups. Enough is enough operation Jericho has not been successful at preventing individuals and groups of people from filling our walkways and seating areas with alcohol bottles, bodily waste, and constant fights particularly during summer. I'll give you a 10 if you can solve the issues, we've been raising for years but for now I'm apprehensive because change has not happened.

-
- Instead of doing any upgrade, I think we should make it a safer and more attractive place first. I don't see too much energy going around the neighbourhood. And the public car park was pretty scary after dark. The business are limited with advertising because nothing was permitted.
 - Need to see details first
 - Not affected by it
 - Not confident that it will benefit the whole street. The beach end seems to get ALL attention. Not that excited to get drainage and paving. Very concerned that the first stage will affect access to my business, especially during winter.
 - Not during a cost-of-living crisis. Too much money spent on it.
 - Not improving safety or parking
 - So many issues on Jetty Road centre around thee less than safe atmosphere that has perpetuated over the past few years. As a night destination the lighting is woeful and should be made uniform, bright and always on when dark under the store verandas.
 - So much money spent on the dripping pink thing as artwork could go towards better options such as seating along the shopping area and better signage for side street vendors.
 - There is more necessary thing to upgrade at jetty road than the proposed project, facelift whole street not only the Mosley square
 - You throw a bucket of money at redeveloping Jetty Road, and this means the landlords will jack the rent up again. Most of the businesses can't afford the rent as it currently is which is why the shops are so bad now.

Q15: If the upgrade is completed, how likely are you to visit Jetty Road, Glenelg more often?
 (Business survey Q14, If the upgrade is completed, how likely are you to visit Jetty Road, Glenelg more often?)

If the upgrade is completed, how likely are you to visit Jetty Road, Glenelg more often?



Residents		
Not likely	Neutral	Likely
7.5%	18.9%	73.6%

Businesses		
Not likely	Neutral	Likely
7.3%	14.6%	78.1%

Residents are slightly more likely to visit Jetty Road Glenelg more often post an upgrade than businesses.

Those more likely than the average to visit more often are females, those aged 18-54 years, and those living in Somerton Park, Glenelg (all including East, North and South), those who are part-time employed and in other employment and high-income earners (earning \$100,000pa+). Those more likely to visit less than the average are males, those aged 75+ years, retirees, those who have lived in the area for more than 20 years, and those from Brighton (North and South), Hove, Kingston Park, Seacliff and Seacliff Park.

Q16: Council is proposing an increase to rates of 2.3% (\$41 for the average household) next year to **specifically** fund this project.

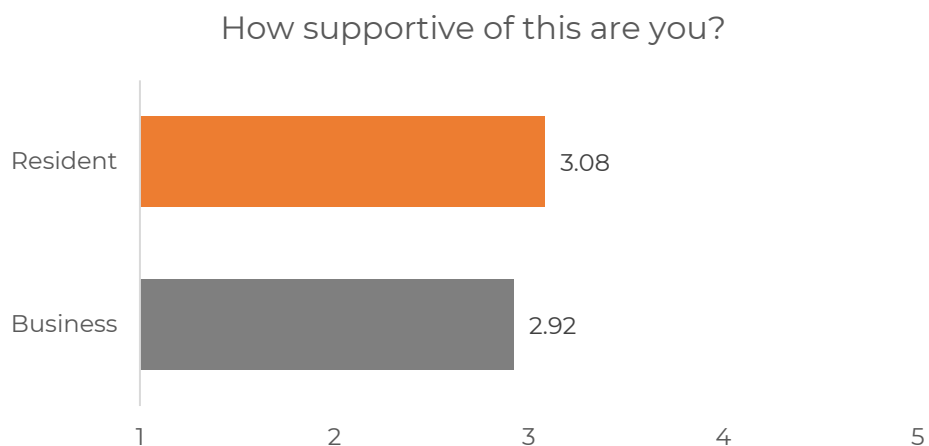
Council anticipates an increase at this similar level for two more years to fund the Jetty Road project. How supportive are you of this?

Please note that this proposed rate increase would be in addition to annual rate increases aligned with Adelaide CPI which for the next financial year is a proposed 4.8%.

(Business survey Q15. Council is proposing an increase to rates of 2.3% next year to **specifically** fund this project.)

Council anticipates an increase at this similar level for two more years to fund the Jetty Road project. How supportive are you of this?

Please note that this proposed rate increase would be in addition to annual rate increases aligned with Adelaide CPI which for the next financial year is a proposed 4.8%.)



Residents are slightly more likely to support this initiative even if it costs them 2.3% in increases to their rates compared to businesses. Combining both residents and businesses to increase the sample size to 505, 47% of all people surveyed are supportive versus 37% who are not supportive.

Those residents more supportive than the average are aged 18-54 years, high income earners (earning more than \$100,000+pa), those who have lived in the area for less than 4 years, and those who live in Somerton Park, Glenelg, Glenelg North, and Glenelg South. Those residents who are more unsupportive than the average are aged 55+ years, low income earners (less than \$50,000pa), those who have lived in the area for 11-15 years and more than 20 years, and those living in Brighton, North Brighton, Hove, Kingston Park, Seacliff and Seacliff Park.

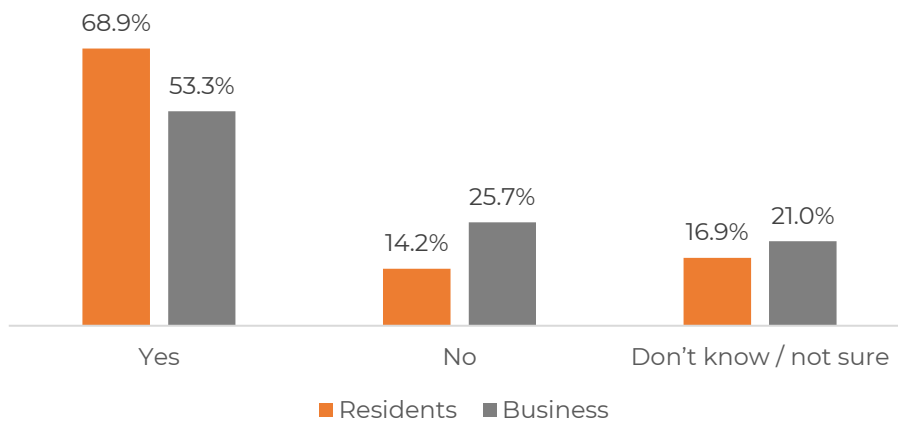
Those businesses that are more supportive than the average are Glenelg and Brighton businesses, those who have operated in the area for less than 4 years, and 11-15 years, businesses with 1 employee or 50 -99, those businesses with a turnover of less than \$2 million pa, and \$5 million +pa, and those in professional, scientific, and technical services and rental, hiring and real estate services. Those businesses that are more unsupportive than the average are businesses in Somerton Park, Glenelg East, North and South, North Brighton, and Hove, those who have operated for 5-10 years and 16-20 years, those employing 20-49 people and 100-199, and those in accommodation & food services, retail and wholesale trade, arts & recreation services, and education & training.

Residents		
Unsupportive	Neutral	Supportive

36.8%	13.9%	49.2%
Businesses		
Unsupportive	Neutral	Supportive
38.1%	24.8%	37.1%
Combined total		
Unsupportive	Neutral	Supportive
37.1%	16.2%	46.7%

Q17: Thinking long term, do you see this upgrade as a benefit to all residents living in the City of Holdfast Bay?
 (Business survey Q17. Thinking long term, do you see this upgrade as a benefit to all businesses operating in the City of Holdfast Bay?)

Do you see this upgrade as a benefit to all residents living in the City of Holdfast Bay?



Significantly more residents than businesses see this upgrade as a benefit to all residents living in the area.

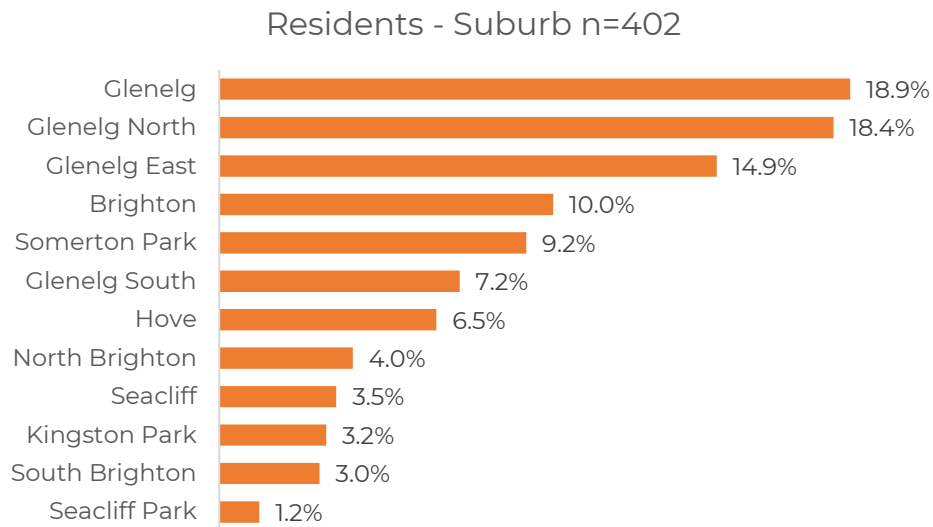
Those residents more likely to think there is a long-term benefit are females, those aged 25-54 years, those who are employed full or part-time, high-income earners (earning \$100,000pa+), and those living in Somerton Park, Glenelg, and Glenelg East.

Those businesses more likely to think there is a long-term benefit for residents are those operating in Glenelg and Brighton, those businesses that have operated for less than 10 years in the area,

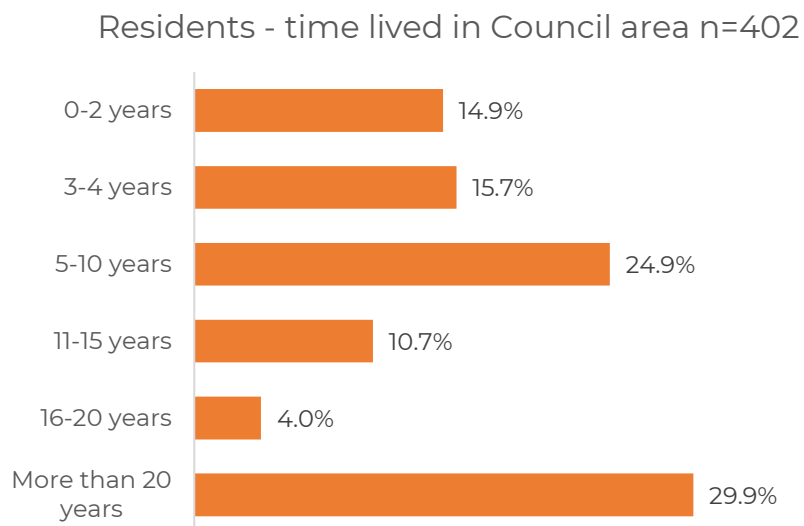
businesses that employ one person and 20-99 people, those with turnovers of \$1-\$2 million pa, and \$10million+pa, and those in construction, manufacturing, and rental, hiring and real estate services.

Resident demographics

Q4: Which suburb do you live in?

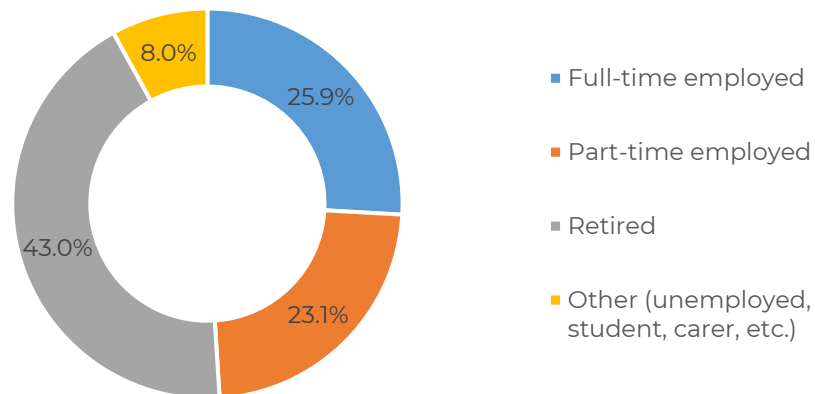


Q5: How long have you lived in the City of Holdfast Bay?



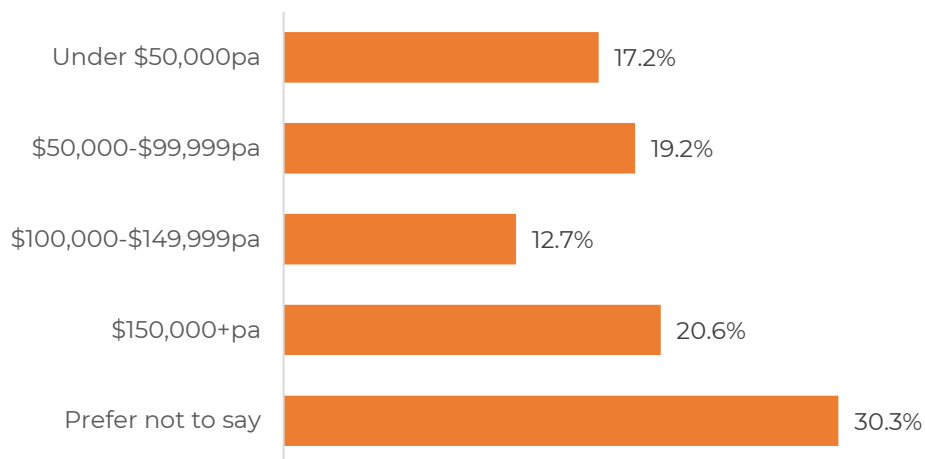
Q18: Which of the following best represents your employment status?

Resident employment status n=402



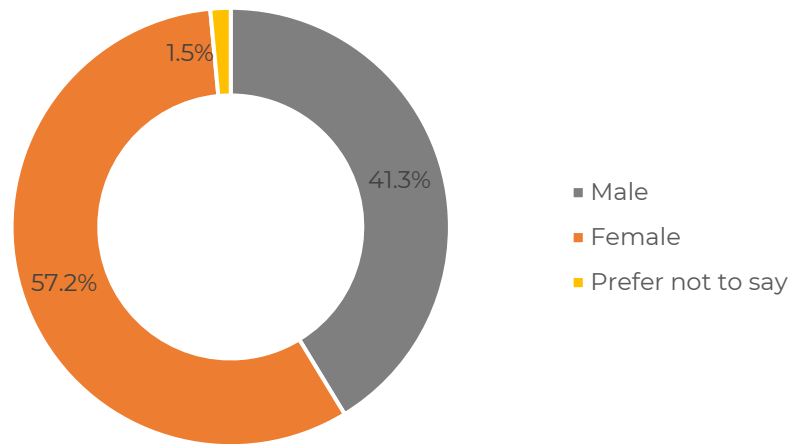
Q19: What is your gross household income?

Residents - Household income n=402



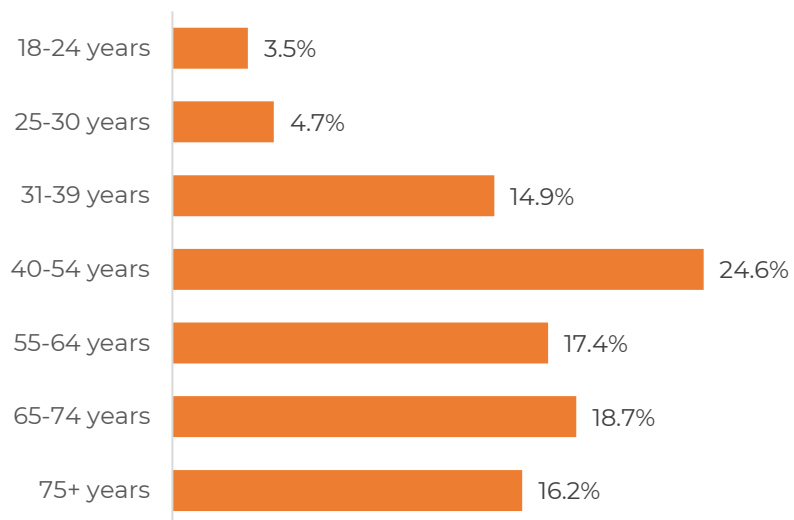
Q20: What is your gender?

Residents - Gender n=402



Q21: In which age bracket do you belong?

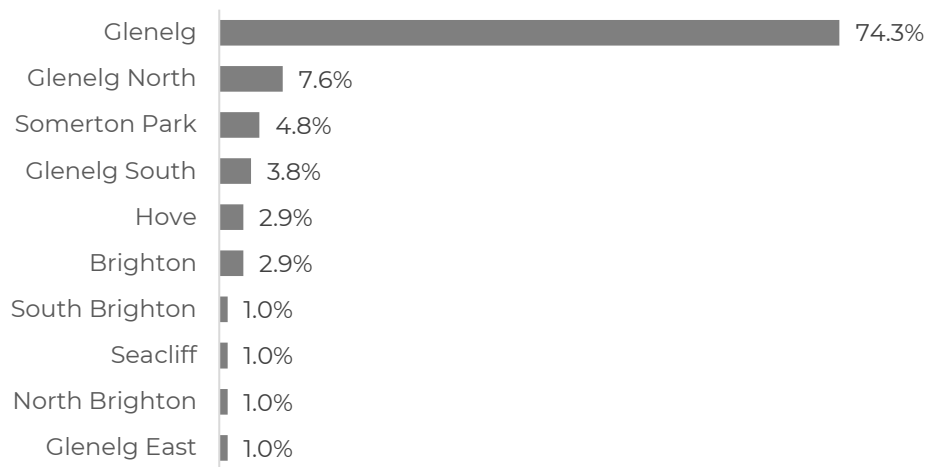
Residents - Age n=402



Business demographics

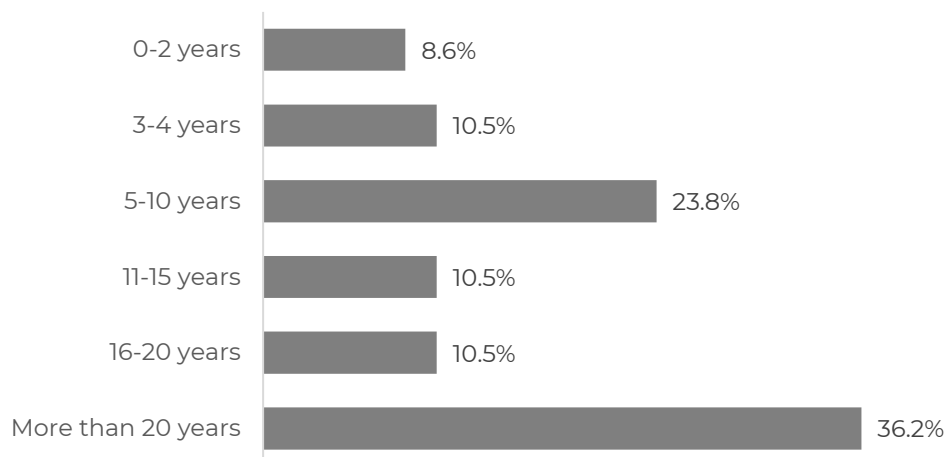
Q2: Which suburb does your main business operate from?

Businesses - Suburb n=105



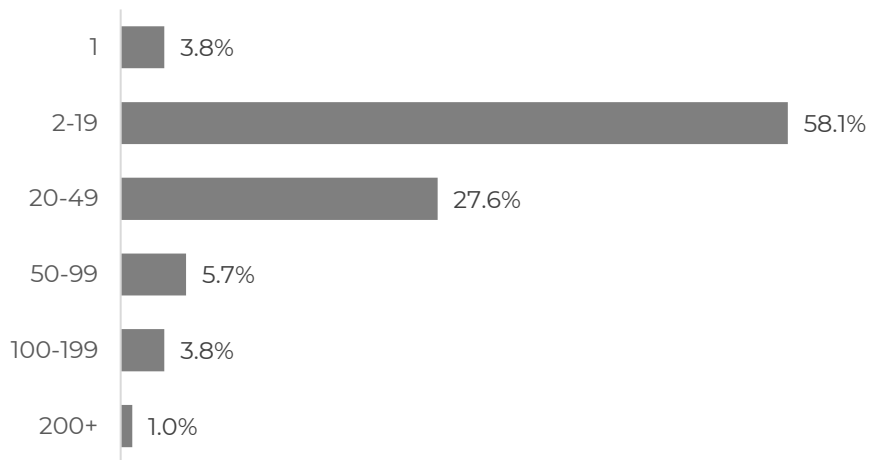
Q3: How long have you been in business in the City of Holdfast Bay?

Business - length of operation n=105



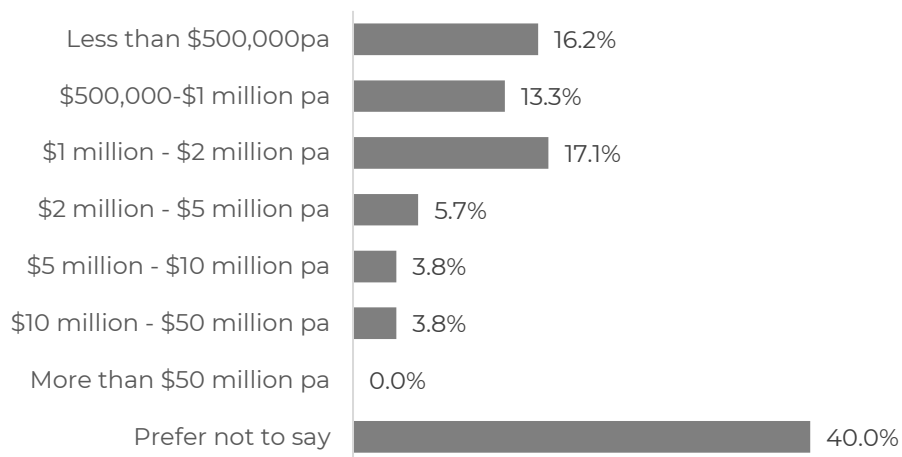
Q17: How many people (including management and owners) does your business employ?

Business - size by employment n=105



Q18: What is your annual turnover range?

Business - size by employment n=105



Q19: What industry sector do you fall into? Please choose all that apply.

Businesses - Industry sector n=105



5. Resident Survey - Questionnaire

Hello, my name is _____, from Intuito Market Research.

We are conducting a survey among residents of the City of Holdfast Bay for the Council. The survey is about the newly announced project to transform Jetty Road, Glenelg that is due to start later this year and continue over the next three years in a staged approach.

The Transforming Jetty Road, Glenelg project will deliver a modern, safe and vibrant coastal shopping, dining and entertainment precinct which caters to the needs of the local community while offering visitors to the Bay a world-class tourism and events destination. The redevelopment will cost a total of \$40 million. The Australian Government has committed \$10 million towards it and Council will be required to fund the balance. We would like your views on the redevelopment.

The survey should only take around 5 minutes to complete and we thank you in advance for your time.

Please note your responses will be 100% anonymous and confidential. Intuito Market Research abides by The Research Society's Privacy Code for Market and Social Research. All data gathered will be treated with the strictest confidentiality and will only be used for research purposes. Intuito is a member of The Research Society and works to the highest privacy standards.

Screener:

Q1: Are you aged over 18?

- Yes
- No (cease interview)

Q2: Do you live in the City of Holdfast Bay? (Single response.)

- I am a resident
- I am a resident and a business owner both in the City of Holdfast Bay
- I am neither (cease interview)

Q3: Are you or your household ratepayers? (Single response.)

- Yes
- No, I rent
- Don't know / not sure

Q4: Which suburb do you live in? (Single response.)

- Brighton
- North Brighton
- South Brighton
- Glenelg
- Glenelg East
- Glenelg North
- Glenelg South
- Hove
- Kingston Park
- Seacliff
- Seacliff Park
- Somerton Park

Q5: How long have you lived in the City of Holdfast Bay? (Single response.)

- 0-2 years
- 3-4 years
- 5-10 years
- 11-15 years
- 16-20 years
- More than 20 years

Q6: Were you aware before now that this upgrade had been announced? (Single response.)

- Yes
- No
- Don't know / not sure

Q7: How often do you visit Jetty Road, Glenelg? (Single response.)

- Daily (go to Q9)
- Few times a week (go to Q9)
- Weekly (go to Q9)
- Every 2 to 3 weeks (go to Q9)
- Monthly (go to Q8)
- Every few months (go to Q8)
- Twice a year (go to Q8)
- Yearly (go to Q8)
- Never (go to Q8)

Q8: You stated that you only visit monthly or less often, why don't you visit Jetty Road, Glenelg more often?

Q9: Which of the following would encourage you to visit more often? Choose all that apply. (Multiple response, randomised)

- Cleaner / had a facelift / looks more appealing
- Better selection of shops / services / facilities and activities
- Less empty shops
- Easier parking
- Safer environment
- More accessible / easier to get around / improved pedestrian crossings
- Less crowded / busy
- More events and activities
- Other (please specify) _____

Q10: Do you personally believe that Jetty Road, Glenelg needs an upgrade? (Single response.)

- Yes
- No

- Don't know / not sure

The objective of the transformation of Jetty Road is to create a more accessible, attractive, safer mainstreet that is modern, can cater for events and has better pedestrian and traffic flow.

Q11: Which of the following do you think are necessary improvements to Jetty Road, Glenelg? Choose all that apply. (Multiple response, randomised)

- Safer / easier for pedestrians
- Improved pedestrian crossings
- Widened footpaths to reduce congestion
- Improved traffic flow (e.g. slower traffic to improve street ambiance)
- Improved safety / lighting
- Improved public spaces with open space for activities
- More trees and plants
- More public art
- Better parking options
- Development of laneways and side streets
- Maintenance of the existing heritage and character of Jetty Road Glenelg
- More things to do (events, activities, etc.)
- Improved stormwater infrastructure
- None of the above

Q12: On a scale of 0 to 10, how supportive are you of the Transforming Jetty Road, Glenelg project?

Not supportive at all
0 1 2 3 4 5 6 7 8 9 10 Extremely supportive
D/K

Q13: You rated your level of support 7 or higher, why are you supportive?
Open ended.

Q14: You rated your level of support 6 or lower, why are you not supportive?
Open ended.

Q15: If the upgrade is completed, how likely are you to visit Jetty Road, Glenelg more often? (Single response.)

- Extremely likely
- Somewhat likely
- Neither likely nor unlikely
- Somewhat unlikely
- Extremely unlikely

Q16: Council is proposing an increase to rates of 2.3% (\$41 for the average household) next year to **specifically** fund this project.

Council anticipates an increase at this similar level for two more years to fund the Jetty Road project. How supportive are you of this? (Single response.)

Please note that this proposed rate increase would be in addition to annual rate increases aligned with Adelaide CPI which for the next financial year is a proposed 4.8%.

- Extremely supportive
- Somewhat supportive
- Neither supportive nor unsupportive
- Somewhat unsupportive
- Extremely unsupportive

Q17: Thinking long term, do you see this upgrade as a benefit to all residents living in the City of Holdfast Bay? (Single response.)

- Yes
- No
- Don't know / not sure

Demographics

And now some questions about you to help us understand the cross-section of people in our sample.

Q18: Which of the following best represents your employment status? (Single response.)

- Full-time employed
- Part-time employed
- Retired
- Other (unemployed, student, carer, etc.)

Q19: What is your gross household income? (Single response.)

- Under \$50,000pa
- \$50,000-\$99,999pa
- \$100,000-\$149,999pa
- \$150,000+pa
- Prefer not to say

Q20: What is your gender? (Single response.)

- Male
- Female
- Non-binary
- Prefer not to say

Q21: In which age bracket do you belong? (Single response.)

- 18-24 years
- 25-30 years
- 31-39 years
- 40-54 years
- 55-64 years

-
- 64-75 years
 - 75+ years

Thank you for completing this survey with us today.

6. Business Survey - Questionnaire

We are conducting a survey among businesses of the City of Holdfast Bay for the Council. The survey is about the newly announced project to transform Jetty Road, Glenelg that is due to start later this year and continue over the next three years in a staged approach.

The Transforming Jetty Road, Glenelg project will deliver a modern, safe and vibrant coastal shopping, dining and entertainment precinct which caters to the needs of the local community while offering visitors to the Bay a world-class tourism and events destination. The redevelopment will cost a total of \$40 million. The Australian Government has committed \$10 million towards it and Council will be required to fund the balance. We would like your views on the redevelopment.

The survey should only take around 5 minutes to complete and we thank you in advance for your time.

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Screener:

Q1: Are you a business owner in the City of Holdfast Bay? (Single response)

- I am a business owner of a City of Holdfast Bay business?
- I am a resident and a business owner both in the City of Holdfast Bay.
- I work for a business in the City of Holdfast Bay.
- I am not associated with a business in the City of Holdfast Bay.

Q2: Which suburb does your main business operate from? (Single response)

- Brighton
- North Brighton
- South Brighton
- Glenelg
- Glenelg East
- Glenelg North
- Glenelg South
- Hove
- Kingston Park
- Seacliff
- Seacliff Park
- Somerton Park

Q3: How long have you been in business in the City of Holdfast Bay? (Single response)

- 0-2 years
- 3-4 years
- 5-10 years
- 11-15 years
- 16-20 years

-
- More than 20 years

Q4: Were you aware before now that this up-grade had been announced?
(Single response)

- Yes
- No
- Don't know / not sure

Q5: How often would you visit Jetty Road, Glenelg? (Single response)

- Daily (go to Q7)
- Few times a week (go to Q7)
- Weekly (go to Q7)
- Every 2 to 3 weeks (go to Q7)
- Monthly (go to Q6)
- Every few months (go to Q6)
- Twice a year (go to Q6)
- Yearly (go to Q6)
- Never (go to Q6)
- I work on Jetty Road (go to Q8)

Q6: Why don't you visit Jetty Road, Glenelg more often?

Q7: Which of the following would encourage you to visit more often?
Choose all that apply. (Multiple response, randomised)

- Cleaner / had a facelift / looks more appealing
- Better selection of shops / services / facilities and activities
- Less empty shops
- Easier parking
- Safer environment
- More accessible / easier to get around / improved pedestrian crossings
- Less crowded / busy
- More events and activities
- Other (please specify) _____

Q8: Which of the following do you think would encourage people to visit more often? Choose all that apply. (Multiple response, randomised)

- Cleaner / had a facelift / looks more appealing
- Better selection of shops / services / facilities and activities
- Less empty shops
- Easier parking
- Safer environment
- More accessible / easier to get around / improved pedestrian crossings
- Less crowded / busy
- More events and activities

Q14: If the upgrade is completed, how likely do you think people will visit Jetty Road, Glenelg more often? (Single response)

- Extremely likely
- Somewhat likely
- Neither likely nor unlikely
- Somewhat unlikely
- Extremely unlikely
- I work on Jetty Road Glenelg

Q15: Council is proposing an increase to rates of 2.3% next year to **specifically** fund this project.

Council anticipates an increase at this similar level for two more years to fund the Jetty Road project. How supportive are you of this? (Single response.)

Please note that this proposed rate increase would be in addition to annual rate increases aligned with Adelaide CPI which for the next financial year is a proposed 4.8%.

- Extremely supportive
- Somewhat supportive
- Neither supportive nor unsupportive
- Somewhat unsupportive
- Extremely unsupportive

Q16: Thinking long term, do you see this upgrade as a benefit to all businesses operating in the City of Holdfast Bay? (Single response)

- Yes
- No
- Don't know / not sure

Demographics

And now some questions about your business to help us understand the cross-section of businesses in our sample.

Q17: How many people (including management and owners) does your business employ? (Single response)

- 1
- 2-19
- 20-49
- 50-99
- 110-199
- 200+

Q18: What is your annual turnover range? (Single response)

- Less than \$500,000pa
- \$500,000-\$1 million pa
- \$1 million - \$2 million pa
- \$2 million - \$5 million pa
- \$5 million - \$10 million pa
- \$10 million - \$50 million pa

-
- More than \$50 million pa
 - Prefer not to say

Q19: What industry sector do you fall into? Please choose all that apply.

- Accommodation & food service
- Administration and support services
- Arts & recreation services
- Construction
- Education & training
- Electricity, gas, water, or waste services
- Financial and insurance services
- Health care and social assistance
- Information media & telecommunications
- Manufacturing
- Professional, scientific & technical services
- Public administration & safety
- Rental, hiring & real estate services
- Retail trade
- Transport, postage & warehousing
- Wholesale trade
- Other (please specify) _____

Thank you for completing our survey today.

Attachment 3



Review of draft 2024-25 Annual Business Plan and Long Term Financial Plan – City of Holdfast Bay

Background

The City of Holdfast Bay (CHB) draft annual business plan and long term financial plan have recently been out for community consultation. The plans include modelling of the financial impacts of the Transforming Jetty Road, Glenelg project (the Project) – a multi-stage, \$40 million transformation of Jetty Road. Council has secured \$10 million of funding from the Australian Government, with the remaining \$30 million to be funded through new borrowings.

CHB has sought my opinion on the assumptions and modelling within the LTFP to gain confidence that the proposed funding strategy for the Project, as modelled within the plans, is reasonable and appropriate and does not put the financial sustainability of council at risk.

Observations

Based on my review of the *Draft Long Term Financial Plan 2024–25 to 2033–34* (the LTFP), *Draft 2024-25 Annual Business Plan* (the ABP), and *Prudential Report: Jetty Road Glenelg Master Plan (5 February 2024)*, I provide the following observations:

- The LTFP demonstrates that council is financially sustainable, noting that the LTFP contains future estimates and is therefore inherently subject to the risk that actual results will differ from forecasts. The LTFP includes sufficient commentary on the assumptions used, and these are considered reasonable.
- The proposal to use borrowings to fund the Jetty Road Project is considered to be consistent with good practice. The debt is considered to be ‘productive debt’ as its purpose aligns with the delivery of long-term strategic objectives for the benefit of the community. The debt is considered to be affordable, as the LTFP (which incorporates repayment of the borrowing estimated using current LGFA rates) demonstrates that all key financial sustainability ratios are, on average, maintained within recommended ranges for the local government sector without the need for unplanned rate rises.
- The LTFP demonstrates serviceability of the debt, including regular repayment of principal over the life of the plan modelled on the assumption the borrowing will be repaid over 15 years.
- The proposed strategy to raise additional rates to fund repayment of borrowings for the Jetty Road Project is considered to be appropriate, as it is reasonable to expect an increased share of wallet from ratepayers for an increase in service levels. The modelled increase in CHB’s ongoing base rates provided by these increases is sufficient to fund anticipated repayments of borrowings related to the Project.

Importantly, my analysis of the plans and proposed funding strategy for the Jetty Road Project is not an endorsement of either the Project or of the council entering into this borrowing. These are decisions of Council. My analysis is simply to provide some comfort that should CHB wish to proceed with the plans as modelled, the strategies are not inappropriate and have an acceptably low risk of putting Council in a position of being financially unsustainable.

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpins.com.au

W: www.galpins.com.au

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Discussion

Financial sustainability

The SA Local Government Association (LGA) has adopted the following definition of Financial Sustainability:

“A Councils long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services”

For CHB, planned long-term service and infrastructure levels encompasses not only maintenance of existing service levels, but also the notion of ongoing improvement in services and infrastructure as envisaged within the ‘Our Holdfast 2050+’ strategic plan and other council plans.

The CHB LTFP demonstrates ongoing financial sustainability, on the basis that all key financial indicators are maintained, on average, within the accepted parameters recommended by the LGA and adopted by CHB.

Operating Surpluses

Operating surpluses are modelled over the life of the LTFP. The operating surplus ratio increases steadily in the plan from 1.4% in 2026 to a peak of 9.2% in 2034. This does not demonstrate an actual expectation that these highs will be achieved in practice – rather, this demonstrates financial capacity within the operational surpluses to repay debt and/or fund new initiatives which will be identified in future through community consultation.

It is prudent and responsible, if not essential to achieving true financial sustainability, to maintain modest operating surpluses over the long term. This provides councils with a buffer to absorb unknown costs that may arise (e.g. cost shifting, economic changes, emergencies / disasters, etc) while avoiding unplanned or excessive increases in rates, providing a safety net to promote intergenerational equity. Surpluses also mitigate for a margin of error in councils’ estimates of depreciation and asset management requirements. By its nature, depreciation is extremely difficult to estimate accurately across a large portfolio of long life assets and as such has an inherently high margin of error. Depreciation is a significant value for local governments in Australia and represents approximately 20% of the CHB’s budgeted expenses, highlighting the importance of achieving surpluses to provide a sufficient buffer for variances in depreciation estimates and actual capital replacement requirements over time.

Asset Renewal Funding

The LTFP is fully funding projected capital renewal expenditure per the endorsed asset management plans, and includes a reasonable provision for the years 2031 to 2034 until the Asset Management Plans are updated beyond 2030.

Net Financial Liabilities

Consistent with the SA local government sector’s target range suggested by the LGA, CHB aims to maintain a net financial liabilities ratio of no more than 100% on average over the life of the LTFP. As noted in the LTFP, the ratio averages 95% over the life of the plan.

In addition to meeting the target range, in instances where a council’s LTFP includes a net financial liabilities ratio exceeding 100% it is expected that the LTFP will demonstrate a strategy

to bring the ratio back in line with the target range. CHB's LTFP achieves this, showing the net financial liabilities ratio peaking at 110% in 2028 before returning below 100% by 2031 and maintaining this position for the remainder of the plan. Together with the growing surpluses as discussed above, this demonstrates a likelihood of future borrowing capacity being available.

Key economic indicators / assumptions

Methodologies used to determine the key economic indicators / assumptions underpinning the LTFP (such as interest rates, price indexes, growth data, etc) are reasonable and based on appropriate independent external data where available. Like any future projection, there are inherent risks in accurately estimating these assumptions, which are highlighted within the 'Assumptions' commentary in the LTFP.

Funding the Transforming Jetty Road, Glenelg project

The LTFP is modelled to include the CHB undertaking the Transforming Jetty Road, Glenelg project (the Project) – a multi-stage, \$40 million transformation of Jetty Road. The 2024-25 LTFP is a key document for assessing the impact of this project on council's financial sustainability. Council has secured \$10 million of funding from the Australian Government, with the remaining \$30 million to be funded through new borrowings.

Borrowings

The use of debt as part of treasury management can be a prudent strategy for councils to smooth out the peaks and troughs in capital costs required to manage a vast portfolio of long life infrastructure, and to facilitate intergenerational equality in the funding of new infrastructure.

Importantly, debt incurred by councils at any point should be both affordable and productive.

- Affordable

Affordability of debt requires that Council is able to maintain positive operating surpluses and other key financial ratios within target levels, whilst avoiding unplanned or unreasonable increases in rates. As discussed above, the 2024-25 LTFP demonstrates that operating surpluses are maintained and all key financial ratios remain, on average, within target ranges over the life of the plan. Rate rises required to fund repayment of the borrowings are planned and clearly communicated to ratepayers within the LTFP. Whilst it is not my place to endorse any specific quantum of the rate rise itself, I am comfortable to conclude that the increase is not unreasonable. As detailed in the Jetty Road Glenelg Masterplan Phase 3 Engagement Summary Report & Overall Engagement Process (January 2018), there has been extensive community consultation informing the Project, and it is reasonable to expect that ratepayers accept an increased share of wallet on Council rates in exchange for these additional services and facilities. As such, the CHB debt is considered affordable.

- Productive

Productive debt in a local government context is debt incurred to further a council's long-term strategic objectives for the benefit of the community. The Prudential report concluded that the Project "is strongly aligned with Council, state and national plans and priorities" with considerable economic benefits forecast for local businesses, property owners and the broader community, and the debt associated with this project therefore is considered to be productive.

Serviceability of debt

Annual repayments for the \$30million loan to fund the Project are estimated to be around \$3million per year, incorporating both interest and principal repayment over 15 years. The LTFP incorporates these payments (most clearly demonstrated in the forecast Statement of Cash Flows, which shows both the proceeds from borrowings, finance payments incorporating interest costs, and repayment of borrowings showing capital repayments).

As discussed above, the LTFP demonstrates financial sustainability, and a reduction in net financial liabilities ratio and increase in operating surpluses over the life of the plan, demonstrating serviceability of debt. In addition, the interest cover ratio is maintained within the target range of below 5% for the life of the plan. It is notable that interest rate assumptions detailed within the 'Key Economic Drivers' section of the LTFP refer to new debt. Existing debt is modelled at the interest rate applicable to the debt when it is taken out. In relation to the Jetty Road Project, and subject to a final decision of council, the current intent is to utilise a fixed rate loan to provide cash flow certainty and reduce exposure to interest rate risk. As such, borrowings in relation to the Project are modelled at an interest rate of 5.53%.

Project-related rate increases

To achieve the above results, council proposes raising additional funds via rate increases. Council is prudently budgeting to fund existing services and a range of new initiatives detailed in the Annual Business Plan within inflation for existing properties plus new property growth. As a major flagship project, the Transforming Jetty Road Project is an exception to this general approach and is proposed to be funded via an increase in rates spread over the 2025, 2026 and 2027 financial years, estimated at 2.3% per year (subject to finalisation of borrowing arrangements with the LGFA and confirmation of interest rates applicable). This proposal is clearly and transparently detailed within the LTFP. These increases have the effect of permanently raising the base level of rates revenue for council by approximately \$3million, enabling the repayment of borrowings related to the Project over the long term.



Tim Muhlhausler

Director

About Tim

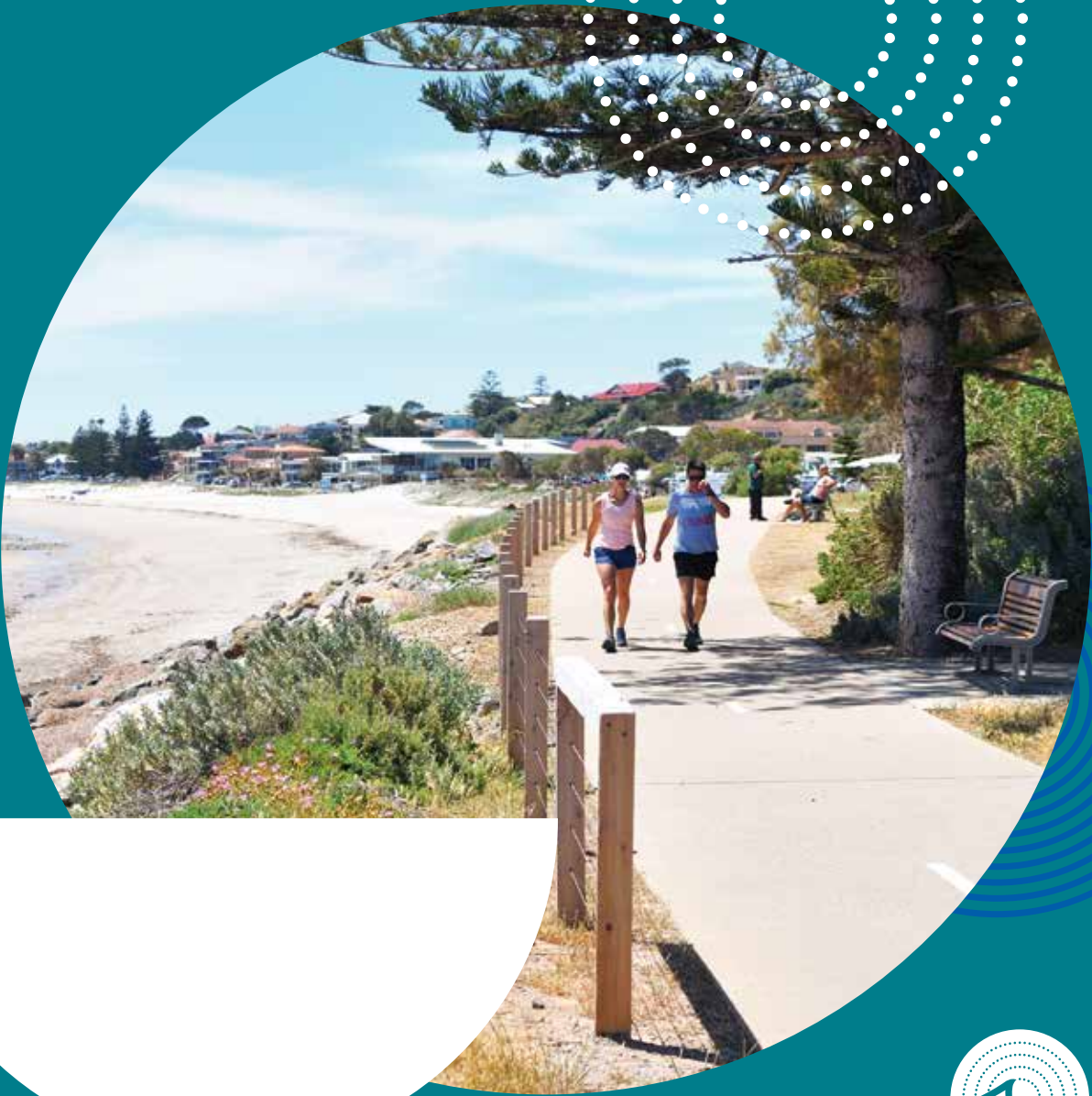
Tim is a Chartered Accountant and Registered Company Auditor. He is a recognised expert in local government finance and audit, with more than 20 years of experience providing external audit, internal audit and consulting services to the sector. Over this time, he has provided internal and/or external audit services to more than half the councils in the State, from small regional councils to large 'G6' councils and everything in between. Tim is Chairperson of the SA Local Government Auditors' Group, an independent advisory body facilitating consistency and best practice in the application of accounting and auditing standards to the SA local government sector. He is also the Presiding member of four local government Audit & Risk Committees, and member and former Chair of a fifth.

Attachment 4

DRAFT

Long Term Financial Plan

2024/25 –
2033/34



A Day in the Life

Did you know that on a normal day in the City of Holdfast Bay:

Nearly
1,508

items are borrowed from our libraries at Glenelg and Brighton



More than
322

people attend our four Community Centres



Maintenance and other works are carried out at Glenelg Oval by our Open Spaces team



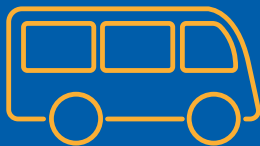
511

people visit the libraries

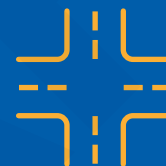


7,200

bins lifts for residential and business waste collection



30 trips on the Community Wellbeing bus



25 linear metres

of roads resealed



60

separate cleaning services are conducted at council buildings



Each of our **31** public toilet facilities are serviced and cleaned

18 linear metres

of kerb replaced



Our two Jetty Roads at Glenelg and Brighton are serviced by street sweepers



24sq metres

of footpaths repaired



3 trees planted



174 phone calls and **95** emails are responded to by our Customer Service team



3,242

page views on our website



4

Development Applications processed



33 requests completed by our Field Services team

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Assumptions	12
Long-Term Financial Position	16
Key Financial Indicators	20
Financial Statements	25



The Long Term Financial Plan and its purpose

The City of Holdfast Bay Long Term Financial Plan is a planning tool developed to map the financial sustainability of the city into the future, while meeting the needs and expectations of our community.

By applying key principles and underlying assumptions to each year of the plan, financial projections have been determined for a 10-year period between 2024–25 to 2033–34. These projections help inform day-to-day and longer-term decision making about the affordability, timing and combination of future outlays on Council's operations, renewal of existing assets and construction of new assets. They also allow early identification of potential financial issues and their longer-term impacts.

Long-term financial estimates are an integral part of Council's strategic planning process. It provides the ability to plan how it can deliver short, medium and long-term community priorities, based on its resourcing capabilities. These priorities are identified in Council's Strategic Plan, *Our Holdfast 2050+*, which through the Long Term Financial Plan informs the Annual Business Plan and Budget each year.

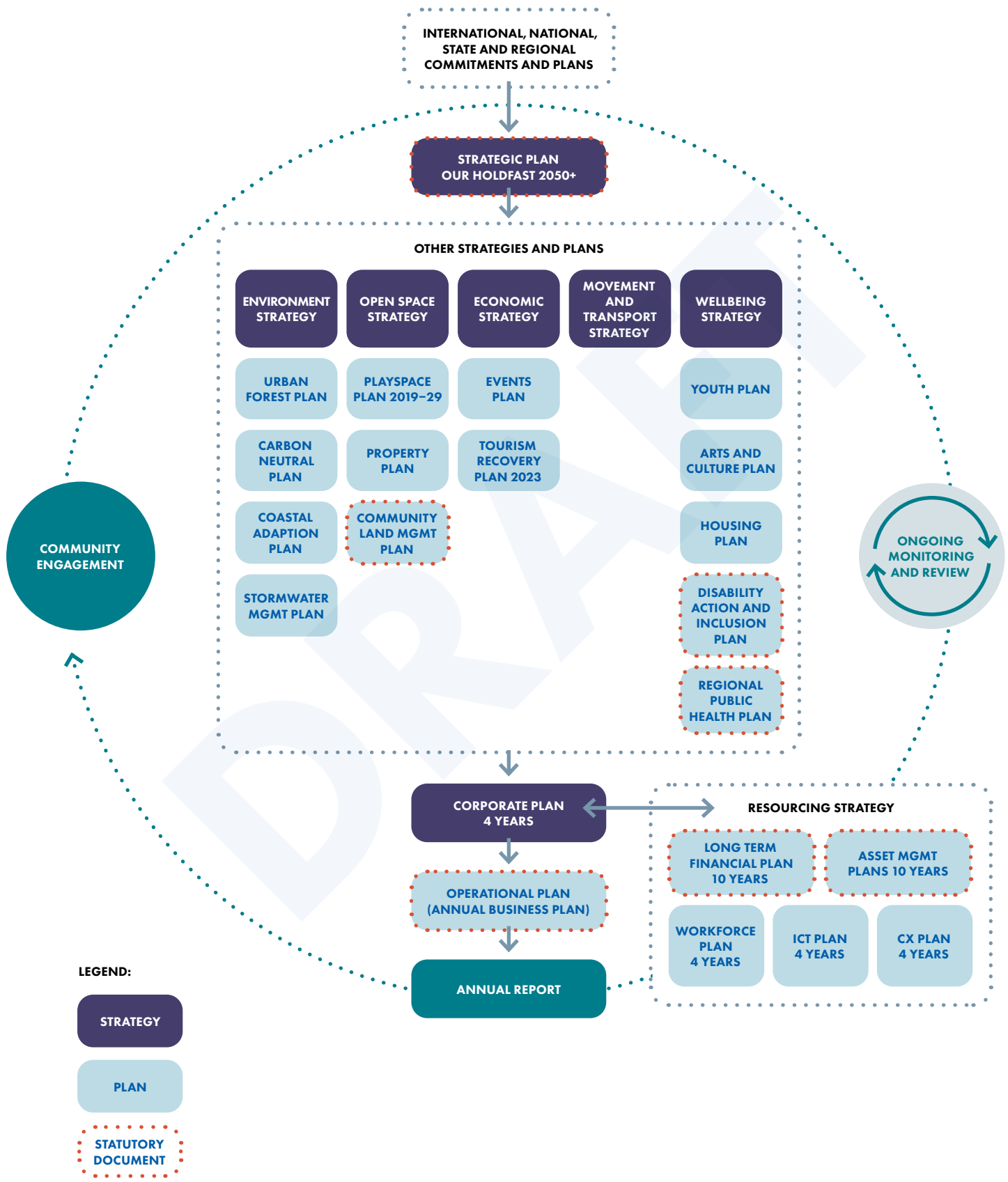
We look forward to delivering on this plan for our community.

Within *Our Holdfast 2050+*, three key strategies of Wellbeing, Sustainability, and Innovation have been identified to support Council in achieving its vision over the next 10 years. The objectives and aspirations which underpin these strategies have informed this plan.

Vision: Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city.

Another important suite of documents which inform this plan are Council's Asset Management Plans. These provide financial projections for the future cost of maintaining, renewing and replacing Council's assets and infrastructure. With an asset portfolio valued in 2023 at \$859 million, it is critical to have the ability to forecast when future funding is required to maintain these community assets.

Due to the nature of the estimates and assumptions made, and the uncertainty of changes within the economy, the Long Term Financial Plan requires regular review and updating. If key assumptions such as inflation, interest rates or scale of capital investment vary, then this may drive changes in the annual budget.



CEO Statement on Financial Sustainability

I am pleased to present the *Long Term Financial Plan 2024–25 to 2033–34*, which demonstrates how the City of Holdfast Bay will remain financially sustainable in the medium to long term.

Financial sustainability is essential to the success of any local government organisation when planning future activities, services and major projects. And this can only be achieved when services and infrastructure standards are maintained, without the need to significantly increase rates or substantially reduce public services.

This plan also allows us to achieve the objectives identified in our Strategic Plan, *Our Holdfast 2050+*, and informs the Annual Business Plan and budget each year.

The following principles guided the plan to ensure we have the financial capacity to continue to provide service levels that meet the needs of our community, in a financially sustainable way:

- › An operating surplus over the 10-year plan
- › Meet key financial indicators
- › Renew obsolete infrastructure assets with funding sourced from operational revenue
- › Maintain existing service levels while keeping rate increases in line with Adelaide CPI.
- › Increase revenue streams from sources other than rates.

Another key component of the plan is the use of debt to achieve intergenerational equity. This means the cost of creating a new community asset is shared by both current and future ratepayers.

An example of this will be the Transforming Jetty Road Glenelg project – a multi-million dollar, multi-stage development which is the biggest undertaking Council has committed to.

With \$10 million in funds already secured from the Australian Government, Council will invest \$30 million to deliver this project which aims to transform the one kilometre stretch of road into a modern, five-star, vibrant, safe and accessible world-class destination.

A measure of the sustainability of our debt level is the Net Financial Liabilities Ratio which averages 95% over the life of the plan.

This indicator measures the significance of what is owed compared to the annual revenue generated and is within the Local Government Association's recommended range of 0% to 100%.

We also need to understand the risks and external factors which may affect our forecast financial position, including:

- › The unpredictability of current inflation rates and price pressures
- › The cost of borrowing as interest rates have risen along with uncertainty on when, or if, those rates will be lowered in the future
- › The imminent review of Council's Asset Management Plans, which may impact future funding requirements

Council's long-term financial planning, and the assumptions applied, is continually updated to reflect the ever-changing environment we operate in. This is to ensure that we remain focused on maintaining long-term financial sustainability for the City of Holdfast Bay.

Over the life of this plan, it is projected that we will not only maintain a strong financial position but will meet all our financial targets.



Roberto Bria
Chief Executive Officer

Financial Principles

The Long Term Financial Plan has been prepared to support the strategic planning process for the City of Holdfast Bay while ensuring future financial sustainability. To that end, the key principles of the plan are fundamental to providing direction for future financial decisions including the development of the annual budget.

Balanced Budget

Council aims to fully fund the cost of its services, including depreciation of its infrastructure and assets, to ensure an equitable sharing between current and future users. Insufficient funding shifts the cost burden of today's services on to future users in the form of higher rates or reduced services.

City Development



Leisure & Culture



Environment



Transport & Access



Community Support



Capital Works



Adopted Council Commitment:
"Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."



Rate Predictability

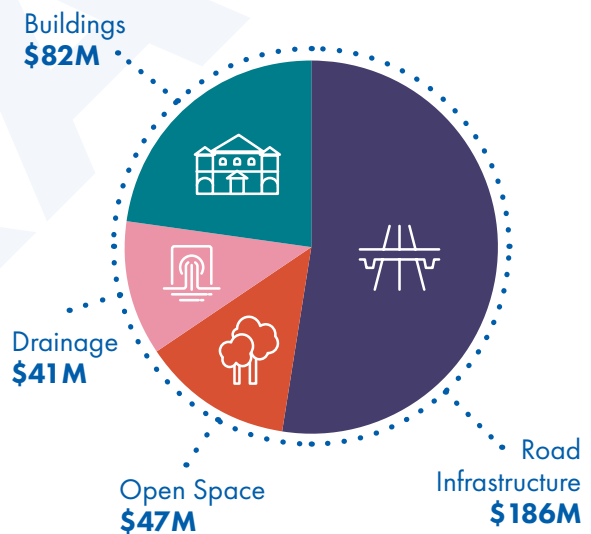
As specified in its Annual Business Plan, Council aims to minimise rate increase spikes to provide a degree of predictability for ratepayers.



Annual Business Plan Commitment:
 “We aim to provide our community with a reasonable degree of predictability for rates over the medium term. We will keep ratepayers fully informed about future rates and the corresponding services provided.”

Efficient Infrastructure and Asset Management

Council aims to maintain its infrastructure and assets to the requisite standard to ensure continued delivery of services to agreed levels. This involves developing and using long term infrastructure and asset management plans to manage Council’s asset portfolio efficiently along with continued investment in its renewal and replacement as our asset stock ages.



Asset Management Plans:
 “Assets are the foundation stones of the City of Holdfast Bay and include the streets we drive on, the parks and reserves our family play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across Holdfast Bay. The plans ensure we maintain and renew assets in a cost-effective and sustainable manner which meets community expectations.”

Financial Principles

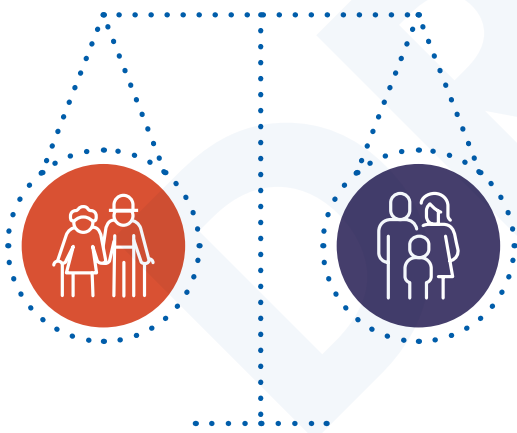
Intergenerational Equity and Debt

Borrowing money to pay for things over time means that current and future ratepayers are contributing to the costs of the services and facilities they are using and benefiting from.

Borrowing money also means that Council can deliver some projects that might otherwise be unaffordable. However, as debt is repaid through rates revenue, the amount Council borrows must be considered. A long-term view of debt has been taken, but with a limit on the borrowings required to fund the plan.

Council debt can:





- › be crucial to the timely delivery of key community infrastructure projects
- › enable Council to deliver infrastructure earlier than otherwise would have been possible
- › spread the costs among future generations who will enjoy the benefit of the investments
- › avoid asking today's generation to pay the full cost of building assets that last for 50 to 100 years.



Intergenerational equity occurs when the costs of an asset are spread over the lifetime of that asset and paid for by the generations that benefit from, or consume, that asset.

Financial Levers

When considering the funding of new projects, whether the creation of new community assets or the provision of additional services, several financial levers are available to Council. All levers should be considered as each opportunity to generate additional funding can also have potential negative effects.

	Lever	Factors to Consider
 <p>Borrowings</p>	Increase current cap on borrowing	<ul style="list-style-type: none"> › Risk of interest rate rises › Community expectation on debt levels › Increased debt levels may limit future capacity to borrow
 <p>Rates</p>	Increase amount of rates revenue raised	<ul style="list-style-type: none"> › Community expectation on acceptable rate increases
 <p>Capital</p>	Minimise new capital expenditure or reschedule asset renewal program	<ul style="list-style-type: none"> › Community expectations on delivery of key initiatives › Reduction in asset renewal will delay the delivery of the Asset Management Plans
 <p>Services</p>	Decrease operational expenditure by reducing services or level of service	<ul style="list-style-type: none"> › Community expectation on the services Council should deliver and the level provided › Potential long-term impact on community wellbeing

Assumptions

The Long Term Financial Plan includes a number of inputs and assumptions over which Council has varying levels of control. It reflects the most recent economic data and forecasts available, and includes allowances for known pressures, opportunities and risks.

It is important that the plan reflects the most recent economic data and forecasts available as the information generated is used to guide decisions on Council's operations into the future. To minimise the inherent risks of long-term planning, Council reviews and updates its Long Term Financial Plan on a regular basis, to ensure that the underlying parameters and assumptions are reasonable given the current economic conditions and expectations.

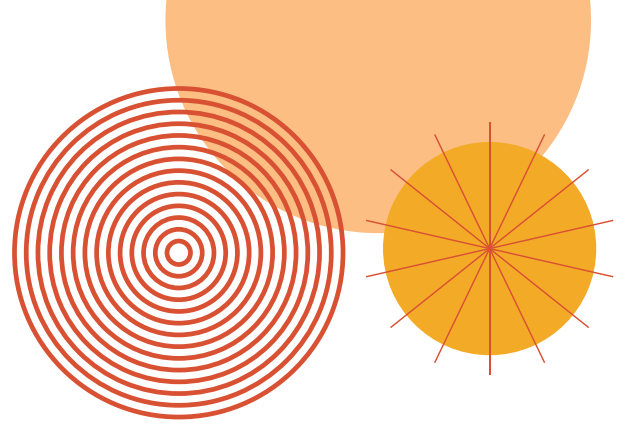
Key Assumptions

Inflation: To estimate the future rate at which prices for goods and services will rise, various economic forecasts have been sourced:

- › The December 2023 Consumer Price Index (CPI) for Adelaide formed the basis of the 2024–25 forecast as this index specifically measures price changes within South Australia where the majority of Council's expenditure occurs.
- › From 2025–26 onwards, CPI forecasting sourced from Deloitte Access Economics, which is an independent economic advisory service, has been applied.

These forecasts of future inflationary pressures were used to estimate Council's required expenditure in future years for all external outlays, including waste disposal, energy consumption and construction costs.

Another annual indicator for the increase in revenue required to fund Council's operations is the Local Government Price Index (LGPI), which measures price changes in the South Australian local government sector. However, LGPI is a historical measure and as such does not have forecast data available. Furthermore, in recent years LGPI has, on average, been close to CPI so the above forecasts have also been applied to future rate revenue, grant funding and other sources of income.



Employment costs: Employment costs have been revised in accordance with current enterprise agreements along with estimations for wage growth in future years. As per the Federal Government's determination to progressively increase Super Guarantee rates, it is assumed Council's obligation will rise from 11.5% in 2024–25 to 12% in 2025 and beyond.

Funding and borrowings: In line with Council's Treasury Management Policy, borrowings are a mixture of short-term and long-term loans designed to manage liquidity and interest rate risk. Borrowings are only provided for when cash is required.

Existing loans are with the Local Government Finance Authority (LGFA) which is guaranteed by the South Australian Government and is Council's preferred financial institution. New loans have been forecast on a 15 year repayment basis, initially at a current LGFA interest rate of 5.53% and reducing to 3.5% over the life of the plan. This is in line with the Reserve Bank of Australia's projection that interest rates are expected to fall from late 2024.

Asset renewal and replacement: Forecast capital renewal expenditure has been taken directly from Council's Asset Management Plans which detail the scheduled replacement of assets due over the years 2020 to 2030. A provision has been made for the years 2031 to 2034 based on average expenditure in previous years.

The Asset Management Plans are due to be updated in late 2024. Any changes to the capital renewal works required, or their cost, has the potential to impact the plan and Council's financial position.

Asset valuations: There is a requirement for Council assets to be valued at least every five years to ensure accurate financial reporting. These values inevitably rise over time, which has a direct and proportional effect on the annual depreciation charge. Within the plan, an allowance has been made for this impact based on average valuation rises in preceding years.

New assets and strategic projects: To enable Council, in consultation with the community, to fund new strategic projects it might identify, an annual amount of \$1 million for new capital projects and \$500,000 for new operational projects has been provided for. These amounts have been increased annually in line with forecast inflation.

Transformation of Jetty Road project: The 2024–25 Draft Annual Business Plan provides detail on the planned \$40 million Transforming Jetty Road project due to take place over the next three years. Council has secured \$10 million of funding from the Australian Government, however, the remaining \$30 million is funded through new borrowings. The associated costs have been included within the plan with an allowance to fund this through increased rate revenue.

Alwyndor Aged Care: Though Council owns and operates this facility, it is excluded from the plan as it is managed as a self-operating business with all revenue sourced from its residents, government funding and investments. Alwyndor does not rely on funding from Council's rate revenue.

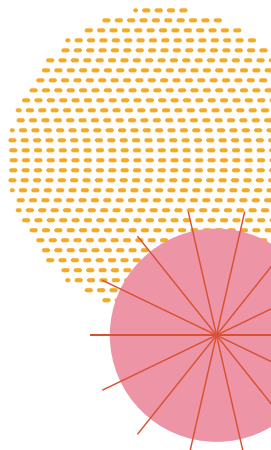
Assumptions

Key Economic Drivers

	Driver	2025	2026	2027	2028
Rate revenue – existing properties	Inflation	CPI 4.8%	Deloitte 3.3%	Deloitte 2.6%	Deloitte 2.6%
Rate revenue – Transformation of Jetty Rd funding	LGFA Rates / Council modelled	2.3%	2.3%	2.3%	–
Rate revenue – new properties (growth)	Historic growth data	VG 0.5%	VG 0.8%	VG 0.8%	VG 0.8%
Other revenue	Inflation	CPI 4.8%	Deloitte 3.3%	Deloitte 2.6%	Deloitte 2.6%
Employee costs	EA / Inflation	EA 4.0%	EA 4.0%	Deloitte 2.6%	Deloitte 2.6%
Depreciation	Prior revaluations	Average 2.0%	Average 2.0%	Average 2.0%	Average 2.0%
Loan Interest Rate (15 year – fixed rate)	LGFA Rates / Council modelled	Average 4.76%	Average 5.28%	5.53%	3.5%
Other expenditure	Inflation	CPI 4.8%	Deloitte 3.3%	Deloitte 2.6%	Deloitte 2.6%

GLOSSARY

- CPI:** Consumer Price Index Adelaide (December 2023)
Deloitte: Deloitte Access Economics (forecast)
EA: Enterprise Agreement
LGFA: Local Government Finance Authority
VG: Office of the Valuer General (SA)



2029	2030	2031	2032	2033	2034
Deloitte 2.6%	Deloitte 2.5%	Deloitte 2.2%	Deloitte 2.2%	Deloitte 2.4%	Deloitte 2.5%
-	-	-	-	-	-
VG 0.8%	VG 0.8%	VG 0.8%	VG 0.8%	VG 0.8%	VG 0.8%
Deloitte 2.6%	Deloitte 2.5%	Deloitte 2.2%	Deloitte 2.2%	Deloitte 2.4%	Deloitte 2.5%
Deloitte 2.6%	Deloitte 2.5%	Deloitte 2.2%	Deloitte 2.2%	Deloitte 2.4%	Deloitte 2.5%
Average 2.0%	Average 2.0%	Average 2.0%	Average 2.0%	Average 2.0%	Average 2.0%
3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Deloitte 2.6%	Deloitte 2.5%	Deloitte 2.2%	Deloitte 2.2%	Deloitte 2.4%	Deloitte 2.5%

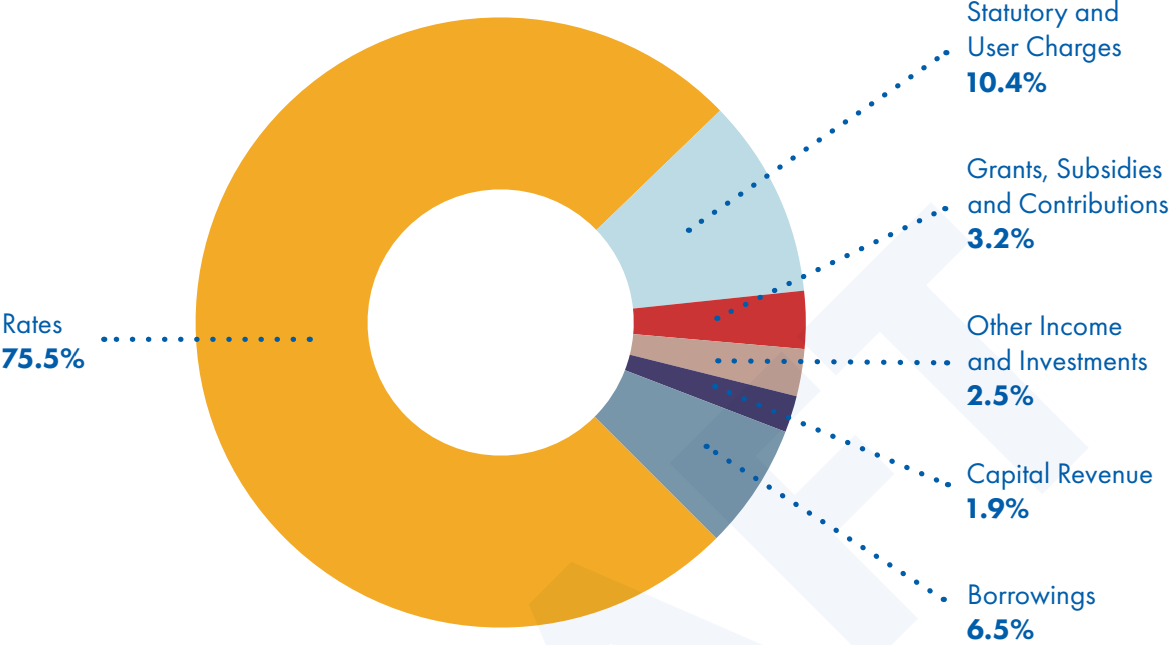
Long-Term Financial Position

The current 10-year projection indicates a degree of financial capacity to respond to unexpected events, and undertake major new initiatives, without adversely affecting the continued provision of services to the community. The plan has been set against economic uncertainty but will be reviewed every 12 months to reflect the prevailing economic conditions and changing community demands placed on the City of Holdfast Bay.

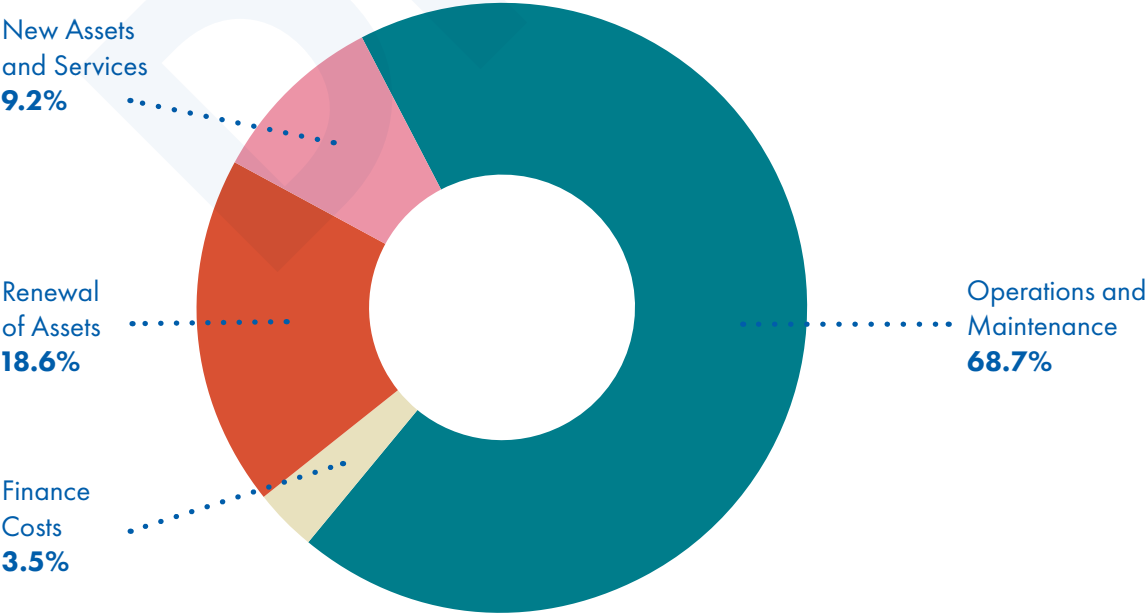
There are different ways in which Council can achieve its objectives. This plan balances the funding needs of asset renewal, new infrastructure and existing services against rating expectations, reasonable fees and debt leverage.

Consideration has also been given to the economic drivers that will influence the future cost of providing the infrastructure, facilities and services for the period 2024–25 to 2033–35. The values disclosed in this plan represent estimated future prices and costs.

OVER THE 10-YEAR PLAN, TOTAL REVENUE OF \$751 MILLION WILL BE SOURCED FROM:



OVER THE 10-YEAR PLAN, TOTAL EXPENDITURE OF \$711 MILLION WILL FUND:



Long-Term Financial Position

Operational Result

Operating surpluses are forecast in every year, ranging from \$1 million to \$7 million. The additional revenue raised is used to repay existing debt obligations, with any surplus amounts then allocated to fund approved capital projects, thus reducing the need to borrow further.

However, there is still a high reliance on rate revenue (82%) to fund operational expenditure despite increased revenue streams from the development of the Brighton Beachfront Holiday Park and car parking.

Capital Projects

This plan provides for a total capital investment of \$193 million over the 10-year period, split between asset renewal of \$133 million and new capital projects of \$60 million. New and upgraded assets will also result in additional maintenance and depreciation costs that increase Council's existing operational expenditure. Additional amounts to allow for these new charges have been included in the Long Term Financial Plan.

Major projects relating to the creation of new, or upgraded assets include:

Transformation of Jetty Road, Glenelg

A three-year, multi-million project will transform Jetty Road, Glenelg – our flagship destination for shopping, local services, dining, entertainment and events – into a modern, vibrant and world-class destination.

The project will be undertaken in three zones to minimise disruption to traders, residents and visitors. Plans for each of the zones are based on feedback received from the community consultation on the *Jetty Road Masterplan* in 2017–18.

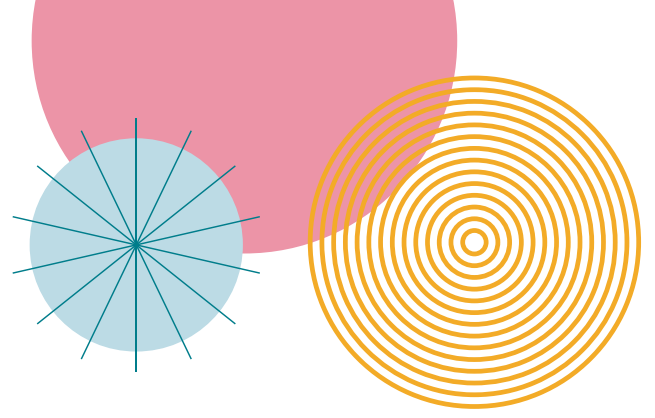
Spanning one kilometre in length and supporting 19 side streets and laneways, Jetty Road is home to more than 330 local business and welcomes a million visitors annually.

Stormwater Upgrades

Stormwater infrastructure upgrades will decrease the likelihood of flooding in high-risk areas. Part funded by the Federal Government; this was identified as a priority in the *Stormwater Management Plan*.

Patawalonga Frontage Irrigation Upgrade

The current irrigation mainline that delivers A-Class water to the coastal reserves in Glenelg, is an ageing infrastructure that is approximately 20–25 years old. This project will create an irrigation system that is not only fit-for-purpose but also cost-effective and environmentally sustainable. The outcome will be a new resilient and sustainable irrigation system designed for the future, operating on recycled water with mains back up in strategic locations.



Street Light Conversion Plan

In 2018–19 the City of Holdfast Bay converted around 2,300 of its 3,400 streetlights over to LED resulting in a 259 tonne decrease in Council’s CO2 greenhouse emissions. A plan will be developed for the conversion and transition to LED of the remaining streetlights.

Technology and Innovation Projects – Various ICT Improvements

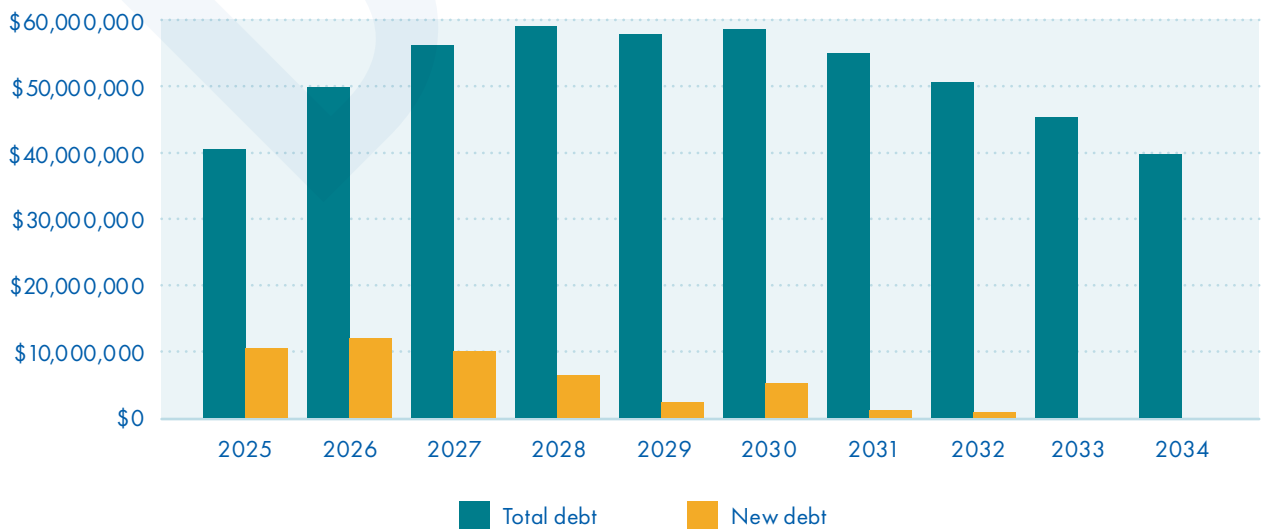
A range of technology projects aimed at improving efficiency and effectiveness in core business functions, including asset management and corporate planning. These projects will assist in planning and managing the work of council and ensuring security of information and data.

Debt Management

The lifespan of many of these new assets will range between 20 and 60 years. Certain assets, like stormwater infrastructure, may even last more than 100 years. Debt helps to spread the cost between those using the assets now and those using them in the future.

It is anticipated that new borrowings totalling \$48 million will be required to fund much of the \$60 million new and upgraded construction program. However, over the life of the plan, debt remains contained and within Council’s set limits.

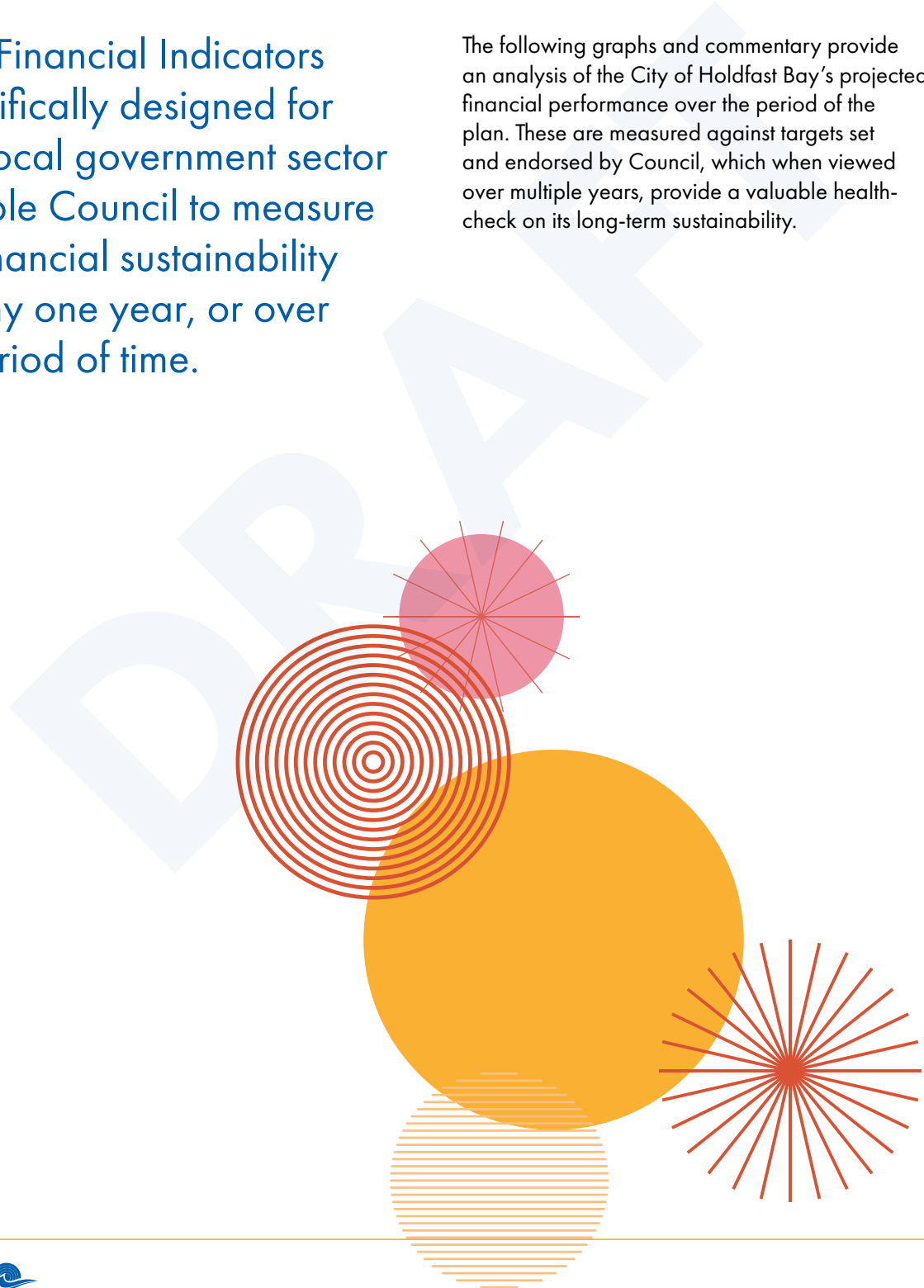
BORROWINGS



Key Financial Indicators

Key Financial Indicators specifically designed for the local government sector enable Council to measure its financial sustainability in any one year, or over a period of time.

The following graphs and commentary provide an analysis of the City of Holdfast Bay's projected financial performance over the period of the plan. These are measured against targets set and endorsed by Council, which when viewed over multiple years, provide a valuable health-check on its long-term sustainability.



Operating Surplus Ratio

What it measures

This indicator measures the difference between day-to-day income and expenditure.

A positive ratio denotes a council's income is greater than its expenditure (sustainable) and indicates the percentage of rates available to fund current and future capital expenditure. If the ratio is negative, then a council is spending more than the income it receives (unsustainable in the long-term) and could indicate the community is not being rated appropriately to cover the services provided.

How it's calculated

Operating surplus, or deficit, as a percentage of total operating revenue.

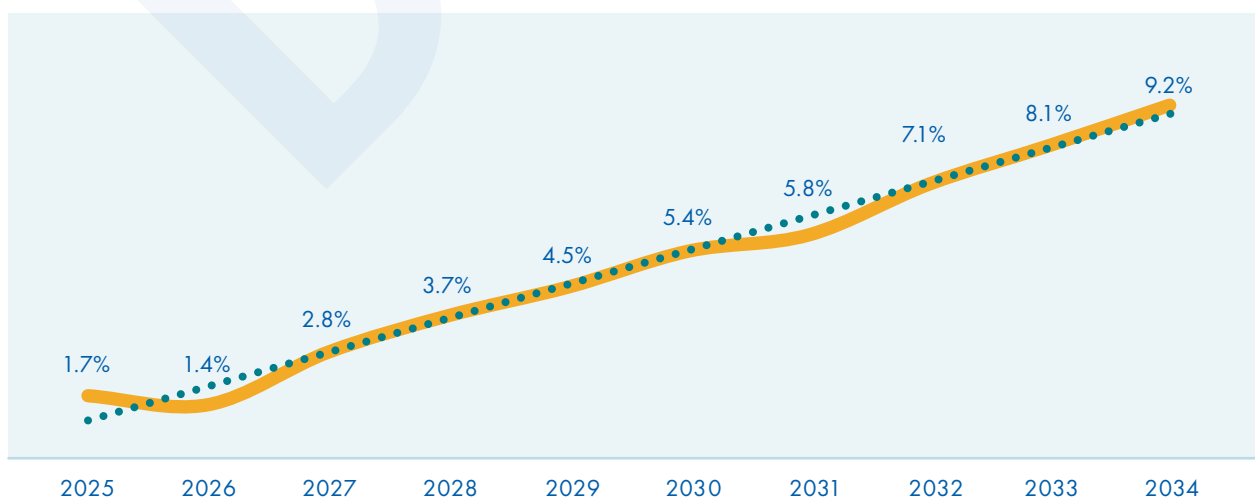
Council target

0% to 10% over a rolling five-year period.

Current projection

Council forecasts operational surpluses for all years, thus meeting its target. These surpluses can be used to repay existing debt, or fund new initiatives, identified through community consultation.

OPERATING SURPLUS RATIO



Key Financial Indicators

Net Financial Liabilities Ratio

What it measures

This indicator reflects the level of debt compared to annual revenue by expressing the percentage of Council's revenue that would be required to pay off total debts.

If used appropriately, debt can be a beneficial source of financing the construction of infrastructure that has a long life, as it spreads the cost across the generations that will benefit from it. This is called intergenerational equity.

If total debt is too low, it can indicate that current ratepayers are contributing a higher share compared to future generations. Conversely if debt is too high, it could indicate the burden is being left for future ratepayers. Debt incurred to pay for day-to-day expenditure, over a period of time, is unsustainable.

How it's calculated

Net financial liabilities as a percentage of total operating revenue.

Council target

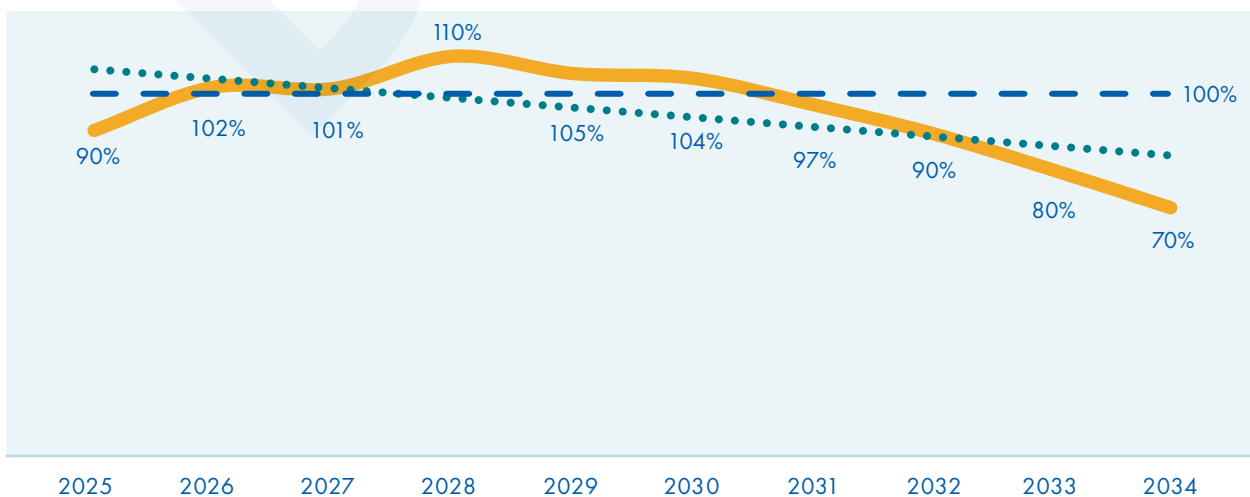
No greater than 100%.

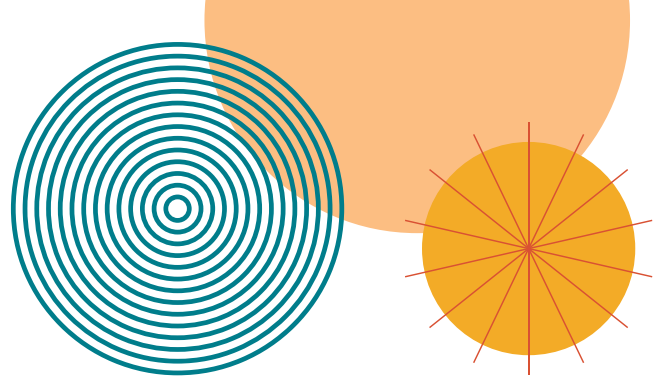
Current projection

A Net Financial Liabilities Ratio limit of 100% is comparable to a household with an annual income of \$100,000 having a mortgage of only \$100,000, illustrating that Council has the capacity to borrow when necessary.

Over the life of the plan, the ratio averages 95%. However, it is forecast to exceed its target of 100% from 2026 to 2030 due to borrowing requirements for the Transformation of Jetty Road project. As the repayment of this debt has been accounted for through a planned increase in rate revenue the Council remains financially sustainable. The declining ratio in later years confirms this, while also indicating that Council will have a corresponding increase in its capacity to fund future initiatives.

NET FINANCIAL LIABILITIES RATIO





Interest Cover Ratio

What it measures

This indicator measures the percentage of income used to pay interest on loans.

When considered in conjunction with the Net Financial Liabilities Ratio, it provides an understanding of the level and affordability of Council's debt. An increasing ratio does not in itself imply unsustainability if the increased cost of debt is a consequence of a planned intergenerational infrastructure program. However, an increasing ratio due to the funding of day-to-day expenditure through borrowings is not financially sustainable.

How it's calculated

Finance charges as a percentage of total operating revenue.

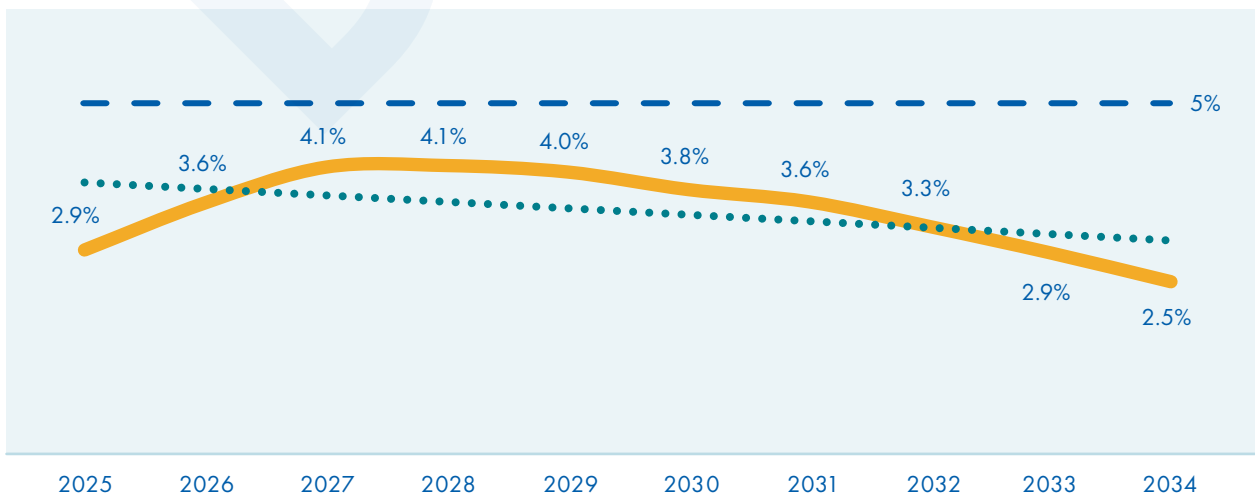
Council target

No greater than 5%.

Current projection

Council forecasts a ratio under 5% in all years, thus meeting its target. As with the Net Financial Liabilities Ratio, the declining Interest Cover Ratio over the timeframe of the plan indicates that Council will have a corresponding increase in its capacity to fund future initiatives.

INTEREST COVER RATIO



Key Financial Indicators

Asset Renewal Funding Ratio

What it measures

This indicator measures whether Council is appropriately maintaining its assets.

Council's Asset Management Plans outline the optimum time to replace each of its assets to ensure consistent service delivery to the community. It is important that funding is available each year to enable the delivery of the schedules contained within these plans. This ratio measures whether Council is achieving this. A ratio higher than 100% could imply assets are being replaced too frequently, while a lower ratio might indicate infrastructure is becoming unfit for purpose.

How it's calculated

Total planned capital renewal expenditure in the Long Term Financial Plan as a percentage of expenditure identified in the Asset Management Plans.

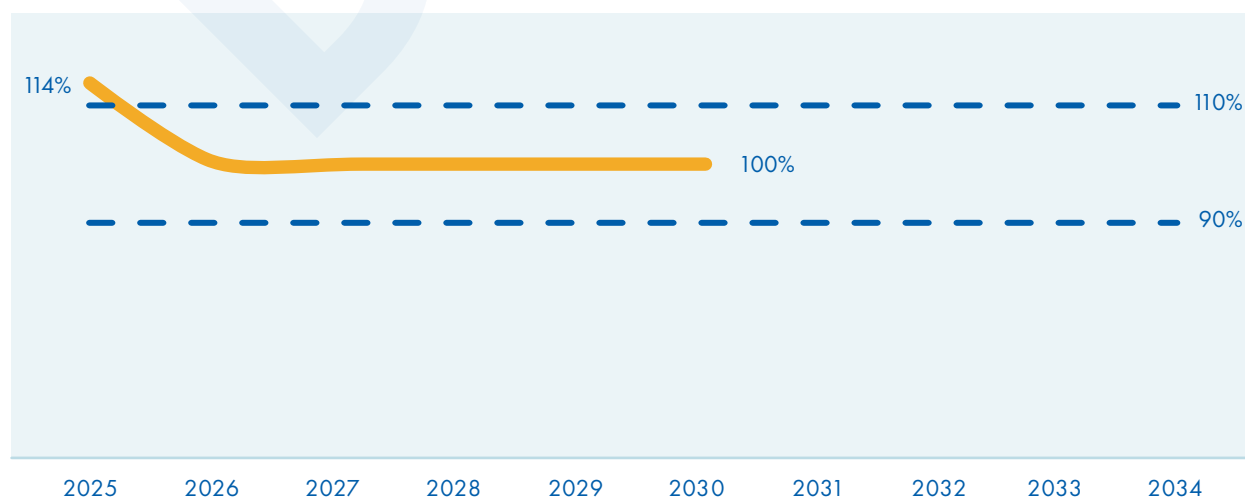
Council target

Between 90% and 100%.

Current projection

Forecast capital renewal expenditure has been taken directly from Council's Asset Management Plans (2020–30) thus creating a 100% ratio in all years, except for 2025 when the requirement for additional renewal works was identified. This illustrates Council's intention to replace assets at the optimum time, ensuring that sustainability is maintained. Until the Asset Management Plans are updated beyond 2030, a provision has been made for the years 2031 to 2034, based on average expenditure in previous years.

ASSET RENEWAL FUNDING RATIO



Financial Statements



Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
Income			
Rates	40,535,000	43,476,000	46,748,000
Statutory Charges	3,245,000	2,874,000	2,979,000
User Charges	3,992,000	3,646,000	3,938,000
Grants, Subsidies and Contributions - operating	3,188,000	2,679,000	2,183,000
Investment Income	141,000	72,000	72,000
Reimbursements	725,000	786,000	734,000
Other Income	1,318,000	838,000	872,000
Net gain - equity accounted Council businesses	323,000	91,000	98,000
Total Income	53,467,000	54,462,000	57,624,000
Expenses			
Employee Costs	18,953,000	19,569,000	20,561,000
Materials, Contracts & Other Expenses	21,039,000	22,662,000	22,666,000
Depreciation, Amortisation & Impairment	10,349,000	10,821,000	11,685,000
Finance Costs	582,000	793,000	1,753,000
Total Expenses	50,923,000	53,845,000	56,665,000
Operating Surplus / (Deficit)	2,544,000	617,000	959,000
Asset Disposal & Fair Value Adjustments	99,000	-	-
Amounts Received Specifically for New or Upgraded Assets	582,000	1,596,000	-
Net Surplus / (Deficit)	3,225,000	2,213,000	959,000
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	3,855,000	1,998,000	7,407,405
Total Other Comprehensive Income	3,855,000	1,998,000	7,407,405
Total Comprehensive Income	7,080,000	4,211,000	8,366,406

	Projected Years							
2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$	\$	\$	\$	\$	\$	\$	\$	\$
49,683,000	52,456,000	54,236,000	56,076,000	57,924,000	59,660,000	61,447,000	63,410,000	65,501,000
3,077,000	3,157,000	3,239,000	3,323,000	3,406,000	3,481,000	3,558,000	3,643,000	3,734,000
4,068,000	4,174,000	4,283,000	4,394,000	4,504,000	4,603,000	4,704,000	4,817,000	4,937,000
2,243,000	2,291,000	2,340,000	2,391,000	2,442,000	2,488,000	2,535,000	2,587,000	2,643,000
74,000	76,000	78,000	80,000	82,000	84,000	86,000	88,000	91,000
758,000	778,000	798,000	819,000	839,000	857,000	876,000	897,000	919,000
901,000	924,000	948,000	973,000	997,000	1,019,000	1,041,000	1,066,000	1,093,000
123,000	125,000	127,000	129,000	132,000	132,000	132,000	132,000	132,000
60,927,000	63,981,000	66,049,000	68,185,000	70,326,000	72,324,000	74,379,000	76,640,000	79,050,000
21,475,000	22,032,000	22,605,000	23,192,000	23,771,000	24,293,000	24,828,000	25,423,000	26,059,000
23,962,910	24,886,522	25,367,901	26,071,744	26,732,258	27,593,994	27,938,191	28,616,807	29,338,462
12,357,640	12,581,606	12,813,686	13,044,820	13,285,740	13,537,050	13,800,269	14,073,527	14,357,133
2,258,589	2,694,354	2,795,681	2,823,263	2,735,981	2,687,962	2,503,511	2,292,844	2,041,419
60,054,140	62,194,483	63,582,267	65,131,827	66,524,978	68,112,007	69,069,971	70,406,178	71,796,013
872,860	1,786,517	2,466,733	3,053,173	3,801,022	4,211,993	5,309,029	6,233,822	7,253,987
-	-	-	-	-	-	-	-	-
-	10,000,000	-	-	-	-	-	-	-
872,860	11,786,517	2,466,733	3,053,173	3,801,022	4,211,993	5,309,029	6,233,822	7,253,987
7,965,035	8,337,766	8,807,119	9,184,728	9,413,200	9,699,829	9,901,066	10,107,606	10,298,266
7,965,035	8,337,766	8,807,119	9,184,728	9,413,200	9,699,829	9,901,066	10,107,606	10,298,266
8,837,895	20,124,284	11,273,852	12,237,900	13,214,221	13,911,822	15,210,095	16,341,428	17,552,253

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF FINANCIAL POSITION - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
ASSETS			
Current Assets			
Cash & Cash Equivalents	114,000	-	-
Trade & Other Receivables	3,519,000	1,879,725	1,872,899
Total Current Assets	3,633,000	1,879,725	1,872,898
Non-Current Assets			
Financial Assets	627,000	605,000	584,000
Equity Accounted Investments in Council Businesses	4,251,000	4,342,000	4,440,000
Infrastructure, Property, Plant & Equipment	858,973,000	874,194,000	901,447,406
Other Non-Current Assets	3,386,000	3,386,000	3,386,000
Total Non-Current Assets	867,237,000	882,527,000	909,857,406
TOTAL ASSETS	870,870,000	884,406,725	911,730,304
LIABILITIES			
Current Liabilities			
Cash Advance Debenture	249,000	-	-
Trade & Other Payables	8,813,000	9,146,074	9,458,854
Borrowings	1,113,000	1,523,469	2,539,201
Provisions	3,476,000	3,690,909	3,958,273
Total Current Liabilities	13,651,000	14,360,452	15,956,328
Non-Current Liabilities			
Borrowings	12,276,000	20,827,182	38,163,844
Provisions	275,000	340,091	364,727
Total Non-Current Liabilities	12,551,000	21,167,273	38,528,571
TOTAL LIABILITIES	26,202,000	35,527,725	54,484,899
Net Assets	844,668,000	848,879,000	857,245,405
EQUITY			
Accumulated Surplus	183,504,000	185,717,000	186,676,000
Asset Revaluation Reserves	661,164,000	663,162,000	670,569,405
Total Equity	844,668,000	848,879,000	857,245,405

2025/26	2026/27	2027/28	Projected Years					2033/34
			2028/29	2029/30	2030/31	2031/32	2032/33	
\$	\$	\$	\$	\$	\$	\$	\$	\$
-	3,954,157	-	-	-	-	-	647,164	1,851,828
1,970,140	2,504,070	2,110,752	2,171,506	2,235,483	2,299,524	2,348,573	2,407,610	2,475,995
1,970,140	6,458,227	2,110,752	2,171,506	2,235,483	2,299,524	2,348,573	3,054,774	4,327,823
564,000	545,000	529,000	516,000	502,000	487,000	478,000	476,000	476,000
4,563,000	4,688,000	4,815,000	4,944,000	5,076,000	5,208,000	5,340,000	5,472,000	5,604,000
920,168,801	943,042,961	961,960,394	973,297,302	987,760,762	998,586,540	1,009,950,337	1,020,802,416	1,032,075,550
3,386,000	3,386,000	3,386,000	3,386,000	3,386,000	3,386,000	3,386,000	3,386,000	3,386,000
928,681,801	951,661,961	970,690,394	982,143,302	996,724,762	1,007,667,540	1,019,154,337	1,030,136,416	1,041,541,550
930,651,941	958,120,188	972,801,146	984,314,808	998,960,245	1,009,967,064	1,021,502,910	1,033,191,191	1,045,869,373
-	-	-	-	-	-	-	-	-
10,008,922	10,472,779	10,745,011	11,073,625	11,393,050	11,748,335	11,989,806	12,323,844	12,679,386
3,213,575	3,488,588	3,985,729	4,311,798	4,780,527	5,066,526	5,346,186	5,597,613	5,861,341
4,236,625	4,522,302	4,815,304	5,115,631	5,423,283	5,737,344	6,058,731	6,387,442	6,724,395
17,459,122	18,483,669	19,546,044	20,501,054	21,596,860	22,552,205	23,394,723	24,308,899	25,265,122
46,719,143	53,012,238	55,329,969	53,623,048	53,930,110	50,040,823	45,494,444	39,896,831	34,035,489
390,375	416,698	443,696	471,369	499,717	528,656	558,269	588,558	619,605
47,109,518	53,428,936	55,773,666	54,094,417	54,429,827	50,569,479	46,052,713	40,485,389	34,655,095
64,568,641	71,912,605	75,319,710	74,595,471	76,026,687	73,121,684	69,447,436	64,794,288	59,920,217
866,083,301	886,207,584	897,481,436	909,719,337	922,933,558	936,845,380	952,055,474	968,396,903	985,949,156
187,548,860	199,335,378	201,802,110	204,855,283	208,656,304	212,868,298	218,177,326	224,411,149	231,665,136
678,534,440	686,872,207	695,679,326	704,864,054	714,277,253	723,977,082	733,878,148	743,985,754	754,284,021
866,083,301	886,207,584	897,481,436	909,719,337	922,933,558	936,845,380	952,055,474	968,396,903	985,949,156

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF CASH FLOWS - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
Cash Flows from Operating Activities			
Receipts:			
Rates Receipts	40,460,000	43,080,997	46,977,846
Statutory Charges	3,295,000	3,262,171	2,974,291
User Charges	4,328,000	4,118,577	3,924,904
Grants, Subsidies and Contributions (operating purpose)	3,202,000	3,066,834	2,205,245
Investment Receipts	141,000	89,752	72,000
Reimbursements	733,000	864,946	735,542
Other	3,623,000	1,014,034	866,250
Payments:			
Payments to Employees	(18,834,000)	(19,289,000)	(20,269,000)
Payments for Materials, Contracts & Other Expenses	(23,953,000)	(22,028,515)	(22,652,275)
Finance Payments	(582,000)	(793,000)	(1,753,000)
Net Cash provided (or used in) Operating Activities	12,413,000	13,386,794	13,081,803
Cash Flows from Investing Activities			
Receipts:			
Amounts Received Specifically for New/Upgraded Assets	582,000	1,613,555	75,803
Sale of Replaced Assets	528,000	669,000	26,000
Sale of Surplus Assets	722,000	-	-
Repayments of Loans by Community Groups	270,000	217,000	21,000
Payments:			
Expenditure on Renewal/Replacement of Assets	(8,315,000)	(12,588,000)	(9,000,000)
Expenditure on New/Upgraded Assets	(6,086,000)	(12,125,000)	(22,557,000)
Net Cash provided (or used in) Investing Activities	(12,299,000)	(22,213,445)	(31,434,197)
Cash Flows from Financing Activities			
Receipts:			
Proceeds from CAD	249,000	-	-
Proceeds from Borrowings	-	10,073,929	20,094,180
Repayments of Borrowings	(1,322,000)	(1,101,278)	(1,728,786)
Repayment of Principal Portion of Lease Liabilities	(11,000)	(11,000)	(13,000)
Repayment of Bonds & Deposits	(7,000)	-	-
Net Cash Flow provided (used in) Financing Activities	(1,091,000)	8,961,651	18,352,394
Net Increase/(Decrease) in Cash & Cash Equivalents	(977,000)	135,000	-
plus: Cash & Cash Equivalents - beginning of year	842,000	(135,000)	-
Cash & Cash Equivalents - end of the year	(135,000)	-	-
Cash & Cash Equivalents - end of the year	(135,000)	-	-
Cash, Cash Equivalents & Investments - end of the year	(135,000)	-	-

2025/26	2026/27	2027/28	Projected Years			2030/31	2031/32	2032/33	2033/34
			2028/29	2029/30					
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
49,889,173	52,650,793	54,361,039	56,205,253	58,053,815	59,781,948	61,572,530	63,547,894	65,647,885	
3,072,605	3,153,412	3,235,322	3,319,233	3,402,278	3,477,636	3,554,547	3,639,188	3,729,919	
4,062,170	4,169,246	4,278,112	4,389,022	4,499,067	4,598,560	4,699,470	4,811,932	4,931,618	
2,240,309	2,288,847	2,337,802	2,388,713	2,439,713	2,485,937	2,532,892	2,584,668	2,640,489	
73,941	75,941	77,941	79,941	81,941	83,941	85,941	87,941	90,911	
757,288	777,407	797,407	818,377	838,407	856,466	875,436	896,377	918,347	
899,699	949,442	920,450	971,879	995,924	1,018,013	1,040,013	1,064,879	1,091,789	
(21,171,000)	(21,720,000)	(22,285,000)	(22,864,000)	(23,435,000)	(23,950,000)	(24,477,000)	(25,064,000)	(25,691,000)	
(23,702,269)	(24,691,730)	(25,266,377)	(25,923,301)	(26,592,953)	(27,412,252)	(27,865,599)	(28,473,685)	(29,186,263)	
(2,258,589)	(2,694,354)	(2,795,681)	(2,823,263)	(2,735,981)	(2,687,962)	(2,503,511)	(2,292,844)	(2,041,419)	
13,863,326	14,959,004	15,661,017	16,561,853	17,547,210	18,252,288	19,514,720	20,802,350	22,132,277	
-	9,525,046	474,954	-	-	-	-	-	-	
727,000	361,000	510,000	392,000	308,000	396,000	405,000	414,000	424,000	
-	-	-	-	-	-	-	-	-	
21,000	20,000	19,000	16,000	13,000	14,000	15,000	9,000	2,000	
(12,631,000)	(10,836,000)	(14,568,000)	(13,959,000)	(16,973,000)	(13,351,000)	(13,922,000)	(13,445,000)	(13,925,000)	
(11,210,000)	(16,643,000)	(8,866,000)	(1,630,000)	(1,671,000)	(1,708,000)	(1,746,000)	(1,787,000)	(1,831,000)	
(23,093,000)	(17,572,954)	(22,430,046)	(15,181,000)	(18,323,000)	(14,649,000)	(15,248,000)	(14,809,000)	(15,330,000)	
-	-	-	-	-	-	-	-	-	
11,987,192	10,000,000	6,303,461	2,604,877	5,087,589	1,177,239	799,806	-	-	
(2,757,518)	(3,431,893)	(3,488,588)	(3,985,729)	(4,311,798)	(4,780,527)	(5,066,526)	(5,346,186)	(5,597,613)	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
9,229,674	6,568,107	2,814,873	(1,380,852)	775,791	(3,603,288)	(4,266,720)	(5,346,186)	(5,597,613)	
-	3,954,157	(3,954,157)	-	-	-	-	647,164	1,204,664	
-	-	3,954,157	-	-	-	-	-	647,164	
-	3,954,157	-	-	-	-	-	647,164	1,851,828	
-	3,954,157	-	-	-	-	-	647,164	1,851,828	
-	3,954,157	-	-	-	-	-	647,164	1,851,828	

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF CHANGES IN EQUITY - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
Opening Balance	837,588,000	844,668,000	848,879,000
Net Surplus / (Deficit) for Year	3,225,000	2,213,000	959,000
Other Comprehensive Income			
- Gain (Loss) on Revaluation of I,PP&E	3,855,000	1,998,000	7,407,405
Other Comprehensive Income	3,855,000	1,998,000	7,407,405
Total Comprehensive Income	7,080,000	4,211,000	8,366,406
Equity - Balance at end of the reporting period	844,668,000	848,879,000	857,245,405

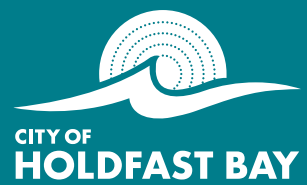
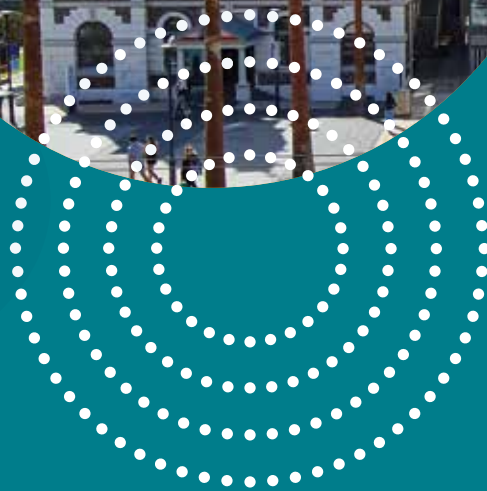
2025/26	2026/27	2027/28	Projected Years			2030/31	2031/32	2032/33	2033/34
			2028/29	2029/30					
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
857,245,405	866,083,301	886,207,584	897,481,436	909,719,337	922,933,558	936,845,380	952,055,474	968,396,903	
872,860	11,786,517	2,466,733	3,053,173	3,801,022	4,211,993	5,309,029	6,233,822	7,253,987	
7,965,035	8,337,766	8,807,119	9,184,728	9,413,200	9,699,829	9,901,066	10,107,606	10,298,266	
7,965,035	8,337,766	8,807,119	9,184,728	9,413,200	9,699,829	9,901,066	10,107,606	10,298,266	
8,837,895	20,124,284	11,273,852	12,237,900	13,214,221	13,911,822	15,210,095	16,341,428	17,552,253	
866,083,301	886,207,584	897,481,436	909,719,337	922,933,558	936,845,380	952,055,474	968,396,903	985,949,156	

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
UNIFORM PRESENTATION OF FINANCES - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
Income			
Rates	40,535,000	43,476,000	46,748,000
Statutory Charges	3,245,000	2,874,000	2,979,000
User Charges	3,992,000	3,646,000	3,938,000
Grants, Subsidies and Contributions - operating	3,188,000	2,679,000	2,183,000
Investment Income	141,000	72,000	72,000
Reimbursements	725,000	786,000	734,000
Other Income	1,318,000	838,000	872,000
Net gain - equity accounted Council businesses	323,000	91,000	98,000
Total Income	53,467,000	54,462,000	57,624,000
Expenses			
Employee Costs	18,953,000	19,569,000	20,561,000
Materials, Contracts & Other Expenses	21,039,000	22,662,000	22,666,000
Depreciation, Amortisation & Impairment	10,349,000	10,821,000	11,685,000
Finance Costs	582,000	793,000	1,753,000
Total Expenses	50,923,000	53,845,000	56,665,000
Operating Surplus / (Deficit)	2,544,000	617,000	959,000
Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(8,315,000)	(12,588,000)	(9,000,000)
<i>add back</i> Depreciation, Amortisation and Impairment	10,349,000	10,821,000	11,685,000
<i>add back</i> Proceeds from Sale of Replaced Assets	528,000	669,000	26,000
Total Net Outlays on Existing Assets	2,562,000	(1,098,000)	2,711,000
Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(6,086,000)	(12,125,000)	(22,557,000)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	582,000	1,613,555	75,803
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments & non-current assets held for sale)	722,000	-	-
Total Net Outlays on New and Upgraded Assets	(4,782,000)	(10,511,445)	(22,481,197)
Annual Net Impact to Financing Activities (surplus / (deficit))	324,000	(10,992,445)	(18,811,198)

2025/26	2026/27	2027/28	Projected Years					
			2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$	\$	\$	\$	\$	\$	\$	\$	\$
49,683,000	52,456,000	54,236,000	56,076,000	57,924,000	59,660,000	61,447,000	63,410,000	65,501,000
3,077,000	3,157,000	3,239,000	3,323,000	3,406,000	3,481,000	3,558,000	3,643,000	3,734,000
4,068,000	4,174,000	4,283,000	4,394,000	4,504,000	4,603,000	4,704,000	4,817,000	4,937,000
2,243,000	2,291,000	2,340,000	2,391,000	2,442,000	2,488,000	2,535,000	2,587,000	2,643,000
74,000	76,000	78,000	80,000	82,000	84,000	86,000	88,000	91,000
758,000	778,000	798,000	819,000	839,000	857,000	876,000	897,000	919,000
901,000	924,000	948,000	973,000	997,000	1,019,000	1,041,000	1,066,000	1,093,000
123,000	125,000	127,000	129,000	132,000	132,000	132,000	132,000	132,000
60,927,000	63,981,000	66,049,000	68,185,000	70,326,000	72,324,000	74,379,000	76,640,000	79,050,000
21,475,000	22,032,000	22,605,000	23,192,000	23,771,000	24,293,000	24,828,000	25,423,000	26,059,000
23,962,910	24,886,522	25,367,901	26,071,744	26,732,258	27,593,994	27,938,191	28,616,807	29,338,462
12,357,640	12,581,606	12,813,686	13,044,820	13,285,740	13,537,050	13,800,269	14,073,527	14,357,133
2,258,589	2,694,354	2,795,681	2,823,263	2,735,981	2,687,962	2,503,511	2,292,844	2,041,419
60,054,140	62,194,483	63,582,267	65,131,827	66,524,978	68,112,007	69,069,971	70,406,178	71,796,013
872,860	1,786,517	2,466,733	3,053,173	3,801,022	4,211,993	5,309,029	6,233,822	7,253,987
(12,631,000)	(10,836,000)	(14,568,000)	(13,959,000)	(16,973,000)	(13,351,000)	(13,922,000)	(13,445,000)	(13,925,000)
12,357,640	12,581,606	12,813,686	13,044,820	13,285,740	13,537,050	13,800,269	14,073,527	14,357,133
727,000	361,000	510,000	392,000	308,000	396,000	405,000	414,000	424,000
453,640	2,106,606	(1,244,314)	(522,180)	(3,379,260)	582,050	283,269	1,042,527	856,133
(11,210,000)	(16,643,000)	(8,866,000)	(1,630,000)	(1,671,000)	(1,708,000)	(1,746,000)	(1,787,000)	(1,831,000)
-	9,525,046	474,954	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(11,210,000)	(7,117,954)	(8,391,046)	(1,630,000)	(1,671,000)	(1,708,000)	(1,746,000)	(1,787,000)	(1,831,000)
(9,883,500)	(3,224,830)	(7,168,627)	900,993	(1,249,238)	3,086,043	3,846,298	5,489,349	6,279,119



Brighton Civic Centre
24 Jetty Road
Brighton SA 5048

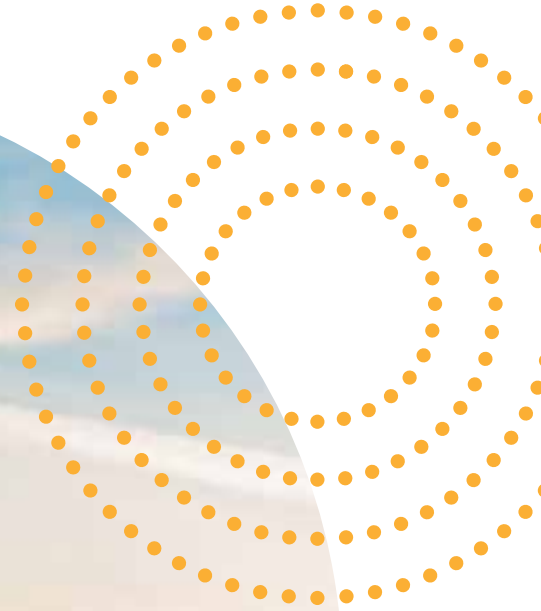
Post
PO Box 19
Brighton, SA 5048

8229 9999
mail@holdfast.sa.gov.au

holdfast.sa.gov.au

Attachment 5

2024-25 Annual Business Plan



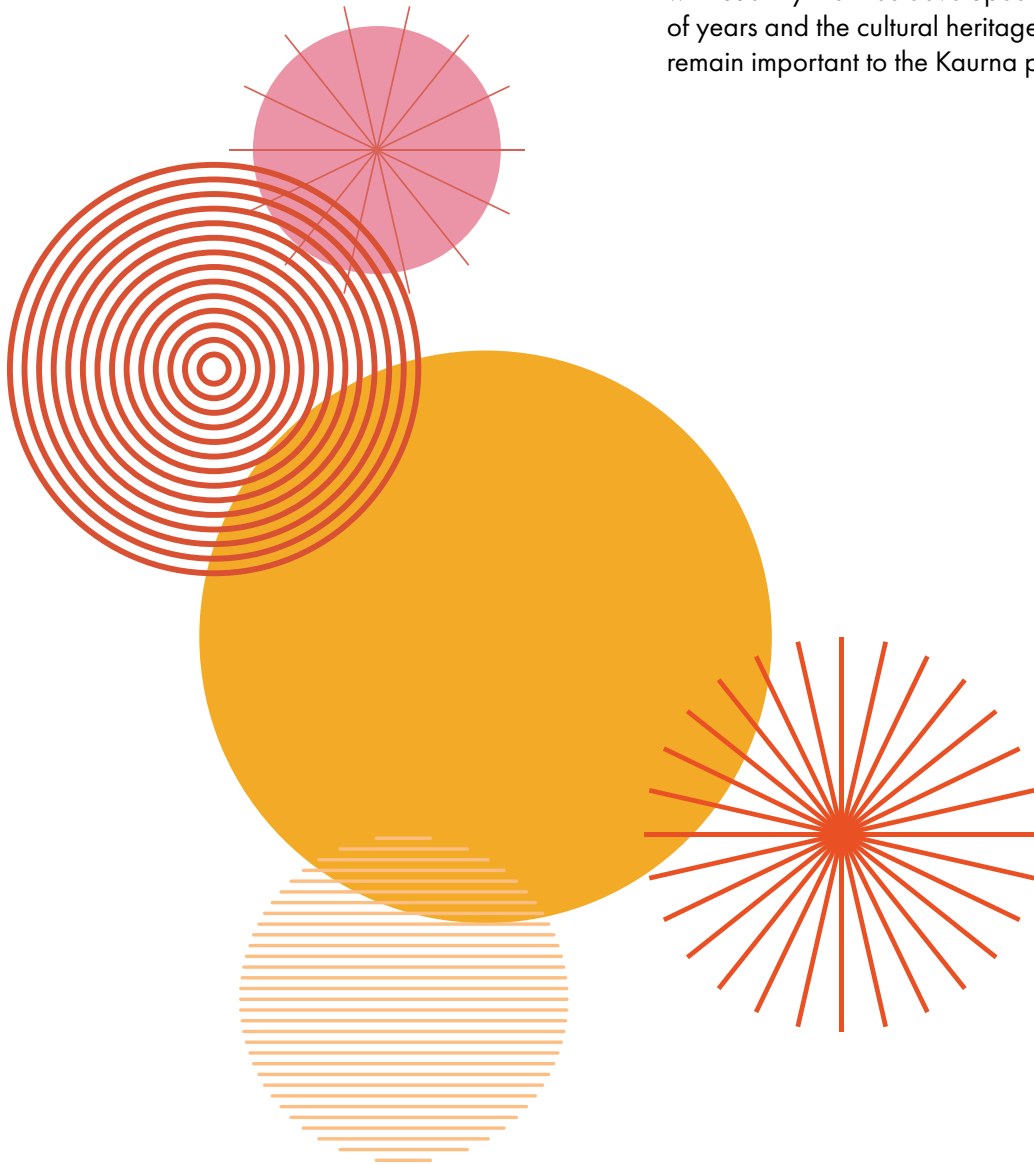
About this Draft 2024–25 Annual Business Plan

TO BE UPDATED



Traditional Custodians

The City of Holdfast Bay acknowledges the Kaurna People as the traditional owners and custodians of the land. We respect their spiritual relationship with country that has developed over thousands of years and the cultural heritage and beliefs that remain important to the Kaurna people today.



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Mayor's Welcome

On behalf of the City of Holdfast Bay, I'm pleased to present the *Draft 2024–25 Annual Business Plan*, outlining our program of works and budget for the upcoming financial year.

As Mayor, I am immensely proud to call Holdfast Bay my home and place of business. And I know it's a sentiment shared by many in our community.

Although we are privileged to experience this amazing part of the world daily, we are also the destination of choice for a million visitors each year. In particular, Glenelg is the premier coastal spot in metropolitan Adelaide, with the tram playing a pivotal role in delivering tourists right to our doorstep.

To cement ourselves as a must-visit location, we have made a commitment to deliver one of the biggest projects our council has ever undertaken – the multi-stage, \$40 million transformation of Jetty Road, Glenelg.

We have listened to our community who have for many years called for a revamp of our flagship shopping, dining and entertainment precinct, which supports more than 330 local businesses.

And over the next three years, we will transform the one kilometre stretch of road into a modern, five-star, vibrant, safe and accessible world-class destination.

We have \$10 million in funds already secured from the Australian Government and Council is committing another \$30 million to this once-in-a-generation project.

However, it's not just an investment into Glenelg. It's an investment into the future economic growth and prosperity of the entire Holdfast Bay area and will have far reaching benefits for the city, from the boundaries at Glenelg North to Kingston Park and everywhere in between.

Renewal works will kick off in spring this year within the City zone which starts at the Brighton Road intersection and extends west to the Partridge Street/Gordon Street intersection.

Our priority will be ensuring the community can still easily access local services and shops while the work is undertaken.

The real magic will take place over the coming two years, in particular with the Coast zone which includes the Moseley Street junction with Jetty Road, Colley Terrace and the fringe of Moseley Square.

As this is predominantly a tourist precinct, we want our area to have flexible spaces, widened footpaths and the creation of a plaza that can be closed to traffic for events and activations particularly during the summer months.

While the Transforming Jetty Road Glenelg project will be our major focus for the next three years, we have also prioritised and allocated funds to other projects and initiatives which are of great importance to our community – the environment, city assets and infrastructure, sport, recreation, wellbeing, tourism and events.

Our focus on protecting our environment is unwavering. We were the first coastal council in South Australia to recognise that the world is in a climate emergency and have a constant view to adapting to and mitigating climate change.

Our involvement in the Resilient South initiative – which is a joint venture between Holdfast Bay, the cities of Marion, Mitcham and Onkaparinga and the South Australian Government – will continue in 2024–25.

We have allocated \$20,000 towards the Regional Coordinator role to ensure the *Regional Climate Action Plan (ReCAP) 2024–2029* is delivered. The ReCAP will assist in achieving carbon neutral/net zero emissions targets that we, and our Resilient South partners, endorsed and adopted.

Our partnership with the City of Marion extends to a review of the *Stormwater Management Plan (SMP)*, towards which we have allocated \$50,000 in the 2024–25 budget.



The SMP review will inform our own stormwater implementation plan and capital works upgrades across the city, which is important in reducing the risk of flooding and improving water quality.

Other projects that will be funded out of the \$1.31 million allocated for Environmental Services, include:

- › Biodiversity assessment – \$30,000
- › Wheatland Street pocket park – \$20,000
- › Street light conversion plan – \$20,000
- › Patawalonga Frontage irrigation upgrade – \$500,000
- › EV charging infrastructure for Council's vehicle fleet – \$20,000

Council is committed to a high level of service and safety with our street, footpath and kerb renewal and maintenance program.

In 2024–25, \$8.92 million is allocated for Field Services – which covers all maintenance and repairs of footpaths, kerbs and roads along all public amenities including beach access points, showers, barbecues, playgrounds and picnic furniture.

The team is also responsible for street trees, lawn mowing, graffiti removal and stormwater drains.

Other projects and services listed in the *Draft Annual Business Plan* include:

- › Library Services – \$1.98 million
- › Tourism and Events – \$1.63 million
- › Sport and Recreation Infrastructure Planning – \$40,000
- › Cricket Club chairlift – \$17,398
- › *Movement and Transport Plan* Implementation – \$40,000

- › Wayfinding at Kingston Park – \$8,000
- › Sharing the National Collection public art installation – \$7,250

As part of the upcoming budget and for the purposes of this *Draft Annual Business Plan*, rates have been provisionally raised by 7.1% – or \$126 for the coming year (based on the average residential property value in Holdfast Bay).

The 7.1% increase in rates comprises 4.8% which aligns with Adelaide CPI (as at December 2023) to fund the full range of council services along with a 2.3% increase for the Transforming Jetty Road project.

This 2.3% equates to an increase of \$41 for the average household next year, and we anticipate an increase at this similar level for two further years for the Transforming Jetty Road project, which will be completed by the end of 2027.

Our commitment to the transformation of Jetty Road at Glenelg will allow us to keep up with the growth that is taking place around the state while also ensuring Glenelg – and by extension Holdfast Bay – remains relevant and front of mind as Adelaide's best coastal shopping, dining, entertainment and tourism precinct.

We have exhausted all other funding options for this significant project, but this needed investment will result in a great return for our residents and boosted economic prosperity for the City of Holdfast Bay.

I look forward to your feedback on our draft plan.



Amanda Wilson
Mayor
City of Holdfast Bay

Our City

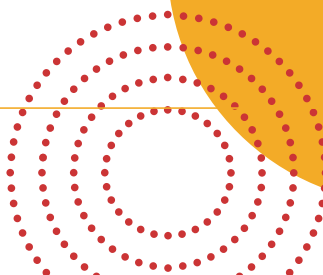
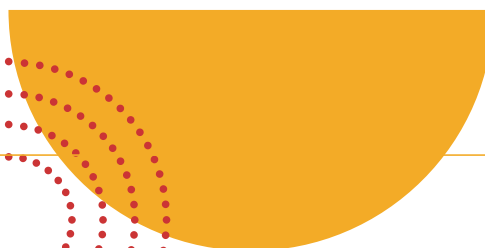
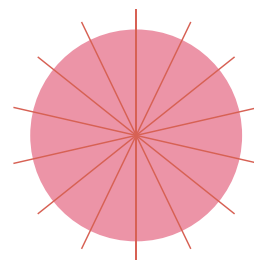
Kaurna people lived sustainably and nurtured the land and waters for some 60,000 years as one of the world's longest living cultures.

The coastal environment with its fresh water lagoons and abundant food sources was used for millennia as a meeting place for cultural celebrations, ceremony and trade by Kaurna people, and continues to be a place of significant Kaurna cultural heritage.

In 1836, Colonel William Light arrived on the Rapid to survey the South Australian coast in search of a place for settlement. While the Rapid stood off-shore near the mouth of the Patawalonga, a storm blew in and the anchor held. Colonel Light consequently named the bay 'Holdfast Bay'.

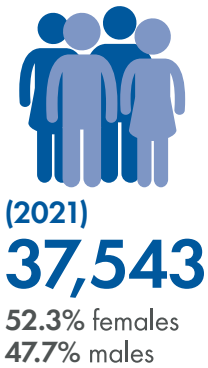
The Province of South Australia was proclaimed at Pathawilyangga in 1836, which became the municipality of Glenelg in 1855. Wituwaringga became the municipality of Brighton in 1858.

The City of Holdfast Bay was formed in 1997 through the amalgamation of the City Councils of Glenelg and Brighton. Located just 11 kilometres from the Adelaide city centre and five minutes from Adelaide Airport, our City is now home to close to 38,000 people and one of the most celebrated places to live, work and visit in the Adelaide metropolitan area. It boasts a beautiful natural environment, high quality recreation and community facilities, superior health and education, health options, a vibrant tourism sector, thriving retail precincts and a small light industrial area.



Our Community

TOTAL POPULATION



VEHICLE USAGE

Private car is the most common travel method for journeys to work (80%). Public transport accounts for 8.5% and active travel (walking and cycling) 5%



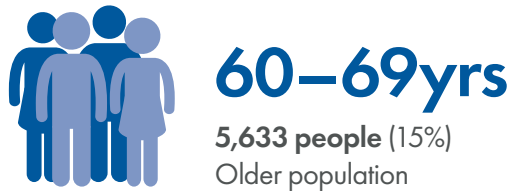
SNAPSHOT



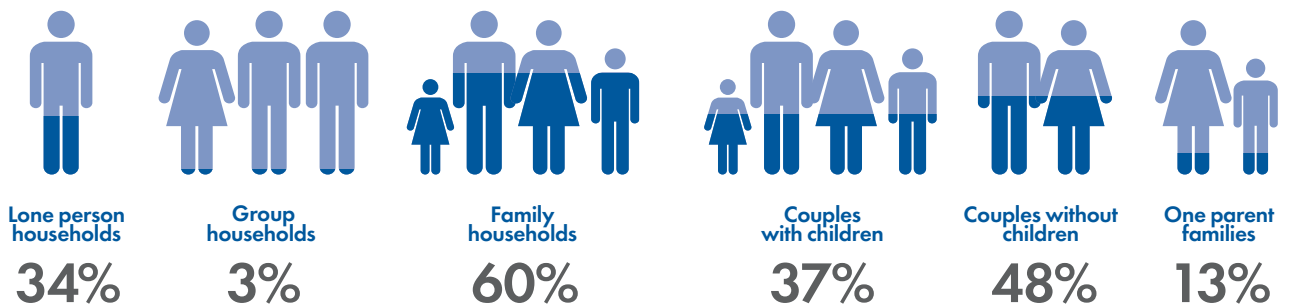
MEDIAN AGE



MOST COMMON AGE GROUP



HOUSEHOLD TYPES



OF THE 60% FAMILY HOUSEHOLDS

Source: ABS 2021

A Day in the Life

Did you know that on a normal day in the City of Holdfast Bay:

Nearly
1,508

items are borrowed from our libraries at Glenelg and Brighton



More than
322
people attend our four Community Centres



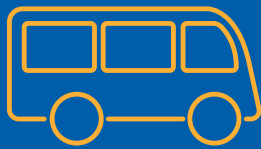
Maintenance and other works are carried out at Glenelg Oval and other reserves by our Open Spaces team



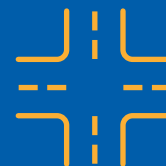
511
people visit the libraries

7,200

bins lifts for residential and business waste collection



30 trips on the Community Wellbeing bus



25 linear metres
of roads resealed



60
separate cleaning services are conducted at council buildings

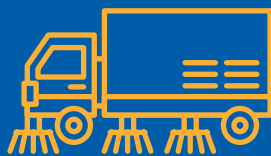


Each of our
31 public toilet facilities are serviced and cleaned

18 linear metres
of kerb replaced



Our two Jetty Roads at Glenelg and Brighton are serviced by street sweepers



3
trees planted



24sq metres
of footpaths repaired



174 phone calls and
95 emails are responded to by our Customer Experience team



3,242
page views on our website



4
Development Applications processed



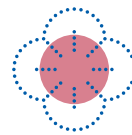
33 requests completed by our Field Services team

Our Vision

In November 2021 Council adopted a new Strategic Plan titled *Our Holdfast 2050+*. This Plan came into effect on 1 January 2022. The vision in this Plan is:

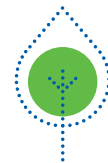
Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city.

To achieve this Vision, we have identified three focus areas:



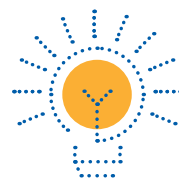
Wellbeing

Good health and economic success in an environment and a community that supports wellbeing.



Sustainability

A city, economy and community that is resilient and sustainable.



Innovation

A thriving economy and community that values life-long education, research, creativity and entrepreneurialism.

This Annual Business Plan is designed to help deliver *Our Holdfast 2050+* within these focus areas.

Highlights



Jetty Road, Glenelg

Jetty Road, Glenelg will be transformed into a modern, vibrant and world-class destination as part of a multi-million dollar project that will start in spring this year and continue for three years.

The project will be undertaken in three zones – City, Transition and Coast – to minimise disruption to traders, residents and visitors.

Plans for each of the zones are based on feedback received from the community consultation on the *Jetty Road Masterplan* in 2017–18.

Spanning one kilometre in length and supporting 19 side streets and laneways, Jetty Road, Glenelg is our flagship destination for shopping, local services, dining, entertainment and events.

It is home to more than 330 local business and welcomes a million visitors annually.

Renewal works will start in spring 2024 in the City zone, which begins at the Brighton Road intersection and extends west to the Partridge Street/Gordon Street intersection.

City zone plans include:

- › A new entry statement at the Brighton Road corner to create a sense of arrival
- › Installation of new continuous paved footpaths
- › Enhanced pedestrian safety with *Disability Discrimination Act* compliant and improved pedestrian areas
- › Improved stormwater to reduce ponding on the footpaths, parking bays and the road
- › Increased greenery and use of water sensitive urban design elements to reduce urban heat
- › Beautifying the existing street amenities and retaining its current function

Renewal and construction works will start in 2027 in the Transition zone, which runs from Nile Street up to and including the Partridge Street/Gordon Road intersection.

Within this zone are Chapel Plaza and Bouchee Walk, which were upgraded in 2021 as the first stage of the Transforming Jetty Road, Glenelg project.

Chapel Plaza was converted from a small, one-way road into a spacious public plaza with seating, new lighting, public art, more trees and greened resting spots.

The upgrade of Hindmarsh Lane, which then became Bouchee Walk, helped strengthen pedestrian connections within the precinct, along with new public toilets, a parent room and a fully accessible Changing Places toilet.

Other plans for the Transition zone include:

- › Replacement of footpaths with stone pavers and improving accessibility for the whole community
- › Raised multi-use areas that suit both on street parking, activation activities and outdoor dining
- › Improved accessibility with upgraded infrastructure that is socially inclusive and compliant with the *Disability Discrimination Act*
- › Better connection between laneways and side streets off Jetty Road with continuous footpath treatments that extend into these streets and laneways
- › Increased pedestrian safety throughout the street
- › Improved stormwater management that makes use of water sensitive urban design features to reuse stormwater and reduce ponding on the road, parking bays and footpaths
- › Increased greenery, low level planting to decrease urban heat and increase a sense of wellbeing
- › New creative and functional street lighting and furniture to enhance how people experience Jetty Road

Council has secured \$10 million from the Australian Government for the Coast zone which extends west of Nile Street along Jetty Road and includes

the Moseley Street junction with Jetty Road, Colley Terrace and the fringes of Moseley Square.

Construction will start in 2026 and will result in a flexible space, with footpaths extending seamlessly to merge with Moseley Square to create a plaza, when the road can be closed to vehicles for events and activations.

Other plans for the Coast zone include:

- › Raised multi-use areas to allow vehicle access and on street parking that can be transformed for outdoor dining and events
- › Improved accessibility and socially-inclusive infrastructure to meet *Disability Discrimination Act* compliance
- › Better connection between laneway and side streets off Jetty Road with continuous footpath treatments that extend into these spaces
- › Integration of public art into functional infrastructure to enhance the aesthetic and cultural value of the precinct
- › Better use and removal of stormwater through upgraded systems and the use of water sensitive urban design
- › Returning hardscape surfaces back to greened spaces to create comfortable resting spots along the street

The community will have the chance to provide feedback once the final concept plans for the Coast and Transition zones are confirmed.

Council will allocate \$30 million to the project over three years.

Follow the project at transformingjettyroad.com

Quality of Life Survey Results (2023)

How you rated your council out of 10:



COMMUNITY



8.6

Providing library services



8.3

Providing sporting facilities



7.5

Delivering services for the elderly and people with a disability



8.1

Providing programs and services that encourage a healthy and active lifestyle



7.8

Providing arts and cultural experiences



PLACEMAKING



7.1

Maintaining roads and kerbing



7.55

Maintaining cycle networks

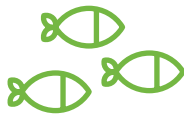


8.7

Access to shops, services and open space



ENVIRONMENT



8.1

Maintaining beaches and coastal areas



8.2

Providing adequate waste management services

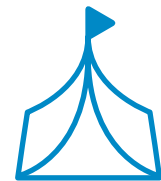


ECONOMY



7.8

Encouraging a diverse range of businesses and services in the area



7.85

Supporting and promoting tourism and events



CULTURE



6.95

Council provides good financial management and value for rates



7.2

Overall satisfaction with the quality of service and performance of the council



Overall rating of Holdfast Bay as a place to live



8.3

Maintaining well laid out parks and reserves



7.6

Providing programs that foster social interaction and community wellbeing



8.0

Providing a sense of safety in neighbourhoods



Highlights

Major Projects

In addition to the redevelopment of Jetty Road, Glenelg, council will undertake several major projects to support the vision and objectives in its strategic plan, *Our Holdfast 2050+*. These include:

Stormwater upgrades – Tarlton Street \$1.0 million

This continuing stormwater infrastructure upgrade will decrease the likelihood of flooding in a high-risk flood zone. It was identified as a priority from the *Stormwater Management Plan* and *Stormwater Implementation Plan* and is part funded by the Federal Government.

Sport and Recreation Infrastructure Planning \$40,000

In recent research and community engagement we have consistently found a need for informal sport and recreation infrastructure, often coupled with upgrades to playspaces.

This planning will help to deliver more accessible and versatile facilities that cater to a wide range of recreational interests. This is in line with the *Playspace Action Plan 2019–2029* that aims to enhance playspaces for diverse community needs.

Cricket Club Chairlift \$17,398

The Glenelg District Cricket Club (GDCC) is in a two-storey clubroom building in the north-western corner of the Glenelg Oval precinct. Up to date, there were no means by which a mobility impaired person could access the first floor, as there was no ramp to the first floor nor was there a lift in the building. This restricted the ability of the Club to hire the venue for various functions and was restrictive on who could visit the clubrooms to spectate cricket.

Council is proposing to contribute toward a stair chairlift, mounted to the balustrade and hand rails of the internal stairwell. This enables patrons with restricted mobility access to the first floor. The new installation of the stair chairlift delivers on some of Council's *Disability Access and Inclusion Plan (DAIP) (2020–24)* actions, including improving accessibility to council buildings, services and facilities.



Highlights

Wheatland Street Pocket Park \$20,000

There is a small piece of land on the corner of Wheatland Street and Kauri Parade at Seacliff, which is currently covered in part by shrubs and in part by dolomite. The part that is covered by dolomite is used for unsanctioned car parking. Given Council's desire to increase greening, and the challenges of doing so in Seacliff due to the geography and dense infrastructure, this location provides a rare site to create some public green space. This project would be delivered using internal resources from the Depot, thereby maximising the value of the budget.

Review of Stormwater Management Plan (joint with City of Marion) \$50,000

The existing *Stormwater Management Plan: Coastal Catchments Between Glenelg and Marino (SMP) 2014* is a coordinated approach to the management of stormwater with the City of Marion. This SMP is 10 years old and due for renewal. The City of Marion have agreed to request \$50,000 in 2024–25, along with matched funding from City of Holdfast Bay and the Stormwater Management Authority, to undertake a review and refresh of the SMP.

This will inform our stormwater implementation plan and capital works upgrades across the city to reduce flooding risk and improve water quality.

Biodiversity Assessment \$30,000

The *Environment Strategy 2020–2025* includes a target to increase the average biodiversity score from 12.8 in 2018 to 14 by 2025.

Since 2018 council has engaged an Urban Greening Officer, as well as undertaking large-scale weed control and revegetation projects in the dunes, gullies, and along the Sturt Creek. With this and other biodiversity work during this period we anticipate the score to have increased, thereby demonstrating the value of this work.

The desired outcome of this project is to know the current state of our biodiversity, compared to 2018 and whether we have reached, not reached, or exceeded our 2018 biodiversity score.

Resilient South Funding \$20,000

Resilient South (RS) is an award-winning regional climate partnership between the Cities of Holdfast Bay, Marion, Mitcham and Onkaparinga, and the state government. It was formed in 2011 and is one of four such partnerships in the Adelaide and Fleurieu region. Council's contribution will ensure that the Regional Coordinator role continues for the duration of the *Regional Climate Action Plan 2024–2029*. In turn this will help to ensure that many of the actions in the plan will be delivered.

Street Light Conversion Plan \$20,000

In 2018–19 the City of Holdfast Bay converted around 2,300 of its 3,400 streetlights over to LED. There has been a 259 tonne decrease in council's CO₂ greenhouse emissions through changing streetlights to LED. We will develop a plan for the conversion/transition to LED of our remaining streetlights, which will include:

- › prioritised delivery schedule
- › highlight our compliance or deficiency risks
- › budget forecasts
- › any return-on-investment, in the form of energy savings.

Movement and Transport Plan Implementation \$40,000

The *Movement and Transport Plan* is currently under development. This is an indicative allocation to fund initiatives in this Plan. Allocation of funding this financial year will enable prompt implementation of actions and outcomes from the *Movement and Transport Plan* in an agile way.

Patawalonga Frontage Irrigation Upgrade \$500,000

The current irrigation mainline that delivers quality water to the coastal reserves in Glenelg, is an ageing infrastructure that is approximately 20–25 years old. This project will create an irrigation system that is not only fit-for-purpose but also cost-effective and environmentally sustainable. The outcome will be a new resilient and sustainable irrigation system designed for the future, operating on recycled water with mains back up in strategic locations.

EV Charging Infrastructure for Council Fleet \$20,000

Council's *Carbon Neutral Plan* includes an action to electrify our fleet and a *Fleet Transition Plan (FTP)* was developed and endorsed by council in 2023. To facilitate the electric vehicles, charging infrastructure will be required at Brighton, Glenelg and Depot offices. This project establishes two electric vehicle charging stations, one at Glenelg and one at the Depot.

Wayfinding at Kingston Park \$8,000

An assessment was made of signage at the entry of the access road, to indicate the key attractions within the precinct, being the Holiday Park, Kiosk and Tjilbruke Spring.

It is recommended that a precinct sign, similar to other precincts within the City, such as Brighton Oval, would be appropriate for the location. The sign would include the various attractions within the precinct.

Sharing the National Collection \$7,250

Council have applied to take part in the National Gallery of Australia's Sharing the National Collection initiative. Negotiations are under way to finalise the loan of appropriate artworks.

The program is fully funded by NGA, this important partnership will enable City of Holdfast Bay to display a high calibre of artwork that would be otherwise out of reach as an individual council.

The allocation of funds from City of Holdfast Bay will be to upgrade lighting to showcase the public artwork at night and to increase safety and security of the installation location in the Glenelg area.

Technology and Innovation Capital Projects – Various ICT Improvements \$800,000

A range of technology projects aimed at improving efficiency and effectiveness in core business functions, including asset management and corporate planning. These projects will assist in planning and managing the work of council and essential in ensuring security of information and data.

Financial Overview

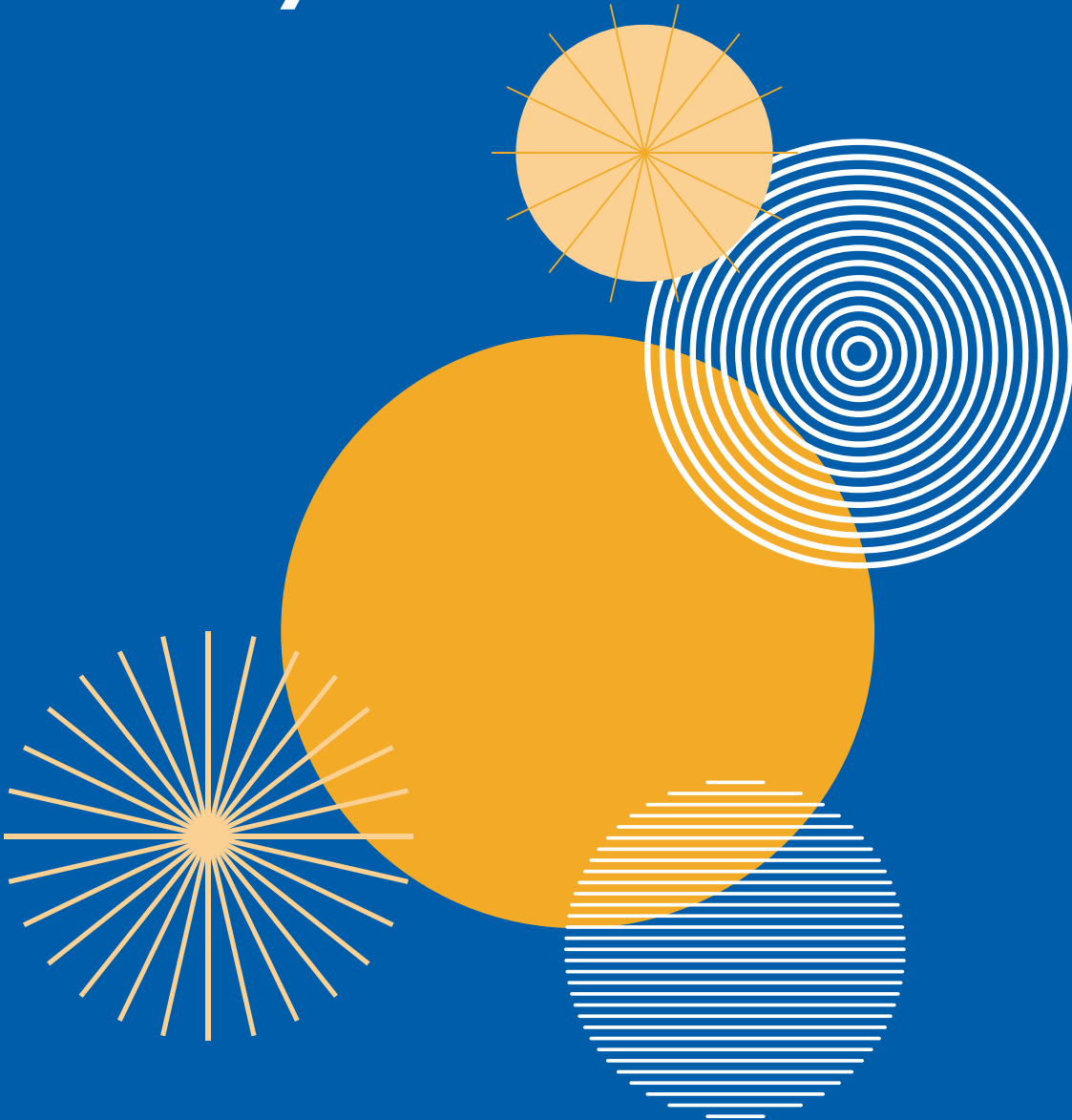


Projections for the 2024–25 financial year indicate that council will be working with a municipal operating surplus of \$958,677. For the same period Alwyndor is projected to work with an operating surplus of \$617,490.

In the 2024–25 financial year we will invest \$65.75 million in municipal operations (excluding Alwyndor) to provide services, implement programs and build and maintain essential assets. Our main areas of investment include:

- › \$43.64 million to provide services to our community.
- › \$9.54 million to upgrade and maintain community assets.
- › \$12.57 million for new capital infrastructure and service improvements.

Municipal Financial Summary

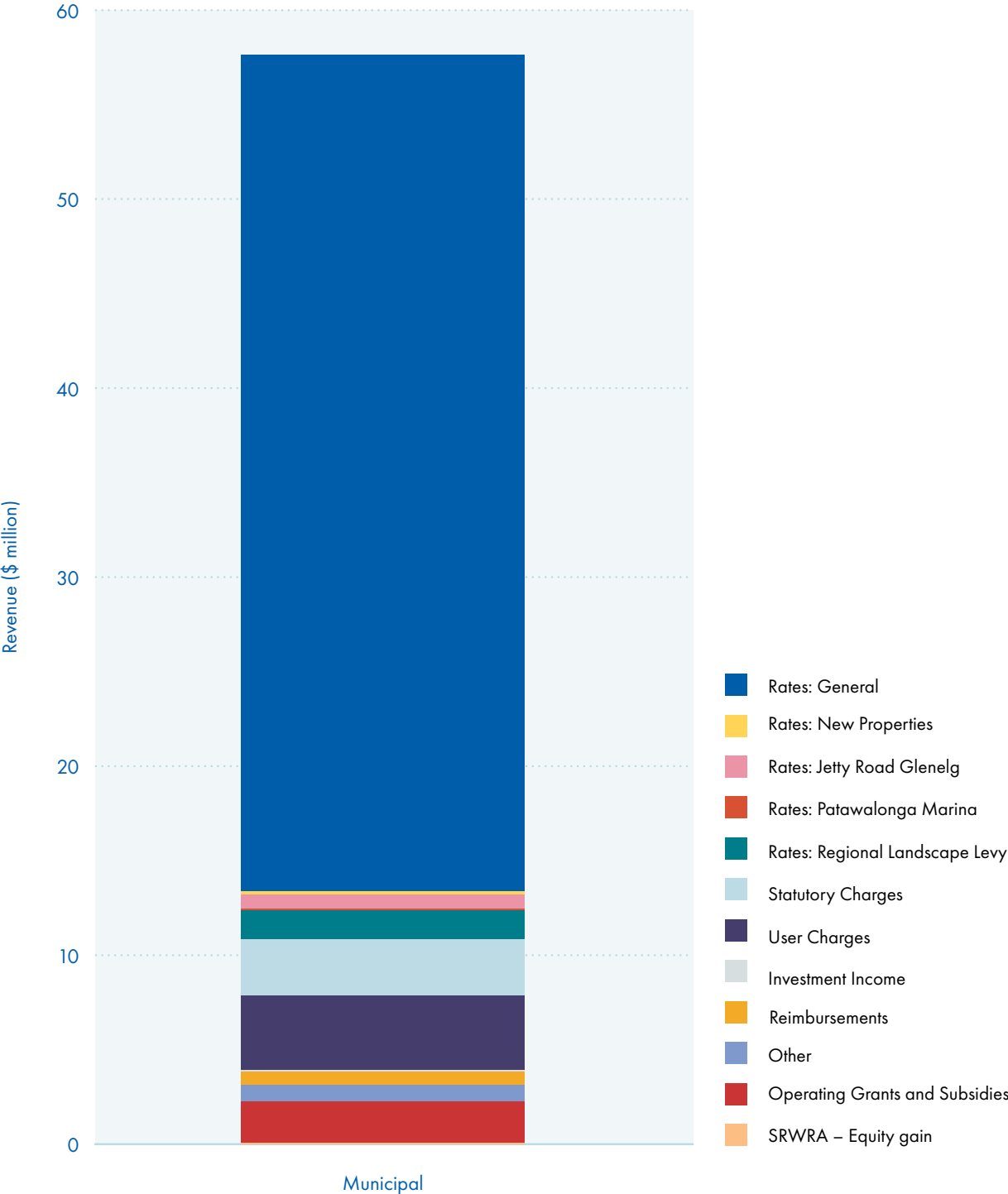


2024–25 Municipal Operating Revenue: \$57.63 million

Council receives \$57.63 million (excluding Alwyndor) to provide services and infrastructure to the community.

Rate Revenue	Million
Rates: General	\$44.21
Rates: New Properties	\$0.21
Rates: Jetty Road Glenelg	\$0.71
Rates: Patawalonga Marina	\$0.09
Rates: Regional Landscape Levy	\$1.54
Total Rate Revenue	\$46.76
Operational Revenue	
Statutory Charges	\$2.98
User Charges (including but not limited to revenue from commercial operations)	\$3.94
Investment Income	\$0.07
Reimbursements	\$0.73
Other	\$0.87
Total Operational Revenue	\$8.59
External Revenue	
Operating Grants and Subsidies	\$2.18
SRWRA – Equity gain	\$0.10
Total External Revenue	\$2.28
Total Municipal Revenue	\$57.63

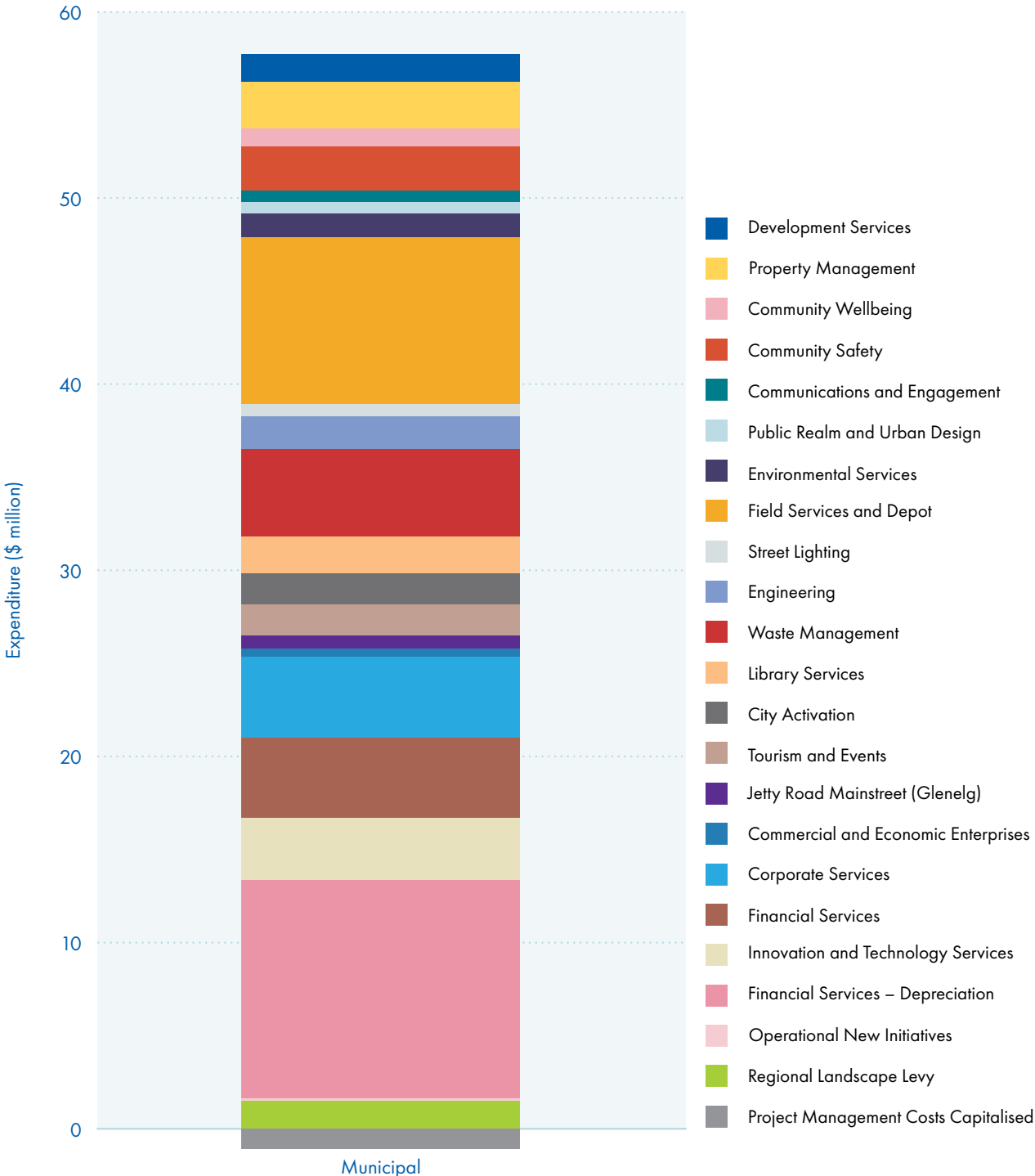
Municipal Operational Revenue



2024–25 Municipal Operating Expenditure: \$56.66 million

Services	Million
Development Services	\$1.48
Property Management	\$2.49
Community Wellbeing	\$0.98
Community Safety	\$2.37
Communications and Engagement	\$0.63
Public Realm and Urban Design	\$0.59
Environmental Services	\$1.31
Field Services and Depot	\$8.92
Street Lighting	\$0.70
Engineering	\$1.75
Waste Management	\$4.68
Library Services	\$1.98
City Activation	\$1.69
Tourism and Events	\$1.63
Jetty Road Mainstreet (Glenelg)	\$0.73
Commercial and Economic Enterprises	\$0.44
Corporate Services	\$4.34
Financial Services	\$4.32
Innovation and Technology Services	\$3.34
Total Expenditure on Services	\$44.37
Other Operational Expenditure	
Financial Services – Depreciation	\$11.69
Operational New Initiatives	\$0.16
Regional Landscape Levy	\$1.51
Project Management Costs Capitalised	-\$1.07
Total Expenditure on Other Operational	\$12.29
Total Municipal Operational Expenditure	\$56.66

Municipal Operational Expenditure

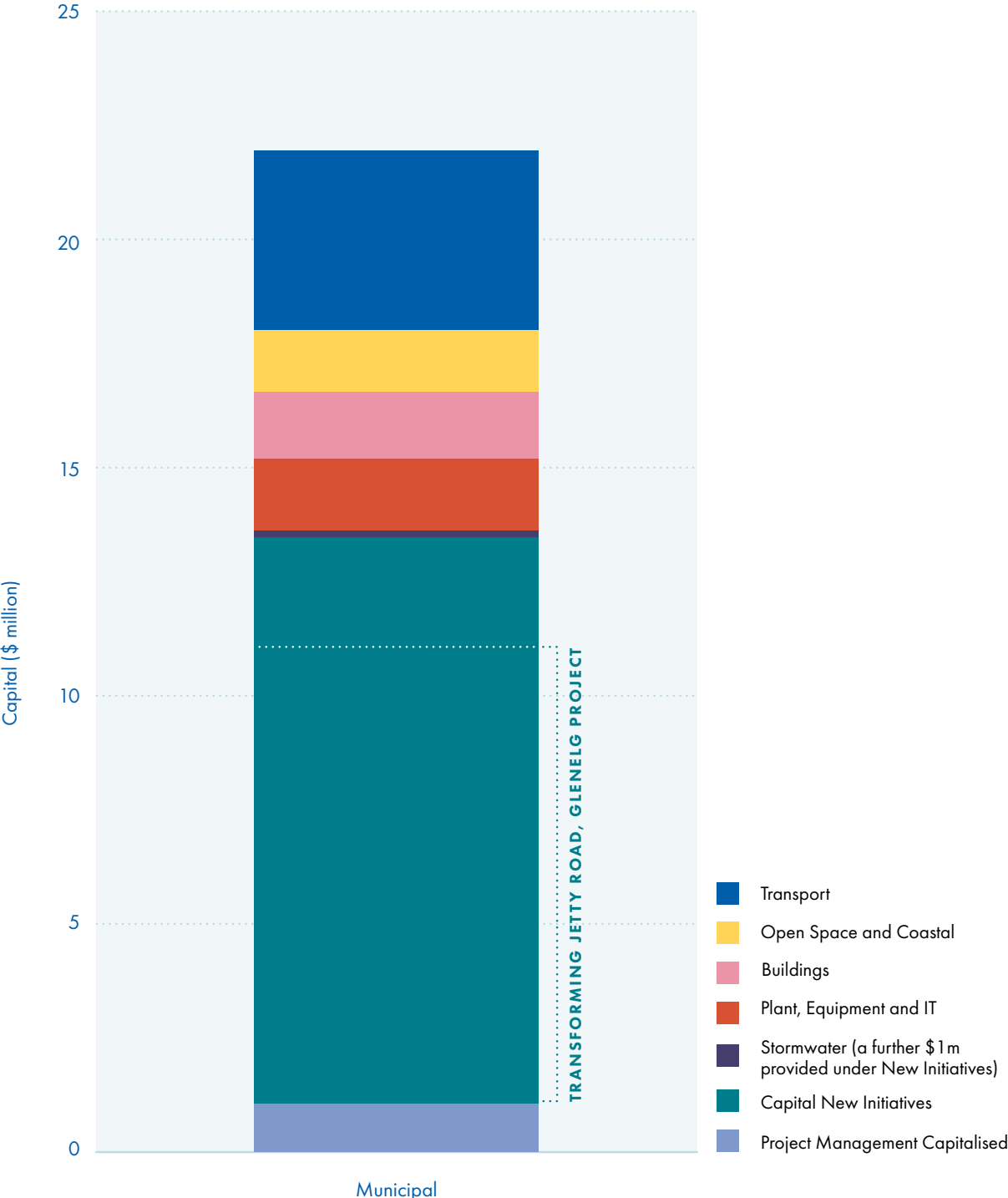


2024–25 Municipal Capital Program: \$21.92 million

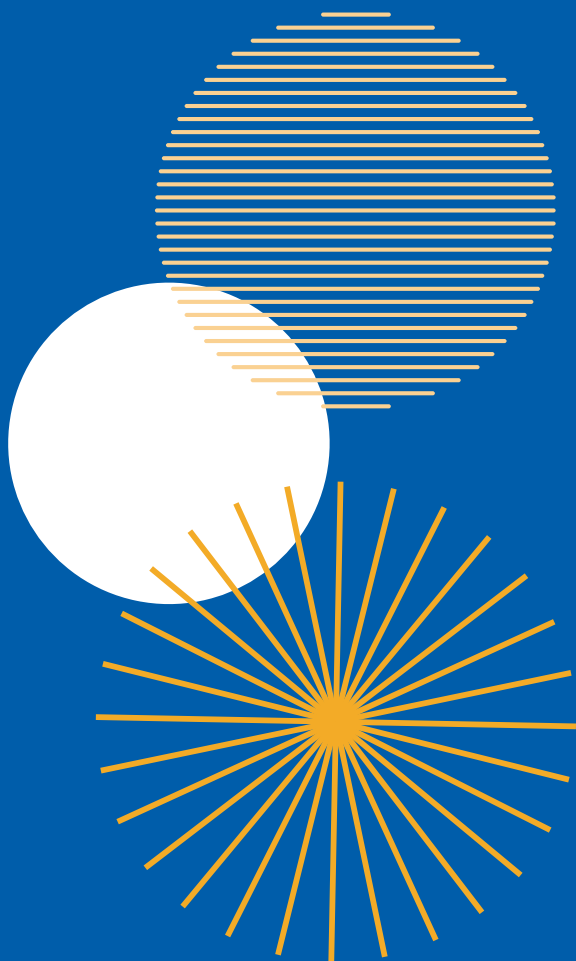
Council will spend \$21.92 million (excluding Alwyndor) on a capital program to update and maintain community assets in 2023–24.

Municipal Capital Program	Million
Transport	\$3.92
Open Space and Coastal	\$1.36
Buildings	\$1.47
Plant, Equipment & IT	\$1.58
Stormwater (a further \$1m provided under New Initiatives)	\$0.14
Capital New Initiatives (includes \$10 million for the Transforming Jetty Road, Glenelg project)	\$12.41
Project Management Capitalised	\$1.07
Total Municipal Capital Expenditure	\$21.95

Municipal Capital Program



Our Financial Governance



Council's long-term financial performance and position are sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Ensuring Financial Sustainability

Policies and practices

As in previous years, Council adopts prudent financial governance policies and practices to enable the consistent delivery of cost-effective services to our community. Our policies and practices are based on three goals:

- 1. Program sustainability**
To ensure the maintenance of our high-priority programs including the renewal and replacement of infrastructure.
- 2. Rate stability**
To ensure a reasonable degree of stability and predictability in the overall rates, noting that there will be a small increase in rates during the delivery period of the Transforming Jetty Road, Glenelg project.
- 3. Intergenerational equity**
To ensure a fair sharing of the distribution of resources and their attendant financial burden between current and future users of services and infrastructure.

Financial Principles

The following key financial principles were adopted in the preparation of this Plan:

- › **Presenting a balanced budget**
We aim to fully fund the cost of services, including the depreciation of infrastructure and assets (i.e., wear and tear), in order to share the costs of services fairly between current and future users. Insufficient funding would shift the costs burden of today's assets and services on to future users in the form of higher rates or reduced services.
- › **Maintaining infrastructure and managing assets**
We aim to maintain infrastructure (e.g., buildings and bridges) and assets (e.g., roads, kerbs, paving, machinery, trees, irrigation systems and playground equipment) to high standards. This involves developing and using long-term infrastructure and asset management plans to manage our asset portfolio efficiently and continuing to invest in renewing and replacing our assets as they wear out.
- › **Providing predictable rates**
We aim to provide our community with a reasonable degree of predictability for rates. We will keep ratepayers fully informed about future rates and the corresponding services provided.
- › **Prudent debt management**
We borrow funds to invest in new long-term assets or to replace and renew existing assets and thereby spread that cost over the longer term, consistent with the typical long lives of assets.

Significant Influences

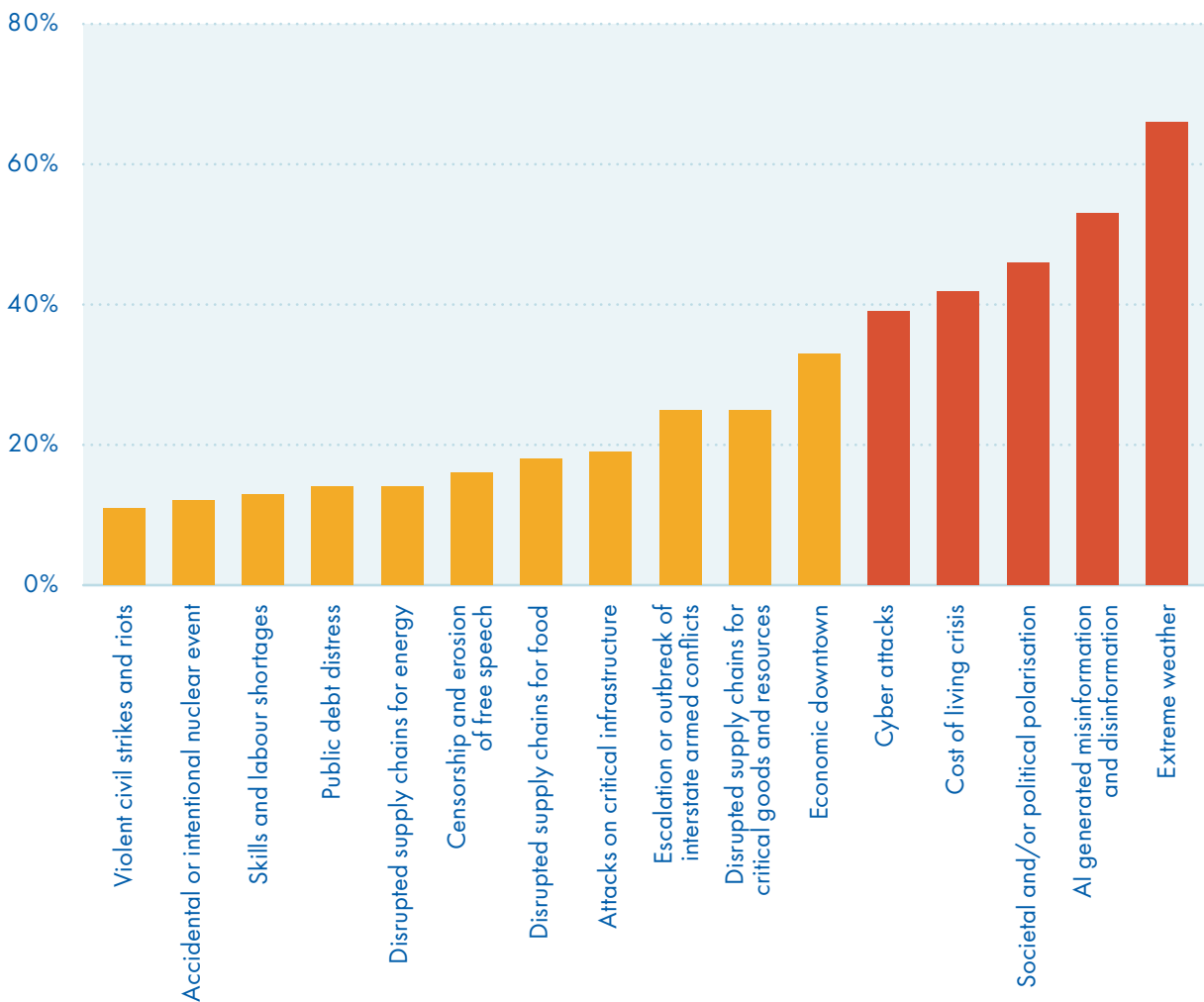
National and Global Trends and Emerging Issues

Many bodies seek to understand the things that are influencing change into the foreseeable future. There is some consensus amongst these groups on significant trends that are expected to continue and accelerate. This section puts these trends into perspective and begins to draw conclusions about what they may mean for the City of Holdfast Bay.

The World Economic Forum conducts a survey of its members on the risk landscape. The table below provides the results of this survey.

The following sections unpack the main risks presented by this study and responses to these.

WORLD ECONOMIC FORUM CURRENT RISK LANDSCAPE 2024



(Adapted from World Economic Forum, 2024, p. 13)

Adapting to Climate Change and Achieving Sustainability

The risk of extreme weather is seen as the highest risk by the World Economic Forum over the coming years. This aligns closely with what other bodies see as the most concerning trend which is climate change and its impact on many facets of life (CEDA Committee for Economic Development of Australia, 2024; Environment Protection Authority, 2023; KPMG, 2024; BBC News, 2023; CSIRO, 2022).

There are two general responses to Climate Change. First, is to mitigate further harmful change by reducing greenhouse gas emissions. A major element of this is described as reaching net zero emission targets. Second, is to adapt to the changing weather that, despite mitigation, is already occurring and will accelerate.

In 2019 the City of Holdfast Bay became the first South Australian coastal council to recognise a Climate Emergency. Internationally, 2,349 jurisdictions in 40 countries have made a Climate Emergency Declaration and in 2022, South Australia was the first state in Australia to make this declaration. (Environment Protection Authority, 2023, p. 12).

In 2022 the Department for Environment and Water said that by 2090, Adelaide could experience 121% more extreme rainfall days, 79% more days of extreme heat (35°C+), 64% more severe fire danger days, and 61cm of sea level rise. (Cited in City of Holdfast Bay, 2023)

Sea levels along the South Australian coast have risen by an average rate of 2mm per year from 1966 to 2022. The rate of sea level rise is increasing and from 1993 to 2022 was between 3mm and 5mm per year in some locations. The rate of rise is projected to increase in the future under plausible scenarios. (Environment Protection Authority, 2023, p. 38)

The South Australian Government now has state-wide goals of:

- › reducing net greenhouse gas emissions by more than 50% from 2005 levels by 2030;
- › achieving net zero emissions by 2050;
- › achieving 100% renewable energy generation by 2030.

Progress toward these targets shows that:

- › approximately 70% of South Australia's energy is now generated via renewable energy sources;
- › South Australia's carbon dioxide equivalent emissions (MtCO₂-e) have reduced by 42% since 2005. (Environment Protection Authority, 2023, p. 32)

There are economic uncertainties created by extreme weather events. The Committee for Economic Development (CEDA) reminds us that energy transition and climate resilience remain policy priorities and will 'have an impact on economic growth for some time.' (CEDA Committee for Economic Development of Australia, 2024, p. 7)

South Australia faces unique challenges related to climate change, including extreme weather events, water scarcity, and biodiversity loss. In response local governments are increasingly implementing sustainability initiatives and as described later in this Plan, the City of Holdfast Bay is at the forefront of these efforts.

Significant Influences

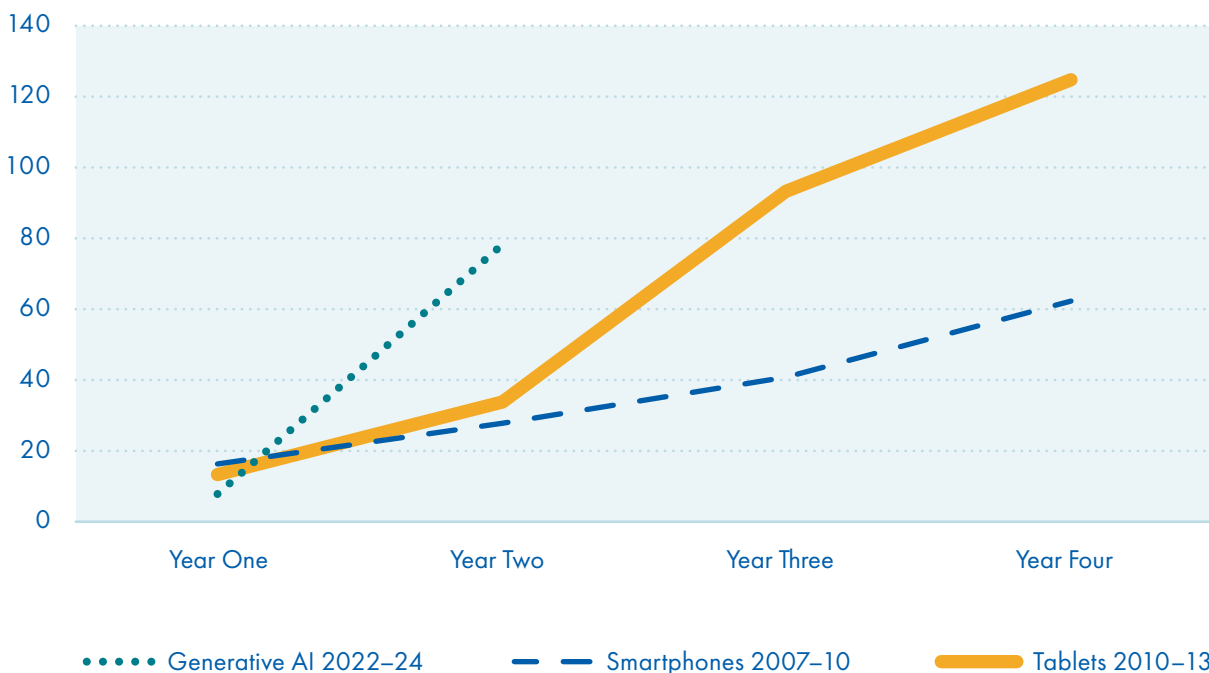
Digital Transformation

From the World Economic Forum, issues related to Artificial Intelligence (AI) and Cyber Security were seen as medium to long term risks.

Generative AI has seen extraordinary growth in use. In the United States 77.8 million people are expected to use ChatGPT in the first two years after its release in November 2022. This is more than double the adoption rate of both tablets and smartphones. (Insider Intelligence , 2023, p. 8)

Businesses have been quick to take up AI. According to one survey more than one-third of organisations in the United States are using AI regularly in at least one business function. (McKinsey and Company, 2023). Many industries will be impacted by AI, however 'those relying most heavily on knowledge work are likely to see more disruption—and potentially reap more value'. (McKinsey and Company, 2023)

**GENERATIVE AI ADOPTION COMPARED TO SMART PHONES AND TABLETS
MILLIONS OF USERS IN THE UNITED STATES**



(Adapted from Insider Intelligence , 2023)

It is expected that AI will impact on the labour market. Concerns about new technology replacing workers have already been voiced, however 'emerging international evidence suggests that AI tools in the short-term will primarily be used to complement rather than replace employees'. (CEDA Committee for Economic Development of Australia, 2024, p. 21)

Council has adopted a Generative AI Use Policy in recognition of its benefits and associated risks. It is believed that this is one of the first such policies for Local Government in South Australia and is perhaps nation leading.

There are concerns being raised that emerging technologies such as AI, may create new opportunities and challenges for cyber security. (Australian Government, 2023)

Cybercrime is a significant issue. In 2022–23, the 'cost of cybercrime for Australian businesses rose by 14%. The average cost of cybercrime for small businesses is now \$46,000; \$97,200 for medium businesses; and \$71,600 for large businesses.' (Australian Government, 2023, p. 20)

Australian small businesses consistently express concern over their lack of time, resources and expertise to address cyber security. Therefore, small and medium businesses can take longer to recover from a cyber incident and face higher costs compared to larger businesses. (Australian Government, 2023, p. 18) Locally businesses report that they 'will continue to invest in information technology and cyber security mostly at their current levels.' (Intuito Market Research, 2024, p. 12)

Emerging technologies are delivering significant benefits across the economy and our society. As technological change accelerates, innovations are near impossible to predict, especially in the long term. Extraordinarily rapid growth in the functionality and scale of digital tools – including expansion in the capabilities of large language models like ChatGPT make it difficult to plan for the future. (Australian Government, 2023, p. 32)

Council is increasingly required to adapt its business practices to safeguard against cyber related incidents. This level of vigilance is needed to protect sensitive information and ensure the day-to-day functions of council are not disrupted. Council continues to invest significantly in information and technology to take advantage of new technologies while addressing cyber security risks.

Significant Influences

Economic Conditions – Cost of Living

In line with the World Economic Forum risks described earlier, the cost of living for many households and organisations is at a critical level. Alongside this, South Australia's broader economy is performing very strongly.

According to CommSec for the first time in 14 years South Australia has climbed to the top spot in the State of the States' economic performance rankings. Notably South Australia ranked first on four of the eight indicators, being 'relative economic growth, relative unemployment, construction work done and dwelling starts.' (CommSec, 2024, p. 3)

Australia's economy will encounter significant challenges over the coming decades 'including population ageing, expanded use of digital and data technology, climate change and the net zero transformation, rising demand for care and support services, and increased geopolitical risk and fragmentation.' (Australian Government, 2023, p. vii) Major impacts are sometimes not as foreseeable as these. The COVID-19 pandemic showed that change can be abrupt and significant and linger for some time.

Since the COVID -19 pandemic declaration was ceased, inflation 'has resulted in significant economic and social disruption in Australia.' (Fels, 2024, p. 18). The leading role in this inflation are largely caused by supply issues. These include a breakdown in supply chains, shortages of many essential commodities, chaos in logistics and transportation networks and then a global energy price shock. Put together, these multiple crises 'imposed a sharp and lasting blow to productive capacity in many parts of the economy.' (Fels, 2024, p. 18)

Nationally, over the twelve months to the December 2023 quarter, the Consumer Price Index (CPI) rose 4.1%. In Adelaide the rate was higher at 4.8%. (Australian Bureau of Statistics, 2024). It is expected that national CPI inflation will fall to 4% by the June quarter 2024, while Adelaide's rate is expected to be higher. (South Australian Centre for Economic Studies, 2023, p. vi)

The real disposable per capita incomes of South Australian households fell by about seven % in 2022/23. This is the largest deterioration in purchasing power ever recorded by the State Accounts. (South Australian Centre for Economic Studies, 2023, p. vi) Against this there is an expectation that wages growth will accelerate during this financial year. (South Australian Centre for Economic Studies, 2023, p. vi) This will be coupled with the Stage Three tax cuts which take effect on 1 July 2024. Together these measures should have the effect of improving household budgets.

Council is not immune from these cost of living pressures. There have been significant increases in insurance, materials and consumable items impacting on Council's budget.

Wellbeing and Social Cohesion

The World Economic Forum noted social and political polarisation as a significant risk. This has been well recognised in Australia and South Australia.

For the first time the Australian Government has developed a framework for a 'wellbeing'. This framework is designed to help measure 'progress towards a more healthy, secure, sustainable, cohesive and prosperous Australia.' (Australian Government, 2023)

There is concern that the benefits of a successful society will not be evenly spread. If they are not high inequality and entrenched disadvantage will affect social cohesion and may hinder economic growth. (Australian Government, 2023, p. 14)

The 'social, economic and political environment places strain on Australia's social cohesion.' Cost-of-living pressures, weaker trust in government and other people, greater pessimism and a weaker sense of social inclusion and justice are all factors. While 'growing doubts about economic fairness in Australia are strongly associated with a declining sense of national pride and belonging and growing distrust in government.' (O'Donnell, 2023, p. 6)

This is reflected in other research describing 'a collision of trust, innovation, and politics.' The 2024 Edelman Trust Barometer describes that rapid change creates 'a new paradox at the heart of society. Rapid innovation offers the promise of a new era of prosperity, but instead risks exacerbating trust issues, leading to further societal instability and political polarization.' (Edelman, 2024)

In contrast to this, state or territory governments and local councils are "more likely to be viewed as reflecting community needs and interests than federal government." (Williams & Hammerle, 2024, p. 12)

This can assist in building "the strong connections we have in our neighbourhoods and communities and the way we increasingly embrace our differences and diversity" that will "strengthen our social cohesion." (Williams & Hammerle, 2024, p. 7)

Consistently people say that wellbeing should "guide government decisions, above other considerations." The main purpose of government is described as "ensuring all people are treated fairly and equally, including the most vulnerable." (Williams & Hammerle, 2024, p. 6)

In our Strategic Plan *Our Holdfast 2050+*, Council's Wellbeing focus area aims to promote good health and economic success in an environment and a community that supports wellbeing. Council has many programs and activities that seek to draw people together and improve social interactions and cohesiveness.

Significant Influences



Housing and Homelessness

Housing has been one of the main cost increases for households. This includes those on mortgages with 13 interest rate increases. Those renting are finding that rental costs have risen significantly, and this is placing great stress on many households.

This is in part due to housing supply not keeping up with demand and 'housing construction activity is not at the level it needs to be.' This is not expected to improve in the short term, 'although price growth may soften as the impact of interest rate rises reduces borrowing capacity.' (CEDA Committee for Economic Development of Australia, 2024, p. 11)

There are also growing concerns that housing shortages and escalating costs, will fuel

'intergenerational inequality and wealth distribution.' This can have the effect of isolating people from being 'part of our economic future'. (CEDA Committee for Economic Development of Australia, 2024, p. 13)

The supply shortage on housing extends to the social housing sector. The number of households on the waiting lists for social housing across Australia is at 224,326. (Mission Australia, 2024) The households waiting for social housing are those most at risk of homelessness. In 2022–23, "of the low-income households renting private homes in Australia, 42.9% were in rental stress and at risk of being pushed into homelessness in 2022–23". (Mission Australia, 2024)

While Local Government does not generally have a direct role in housing or homeless service provision, there is a community expectation that councils will seek to address such issues. It is recognised that the roles local governments can play include:

- › ‘Advocacy on behalf of vulnerable groups within the community;
- › Raising awareness amongst elected councillors and the general population about the nature, causes and consequences of homelessness;
- › Facilitating networks and building connections with the human services sector.’ (Beer & Prance, 2013)

Council works with local organisations to improve the prospects for those experiencing housing difficulties and homelessness. We positively engage with people experiencing homelessness who frequent our public areas and seek to link them to appropriate services.

Aged Care Reform

The Federal Government Aged Care Reform Agenda, delivered through the Aged Care Quality and Safety Commission (ACQSC) will continue to be implemented by Alwyndor throughout 2024–25. The reform is an integral part of our strategic and business planning for all residential and support at home services.

New Aged Care standards come into effect from 1 July 2024 and the adoption of a new Aged Care Act will be considered by the Federal Government during the year. This means increased Governance effort to ensure our regulatory requirements and obligations are met, monitored and documented.

This will include increased and mandated reporting and revision of all policies and work practices. We will develop new systems to respond to the emerging service delivery models and these increasingly complex reporting regimes across all services.

In Residential Care our focus will be on the continued improvement of quality care, ensuring we provide the hours of care and nursing as mandated by the ACQSC. We will enable great lifestyle choices and create the very best food and dining experience for our residents.

The first stage of Alwyndor’s Support at Home reform has been completed. We have revised and capped our fees and charges and introduced new service delivery guidelines in line with the reporting requirements of the ACQSC. Stage 2 of Support at Home reform will be introduced from 1 July 2024.

Our newly established Residential and Community Advisory Groups will continue to offer valuable feedback for our services. The Quality Care Advisory Group will assist in ensuring our services across the entire business are of the best possible standard and meet all of our mandated requirements. Each of these groups will provide regular reports to the Alwyndor Management Committee.

We will continue to respond to the Government’s Reform agenda as a part of our commitment to providing care and services to older people in our communities to support the way they choose to live. Alwyndor continues to be proud preferred provider of these services within the City of Holdfast Bay and surrounding areas.

The 2024–25 Operating Environment

Cost of Living and Inflation

As described earlier, the cost of living and inflation have a direct bearing on council operations. Local Government purchases a unique range of goods and services such as fuel and construction trades to deliver renewal and maintenance works, and inflation for these is measured separately from general inflation. The general CPI for Adelaide for the year to December 2023 was 4.8%. CPI is a good measure to base Council decisions on. It has long term historical trends and has forecast data available. (The South Australian Centre for Economic Studies (SACES), 2024)

There is a strong expectation that the Reserve Bank of Australia (RBA) will cease interest rate rises. It is more likely that interest rates will decline in 2024. On average many economists expect the RBA to reduce the key interest rate of 4.35% and make two rate cuts to 3.85% by the end of 2024. (Reuters, 2024)

The borrowing capacity of council is also impacted by the interest rates. This expected easing of interest rates makes a major project like Jetty Road, Glenelg redevelopment more viable. This Annual Business Plan keeps the rate rise to a minimum whilst undertaking the very significant Jetty Road, Glenelg redevelopment project.

To enable the redevelopment of Jetty Road, Glenelg, we have limited the number of other new capital projects and are focussed on completing existing projects and renewals. We are also focused on meeting all legislative requirements and continuing to provide the high level of service our community expects.

Local Business Confidence

Council conducts regular surveys of local businesses to assess the views on local business conditions. In the 2023 survey, local businesses were asked about their expectations for economic performance in the next 12 months.

Confidence in economic conditions has declined significantly since 2021 and are back to the pre-COVID levels of 2019. More businesses expect the economy to be weaker, '43% think the national economy will be weaker, 34% think the State economy will be weaker and 33% think the local economy will be weaker.' (Intuito Market Research, 2024, p. 8)

In Australia 'the immediate challenges include inflation and cost-of-living concerns and relatively high interest rates.' (CEDA Committee for Economic Development of Australia, 2024, p. 6)

This reflects the general sentiment in South Australia where 'business confidence weakened through 2022 and has remained moderately below its long run average during 2023.' It is interesting to note that there is a 'divergence between reported business conditions and confidence.' This may show a concern about whether current positive 'conditions can be sustained as the economy continues to adjust to cost-of-living pressures and the labour market cools off.' (South Australian Centre for Economic Studies, 2023, p. 10)

In the local economy, major factors impacting on profitability include cost of living (mentioned by 54% of businesses), cost of labour (47%), cost of rent (41%) and the local economy (36%). Like the broader South Australian experience, there is some disparity between current conditions and the outlook for the next 12 months.

For example, business ‘vacancy on Jetty Road, Glenelg has halved over the last 12 months, reaching 4.8% in quarter 3 2023’ which is one of the lowest rates on record. Additionally, ‘with inbound tourists into Australia increasing by 248% on a rolling annual basis, Glenelg is likely to attract a disproportionate number of visitors visiting South Australia which will support consumer spending.’ (JLL, 2024) Most local businesses are ‘either fairly confident or confident about the next 12 months (perhaps seeing that the worst of increasing costs is over?).’ (Intuito Market Research, 2024, p. 12)

The trend for businesses interaction with council is good. ‘Most notably the ratings for experience with the delivery of food safety and health inspections and interaction with Business Development have significantly improved and now rank highly for the top council responsibilities.’ (Intuito Market Research, 2024, pp. 12–13)

The 30 Year Plan for Greater Adelaide

In 2023 the State Government released its *Greater Adelaide Regional Plan Discussion Paper*. This Paper described that ‘projections show Greater Adelaide’s population could grow by up to 670,000 people over the next 30 years. That would be a 46% increase on today’s population.’ (State Planning Commission, 2023, p. 14)

The Discussion Paper will inform a 30 year vision for the Greater Adelaide region. The Greater Adelaide Regional Plan ‘will identify where people will live and work, how they will move around, and where they will access services.’ (State Planning Commission, 2023, p. 32)

In responding to the Discussion Paper, Council proposed four growth objectives that establish a framework for development that is compatible with the existing nature of our suburbs.

Objective 1:

To protect/maintain and improve the character and heritage of the City.

Objective 2:

To encourage an increase in housing supply and diversity in suitable locations.

Objective 3:

To direct housing growth to locations which can accommodate change.

Objective 4:

To build environmental resilience and reduced carbon footprint in the pursuit of urban growth. (City of Holdfast Bay, 2023)

The 2024–25 Operating Environment

The map on the following page details the patterns of growth Council has put forward as a possible way to achieve these Objectives.

It is expected that a draft Greater Adelaide Regional Plan will be released in mid-2024 for consultation. Council will consider this draft and make a response to help inform the final *Greater Adelaide Regional Plan* which is due late in 2024.

Environmental Stewardship

The City of Holdfast Bay continues to be a leader in environmental stewardship. We have achieved 100% renewable electricity use and with our community have 65% of waste diverted from landfill.

The City of Holdfast Bay partners with the Cities of Marion, Mitcham and Onkaparinga and the South Australian Government in an award-winning partnership called Resilient South. Together we aim to increase action to adapt to the changing climate and to reduce emissions in the southern Adelaide region. Resilient South has developed a *Regional Climate Action Plan* that has been adopted by each of the partners in 2024. This Plan will assist in achieving carbon neutral/net zero emissions targets that the partners have endorsed.

Council's *Environment Strategy* continues to drive many important initiatives for our environment and community to thrive. Our continuing reduction on fossil fuel reliance will see ongoing replacement of council vehicles with electric vehicles where possible.

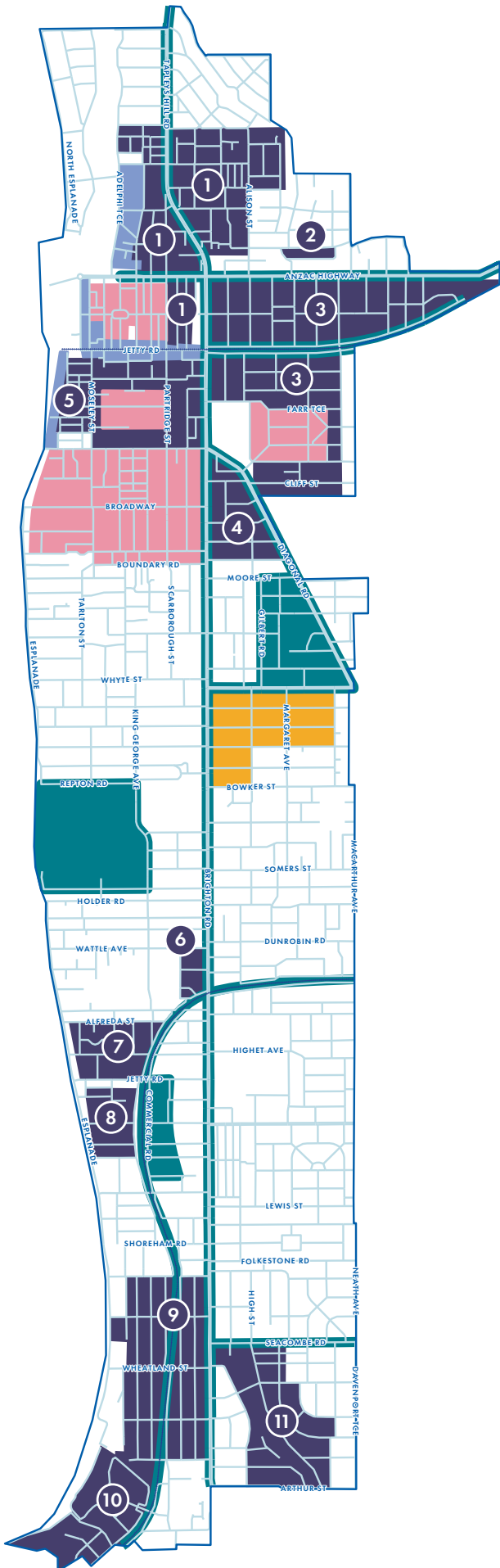
Council is taking steps to protect the natural environment, focusing on biodiversity and protecting our unique coastal environs. We are working towards a biodiversity target to increase our average biodiversity score from 12.8 to 14 by 2025. This acknowledges that the more biodiversity we can encourage, the better for our climate and the more we can reduce greenhouse gases the better for our native plants and animals, and the ecosystems they inhabit.

In finalising its inaugural *Urban Forest Plan*, council seeks to increase tree canopy cover in the City of Holdfast Bay. This Plan will consider the pressures of further private development and the resultant loss of trees. Council recognises the importance of more trees to improve wellbeing and amenity while reducing the impacts of climate change.

Council is continuing major water sensitive urban design projects, remediating our three gullies and maintaining the City's dunes and prized beaches.

Several new items have been added to the Green Living Rebates, including insulation and double glazing. Council also wants to encourage more active transport in our community, which is healthier for everyone and reduces greenhouse gas emissions. In a first for a mainland Council, we have also added rebates for cargo bikes and electric bicycles.

There is growing momentum around re-connecting with nature to build a strong desire for its protection and enhance the community wellbeing. Holdfast Bay contributes to this in many ways including via our Holdfast Habitat Heroes, through plant giveaways, community planting and beach cleaning days, hosting sustainable living workshops and nature-based events. Council will continue to explore novel ways to increase people's connection with nature.



CONSTRAINTS & OPPORTUNITIES FOR GROWTH

AREAS TO BE PROTECTED FROM FURTHER GROWTH:

- Historic Areas
- Character Areas (existing/proposed)
 - 1 Glenelg and Glenelg North
 - 2 Sandison Terrace
 - 3 Glenelg East
 - 4 Melton East
 - 5 Glenelg South
 - 6 Hove Character
 - 7 Dunluce
 - 8 Brighton
 - 9 Seacliff Policy
 - 10 Kingston Park
 - 11 Seacliff Park
- Employment Area

AREAS OF FUTURE GROWTH POTENTIAL:

- Existing Growth Areas
- New Potential Growth Areas*

* Underpinned by strong design guidelines to be developed through community consultation.

Achievements, Projects and Service Delivery



Alwyndor

Alwyndor and the City of Holdfast Bay

Alwyndor, originally the family home of Dorothy and Stephen Cheater began as a convalescent and rest home for returning World War II servicemen. Dorothy created the Dorothy Cheater Trust which binds the council (or others) to the ongoing provision of residential aged care and services in perpetuity on the parcel of land. Alwyndor is widely regarded as an important part of the City of Holdfast Bay as it continues to thrive and provide services to the residents of the city and communities in surrounding areas.

Achievements

In 2023–24, Alwyndor’s achievements and initiatives included:

- › Alwyndor is now a tenant of the Holdfast Bay Community Centre where we have expanded our Therapy and Wellness Service offerings. New classes include Reformer Pilates, Dance Fusion and Mindfulness Meditation.
- › Dining options for Alwyndor residents continued to be refined with residents choosing menus through taste testings and through regular surveys which consistently score a satisfaction rating of more than 90%.
- › We have established Residential and Community Advisory Groups to offer valuable feedback for our services as well as a Quality Care Advisory Group. These will assist in ensuring our services across the entire business are of the best possible standard and meet all our mandated requirements.
- › Support at Home Services expanded with Home Care Packages exceeding our growth targets to work with more than 500 clients.
- › We expanded our home gardening and maintenance services further in the southern area, including accepting additional Federal funding for the Mitcham communities. Alwyndor now provides these services to more than 3,000 clients.

- › A Mobile Allied Health Service commenced with two customised vehicles purchased through Federal grant funds. They provide therapy and wellness services to clients in their homes. This service includes Occupational Therapy, Physiotherapy, Exercise Physiology, Speech Therapy and Podiatry and is welcomed by many clients.
- › Tots at Dots, Alwyndor's intergenerational playgroup, continues to be extremely popular offering a valuable opportunity for children and our residents to spend time in a safe, engaging, enjoyable, and fun environment.
- › Alwyndor curated and hosted a SALA event 'Sculptures in the Gardens' where artists were invited to display sculptural works in our beautiful gardens. The exhibition was very popular with our residents and clients as well as the broader community. It was a fun and welcome exhibition with two sculptures remaining in the gardens, one purchased by Alwyndor and one generously donated by Kim Cheater and Louise Miller-Frost. Another exhibition will be arranged as a part of the 2024 SALA.

Service Delivery

Alwyndor provides integrated services for older people in our communities. A continuum of care is provided through our services, enabling our clients to live in their own homes how they choose for as long as they wish. We offer domestic and garden services as well as home modifications through to end-of-life care to enable this choice. We receive funding for these services from a variety of sources which include:

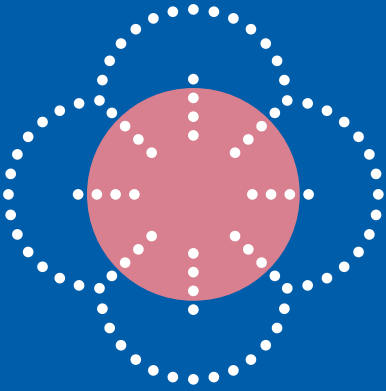
- › Commonwealth Home Support Program.
- › Home Care Packages (Federal Government funding).
- › Department of Veterans Affairs.
- › Private health refunds and private client payments.
- › Medicare (via GP referral for service packages).
- › National Disability Insurance Scheme.

At Dunrobin Road in Hove, Alwyndor provides 144 residential care beds for permanent, respite and transitional care. There is a café, hairdresser and gym, as well as podiatry, speech therapy, physiotherapy, occupational therapy and dental services. A busy day respite service for carers is provided Monday to Friday each week.

Alwyndor offers a range of one-on-one therapies including physiotherapy, occupational therapy, podiatry, and speech pathology services and an extensive range of group wellness programs to assist clients maintain independence and wellbeing.

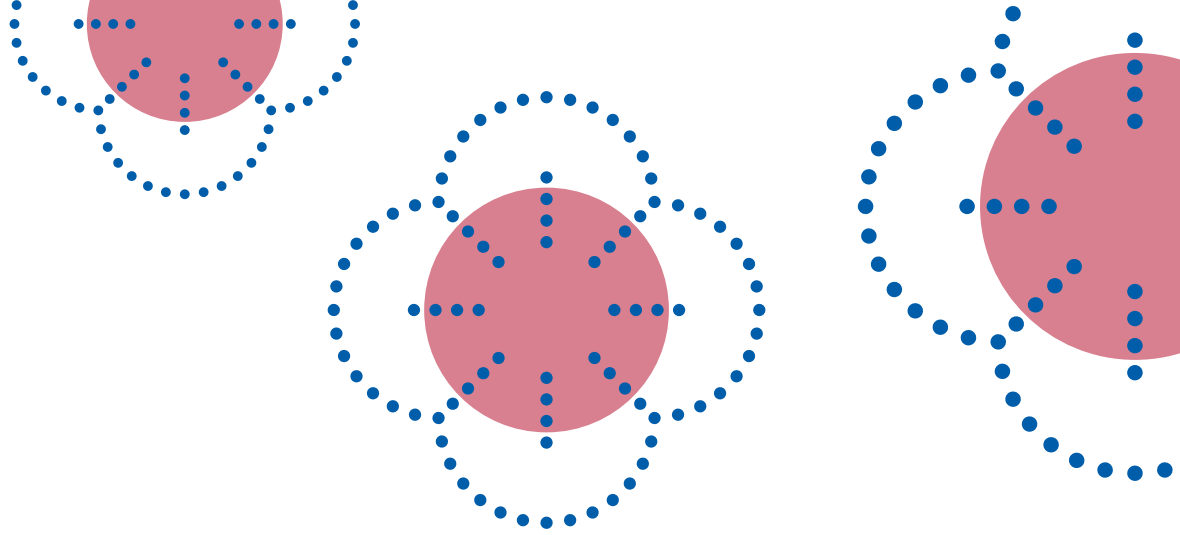
In 2024–25, Alwyndor will continue to promote and enable independence, active health and wellbeing for older people in the City of Holdfast Bay and surrounding areas.





Wellbeing

In 2024–25, Council will allocate \$8 million to good health and economic success in an environment and a community that supports wellbeing.



Objectives: 2020–2030

Measures

Apply the principles of universal design and social inclusion to all council activities

All project plans and policies address universal design and social inclusion

Assist the city’s mainstreet precincts in becoming dementia-friendly

The number of businesses recognised as dementia-friendly increases year on year

Increase participation rates in community engagements across all age groups, particularly under-represented demographics such as children and young people by using methods that are appealing and appropriate

The number of participants in formal engagements increases year on year

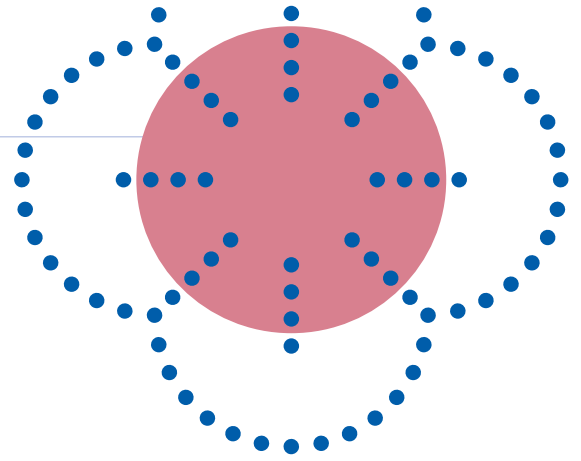
Support businesses to operate in mixed use neighbourhoods to improve local access to goods and services and reduce supply transport distances

The proportion of mixed-use developments increases

Establish community hubs that integrate community support, recreational, and commercial services in multi-purposes spaces that include frequently excluded demographics such as children and young people, people with disabilities, Aboriginal and Torres Strait Island people and people from culturally and linguistically diverse backgrounds

Utilisation of council owned buildings increases

Wellbeing



2023–24 Achievements

In 2023–24, we delivered many projects that build good health and economic success in an environment and a community that supports wellbeing. Some of these include:

Glenelg Oval upgrade Stages 3 and 4

Continuing the upgrade of this important community asset, the work for 2023–24 included upgrades to the spectator mound including playspace, elevated *Disability Discrimination Act* (DDA) viewing area and tiered seating. Other improvements included rebuilding of cricket practice pitches and netting, as well as upgrading the caretaker's building and adjoining public toilet block.

DDA Pram Ramps and bus stop improvement

New pedestrian DDA compliant ramps were installed to improve access and inclusion throughout the city.

Glenelg Community Centre Painting entrance statement

An inviting and vibrant new entrance statement for the Community Centre.

Brighton North Community Garden upgrades

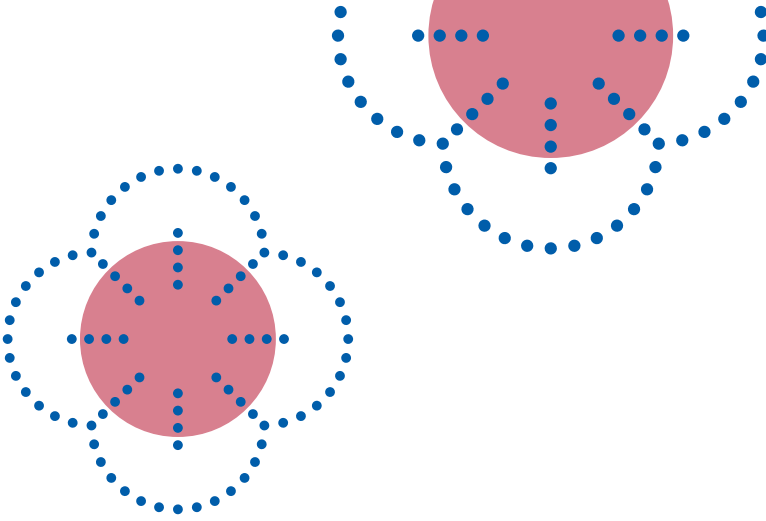
Improvements to the Brighton North Community Garden including a new irrigation system, solar security cameras and hoseslink retractable reels.

2024–25 Capital Projects: \$40,000

Sport and Recreation Infrastructure Planning – \$40,000

In recent research and community engagement we have consistently found a need for informal sport and recreation infrastructure, often coupled with upgrades to playspaces.

This planning will help to deliver more accessible and versatile facilities that cater to a wide range of recreational interests. This is in line with the *Playspace Action Plan 2019–2029* that aims to enhance playspaces for diverse community needs.



2024–25 New Projects: \$17,398

Cricket Club Chairlift – \$17,398

The Glenelg District Cricket Club (GDCC) is in a two-storey clubroom building in the north-western corner of the Glenelg Oval precinct. Up to date, there were no means by which a mobility impaired person could access the first floor, as there was no ramp to the first floor nor was there a lift in the building. This restricted the ability of the Club to hire the venue for various functions and was restrictive on who could visit the clubrooms to spectate cricket.

Council has contributed toward a stair chairlift, mounted to the balustrade and hand rails of the internal stairwell. This enables patrons with restricted mobility access to the first floor. The new installation of the stair chairlift delivers on some of Council's *Disability Access and Inclusion Plan (DAIP) (2020–24)* actions, including improving accessibility to council buildings, services and facilities.

2024–25 Service Delivery: \$7.95 million (excluding Alwyndor)

Development Services – \$1.48 million

Council's development assessment, development advice and building compliance services work to recognise opportunities while protecting the character and amenity of our suburbs. In 2023–24 (up to 15 March 2024), we have processed 694 development applications and approved 125 new dwellings with a construction value of \$89.3 million.

Council will continue with a grant scheme to support the conservation of our City's heritage premises and the character of our retail precincts. Aimed at encouraging people who own heritage listed and retail precinct properties to invest in maintaining, restoring, and preserving them, the grants replaced a previous rates rebate for heritage listed properties.

Property Management – \$2.49 million

We will manage and maintain community assets and infrastructure in an environmentally and financially sustainable way. This includes maintaining and upgrading our buildings and public facilities that are used by a variety of community groups. Street light upgrades are also a part of the work of this area of council.

Wellbeing

Community Wellbeing – \$0.98 million

In addition to the services delivered by Alwyndor's Community Connections team, council provides activities that promote wellbeing and resilience and enable people to remain at home with an enhanced quality of life, including social support and a kerb-to-kerb community transport service.

Our community development programs, services and events aim to promote interaction and minimise social isolation and disadvantage. This includes providing places, infrastructure and funding for people of all ages and abilities to meet, mix and build constructive connections by participating in a wide range of sporting, recreational and cultural activities. This year, council will continue to support:

- › Sports and recreation, including local sporting clubs and recreational and open space planning and development.
- › Community development programs, including community gardens and community and youth sponsorship grants.
- › Volunteer services.
- › Community centres, including the Holdfast Bay Community Centre, Glenelg Community Centre, Glenelg North Community Centre, Brighton Community Centre and Partridge House.
- › Aboriginal reconciliation through consultation and engagement.

Community Safety – \$2.37 million

Council recognises that the community's health and safety are affected by many fields of regulatory activity. We will use contemporary approaches to respond to public health and safety threats to deal with a range of existing and emerging issues, including:

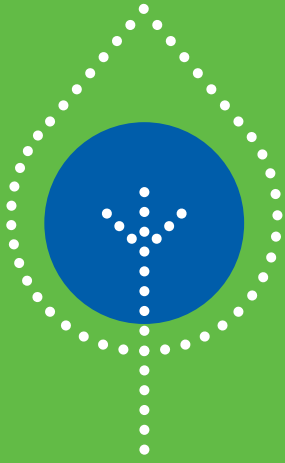
- › Supporting our community to minimise their environmental and local nuisance impacts.
- › Encouraging responsible dog and cat ownership.
- › Supporting food businesses to achieve high standards of food safety and hygiene.
- › Working collaboratively with supported residential care facilities to ensure that they meet the required standards of care and accommodation and that residents' rights are protected.
- › Effective delivery of an immunisation program.
- › Responding to and mitigating public health risks.
- › Delivering education and compliance activities and responding to customer requests.
- › Encouraging and supporting businesses to provide outdoor dining and display goods to support the economy and improve the ambience of our streetscapes.
- › Monitoring public safety and security to ensure that our community can safely move around the city's public places and spaces.
- › Improving road safety and access to adequate parking for residents and visitors.



Communications and Engagement – \$0.63 million

We are committed to clear and open communication with our community. We provide many ways for people to get in contact, including telephone, mail, email, social media and via our website. People can directly engage with Council staff at the Brighton Civic Centre and in our libraries. Information is provided on our website (holdfast.sa.gov.au) and through a range of council publications.

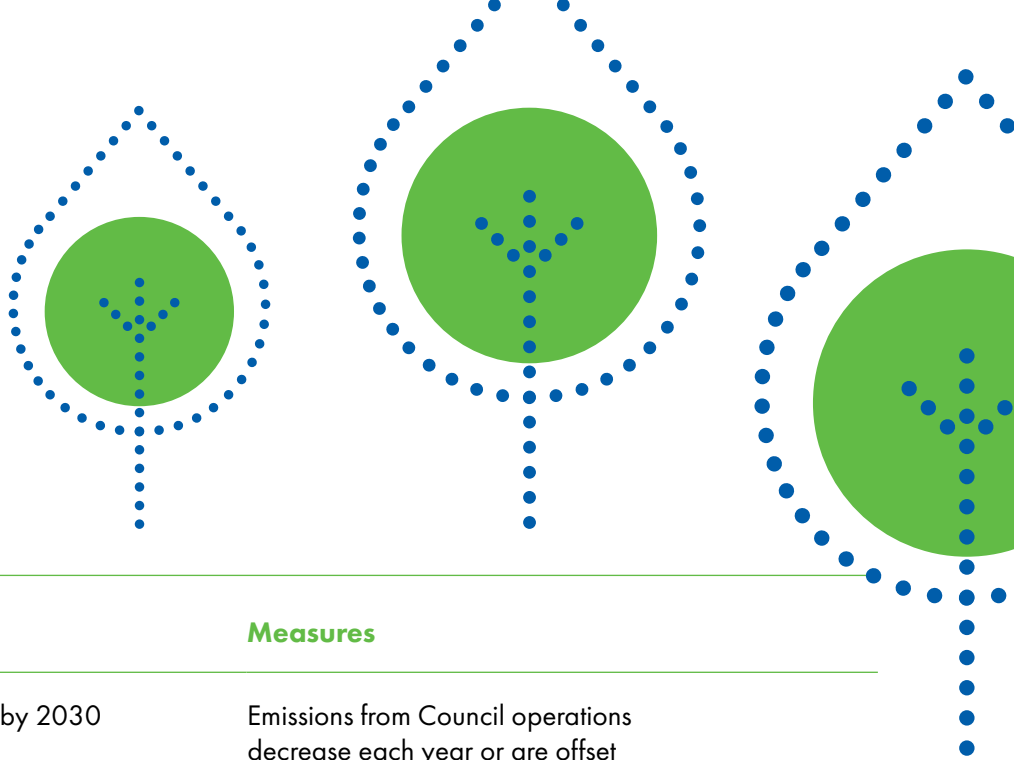
Holdfast News was launched in July 2020. It features the latest Council news, project updates and upcoming events. Council's quarterly, printed magazine, *Our Place*, is distributed to all ratepayers with a digital copy shared via social media and emailed to 1,920 subscribers.



Sustainability

In 2024–25, council will allocate \$18.7 million to developing a city, economy and community that is resilient and sustainable.





Objectives: 2020–2030

Measures

Become a carbon-neutral council by 2030

Emissions from Council operations decrease each year or are offset

Prioritise sustainable and active transport (such as walking and cycling) across the city, including by reclaiming streets for play and nature and improving walkability to support healthy ageing

Number of kilometres of street prioritised for active transport increases, measured every five years

Support the creation of safer places by improving the public realm and collaborating with transport providers to increase transport options

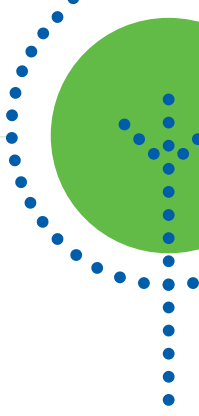
Programs supporting community safety are developed and implemented

Support mixed use neighbourhood development while honouring heritage values to encourage walking and cycling and support healthy ageing

Walkability score increases in all Holdfast Bay suburbs, measured using a 'citizen science' approach every three years

Encourage more community gardening, including biodiversity sensitive urban design, in public spaces, applying the long-held knowledge of Kurna people as well as innovation

Number of community gardening spaces increases each year



Sustainability

2023–24 Achievements

In 2023–24, Council delivered projects and services that supported the goal of developing a city, economy and community that is resilient and sustainable.

Activities included:

Former Buffalo Site – Amenity Improvements

Detailed planning for important site remediation work and amenity improvements has been undertaken at the former Buffalo site. This will ultimately include a rock revetment wall and fill to ground level. Fencing at the water's edge and improvements to walking paths and landscaping is included in this project. Construction commenced in 2023–24. The project will be completed in 2024–25.

Sturt Creek Biodiversity Corridor – Shannon Avenue

As one of the highest priorities in our *Environment Strategy*, this project transformed a small portion of this reserve into biodiverse corridors to improve biodiversity both in Glenelg North (where it is very low) and along the Sturt Creek.

Traffic Management Improvements

Several improvements to traffic management on council roads in high priority areas were completed.

Support for Visitor Information at Glenelg Town Hall

Additional staffing to ensure there is coverage of the Bay Discovery Centre and Visitor Information outlet across all hours of opening, especially in a time of post COVID-19 restrictions.

Stormwater Data Collection (pit and pipe survey) Year 2 of 3

This project was identified in the Stormwater internal audit and is important to ensure data on stormwater assets is current.

Arborist Support

This additional position supports the Senior Arborist in building capacity and risk mitigation through the monitoring, assessment and actioning of works to council's trees.

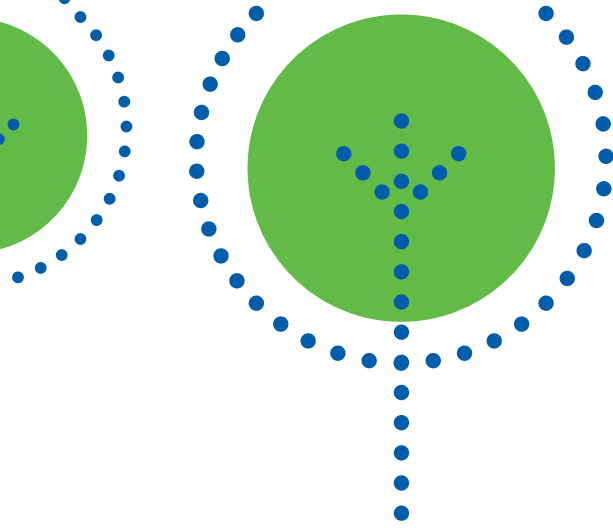
2024–25 Capital Projects: \$540,000

Stormwater upgrades – Tarlton Street – \$1.0 million

This continuing stormwater infrastructure upgrade will decrease the likelihood of flooding in a high-risk flood zone. It was identified as a priority from the *Stormwater Management Plan* and *Stormwater Implementation Plan* and is part funded by the Federal Government.

Wheatland Street Pocket Park – \$20,000

There is a small piece of land on the corner of Wheatland Street and Kauri Parade at Seacliff, which is currently covered in part by shrubs and in part by dolomite. The part that is covered by dolomite is used for unsanctioned car parking. Given Council's desire to increase greening, and the challenges of doing so in Seacliff due to the geography and dense infrastructure, this location provides a rare site to create some public green space. This project would be delivered using internal resources from the Depot, thereby maximising the value of the budget.



Street Light Conversion Plan – \$20,000

In 2018–19 the City of Holdfast Bay converted around 2,300 of its 3,400 streetlights over to LED. There has been a 259 tonne decrease in council's CO² greenhouse emissions through changing streetlights to LED. We will develop a plan for the conversion/ transition to LED of our remaining streetlights, which will include:

- › prioritised delivery schedule
- › highlight our compliance or deficiency risks
- › budget forecasts
- › any return-on-investment, in the form of energy savings.

Patawalonga Frontage Irrigation Upgrade – \$500,000

The current irrigation mainline that delivers quality water to the coastal reserves in Glenelg, is an ageing infrastructure that is approximately 20–25 years old. This project will create an irrigation system that is not only fit-for-purpose but also cost-effective and environmentally sustainable. The outcome will be a new resilient and sustainable irrigation system designed for the future, operating on recycled water with mains back up in strategic locations.

2024–25 New Projects: \$140,000

Review of Stormwater Management Plan (joint with City of Marion) \$50,000

The existing *Stormwater Management Plan: Coastal Catchments Between Glenelg and Marino (SMP) 2014* is a coordinated approach to the management of stormwater with the City of Marion. This SMP is 10 years old and due for renewal. The City of Marion has agreed to request \$50,000 in 2024–25, along with matched funding from City of Holdfast Bay and the Stormwater Management Authority, to undertake a review and refresh of the SMP.

This will inform our stormwater implementation plan and capital works upgrades across the city to reduce flooding risk and improve water quality.

Biodiversity Assessment – \$30,000

The *Environment Strategy 2020–2025* includes a target to increase the average biodiversity score from 12.8 in 2018 to 14 by 2025.

Since 2018 council has engaged an Urban Greening Officer, as well as undertaking large-scale weed control and revegetation projects in the dunes, gullies, and along the Sturt Creek. With this and other biodiversity work during this period we anticipate the score to have increased, thereby demonstrating the value of this work.

The desired outcome of this project is to know the current state of our biodiversity, compared to 2018 and whether we have reached, not reached, or exceeded our 2018 biodiversity score.

Sustainability

Resilient South Funding – \$20,000

Resilient South (RS) is an award-winning regional climate partnership between the Cities of Holdfast Bay, Marion, Mitcham and Onkaparinga, and the state government. It was formed in 2011 and is one of four such partnerships in the Adelaide and Fleurieu region. Council's contribution will ensure that the Regional Coordinator role continues for the duration of the *Regional Climate Action Plan 2024–2029*. In turn this will help to ensure that many of the actions in the plan will be delivered.

Movement and Transport Plan Implementation – \$40,000

The *Movement and Transport Plan* is currently under development. This is an indicative allocation to fund initiatives in this Plan. Allocation of funding this financial year will enable prompt implementation of actions and outcomes from the Movement and Transport Plan in an agile way.

2024–25 Service Delivery: \$18 million

Public Realm and Urban Design – \$0.59 million

Council is committed to developing and maintaining high quality urban and open spaces through public realm and open space master planning, project management and delivery including:

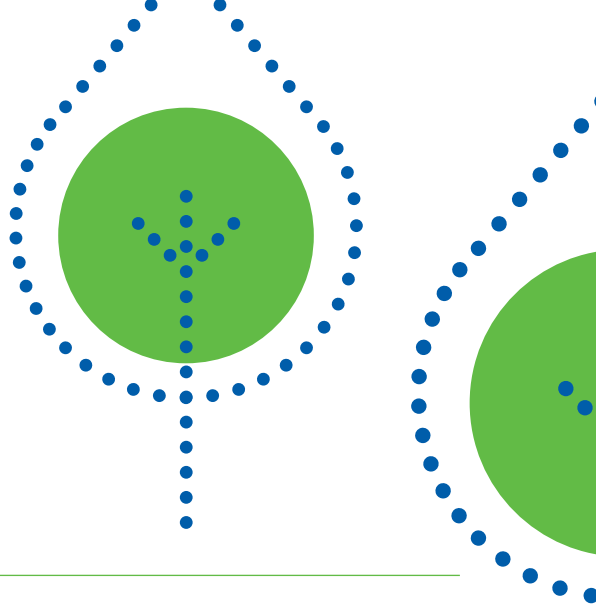
- › Sports and recreation facility planning and activation
- › Playspace renewals and redevelopments including planning and consultation
- › Urban design projects such as main street master planning and project delivery
- › Securing grant funding for major projects through State and Federal Government grant programs
- › Sport and Recreation club development

Environmental Services – \$1.31 million

Council is pursuing an *Environment Strategy (2020–25)*, a detailed roadmap of initiatives, which will guide our decision making until 2025 and beyond. The strategy incorporates five themes:

- › Climate change resilience and working towards a carbon-neutral community
- › Managing our coastal ecosystem
- › Managing and improving biodiversity
- › Waste and resource management
- › Working together as a community.





A number of projects and initiatives from the *Environment Strategy* are included in this *Annual Business Plan*.

Field Services & Depot – \$8.92 million

Council will manage and maintain the community's natural assets in an environmentally and financially sustainable manner for the benefit of residents and the wider community.

We will achieve this by:

- › Maintaining our many high profile and highly used open spaces and reserves.
- › Planning and implementing environmental management programs.
- › Planting and caring for trees in our streets and reserves.
- › Cleaning our streets and foreshore.
- › Maintaining the North Brighton and St Jude's cemeteries.
- › Managing and maintaining our coastal zones and foreshore.
- › Removing graffiti.
- › Maintaining gross pollutant traps to ensure that pollutants do not enter our waterways.
- › Maintaining our roads, kerbs and footpaths.

Street Lighting – \$0.70 million

Council partners with SA Power Networks (SAPN) to deliver street lighting for our community. Over the past 3 years Council has been replacing the 2,550 street lights with energy efficient LED lights across the City of Holdfast Bay.

The new lights being installed are up to 82% more energy efficient than existing mercury vapour lamps, require less maintenance and generate a warm to white light similar to existing lighting (around 4000 Kelvin).

LED lighting is a much improved light than the old technology and the changeover will lower councils' greenhouse gas emissions by approximately 517 tonnes a year.

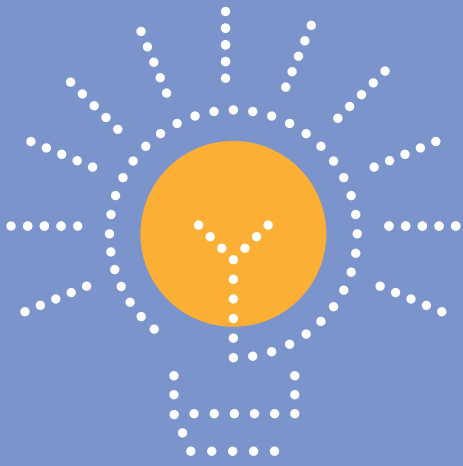
The removed old street lights will be recycled responsibly to prevent heavy metals (i.e. mercury) and other hazardous substances entering landfill.

Engineering and Traffic – \$1.75 million

The Council is committed to a high level of amenity and safety with our street, footpath and kerb renewal and maintenance program. We continue to work with the stormwater management authority in the development and implementation of a storm water management plan. Our team monitors and assesses and treats the evolving traffic management issues in our city.

Waste management – \$4.68 million

Council partners with the City of Marion and Onkaparinga to provide waste management services through the Southern Region Waste Resource Authority. In addition to these services, council supplies food organics and garden organics kitchen caddies, including biodegradable bags to residents. Council also provides free presentations and workshops to promote recycling and ethical waste management practices for residents, community groups and schools.



Innovation

In 2024–2025, council will allocate \$19.35 million to developing a thriving economy and community that values life-long education, research, creativity and entrepreneurialism.

Objectives: 2020–2030

Measures

Facilitate growth in the number of home-based businesses where practical to reduce transit distances

The number of home-based businesses increases as reported via Census data

Maximise the value of public buildings, including libraries, to support innovation by creating co-working spaces and technology/prototyping/maker spaces and hubs

Utilisation of Council buildings increases

Partner to establish an innovator/entrepreneur in residence program that includes local schools and encourages life-long learning across the population

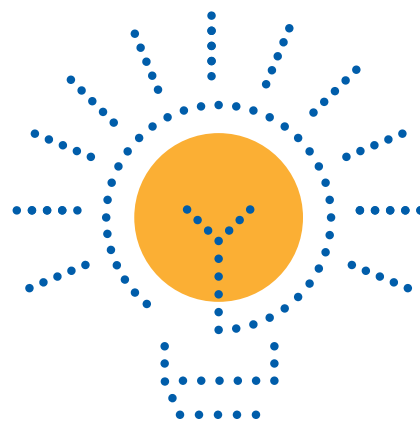
Program participation rates trend upwards

Partner to develop a centre of excellence in hospice care and dying well

Amount of support attracted is sufficient to establish a centre

Partner to facilitate the provision of technology infrastructure to support creative and emerging industries, including mobility as a service, startups and other entrepreneurial activities

Number of start-ups, creative and technology-related businesses in the city increases



Innovation

2023–24 Achievements

In 2023–24, council delivered projects and services that supported the goal of developing a thriving economy and community that values life-long education, research, creativity and entrepreneurialism. Activities included:

Innovation Projects – Various Information Technology Management improvements

This range of business improvement projects impacts across all of council operations. These improve efficiency and result in better service delivery.

Glenelg Library Upgrade

Refresh the workspaces for staff at the Glenelg Library. Upgrade to office areas and meeting spaces.

2024–25 Capital Projects: \$815,250

Wayfinding at Kingston Park – \$8,000

An assessment was made of signage at the entry of the access road, to indicate the key attractions within the precinct, being the Holiday Park, Kiosk and Tjilbruke Spring. It is recommended that a precinct sign, similar to other precincts within the City, such as Brighton Oval, would be appropriate for the location. The sign would include the various attractions within the precinct.

Sharing the National Collection – \$7,250

Council have applied to take part in the National Gallery of Australia's Sharing the National Collection initiative. Negotiations are under way to finalise the loan of appropriate artworks.

The program is fully funded by NGA, this important partnership will enable City of Holdfast Bay to display a high calibre of artwork that would be otherwise out of reach as an individual council.

The allocation of funds from City of Holdfast Bay will be to upgrade lighting to showcase the public artwork at night and to increase safety and security of the installation location in the Glenelg area.

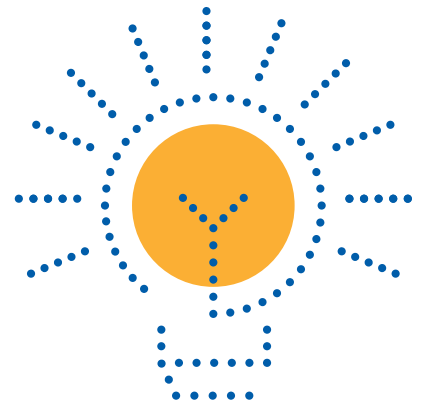
Technology and Innovation Capital Projects – Various ICT Improvements – \$800,000

A range of technology projects aimed at improving efficiency and effectiveness in core business functions, including asset management and corporate planning. These projects will assist in planning and managing the work of council and ensuring security of information and data.

2024–25 Service Delivery: \$18.5 million

Library Services – \$1.98 million

The City of Holdfast Bay provides accessible and progressive library services that meet our community's informational and recreational reading needs while fostering a love of lifelong learning. In 2024–25, we will continue to deliver events, programs, digital literacy and services through our two libraries at Brighton and Glenelg.



City Activation – \$1.69 million

Council's *Economic Activation Plan*, focuses on five strategic directions. These strategic directions form the basis of a five-year action plan for the delivery of collaborative economic development programs and initiatives, resulting in ongoing economic prosperity for the city:

- › Business capacity building.
- › Investment attraction and growth.
- › Innovation and digital evolution.
- › Regional collaboration.
- › Adelaide's premier seaside destination.

Council will continue to develop an environment that assists the future viability of local businesses and creates opportunities to attract innovative industries.

Tourism and Events – \$1.63 million

Our visitor and business services include:

- › Planning, implementing and supporting a wide range of community events to increase visitation and length of stay.
- › Consulting and communicating with our community through our community engagement program.
- › Preserving and stabilising the Holdfast history collection while developing opportunities to make it more accessible to the community.
- › Providing targeted tourism and marketing services aligned with the community's desires and needs.
- › Providing a voice for business and property owners in the Glenelg precinct through the Jetty Road Mainstreet Committee.

Commercial and Economic Enterprises – \$0.44 million

We ensure that our commercial activities, commercial leases, Partridge House and the Brighton Beachfront Holiday Park provide the best possible return on the community's investment.

Corporate Services – \$4.34 million

Council delivers services to the community in a responsible, transparent way that meets legislative requirements and provides the best value for money. The broad business areas providing corporate services include:

- › Customer Experience
- › Strategy and Governance
- › People and Culture
- › Risk management
- › Work health and safety
- › Elected member and CEO support
- › Records management.

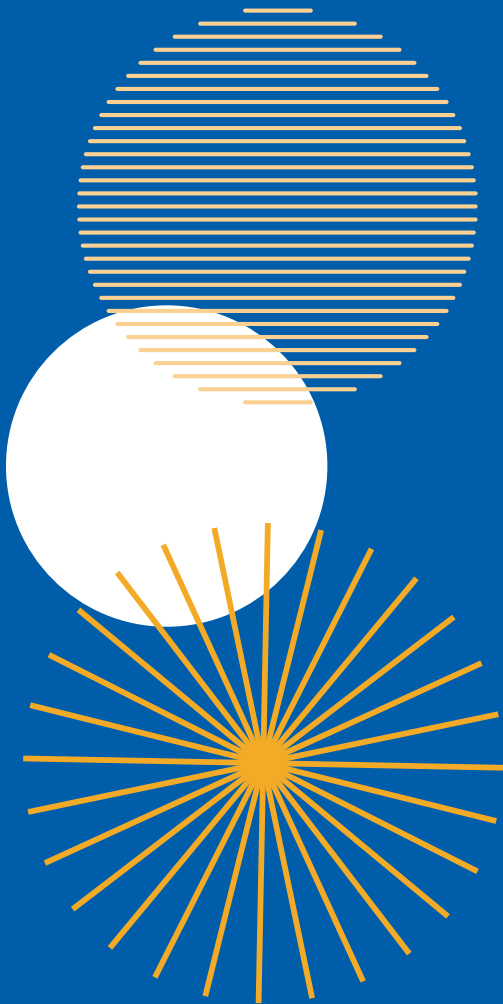
Financial Services – \$3.32 million

We ensure council remains financially sustainable and accountable by providing sound financial management, including rating, investment and treasury management, grants administration and auditing services.

Information and Technology Services – \$3.34 million

Up-to-date information and technology services enable the delivery of effective and efficient services to the community and provide a range of easy options for customers to contact and do business with council.

Developing Our Organisation



We will serve the community through services and programs that meet and exceed its needs by doing things right the first time and doing them well; by having the right people with the right skills; and by managing our resources to meet the expectations of our community.

City of Holdfast Bay Long-Term Financial Plan

ARISE

We will serve the community through services and programs that meet and exceed its needs by doing things right the first time and doing them well; by having the right people with the right skills; and managing our resources to meet our community's expectations.

Council is committed to a set of core values (ARISE):

- › **A**chievement
- › **R**espect
- › **I**nnovation
- › **S**implicity
- › **E**ngagement

The objectives for each area of our business aim to provide the best value to the community.

Finance

We will develop and maintain a long-term financial position that ensures our financial health and sustainability.

Assets

We will drive a systematic approach to the development, maintenance and replacement of our assets and ensure that these assets meet the needs of our community.

People

We will attract and maintain the right mix of people with the skills and experience to deliver our services and achieve our goals.

Systems and Processes

We will ensure that our organisation is appropriately governed, operates in a planned environment and continually works to improve services and programs.

Service Delivery

We will maintain and improve our service delivery, quality, efficiency and cost-effectiveness.

Council is subject to many external processes which test its corporate capability. In 2023–24, these included:

- › The 2022–23 Financial Audit
- › Completion of Internal Audits
- › WorkCover Scheme assessment – 100% rebate achieved
- › Cyber security assessment
- › Organisational culture survey.

Funding Our City

Operating Result

In 2024–25, council is proposing an extensive program of services and projects. To achieve this, we expect to raise \$57.6 million in operating income and spend \$56.7 million in operating expenditure (excluding Alwyndor). The funds come from a variety of sources. While our income is predominantly from rates, it also includes grants from the State and Commonwealth governments and income from statutory and user charges. In 2024–25, 81% of the revenue to fund municipal operations will come from rates.

The municipal operating surplus for 2024–25 is projected to be \$958,677. For 2024–25, Alwyndor is projected to have an operating surplus of \$617,490. The consolidated surplus for 2024–25 is budgeted to be \$1,576,167.

Our Financial Statements

We have included a summary of our projected financial statements for the municipal and Alwyndor operating budgets for the 2024–25 financial year in this document.

A net sum of \$45 million (excluding the Landscape Levy) will be raised from rates in 2024–25.

Council owns infrastructure and assets (such as roads, drains, footpaths and buildings) with a current value of approximately \$364 million (excluding land). These assets deteriorate over time through wear and tear and must be replaced or renewed at appropriate intervals to prolong their useful lives and continue delivering services to the community. We are mindful of the impact on ratepayers and committed to developing options that ease the rate burden. We also improve our systems to increase other revenue sources, manage expenditure and increase productivity.

Financial Management

Council's financial principles include a commitment to prudent debt management. Our treasury policy recognises the use of borrowings to spread the investment in community assets over time, supporting the principle of intergenerational equity. Any funds that are not immediately required to meet approved expenditure or minimum liquidity are applied to reduce existing borrowings or defer the timing of new borrowings, or are invested in interest-bearing deposits. We regularly consider the financial environment, prevailing interest rates and the life of community assets, to ascertain a treasury position that provides an optimum balance of long and short-term loans, and fixed and floating interest rates.

To fund the \$40 million Transforming Jetty Road project will require increased borrowings over the next three years, but this will enable the costs of the project to be shared fairly between current and future users. Council has secured \$10 million from the Australian Government to help deliver the project with the remaining \$30 million to be funded by Council. As this is a significant amount it will have an impact on Council's total borrowings, however, the cost associated with borrowing an initial \$10 million for the first stage has been taken into consideration when preparing the 2024–25 budget. This has resulted in the requirement for an additional 2.3% increase in rate revenue, with similar increases expected over the following two years for the remaining stages of the project.

The Holdfast Bay community has high service expectations due in part to its coastal proximity and tourism focus. The *2024–25 Annual Business Plan* forecasts a total projected borrowing requirement of \$11 million to fund the proposed program of capital works and projects, including the Transforming Jetty Road, Glenelg project. We believe it is prudent to borrow to renew and replace infrastructure and assets for the community's benefit. As outlined in our *Long-Term Financial Plan* and *Asset Management Plan*, council aims to deliver high service levels at low overall life-cycle cost. Running down the value of

assets or not replacing them is short-sighted and can lead to a lack of community and business confidence and increased expenditure in future years.

Council’s risk management framework and independent Audit and Risk Committee provide strategic and operational risk management guidance. This is done holistically, having regard for all aspects of financial and risk management.

Guided by our *Long-Term Financial Plan*, our financial management takes a long-term view that ensures we maintain a sustainable financial and asset management position.

Rate Comparisons

Comparing our rates with those of other councils is a complex issue. Each council has different characteristics (such as size, demographics, residential base and growth) and provides either different services or similar services at different standards. Councils provide a broad range and level of services to the community. Although some of these are statutory requirements, the

majority are determined by the expectations of local ratepayers. The cost of providing and maintaining services is spread across the community in the form of rates. Council determines a rate in the dollar based on the amount of revenue required to meet the ongoing cost of providing services to the community for the coming year.

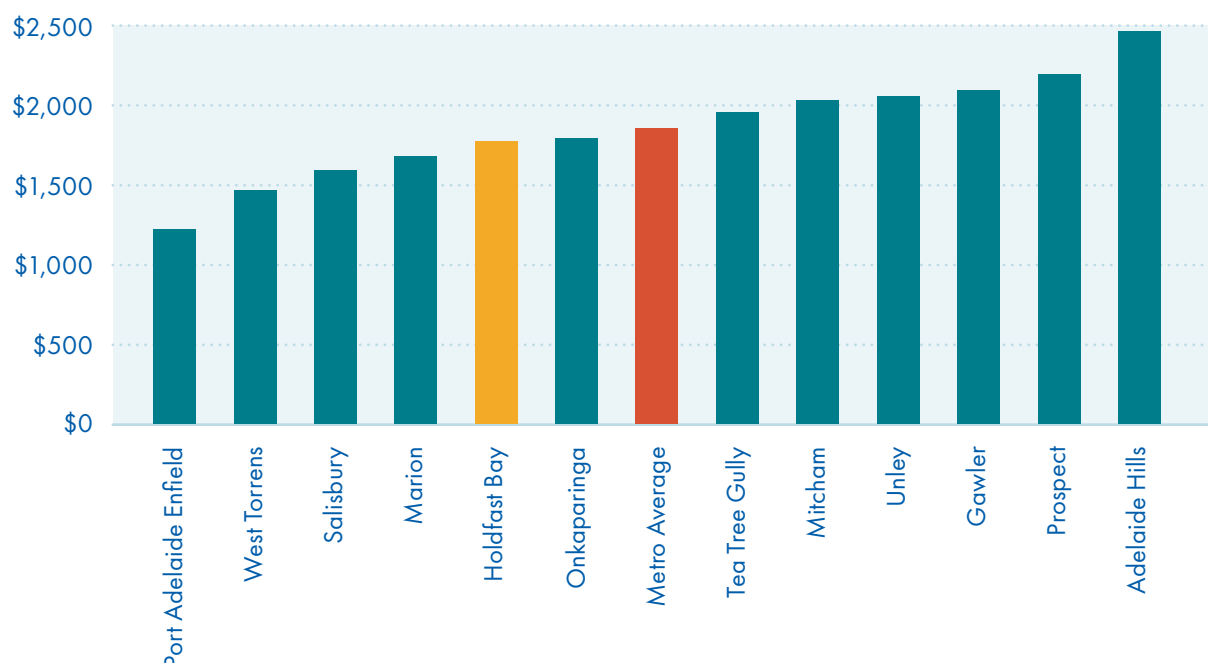
The charts below and on the following pages show a comparison of the average residential rate for Adelaide metropolitan councils for 2023–24.

The average (mean) residential rate for the City of Holdfast Bay in 2023–24 was \$1,772.

This represented a rate of 0.001931 cents in the dollar. This residential rate compares favourably to other South Australian councils, as shown in the graph below.

The amount of rates that property owners pay is determined by multiplying a property’s value by the rate in the dollar. For example, if the property value is \$500,000, and the rate in the dollar is 0.00193, the rates payable will be \$965.00.

2023–24 AVERAGE (MEAN) RESIDENTIAL RATE COMPARISON (\$)



Funding Our City

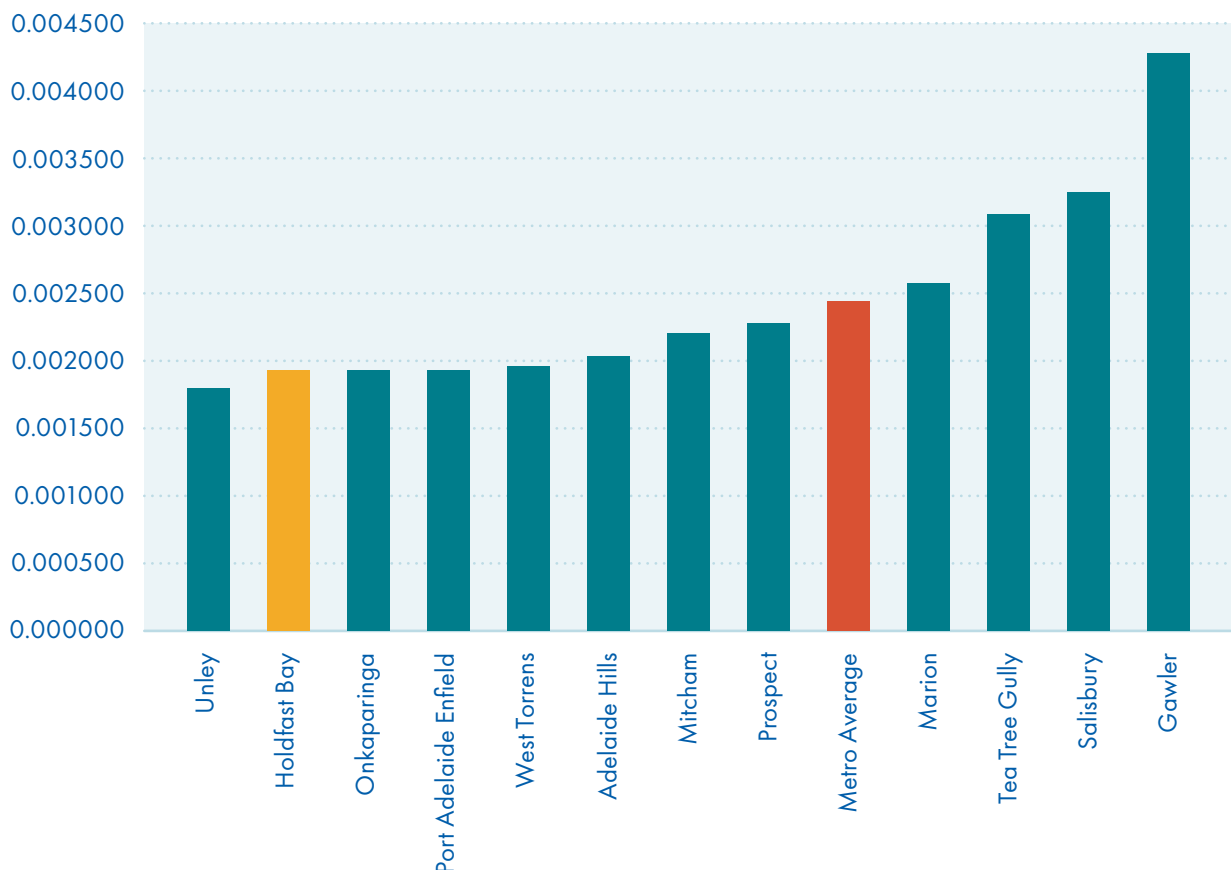
In 2023–24 the average (mean) residential property valuation in the City of Holdfast Bay was \$917,365. The following table compares rates in the dollar with other council areas.

For 2024–25 the proposed revenue from general rates is \$44,563,000 compared to \$41,428,000 for 2023–24. This is a 7.6% change in total proposed revenue from general rates compared to previous year. This comprises the increase in rates plus new development, estimated to be 0.5%.

The average (mean) increase for land use categories is outlined in this table.

Land Use Category	2024–25 Increase
Commercial – Shop	\$236
Commercial – Office	\$169
Commercial – Other	\$275
Industry – Light	\$168
Industry – Other	\$255
Vacant Land	\$183
Residential	\$126
Other	\$164

2023–24 COMPARISON RATE IN THE DOLLAR – RESIDENTIAL



What Will You Pay in Rates?

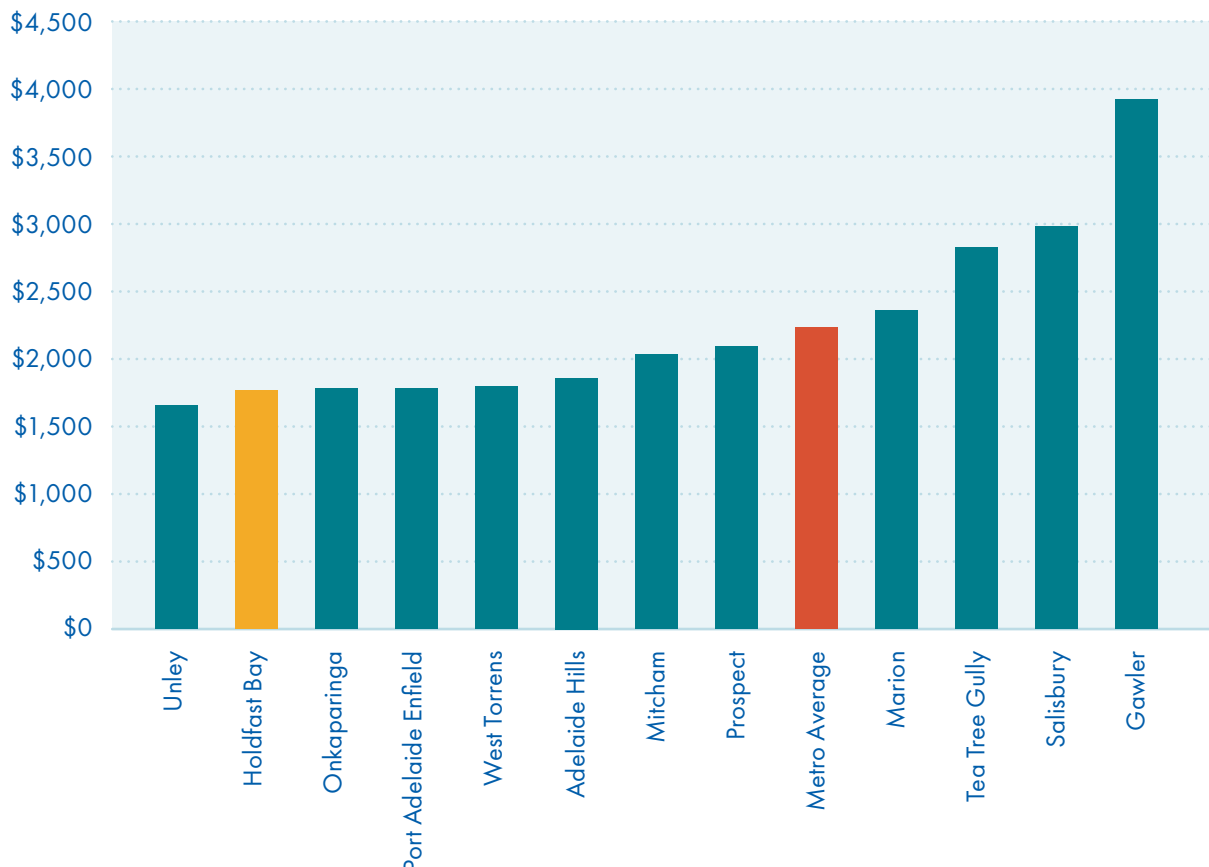
The amount you pay is determined by your property's valuation and how we apportion rates across the community. We endeavour to apportion rates across the community in an equitable fashion. Property valuation modelling has yet to be provided. However, based on the average (mean) for 2023–24 residential property value, the rate increase for the average (mean) residential premises will be approximately \$126 or \$31 per quarter. This is \$2.42 per week.

By way of comparison, the table below shows the amount of rates paid by council area. It uses the average house valuation in Holdfast Bay (\$917,365) to calculate what a ratepayer would pay for the same value property in different councils.

Rating Policy

Section 147 of the *Local Government Act 1999* provides council with the power to rate all land within the City of Holdfast Bay – except for land specifically exempted, such as Crown land and land occupied by council. We continually review our rating policy to ensure that it is fair and equitable. Our current rating policy, adopted in June 2023, is available at the Brighton Civic Centre and can be downloaded at [holdfast.sa.gov.au](https://www.holdfast.sa.gov.au).

**2023–24 COMPARISON OF RATES ON
HOLDFAST BAY MEDIAN RESIDENTIAL VALUATION (\$917,365)**



Funding Our City

Land Valuation Method

Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates, as we feel this method provides the fairest and most efficient method of distributing the rate burden across all ratepayers. If you are dissatisfied with your valuation, you can object to the State Valuation Office in writing within 60 days of receiving the notice of valuation, explaining why you object. The Valuer General may extend the 60-day objection period where it is shown there is reasonable cause to do so.

Residential Rates

The residential rate for 2024–25 has yet to be determined. Our *Draft 2024–25 Annual Business Plan* and financial statements are based on a rate revenue increase of 7.1%, excluding new building construction and separate rates. The average (mean) value of properties in the City of Holdfast Bay in 2023–24 was \$917,000 with an average (mean) rate of \$1,772.

Industrial, Commercial Property and Vacant Land Rates

Council applies a differential rate to industrial, commercial properties and vacant land. This applies a premium based on the principle that industrial and commercial properties place a greater burden on infrastructure and achieve direct benefits from council parking and health regulations, events, tourism, etc. For vacant land, the differential rate provides an incentive to encourage property development.

In 2023–24 a differential premium of 63% above the residential rate was applied, equating to 13% of total rate revenue (\$5.2 million) being paid by this sector. This premium compares favourably with the 2023–24 metropolitan average of 112%, as shown in the graph on the following page.

Separate Rate

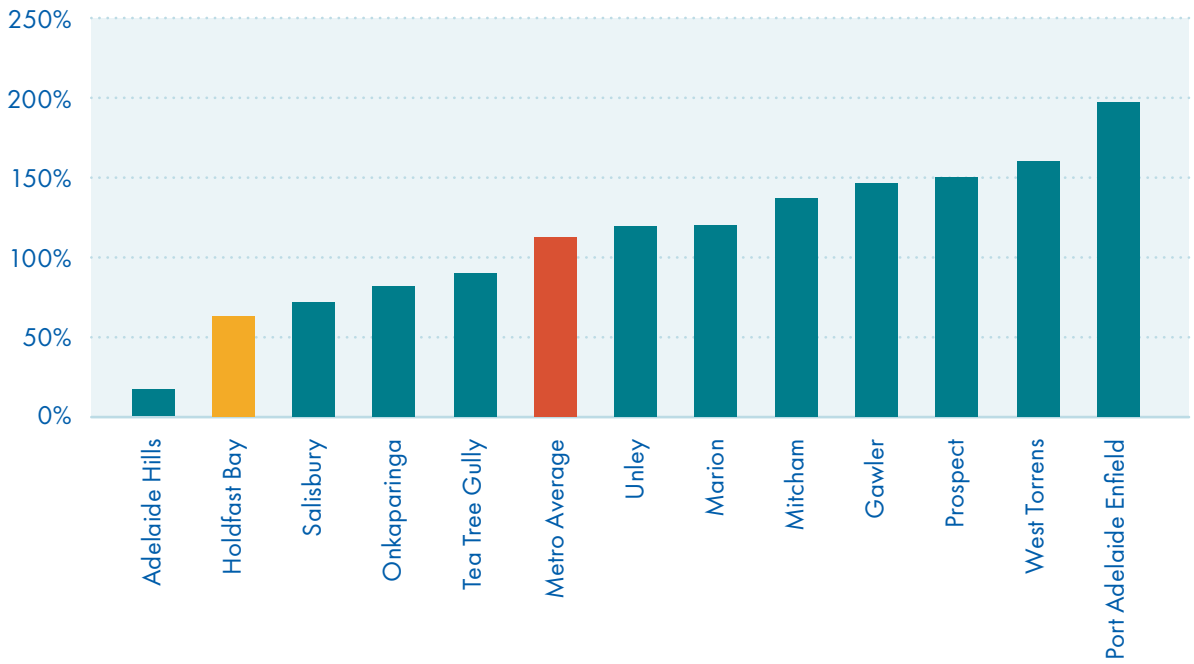
Council levies two separate rates on specific ratepayers to provide funding for activities and services related to those ratepayers. They are as follows:

1. The Jetty Road Mainstreet Separate Rate is applied to properties within the Jetty Road Mainstreet precinct to promote and enhance business viability and trade. Revenue from this separate rate is expected to raise \$707,115 in 2024–25, representing an increase of 7.1% on the rate levied in 2023–24.
2. The Patawalonga Marina Separate Rate is applied to properties within the basin of the Patawalonga, bounded by the high-water mark and comprised of marina berths. This separate rate provides funding for the ongoing maintenance of the Patawalonga lock. Because the lock is also widely used by the general public, this rate is adjusted by 50%. The Patawalonga Marina Separate Rate for 2024–25 is expected to raise \$86,400.

Landscape Levy

Formerly called the Natural Resource Management (NRM) Levy, councils are required under the *Landscape South Australia Act 2019* to collect the Landscape Levy on behalf of the state government. For 2024–25 the Landscape Levy for properties in the City of Holdfast Bay will increase by \$84,000 to \$1.54 million.

**2023–24 METROPOLITAN DIFFERENTIAL RATE PREMIUM COMPARISON
(APPLIED TO COMMERCIAL & VACANT LAND)**



Funding Our City

Rebates

Council is required to provide mandatory rebates under sections 160 to 165 of the *Local Government Act 1999* for properties:

- › Predominantly used for service delivery or administration by a hospital or health centre (section 160).
- › Predominantly used for service delivery or administration by a community service organisation (section 161).
- › Containing a church or other building used for public worship or used solely for religious purposes (section 162).
- › Being used for the purpose of a public cemetery (section 163).
- › Occupied by a government school under a lease or licence or a non-government school being used for educational purposes (section 165).

In addition, council may provide discretionary rebates under section 166 where:

- › The rebate is desirable for the purpose of securing the proper development of the area or assisting or supporting a business.
- › The land is being used for educational purposes, agricultural, horticultural or floricultural exhibitions, a hospital or health centre, to provide facilities or services for children or young people, to provide accommodation for the aged or disabled, for a residential aged care facility or a day therapy centre, or by an organisation which, in the opinion of council, provides a benefit or service to the local community.

- › The rebate relates to common property or land vested in a community corporation over which the public has a free and unrestricted right of access and enjoyment.
- › The rebate is considered by council to be appropriate to provide relief against what would otherwise amount to a substantial charge in rates payable due to a change in the basis of valuation.

Minimum rate

We impose a minimum amount payable by way of rates. In 2023–24 this rate was set at \$1,153. The minimum rate for 2023–24 has not been set at this time.

Rate relief

Support is available for people experiencing difficulty in paying their rates. A residential rate cap may be applied to provide relief to ratepayers who own properties that have been subject to increases in valuations that are deemed excessive. In 2023–24, Council determined that residential ratepayers could apply for a reduction in their rates where they could demonstrate an increase in their annual rate bill in excess of 10%. This will continue into 2024–25. Council offers a range of hardship provisions. Visit holdfast.sa.gov.au/council/council-rates/hardship-application or contact us on 8229 9999 to find out more.



Financial Targets

1. To achieve an operating ratio of 0–10% over a five-year period.
2. To achieve a net financial liabilities ratio of less than 100%.
3. To improve council's asset sustainability ratio to be within the range of 90–110% over a five-year period.

1. To achieve an operating ratio of 0–10% over a five-year period

In 2024–25, Council will raise \$45.2 million in rate revenue (including separate rates but excluding the Landscape Levy), and this will yield an operating surplus ratio of 1.7%. Currently, our operating ratio measure over the five years from 2018–2019 to 2022–2023 is 3.7%. The operating ratio is the operating result expressed as a percentage of total operating revenue. The operating result is the difference between recurrent income and recurrent operating expenditure.

Recurrent income is made up of revenue received each year in the ordinary course of activities, such as rate revenue, user and statutory charges and operating grants, but excluding capital grants. Recurrent operating expenditure is incurred in the ordinary course of providing services, including a charge for depreciation of infrastructure and assets. Depreciation can be regarded as the cost of wear and tear. The operating result is expressed as a surplus (where income exceeds expenditure) or a deficit (where expenditure exceeds income).

While we strive to maintain a balanced budget or small surplus each year, we recognise that current cost movements, particularly in areas where we have little control, will increase the possibility of an operational deficit being forecast in future years. An operating deficit indicates that the cost of services provided is not being adequately funded, and current users are not paying enough for the use of services and infrastructure. Continued operational deficits would indicate that we were not able to maintain a financially sustainable outcome into the future. As a result, we continue to review our revenue and expenditure to supply services that are efficient and effective in meeting the needs of the community.

Council is committed to a balanced budget or modest operating surplus. To achieve this, we continuously review the services provided to the community and our business processes to provide the most cost-effective and efficient service delivery. In 2024–25, we will continue to monitor and review council's operations to ensure that we can continue to meet the community's expectations in a financially sustainable way.

2. To achieve a net financial liabilities ratio of less than 100%

Council's current ceiling for the net financial liabilities ratio is 100%. The net liabilities ratio is a measure of the size of our net financial liabilities (which is what we owe others, minus what others owe us) as a percentage of total operating revenue.

However, it is acceptable to exceed this ceiling from time to time, particularly when low interest rates offer the opportunity to develop infrastructure and facilities that will provide

long-term benefit to the community. In 2024–25, the net financial liabilities ratio is forecast to increase from 74% to 90% (excluding Alwyndor).

An additional, and arguably more relevant, indicator of council's ability to manage and service debt is its interest cover ratio which is measured by calculating our net financial interest as a percentage of the overall operating revenue. Council has set a ceiling of 5% for this ratio. A ratio of 5% indicates that, for every \$100 of revenue, \$5 is spent on net interest payments. In 2024–25, our interest cover ratio is forecast to be 2.9% (excluding Alwyndor). Our net financial liabilities and interest cover ratio indicate that council remains in a strong and sustainable financial position to manage its debt levels.

3. To improve council's asset sustainability ratio to be within the range of 90–110% over a five-year period

The asset sustainability ratio measures the level of capital expenditure on the renewal and replacement of existing infrastructure and assets. It is measured against the level proposed in the *Asset Management Plan*. For 2024–25 this is forecast to be 114%. This is a result of additional required asset renewals that have been identified for this year and is manageable over the five year period.

Measuring Our Performance

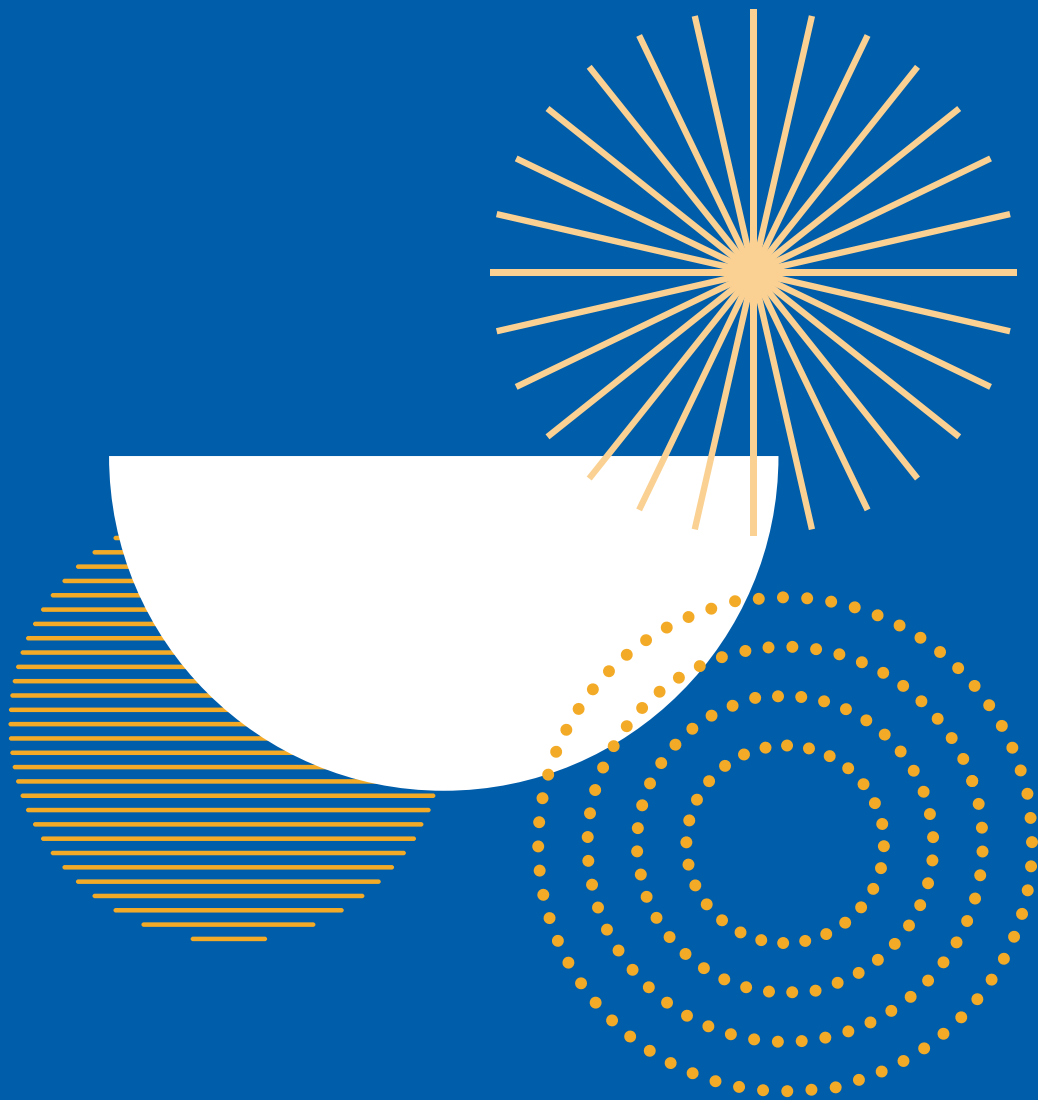


Council appoints an Audit and Risk Committee, which includes three independent members with relevant qualifications and experience, to provide advice and recommendations on financial and governance matters.

Performance is measured using:

- › A range of financial reports, including monthly financial statements, budget updates, four annual comprehensive budget reviews and the presentation of audited financial statements as required under the *Local Government Act 1999*.
 - › Strategic plan measures, which gauge how we are working towards achieving the strategic objectives outlined in *Our Holdfast 2050+*.
 - › Corporate measures, which track internal operations that aim to improve the way we deliver services.
- To this end, on a quarterly basis Council receives reports that track the health of the organisation and its fitness and ability to deliver the objectives expressed in *Our Holdfast 2050+*. These include:
- › Capital and operating projects – progress on each of these projects as expressed in the *Annual Business Plan*.
 - › Financial management – reviewing the budget position and *Long-Term Financial Plan*.
 - › Workplace health and safety – reviewing health and safety compliance and key performance indicators.
 - › Human resources – reviewing internal resources and training.
 - › External grants – reviewing the position of current grants.

Financial Statements – Municipal



CITY OF HOLDFAST BAY
BUDGET FUNDING STATEMENT - MUNICIPAL FUNDS

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u>		<u>Municipal</u> <u>24/25</u> <u>BUDGET</u>
\$		\$
41,281,000	Rates - General	44,212,000
	Rates - New Properties	206,000
660,245	Rates - Jetty Road Glenelg	707,115
82,460	Rates - Patawalonga Marina	86,400
1,452,167	Rates - Regional Landscape Levy	1,535,968
2,641,300	Statutory Charges	2,979,077
3,498,000	User Charges	3,937,787
2,045,863	Operating Grants & Subsidies	2,183,563
72,000	Investment Income	72,000
711,264	Reimbursements	734,264
843,743	Other	871,925
90,600	Net Equity Gain - Joint Ventures	98,000
53,378,642	Operating Revenue	57,624,099
20,244,443	Employee Costs	21,635,095
21,301,562	Materials, contracts and other expenses	22,506,379
992,692	Finance Charges	1,752,948
10,911,000	Depreciation	11,685,000
(999,000)	Less full cost attribution - % admin costs capitalised	(1,074,000)
542,000	New Initiatives - Operating	160,000
52,992,697	Less Operating Expenditure	56,665,422
385,945	= Operating Surplus/(Deficit)	958,677
10,911,000	Depreciation	11,685,000
189,852	Other non-cash provisions	193,671
11,100,852	Plus Non-Cash items in Operating Surplus/Deficit	11,878,671
11,486,797	= Funds Generated from Operating Activities	12,837,348
483,500	Capital (External Contributions)	
201,000	Proceeds from disposal of assets	26,000
684,500	Plus funds sourced from Capital Activities	26,000
(7,081,166)	Capital Expenditure-Asset Renewal and Replacement	(8,463,070)
(999,000)	Capital Expenditure-Full Cost Attribution	(1,074,000)
(7,649,944)	New Initiatives - Capital (Gross Expenditure)	(12,412,648)
(15,730,110)	Less total capital expenditure	(21,949,718)
217,000	Plus: Repayments of loan principal by sporting groups	21,120
217,000	Plus/(less) funds provided (used) by Investing Activities	21,120
(3,341,813)	= FUNDING SURPLUS/(REQUIREMENT)	(9,065,250)
	Funded by:	
(4,737,575)	Less: Proceeds from new borrowings	(11,094,611)
1,395,762	Plus: Principal repayments of borrowings	2,029,361
(3,341,813)		(9,065,250)

CITY OF HOLDFAST BAY
PROJECTED INCOME STATEMENT- MUNICIPAL FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u>		<u>Municipal</u> <u>24/25</u> <u>BUDGET</u>
\$	REVENUES	\$
41,281,000	Rates - General	44,212,000
	Rates - New Properties	206,000
660,245	Rates - Jetty Road Glenelg	707,115
82,460	Rates - Patawalonga Marina	86,400
1,452,167	Rates - Regional Landscape Levy	1,535,968
2,641,300	Statutory Charges	2,979,077
3,498,000	User Charges	3,937,787
2,045,863	Operating Grants & Subsidies	2,183,563
72,000	Investment Income	72,000
711,264	Reimbursements	734,264
843,743	Other	871,925
90,600	Net Equity Gain - Joint Ventures	98,000
<u>53,378,642</u>	TOTAL REVENUES	<u>57,624,099</u>
	EXPENSES	
20,244,443	Employee Costs	21,635,095
21,301,562	Materials, contracts and other expenses	22,506,379
992,692	Finance Charges	1,752,948
10,911,000	Depreciation	11,685,000
(999,000)	Less full cost attribution	(1,074,000)
542,000	New Initiatives - Operating	160,000
<u>52,992,697</u>	TOTAL EXPENSES	<u>56,665,422</u>
<u>385,945</u>	Operating Surplus/(Deficit) - Before Capital Revenue	<u>958,677</u>
483,500	Amounts specifically for new or upgraded assets	-
<u>869,445</u>	NET SURPLUS/(DEFICIT)	<u>958,677</u>

CITY OF HOLDFAST BAY
PROJECTED BALANCE SHEET - MUNICIPAL FUNDS
AS AT 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u>		<u>Municipal</u> <u>24/25</u> <u>BUDGET</u>
\$		\$
	CURRENT ASSETS	
842,279	Cash and cash equivalents	-
2,964,725	Trade and Other Receivables	1,872,899
<u>3,807,004</u>	TOTAL CURRENT ASSETS	<u>1,872,899</u>
	NON-CURRENT ASSETS	
643,769	Financial Assets	584,000
4,119,600	Equity accounted investments-Council businesses	4,440,000
879,354,217	Land, Infrastructure, Property, Plant & Equipment	904,833,406
<u>884,117,586</u>	TOTAL NON-CURRENT ASSETS	<u>909,857,406</u>
<u>887,924,590</u>	TOTAL ASSETS	<u>911,730,304</u>
	CURRENT LIABILITIES	
8,794,848	Trade and Other Payables	9,458,854
1,395,762	Borrowings	2,539,201
3,859,081	Short-term Provisions	3,958,273
<u>14,049,691</u>	TOTAL CURRENT LIABILITIES	<u>15,956,328</u>
	NON-CURRENT LIABILITIES	
29,565,924	Long-term Borrowings	38,163,844
281,897	Long-term Provisions	364,727
<u>29,847,821</u>	TOTAL NON-CURRENT LIABILITIES	<u>38,528,571</u>
<u>43,897,512</u>	TOTAL LIABILITIES	<u>54,484,899</u>
<u>844,027,078</u>	NET ASSETS	<u>857,245,405</u>
	EQUITY	
188,972,671	Accumulated Surplus	186,676,000
655,054,407	Asset Revaluation Reserve	670,569,405
<u>844,027,078</u>	TOTAL EQUITY	<u>857,245,405</u>

CITY OF HOLDFAST BAY
PROJECTED STATEMENT OF CHANGES IN EQUITY - MUNICIPAL FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u>		<u>Municipal</u> <u>24/25</u> <u>BUDGET</u>
\$		\$
	ACCUMULATED SURPLUS	
188,103,226	Balance at beginning of period	185,717,323
869,445	Net Surplus/(Deficit)	958,677
<u>188,972,671</u>	Balance at end of period	<u>186,676,000</u>
655,054,407	ASSET REVALUATION RESERVE	670,569,405
<u>655,054,407</u>	TOTAL RESERVES CLOSING BALANCE	<u>670,569,405</u>
<u>844,027,078</u>	TOTAL EQUITY	<u>857,245,405</u>

CITY OF HOLDFAST BAY
PROJECTED BUDGETED STATEMENT OF CASH FLOWS - MUNICIPAL FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u> \$ (OUTFLOWS)		<u>Municipal</u> <u>24/25</u> <u>BUDGET</u> \$ (OUTFLOWS)
	CASH FLOWS FROM OPERATING ACTIVITIES	
	<u>Receipts</u>	
53,288,042	Operating Receipts	57,526,099
	<u>Payments</u>	
(40,808,553)	Operating payments to suppliers and employees	(42,935,803)
(992,692)	Finance Payments	(1,752,948)
11,486,797	NET CASH PROVIDED BY OPERATING ACTIVITIES	12,837,348
	CASH FLOWS FROM INVESTING ACTIVITIES	
	<u>Receipts</u>	
483,500	Grants specifically for new or upgraded assets	-
201,000	Sale of replaced assets	26,000
217,000	Repayments of loans (principal) by community groups	21,120
	<u>Payments</u>	
(8,080,166)	Expenditure on renewal/replacement of assets	(9,537,070)
(7,649,944)	Expenditure on new/upgraded assets	(12,412,648)
(14,828,610)	NET CASH (USED IN) INVESTING ACTIVITIES	(21,902,598)
	CASH FLOWS FROM FINANCING ACTIVITIES	
	<u>Receipts</u>	
4,737,575	Proceeds from Borrowings - External	11,094,611
	<u>Payments</u>	
(1,395,762)	Repayments of Borrowings - External	(2,029,361)
3,341,813	NET CASH PROVIDED BY FINANCING ACTIVITIES	9,065,250
-	NET INCREASE (DECREASE) IN CASH HELD	-
	CASH AND CASH EQUIVALENTS AT BEGINNING OF	
842,279	REPORTING PERIOD	-
	CASH AND CASH EQUIVALENTS AT END OF	
842,279	REPORTING PERIOD	-

RECONCILIATION OF INCOME STATEMENT TO BUDGETED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2024

869,445	SURPLUS FROM INCOME STATEMENT	958,677
	NON-CASH ITEMS IN INCOME STATEMENT	
10,911,000	Depreciation	11,685,000
189,852	Movements in provisions	193,671
11,100,852	TOTAL NON-CASH ITEMS	11,878,671
	CASH ITEMS NOT IN INCOME STATEMENT	
(15,730,110)	Capital Expenditure	(21,949,718)
(1,395,762)	Loan Repayments - External	(2,029,361)
4,737,575	Proceeds from Borrowings - External	11,094,611
217,000	Repayments of loans (principal) by community groups	21,120
201,000	Proceeds from Disposal of Assets	26,000
(11,970,297)	TOTAL CASH ITEMS	(12,837,348)
	NET INCREASE/(DECREASE)	
-	IN CASH AND CASH EQUIVALENTS	-

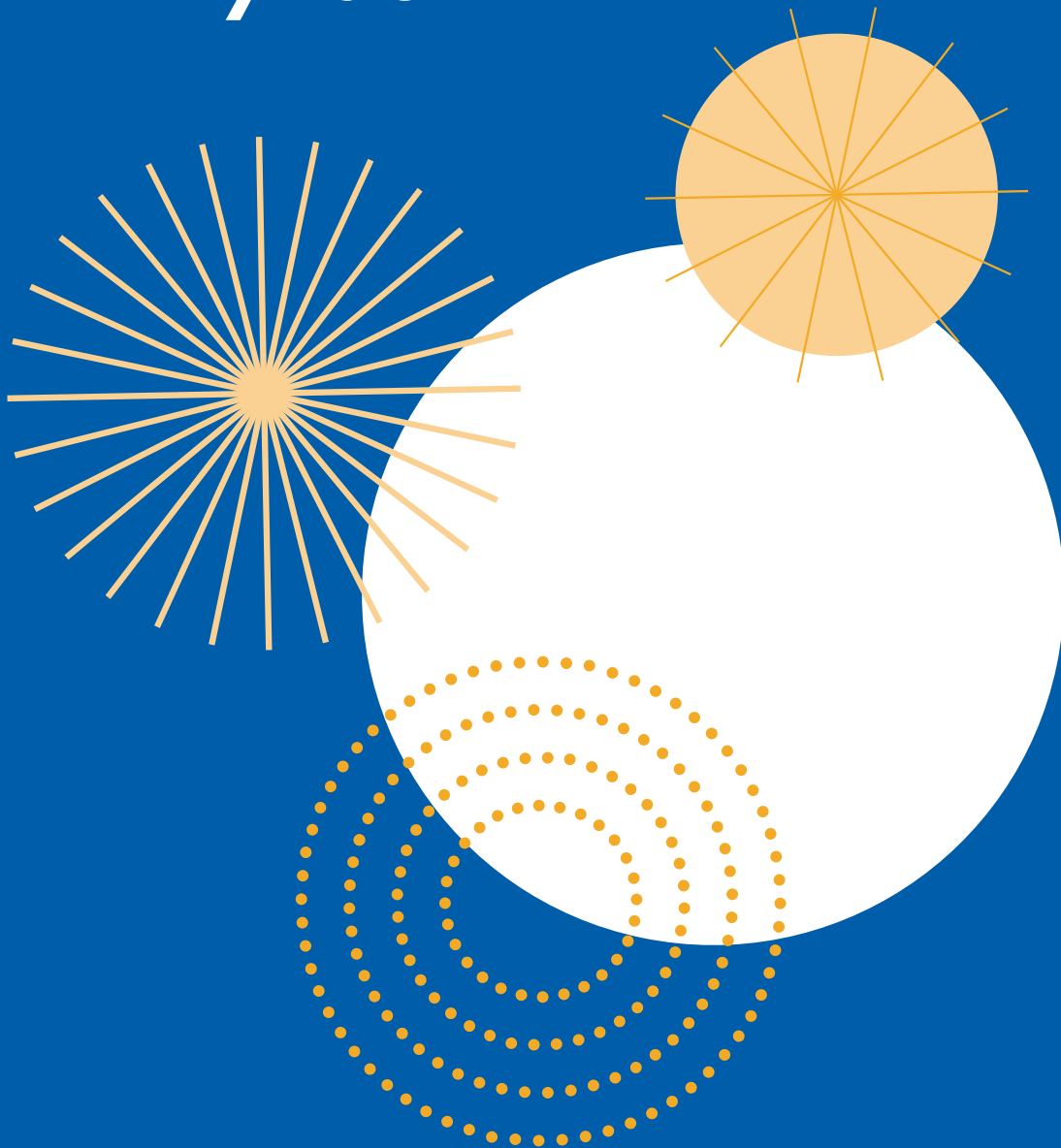
CITY OF HOLDFAST BAY
PROJECTED SUMMARY OF OPERATING AND CAPITAL INVESTMENT ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u> \$		<u>Municipal</u> <u>24/25</u> <u>BUDGET</u> \$
53,378,642	Operating Revenues	57,624,099
(52,992,697)	less Operating Expenses	(56,665,422)
385,945	Operating Surplus/(Deficit) before Capital Amounts	958,677
Less net outlays on Existing Assets		
8,080,166	Capital Expenditure on renewal & replacement of existing assets	9,537,070
(10,911,000)	Less Depreciation	(11,685,000)
(2,830,834)		(2,147,930)
Less outlays on New and Upgraded Assets		
7,649,944	Capital Expenditure on new & upgraded assets	12,412,648
(483,500)	Less amounts received for new & upgraded assets	-
7,166,444		12,412,648
(3,949,665)	Net lending/(borrowing) for financial year	(9,306,041)

PROJECTED FINANCIAL INDICATORS - MUNICIPAL FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u> \$		<u>Municipal</u> <u>24/25</u> <u>BUDGET</u> \$
\$385,945	OPERATING SURPLUS/(DEFICIT) - BEFORE CAPITAL AMOUNTS	\$958,677
OPERATING SURPLUS RATIO		
	(Operating surplus/(deficit) before capital amounts as % of total operating revenue)	
0.7%		1.7%
\$39,446,739	NET FINANCIAL LIABILITIES - (Total liabilities less financial assets)	\$52,028,000
NET FINANCIAL LIABILITIES RATIO		
	(Total liabilities less financial assets as % of total operating revenue)	
74%		90%
INTEREST COVER RATIO		
	(Net interest expense as % of total operating revenue less investment income)	
1.7%		2.9%
ASSET SUSTAINABILITY RATIO		
	(Capital expenditure on renewal/replacement of existing assets, excluding new capital expenditure as % of asset management plan)	
100%		114%

Financial Statements – Alwyndor



CITY OF HOLDFAST BAY
PROJECTED FINANCIAL STATEMENTS
BUDGET FUNDING STATEMENT - ALWYNDOR FUNDS

Alwyndor		Alwyndor
23/24		24/25
BUDGET		BUDGET
\$		\$
8,637,532	User Charges	9,830,134
15,909,148	Operating Grants & Subsidies	19,045,147
856,797	Investment Income	1,234,200
8,028,770	Reimbursements	8,604,668
7,361,163	Other	8,654,358
40,793,410	Operating Revenue	47,368,507
28,240,823	Employee Costs - Salaries & Wages	33,699,954
10,282,689	Materials, contracts and other expenses	11,135,062
142,800	Finance Charges	104,400
1,617,981	Depreciation	1,811,602
40,284,293	Less Operating Expenditure	46,751,018
509,117	= Operating Surplus/(Deficit)	617,490
1,617,981	Depreciation	1,811,602
580,558	Other non-cash provisions	651,950
2,198,539	Plus Non-Cash items in Operating Surplus/Deficit	2,463,552
2,707,656	= Funds Generated from Operating Activities	3,081,042
(1,902,620)	Capital Expenditure-Asset Renewal and Replacement	(1,809,500)
(1,902,620)	Less total capital expenditure	(1,809,500)
805,036	= FUNDING SURPLUS	1,271,542
	Funded by:	
805,036	Increase/(Decrease) in cash and cash equivalents	1,271,542
805,036		1,271,542

CITY OF HOLDFAST BAY
PROJECTED INCOME STATEMENT - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

Alwyndor		Alwyndor
23/24		24/25
BUDGET		BUDGET
\$	REVENUES	\$
8,637,532	User Charges	9,830,134
15,909,148	Operating Grants & Subsidies	19,045,147
856,797	Investment Income	1,234,200
8,028,770	Reimbursements	8,604,668
7,361,163	Other	8,654,358
40,793,410	TOTAL REVENUES	47,368,507
	EXPENSES	
28,240,823	Employee Costs	33,699,954
10,282,689	Materials, contracts and other expenses	11,135,062
142,800	Finance Charges	104,400
1,617,981	Depreciation	1,811,602
40,284,293	TOTAL EXPENSES	46,751,018
509,117	Operating Surplus/(Deficit) - Before Capital Revenue	617,490
509,117	NET SURPLUS/(DEFICIT)	617,490

CITY OF HOLDFAST BAY
PROJECTED BALANCE SHEET - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u>		<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u>
\$		\$
	CURRENT ASSETS	
3,500,000	Cash and cash equivalents	4,437,037
3,515,403	Trade and Other Receivables	3,990,985
<u>7,015,403</u>	TOTAL CURRENT ASSETS	<u>8,428,022</u>
	NON-CURRENT ASSETS	
14,057,240	Financial Assets	13,593,509
40,278,004	Land, Infrastructure, Property, Plant & Equipment	42,844,316
<u>54,335,244</u>	TOTAL NON-CURRENT ASSETS	<u>56,437,825</u>
<u>61,350,647</u>	TOTAL ASSETS	<u>64,865,847</u>
	CURRENT LIABILITIES	
33,886,533	Trade and Other Payables	35,927,999
2,783,426	Short-term Provisions	3,089,999
<u>36,669,959</u>	TOTAL CURRENT LIABILITIES	<u>39,017,998</u>
	NON-CURRENT LIABILITIES	
280,873	Long-term Provisions	669,594
<u>280,873</u>	TOTAL NON-CURRENT LIABILITIES	<u>669,594</u>
<u>36,950,832</u>	TOTAL LIABILITIES	<u>39,687,592</u>
<u>24,399,815</u>	NET ASSETS	<u>25,178,255</u>
	EQUITY	
5,562,172	Accumulated Surplus	6,340,612
12,423,289	Asset Revaluation Reserve	12,423,289
6,414,354	Other Reserves	6,414,354
<u>24,399,815</u>	TOTAL EQUITY	<u>25,178,255</u>

CITY OF HOLDFAST BAY
PROJECTED STATEMENT OF CHANGES IN EQUITY - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u>		<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u>
\$		\$
	ACCUMULATED SURPLUS	
5,053,055	Balance at beginning of period	5,562,172
509,117	Net Surplus/(Deficit)	617,490
<u>5,562,172</u>	Balance at end of period	<u>6,179,662</u>
12,423,289	ASSET REVALUATION RESERVE	12,423,289
6,414,354	ALWYNDOR RESERVES	6,414,354
<u>18,837,643</u>	TOTAL RESERVES CLOSING BALANCE	<u>18,837,643</u>
<u>24,399,815</u>	TOTAL EQUITY	<u>25,017,305</u>

CITY OF HOLDFAST BAY
PROJECTED BUDGETED STATEMENT OF CASH FLOWS - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u> \$		<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u> \$
(OUTFLOWS)		(OUTFLOWS)
	CASH FLOWS FROM OPERATING ACTIVITIES	
	<u>Receipts</u>	
40,573,904	Operating Receipts	46,624,124
	<u>Payments</u>	-
(38,199,159)	Operating payments to suppliers and employees	(43,411,926)
(142,800)	Finance Payments	(131,156)
2,231,945	NET CASH PROVIDED BY OPERATING ACTIVITIES	3,081,042
	CASH FLOWS FROM INVESTING ACTIVITIES	
	<u>Receipts</u>	
(1,218,330)	Net Purchase of Investment Securities	-
	<u>Payments</u>	
(1,378,199)	Expenditure on renewal/replacement of assets	(1,296,878)
(524,421)	Expenditure on new/upgraded assets	(512,622)
(3,120,950)	NET CASH (USED IN) INVESTING ACTIVITIES	(1,809,500)
	CASH FLOWS FROM FINANCING ACTIVITIES	
	<u>Receipts</u>	
889,005	Proceeds from Aged Care Facility Deposits	-
889,005	NET CASH PROVIDED BY FINANCING ACTIVITIES	-
-	NET INCREASE (DECREASE) IN CASH HELD	1,271,542
	CASH AND CASH EQUIVALENTS AT BEGINNING OF	
3,500,000	REPORTING PERIOD	3,165,495
	CASH AND CASH EQUIVALENTS AT END OF	
3,165,495	REPORTING PERIOD	4,437,037

RECONCILIATION OF INCOME STATEMENT TO BUDGETED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2024

509,117	SURPLUS/(DEFICIT) FROM INCOME STATEMENT	617,490
	NON-CASH ITEMS IN INCOME STATEMENT	
1,617,981	Depreciation	1,811,602
104,847	Increase (decrease) in provisions - nett	651,950
1,722,828	TOTAL NON-CASH ITEMS	2,463,552
	CASH ITEMS NOT IN INCOME STATEMENT	
(1,902,620)	Capital Expenditure	(1,809,500)
-	Loan Repayments - External	-
889,005	Proceeds from Aged Care Facility Deposits	-
(1,218,330)	Net Purchase of Investment Securities	-
(2,231,945)	TOTAL CASH ITEMS	(1,809,500)
	NET INCREASE/(DECREASE)	
-	IN CASH AND CASH EQUIVALENTS	1,271,542

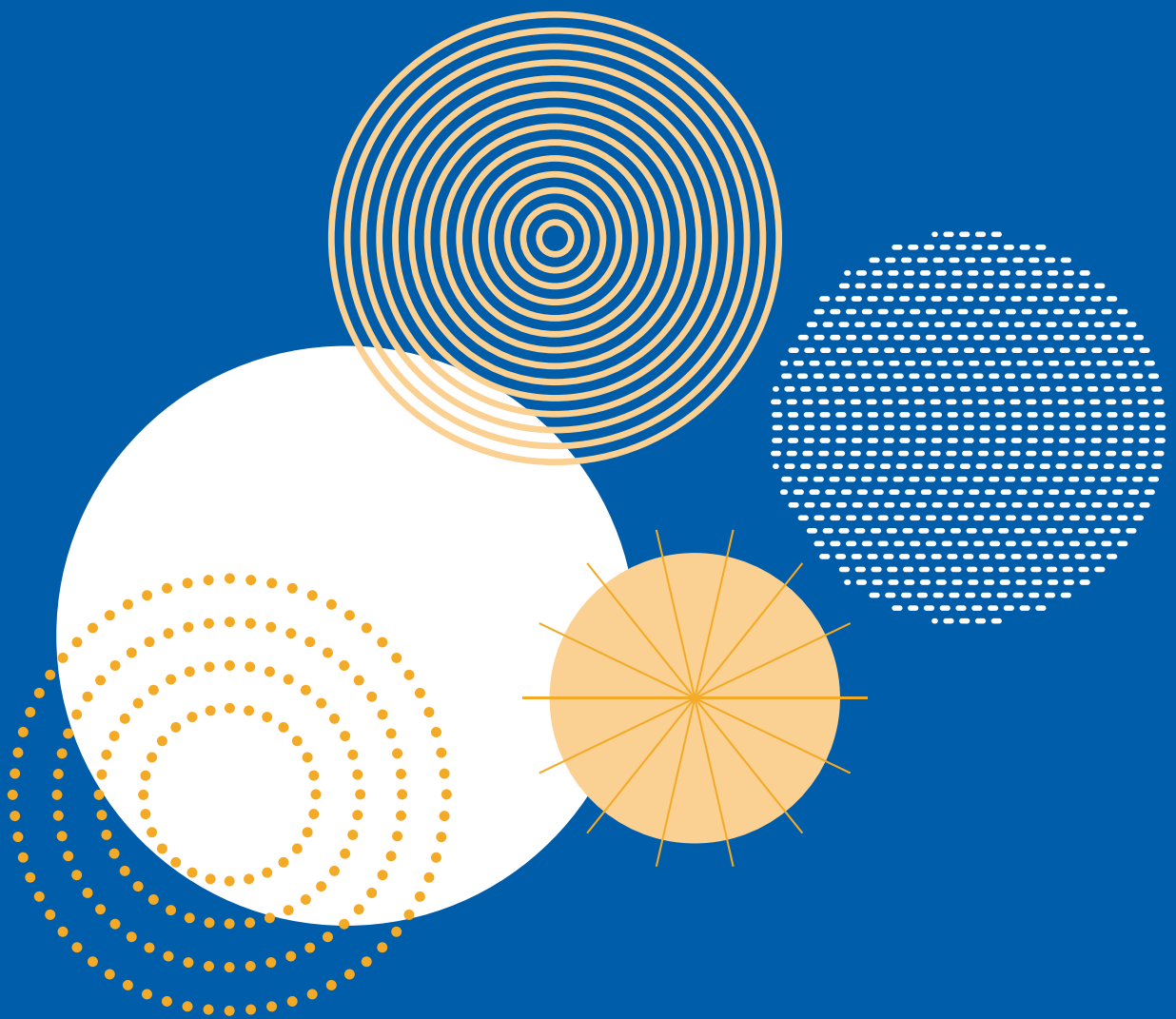
CITY OF HOLDFAST BAY
PROJECTED SUMMARY OF OPERATING AND CAPITAL INVESTMENT ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u> \$	<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u> \$
40,793,410 Operating Revenues	47,368,507
(40,284,293) less Operating Expenses	(46,751,018)
509,117 Operating Surplus/(Deficit) before Capital Amounts	617,490
 Less net outlays on Existing Assets	
1,378,199 Capital Expenditure on renewal & replacement of existing assets	1,296,878
(1,617,981) Less Depreciation	(1,811,602)
(239,782)	(514,724)
 Less outlays on New and Upgraded Assets	
524,421 Capital Expenditure on new & upgraded assets	512,622
224,478 Net lending/(borrowing) for financial year	619,592

PROJECTED FINANCIAL INDICATORS - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u> \$	<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u> \$
 OPERATING SURPLUS/(DEFICIT) - BEFORE CAPITAL AMOUNTS	
\$509,117	\$617,490
 OPERATING SURPLUS RATIO	
(Operating surplus/(deficit) before capital amounts as % of general revenue)	
1.2%	1.3%
 NET FINANCIAL LIABILITIES - (Total liabilities less financial assets)	
\$15,878,189	\$17,666,061
 NET FINANCIAL LIABILITIES RATIO	
(Total liabilities less financial assets as % of total operating revenue)	
39%	37%
 INTEREST COVER RATIO	
(Net interest expense as % of total operating revenue less investment income)	
0.3%	0.2%
 ASSET SUSTAINABILITY RATIO	
(Capital expenditure on renewal/replacement of existing assets, excluding new capital expenditure as % of depreciation expense)	
85%	72%

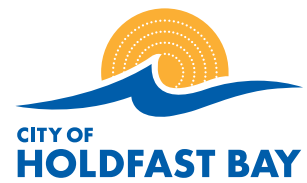
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Brighton Civic Centre
24 Jetty Road
Brighton, SA 5048

Post
PO Box 19
Brighton, SA 5048

8229 9999
mail@holdfast.sa.gov.au

holdfast.sa.gov.au

Item No: 9.5

Subject: ANNUAL BUSINESS CONTINUITY REPORT

Summary

This report provides an annual review of the business continuity management undertaken at the City of Holdfast Bay.

The purpose of business continuity planning is to formalise the commitment to business continuity management and to ensure critical services to the community are resumed as soon as possible in the event of a disruptive incident, crisis or emergency.

Business Continuity Planning, as per the international standard *ISO 22301:2012 Societal Security Business Continuity Management Systems – requirements and guidance*, reflects excellence in governance and is an important component of the broader risk management program.

Recommendation

That the Audit and Risk Committee notes this report.

Background

As per the international standard *ISO 22301:2012 Societal Security Business Continuity Management Systems – requirements and guidance*, a work program of business continuity management was undertaken across all divisions of council business, however excluding Alwyndor, who manage their own.

Much has been learnt about business continuity in the years since the COVID pandemic, resulting in an increased capacity for teamworking and greater workplace resilience. Business capability has grown, and council is now able to continue delivering services more ably during 'disruptive events' than before, due amongst other things, to:

- the majority of staff having ready access to laptops;
- an increased accessibility to networks/systems;
- the availability of flexible working arrangements, including 'working from home' (WFH);
- if appropriate, the ability to operate out of Alwyndor offices,
- the establishment of alternative working locations within neighbouring council offices, libraries and community centres.

In addition, our corporate technology is now more robust and resilient with increased assurance from data cloud storage, remote logons, automated backups and compliant record management provision.

The following IT initiatives have been undertaken over the last three years to improve 'across site resilience' and in turn enhance our Disaster Recovery and Business Continuity Planning.

- Migration of active working information to Microsoft cloud services (Teams), enabling collaboration of all staff from anywhere.
- Major systems moved to SaaS cloud offerings appropriate for added BCP, cost savings and improved collaboration.
- Alwyndor has been set as an active Disaster Recovery (DR) site, with a replication of our production environment.
- Alwyndor have a diesel generator, allowing continued provision of access to servers, systems and data if Brighton was unavailable.
- Dual network links implemented at each site, with each link being provided by a different carrier to continue to provide services if carriers are down.
- Sites have been configured for full network compatibility; - all staff can attend any of the following sites with their laptops and work as normal - Civic centre, Alwyndor, Depot, Holdfast Bay Community Centre, Partridge House, Glenelg and both Brighton and Glenelg Libraries.
- A secure VPN network has also been configured for staff accessing from home or other geographic locations.
- A private dark fibre network is available between Civic, Alwyndor, Depot and Glenelg for a highspeed redundant network that allows us to replicate our data between production and DR, provide full close to real time backups, provide fail over data links to sites and providing centralised access to sites for services such as Library public internet, CCTV, SAPOL services, door security and staff desk phones.
- Staff requiring mobility have been assigned laptops that are managed and secure.
- Major Infrastructure points have had uninterruptible power supplies (UPS) installed.
- Major single points of failures in networks and services have been addressed.
- IT have enabled the ability to remotely support staff regardless of location.
- Added ability for our telephone system to be utilised remotely via mobile phones/laptops.

Report

This annual review of the business continuity management program is being presented to the Audit and Risk Committee, pursuant to Council's Business Continuity Management Policy and overarching Risk Management Policy.

The work program for the year 2023-24 was initially focussed on reviewing the business continuity data and practices of the previous year, as a direct result of dealing with the impacts of the global pandemic.

The 2023-24 annual workplan was drafted to include reference to the following elements;

- Business Continuity Management Policy;
- Business Continuity Plans;
- Business Continuity Resources;
- Business Continuity Exercise;
- National Local Government Vulnerability Program.

Business Continuity Management Policy

The policy position is outlined within the current Business Continuity Management Policy. This policy sits within the risk management portfolio, with a stated purpose as:

“to ensure that critical business functions continue after a business interruption. The purpose of this policy is to outline the Council’s principles for Business Continuity Management (BCM), the approach to be taken to implement BCM and who has responsibility for activities within the program.”

This policy will be due for review during 2024-25, which will be factored into next year’s annual BCM work plan.

Business Continuity Plans

As part of the Business Continuity Management suite of documentation, the Business Continuity Plans support the Business Continuity Management Policy and contain key information for each business unit.

Depending on the details of the services being delivered, each service provided by council is rated from T1 to T6, with T1 being the most critical services in terms of business continuity management.

These ratings assist in managing the most efficient return to ‘business as usual’ and inform the IT Disaster Recovery plan with key system prioritisation and application recovery data via stated Recovery Time Objectives and Recovery Point Objectives respectively.

The current format of Business Continuity Plans (‘BCP on a Page’) was initially rolled out in early 2020, immediately prior to the COVID pandemic. They were referenced during the pandemic and its recovery and updated during 2023 to refresh key contact details, with further updates being undertaken during May/June 2024 to ensure details are kept accurate and updated.

The Crisis Management Team (CMT) met early in June to review key data and familiarise those new to the City of Holdfast as to their roles in the event of a ‘disruptive incident’.

Due to the members of the CMT being existing officers within the extended corporate Leadership Team, relationships are largely, already in place, therefore prioritisation will be

given to the business continuity processes when we facilitate an exercise in the first quarter of the 2024-25 year.

The recovery from a ‘disruptive event’ back to ‘business as usual’ varies depending on the impact of the event. The aim of business continuity is to ensure that those services, identified as critical, resume as soon as possible, with the ultimate recovery back to normality overall also being as smooth and timely as possible.

The overview below gives an idea of service prioritisation and a generic timeline for achieving service recovery, although as was seen with COVID, these timeframes may need to be extended.

Figure 1 – Function Timeline for Critical Service Recovery



Business Continuity Resources

The main resource for each service delivery area across council is their Business Continuity Plan, their bespoke ‘BCP on a Page’. These have all been reviewed, with key data being updated and distributed shortly.

These resources will then be available in both hard copy documentation format, as well as soft copy format on designated USBs, with each of the main offices at Brighton and Glenelg, as well as the Depot having this key data on site and stored within fireproof documentation cases.

All staff will be made aware of:

- the Business Continuity Plan(s), their purpose and how best to access this information,
- the ability, if needed, for staff to operate out of Alwyndor, as the IT network and backup provision there now mirrors that of Council,
- noting that Alwyndor staff have the same ability to work from Council offices,
- and that Alwyndor has additional resilience via a diesel generator due to its key position as a provider of vital aged care services.

Business Continuity Exercise

In order to comply with legislation and to ensure all staff are aware of their role in the event of the Business Continuity Plan being activated, there will be a business continuity exercise conducted during August 2024.

This exercise will explain the purpose of business continuity planning, update all on the specific plans in place at the City of Holdfast Bay, link in with the IT team and our Disaster Recovery plans and pose several scenarios relating to the following key areas of disruption:

- Loss of access to a work site;
- Loss of information technology provision;
- Loss of key workers, or sections of the organisational structure; and/or
- Loss of critical third-party vendors/suppliers' eg: software providers, utility providers, security provisions etc.

The findings from this exercise will be reported to the Committee at the October meeting.

National Local Government Vulnerability Program (NLGVP)

The impact of Business Continuity and Disaster Management on a larger scale was presented last May 2023, at a facilitated NLGVP workshop which was attended by a large number of key Holdfast Bay staff.

The messaging within the workshop was as per the NEMA National Survey on Systemic Disaster Risk Reduction and aimed at:

- providing valuable insights into Australia's national efforts to reduce disaster risk;
- identifying gaps/opportunities for improvement within our own 'vulnerability' profile;
- promoting that a 'planned and preventative' approach to disaster management is preferable to a 'response and recovery' approach.

Following this workshop session, our profiled report was received in July 2023, and the first annual review of that position will be undertaken during early 2024-25.

The progress made against our initial NLGVP profile position will be reported to the Committee.

Budget

There are no budget implications associated with this report.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Business Continuity Management Policy
Risk Management Policy

Statutory Provisions

Not applicable

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Item No: 9.6

Subject: **FINANCIAL HARDSHIP POLICY AND PROCEDURE, AND RATES POLICY**

Summary

Council has maintained a Financial Hardship Policy for a number of years, the provisions of which have historically had limited up-take.

However, uncommon macro-economic conditions are creating cost pressures, which in turn have the potential to create financial challenges even in affluent suburbs. In response to potentially increasing financial challenges faced by some members of our community at this time, a revised Financial Hardship Policy and an Organisational Financial Hardship Procedure have been prepared. These documents aim to provide practical support and relief to those experiencing financial or personal difficulties.

The existing Rating Policy, which is updated annually as part of the rate declaration process, has also been amended to align with the new approved policy template format.

Recommendation

That the Audit and Risk Committee:

1. supports the:

- **Council Financial Hardship Policy (Attachment 2)**
- **Council Rating Policy (Attachment 4)**

to be considered by Council for adoption; and

2. notes the organisational Financial Hardship Procedure (Attachment 3)

Background

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

Recent media reports and community feedback has highlighted the potential for increased financial hardship, with some households struggling to meet basic needs due to economic downturns and unexpected expenses. Council recognises that ratepayers may be facing payment difficulties as a consequence of broader cost of living pressures such as electricity, health and transport costs.

In these times those in our community who may be experiencing hardships need compassion and support. To maintain community wellbeing in the face of such challenges, council is keen

to ensure that applications for hardship support can be addressed in a compassionate, fair, equitable, effective and consistent manner.

To meet this need, amended Financial Hardship Policy and Procedure documents have been developed to provide direction to council officers in supporting ratepayers who are experiencing difficulty paying their rates.

Report

Council Financial Hardship Policy/Procedure

The Financial Hardship Policy and Procedure are key in developing appropriate assistance and support options for ratepayers experiencing financial difficulties and longer-term hardship. Council had a Financial Hardship Policy in place, which was overdue for review and is provided for reference as Attachment 1.

Refer Attachment 1

This Policy reinforces the commitment of the council to assist ratepayers and debtors experiencing financial hardship, with the aim of recovering council rates and charges in a fair and financially responsible manner. In undertaking a review, a number of policies from other councils were considered and a final draft version based on good practice identified and the new policy structure is provided as Attachment 2.

Refer Attachment 2

The policy sets out the rights and obligations of ratepayers, which includes the rights to:

- be treated in a compassionate, fair, equitable and respectful manner.
- be offered mutually negotiated and agreed payment plans, or extension of time to pay, that address arrears and ongoing rates charges.
- have capacity to pay considered.
- have debts to be paid within fair and reasonable timeframes.
- receive empathetic, confidential, and consistent assistance.
- be offered referral to financial counselling and other services where required.
- be protected from legal action and additional costs while meeting their obligations.

The policy defines financial hardship as someone who is identified by themselves, by council, by an accredited financial counsellor, or by a welfare agency, as having the intention, but not the financial capacity, to make required payments in accordance with council's payment terms.

The aim of this policy and procedure is to then ensure consistent application of assistance for ratepayers seeking relief from rates and charges due to hardship or extenuating circumstances. Relief and assistance may be in the form of negotiated flexible repayment plans, referring the ratepayer to see an accredited financial counsellor, or postponement/remission of rates.

Council will continue to provide assistance to those in financial hardship while seeking to minimise impact on the funding of its operations or its future financial viability to meet long-term community needs.

A Financial Hardship Procedure document has also been prepared to support the Financial Hardship Policy.

Refer Attachment 3

Council Rates Policy

Using the new policy template the Rating Policy has also been updated. No changes however have been made to Council's existing rating structure or methodology.

Relative to many policy documents the Rating Policy is comprehensive as it explains in detail the rating structure and methodology; rate payments and financial hardship; collection of rates in arrears and debt recovery; and both mandatory and discretionary rate rebates.

Specific areas include:

- Rate capping – including a detailed explanation on the conditions where the residential rate cap does not apply.
- Rate declaration – a section encompassing the requirements for the statutory declaring of rates. This section is updated annually to include all relevant rating information set as part of the annual budget.
- Alternative rate payment arrangements – discusses the process and options for negotiating alternate payment arrangements including a reference to Council's Financial Hardship Policy.
- Debt recovery – includes conditions under which debt recovery will be commenced and charges recovered.
- Sale of land – explains the principles, administrative conditions, actions, and sequence of events to be followed before land is sold for unpaid rates.
- Rebates of rates – detail is provided on eligibility for either mandatory or discretionary rebates and the process required.

The updated policy includes the current rate declaration for 2023-24, however, this will be updated once Council declares the rates for 2024-25 as part of its annual budget approval in June 2024.

Refer Attachment 4

Budget

There are no known budget implications associated with this report. Impacts will depend on uptake of provisions available.

Life Cycle Costs

There are no known life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Council Financial Hardship Policy.
Organisational Financial Hardship Procedure.

Statutory Provisions

Local Government Act 1999, Chapter 10 – Rates and Charges.

Written By: Strategy and Governance Lead and Manager Finance

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

ECM DSID Number:	4416692
First Issued / Approved:	09/06/2020
Last Reviewed:	14/06/2022
Next Review:	08/06/2023
Responsible Officer:	Manager Finance
Date Placed on Webpage:	23/06/22

1. PREAMBLE

1.1 Purpose

The City of Holdfast Bay understands that members of our community sometimes face challenging times. The purpose of the Financial Hardship Policy (“the Policy”) is to enable ratepayers who are experiencing financial hardship the ability to make application to Council for assistance relating to rates and charges levied on a property under the *Local Government Act 1999* (“the Act”).

The Policy defines hardship and provides the framework, in accordance with the Act, for the possible granting of a deferral of the payment of rates or changes, or waiver of part or all of those rates and changes.

1.2 Scope

This policy applies to all ratepayers who apply for financial relief. It addresses the principles, eligibility criteria, assistance options, general assessment principles and delegations for dealing with financial hardship.

1.4 Definitions

Act – refers to the *Local Government Act 1999*

Ratepayer – a person or entity whose name appears in the assessment record as the owner, or occupier of a rateable property.

Seniors – a person who holds a State Seniors Card.

Hardship – refers to financial hardship which occurs when a ratepayer is unable to meet their financial commitments due to an unforeseen change in circumstances.

Serious Financial Hardship – refers to personal financial hardship when a ratepayer is unable to provide for basic necessities for themselves and/or their dependents.

COUNCIL FINANCIAL HARDSHIP POLICY

Financial Counselling Service – an accredited organisation or individual professionally qualified to provide financial counselling.

Financial Hardship Procedures – approved documented guidelines for administering Council's Financial Hardship Policy.

1.5 Strategic Reference

Wellbeing: the Financial Hardship Council Policy contributes to good health and economic success in an environment and a community that supports wellbeing.

2. PRINCIPLES

2.1 Objective

The objective of this policy is to:

- Provide assistance to ratepayers experiencing financial hardship.
- Provide a mechanism that enables people to feel comfortable approaching Council about outstanding debts and current financial hardship circumstances.
- Provide ratepayers with assurance they will be treated in a consistent, equitable and confidential manner.
- Ensure the policy is fair to all ratepayers.
- Ensure Council's debt collection practices are sensitive, responsive to financial hardship issues and considered as a last resort.
- Demonstrate Council's constructive culture and core values.

2.2 General Principles

Municipal rates constitute a majority of Council's annual income. Council's powers to raise rates are contained in Chapter 10 of the *Local Government Act 1999* (the Act). Section 182 of the Act provides for the remission and postponement of rate payments.

In receiving an application for financial relief, Council will consider the following general principles:

COUNCIL FINANCIAL HARDSHIP POLICY

- a) The payment of rates will cause hardship having regard to the ratepayer's individual circumstances.
- b) The nature of the hardship, whether it is temporary due to unusual personal or economic circumstances, or hardship caused by permanent changes in life circumstances and/or financial situation, and the most appropriate measures to support the ratepayer.
- c) The additional support that could be provided to the ratepayer, including encouraging financial counselling and other support services.
- d) The extent the assistance does not have an unfair impact on other ratepayers.

Hardship does not include circumstances where a ratepayer chooses not to meet a liability for an unpaid debt.

Additional support will be considered in instances where hardship is endemic, as in the case of a pandemic or financial crisis.

2.3 Financial Hardship

For the purpose of this policy, financial hardship is considered a change in circumstances which will affect the ability of a ratepayer to pay rates and charges.

Council recognises that not all circumstances are alike, and that financial hardship may arise from a range of individual circumstances, including but not limited to, the following situations:

- Unemployment
- Sickness or injury
- Family break down
- Low income or loss of income

Applications are to be assessed in a consistent manner while retaining the flexibility to respond to individual circumstances.

All relevant factors are taken into consideration and each application is assessed on its merit.

The following additional general principles apply:

- a) Privacy and confidentiality is preserved.

COUNCIL FINANCIAL HARDSHIP POLICY

- b) Applicants are informed on the progress of their application in a timely manner.
- c) Additional information requests may be made when necessary.
- d) Referrals may be made to a financial counselling service provider to assist with completing the application.
- e) In situations of an unsuccessful application, applicants will be advised of reasons for refusal and their complaint and appeal rights.
- f) Successful applicants are advised of agreed terms and conditions including what action will be taken if the applicant defaults on the payment arrangement.

2.4 Financial Relief Options

Financial relief options are covered within the Act and are summarised as follows:

- a) Payment arrangements including individually tailored time payment plans section 181(4)(b).
- b) Remission of expiation notices and interest section 181(9).
- c) Postponement enables the deferral of payments in whole or part with or without recovery of interest section 182.
- d) Seniors postponement scheme section 182A – seniors can choose to postpone a portion of their rates on their principal place of residence until the property is sold or any time of their choosing. The scheme is non-concessional and interest is charged on the postponed amount.
- e) Full remission section 182(1)(b) - considered in circumstances where the ratepayer can demonstrate long-term serious financial hardship and generally considered as a last resort.

Council's preference is to not waive rates on the basis it is considered equitable for the majority of ratepayers to subsidise the property assets of hardship applicants. A more equitable solution for the entire community is to defer rates and charges. However, Council will consider the waiving or reduction of rates for ratepayers where exceptional circumstances are experienced, and where severe impact can be demonstrated.

COUNCIL FINANCIAL HARDSHIP POLICY

2.5 Council Delegations

Delegations are in place for the waiving of expiation notices and/or interest incurred under section 181 (9) to the Chief Executive Officer, General Manager Strategy and Corporate and Manager Financial Services.

Delegations are in place for remission and postponement of payment under section 182 to the General Manager Strategy and Corporate, Manager Financial Services and Manager Customer Experience & Library Services.

Authorised Officers are authorized to withdraw expiation notices pursuant to section 8A and 16 of the *Expiation of Offences Act 1996*.

2.6 Financial Hardship Procedure

Financial Hardship procedures sit underneath this policy and outline the internal steps for Council staff to follow when processing an application.

Attachment 2

Financial Hardship

Council Policy

1. Purpose

This policy articulates Council's commitment to assist ratepayers and debtors experiencing financial hardship, with the aim of recovering council rates and charges in a compassionate, fair and financially responsible manner.

2. Scope

This policy applies to assistance for ratepayers seeking relief from rates and charges due to hardship or extenuating circumstances.

A ratepayer experiencing financial hardship is someone who is identified by themselves, by Council, by an accredited financial counsellor, or by a welfare agency, as having the intention, but not the financial capacity, to make required payments in accordance with Council's payment terms. Hardship does not include circumstances where a ratepayer chooses not to meet a liability for an unpaid debt that they have the means to pay.

3. Roles and Responsibilities

Council	Adoption of the policy principles by which financial hardship provisions will be provided and applied.
Chief Executive Officer	Ensure appropriate implementation of the Hardship Policy.
Manager Finance	To oversee the consistent application of the Hardship Policy.
Rates Specialist Finance Officer – Rates & Payroll	To apply consistent delivery of the Hardship Policy to ratepayers.
Customer Experience Team	To refer ratepayers experiencing financial hardship to the Rates Team where required.

4. Policy Statement

4.1 Council is committed to

- Assisting ratepayers who are experiencing financial hardship, and may do so in a responsive or proactive manner as required
- Providing mechanisms that enable people to feel comfortable approaching Council about outstanding debts and current financial hardship circumstances
- Assuring ratepayers they will be treated in a compassionate, consistent, equitable and confidential manner
- Ensuring the policy and procedure relating to financial hardship is fair to all ratepayers
- Ensuring Payment arrangements are within fair and reasonable timeframes
- Ensuring Council's debt collection practices are sensitive, responsive to financial hardship issues and used only as a last resort, and
- Demonstrating a constructive culture and core values when making decisions and interacting with ratepayers.

- 4.2 Ratepayers have the right to:
- be treated respectfully, empathetically and have their circumstances kept confidential
 - receive consistent information about available assistance
 - be offered referral to financial counselling and other services where required and/or seek assistance of a free accredited financial counselling services
 - have their capacity to pay fairly considered
 - be offered mutually negotiated and agreed payment plans or extension of time to pay, that address arrears and ongoing rates charges
 - receive written confirmation of the agreed payment arrangement if requested
 - renegotiate their payment arrangement if there is a change in their circumstances
 - be protected from legal action and additional debt recovery costs, whilst they continue to make payments according to an agreed payment arrangement.
- 4.3 Ratepayers are respectfully requested to treat Council officers respectfully and provide the information that staff require to effectively assess the situation so that appropriately supportive arrangements can be negotiated. Information provided will be treated as confidential and will be handled securely to protect privacy and the integrity of personal data.
- 4.4 Ratepayers that have agreed to financial hardship arrangements are required to:
- make the agreed scheduled payments (where relevant)
 - update the Council on any changes to their contact information
 - advise the Council of any changes to their circumstances
 - advise Council if the reasons of hardship assistance are no longer applicable
 - not make false or misleading statements in application of assistance
 - understand that should they cease to make payments according to the agreed payment arrangement or fail to contact, or respond to, Council for a period of greater than 60 days, they will be removed from hardship assistance and be returned to Council's standard collection cycles. Debt recovery actions may then be undertaken.
- 4.5 In receiving an application for financial relief, Council will consider the following:
- Whether the payment of rates will cause hardship having regard to the ratepayer's individual circumstances
 - The nature of the hardship, whether it is temporary due to unusual personal or economic circumstances, or hardship caused by permanent changes in life circumstances and/or financial situation, and the most appropriate measures to support the ratepayer
 - The additional support that could be provided to the ratepayer, including encouraging financial counselling and other support services, and
 - The extent the assistance does not have an unfair impact on other ratepayers.
- 4.6 Relief and assistance may be in the form of negotiated flexible repayment plans, referring the ratepayer to see an accredited financial counsellor, or postponement/remission of rates (refer to the Financial Hardship Procedure for further detail).
- 4.7 Council may consider waiving overdue fines and interest in whole or in part where ratepayers meet payment plan obligations.
- 4.8 Specific assistance for Seniors is available and includes the ability to pay a minimum of \$500 per year toward their Council rates plus the State Government Regional Landscape Levy, with payment of any remaining balance of general rates postponed for an indefinite period, until their property is sold or eligibility ceases. Payment options include either one lump sum of \$500 plus the Regional Landscape Levy, or quarterly payments of \$125 plus the Regional Landscape Levy. Interest is applied monthly to the total postponed rates amount based on the annual Cash Advance rate plus 1%, compounded until the postponed amount is paid.

- 4.9 Hardship assistance is provided at Council’s discretion and where ratepayers fail to fulfil their obligations, Council may:
- request future payments by either Centrepay or direct debit deductions
 - decline to enter into further payment arrangements, and/or
 - recommence any legal proceedings for the recovery of the debt.

Applications for Hardship Assistance

- 4.10 Applications for hardship assistance may be made by:
- by an accredited financial counsellor on behalf of the ratepayer
 - by the ratepayer, directly with Council’s Rates team.
- 4.11 Depending on the extent of the ratepayer financial circumstances, Council may request that the ratepayer attend an appointment with a free accredited financial counsellor. Applicants attending financial counselling are required to complete an:
- authority to act form for an accredited financial counsellor
 - income and expenditure statement.
- 4.12 Ratepayers seeking assistance direct with the rates team are required to undertake an assessment process to determine assistance required.
- 4.13 Further information and hardship application forms are available on www.holdfast.sa.gov.au, by telephoning 8299 9999 and requesting a hard copy be posted, or by visiting the Civic Centre at 24 Jetty Road, Brighton.

5 Definitions

Key term or acronym	Definition
Accredited financial counsellor	Means in South Australia, a person who holds a Diploma of Community Services (Financial Counselling), and who has worked at least 12 months as a financial counsellor under the supervision of the South Australian Financial Counsellors Association.
Debt	Means any money that is owed to Council.
Financial hardship	Means a circumstance of experiencing a lack of financial means on an ongoing or temporary basis but does not include circumstances where a person chooses not to meet a liability for an unpaid debt.
Hardship	Means financial hardship determined in accordance with this policy as an ongoing difficulty in making payments.

6 Administration Use Only

Reference Number:	Document Set ID: 4861468
Strategic Alignment:	Our Holdfast 2050+
Strategic Risk:	The City of Holdfast Bay has a LOW appetite for short-term financial risk that adversely impacts financial cash flow.
Responsible Officer(s):	Manager Finance Rates Specialist Finance Officer – Rates & Payroll
First Issued / Approved:	09/06/2020
Minutes Date and Council Resolution Number:	TBC

Last Reviewed:	14/06/2022, Xx/06/2024
Next Review Date:	Xx/06/2027
Applicable Legislation:	<p><i>Local Government Act 1999:</i></p> <ul style="list-style-type: none"> • Section 177 - advises that rates imposed on land are a charge on the land • Section 178 -advises that liability for the rates charged on the land is the principal ratepayer (owner) • Section 182 - advises of Council’s power to grant relief of rates due to hardship or extenuating circumstances by way of remission or postponement of rates. • Section 182A - advises of Seniors Rates Postponement eligibility. • Section 183 - determines the priority of which payments are to be allocated to ratepayer’s debt. • Section 184 - advises Council may sell the land if rates has been in arrears for three years or more.
Related Policies:	Council Rates Policy
Other Reference Documents:	Organisational Financial Hardship Procedure

Attachment 3

Financial Hardship

Organisational Procedure

1. Purpose

This procedure supports the Hardship Policy and outlines options for ratepayers seeking relief and assistance from rates and charges due to financial hardship or extenuating circumstances.

2. Scope

This procedure applies to staff receiving requests for financial hardship assistance, assessing applications, entering into agreements relating to financial hardship and relevant decision-makers.

3. Roles and Responsibilities

Manager Finance	To oversee the consistent application of the Hardship Policy and Procedure.
Rates Specialist Finance Officer – Rates & Payroll	To apply consistent delivery of the Hardship Policy and procedure to ratepayers.
Customer Experience Employees	To refer ratepayers experiencing financial hardship to the Rates Team where required.

Applications for Hardship Assistance

Applications for hardship assistance may be made by:

- by an accredited financial counsellor on behalf of the ratepayer
- by the ratepayer direct with the rates team.

Depending on the extent of the ratepayer financial circumstances, Council may request that the ratepayer attend an appointment with a free accredited financial counsellor. Applicants attending financial counselling are required to complete an:

- authority to act form for an accredited financial counsellor
- income and expenditure statement.

Ratepayers seeking assistance direct with the rates team are required to undertake an assessment process to determine assistance required.

Hardship application forms are available on www.holdfast.sa.gov.au, by telephoning 8299 9999 and requesting a hard copy be posted, or by visiting the Civic Centre at 24 Jetty Road, Brighton.

4. Procedure

- 4.1. Advising of Council's Commitments, and the Rights and Obligations of Ratepayers as defined in the Financial Hardship Policy, ascertain the ratepayers' circumstances in a respectful and empathetic manner, ensuring their confidentiality is maintained.

- 4.2. Note that ratepayers may have different levels of need for assistance depending on their circumstances.
- 4.2.1. Ratepayers experiencing ongoing hardship due to low or fixed incomes (or example, various types of pensions) may require ongoing assistance.
- 4.2.2. Ratepayers experiencing temporary hardship may require short term assistance due to short-term changes in circumstances, such as loss or change in income due to unemployment or reduced employment, separation, divorce or other family crisis, serious illness, injury, or bereavement in the family, unexpected accident, incident, unexpected bills, or other temporary circumstances.
- 4.3. Consider hardship indicators such as receiving Centrelink income or low income, payment history, previous recovery action, or previous assistance received. Proactive contact with a ratepayer to provide appropriate assistance may be appropriate where there are strong indicators of hardship.
- 4.4. Assess the application for financial hardship against the criteria in Council's Financial Hardship Policy, and negotiate a recommended course of action with the ratepayer.
- 4.5. Where financial hardship is identified (whether through self-nomination, referral by a third party or proactive contact), inform the ratepayer of relevant assistance available, which may include:
- 4.5.1. A payment plan with fair and reasonable timeframes, that takes into account:
- capacity to pay and current financial situation
 - any arrears owing by the ratepayer
 - the ratepayer's likely ongoing rates charges
 - mutually agreed amount which addresses both arrears and ongoing charges where possible
 - a frequency agreed with the ratepayer (e.g. weekly, fortnightly, monthly)
 - extension of time to pay where agreed
 - availability of Centrelink's Centrepay service and/or whether direct debits should be established
 - referral to an accredited financial counsellor
 - confidential case management
 - protection from debt recovery.
- 4.5.2. A proposal to waive overdue fines and/or interest, in whole or in part.
- 4.4.3. Where applicants satisfy the requirements for rate relief under section 182 of the *Local Government Act 1999* due to hardship or extenuating circumstances the Council may grant relief in the form of postponement or remission of rates in whole or in part.
- 4.4.4. Under section 182A of the *Local Government Act 1999*, postponements of rates can be applied where the ratepayer meets eligibility criteria:
- the ratepayer holds, or qualifies to hold a current State Seniors Card issued by the state government
 - the person is, or is the spouse of, of the prescribed ratepayer
 - the rates are payable on land that is the principal place of residence of the prescribed ratepayer
 - the land is owned by the prescribed ratepayer or his/her spouse
 - no other person has an interest (as owner) in the land.
- 4.6. Ratepayers applying for postponement of rates for seniors should be encouraged to discuss their application with an accredited financial counsellor.

- 4.7. Where a Ratepayer has agreed to financial hardship arrangements ensure that they understand their obligations, including:
- making the agreed scheduled payments
 - updating the Council on any changes to contact information including correct postal address, phone numbers and email address
 - advising the Council of any changes to their circumstances
 - advising Council if the reasons of hardship assistance are no longer applicable
 - maintaining contact with the rates team
 - not making false or misleading statements in application of assistance, and
 - understanding that they will be removed from hardship assistance and be returned to Council's standard collection cycles, should they cease to make payments according to the agreed payment arrangement or fail to contact, or respond to, Council for a period of greater than 60 days. Debt recovery may recommence, which may include legal action.
- 4.8. If requested, provide written confirmation of the agreed arrangements.
- 4.9. If a ratepayer has been removed from hardship assistance due to failure of the ratepayer to meet their obligations, commence appropriate actions for the recovery of the debt.

5. Definitions

Key term or acronym	Definition
Accredited financial counsellor	Means in South Australia, a person who holds a Diploma of Community Services (Financial Counselling), and who has worked at least 12 months as a financial counsellor under the supervision of the South Australian Financial Counsellors Association.
Debt	Means any money that is owed to Council.
Financial counsellor	Means accredited financial counsellor.
Financial hardship	Means a circumstance of experiencing a lack of financial means on an ongoing or temporary basis but does not include circumstances where a person chooses not to meet a liability for an unpaid debt.
Hardship	Means financial hardship determined in accordance with this policy as an ongoing difficulty in making payments.
Hardship program	Means an agreement between Council and a hardship debtor for payment of debt.

6. Administration Use Only

Reference Number:	Document Set ID: 4861583
Strategic Alignment:	Our Holdfast 2050+
Strategic Risk:	
Responsible Officer(s):	
First Issued / Approved:	
Last Reviewed:	
Next Review Date:	
Applicable Legislation:	
Related Policies:	Council Financial Hardship Policy
Other Reference Documents:	

Attachment 4

Rating

1. Purpose

In South Australia, council rates are a form of property tax levied by Local Government, as the primary source of funding for the many mandatory and discretionary services provided by councils. Rates are administered by each council in line with the *Local Government Act 1999* (the Act). This document sets out the Council's policy for setting and collecting rates from its community.

2. Scope

This Policy applies to all ratepayers within the Council's area.

3. Roles and Responsibilities

Council	To adopt a Council Rating Policy.
Chief Executive Officer	To oversee the consistent application of the Council Rating Policy.
Manager Finance	To oversee the consistent application of the Council Rating Policy.
Rates Specialist Finance Officer – Rates & Payroll	To apply consistent delivery of the Council Rating Policy to ratepayers.

4. Policy Statement

Rates constitute a system of taxation for Local Government generally based on the value of land. Council's primary source of revenue is derived from rates. Rate revenue is used to provide an extensive range of services to its community, based on Councils strategic directions and financial considerations. The Act prescribes the legislative basis for imposing, setting, declaring and paying of rates.

General Principles

- 4.1. Rates constitute a system of taxation on the community for Local Government purposes generally based on the value of land which reinforces the equity principle that property value is a relatively good indicator of wealth.
- 4.2. Council's powers to raise rates are contained in sections 123 and 150 of the Act and Regulation 6 of the Local Government (Financial Management) Regulations 2011.
- 4.3. The objective of this policy is to ensure that the amounts of rates levied is equitably applied and collected across the community while collecting a minimum contribution from ratepayers.

- 4.4. Rates are not to be seen as a user pays system as the benefits received by the community can differ over the life cycle of a ratepayer.
- 4.5. In setting its annual rate revenue requirements Council considers its Long Term Financial Plan, its Annual Business Plan and budget considerations, the current economic climate, the consumer price index and the Local Government Price Index.
- 4.6. Consideration is given to the effect of the required rate revenue distribution on differing ratepayers including those with land assessed as residential, commercial, industrial, vacant or other.
- 4.7. Once the annual rate revenue requirements are determined, Council sets a rate in the dollar ensuring that in times of high annual property valuation increases additional rate revenue is not received.

Rating Structure

4.8. Method Used to Value Land

- 4.8.1. Under section 151 of the Act, Council may adopt one of the following valuation methodologies to determine the value of property within the City:
 - 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 the use of the land, excluding the value of buildings and other improvements.
 - Annual Value – a valuation of the rental potential of the property.
- 4.8.2. Council uses the Capital Value as the basis for valuing land as it provides the fairest way to distribute rates across all ratepayers. It is considered that the improved property value is a good indicator of wealth and ratepayers of similar wealth pay similar taxes.

4.9. Adoption of Valuations

- 4.9.1. Council pays for and receives capital valuations on an annual basis from the Valuer-General of South Australia. Council has no role in determining the valuation of any property within the City.
- 4.9.2. If a ratepayer is dissatisfied with the valuation provided, an objection may be made to the Valuer-General. This objection must be made within sixty (60) calendar days after the date of service of the first quarter rates notice containing the valuation to which the objection relates.
- 4.9.3. Contact details and other lodgement requirements and conditions for the Valuer- General are included on the rates notice.

4.10. Method of Rating

- 4.10.1. The Act permits Councils to differentiate rates based on land use. Given differing community service needs and factors affecting land valuations between residential, commercial and industrial land, Council is of the view that a differential general rate is the most equitable way to levy rates.
- 4.10.2. Council applies a differential rate to vacant land in order to encourage land improvement. Vacant land is considered to be improved when a concrete foundational slab is constructed. On application Council will change the land use to residential provided a concrete slab is constructed prior to 31 July each rating year.
- 4.10.3. Council reviews annually the additional percentage to apply to Commercial, Industrial and Vacant Land properties. The assessment is based on the level of services that are required by the business community

to ensure continued economic growth and employment.

4.11. Minimum Rate

- 4.11.1. Council imposes a minimum rate in accordance with section 158 of the Act. Council considers it appropriate that all rateable properties make a base level contribution to the cost of general Council services and infrastructure maintenance, renewal and replacement.
- 4.11.2. The amount of the minimum rate is assessed annually and increased after taking into consideration the applicable rate revenue requirements.
- 4.11.3. The Act does not permit the minimum rate to apply to more than 35 per cent of properties. Where two or more adjoining properties are owned and occupied by the same owner one minimum rate is applicable. Section 158(2) of the Act provides direction on which properties are exempt for the minimum rate.

4.12. General Rate Cap (Maximum Rate Increase)

- 4.12.1. Council makes a determination on an annual basis on the maximum rate increase for residential properties to provide relief against large increases or anomalies in valuations. This is provided under section 153 (3) and (4) of the Act.
- 4.12.2. The rate cap applies to the principal place of residence. Applicable ratepayers need to apply for the relief by lodging the appropriate form obtained from Council.
- 4.12.3. The residential rate cap does not apply if any of the following conditions arise:
 - Improvements are made to the property in excess of \$50,000 in the previous two financial years, or
 - Changes in land use, wholly or partially, or
 - Changes in zoning, or
 - The ownership of the rateable property has changed since 1 July of the previous year, or
 - The property is no longer the principal place of residence.
 - Calculation of the residential rate cap for the current financial year excludes any previous residential rate capping granted, rebates/remissions granted and Regional Landscape Levy.
- 4.12.4. Rate capping does not apply to assessments that are not the principal place of residence of the ratepayer. This restricts the ability to apply a rate cap to commercial, industrial and vacant land assessments.
- 4.12.5. Rate relief for commercial, industrial and vacant land assessments is available by a discretionary rebate under section 166(1) (l) of the Act, detailed within this policy under 4.26.

4.13. Separate Rate – Jetty Road Glenelg Mainstreet

- 4.13.1. Under section 154 of the Act, Council imposes a Separate Rate to promote and enhance business viability, profitability and trade commerce and industry, which provides benefits to the Jetty Road, Glenelg District Centre Zone.
- 4.13.2. The separate rate is imposed on all rateable land within the geographical area as described below:
 - With a frontage to Jetty Road Glenelg or Moseley Square.
 - Within the side streets that intersect with Jetty Road Glenelg, between High Street and Augusta Street.
 - The entire site referred to as the Holdfast Shores 2B Entertainment Centre.
 - With a land use category 2 (Commercial – Shop), 3 (Commercial - Office), and 4 (Commercial - Other).

4.13.3. The Jetty Road Mainstreet Committee recommends to Council annually the amount to be raised and projects to be administered.

4.14. Separate Rate – Patawalonga Marina

4.14.1. Under section 154 of the Act, Council imposes a Separate Rate to fund the ongoing maintenance and upkeep of the Boat Lock in the Patawalonga basin.

4.14.2. The separate rate is applied to those properties that are within the Patawalonga basin bounded by the high water mark and comprises marina berths.

4.14.3. An upper limit on the Patawalonga Separate Rate is determined annually to ensure anomalies in valuations are addressed.

4.15. Regional Landscape Levy

4.15.1. Council is required under the Landscape South Australia Act 2019 to make a specified contribution to the Green Adelaide Board.

4.15.2. The Regional Landscape Levy is a State Government Tax, and the Board determines the projects to be undertaken.

4.15.3. Council is an income collector for the Board and does not retain the income or determine how the income is spent.

4.15.4. Council collects a fee from the Board for administrative costs of collecting the levy. The amount is determined annually by the Board and is based on a fixed fee and an amount per assessment.

4.15.5. Contact details for the Green Adelaide Board are included on Councils rate notice.

4.16. Rate Declaration (to be updated each financial year)

4.16.1. Sections 153 and 154 include the requirements for declaring rates. Rates are not to be declared until after Council has adopted its annual business plan and budget for the financial year to which the rate relates.

4.16.2. Section 170 requires a notice of declaration of rates to be published within 21 days of the declaration.

4.16.3. For the 2023/24 financial year the following rates information is applicable:

- Net differential general rate revenue \$41,372,204.
- Total operating revenue budget \$94,172,052.
- Differential general rate of 0.00193109 rate in the dollar.
- Additional 62.7% percentage to apply to Commercial, industrial, vacant land properties equating to a differential general rate of 0.0031423 rate in the dollar.
- Minimum rate \$1,153 affecting 28.35% rateable properties equating to residential capital value of \$597,072 and commercial/industrial/vacant capital value of \$366,929.
- Maximum rate increase for residential properties (on application) – 10%.
- Separate Rate – Jetty Road Mainstreet – 0.00118403 rate in the dollar.
- Separate Rate – Patawalonga Marina – 0.0095351 rate in the dollar.
- Maximum rate – Patawalonga Marina - \$910.
- Regional Landscape Levy – 0.0000748876 rate in the dollar.

- Instalment Due Dates: 1 September 2023; 1 December 2023; 1 March 2024; 3 June 2024.
- Prescribed interest rate for rates postponed for seniors 7.05% p.a.
- Prescribed interest rate for outstanding rates 9.05% p.a.

Payment of Rates

4.17. Due Dates for Payments

- 4.17.1. Rates are due and payable in four approximately equal instalments in the months of September, December, March and June of each financial year. A ratepayer may elect to pay in full or by instalments prior to the due date/s. Details of the exact due dates are determined by Council on an annual basis and provided on the rates notice.

4.18. Payment Methods

- 4.18.1. Council provides various methods to enable payment of rates. These are detailed on the rates notice.

4.19. Alternative Payment Arrangements

- 4.19.1. Any ratepayer who may, or is likely to experience difficulty with meeting standard payment **instalments** can contact Council to discuss options for alternative payment arrangements. Such enquiries are treated confidentially.
- 4.19.2. Alternate payment options include weekly, fortnightly and monthly payments provided amounts owing are paid in full by 30 June of that financial year.
- 4.19.3. Unless arrangements are made under Councils financial hardship policy all ratepayers who enter in an arrangement within this section of the policy will continue to have fines and interest charged on the outstanding amount in accordance with section 181 of the Act.
- 4.19.4. Debt recovery action will be suspended whilst the terms and conditions of the arrangement to pay have been met. In the event that the arrangement is not met the total amount becomes payable and is subject to normal debt recovery procedures.

4.20. Financial Hardship

- 4.20.1. Financial hardship is considered when a change in circumstances affects the ability of a ratepayer to pay rates.
- 4.20.2. Council has in place a separate Financial Hardship Policy and Procedure which references legislative provisions and details the objectives, principles, options and processes for dealing with financial hardship. This ensures rate relief assistance is provided in a consistent, equitable, fair, responsive and confidential manner.
- 4.20.3. Ratepayers can apply for rate relief to Council by completing a prescribed form either on-line via Councils website, directly in person or via email, or through a financial counselling service.
- 4.20.4. Council's preference is for the applicant to seek professional financial counselling support to assist them in the process. Council will assist in referring applicants where required.

4.21. Postponement of Rates for Seniors

- 4.21.1. Section 182A (1) of the Act sets out the criteria that applies for a senior ratepayer to be eligible for a postponement of rates.
- 4.21.2. Section 182A(12) defines a senior ratepayer as a person who holds a State Seniors Card issued by the State Government, or who the qualifications to hold such a card and has applied for the card but has yet to be issued with the card.
- 4.21.3. Postponement is available on the principal place of residence and provided no other person, other than a spouse has an interest as the owner of the property. An application must be made on a prescribed form available from Council either in person or via Councils website.
- 4.21.4. The deferred amount is subject to a monthly interest charge as prescribed under section 182A (12) of the Act, with the accrued debt being payable on the disposal or sale of the property. The debt can be paid earlier at the ratepayer's discretion.

4.22. Concessions

- 4.22.1. The State Government provides a "cost of living" concession to assist those on low or fixed incomes with expenses such as Council rates, energy and medical bills. Ratepayers can determine eligibility and apply by contacting the Concessions SA website www.sa.gov.au/concessions. The concession is paid directly to the successful applicant and is not provided via a rates notice.

Collection of Rates in Arrears

4.23. Late Payment of Rates

- 4.23.1. Section 181 (8) of the Act requires Council to impose a penalty of a 2% fine on any rates payment not paid by the instalment or applicable due date.
- 4.23.2. Council will provide ratepayers with a grace period of at least three working days after the due date after which fines are imposed for late payment.
- 4.23.3. At the expiration of each full month from the due date interest is charged at the prescribed percentage as per section 181 (17) of the Act will be added on any balance including interest not paid.
- 4.23.4. Any remission of penalties will be made in accordance with Council approved delegations taking into consideration each case on its merits based on the ratepayer information provided.

4.24. Debt Recovery

- 4.24.1. Council will issue one overdue fines notice for payment of rates when rates are unpaid by the due date. Should rates remain unpaid more than fourteen calendar days after the date of issue of the overdue notice and the amount is greater than half the residential minimum rate of the applicable financial year, Council may refer the debt to a debt collection agency for collection.
- 4.24.2. The debt collection agency will charge collection fees to Council which it will pass on to the relevant property. All fees and court costs incurred are recoverable from the ratepayer.
- 4.24.3. Payments received in respect of overdue rates will be applied in accordance with section 183 of the Act as follows:

1. Costs awarded to or recoverable by Council in any court proceedings undertaken to recover rates.
2. Interest.
3. Fines.
4. Rates, in the order the liability arose.

4.25. Sale of Land for Non-Payment of Rates

- 4.25.1. Under section 184 of the Act Council has the power to sell property where rates have been in arrears for three years or more.
- 4.25.2. Council will not enforce this action where unusual or extraordinary circumstances exist, including deceased estates and situations of abnormal hardship for which the hardship provisions apply.
- 4.25.3. Council recognises the severe impact that such action would have on a property owner and accordingly this action is generally considered as a last resort. Council will be informed by a confidential Council report of actions in this regard once rates have been in arrears for three years.
- 4.25.4. This action will only be instigated after a series of steps have been taken:
 - Where rates outstanding have been in arrears for two years a written notice will be issued to the ratepayer encouraging a suitable payment plan to eliminate outstanding rates. The ratepayer will also be advised of the Council powers in accordance with section 184 of the Act.
 - If rates are in arrears for three years, a further notice will be issued advising of Council's option to sell the land. The owner will be notified of:
 - the period for which the rates have been outstanding
 - details of outstanding amounts
 - Council's option to sell the land if a twelve month payment plan to pay the rates in full is not entered into.
 - If rates remain in arrears for four or more years written notice will be issued to the ratepayer and any other interested parties advising that action to recover overdue rates will be commenced in accordance with section 184.
 - The ratepayer will be required to pay all amounts in arrears, legal and other costs incurred by Council.
 - Throughout the process the ratepayer will continue to receive quarterly rate notices and incur fines and interest on any rates balance that remains unpaid.
 - Normal recovery action will be suspended whilst the terms and conditions of any agreed payment plan are met.

4.26. Rebates of Rates

Mandatory Rebates

- 4.26.1. A rebate of rates is available only when the requirements under the relevant sections of the Act are met.

The categories in which property is eligible for a mandatory rebate are as follows:

- Section 160 – Health Services 100% rebate.
- Section 161 – Community Services 75% Rebate.
- Section 162 – Religious Purposes 100% Rebate.
- Section 163 – Public Cemeteries 100% Rebate.
- Section 164 – Royal Zoological Society SA 100% Rebate.
- Section 165 – Educational Purposes 75% Rebate.

Where Council is satisfied from its own records, or from other sources, that a person or body meets the necessary criteria for a mandatory rebate, Council will grant the rebate.

Discretionary Rebate of Rates

- 4.26.2. Council may grant a discretionary rebate in any of the cases as set out in section 166 of the Act.
- 4.26.3. Person or bodies seeking a discretionary rebate are required to submit an application on a prescribed form.
- 4.26.4. New applications will be received and assessed annually for the upcoming financial year and will be received up to 30 April of each year. The applicant will be advised in writing of the outcome prior to 30 June each year.
- 4.26.5. Council has delegated authority to the General Manager Strategy and Corporate, Manager Finance and Rates Specialist to make decisions in respect of discretionary rebates unless referral to Council is otherwise required.
- 4.26.6. The delegated officers will assess each application in a fair and reasonable manner having regard to the following criteria approach:
- The application is considered on its individual merits.
 - The nature and extent of Council services provided in respect to the land for which the rebate is sought in comparison to similar services provided elsewhere in its area.
 - The community need that is being met by activities carried out on the land for which the rebate is sought.
 - The extent to which activities carried out on the land provides assistance or relief to disadvantaged persons.
 - Any other matter considered relevant by Council.
- 4.26.7. The delegated officers will review discretionary rebates every four years.
- 4.26.8. Section 166(1) (l) of the Act deals with discretionary rebates to provide relief when substantial changes occur in the rates payable by a ratepayer due to the follow occurrences:
- Redistribution of rates arising from changes in the rating structure.
 - A change to the basis on which the land is valued including rapid valuation changes or anomalies.

When the above conditions apply Council may grant relief to all ratepayers including those who own commercial, industrial and vacant properties.

5. Definitions

Key term or acronym	Definition
Act	Refers to <i>Local Government Act 1999</i> .
Ratepayer	A person or entity whose name appears in the assessment record as the owner or occupier of a rateable property.
Rating	The overall process of raising revenue by way of levying rates and charges.
Capital Value	The valuation methodology used in determining the value of land, as defined in the <i>Valuation of Land Act 1971</i> , being the amount a piece of land might be expected to realise upon sale, including all buildings and improvements.
Rate in the Dollar	The multiplying factor applied to the assessed property value to determine the amount of rates. It is determined annually by dividing the total amount of rate

	revenue required by the total value of the relevant rateable properties.
General Rate	The rate in the dollar that applies to a rateable property in the calculation of the rate payable by the ratepayer for the services provided by Council.
Differential General Rate	The rate in the dollar that applies to a category or categories of land use that is different to the rate applicable to the other land use categories.
Residential Rate Cap	The maximum increase in the general rate set by Council charged on residential rateable land that is the principal place of residence of a principal ratepayer in accordance with section 153 of the Act.
Separate Rate	The rate in the dollar applied to a certain number of rateable properties for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or intended to be, of particular benefit to the land, or occupiers of the land. It is an additional valuation based charge that is for a specified purpose.
Postponed Rates	Rates postponed under section 182 or 182A of the Act.
Rebates	The amount that a rate may be reduced in accordance with Chapter 10, Division 5 of the Act.
Remissions	Reductions in the amount payable granted in accordance with section 182 of the Act.
Seniors	A person who holds a South Australian State Seniors Card.
LGPI	Local Government Price Index (LGPI) which represents the movement of prices associated with the goods and services consumed by Local Government in South Australia.

6. Administration Use Only

Reference Number:	Document Set ID: 4861468
Strategic Alignment:	Our Holdfast 2050+
Strategic Risk:	
Responsible Officer(s):	Manager Finance Rates Specialist Finance Officer – Rates & Payroll
First Issued / Approved:	
Minutes Date and Council Resolution Number:	
Last Reviewed:	
Next Review Date:	
Applicable Legislation:	<i>Local Government Act 1999</i> – sections 159–166
Related Policies:	
Other Reference Documents:	

Item No:	9.7
Subject:	2023-24 AUDIT AND RISK COMMITTEE ANNUAL REPORT TO COUNCIL

Summary

Following changes to the *Local Government Act 1999*, section 126(9) of the Act now requires the Audit and Risk Committee to provide an annual report to Council, providing an overview of the business undertaken during the previous twelve months.

This annual report is required to be included in the Council's Annual Report for the relevant financial year.

Recommendation

That the Audit and Risk Committee endorses this report as an accurate representation of its activities over the 2023-24 financial year, for presentation to Council and inclusion in Council's Annual Report for that period.

Background

With effect from 30 November 2023 and pursuant to section 126(9) of the *Local Government Act 1999*, changes were introduced requiring Council to 'ensure that the annual report of its audit and risk committee is included in its annual report.'

As a result, this report has been drafted for presentation to Council, detailing the Audit and Risk Committee's annual work plan for the previous twelve months, being the financial year 2023-24.

As there is no prescribed format, this report is taken to meet the requirement.

This report is scheduled for the June Audit and Risk Committee meeting to allow it to be considered by Council in time for inclusion in the Annual Report, the development of which commences in the new financial year and culminates in adoption and publishing in October/November each year.

Report

Overview

As per the Terms of Reference, the role of this Committee is to 'provide suggestions and recommendations to Council on matters relating to financial governance', including:

- financial reporting
- strategic management plans and the annual business plan
- internal controls and risk management systems

- public interest disclosures
- internal and external audits
- economy and efficiency audits and reporting responsibilities.

To ensure that the Committee acts appropriately and meets the requirements of the Local Government Act, the Terms of Reference are reviewed, with amendments as needed each year.

The work undertaken during the year is detailed in a summarised table and provided as the '2023-24 Audit and Risk Committee Annual Workplan'.

Refer Attachment 1

Work Program 2023-24

The Audit and Risk Committee is required to meet at least quarterly throughout the year, however for 2023-24, seven meetings were held.

The regular quarterly meetings were held, plus three special meetings relating to:

- a review of key frameworks (November 2023);
- the Jetty Road Masterplan (February 2024); and
- the draft Annual Business Plan / Long Term Financial Plan (April 2024).

Regular Quarterly Reporting

Progress reports relating to a number of key topics are provided quarterly. These include standing items, risk management and internal audit reporting.

Reporting on Standing Items provides updates against a range of matters, including:

- Monthly Financial Statements
- External Audits
- Public Interest Disclosures
- Economy and Efficiency Audits
- Council Recommendations
- Audit and Risk Committee Meeting Schedule

Key discussions relating to 'standing items' during 2023-24 included:

- detailed budget reviews
- quarterly financial statements and reporting
- external auditors feedback the financial statements
- one public interest disclosure matter relating to volunteer conduct
- one complaint regarding Elected Member conduct
- confirmation of the annual meeting schedule.

The Quarterly Risk Management report provides updates on all strategic and high-rated operational risks, identifying movement in the risk profile, and highlighting progress against the annual risk work program.

The annual risk management work plan also included:

- feedback on the rolling review of corporate risk registers
- reporting on senior leadership discussions relating to new/emerging risks and opportunities
- focussed working on specific risk areas for the 2023-24 year including -
 - event management
 - asset management
 - project management
 - climate risk identification, and
 - emergency management.

The Quarterly Internal Audit Reports provides assessments against the approved 3-year internal audit program, as well as tracking outstanding actions from previous internal audits undertaken.

Currently, the program is in Year 2 of the program which originally included:

- Procurement and Contracting Audit (completed)
- Strategic Planning Alignment (completed)
- Fraud Detection – Alwyndor (in progress)
- Asset Management – Buildings (deferred)

Due to a conflict of work programming already underway, the Asset Management – Buildings Internal Audit has been delayed, and is replaced with the Carbon Neutral Plan audit, for which a scope has been agreed and discovery has commenced.

Annual Reporting

Reporting for activities that occur annually included the following in 2023-24:

- Annual Review of Investment Performance
- Annual Insurance and Claims
- Annual Review of Loans Receivable (confidential)
- Alwyndor – Annual Investment Portfolio (confidential)
- Audited Financial Statements 2022-23
- Long Term Financial Plan
- Annual Debtors Report
- Draft Annual Report (2022-23) Review
- Terms of Reference Review
- External Auditors Annual Reflection
- Draft Annual Business Plan (2024-25)
- Post Public Consultation Draft ABP, Budget and LTFP
- Annual Business Continuity Report and
- Council's budget position
- Rating policy review.

Ad Hoc Reporting

The Audit and Risk Committee also provides a value-added forum for review of a range of broader governance matters, which are presented on an ad-hoc basis.

Such items presented for the Committee's consideration in the 2023-24 year was included:

- Changes to Accounting Treatments – Library Materials
- Policy Development Policy and Policy Development Framework and Manual
- Project Management Policy and Project Management Framework and Manual
- Prioritisation Policy and Prioritisation Framework and Manual
- Service Review Policy and Service Review Framework and Manual
- Organisational Generative AI Use Policy
- Jetty Road Glenelg Masterplan Stage 2 – Prudential Report
- Financial Governance Report
- Procurement Policy Exemptions
- Significant Procurement Plans, such as that for the Transforming Jetty Road Glenelg project
- Service Reviews – Traffic management for events
- Glenelg Football Club – Financial Support
- Treasury Management Policy
- Financial Hardship Policy and Procedure
- Entertainment and Hospitality Policy.

Committee Member Self - Review Assessments

During 2023-24, once the audited financial statements have been adopted, Committee members are invited to undertake a self-review assessment, providing key feedback regarding levels of existing skills, future training requirements and potential support that members may require.

A copy of this self-review assessment is attached for reference. These assessments will be distributed to current Committee members, to be completed and returned by the next scheduled meeting, mid August 2024.

Refer Attachment 2

Budget

There are no budget implications associated with this report.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Local Government Act 1999

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

Audit & Risk Committee Report Schedule – July 2023 to June 2024

Meeting date	Report Title	Report Frequency <small>Q = Quarterly A = Annual AH = Ad hoc C = Confidential</small>	Report Ref.No.
16-Aug-23	1. Standing Items Report	Q	264/23
	2. Internal Audit Report	Q	261/23
	3. Annual Risk Profile Report (Q4)	Q	262/23
	4. Annual Review of Investment Performance	A	265/23
	5. Change in Accounting Treatment - Library Materials	AH	266/23
	6. Annual Insurance & Claims	A	268/23
	7. Annual Review of Loans Receivable	A / C	267/23
	8. Alwyndor - Annual Investment Portfolio	A / C	269/23
18-Oct-23	1. Standing Items Report	Q	334/23
	2. Quarterly Risk Report (Q1)	Q	336/23
	3. Internal Audit Report	Q	333/23
	4. Audited Annual Financial Statements 2022/23	A	335/23
	5. Long Term Financial Plan 2023 - 2033	A	332/23
	6. Annual Debtors report	A	337/23
	7. Draft Annual Report Review	A	331/23
	8. Terms of Reference Review	A	338/23
	9. External Auditors Annual Reflection	A	-
14-Feb-24	1. Jetty Road Glenelg Masterplan Stage 2 - Prudential Report	AH / C	37/24
27-Mar-24	1. Standing Items Report	Q	74/24
	2. Quarterly Risk Report (Q2)	Q	75/24
	3. Internal Audit Report	Q	76/24
	4. Financial Governance report	AH	77/24
	5. Budget position presentation	A	Presentation
	6. Procurement Policy Exemption	AH / C	79/24
	7. JRMP Procurement Plan	AH / C	80/24
	8. Review of Service	AH / C	81/24
15-Apr-24 (additional)	1. Draft Annual Business Plan	A	107/24
	2. Draft LTFP	A	108/24
	3. Glenelg Football Club - Financial Support	AH	109/24
12-Jun-24	1. Standing Items Report	Q	173/24
	2. Quarterly Risk Report (Q3)	Q	169/24
	3. Internal Audit Report	Q	168/24
	4. Draft ABP, Budget and Long-Term Financial Plan (post public consultation)	A	183/24
	5. Annual Business Continuity Report	A	170/24
	6. Hardship Policy and Procedure and Ratings Policy	AH	172/24
	7. Audit and Risk Committee Annual Report to Council	A	171/24

Attachment 2

Audit and Risk Committee – Self-review assessment 2023-24

	Rating						Comment
	No				Yes	Unsure	
	1	2	3	4	5		
1. Terms of Reference							
Do you believe that Council sufficiently understands the nature, responsibility and function of the Audit and Risk Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are you satisfied with the effectiveness of the Committee to date in terms of meeting its Terms of Reference?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are the Terms of Reference reviewed and amended in a timely and appropriate manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Membership and Appointments							
Is the number of independent members appropriate to effectively discharge the responsibilities of the Audit and Risk Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Meetings							
Are Audit and Risk Committee meetings well attended by members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do Audit and Risk Committee meetings allow sufficient time for discussion and questions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are meeting agendas and related background information circulated in a timely manner to enable full and proper consideration to be given to the issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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	Rating						Comment	
	No					Yes		Unsure
	1	2	3	4	5			
Is sufficient time allowed between Audit and Risk Committee meetings and Council meetings to allow any work arising to be carried out and reported to the Council as appropriate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Does the Audit and Risk Committee Presiding Member, and to a lesser extent the other members, keep in touch on a continuing basis with the key people involved in the Council's governance e.g. the Council Presiding Member, the Chief Executive Officer and the General Managers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are you satisfied with the decision-making process/ conduct of the Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are you satisfied with the contribution that each Committee Member makes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4. Training and Resources								
Does the Audit and Risk Committee have sufficient skills, experience, time and resources to undertake its duties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Do Audit and Risk Committee members receive relevant training in financial reporting and related legislation on an ongoing and timely basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Do Audit and Risk Committee members have the opportunity to attend courses and seminars, run by external advisers such as the Local Government Association, the External and Internal Auditors and Lawyers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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	Rating						Comment	
	No					Yes		Unsure
	1	2	3	4	5			
5. Financial Reporting								
Does the Audit and Risk Committee review and challenge where necessary:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<ul style="list-style-type: none"> The consistency of, and any changes to, accounting policies on a year to year basis? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<ul style="list-style-type: none"> The methods used to account for significant or unusual transactions where different approaches are possible? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<ul style="list-style-type: none"> Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the External Auditor? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<ul style="list-style-type: none"> The clarity of disclosures in the Council’s financial reports and the context in which statements are made? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<ul style="list-style-type: none"> All material information presented with financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management)? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
6. Internal Controls and Risk Management Systems								
Does the Audit and Risk Committee keep under review the effectiveness of the Council’s internal controls and risk management systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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	Rating						Comment	
	No					Yes		Unsure
	1	2	3	4	5			
7. Internal Audit								
Does the Audit and Risk Committee monitor and review the effectiveness of the Council's Internal Audit function in the context of the Council's overall risk management system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Does the Audit and Risk Committee consider and make recommendations on the Internal Audit program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
8. External Audit Process								
Does the Audit and Risk Committee review the findings of the External Audit with the External Auditor, including, but not limited to:								
• A discussion of any major issues which arose during the audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
• Any accounting and audit judgements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
• Levels of errors identified during the audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Does the Audit and Risk Committee also review the effectiveness of the External Audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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	Rating						Comment
	No				Yes	Unsure	
	1	2	3	4	5		
9. Relationship with the Council							
Are you satisfied with the relationship the Audit and Risk Committee has with Council?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are you satisfied with Council's understanding of the role and advice of the Audit and Risk Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. Communications with Stakeholders							
Does the Annual report on the Audit and Risk Committee's activities provide sufficient detail to enable stakeholders to understand how the Audit and Risk Committee has discharged its duties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11. Communication and Training							
Are you happy with the style and amount of communication with Council management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12. Opportunities for Improvement							
Is there any way you think the Committee can improve its performance?							
Do you have any other comments?							



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Relationship to Audit and Risk Committee: Independent Member Staff member Elected member

Thank you for your participation in this survey!