



City of West Torrens

# 2013/14

## Proposed budget and annual business plan



# C O N T E N T S

<b>Section</b>	<b>Contents</b>	<b>Page</b>
1.	EXECUTIVE SUMMARY	1
	Introduction	2
	Strategic Fundamentals	2
	A Balanced Budget	3
	Operational Expenditure	3
	Capital Expenditure	4
	Rating in 2013/14	4
2.	STRATEGIC FUNDAMENTALS	5
	Introduction	6
	Community Life	6
	Natural Environment	6
	Built Environment	7
	City Prosperity	7
	Financial Sustainability	8
	Organisational Strength	8
	Key Influences	8
	Rationale for the Focus on Asset Management and Sustainability	8
	Rationale for the Focus on Flood Mitigation	9
	Implications for the City of West Torrens	9
	Legislative Changes	10
	Emerging Financial Issues	10
3.	FORWARD ESTIMATES	13
	Introduction	14
	Forward Capital Expenditure Estimates	14
	Forward Revenue Estimates	15
	Forward Operational Expenditure Estimates	16
	Forward Loan Estimates	17
	Loan Repayments	18
	Key Financial Indicators	19

## C O N T E N T S (cont'd)

<b>Section</b>	<b>Contents</b>	<b>Page</b>
4.	CAPITAL BUDGET	23
	Introduction	24
	Drainage Works	25
	Sport and Recreation Works	26
	Road, Bridge and Pathway Works	27
	Road Maintenance Program	27
	Road Reconstruction Program	28
	Other Road Works	28
	Footpath Program	29
	Land and Buildings	31
	Plant, Equipment and Furniture	32
	Library Resources	32
5.	OPERATIONAL BUDGET	41
	Summary	42
	Operational Expenditure	42
	Notable Cost Containment	43
	Employment Costs	44
	Income	45
	Rate Income	45
	Rate Calculation	47
	Minimum Rates	47
	Rate Movements	47
	Rates Comparison with Other Councils	47
	Rate Modelling	49
	Grant Income	49
	General Purpose Grant	49
	User Charges	50
	Statutory Charges	51
	Other Income	52
	Loan Program 2013/14	52
	Historical Perspective on Loans	52
6.	OPERATIONAL BUDGETS BY DIVISION	57
	Urban Services Division	58
	Strategy and Community Division	63
	Corporate and Regulatory Division	68
	City Management and Organisational Support Divisions	73

## C O N T E N T S (cont'd)

<b>Section</b>	<b>Contents</b>	<b>Page</b>
7.	RATING	79
	Introduction	80
	Rate in the Dollar	80
	The Amount of Rates Levied	80
	Rating Principles	81
	Alternative Options	81
	Capital Versus Site Valuation	82
	Differential Rating	83
	Without a Minimum Rate	84
	Application and Impact of the Minimum Rate	84
	Fixed Charge	84
	Service Rate or Charge	85
	Rate Capping	85
	Postponement of Rates for Seniors	86
	Rate Rebates and Remissions	87
	Proposed Rate Model	87
8.	SUMMARY FINANCIAL STATEMENTS	89
	Budgeted Balance Sheet	90
	Budgeted Statement of Comprehensive Income	91
	Budgeted Cash Flow Statement	92
	Budgeted Statement of Changes in Equity	93
	Budgeted Financial Indicators	94
	Budgeted Uniform Presentation of Finances	95
9.	TEN YEAR FINANCIAL PLAN	97
	Key Assumptions	99
	Summary - Actual and Projected	101
	Revenue Projections	103
	Operational and Maintenance Expenditure Projections	105
	Capital Expenditure Projections	107
	Forecast Balance Sheet	109
	Forecast Statement of Comprehensive Income	110
	Forecast Cash Flow Statement	111
	Forecast Statement of Changes in Equity	112
	Forecast Financial Indicators	113
	Forecast Uniform Presentation of Finances	114
10.	GLOSSARY OF TERMS	115



**Executive Summary**

## Introduction

This Budget and Annual Business Plan for 2013/14 is in a form adopted by Council on 11 December 2012. Key aspects of the combined budget and annual business plan include:

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

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

## Strategic Fundamentals

The *Towards 2025 Community Plan* was adopted in June 2009, and it provides the strategic focus for the budget, annual business plan and long term financial plan of the Council. It has six broad themes, as follows:

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

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

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

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

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

Rate increases over the next ten years (4.1 per cent in 2014/15 and 4.5 per cent thereafter) are projected to address fully Council's strategic requirements, in particular sustainability, asset management and stormwater flood mitigation.



## A Balanced Budget

Council's operating statement in the proposed 2013/14 budget projects a surplus from operations of \$5,500,902 as follows, based on a 4.5 per cent rate increase:

Income	\$60,675,587
Expenditure	55,174,685
	<hr/>
Operating Surplus	\$ 5,500,902
	<hr/>

The proposed rate increase is 1.1 per cent lower than projected in last years' budget, and is proposed on the basis of forward estimates and the strategic fundamentals of the Council.

After adjusting for reserve movements, a nominal cash surplus of \$37,023 is also projected.

## Operational Expenditure

Operational expenditure has increased by \$2,610,947 or 5.0 per cent, it being noteworthy that:

- Employment costs for all areas other than St Martins have increased by \$649,231 or 3.5 per cent over the original budget estimates for 2012/13 (refer to the operational section of this document for more detailed information).
- Waste disposal and collection costs have been increased by \$26,000 (or by less than 1.0 per cent) to \$4.396 million, despite:
  - A further anticipated increase in the waste to landfill levy of \$93,600 or 19.0 per cent; and
  - A carbon pricing amount of \$187,200 being budgeted.
- Utility cost pressures are impacting the budget significantly and are largely beyond Council's control, particularly:
  - Power and related costs which have increased by \$285,978 or 57.7 per cent over what was budgeted in 2012/13; and
  - Water costs which have increased by \$121,260 or 31.0 per cent over what was budgeted in 2012/13.
- Interest payable by Council is increasing by \$188,604 or 24.6 per cent over what was budgeted in 2012/13, reflecting the impact of a loan of \$4,721,455 that was taken in September 2012 for capital works that included Cowandilla / Mile End drainage.
- The depot and property contract and material maintenance budget has been increased by \$186,500 or 7.1 per cent to \$2.829 million (which follows an increase of \$235,000 or 9.8 per cent in 2012/13).

Staff numbers have been reduced by 0.9 full time equivalents (FTE's), following a reduction of 9.1 FTE's in 2012/13.

## Capital Expenditure

Key aspects of the budget include:

- The capital budget for 2013/14 totals \$18,374,937, with rate funded capital expenditure increasing by \$603,198 or 4.7 per cent to \$13,446,952. The increase includes a rate funded capital works increase of \$1,260,857, or 12.8 per cent, to \$11,097,161.
- An amount of \$2.314 million being committed to drainage and related construction, with \$1.714 million from the loan program in initial funding for the Brown Hill and Keswick Creeks flood mitigation project.
- \$1.965 million proposed for the recreation program (\$1.895 million in 2012/13), including \$810,000 for the ongoing playground upgrade program.
- An amount of \$840,688 for the replacement, remediation and construction of footpaths and pathways (\$747,562 in 2012/13).
- Rate funded capital expenditure on building works of \$895,000 (\$1,400,000 in 2012/13), as a further commitment toward meeting maintenance and remediation requirements identified by GHD in an independent assessment of work that needed to be undertaken.
- An amount of \$2,000,000 as an initial contribution to the development of a second community hub. The amount is being funded from asset sales.
- Rate funded expenditure on plant, equipment and furniture reduced slightly to \$1,125,650 (\$1,265,700 in 2012/13).
- Capital works funded from urban local road grants and roads to recovery funds of \$1.009 million.

## Rating in 2013/14

An overall average rate increase excluding growth of 4.5 per cent is proposed for 2013/14, 1.1 per cent lower than foreshadowed in the forward estimates of last year's budget. It is not proposed that more of the rate burden be moved to minimum rated and non-residential ratepayers this year, with the following movements recommended:

Residential	:	Up 4.5%
Non-Residential	:	Up 4.5%
Minimum Rate	:	Up 4.5%
Overall Increase	:	Up 4.5%

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

**Strategic Fundamentals**

## Introduction

The *Towards 2025 Community Plan* was adopted in June 2009, and it provides the strategic focus for the budget, annual business plan and long term financial plan of the Council.

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

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

## Community Life

Long term strategies for community life are as follows:

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

## Natural Environment

Long term strategies for the natural environment are as follows:

- Aspiration: Development that encompasses environmental sustainability
  - Encourage new and existing development to incorporate environmentally sustainable designs and practices.
- Aspiration: Reduction of our ecological footprint
  - Facilitate the minimisation of waste production and disposal to landfill.
  - Create opportunities to capture and reuse stormwater.

- Manage current water resources efficiently and utilise alternative water supplies.
- Actively respond to the challenges of climate change.
- Aspiration: Enhanced natural environment
  - Create green streetscapes and open spaces.
  - Protect and enrich local biodiversity, waterways and the coast.

## **Built Environment**

Long term strategies for the built environment are as follows:

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

## **City Prosperity**

Long term strategies for city prosperity are as follows:

- Aspiration: A thriving business environment
  - Support the development and growth of local business.
  - Support education and training pathways.
  - Provide effective and efficient infrastructure to sustain economic growth and productivity.
- Aspiration: A vibrant city
  - Facilitate a vibrant community atmosphere.
- Aspiration: Sustainable population growth
  - Promote sustainable population growth, attracting people from diverse backgrounds.

## Financial Sustainability

Long term strategies for financial sustainability are as follows:

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

## Organisational Strength

Long term strategies for organisational strength are as follows:

- Aspiration: Strong partnerships and linkages
  - Develop strong partnerships and linkages.
- Aspiration: Leading governance and administration practices
  - Adopt leading governance and administration practices.

## Key Influences

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

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

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

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

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

## Rationale for the Focus on Asset Management and Sustainability

An Local Government Association (LGA) initiated inquiry into the financial sustainability of councils in South Australia reported in August 2005 in part that:

- The financial sustainability of councils is vital in the interests of ratepayers, the community and the state, and is an important pillar of efficient and effective local government;
- Of the 35 South Australian (SA) councils whose long-term finances were assessed within a range of minimally to substantially sustainable, only some appeared to have the types of policies and practices in place that lock-in their financial sustainability;
- It was most concerning to find that the long-term finances of many SA councils were not sustainable, as evidenced by their high operating deficits (which looked set to increase in future) and substantial infrastructure renewal and replacement backlogs;
- Independent advice prepared for the Inquiry suggested that 26 of South Australia's 68 councils were in the financially unsustainable category, covering about one-third of the state's population;
- Unless the spending of unsustainable councils is cut or other governments come to the rescue, substantial rates increases are inevitable. The current or prospective financial performance and position of these councils was assessed as being not strong enough to absorb likely future developments and unanticipated financial shocks;
- More strategic expenditure decisions by local government – and more rigorous funding policies – must be pursued by local government.

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

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

An updated Stormwater Management Plan for Brown Hill and Keswick Creeks prepared in July 2011 by WorleyParsons, highlighted that:

- Almost 7,000 properties would be affected within the Patawalonga catchment by a 1:100 year flood event, with a likely damage cost of \$177 million if no action is taken; and
- Cost estimates associated with mitigation within the Brown Hill / Keswick Creek system are in the region of \$133 million.

The latter estimate has since been upgraded to \$152.9 million, the West Torrens' share being \$37.043 million.

Other flooding risks exist within the West Torrens area and mitigation requirements are currently being assessed by asset management staff of the Council.

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

The Sustainability Inquiry rated West Torrens Council as a category 4 council on a 6 point sustainability scale, where 1 represented a very sustainable position and 6 an unsustainable position. Category 4 equated to an assessment of "sustainable but with a minimum margin of comfort".

This assessment should be viewed in terms of the following:

- West Torrens Council has management responsibility for community assets valued at \$811 million;
- Accumulated depreciation on Council assets totals \$270.7 million, being 46.0 per cent of all depreciable assets, and it is not funded by specific cash reserves;
- West Torrens has asset renewal and maintenance backlogs, most recently demonstrated to Council in reports on the condition of Council owned buildings;
- West Torrens Council has significant new capital expenditure needs, particularly in relation to drainage infrastructure;
- The most recent cost estimates associated with the Brown Hill / Keswick Creek system mitigation works are in the region of \$152.9 million;
- A capital renewal expenditure spike could occur sometime into the future, possibly around the year 2050.

### **Legislative Changes**

Legislative changes followed the Sustainability Inquiry report, and they incorporated the need for councils to:

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

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

### **Emerging Financial Issues**

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



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

- Drainage mitigation, including the need to commit at least \$37.043 million to Brown Hill and Keswick Creeks drainage works within the next 15 years;
- Projections in the asset management plans of the Council that \$104.3 million needs to be committed over the next ten years to road, kerbing and footpath maintenance and remediation works;
- Projections that up to \$22.3 million needs to be committed by Council to building maintenance and remediation works over the next ten years, based on current property holdings;
- Community hub developments, funded entirely from asset sales, totalling \$13.04 million from 2013/14 to the 2016/17 financial year;
- Local drainage works, still being assessed by Council's asset management staff, may require expenditure totalling \$80 million over the next 20 years;
- The need to commit increasingly to initiatives associated with water management, renewable energy, energy efficiency and carbon emissions.



**Forward Estimates**

## Introduction

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

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

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

## Forward Capital Expenditure Estimates

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

- \$29.08 million is committed to drainage works for the Brown Hill and Keswick Creeks over a ten year period from the 2013/14 financial year, to be funded from the loan program.
- Council commits to rate funded capital works totalling \$104.3 million over a ten year period commencing in 2013/14 to fund road and footpath works identified in the infrastructure and asset management plans of the Council.
- Council commits to rate funded capital works for road construction and other capital works, totalling \$3.24 million in the 2013/14 budget, and that a level of funding is continued into the future.
- Council has rate funded local drainage commitments of \$615,000 from the 2014/15 financial year, with indexed increases annually thereafter.
- Loan funded capital drainage works of \$1.98 million being resumed in the 2014/15 budget, with this level of funding continued into the future.
- Roads to recovery funding, currently \$438,839 per annum, will be continued for the next ten years (although only confirmed at this stage until 2019).
- Capital expenditure on Council owned buildings, excluding hub developments, will be \$0.975 million in the 2013/14 budget, and \$1.613 million indexed per annum thereafter.
- Asset sales of \$8.296 million and \$1.5 million will occur in the 2014/15 and 2015/16 financial years respectively, and these proceeds, along with past sales, will be used to fully fund community hub developments that are planned.
- The capital budget for the replacement of plant, furniture and equipment will be \$1.211 million in 2013/14, and has been indexed to cover estimated depreciation levels into the future.

Expenditure projections for 2013/14 and each of the next three years based on these assumptions are as follows:

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Rate Funded Infrastructure	10,497,161	10,951,360	11,614,643	12,343,408
Rate Funded Local Drainage	600,000	615,000	630,375	646,134
Loan - Local Drainage	0	1,982,020	2,001,840	2,021,859
Loan - Brown Hill / Keswick	1,714,000	2,639,546	2,731,930	2,827,547
Grants - R2R and ULRG	1,008,839	1,023,089	1,037,695	1,052,667
Hub Developments	2,040,000	4,500,000	2,000,000	4,500,000
Building Other	975,000	1,613,339	1,764,653	1,930,159
Plant, Furniture & Equipment	1,210,796	1,241,066	1,272,093	1,303,895
Library Capital	329,141	337,370	345,804	354,449
<b>Total</b>	<b>18,374,937</b>	<b>24,902,789</b>	<b>23,399,033</b>	<b>26,980,118</b>

### Forward Revenue Estimates

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

- Council is prepared to increase rate revenue by 4.5 per cent plus growth in 2013/14, 4.1 per cent plus growth in 2014/15 and 4.5 per cent plus growth annually thereafter.
- Rate equivalent payments by Adelaide Airport Limited will increase in line with the above rate increases.
- Statutory charges, which include parking, animal management and Development Act income, will increase by 2.5 per cent each year.
- User charges, which include resident charges at St Martins, property related income and transfer station royalties, will increase by 2.5 per cent each year.
- Grant income will increase by 2.4 per cent, it being assumed that roads to recovery funding by the commonwealth government will be continued for the next ten years.
- Other income, excluding investment income, will increase by 2.2 per cent each year from 2013/14.

Forward revenue estimates are as follows:

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Rates	42,463,422	44,837,117	47,414,931	50,142,509
Rate Equivalents	3,940,000	4,142,555	4,372,260	4,614,702
Statutory Charges	1,497,630	1,535,071	1,573,448	1,612,784
User Charges	8,498,859	8,712,475	8,931,465	9,155,965
Grant & Subsidies	3,207,696	3,276,917	3,347,869	3,420,595
Other Income	1,067,980	1,091,980	1,116,538	1,141,670
<b>Total</b>	<b>60,675,587</b>	<b>63,596,115</b>	<b>66,756,511</b>	<b>70,088,226</b>

### Forward Operational Expenditure Estimates

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

- Employee cost increases of 4.0 to 4.5 per cent each year, which includes a nominal allowance for new staff to deliver on projected (and increased) capital and maintenance works programs.
- Contract and material expenditure increases of 4.3 per cent each year in support of Council's maintenance works program, including building and infrastructure maintenance. This includes an allowance for an increase in waste related charges.
- Depreciation expense increases of 2.5 to 3.25 per cent, after allowing for new assets and inflation each year.
- Finance charges largely involve interest repayments on loans taken, and are estimated on the basis of loans projected to be taken using borrowing rates ranging between 5.25 and 5.75 per cent.

Forward operational expenditure estimates are as follows:

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Employee Costs	24,770,572	25,761,395	26,920,658	28,132,087
Contractual Services	6,716,077	7,012,661	7,322,835	7,647,242
Materials	883,350	909,851	937,146	965,260
Finance Charges	1,094,623	910,923	1,019,535	1,114,907
Depreciation	10,124,850	10,435,434	10,755,601	11,085,647
Other Expenses	11,585,213	12,143,506	12,633,428	13,152,022
<b>Total</b>	<b>55,174,685</b>	<b>57,173,769</b>	<b>59,589,203</b>	<b>62,097,167</b>

### Forward Loan Estimates

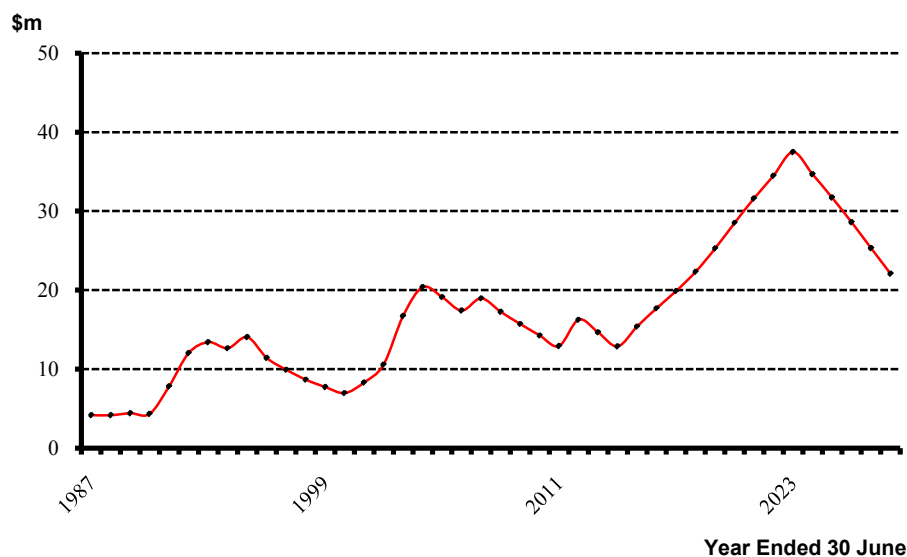
A loan program of \$45.96 million is projected in future dollar terms over the next ten years, as follows:

Local drainage	\$18.57m
Brown Hill and Keswick Creeks	29.08
Works overhead	(1.69)
<b>Total</b>	<b>\$45.96m</b>

This comprises the following:

Financial Year	Local Drainage	Brown Hill Keswick Drainage	Works Overhead	Total Loans
2013/14	0	1,714,000	0	1,714,000
2014/15	1,982,020	2,639,546	-180,184	4,441,382
2015/16	2,001,840	2,731,930	-181,985	4,551,785
2016/17	2,021,859	2,827,547	-183,805	4,665,601
2017/18	2,042,077	2,926,512	-185,643	4,782,945
2018/19	2,062,498	3,028,939	-187,500	4,903,938
2019/20	2,083,123	3,134,952	-189,375	5,028,700
2020/21	2,103,954	3,244,676	-191,269	5,157,361
2021/22	2,124,994	3,358,239	-193,181	5,290,052
2022/23	2,146,244	3,475,778	-195,113	5,426,908
<b>Total</b>	<b>18,568,608</b>	<b>29,082,119</b>	<b>-1,688,055</b>	<b>45,962,672</b>

It is anticipated that cash reserves of the Council will be used in lieu of loans being taken in the 2013/14 financial year. The indebtedness trend of the Council is projected on the basis of this information as follows:



Council's indebtedness is projected to peak at \$37.47 million under this scenario, then decline thereafter. This scenario will obviously change if loans taken from 2013/14 are other than those currently planned.

### Loan Repayments

Loan repayments to service projected loans, based on borrowing rates of 5.25 per cent until 2017/18 and 5.75 per cent thereafter, will be as follows:

<b>Year</b>	<b>Projected Repayments</b>	<b>Increase/ (Decrease)</b>
2012/13	2,449,655	230,116
2013/14	2,679,771	230,116
2014/15	2,679,771	0
2015/16	3,111,273	431,502
2016/17	3,446,252	334,979
2017/18	3,417,102	(29,151)
2018/19	3,126,137	(290,965)
2019/20	3,112,372	(13,765)
2020/21	3,617,237	504,865
2021/22	4,135,019	517,782
2022/23	4,298,026	163,007

Council's current and projected loan program will impact loan repayments most in the 2020/21 to 2022/23 financial years, but these increases are manageable within the framework of the ten year financial plan.

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

<b>Year</b>	<b>Loans % of Rates</b>
2010/11	5.7
2011/12	5.2
2012/13	6.1
2013/14	6.3
2014/15	6.0
2015/16	6.6
2016/17	6.9
2017/18	6.4
2018/19	5.6
2019/20	5.2
2020/21	5.8
2021/22	6.2



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

## Key Financial Indicators

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

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

### (a) Operating Result

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

Financial Year	Operating Surplus	Operating Surplus Ratio
2013/14	5,500,902	11.9%
2014/15	6,422,346	13.1%
2015/16	7,167,308	13.8%
2016/17	7,991,059	14.6%
2017/18	8,881,014	15.3%
2018/19	9,823,106	16.0%
2019/20	10,788,452	16.7%
2020/21	11,903,021	17.4%
2021/22	13,035,572	18.0%
2022/23	14,270,416	18.6%

A strong ongoing operating result is a positive indicator of financial viability for the City of West Torrens. LGA Information Paper 9 *Financial Indicators* (February 2012) suggests an operating break even position, or better, over any five year period and an operating surplus ratio of between zero and 15 per cent on average.

### (b) Sustainability

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

<b>Financial Year</b>	<b>Capital Expenditure</b>	<b>Depreciation Expense</b>	<b>Asset Sustainability Ratio</b>
2009/10	10,357,735	9,458,366	109.5%
2010/11	9,903,300	9,712,524	102.0%
2011/12	10,996,877	9,699,614	113.4%
2012/13	9,746,359	9,741,371	100.1%
2013/14	10,473,642	10,124,850	103.4%
2014/15	10,954,049	10,435,434	105.0%
2015/16	11,597,560	10,755,601	107.8%
2016/17	12,303,570	11,085,647	111.0%
2017/18	13,140,555	11,425,881	115.0%
2018/19	14,083,556	11,776,617	119.6%
2019/20	15,022,619	12,138,181	123.8%
2020/21	16,135,321	12,510,909	129.0%
2021/22	17,268,855	12,895,147	133.9%
2022/23	18,514,893	13,291,253	139.3%

LGA Information Paper 9 suggests an asset sustainability ratio greater than 90 per cent but less than 110 per cent. This was achieved in 2009/10 to 2011/12 period, and is projected to be exceeded after the 2016/17 financial year.

The LGA paper also suggests a similar ratio range as being reasonable if measured against capital expenditure outlays in Infrastructure and Asset Management Plans (IAMP's), rather than depreciation. Forward capital estimates are matched over the ten year forecast period to the IAMP's adopted by Council, as shown in the table that follows.

<b>Program</b>	<b>IAMP Amount (\$'000,000's)</b>	<b>10 Year Plan (\$'000,000's)</b>	<b>% Met</b>
<b>Roads Program</b>			
Reseal / Maintenance	51.009	51.009	100
Reconstruction Renewal	20.347	20.347	100
Kerb & Gutter	21.263	21.263	100
<b>Footpath Program</b>			
Renewal	5.498	5.498	100
Construction	6.179	6.179	100
<b>Building Program</b>			
Renewal Expenditure	22.319	22.319	100

Additional amounts are included in the ten year financial plan to cover drainage and other infrastructure renewal works, along with new capital works. There is little need for renewal expenditure on stormwater assets over the next ten years, although there is a requirement for capital expenditure to build new and upgrade existing stormwater infrastructure. More detailed information on this expenditure will be compiled after the completion of the Urban Stormwater Catchment Management Plan, anticipated in 2014/15. More detailed work is also planned for other Council assets, including those covered by the recreation program.

### (c) Loan Servicing Capacity

To meet a structured long term asset renewal and replacement program, Council will need to commit to a loan program that will result in loan liabilities increasing from \$16.25 million to \$37.47 million - a significant but manageable increase as demonstrated below. Borrowing interest rates ranging from 5.25 to 5.75 per cent have been estimated, along with a 15 year borrowing term.

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

<b>Financial Year</b>	<b>Projected Loan Repayments</b>	<b>Loan % of Rates</b>
2010/11	2,280,570	5.7
2011/12	2,219,539	5.2
2012/13	2,449,655	6.1
2013/14	2,679,771	6.3
2014/15	2,679,771	6.0
2015/16	3,111,273	6.6
2016/17	3,446,252	6.9
2017/18	3,417,102	6.4
2018/19	3,126,137	5.6
2019/20	3,112,372	5.2
2020/21	3,617,237	5.8
2021/22	4,135,019	6.2

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

**(d) Liquidity**

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

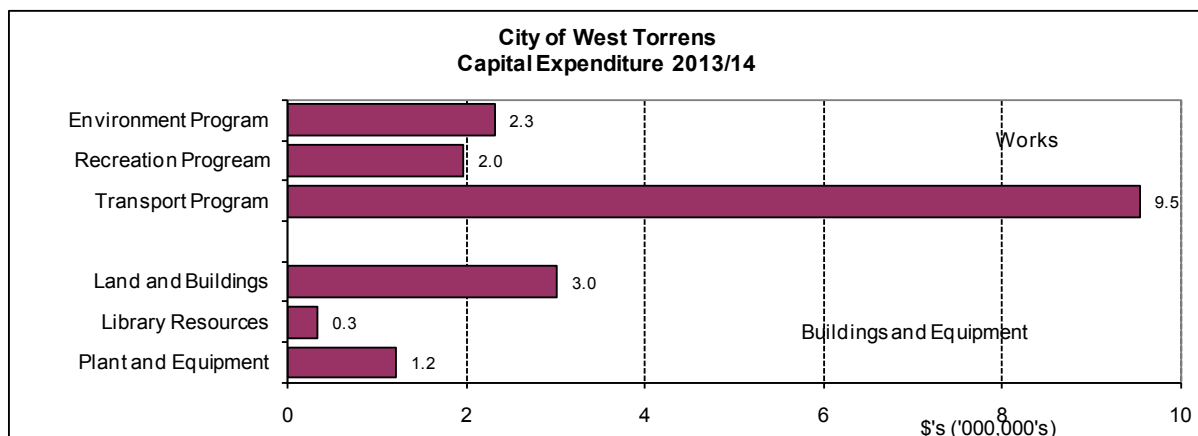
<b>Financial Year</b>	<b>EOY Cash Estimate</b>	<b>Net Reserves</b>	<b>Surplus/ (Deficit)</b>
2013/14	5,384,697	5,347,675	37,023
2014/15	6,382,480	6,389,975	(7,495)
2015/16	6,254,552	6,312,354	(57,802)
2016/17	5,143,403	5,241,032	(97,628)
2017/18	5,683,886	5,676,239	7,647
2018/19	6,029,905	6,118,214	(88,309)
2019/20	6,689,174	6,567,205	121,970
2020/21	7,131,342	7,023,467	107,875
2021/22	7,310,227	7,487,267	(177,040)
2022/23	7,549,839	7,958,880	(409,041)

**Capital Budget**

## Introduction

The capital budget for 2013/14 totals \$17,624,937 as follows:

	\$
<b>Capital Works</b>	
Environmental Program	2,314,000
Recreation Program	1,965,000
Transport Program	9,541,000
<b>Capital</b>	
Land and Building Works	3,015,000
Library Resources	329,141
Plant, Equipment & Furniture	1,210,796
<b>Sub Total</b>	<b>18,374,937</b>
Less Sale of Land & Buildings	750,000
<b>Total Budget</b>	<b>17,624,937</b>



Rate funded capital expenditure has been increased by \$603,198 to \$13,446,952, an increase of 4.7 per cent, as shown in the table that follows. The increase includes a capital works increase of \$1,260,857, or 12.8 per cent, to \$11,097,161.

	<b>Budget 2012/13</b>	<b>Budget 2013/14</b>	<b>Variance</b>
	\$	\$	\$
<b>Rate Funded</b>			
City Works Funds	9,836,304	11,097,161	1,260,857
Plant and Equipment	1,265,700	1,125,650	-140,050
Land and Buildings	1,400,000	895,000	-505,000
Library Resources	341,750	329,141	-12,609
<b>Sub Total</b>	<b>12,843,754</b>	<b>13,446,952</b>	<b>603,198</b>

<b>Other Funded</b>			
Grants	1,008,839	1,008,839	0
Reserves / Asset Sales	216,000	2,205,146	1,989,146
Loans	2,475,000	1,714,000	-761,000
<b>Sub Total</b>	<b>3,699,839</b>	<b>4,927,985</b>	<b>1,228,146</b>
<b>Total Capital Budget</b>	<b>16,543,593</b>	<b>18,374,937</b>	<b>1,831,344</b>

Capital funding from other than rates totals \$4,927,985, as shown in the table that follows:

	\$
Brown Hill and Keswick Creeks (Loan)	1,714,000
Community hub development (Reserve)	2,040,000
Roads to Recovery grant	438,839
Urban Local Road grant	570,000
St Martins' capital expenditure	165,146
<b>Total</b>	<b>4,927,985</b>

### Environment Program

The drainage budget comprises the following:

- \$150,000 for minor drainage upgrades and replacement works, including the replacement / upgrade of side entry pits and junction boxes, minor pipe replacements and upgrades due to failure, and minor investigations into the current drainage network.
- \$200,000 to upgrade stormwater drainage, including water sensitive urban design elements along Roebuck Street, Mile End.
- \$1,714,000 as Council's contribution toward various works associated with the Brown Hill and Keswick Creeks master plan.
- \$250,000 for essential bank stabilisation works for Brown Hill and Keswick Creeks.

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## Recreation Program

Recreation works include the following:

- \$810,000 for the replacement and upgrade of nominated playgrounds, based on a program developed in response to an audit of playground safety undertaken in 2008. Nominated playgrounds for 2013/14 are:
  - Baroda Avenue Reserve, Netley;
  - Cross Terrace Reserve, Kurralta Park;
  - Errington Street Reserve, Plympton;
  - Golflands Reserve, Glenelg North;
  - Pacific Parade Reserve, West Beach;
  - Peake Gardens Reserve, Marlestone;
  - Shephard Court Reserve, Novar Gardens;
  - Shade shelter (sites to be confirmed);
  - Additional gym equipment on the Westside Bikeway;
  - Minor playground equipment.
  
- \$205,000 for reserve upgrades, including:
  - Gazebo's at Graham Crescent Reserve, Novar Gardens and Weigall Oval Reserve, Plympton;
  - Various fencing and bollards replacement on reserves;
  - Reedbeds Community Centre reserve upgrade;
  - Pedestrian lighting on reserves;
  - Turf replacement, miscellaneous pathway upgrades, earthworks, general reserve furniture replacement, drinking fountains, barbeques and various minor lighting replacements.
  
- \$440,000 for projects along the River Torrens Linear Park, including:
  - Continuation of a staged pedestrian lighting project aimed at upgrading and replacing lights and improving safety for users;
  - General fencing, and the installation of retaining walls and barrier protection;
  - Minor pathway upgrades and general reserve furniture upgrades and replacements.
  
- \$30,000 for the reseal and reconstruction of various pathway sections along the River Torrens Linear Park in order to meet the current path width standard.
  
- \$60,000 for the staged resealing and reconstruction of various sections of the Westside Bikeway, with major sections requiring reconstruction. This program will be ongoing over the next few years subject to funding provision.
  
- \$370,000 for irrigation system upgrades for the following reserves to meet SA Water guidelines:
  - DCA Reserve, Beare Avenue, Netley / Adelaide Airport;
  - Cross Terrace Reserve, Kurralta Park;
  - Noble Street Reserve, Lockleys;
  - Siesta Reserve, West Beach;
  - Good Street Reserve, Fulham;



- Westside Bikeway, Plympton (selected area);
  - Ashburn Avenue Reserve (Coral Sea Road), Fulham (western end);
  - General irrigation equipment, including controllers and backflow meter equipment.
- \$50,000 as a contribution towards the installation of a new shade structure and the upgrade of rinks for the Novar Gardens Bowling Club.

### Transport Program

Funding totals \$9,541,000 (\$8,600,143 in 2012/13) as follows:

	\$
Road maintenance program	5,211,005
Road reconstruction program	2,629,307
Other road works	860,000
Footpath program	840,688
	<hr/>
<b>Total</b>	<b>9,541,000</b>
	<hr/>

### Road Maintenance Program

The Council, as a responsible authority, needs to strive to provide services that are commensurate with the needs of the community and within the means of the community.

The Local Government (Financial Management and Rating) Amendment Act 2005 introduces accountability measures to strengthen provisions that require councils to give careful attention to strategic planning in consultation with their communities. They add new obligations to undertake long term infrastructure, asset management and financial planning and impose new requirements to conduct annual consultation with ratepayers regarding their budgets, rating strategies and business plans.

In meeting the above needs, the City of West Torrens has recognised the importance of asset management. Council has subsequently adopted an Asset Management Policy and developed a series of Infrastructure Asset Management Plans (IAMP's). These plans aim to ensure that adequate provision is made for existing and future infrastructure so that assets are fully utilised (i.e. their design life is achieved) in a cost effective manner.

This year's capital works program for roads has been based on an updated IAMP for roads, which took into consideration the strategic report *City of West Torrens Transport Strategy - Transportation for the next Generation 2025*. This report is based on the principles / methodologies used in the implementation of a ten year capital works program following a condition audit of Council's network undertaken in 2010 upon which Council's current long term financial plan is based. The schedule of works also considers customer requests.

In order to ensure that the Council manages its road (surface, pavement and kerb and gutter) assets in a manner most appropriate for the community, the Council has committed to a management strategy for roads based on the following methodology:

- Treat road surfaces prior to their end of life condition to ensure that more costly major rehabilitation works are avoided;
- Undertake kerb renewal on roads in the year immediately before they are planned for resealing to ensure that the surfacing work is undertaken at the most appropriate time of the year to ensure long life surface;
- Prioritise road reconstruction based on the hierarchy of the road;
- Roads with high roughness that are scheduled for resurfacing will have additional funds allocated to undertake shape correction / reconstruction;
- Roads identified with heavy traffic will be flagged for additional funds to be allocated;
- Where there are gaps in the priority list, priority will be given to roads with high roughness or strategic importance.

A risk assessment of road assets identified a high risk when there is development occurring adjacent to laneways that creates higher traffic and pedestrian volumes. To mitigate this risk, an allocation of funds for the upgrade of laneways has been included in this budget.

This year's capital works program for road maintenance totals \$5,211,005 as follows:

	\$
Reseal / road maintenance program	3,050,212
Kerb and gutter program	2,160,793
	<hr/>
<b>Total</b>	<b>5,211,005</b>
	<hr/>

Details are provided on 33-35, and include works from customer requests and a recent reconditioning audit of the road network.

### Road Reconstruction Program

Council's road reconstruction program totals \$2,629,307 and comprises the following:

- Roebuck Street, Mile End;
- Norma Street (part), Mile End;
- Brooker Terrace (part), Richmond;
- Duncan Street Laneway, Lockleys.

The schedule of works has been identified as being a balanced approach to assist renewal and maintain strategic roads to an acceptable level whilst managing the expectation of ratepayers and road users.

### Other Road Works

Other road works total \$860,000 and include:

- \$200,000 for localised road failure and rehabilitation work.
- \$60,000 for the on-going installation and upgrade of public bus shelters at identified sites.

- \$105,000 for minor traffic management work at identified locations, including pavement bar layouts, pedestrian kerb ramps, stop and give way signage with associated line marking, the Errington Street Emu Crossing (Ashford Special School), and disabled car parking upgrades.
- \$145,000 for bicycle management schemes, including stages of works identified from a planning study for the Adelaide Airport ring route, and the Linear Park and Westside Bikeway upgrades.
- \$50,000 for public lighting of the Mike Turtur Bikeway.
- \$200,000 for Bioscience Masterplan precinct works.
- \$100,000 for ancillary works identified in the recent bridge audit.

### Footpath Program

A re-condition survey of Council's 626 kilometres of footpaths was undertaken in mid 2011 and it provided the basis for a new forward renewal and maintenance schedule that was determined from defect data that was grouped against individual segments and prioritised by the risk rating of the footpath.

Concurrently with the audit, Council developed an "Installation of New Footpath Priority System" report to prioritise technically the order in which new footpaths are installed within Council via a rating system. The installation of new footpaths applies to:

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

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

The findings of the above formed the basis of the updated Footpath Infrastructure and Asset Management Plan that was last adopted in November 2012. The objective of the plan is to provide a safe and practically manageable footpath and cycle / shared path network with an emphasis on the reduction in risk as opposed to aesthetics, and set priorities for the renewal and provision of new footpaths and cycle / shared paths. The functional level of service for footpaths has and will continue to consider community expectations, legislative compliance and future demand needs.

A further review of the risks associated with our footpath assets was undertaken in 2011/12 and re-identified a high risk along arterial roads. Council in past budgets has allocated funds to commence risk mitigation works, and it is proposed that this be continued with a budget allocation to city wide footpaths for upgrades to occur at various locations.

The footpath schedule of works this year is made up of \$356,013 for footpath renewal, \$284,675 for new footpath construction and \$200,000 for footpath remediation. The following work is proposed:

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**Footpath Renewal Program** **\$356,013**

- Ann Street, Thebarton (West Thebarton Road to end);
- Ballantyne Street, Thebarton (Dew Street to Brown Street);
- Bartholomew Street, Richmond (Lucas Street to Richmond Road);
- Birmingham Street, Mile End South (South Road to Pymbra Street);
- Brown Street, Thebarton (West Thebarton Road to Ballantyne Street);
- Deeds Road, North Plympton (Starr Avenue to Kinkaid Avenue);
- Everard Avenue, Keswick (Ashford Road to Kent Road);
- Goodenough Street, Mile End (James Congdon Drive to Parker Street);
- Henley Beach Road (various locations);
- Holland Street, Thebarton (end to Winwood Street);
- James Place, Lockleys (Henley Beach Road to end);
- John Street, Marleston (Sarah Street to South Road);
- Marion Road, Plympton (Anzac Highway to Lydia Street);
- Richmond Road, Richmond (Marlow Road to Croydon Road);
- Starr Avenue, North Plympton (Morphett Road to Deeds Road).

**New Footpath Construction Program** **\$284,675**

- Allchurch Avenue, North Plympton (Birdwood Terrace to Park Terrace) (Rex Jones Reserve);
- Arctic Avenue, West Beach (Windsor Terrace to Dennis Drive);
- Burbridge Road, West Beach (Tapleys Hill Road to Davis Street);
- Charles Veale Drive, West Beach (Mountbatten Grove to Tapleys Hill Road - north and south sides);
- Foreman Street, West Beach (Davis Street to end);
- Ingerson Street, West Beach (Tapleys Hill Road to Davis Street);
- Kevin Avenue, West Beach (Cambridge Avenue to Northern Avenue);
- Kitt Street, West Beach (Ingerson Street to Northern Avenue);
- May Terrace, Lockleys (Henley Beach Road to Sir Donald Bradman Drive);
- Mooringe Avenue, Camden Park (Deeds Road to Morphett Road);
- Morphett Road, Camden Park (Mooringe Avenue to Penong Avenue);
- Northern Avenue, West Beach (Kitt Street to Baltic Avenue);
- Pacific Parade, West Beach (Southern Avenue to Arctic Avenue);
- Southern Avenue, West Beach (Flavel Street to Kevin Avenue);
- Tapleys Hill Road, West Beach (Charles Veale Drive to Ingerson Street).

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

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

*This footpath program may change slightly, but details on any changes will be provided to Council.*

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## Land and Buildings

The capital expenditure budget for land and buildings totals \$3,065,000 (\$1,580,000 in 2012/13) and comprises:

- \$125,000 for Disability Discrimination Act (DDA) upgrades, being \$100,000 on DDA toilet facility compliance work at Weigall Oval and \$25,000 for the on-going program of work to upgrade Council owned facilities to meet DDA requirements, as identified in Council's Building Asset Management Plan (2013).
- \$20,000 for asbestos removal, being an on-going program of works involving Council owned buildings that have been identified in Council's Building Asset Management Plan (2013).
- \$25,000 for fire system upgrades, being an on-going program of works to bring Council owned buildings up to current building rules standards, as identified in Council's Building Asset Management Plan (2013).
- \$50,000 for on-going electrical compliance upgrades of Council owned facilities in accordance with current electrical compliance regulations, as identified in Council's Building Asset Management Plan (2013).
- \$200,000 for the on-going building compliance upgrade of Council owned facilities as identified in Council's Building Asset Management Plan (2013).
- \$60,000 for renewable energy, energy efficient and water saving projects for Council owned buildings.
- \$200,000 to upgrade air conditioning systems in the civic precinct, which is part of a three year rolling replacement program and part of Council's ongoing asset management program (year 3).
- \$20,000 for the installation of safe access to roof infrastructure, largely involving Satterley Hall (Lockleys Oval) and the Western Youth Centre, Cowandilla.
- \$2,040,000 for community hub development, \$2,000,000 of which is a part contribution toward a second facility and \$40,000 involves signage for the Thebarton Hub.
- \$80,000 for lighting and administrative facilities at St Martins (bond funded).
- \$100,000 to replace carpet in the civic centre, Library and depot.
- \$50,000 for painting at the Library.
- \$20,000 for the investigation, review and design of DDA work for the Western Youth Centre.
- \$25,000 for preliminary investigation, review and concept design work for building facilities use by sporting clubs at Lockleys Ovals.

## Plant, Equipment and Furniture

The capital budget for plant, equipment and furniture totals \$1,210,796 (\$1,301,700 in 2012/13) and comprises:

- \$49,150 for various items of plant and equipment for the depot, including road cutting equipment, workshop lifting and storage equipment, a scooter and power and mechanical tools.
- \$206,000 for the replacement of 27 motor vehicles in the Council fleet, including commercial vehicles (\$235,000 for 30 motor vehicles in 2012/13).
- \$115,000 for furniture and equipment, including \$60,000 to continue library refurbishment work, \$25,000 for auditorium refurbishment and \$25,000 for public artwork.
- \$79,146 for furniture and equipment at St Martins, all of which is resident related.
- \$214,500 for the programmed replacement of four front-deck mowers (\$134,500), a turf tractor (\$60,000) and specialised equipment used for sports turf maintenance (\$20,000). These are high use operational machines that require regular replacement to ensure a suitable residual value and low yearly maintenance costs.
- \$547,000 to replace four tipper trucks (\$297,000) and a road sweeper (\$250,000) used in general civil, horticultural and cleansing maintenance areas. The trucks being replaced range in loading capacity from two to ten tonne and age from eight to ten years.

## Library Resources

An amount of \$329,141 is being budgeted (\$341,750 in 2012/13) and it comprises the following:

- State resources           \$218,141;
- Local resources           \$111,000.

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

Street Name	Suburb
Herbert Road (South Road to Farnham Road)	Ashford
Clifton Street (Carlton Road to Creslin Terrace)	Camden Park
Clifton Street (Creslin Terrace to Anzac Highway)	Camden Park
Creslin Terrace (Curzon Street to Clifton Street)	Camden Park
Creslin Terrace (Morphett Road to Curzon Street)	Camden Park
Fashoda Avenue (Fitzroy Avenue to Whelan Avenue)	Camden Park
Ayton Avenue (Gault Avenue to Huntington Avenue)	Fulham
Ayton Avenue (Huntington Avenue to Colwood Avenue)	Fulham
Chippendale Avenue (Tapleys Hill Road to property number 23)	Fulham
Good Street (Fitch Road to Crace Road)	Fulham
Henley Beach Road (service road) (Chippendale Avenue to end)	Fulham
Henley Beach Road (service road) (Mackirdy Street to end)	Fulham
Louise Avenue (Riverside Drive to Carolyn Avenue)	Fulham
Lowry Street (Howden Road to Halsey Road)	Fulham
Madden Avenue (Waymouth Avenue to St Georges Avenue)	Glandore
Alkira Avenue (Ulinga Street to Berrima Street)	Glenelg North
Burrupa Avenue (Berrima Street to Shannon Avenue)	Glenelg North
Coorilla Avenue (Shannon Avenue to Ulinga Street)	Glenelg North
Iluka Street (Bonython Avenue to Wongala Avenue)	Glenelg North
Iluka Street (property number 12 to Alkira Avenue)	Glenelg North
Iluka Street (Wongala Avenue to property number 12)	Glenelg North
Mclachlan Avenue (Mattner Avenue to Harvey Terrace)	Glenelg North
Davenport Terrace (Hill Place to Brooker Terrace)	Hilton
Davenport Terrace (Milner Road to Hill Place)	Hilton
Basnett Street (Selby Street to Warwick Avenue)	Kurralt Park
Beauchamp Street (Garfield Avenue to end)	Kurralt Park
Beauchamp Street (Hare Street to Tennyson Street)	Kurralt Park
Beauchamp Street (Tennyson Street to Garfield Avenue)	Kurralt Park
Garfield Avenue (Selby Street to Warwick Avenue)	Kurralt Park
Grassmere Street (Mortimer Street to Anzac Highway)	Kurralt Park
Arcoona Avenue (property number 23 to Fulham Park Drive)	Lockleys
Autumn Avenue (Autumn Avenue to Autumn Avenue)	Lockleys
Barrow Crescent (Dartmoor Street to Castlebar Road)	Lockleys
Cornwall Street (Main Street to Douglas Street)	Lockleys
Cross Street (Broughton Street to Main Street)	Lockleys
David Court (Matt Street to end)	Lockleys

Note: This schedule will change, but details on any changes will be provided to Council

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

Street Name	Suburb
Fern Avenue (Lasscock Avenue to Autumn Avenue)	Lockleys
Henley Beach Road (service road) (Fulham Park Drive to end)	Lockleys
Main Street (Balmoral Street to Duncan Street)	Lockleys
Main Street (Cornwall Street to Balmoral Street)	Lockleys
Main Street (Henley Beach Road to Cornwall Street)	Lockleys
Malurus Avenue (Anthus Street to Grallina Street)	Lockleys
Michael Street (end to Matt Street)	Lockleys
Michael Street (Matt Street to property number 15)	Lockleys
Michael Street (property number 15 to Peter Street)	Lockleys
Myzantha Street (Chester Street to Malurus Avenue)	Lockleys
Aldridge Terrace (Richmond Road to St Anton Street)	Marleston
Aldridge Terrace (St Anton Street to Lucknow Street)	Marleston
Harvey Street (Stirling Street to Barwell Avenue)	Marleston
Claremont Street (King Street to Ballara Street)	Mile End
Falcon Avenue (Darebin Street to Tarragon Street)	Mile End
Gladstone Road (property number 29 to property number 42)	Mile End
Gladstone Road (property number 42 to South Road)	Mile End
Gladstone Road (Railway Terrace to property number 29)	Mile End
Grey Street (property number 7 to end)	Mile End
Grey Street (Rankine Road to property number 7)	Mile End
Montgomery Street (Harvey Avenue to Harris Street)	Netley
Dingera Avenue (Neston Avenue to end)	North Plympton
Inverell Avenue (Errington Street to Streeters Road)	North Plympton
Kinkaid Avenue (Sandringham Reserve to Deeds Road)	North Plympton
Kinkaid Avenue (Streeters Road to Sandringham Reserve)	North Plympton
Mackay Avenue (Birdwood Terrace to Edward Davies Street)	North Plympton
Bonython Avenue (McCann Avenue to Iluka Street)	Novar Gardens
Capri Avenue (Troon Street to Pine Avenue)	Novar Gardens
Devlin Road (end to Graham Crescent)	Novar Gardens
Graham Crescent (Devlin Road to Irwin Court)	Novar Gardens
Graham Crescent (Irwin Court to Morphett Road)	Novar Gardens
Irwin Court (Graham Crescent to end)	Novar Gardens
Marsh Court (Graham Crescent to end)	Novar Gardens
Miller Court (Graham Crescent to end)	Novar Gardens
Montreal Avenue (St Andrews Crescent to Hoylake Street)	Novar Gardens
Nagle Crescent (Bonython Avenue to end)	Novar Gardens
Thomson Court (Devlin Road to end)	Novar Gardens

Note: This schedule will change, but details on any changes will be provided to Council



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

Street Name	Suburb
Elizabeth Avenue (Marion Road to Maynard Road)	Plympton
Errington Street (Errington Street Reserve to Gardner Street)	Plympton
Gardner Street (Errington Street to Whelan Avenue)	Plympton
Gardner Street (Neston Avenue to Errington Street)	Plympton
Gardner Street (Osborn Terrace to Neston Avenue)	Plympton
James Street (Smith Street to Light Terrace)	Plympton
Lindsay Street (Cross Road to property number 60)	Plympton
Lydia Street (property number 26 to Marion Road)	Plympton
McArthur Avenue (Birdwood Terrace to Urrbrae Terrace)	Plympton
McArthur Avenue (Tilden Street to Oval Terrace)	Plympton
Myer Avenue (Penong Avenue to property number 66)	Plympton
Osborn Terrace (Marion Road to property number 366)	Plympton
Streeters Road (end to Gardner Street)	Plympton
Bartholomew Street (Lucas Street to Richmond Road)	Richmond
Hill Place (Davenport Terrace to end)	Richmond
Redin Street (Weaver Avenue to Brooker Terrace)	Richmond
Admella Street (end to Light Terrace)	Thebarton
Bennett Street (South Road to Brown Street)	Thebarton
Cawthorne Street (Smith Street to Light Terrace)	Thebarton
Filsell Street (George Street to Dove Street)	Thebarton
Holland Street (Anderson Street to Phillips Street)	Thebarton
Holland Street (Phillips Street to Smith Street)	Thebarton
Maria Street (property number 9 to Albert Street)	Thebarton
Neville Road (Ballantyne Street to Dove Street)	Thebarton
Clifford Street (Ashley Street to North Parade)	Torrensville
Clifford Street (Meyer Street to Ashley Street)	Torrensville
Danby Street (Carlton Parade to Henley Beach Road)	Torrensville
Hayward Avenue (Carlton Parade to Henley Beach Road)	Torrensville
Hayward Avenue (property number 118 to Ashwin Parade)	Torrensville
Howie Avenue (Hardys Road to Stephens Avenue)	Torrensville
Torrens Street (Ferris Street to Rankine Road)	Torrensville
Howard Street (Mellor Avenue to property number 13)	Underdale
Kenneth Avenue (Garden Terrace to end)	Underdale
Cambridge Avenue (Simcock Street to Poplar Street)	West Beach
Miami Avenue (Dennis Drive to Todoroff Avenue)	West Beach
Miami Avenue (Todoroff Avenue to Rio Vista Avenue)	West Beach
Southern Avenue (Pacific Parade to property number 16)	West Beach
Southern Avenue (property number 16 to Kevin Avenue)	West Beach

Note: This schedule will change, but details on any changes will be provided to Council

ORIGINAL BUDGET 2012/13	REVISED BUDGET 2012/13	DESCRIPTION	2013/14 BUDGET
<b><u>CAPITAL WORKS</u></b>			
<b><u>Environment Program</u></b>			
		Stromwater & Drainage	
500,000	500,000	Mile End Cowandilla Catchment	0
750,000	750,000	Mile End Cowandilla Outfall Drain	0
200,000	600,000 (c)	West Beach Drain Connection	0
150,000	150,000	Marshall Terrace	0
300,000	300,000	Railway Terrace	0
150,000	181,295 (a)	Minor Drainage Upgrades and Replacement Work	150,000
0	3,453,505 (a)	Mile End Cowandilla Airport Drainage	0
0	54,800 (a)	Cowandilla Stages 9 & 10	0
0	1,655,234 (a)	Cowandilla Stages 10 - 12	0
0	183,844 (a)	Drainage Pump Station - Replacement (Chippendale)	0
0	0	Roebuck Street Drainage Upgrade	200,000
		Other Environment	0
775,000	775,000	Brown Hill and Keswick Creeks	1,714,000
0	15,000 (a)	Brownhill / Keswick Creek Remediation	0
0	0	Brownhill / Keswick Creek Essential Works	250,000
0	95,463 (a)	GAP - Recycled Water Pipeline Project - Stage A	0
0	186,721 (a)	GAP - Recycled Water Pipeline Project - Stage 2	0
<b><u>2,825,000</u></b>	<b><u>8,900,862</u></b>	<b>Program Total</b>	<b><u>2,314,000</u></b>
<b><u>Recreation Program</u></b>			
		Parks & Gardens	
700,000	700,000 (a)	Playground Upgrades	810,000
165,000	178,885	Reserve Developments - Various (includes Upgrades)	205,000
200,000	296,580 (a)	River Torrens Upgrade / Developments	440,000
30,000	30,000	River Torrens Path Upgrades & Re-seals	30,000
60,000	60,000 (a)	Westside Bikeway Path Upgrade & Re-seal	60,000
210,000	256,737 (a)	Reserves - Irrigation Upgrades	370,000
0	35,563 (a)	Lindfield Reserve Project	0
0	12,730 (a)	Pedestrian Lighting, Underdale (Promenade)	0
0	48,600 (a)	Clifford St Reserve Upgrade	0
0	28,218 (a)	Urban Forest, James Congdon Drive	0
		Sports Facilities	
0	60,000 (a)	Tennis Court Upgrades	0
0	0	Novar Gardens Bowling Club Shade / Rinks Upgrade	50,000
530,000	986,094 (a) (c)	Facility Carpark Upgrades / Renewals	0
<b><u>1,895,000</u></b>	<b><u>2,693,407</u></b>	<b>Program Total</b>	<b><u>1,965,000</u></b>

ORIGINAL BUDGET 2012/13	REVISED BUDGET 2012/13	DESCRIPTION	2013/14 BUDGET
<b><u>Transport Program</u></b>			
		Roads Sealed	
0	1,962,555 (a) (c)	City Funds / ULRG Funds / Carryovers	0
2,722,325	2,722,325	Reseal / Road Maintenance Program	3,050,212
1,843,791	1,843,791	Road Reconstruction Program	2,190,468
1,699,626	1,699,626	Kerb and Gutter Program	2,160,793
438,839	438,839	Roads To Recovery	438,839
		Other Transport	
150,000	150,000	Roundabouts / Minor Road Rehabilitation	200,000
30,000	41,951 (a)	Bus Shelters	60,000
50,000	50,000	Traffic Management	105,000
150,000	165,065 (a)	Bicycle Management Schemes	145,000
0	32,226 (a)	Corporate Branding - Signage	0
68,000	68,000	Public Lighting	50,000
0	0	Bio-Science Precinct Works	200,000
		Bridges	
100,000	125,562 (a)	Bridge Ancillary Works (as per Bridge Audit)	100,000
0	43,111 (a)	Footbridge Rehabilitation - Holland St - Stage 2	0
600,000	626,585 (a)	Manchester Street Bridge Road Design	0
		Footpaths	
310,715	370,715 (a)	Footpath Renewal Program	356,013
236,847	334,435 (a)	Footpath Construction Program	284,675
200,000	200,000	Footpath Remediation	200,000
<b>8,600,143</b>	<b>10,874,786</b>	<b>Program Total</b>	<b>9,541,000</b>
<b>13,320,143</b>	<b>22,469,055</b>	<b>TOTAL - CAPITAL WORKS</b>	<b>13,820,000</b>

ORIGINAL BUDGET 2012/13	REVISED BUDGET 2012/13	DESCRIPTION	2013/14 BUDGET
<b><u>OTHER CAPITAL EXPENDITURE</u></b>			
<b><u>Land and Buildings</u></b>			
25,000	25,000	DDA Upgrade Program	25,000
0	0	DDA Upgrade Program - Weigall Oval Toilet Upgrade	100,000
20,000	24,353 (a)	Asbestos Removal Program	20,000
75,000	94,342 (a)	Fire Systems Upgrade	25,000
90,000	94,281 (a) (c)	Electrical Compliance Upgrade	50,000
200,000	217,850 (a)	Building Compliance Upgrade	200,000
60,000	64,320 (a)	Environmental / Sustainability Program	60,000
150,000	292,030 (a)	Airconditioning Upgrade - Civic Precinct	200,000
20,000	20,000	Roof Access Safety Systems	20,000
70,000	70,000	Civic Centre Carpet Replacement	0
550,000	550,000	Lockleys Oval - New Public Toilets & Changerooms	0
90,000	90,000	Lockleys Oval - Fencing	0
50,000	53,925 (c)	Depot - Railway Museum	0
0	2,928,130	Thebarton Community Hub	0
0	100,000	Community Hub	2,000,000
0	2,340 (a) (c)	Thebarton Theatre Conservation Works	0
0	17,800 (a) (c)	Civic Centre Under Croft Panel Lift Door	0
0	122,000 (c)	Local Government Energy Efficiency Program Grant	0
0	48,800 (c)	Local Government Energy Efficiency Program	0
0	32,516 (a)	Depot Facilities - Storage	0
20,000	20,000	St Martins' Painting	0
10,000	3,938 (a) (c)	St Martins' Roof Safety	0
150,000	150,000	St Martins' Maintenance Building Extension	0
0	32,360 (a) (c)	St Martins' Rose Court / Garth Palmer Wing Upgrades	0
0	100,600 (c)	St Martins' Lift	0
0	0	St Martins' Lighting Compliance	50,000
0	0	St Martins' Administration Re-design	30,000
0	0	Hub Signage	40,000
0	0	Carpet Replacement - Civic Centre, Library & Depot	100,000
0	0	Painting - Hamra Library	50,000
0	0	Western Youth Centre DDA Investigation and Design	20,000
0	0	Lockleys Oval Concept Design	25,000
0	-2,433,395	Sale of Land and Buildings	-750,000
<b>1,580,000</b>	<b>2,721,190</b>	<b>Total Land and Buildings</b>	<b>2,265,000</b>

ORIGINAL BUDGET 2012/13	REVISED BUDGET 2012/13	DESCRIPTION	2013/14 BUDGET
<b><u>Plant, Equipment and Furniture</u></b>			
59,200	59,200	Minor Depot Plant and Equipment	49,150
235,000	218,923 (a) (c)	Motor Vehicle Replacements	206,000
69,000	110,684 (c)	Furniture and Equipment	115,000
30,000	58,528 (a) (c)	St Martins' Furniture and Equipment	79,146
40,000	40,000	Intranet Redevelopment	0
10,000	10,000	CCTV Cameras	0
28,000	28,000	Variable Message Board and Trailer	0
50,500	50,500	Replace Mowers (2012/13 x3; 2013/14 x4)	134,500
337,000	399,000 (a)	Replace Trucks / Tippers (2012/13 x5; 2013/14 x4)	297,000
11,000	11,000	Replace Road Line Marker	0
150,000	150,000	Replace Footpath Sweeper Macdonald Johnston	250,000
93,500	93,500	Replace Ransome Gang Mower	0
56,000	56,000	Replace TCM Front End Loader	0
42,000	42,000	Replace Bob Cat	0
28,500	28,500	Heavy Duty Truck Hoist	0
62,000	62,000	Replace Community Bus - Vario	0
0	52,571 (a) (c)	St Martins' Bus Replacement	0
0	25,708 (c)	St Martins' Utility	0
0	43,000 (a)	Web Content Management System	0
0	17,594 (a) (c)	Mobile Technology - Regulatory Services	0
0	30,000 (a)	Drain Cleaning Unit	0
0	169,782 (a)	Footpath Sweeper	0
0	126,700	St Martins' Nurse Call System Replacement	0
0	0	Replace Tractor and Earthquake Unit	80,000
<b>1,301,700</b>	<b>1,883,190</b>	<b>Total Plant, Equipment and Furniture</b>	<b>1,210,796</b>
<b><u>Library Resources</u></b>			
237,250	213,544	Library Resources - Central	218,141
104,500	104,500	Library Resources - Local	111,000
<b>341,750</b>	<b>318,044</b>	<b>Program Total</b>	<b>329,141</b>
<b>3,223,450</b>	<b>4,922,424</b>	<b>TOTAL - OTHER CAPITAL</b>	<b>3,804,937</b>
<b>16,543,593</b>	<b>27,391,479</b>	<b>TOTAL ALL CAPITAL EXPENDITURE</b>	<b>17,624,937</b>

(a) Increase due to carryover of unspent funds from 2011/12. Adjustment approved by Council.

(b) Increase due to reserve funds being moved into the budget. Adjustment approved by Council.

(c) Budget review adjustment approved by Council.

(d) Budget adjustment approved by Council.



**Operational Budget**

## Summary

Council's operating statement in the 2013/14 budget projects a surplus from operations of \$5,500,902, as shown below, based on a 4.5 per cent rate increase. This rate increase is 1.1 per cent lower than the increase endorsed in the long term financial plan of the Council in 2012/13.

<b>Income</b>	<b>\$</b>
Rates and Rates Equivalents	46,403,422
Statutory Charges	1,497,630
User Charges	8,498,859
Grants and Subsidies	3,207,696
Sundry Income	1,067,980
<b>Total Income</b>	<b>60,675,587</b>
<b>Expenditure</b>	
Employee and Related	24,770,572
Material and Contract	7,599,427
Finance Costs	1,094,623
NRM Levy	1,162,422
Depreciation	10,124,850
Other	10,422,791
<b>Total Expenditure</b>	<b>55,174,685</b>
<b>Operating Surplus</b>	<b>5,500,902</b>

## Operational Expenditure

Operational expenditure has increased by \$2,610,947 or 5.0 per cent, relative to the original 2012/13 budget, as follows:

St Martins	\$ 522,743
All Other	2,088,204
<b>Total</b>	<b>\$2,610,947</b>

The increase for St Martins is self funded.

All other operational expenditure, before depreciation, has increased by \$2,088,204 or 4.6 per cent, relative to the original 2012/13 budget, as follows:



	<b>Budget 2012/13</b>	<b>Budget 2013/14</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Employee Costs	18,555,699	19,204,930	649,231	3.5
Building, Equipment and Related	3,085,630	3,226,020	140,390	4.5
General Expenses	3,845,686	4,043,834	198,148	5.2
Bank and Finance Charges	835,050	977,905	142,855	17.1
Council Related Expenses	2,016,598	2,068,395	51,797	2.6
Contract and Material Expenses	7,148,500	7,506,415	357,915	5.0
NRM Levy	1,125,278	1,162,422	37,144	3.3
Occupancy and Property Costs	904,150	1,352,073	447,923	49.5
Internal Charges / Recoveries	-1,088,000	-1,385,200	-297,200	27.3
<b>Sub Total</b>	<b>36,428,591</b>	<b>38,156,794</b>	<b>1,728,203</b>	<b>4.7</b>
Depreciation	9,333,361	9,693,362	360,001	3.9
<b>Total</b>	<b>45,761,952</b>	<b>47,850,156</b>	<b>2,088,204</b>	<b>4.6</b>

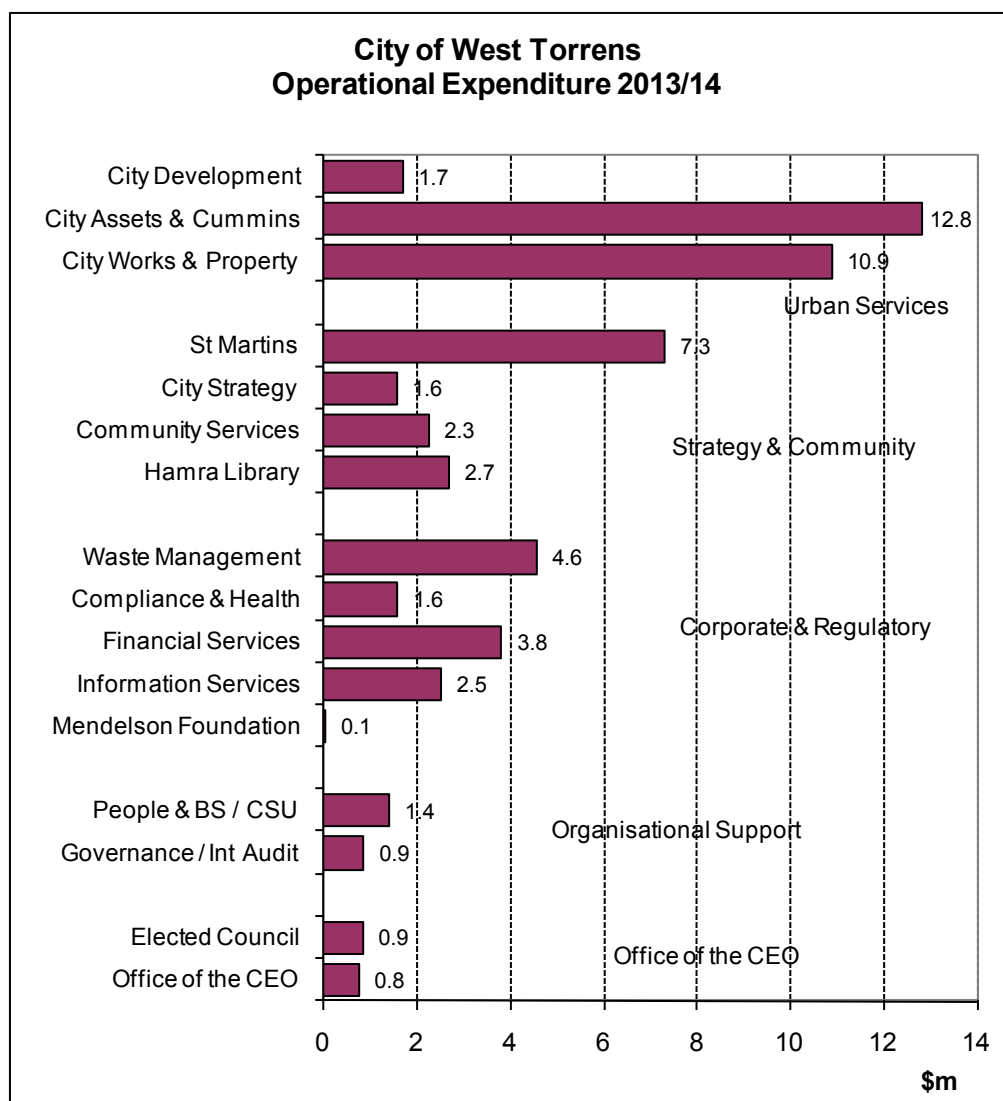
### Notable Cost Containment

Costs have been contained across all areas of the Council to achieve the increase of just 4.6 per cent that is shown above, but it is noteworthy that:

- Employment costs (excluding St Martins) have increased by \$649,231 or 3.5 per cent over the original budget estimates for 2012/13, which is explained further later in this commentary under the heading "Employment Costs".
- Waste disposal and collection costs have been increased by \$26,000 (or by less than 1.0 per cent) to \$4.396 million, despite:
  - A further anticipated increase in the waste to landfill levy of \$93,600 or 19.0 per cent; and
  - A carbon pricing amount of \$187,200 being budgeted.
- Utility cost pressures are impacting the budget significantly and are largely beyond Council's control, particularly the following (which exclude St Martins):
  - Power and related costs which have increased by \$246,353 or 66.5 per cent over what was budgeted in 2012/13; and
  - Water costs which have increased by \$121,260 or 34.6 per cent over what was budgeted in 2012/13.
- Interest payable (excluding St Martins) is increasing by \$161,715 or 23.8 per cent over what was budgeted in 2012/13, reflecting the impact of a loan of \$4,721,455 that was taken in September 2012 for capital works that included Cowandilla / Mile End drainage.

- The depot and property contract and material maintenance budget has been increased by \$186,500 or 7.1 per cent to \$2.829 million (which follows an increase of \$235,000 or 9.8 per cent in 2012/13).

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



### Employment Costs

Employment costs (St Martins excluded) have increased by \$649,231 or 3.5 per cent over the original budget estimates for 2012/13.

Staff numbers have been reduced by 0.9 full time equivalents (FTE's), following a reduction of 9.1 FTE's in 2012/13. This reduction has been achieved despite a new procurement position being budgeted in response to pressures that are expected to come to improve procurement practices.

An allowance of \$150,000 has been made for an assumed level of vacancies occurring during the year.

The replacement of staff on leave is largely unfunded in the budget, apart from direct service providers such as the library, St Martins and the Customer Services Unit. A sufficient level of saving during the course of the year when vacancies are not back-filled is expected to occur to fund any staff replacements that may be required.

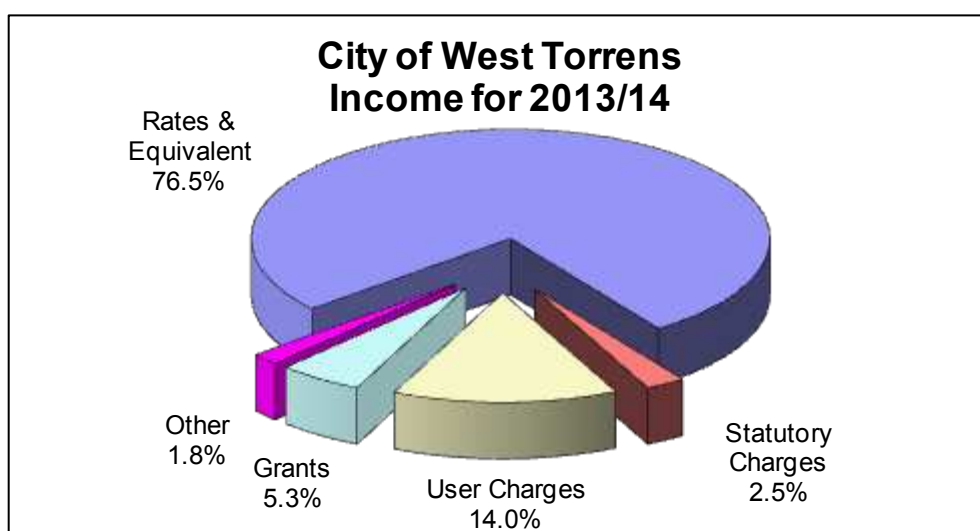
## Income

All income is budgeted to increase by \$3,277,447 or 5.7 per cent over 2012/13 estimates as follows:

	<b>Budget 2012/13</b>	<b>Budget 2013/14</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates & Rate Equivalents Payments	43,525,278	46,403,422	2,878,144
Statutory Charges	1,490,020	1,497,630	7,610
User Charges	7,594,868	8,498,859	903,991
Grants - General Purpose Grant	1,150,000	1,166,532	16,532
Grants - Other	2,065,589	2,041,164	-24,425
Sundry Income	1,572,385	1,067,980	-514,405
<b>Total</b>	<b>57,388,140</b>	<b>60,675,587</b>	<b>3,277,447</b>

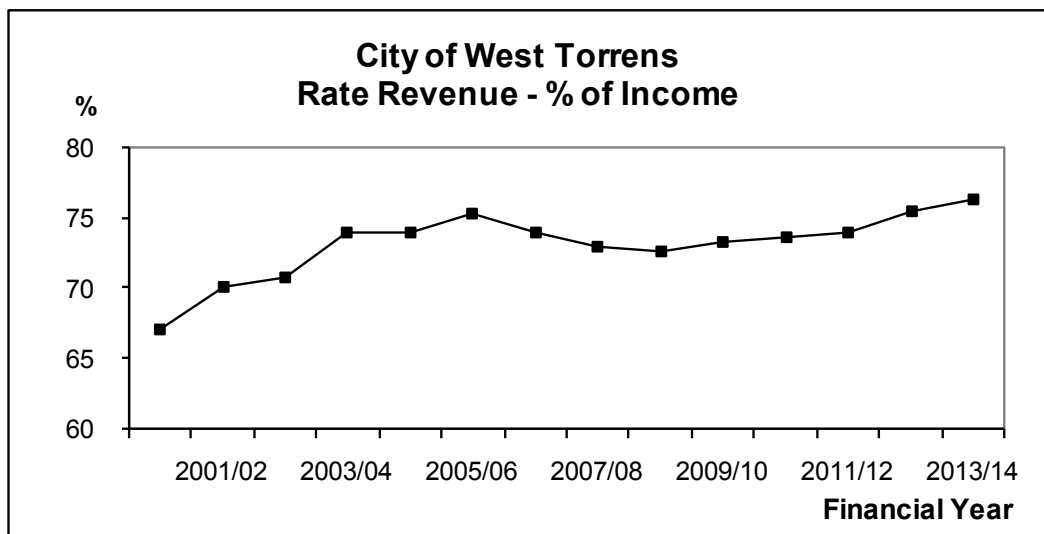
## Rate Income

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

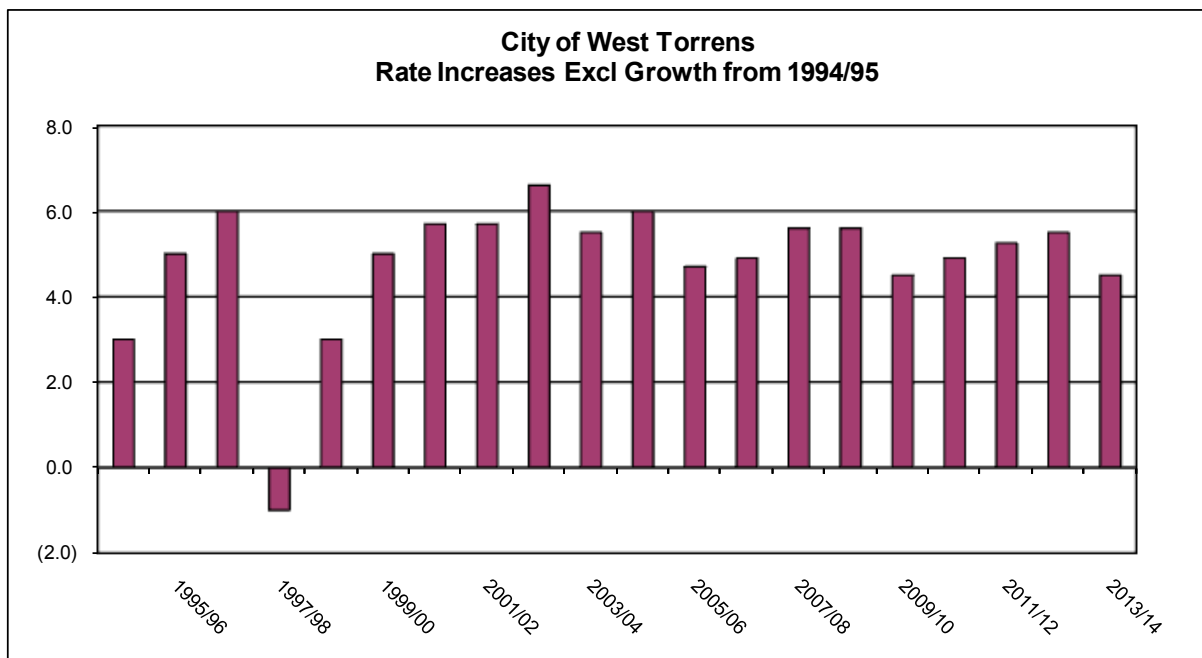


As can be seen in the following graph, Council's dependency on rate revenue continues to be significant due to the reduction in other forms of income, notably the general purpose grants (refer next section). While Council can obtain grants for specific purposes,

substantially increased general purpose grants are unlikely to be obtained in the foreseeable future.



Council has endeavoured to limit increases in rates and since 1994/95 has achieved an average increase of 4.8 per cent (excluding natural growth), as shown in the chart that follows:



## Rate Calculation

Rates in 2013/14 are determined on the following basis:

	\$
Rate Income 2012/13	39,510,009
Add Natural Growth @ Net 1.25%	493,875
	<hr/>
Rates Prior to Rate Increase	40,003,884
	<hr/>
Add Net Rate Increase	1,796,116
	<hr/>
<b>Rates Raised (excluding fines)</b>	<b>41,800,000</b>
	<hr/>

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

## Minimum Rates

A minimum rate of \$794 is proposed for 2013/14 (\$760 in 2012/13), an increase of \$34 or 4.5 per cent.

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

West Torrens had the fourth lowest minimum rate in metropolitan Adelaide in 2012/13 at \$760. Minimum rates in metropolitan Adelaide average \$828 and range between \$652 (Unley) to \$980 (Tea Tree Gully).

## Rate Movements

It is proposed that rates be increased as follows:

Minimum Rate	:	Up 4.5%
Non-Residential	:	Up 4.5%
Residential	:	Up 4.5%
Overall Increase	:	Up 4.5%

## Rates Comparison with Other Councils

A comparison of rates with other metropolitan councils reveals that West Torrens Council's average rates of \$1,353 are low. The information is based on an LGA survey and is considered a reliable indicator of Council's rating effort.

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

### Rates per Rateable Assessment 2012/13

<b>Council</b>	<b>Average Rates</b>	<b>Ratio</b>
Walkerville	1,811	1.3
Unley	1,700	1.3
Prospect	1,643	1.2
Adelaide Hills	1,630	1.2
Charles Sturt	1,560	1.2
Playford	1,512	1.1
Burnside	1,500	1.1
Gawler	1,496	1.1
Tea Tree Gully	1,496	1.1
Mitcham	1,460	1.1
Marion	1,459	1.1
Norwood, Payneham	1,442	1.1
Pt Adelaide Enfield	1,410	1.0
Holdfast Bay	1,396	1.0
<b>West Torrens</b>	<b>1,353</b>	<b>1.0</b>
Salisbury	1,327	1.0
Onkaparinga	1,309	1.0
Campbelltown	1,245	0.9
<b>Average</b>	<b>1,486</b>	<b>1.1</b>

Source: LGA Survey

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

### Rates per Residential Assessment 2012/13

<b>Council</b>	<b>Average Rates</b>	<b>Ratio</b>
Walkerville	1,665	1.7
Adelaide Hills	1,641	1.7
Burnside	1,464	1.5
Prospect	1,464	1.5
Unley	1,462	1.5
Mitcham	1,374	1.4
Tea Tree Gully	1,348	1.4
Gawler	1,277	1.3
Norwood, Payneham	1,268	1.3

Holdfast Bay	1,245	1.3
Onkaparinga	1,229	1.3
Marion	1,211	1.2
Playford	1,207	1.2
Campbelltown	1,202	1.2
Charles Sturt	1,161	1.2
Salisbury	1,089	1.1
<b>West Torrens</b>	<b>978</b>	<b>1.0</b>
Pt Adelaide Enfield	849	0.9
<b>Average</b>	<b>1,285</b>	<b>1.3</b>

Source: LGA Survey

### Rate Modelling

More detailed rate modelling information, prepared pursuant to the requirements of Section 123 of the Local Government Act 1999, is included in section 7 of this document which deals with rating 2013/14.

### Grant Income

Grant income budgeted in 2013/14 totals \$3,207,696 (\$3,215,589 in 2012/13) as follows:

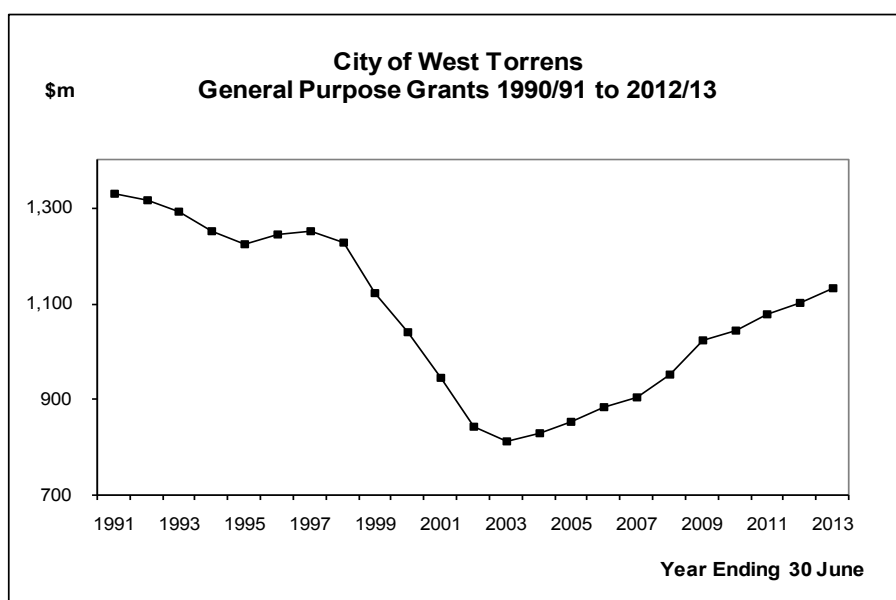
	<b>Budget 2012/13</b>	<b>Budget 2013/14</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
General Purpose Grant	1,150,000	1,166,532	16,532
Road Grants	570,000	570,000	0
Library	407,800	397,472	-10,328
Home and Community Care	439,532	465,663	26,131
Special Road Grants	438,839	438,839	0
Sundry Grants	209,418	169,190	-40,228
<b>Total</b>	<b>3,215,589</b>	<b>3,207,696</b>	<b>-7,893</b>

Income for St Martins from the Commonwealth Government is now being budgeted under user charges.

### General Purpose Grant

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

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



## User Charges

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

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

User charges make a reasonable contribution to the overall budget, and in the 2013/14 financial year a total of \$8.499 million is budgeted (or 14.0 per cent of all Council's income). They comprise the following:



	<b>Budget 2012/13</b>	<b>Budget 2013/14</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
St Martins	6,153,800	7,329,820	1,176,020
Waste Royalties / Lease Fees	335,664	228,820	-106,844
Hall and Theatre Hire / Rent	257,302	98,645	-158,657
Property Search Fees *	60,000	0	-60,000
Brickworks Lease Income	97,384	99,093	1,709
Library Income	55,000	55,000	0
Ovals Rents, Fees & Related	139,860	133,918	-5,942
Home Assistance Charges	115,000	125,000	10,000
House Rent & Related	30,044	28,852	-1,192
Sundry User Charges	350,814	399,711	48,897
<b>Total</b>	<b>7,594,868</b>	<b>8,498,859</b>	<b>903,991</b>

\* Now budgeted as a statutory charge

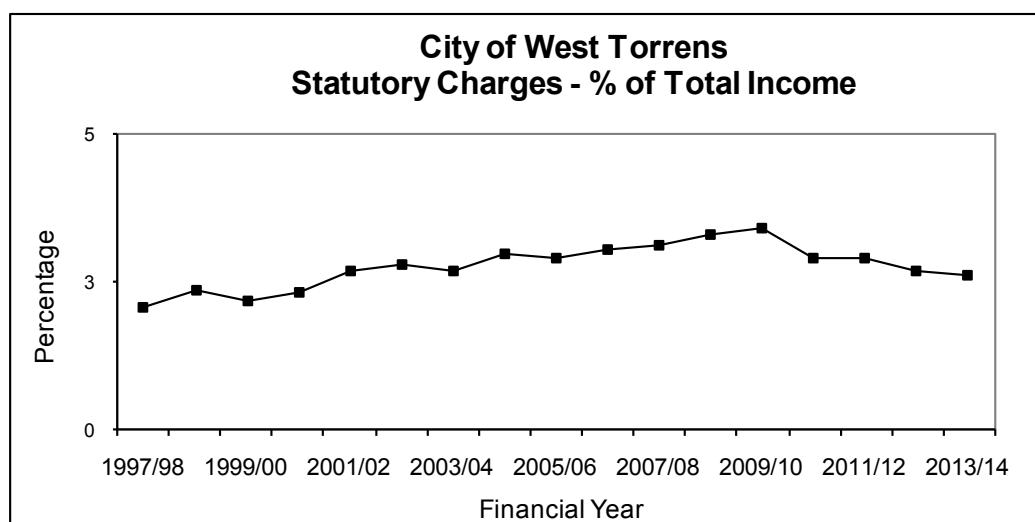
All user charges are reviewed annually by Council.

### Statutory Charges

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

	<b>Budget 2012/13</b>	<b>Budget 2013/14</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Parking Income	655,000	570,400	-84,600
Development Act Fees	550,000	550,000	0
Animal Control Income	220,000	224,300	4,300
Property Search Fees	0	90,000	90,000
Sundry Statutory Charges	65,020	62,930	-2,090
<b>Total</b>	<b>1,490,020</b>	<b>1,497,630</b>	<b>7,610</b>

Statutory fees play an important role in enabling Council to provide a range of specific services and community facilities. However, these fees and charges make a relatively modest contribution to the overall budget. In the 2013/14 budget, statutory charges total \$1.498 million or 2.5 per cent of all Council income (excluding capital revenues). The trend since 1997/98 has been as follows:



### Other Income

Other income of the Council includes investment income, an insurance bonus and reimbursements, and comprises 1.9 per cent of all income budgeted in 2013/14 (excluding capital revenues).

	<b>Budget 2012/13</b>	<b>Budget 2013/14</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Investment & Related Income	1,025,285	421,200	-604,085
Reimbursement Income	127,700	219,030	91,330
Insurance Bonus	260,000	270,000	10,000
Sundry Income	159,400	157,750	-1,650
<b>Total</b>	<b>1,572,385</b>	<b>1,067,980</b>	<b>-504,405</b>

### Loan Program 2013/14

Council's loan program for 2013/14 totals \$1,714,000 (\$2,250,000 in the 2012/13 original budget). The loan is to fund Brown Hill Keswick Creek flood mitigation works.

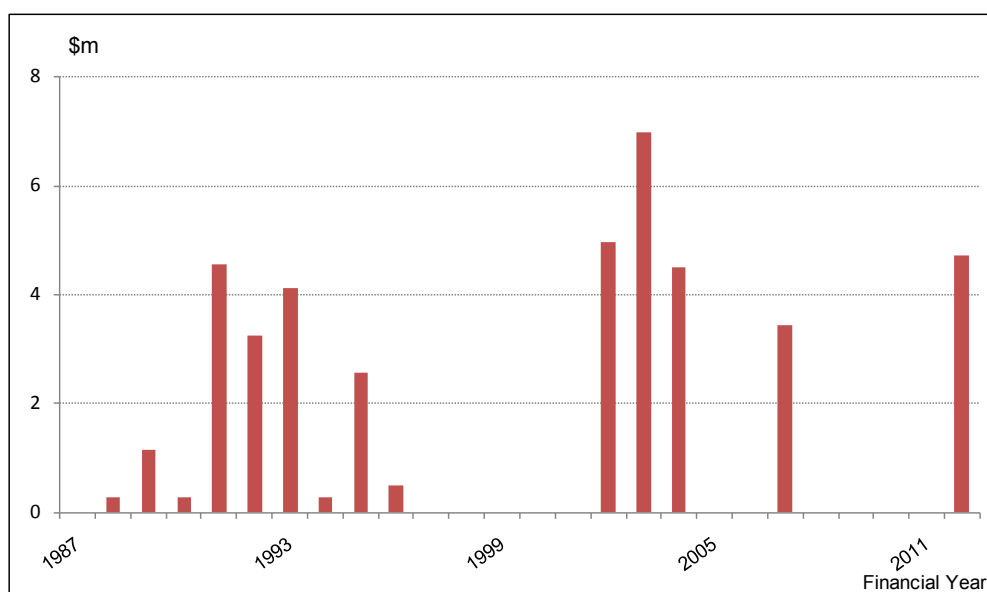
### Historical Perspective on Loans

New loans taken by the Council since 1 July 1986, including those of both Thebarton and West Torrens Councils prior to amalgamation in 1997, are as follows:

Year Ended 30 <sup>th</sup> June	Loans Taken
1987	0
1988	280,000
1989	1,151,700
1990	265,000
1991	4,549,390
1992	3,260,000
1993	4,135,600
1994	281,550
1995	2,557,965
1996	500,000
1997	0
1998	0
1999	0
2000	0
2001	0
2002	4,964,000
2003	7,000,000
2004	4,497,337
2005	0
2006	0
2007	3,430,000
2008	0
2009	0
2010	0
2011	0
2012	4,721,455

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

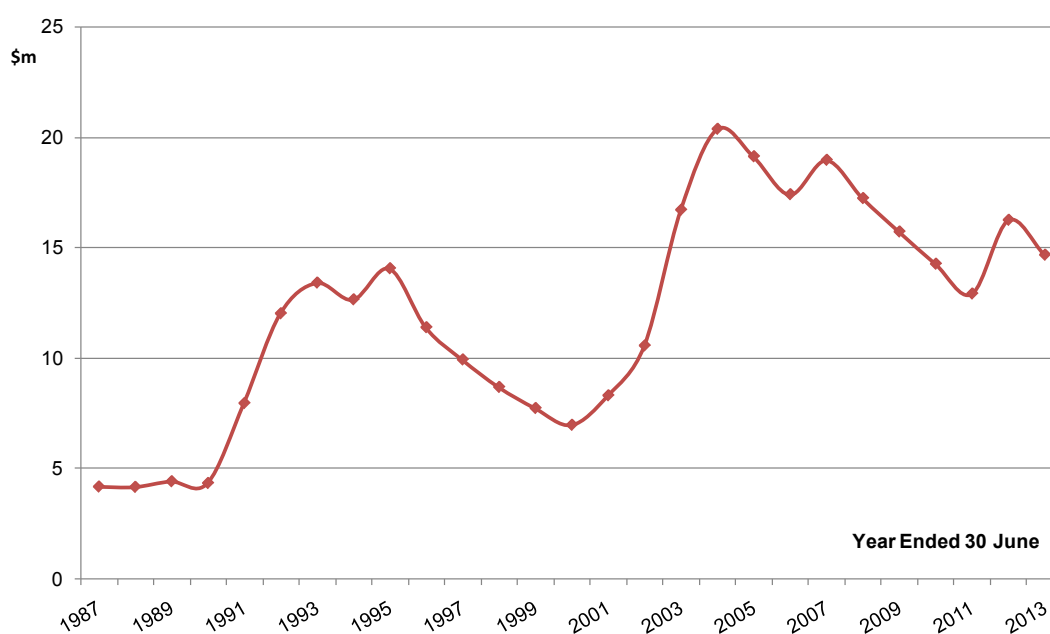
Loans taken are shown graphically below:



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

Year Ended 30 <sup>th</sup> June	Loan Liability
1987	4,171,527
1988	4,156,370
1989	4,410,644
1990	4,332,500
1991	7,952,591
1992	12,016,976
1993	13,409,421
1994	12,649,808
1995	14,057,519
1996	11,387,771
1997	9,927,527
1998	8,683,170
1999	7,728,295
2000	6,968,412
2001	8,302,536
2002	10,561,826
2003	16,709,425
2004	20,374,509
2005	19,129,976
2006	17,411,955
2007	18,969,367
2008	17,236,975
2009	15,723,125
2010	14,264,992
2011	12,913,277
2012	16,252,653
2013	14,672,077

This is shown graphically as follows:



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

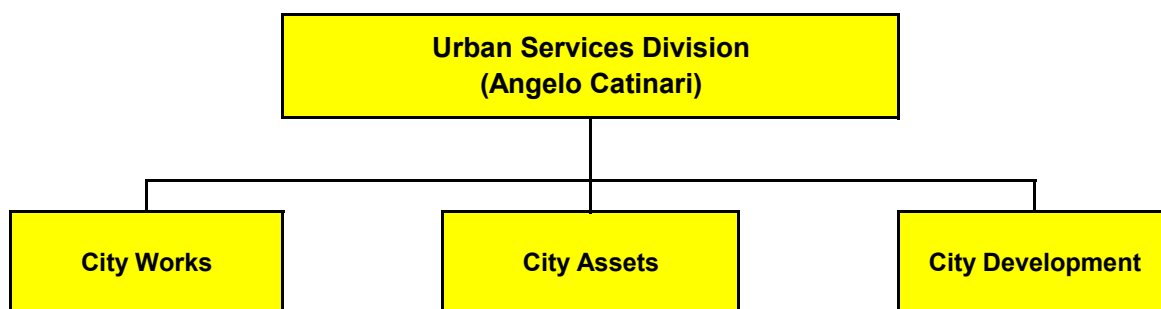
A sizeable reduction of Council's indebtedness in the 1995 to 2001 period occurred because Council elected to use cash reserves rather than borrowings to fund the budgeted loan program. This has resulted in interest and principal repayments being avoided.

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



**Operational Budgets by Division**

## **Urban Services Division**



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

The Urban Services Division comprises the following:

- City Works (including operational property management);
- City Assets (including strategic property management);
- City Development.



## Urban Services Division

### 2013/14 Business Plan and Budget Statement

#### Objective(s)

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

#### Key Activities 2013/14

Key activities include the following:

- Act as a planning authority pursuant to the Development Act 1993 and Development Regulations 2008;
- Civil construction and maintenance;
- Building and property administration and construction;
- Asset management;
- Stormwater management;
- Horticultural services;
- Fleet management;
- Traffic management.

#### Performance Measures

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

- Statutory obligations are met fully, including obligations under the Development Act 1993 and Development Regulations 2008;
- Quality development occurs throughout the City of West Torrens;
- Projects are completed on time, on budget and with quality outcomes;
- Stormwater flood mitigation measures are effective throughout the city and meet community expectations;
- Asset management plans are in place and support asset maintenance requirements of the city;
- Traffic management measures that demonstrate safety improvements while providing increased levels of community satisfaction;
- Asset maintenance is timely, cost effective, of a high quality and meets community expectations;
- Service frequencies that meet community expectations, including street sweeping and parks and landscape maintenance;
- High service levels are maintained and key performance indicators are met.

#### 2013/14 Budget Highlights

##### 1. Income

- Roads to recovery funding of \$438,839 is budgeted to continue;
- Council's urban local road grant has again been budgeted at \$570,000, based on the grant received for 2012/13 plus a 1.35 per cent increase;

- Sanitation and garbage income, including royalty payments from the waste contract is budgeted at \$228,820, and includes a reduction in royalty payments because of reduced tonnages (\$335,664 in 2012/13);
- Lease income for the Brickworks of \$99,093 has been budgeted (\$97,384 in 2012/13);
- Development application fees of \$550,000 have been budgeted (\$550,000 in 2012/13), based on a general stabilisation of development application numbers;
- Property search fees have been budgeted at \$90,000, an increase of \$30,000 or 50.0 per cent based on a steady trend for property sales and a substantial increase in the statutory fee.
- Depot income of \$81,454 has been budgeted which includes \$35,000 for maintaining highway medians for the Department of Planning Transport and Infrastructure.

### Operational Expenditure

- Employment expenses have increased by \$207,122 or 2.4 per cent, to \$8,860,413;
- Street lighting costs have been budgeted to increase by \$20,000 or 2.2 per cent to \$920,000 over the original budget in 2012/13, although this represents an increase of 7.7 per cent on the cost expected to be incurred;
- Professional fees have increased by \$71,000 or 15.7 per cent to \$522,000, and include:
  - \$80,000 for specialist engineering advice;
  - \$75,000 for the Brown Hill and Keswick Creeks project;
  - \$40,000 for Lockleys stormwater catchment;
  - \$35,000 for Mellor Park / Lockleys Oval, Thebarton Oval north west car park and West Beach road masterplans;
  - \$30,000 for expert planning, building, arborist, architectural and engineering support and advice in City Development;
  - \$30,000 for Conquest / Pathway / Dehko integration;
  - \$30,000 for a safety / lighting review at the Thebarton hub precinct;
  - \$30,000 for property related fees;
  - \$25,000 in support of the Glenelg to Adelaide Parklands pipeline project;
- Interest expense on infrastructure related loans is budgeted at \$641,510, an increase of \$197,028 or 44.3 per cent, reflecting the impact of a new loan of \$4,721,455 taken in November 2012;
- Levies and charges of \$100,500 have been budgeted (\$93,500 in 2012/13), which includes EPA licence fees of \$40,500 for the waste transfer station and \$60,000 for building and planning fees that are subject to a 5 to 8 per cent fee payable to the State Government, along with referral fees and levies;
- Contract maintenance expenditure has increased by \$224,000 or 12.6 per cent to \$2,008,500 and includes:
  - \$580,000 for property and facilities related maintenance, servicing and cleaning;
  - \$390,000 for road and footpath maintenance;
  - \$335,000 for tree pruning;
  - \$170,000 for weed control;
  - \$185,000 for inspection and cleaning of the drainage network;
  - \$120,000 for graffiti removal;
  - \$96,000 in waste disposal costs, which includes dealing with illegally dumped rubbish;
  - \$45,000 for irrigation and compliance testing;

- Material costs for maintenance works have decreased by \$32,500 or 3.7 per cent to \$850,500, and include:
  - A greening program (tree replacement and plantings) of \$185,000;
  - Road maintenance and concrete material of \$245,000;
  - Line marking and signage of \$145,000;
  - An allowance of \$25,000 for minor repairs and the replacement of playground equipment;
- Depot plant and equipment costs (excluding plant hire and depreciation) are budgeted to increase by \$31,000 or 5.1 per cent to \$644,000;
- Water rates have been increased by \$121,260 or 34.6 per cent to \$472,000, in anticipation of increased usage and fee increases occurring.

### Staff Numbers

Staff numbers have moved as follows:

	<b>2012/13 Budget</b>	<b>2013/14 Budget</b>
<b>Permanent FTE's</b>	108.1	107.2
<b>Contract / Casual FTE's</b>	2.1	1.9

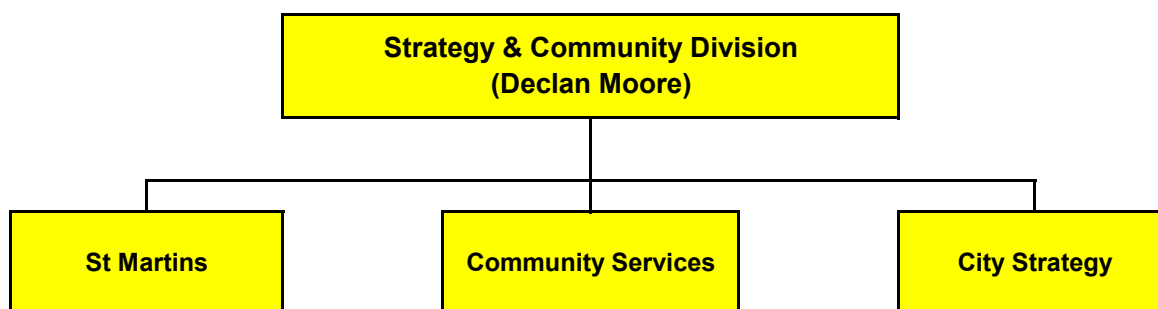
### Explanation of staffing movement:

0.5 of an FTE has been transferred to City Strategy and a permanent reduction of 0.6 FTE has been budgeted.

<b>BUDGET 2013/14</b> <b>URBAN SERVICES DIVISION</b> <b>OPERATIONAL EXPENDITURE &amp; INCOME</b>
--

2012/13 BUDGET		DESCRIPTION	2013/14 BUDGET	VARIATION TO 2012/13 ORIGINAL	
ORIGINAL	REVISED				
<b>Income</b>					
550,000	530,000	Statutory Charges	640,000	90,000	16.4%
1,045,837	976,961	User Charges	840,189	(205,648)	-19.7%
1,043,839	1,829,215	Grants & Subsidies	1,044,339	500	0.0%
112,700	126,179	Reimbursements	207,530	94,830	84.1%
0	19,490	Other Income	0	0	N/A
<b>2,752,376</b>	<b>3,481,845</b>	<b>Total Income</b>	<b>2,732,058</b>	<b>(20,318)</b>	<b>-0.7%</b>
<i>Less</i>					
<b>Operational Expenditure</b>					
8,061,323	8,006,911	Staff Costs	8,256,541	195,218	2.4%
591,968	587,313	Staff Related Costs	603,872	11,904	2.0%
1,919,000	1,900,860	Buildings Furniture & Fittings	1,969,992	50,992	2.7%
2,355,500	2,470,500	Plant & Equipment	1,115,577	(1,239,923)	-52.6%
18,700	18,700	Computer Expenditure	10,225	(8,475)	-45.3%
6,171,500	6,549,500	Community Assets	6,549,500	378,000	6.1%
1,419,309	1,884,316	General	1,485,284	65,975	4.6%
444,482	662,037	Bank & Finance	641,510	197,028	44.3%
1,055,300	1,043,300	Council Expenditure	1,043,750	(11,550)	-1.1%
1,784,500	2,044,318	Contract Expenditure	2,008,500	224,000	12.6%
883,000	883,000	Materials	850,500	(32,500)	-3.7%
731,845	731,845	Occupancy & Property	1,094,642	362,797	49.6%
(1,309,000)	(1,442,000)	Internal - Expenditure Recovered	(135,400)	1,173,600	-89.7%
<b>24,127,427</b>	<b>25,340,600</b>	<b>Total Operational Costs</b>	<b>25,494,493</b>	<b>1,367,066</b>	<b>5.7%</b>
<b>(21,375,051)</b>	<b>(21,858,755)</b>	<b>Operational Surplus/(Deficit)</b>	<b>(22,762,435)</b>	<b>(1,387,384)</b>	<b>6.5%</b>

## **Strategy and Community Division**



The Strategy and Community Division is primarily responsible for the development of policy and the provision of services to the community as approved in Council's strategic directions and annual budget.

The Strategy and Community Division comprises the following:

- St Martins;
- Community Services incorporating:
  - Community Development;
  - Library;
  - Home and Community Care;
- City Strategy.

## **Strategy and Community Division 2013/14 Business Plan and Budget Statement**

### **Objective(s)**

- Influence the implementation of departmental strategies that are consistent with the aspirations and principles detailed in Council's Community Plan.
- Provide high level strategic policy development and professional advice, on community and business planning, environmental outcomes, land use planning, community engagement and the provision of information to our community.
- Build stronger relationships between Council and our community, and partnerships with state and other local governments, to build the social capital of our local community;
- Promote reading by making it easy for people of all ages, cultures and interests to get into reading at all levels and provide free and easy access to information through community responsive library services.
- Coordinate the provision of community based support and services for older people, people with disabilities and their carers, and other specifically funded (external and council) target groups.
- Provide fully accredited quality residential aged care services, within a balanced budget so that operational costs (including depreciation) do not exceed the income received from resident fees, accommodation bond interest and retentions, and funding from the Federal Government.

### **Key Activities 2013/14**

Key divisional activities are conducted by:

- City Strategy, including the coordination of policy, planning and performance of the Community Plan;
- St Martins, by the provision of residential aged care services;
- Community Services, including centre based, mobile and home library services; volunteer, community bus and youth programmes; and home and community care programmes that support elderly people stay safely in their own homes.

### **Performance Measures**

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

- The degree to which Council implements policies, plans, programs, activities and procedures recommended by the Division;
- The degree to which the organisation achieves the objectives and targets set in its key climate change adaptation programs;
- The performance of St Martins and HACC programs against the independently assessed Commonwealth Accreditation, Validation and Certification standards;
- Financial management of all programs within the budgets set and to the standards required of the funding bodies, including Council itself;

## 2013/14 Budget Highlights

### 1. Income

- Income for St Martins has been budgeted to increase by \$691,839 or 10.2 per cent, to \$7,494,924. During 2012/13, particular management focus was on a review of Government funding and resident classifications. This was in response to changes in the funding instrument by the Department of Health and Ageing;
- Accommodation bond income for St Martins, from retentions and interest earned, is budgeted to be \$400,617 (\$845,285 in 2012/13). Accommodation bonds are decreasing due to the revised Department of Health and Ageing criteria and more residents being classified as high care where in prior years they would have been deemed low care and eligible for a bond, combined with expected interest rate decreases, and these factors are expected to reduce income by way of interest;
- All but \$138,080 or 18.9 per cent of the HACC operational budget is grant or client funded (\$73,613 or 11.1 per cent in 2012/13);
- HACC income is expected to be \$590,663, up marginally from \$590,532 budgeted in 2012/13. Cleaning services were restricted and therefore some drop-off in the level of client contributions impacted on actual income to date in 2012/13. 2013/14 will see a wider range of programs for clients, and the first 12 months impact of the new fee structure adopted by Council at the end of 2012;
- A component of the library budget is externally funded by the state government, and represents 14.7 per cent of the total operational budget of the library. This funding has been reduced by the State Government in 2013/14, with the amount budgeted \$10,328 or 2.5 per cent lower than that budgeted in 2012/13;
- Community development income is budgeted to decrease by \$21,400 or 17.2 per cent to \$103,000 due to a re-structuring of a State Government grant program. At this stage it is uncertain as to whether Council will be eligible for funding under this program for 2013/14;
- Income of \$25,000 has been budgeted for expected sponsorship for the Summer Festival events.

### Operational Expenditure

- Operational expenditure is budgeted to increase by \$1,032,428 or 8.0 per cent to \$13,900,680, incorporating:
  - An increase for St Martins of \$522,743 or 7.7 per cent to \$7,324,529;
  - An increase for all other areas of \$509,685 or 8.4 per cent to \$6,576,151;
- Employment expenses have increased by \$543,298 or 6.1 per cent, to \$9,441,701, incorporating:
  - An increase for St Martins of \$336,085 or 6.4 per cent to \$5,565,642;
  - An increase for all other areas of \$207,213 or 5.6 per cent to \$3,876,059;
- An operational surplus of \$170,395 has been budgeted for St Martins in 2013/14 (\$1,299 in 2012/13);
- An amount of \$132,342 has been budgeted for a new library computer system (known as the One Card System) comprising:
  - An initial subscription fee for the service of \$92,342; and
  - A one-off contractor allocation to maintain service levels of \$40,000;
- Continuation of an additional \$94,000 Council contribution for HACC is included in the 2013/14 budget (\$50,000 in the original budget for 2012/13) and includes:
  - Socialisation program; "Healthy Days" second community meal; "Cooking for Men" classes and bus trips to places of interest and entertainment venues for HACC eligible socially isolated residents;

- Gutter cleaning;
- Emergency and one-off cleaning;
- Hard waste assistance.
- Professional consultant fees have decreased by \$51,340 or 19.4 per cent to \$213,660, and include \$150,000 to fund Development Plan Amendments (DPA's);
- Community grants, sponsorships and contributions have increased by \$16,300 to \$160,300, and include funding for Inner West Business Enterprise Centre (IWBECC), and environmental awards;
- Talking Points has been budgeted at \$56,000 (\$50,000 in 2012/13);
- Advertising has been budgeted at \$109,300 (\$52,800 in 2012/13) and includes Messenger, DPA's and a web video;
- Partnership grants (Reedbeds, Camden and Western Youth) have been budgeted at a total of \$100,000, up \$10,000 or 11.1 per cent;
- Community development projects and programs have been budgeted at \$126,700 (partially offset by expected sponsorship income of \$25,000) and include:
  - Summer Festival (music, movies and markets in the park);
  - Community art and youth projects;
  - Community gardens;
  - Engagement through information - sessions for the community as a whole, and some specific topics for youth;
  - An allocation to research / implement social enterprise projects;
  - Disability and volunteer expos;
- \$75,000 has been allocated for the OPAL (Obesity Prevention and Lifestyle) program (with \$50,000 provided by the State Government and \$25,000 by Council as a required contribution).

### Staff Numbers

Staff numbers have moved as follows:

	<b>2012/13 Budget</b>	<b>2013/14 Budget</b>
<b>Permanent FTE's</b>	105.4	110.0
<b>Contract / Casual FTE's</b>	13.2	9.5

### Explanation of staffing movement:

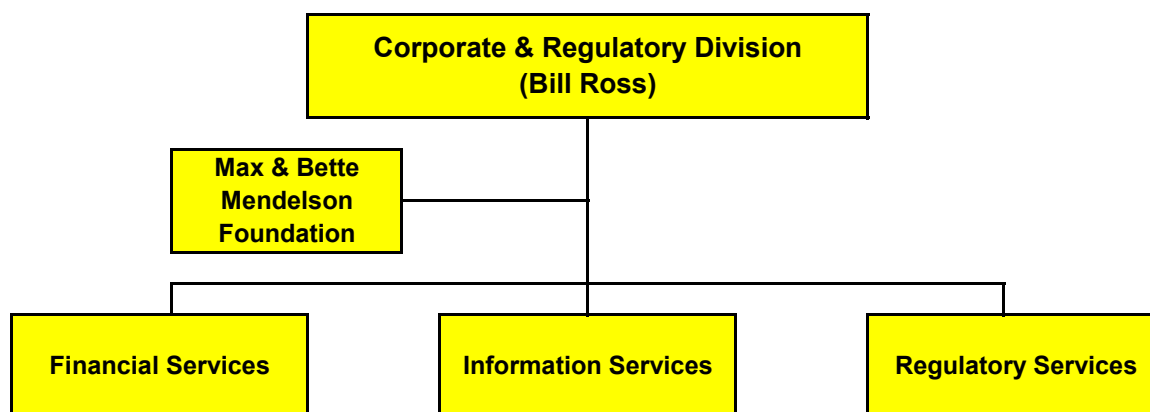
0.5 of an FTE has been transferred from City Development and an adjustment of 0.4 FTE has been made for staff dollars inadvertently missed for the 2012/13 budget



<b>BUDGET 2013/14</b> <b>STRATEGY &amp; COMMUNITY DIVISION</b> <b>OPERATIONAL EXPENDITURE &amp; INCOME</b>
--

2012/13 BUDGET		DESCRIPTION	2013/14 BUDGET	VARIATION TO	
ORIGINAL	REVISED			2012/13 ORIGINAL	
<b>Income</b>					
2,437,941	2,515,149	User Charges	7,559,349	5,121,408	210.1%
4,975,150	5,401,736	Grants & Subsidies	941,135	(4,034,015)	-81.1%
0	67	Reimbursements	1,500	1,500	N/A
625,285	465,917	Other Income	171,200	(454,085)	-72.6%
<b>8,038,376</b>	<b>8,382,869</b>	<b>Total Income</b>	<b>8,673,184</b>	<b>634,808</b>	<b>7.9%</b>
<i>Less</i>					
<b>Operational Expenditure</b>					
8,434,412	8,764,581	Staff Costs	8,940,289	505,877	6.0%
463,991	446,707	Staff Related Costs	501,412	37,421	8.1%
613,920	660,343	Buildings Furniture & Fittings	627,428	13,508	2.2%
96,560	99,268	Plant & Equipment	167,081	70,521	73.0%
121,730	121,730	Computer Expenditure	118,377	(3,353)	-2.8%
271,561	271,561	Community Assets	347,000	75,439	27.8%
1,850,371	2,018,992	General	2,020,369	169,998	9.2%
307,246	323,284	Bank & Finance	302,267	(4,979)	-1.6%
234,000	263,460	Council Expenditure	260,300	26,300	11.2%
154,000	164,000	Contract Expenditure	200,012	46,012	29.9%
36,000	36,000	Materials	32,850	(3,150)	-8.8%
284,461	311,275	Occupancy & Property	383,295	98,834	34.7%
<b>12,868,252</b>	<b>13,481,201</b>	<b>Total Operational Costs</b>	<b>13,900,680</b>	<b>1,032,428</b>	<b>8.0%</b>
<b>(4,829,876)</b>	<b>(5,098,332)</b>	<b>Operational Surplus/(Deficit)</b>	<b>(5,227,496)</b>	<b>(397,620)</b>	<b>8.2%</b>

## Corporate & Regulatory Division



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

The Corporate and Regulatory Division comprises the following:

- The Mendelson Foundation;
- Financial Services;
- Information Services;
- Regulatory Services;
- Waste.

## **Corporate and Regulatory Division 2013/14 Business Plan and Budget Statement**

### **Objective(s)**

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

### **Key Activities 2013/14**

Key activities include the following:

- Finance;
- Information technology (IT);
- Information management;
- Compliance and environmental health services;
- Waste management;
- Mendelson Foundation administration.

### **Performance Measures**

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

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

### **2013/14 Budget Highlights**

#### **1. Income**

- Parking and related fees are being reduced by \$84,600 or 12.9 per cent to \$570,400 over what was originally budgeted in 2012/13;
- Dog registration fees have been increased by \$15,700 or 8.5 per cent to \$200,700, reflecting revised charges endorsed by Council;
- Rates have been budgeted to increase by 4.5 per cent, based on the calculation that follows. This represents an increase in income from rates of \$2,289,991 over what was raised in 2012/13.

	\$
Rate Income 2012/13	39,510,009
Add Natural Growth at 1.25%	493,875
<b>Sub Total</b>	<b>40,003,884</b>
Add Rate Increase at 4.5%	1,796,116
<b>Total</b>	<b>41,800,000</b>

- Rate equivalent payments for Adelaide Airport have increased to \$3,940,000, based on growth of 1.25 per cent and a 4.5 per cent increase, as follows:

	\$
Net REP's in 2012/13	<b>3,723,879</b>
Add growth at 1.25%	46,548
Add increase at 4.5%	169,573
<b>Total</b>	<b>3,940,000</b>

- Income from investments has been reduced to \$250,000, based on cash flow projections (a reduction of \$150,000 or 37.5 per cent);
- Council's financial assistance grant is budgeted to increase by \$16,532 or 1.4 per cent to \$1,116,532 when compared to the original budget in 2012/13.

### Operational Expenditure

- An increase of \$10,000 or 0.3 per cent (from \$3,050,000 to \$3,060,000) has been budgeted for waste collection, which incorporates an estimated reduction of \$536,716 in the amount payable based on recently re-negotiated contract terms;
- The waste collection budget amount of \$3,060,000 includes allowance for the following:

	\$
Hard waste / mattress collection	310,000
Hazardous waste collection	25,000
E-waste collection	20,000
<b>Total</b>	<b>355,000</b>

- Waste to landfill costs have been increased by \$10,000 or 0.8 per cent to \$1,240,000, an amount that includes estimates of \$585,000 for the waste to landfill levy and \$187,200 for carbon pricing;
- An amount of \$74,861 has been budgeted to maintain Council's illegal dumping program;
- An amount of \$23,000 has been budgeted to continue recycling and transfer station dumping incentives for ratepayers;
- The budget for rate rebates and remissions totals \$716,000, an increase of \$86,000 or 13.7 per cent above the 2012/13 budget;
- Valuation charges of the Valuer-General have been budgeted at \$210,000 (\$200,000 in 2012/13);
- Bank and agency collection charges have been budgeted to decrease by \$10,000 to \$130,000 over what was budgeted in 2012/13;

- A one per cent early payment discount has not been budgeted in 2013/14 (\$92,000 in 2012/13);
- Expenditure on software has decreased by \$90,000 or 13.0 per cent to \$600,000, primarily due to the conclusion of a three year purchase arrangement for Microsoft licences;
- Computer leasing costs continue to decrease in line with the cost of hardware and the impact of virtualising desktop computers, the decline being \$20,000 or 6.25 per cent to \$300,000.

### Staff Numbers

Staff numbers have moved as follows:

	<b>2012/13 Budget</b>	<b>2013/14 Budget</b>
<b>Permanent FTE's</b>	39.9	40.2
<b>Contract / Casual FTE's</b>	0.4	0.2

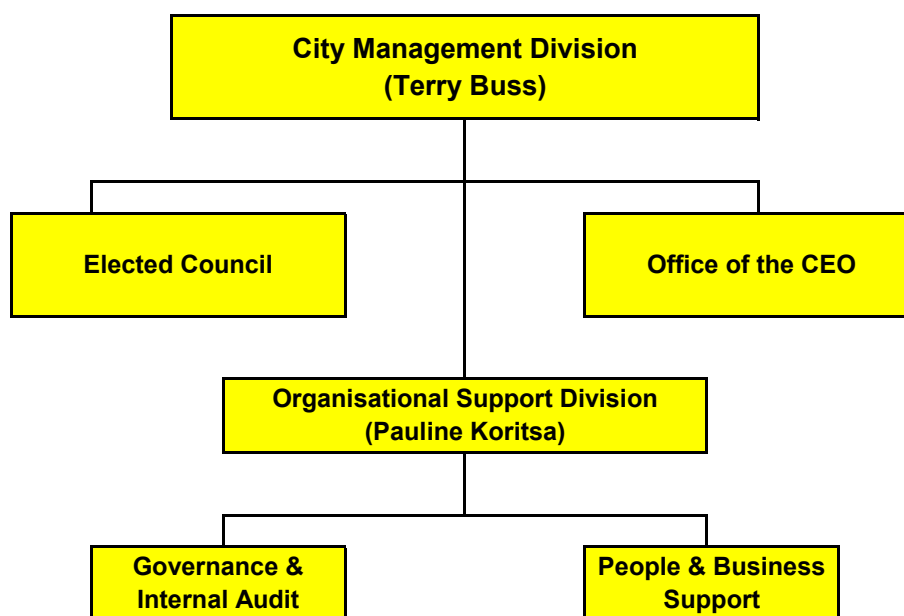
### Explanation of staffing movement:

Permanent FTE's have been increased by 0.3 because waste administration support previously delivered by a Marion Council employee has been insourced, but this increase is largely offset by a 0.2 reduction of casual / contract FTE's in Regulatory Services.

<b>BUDGET 2013/14</b> <b>CORPORATE &amp; REGULATORY DIVISION</b> <b>OPERATIONAL EXPENDITURE &amp; INCOME</b>
--

2012/13 BUDGET		DESCRIPTION	2013/14 BUDGET	VARIATION TO 2012/13 ORIGINAL	
ORIGINAL	REVISED			BUDGET	2012/13 ORIGINAL
<b>Income</b>					
44,145,278	44,321,657	Rates	47,024,422	2,879,144	6.5%
938,420	849,420	Statutory Charges	857,630	(80,790)	-8.6%
82,609	74,609	User Charges	76,166	(6,443)	-7.8%
1,202,600	557,321	Grants & Subsidies	1,222,222	19,622	1.6%
2,000	2,000	Reimbursements	1,000	(1,000)	-50.0%
919,000	899,641	Other Income	772,750	(146,250)	-15.9%
<b>47,289,907</b>	<b>46,704,648</b>	<b>Total Income</b>	<b>49,954,190</b>	<b>2,664,283</b>	<b>5.6%</b>
<i>Less</i>					
<b>Operational Expenditure</b>					
3,508,726	3,398,191	Staff Costs	3,643,849	135,123	3.9%
269,430	265,674	Staff Related Costs	269,527	97	0.0%
37,600	37,600	Buildings Furniture & Fittings	30,290	(7,310)	-19.4%
81,950	77,450	Plant & Equipment	108,044	26,094	31.8%
1,154,200	1,187,800	Computer Expenditure	1,014,576	(139,624)	-12.1%
623,299	652,635	General	573,797	(49,502)	-7.9%
166,151	156,161	Bank & Finance	143,846	(22,305)	-13.4%
2,140,016	2,185,085	Council Expenditure	2,202,838	62,822	2.9%
4,405,000	4,294,310	Contract Expenditure	4,507,565	102,565	2.3%
31,577	31,577	Occupancy & Property	46,473	14,896	47.2%
<b>12,417,949</b>	<b>12,286,483</b>	<b>Total Operational Costs</b>	<b>12,540,805</b>	<b>122,856</b>	<b>1.0%</b>
<b>34,871,958</b>	<b>34,418,165</b>	<b>Operational Surplus/(Deficit)</b>	<b>37,413,385</b>	<b>2,541,427</b>	<b>7.3%</b>

## City Management and Organisational Support Divisions



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

The City Management Division comprises the following:

- Elected Council;
- Office of the Chief Executive Officer.

The Organisational Support Division is responsible for the delivery of a range of corporate support responsibilities, including the provision of services and resources in governance, internal audit, risk management, procurement, people management and occupational health, safety and welfare.

- Governance and Internal Audit;
- People and Business Support.

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## **City Management and Organisational Support Divisions 2013/14 Business Plan and Budget Statement**

### **Objective(s)**

The objectives of the Elected Council, the Office of the Chief Executive Officer (CEO) and the Organisational Support Division are to:

- Make responsible and informed decisions in the interests of the community;
- Manage Council operations and the provision of public services and facilities;
- Exercise, perform and discharge the powers, functions and duties of local government under the Local Government Act and other related legislation;
- Represent the interests of the West Torrens' community;
- Encourage and develop community initiatives in order to improve the quality of life for residents;
- Achieve excellence in people management and customer service;
- Achieve excellence in governance, internal audit, risk management and procurement.

### **Key Activities 2013/14**

Key activities include the following:

- Office of the CEO;
- Business of the Elected Council;
- People and business support;
- Governance;
- Procurement;
- Risk management;
- Customer service;
- Insurance management;
- Internal audit.

### **Performance Measures**

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

- Compliance with the requirements of the Local Government Act 1999;
- Observance of Council policy, including Council's Code of Conduct;
- Evidence of the Council working within a strategic planning framework;
- Proper discharge of powers, functions and duties under the Local Government Act and related legislation;
- Evidence of timely and responsible decision making;
- Evidence of open, responsible and accountable government;
- Evidence that the assets and resources of the Council are properly managed and maintained;
- Attendance at Council meetings, workshops and community forums;
- Active representation of community interests;
- Positive feedback from the community;
- Positive media;
- Responsible management of Council services to the community;



- Unqualified audit report;
- Evidence of steps being taken in relation to sustainable development and the protection of the environment;
- Effective internal audit programs are delivered;
- Full and timely compliance occurs with freedom of information requirements;
- Organisational and strategic risks are effectively managed;
- Effective human resource management practices are delivered.

## 2013/14 Budget Highlights

### 1. Income

- Income is budgeted to decline by \$7,326 or 18.6 per cent to \$32,155, reflecting an expected fall in reimbursement income and an end to trainee subsidies.

### 2. Operational Expenditure

- Operational expenditure is budgeted to increase by \$82,597 or 2.1 per cent to \$3,954,707;
- Professional fees have fallen by \$36,565 or 9.5 per cent to \$348,600, an amount that includes:
  - Legal advice for all Council areas including planning of \$200,000;
  - Human resource related advice and support of \$53,000 which covers recruitment, pre-employment medicals and police clearances, employee assistance and industrial advice;
  - An amount of \$80,000 for internal auditing and development of the National Emergency Risk Assessment Guidelines (NERAG) compliant City of West Torrens' Emergency Management Plan.
- Donations, awards and contributions include \$15,000 for Mendelson Foundation scholarships;
- Allowances for elected and Audit Committee members of \$400,929 have been budgeted, based on allowances adopted by Council and increases anticipated in November 2013 (\$405,560 in 2012/13);
- Annual subscription payments to the LGA, Australian Mayoral Aviation Council (AMAC) and the Murray Darling Association totalling \$80,000 have been budgeted, an increase of \$1,000 or 1.3 per cent.
- Corporate training and development costs are substantially unchanged at \$62,125, with the planned focus in 2013/14 on training associated with the rollout of Windows 8 and Office 2010, fair treatment, leadership development and customer service;

### Staff Numbers

Staff numbers have moved as follows:

	<b>2012/13 Budget</b>	<b>2013/14 Budget</b>
<b>Permanent FTE's</b>	23.5	22.6
<b>Contract / Casual FTE's</b>	0.7	0.7

**Explanation of staffing movement:**

A new procurement position has been budgeted (1.0 FTE), but this is offset by:

- A trainee position not being budgeted (1.0 FTE);
- The internal audit position being reduced to 0.5 FTE from October 2013, with external auditors to be used in lieu;
- A reduction of 0.5 FTE to the Elected Council budget.

The net effect is a reduction of 0.9 FTE.

<b>BUDGET 2013/14</b> <b>CITY MANAGEMENT &amp; ORGANISATIONAL SUPPORT DIVISIONS</b> <b>OPERATIONAL EXPENDITURE &amp; INCOME</b>
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2012/13 BUDGET ORIGINAL	REVISED	DESCRIPTION	2013/14 BUDGET	VARIATION TO 2012/13 ORIGINAL	
<b>Income</b>					
1,600	1,600	Statutory Charges	0	(1,600)	-100.0%
22,481	21,187	User Charges	23,155	674	3.0%
0	4,000	Grants & Subsidies	0	0	N/A
13,000	14,106	Reimbursements	9,000	(4,000)	-30.8%
2,400	0	Other Income	0	(2,400)	-100.0%
<b>39,481</b>	<b>40,893</b>	<b>Total Income</b>	<b>32,155</b>	<b>(7,326)</b>	<b>-18.6%</b>
<i>Less</i>					
<b>Operational Expenditure</b>					
2,153,541	2,133,541	Staff Costs	2,249,081	95,540	4.4%
301,865	282,536	Staff Related Costs	306,000	4,135	1.4%
18,700	18,700	Buildings Furniture & Fittings	15,267	(3,433)	-18.4%
35,380	35,380	Plant & Equipment	43,447	8,067	22.8%
2,200	2,200	Computer Expenditure	1,374	(826)	-37.5%
893,457	927,956	General	857,132	(36,325)	-4.1%
7,000	7,000	Bank & Finance	7,000	0	0.0%
434,560	434,560	Council Expenditure	439,929	5,369	1.2%
25,407	25,407	Occupancy & Property	35,476	10,069	39.6%
<b>3,872,110</b>	<b>3,867,280</b>	<b>Total Operational Costs</b>	<b>3,954,707</b>	<b>82,597</b>	<b>2.1%</b>
<b>(3,832,629)</b>	<b>(3,826,387)</b>	<b>Operational Surplus/(Deficit)</b>	<b>(3,922,552)</b>	<b>(89,923)</b>	<b>2.3%</b>



**Rating**

## Introduction

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

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

## Rate in the Dollar

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

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

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

## The Amount of Rates Levied

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

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

Example 1 - Residential (based on previous year data)

Capital Value = \$400,000  
 Rate in the Dollar = 0.00245109  
 Minimum Rate = \$760.00  
 Rates = Capital Value \* Rate in the Dollar

Rates = \$400,000 \* 0.00245109  
 = \$980.40

As this amount is greater than the minimum rate, the rate applied by Council remains at \$980.40.

Example 2 - Residential with an Adjustment for the Minimum Rate

Capital Value = \$200,000  
 Rate in the Dollar = 0.00245109  
 Minimum Rate = \$760.00  
 Rates = Capital Value \* Rate in the Dollar

Rates = \$200,000 \* 0.00245109  
 = \$490.20

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This is below the minimum rate (of \$760.00) and must therefore be adjusted:

$$\begin{aligned}\text{Rates} &= \$490.20 + \text{Adjustment} \\ &= \$490.20 + \$269.80 \\ &= \$760.00\end{aligned}$$

The rates are adjusted up by \$269.80 and set by Council at the minimum rate of \$760.00.

Council set the minimum rate on 28 per cent of all residential properties in 2012/13 and all were valued at less than \$310,066.

### Rating Principles

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

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

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

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

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

### Alternative Options

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

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

## Capital Versus Site Valuation

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

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

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

How might this work in practice?

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

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

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

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

Which is the fairer valuation system?

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

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



## Differential Rating

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

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

A significant majority of South Australian councils use differential rates.

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

Land Use	Budgeted Income 2012/13	Budgeted Income 2013/14
Residential	\$25.75 million	\$27.23 million
Non-residential	\$13.78 million	\$14.57 million

In 2012/13 West Torrens Council had the third highest differential between residential and commercial / industrial properties in the metropolitan area, as follows:

Council	Commercial	Industrial
Playford	6.9	6.9
Charles Sturt	3.0	3.6
<b>West Torrens</b>	<b>2.2</b>	<b>2.2</b>
Pt Adelaide Enfield	2.1	2.1
Prospect	1.9	1.9
Marion	1.9	1.7
Unley	1.8	1.8
Mitcham	1.8	1.8
Walkerville	1.5	1.5
Holdfast Bay	1.5	1.5
Salisbury	1.4	1.4
Onkaparinga	1.3	1.3
Norwood, Payneham	1.2	1.2
Tea Tree Gully	1.2	1.2
Adelaide Hills	1.2	1.2
Burnside	1.0	1.0
Campbelltown	1.0	1.0
<b>Average</b>	<b>1.8</b>	<b>1.8</b>

Source: LGA Survey

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

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

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

A higher differential rate on vacant land discourages withholding land from development.

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

### **Without a Minimum Rate**

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

The City of West Torrens has one of the lowest minimum rates in metropolitan Adelaide and it would be difficult to justify its removal. 95 per cent of minimum rated properties are flats or units, and a majority, possibly up to 80 per cent, are not owner-occupied. Only 7 per cent of minimum rated properties involve a pensioner concession, which is below the all property average of 24 per cent.

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

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

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

### **Fixed Charge**

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

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

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

### Service Rate or Charge

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

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

### Rate Capping

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

Capping has its limitations, but can be used to moderate irregular rate increases brought about by irregular valuation movements. Initial valuations provided for 2013 by the Valuer-General indicate residential property value movements within the West Torrens Council area are as follows:

Suburb	No. of Assessments	Average CV	Reduction \$	Reduction %
Mile End South	12	334,167	-4,583	-1.4%
Glandore	501	452,246	-5,990	-1.3%
Mile End	1,925	426,312	-5,446	-1.3%
Torrensville	1,723	422,057	-3,509	-0.8%
North Plympton	1,254	380,288	-2,109	-0.6%
Plympton	2,186	351,573	-483	-0.1%
Richmond	1,394	368,564	-366	-0.1%
Ashford	447	405,463	923	0.2%
Underdale	999	426,536	2,744	0.6%
Novar Gardens	874	487,838	3,800	0.8%
West Beach	735	495,426	6,374	1.3%
Marleston	776	350,726	6,459	1.9%
Fulham	1,125	476,476	10,543	2.3%
Hilton	369	389,206	9,864	2.6%
Camden Park	1,453	345,934	9,043	2.7%

Glenelg North	416	441,774	11,661	2.7%
West Richmond	420	348,236	9,442	2.8%
Lockleys	2,232	507,445	13,802	2.8%
Cowandilla	534	384,822	10,764	2.9%
Brooklyn Park	1,969	373,512	10,609	2.9%
Keswick	334	346,955	10,610	3.2%
Netley	742	376,685	11,956	3.3%
Kurrallta Park	1,255	347,107	11,368	3.4%
Thebarton	653	376,807	15,343	4.2%
<b>Total</b>	<b>24,328</b>	<b>405,730</b>	<b>5,006</b>	<b>1.2%</b>

Valuations increased by 1.2 per cent on average in 2013, ranging from an increase of 4.2 per cent in Thebarton to a reduction of 1.4 per cent in Mile End South. Movements in prior years ranged from:

- Reductions of 3.2 per cent in Ashford to 7.0 per cent in West Richmond (2012); and
- Increases of 10.2 per cent in Keswick to 1.2 per cent in Mile End South (2011);
- Increases of 16.4 per cent in Glandore to 2.7 per cent in Netley (2010).

Valuation volatility was clearly much greater in 2010 and 2011 than in each of the last two years.

Capping makes the tax system more complex and less understandable for ratepayers, and this has some effect on the *simplicity* principle. Rate capping has not enjoyed much favour in past years, probably because of the way it compromises the rating process and it is not proposed in 2013/14.

### Postponement of Rates for Seniors

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

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

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

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

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## Rate Rebates and Remissions

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

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

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

- Discretionary rebates, in particular what is taken into account in determining applications and rebate amounts;
- The approach taken in deciding vacant land rebates, including rebate amounts;
- Rate remissions available when Council is satisfied on the application of a ratepayer that payment would cause hardship;
- The approach taken in deciding mandatory rebates, including increases from 75 per cent to 100 per cent of the rates payable; and
- How to go about applying for a rebate or remission.

## Proposed Rate Model

The proposed rate model for 2013/14 is shown on the page following.

Rating

Model

**Summary Financial Statements**

**City Of West Torrens**  
**BUDGETED BALANCE SHEET**  
as at 30 June 2014

	Original Budget 2012/13 \$'000	Original Budget 2013/14 \$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	7,666	5,121
Trade and other receivables	3,379	2,760
Other financial assets	913	907
Inventories	11	11
	<u>11,970</u>	<u>8,799</u>
Non-current assets held for sale	-	-
<b>Total Current Assets</b>	<u>11,970</u>	<u>8,799</u>
<b>Non-Current Assets</b>		
Financial assets	15	7
Infrastructure, property, plant and equipment	566,709	578,076
Other non-current assets - work in progress	3,108	3,507
<b>Total Non-Current Assets</b>	<u>569,832</u>	<u>581,590</u>
<b>Total Assets</b>	<u>581,801</u>	<u>590,389</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	7,668	5,814
Borrowings	1,575	1,912
Provisions	1,993	2,209
Aged care facility deposits	22,582	19,622
Other current liabilities - WRWMA	-	-
<b>Total Current Liabilities</b>	<u>33,819</u>	<u>29,557</u>
<b>Non-Current Liabilities</b>		
Borrowings	10,730	14,930
Provisions	322	273
<b>Total Non-Current Liabilities</b>	<u>11,052</u>	<u>15,203</u>
<b>Total Liabilities</b>	<u>44,871</u>	<u>44,760</u>
<b>NET ASSETS</b>	<u>536,930</u>	<u>545,629</u>
<b>EQUITY</b>		
Accumulated Surplus	36,204	39,353
Asset Revaluation Reserve	500,089	501,150
Other Reserves	636	5,126
<b>TOTAL EQUITY</b>	<u>536,930</u>	<u>545,629</u>



## City Of West Torrens

### BUDGETED STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2014

	Original Budget 2012/13 \$'000	<b>Original Budget 2013/14 \$'000</b>
<b>INCOME</b>		
Rates	43,525	<b>46,403</b>
Statutory charges	1,490	<b>1,498</b>
User charges	3,589	<b>8,499</b>
Grants, subsidies and contributions	7,222	<b>3,208</b>
Investment income	1,025	<b>421</b>
Reimbursements	128	<b>219</b>
Other income	419	<b>428</b>
<b>Total Income</b>	<b>57,398</b>	<b>60,676</b>
<b>EXPENSES</b>		
Employee costs	23,785	<b>24,771</b>
Materials, contracts and other expenses	18,269	<b>19,324</b>
Depreciation, amortisation and impairment	9,741	<b>10,125</b>
Finance costs	768	<b>955</b>
<b>Total Expenses</b>	<b>52,564</b>	<b>55,175</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>4,834</b>	<b>5,501</b>
Asset disposal and fair value adjustments	-	-
Amounts received specifically for new / upgraded assets	-	-
Physical resources received free of charge	-	-
<b>NET SURPLUS / (DEFICIT)</b>	<b>4,834</b>	<b>5,501</b>
transferred to Equity Statement		
Other Comprehensive Income	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,834</b>	<b>5,501</b>

## City Of West Torrens

**BUDGETED CASH FLOW STATEMENT**  
for the year ended 30 June 2014

	Original Budget 2012/13 \$'000	<b>Original Budget 2013/14 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<u>Receipts</u>		
Operating receipts	56,373	<b>60,254</b>
Investment receipts	1,025	<b>421</b>
<u>Payments</u>		
Operating payments to suppliers and employees	(41,937)	<b>(43,961)</b>
Finance payments	(768)	<b>(957)</b>
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>14,693</b>	<b>15,758</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Receipts</u>		
Amounts specifically for new or upgraded assets	-	-
Sale of replaced assets	985	<b>992</b>
Sale of surplus assets	-	<b>750</b>
Repayments of loans by community groups	7	<b>7</b>
<u>Payments</u>		
Expenditure on renewal / replacement of assets	(10,017)	<b>(10,737)</b>
Expenditure on new / upgraded assets	(6,301)	<b>(7,530)</b>
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(15,324)</b>	<b>(16,517)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<u>Receipts</u>		
Proceeds from borrowings	2,250	<b>1,714</b>
Proceeds from aged care facility deposits	2,500	<b>1,500</b>
<u>Payments</u>		
Repayments of borrowings	(1,476)	<b>(1,794)</b>
Repayment of aged care facility deposits	(2,000)	<b>(3,000)</b>
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>1,274</b>	<b>(1,580)</b>
<b>Net Increase (Decrease) in cash held</b>	<b>642</b>	<b>(2,339)</b>
Cash and cash equivalents at beginning of period	7,025	<b>7,460</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,667</b>	<b>5,121</b>

## City Of West Torrens

### BUDGETED STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2014

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
	\$'000	\$'000	\$'000	\$'000
<b><u>Original Budget 2012/13</u></b>				
Balance at end of previous reporting period	26,090	500,089	5,916	532,096
<b>Net Surplus / (Deficit) for Year</b>	4,834			4,834
<b>Other Comprehensive Income</b>				
Transfers between reserves	5,280		(5,280)	-
<b>Balance at end of period</b>	<b>36,204</b>	<b>500,089</b>	<b>636</b>	<b>536,930</b>
<b><u>Revised Budget</u></b>				
Balance at end of previous reporting period	19,296	501,150	13,526	533,972
<b>Net Surplus / (Deficit) for Year</b>	6,157			6,157
<b>Other Comprehensive Income</b>				
Transfers between reserves	7,505		(7,505)	-
<b>Balance at end of period</b>	<b>32,958</b>	<b>501,150</b>	<b>6,022</b>	<b>540,130</b>
<b><u>Original Budget 2013/14</u></b>				
Balance at end of previous reporting period	32,957	501,150	6,022	540,129
<b>Net Surplus / (Deficit) for Year</b>	5,501			5,501
<b>Other Comprehensive Income</b>				
Transfers between reserves	895		(895)	-
<b>Balance at end of period</b>	<b>39,353</b>	<b>501,150</b>	<b>5,126</b>	<b>545,629</b>

## City Of West Torrens

### BUDGETED FINANCIAL INDICATORS for the year ended 30 June 2014

	Original Budget 2012/13	<b>Original Budget 2013/14</b>
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These financial indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

#### **Operating Surplus Ratio**

<u>Operating surplus</u>	11%	<b>12%</b>
Rates - general and other less NRM levy		

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

#### **Net Financial Liabilities Ratio**

<u>Net financial liabilities</u>	58%	<b>60%</b>
Total operating revenue less NRM levy		

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

#### **Asset Sustainability Ratio**

<u>Net asset renewals</u>	100%	<b>103%</b>
Depreciation expense		

*Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.*

## City Of West Torrens

### BUDGETED UNIFORM PRESENTATION OF FINANCES for the year ended 30 June 2014

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified uniform presentation framework basis.

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

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

	Original Budget 2012/13 \$'000	<b>Original Budget 2013/14 \$'000</b>
Income	57,398	<b>60,676</b>
<i>less</i> Expenses	52,564	<b>55,175</b>
<b>Operating Surplus / (Deficit)</b>	<u>4,834</u>	<u><b>5,501</b></u>
<b><i>less</i> Net Outlays on Existing Assets</b>		
Capital expenditure on renew / replacement of existing assets	10,731	<b>11,466</b>
<i>less</i> Depreciation, amortisation and impairment	9,741	<b>10,125</b>
<i>less</i> Proceeds from sale of replaced assets	985	<b>992</b>
	<u>5</u>	<u><b>349</b></u>
<b><i>less</i> Net Outlays on New and Upgraded Assets</b>		
Capital expenditure on new and upgraded assets	6,797	<b>7,901</b>
<i>less</i> Amounts received specifically for new / upgraded assets	-	-
<i>less</i> Proceeds from sale of surplus assets	-	<b>750</b>
	<u>6,797</u>	<u><b>7,151</b></u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u><b>(1,968)</b></u>	<u><b>(1,999)</b></u>



**Ten Year Financial Plan**





**CITY OF WEST TORRENS  
FORWARD ESTIMATES FOR 10 YEARS TO 2021/22  
KEY ASSUMPTIONS**

2-May-13

<b>Income</b>			<b>Expenditure - Operational &amp; Maintenance</b>		
Rate Increase 2013/14	4.5%	+ growth	Wages Growth - St Martins	4.1%	Based on expectation - 2013/14
REP Increase 2013/14	4.5%	Valuations expected to impact	Wages Growth - Other	3.5%	Based on expectation incl lean impacts- 2013/14
Rate Growth - 2013/14	1.25%		Wages Growth - St Martins	4.0%	Based on expectation - 2014/15
REP Growth - 2013/14	1.25%		Wages Growth - Other	4.0%	Based on expectation - 2014/15
Rate Increases 2014/15	4.1%	+ growth in all years	Wages Growth - St Martins	4.5%	Based on expectation - 2015/16
Rate Growth - All Other Year:	1.3%		Wages Growth - Other	4.5%	Based on expectation - 2015/16
REP Increases 2014/15	4.1%	Same as rate increases	Waste Contract - Solo	3.5%	Fuel impact + extra services
Rate Equivalent Growth	1.0%	Cumulative increase	Waste Disposal 2014/15	5.5%	Allowance for solid waste levy
Rate Increases from 2015/16	4.5%	+ growth in all years	Waste Disposal Otherwise	5.5%	Allowance for modest levy increases
Revenue Growth - Parking	2.5%		Contract Works	5.0%	
Revenue Growth - Animals	2.5%		Works Materials	3.0%	
Revenue Growth - Dev Apps	2.5%		Other Finance Charges	3.0%	Banks + more activity
Revenue Growth - Waste	3.0%		Depreciation - Buildings	3.25%	Allowance for new assets
W/Comp Refund	1.5%		Depreciation - Infrastructure	3.1%	Allowance made for new assets
Revenue Growth - Other	2.5%	Other - cumulative increase	Depreciation Other	2.5%	
NRM Levy from 2014/15	2.5%		Plant Costs	2.5%	
Roads to Recovery	-	Funding to Continue for Next 10 Years	Computer Expenses	2.5%	
			Computer Licensing	2.5%	
			General Insurance Premium	7.0%	Based on historical data
			Professional Fees	2.5%	
			Street Lighting	4.5%	
			Property Costs	10.0%	Water and power pressures
			Other Operating Costs	2.5%	
<b>Capital Expenditure</b>			<b>Sundry</b>		
Plant, Furniture & Equip	2.5%	Cumulative increase		\$m	
Building Expenditure	-	Based on asset management plan	Asset Sales	8.296	- \$8,296,000 in 2014/15
Hub Development	-	\$4.5m in 2014/15, \$2.0m in 2015/16 and \$4.5m in 2016/17		1.500	- \$1,500,000 in 2015/16
Building Escallation	2.5%	Cumulative increase thereafter		0.000	- Thereafter
					- All proceeds to fund expenditure on hub developments
			Debenture Loan Interest Rates	5.25%	From 2013/14
				5.75%	From 2018/19
<b>Capital Works Expenditure</b>					
Brown Hill / Keswick Drnge	-	Based on 49% of 50% of the cost split over 15 years			
Brown Hill / Keswick Drnge	3.5%	Cumulative increase			
Road Reseal / Maintenance	-	To match AM Plan over 10 years			
Footpath Constn / Recon	-	To match AM Plan over 10 years			
Kerb & Gutter	-	To match AM Plan over 10 years			
Grant Funded Works	-	Indexed to match grant income			
Grant / Rate Funded Works	2.5%	Cumulative increase			
Drainage Loan	-	\$2.0 million pa from 2014/15 indexed			
Drainage Loan Increase	2.5%	Cumulative increase			
Local Drainage Works	-	\$600,000 from 2013/14 indexed			



**CITY OF WEST TORRENS**  
**SUMMARY - ACTUAL & PROJECTED**  
**FORWARD ESTIMATES FOR THE 10 YEARS TO 2022/23**

2-May-13

ACTIVITIES	NOTE	BUDGET 2012/13		BUDGET 2013/14		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
		ORIGINAL	REVISED	ORIGINAL	REVISED	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>OPERATING</b>														
Receipts	1	57,398,140	60,385,273	60,675,587	60,675,587	63,596,115	66,756,511	70,088,226	73,600,927	77,304,841	81,210,778	85,411,335	89,756,283	94,342,615
Payments	2	42,355,095	43,680,740	44,567,643	44,567,643	46,238,485	48,315,448	50,474,390	52,737,234	55,127,929	57,685,820	60,377,169	63,182,614	66,114,451
<b>Net Operating</b>		<b>15,043,045</b>	<b>16,704,534</b>	<b>16,107,944</b>	<b>16,107,944</b>	<b>17,357,630</b>	<b>18,441,063</b>	<b>19,613,836</b>	<b>20,863,693</b>	<b>22,176,911</b>	<b>23,524,958</b>	<b>25,034,166</b>	<b>26,573,669</b>	<b>28,228,164</b>
<b>FINANCING</b>														
Principal Receipts - Loan		0	4,721,455	0	0	4,441,382	4,551,785	4,665,601	4,782,945	4,903,938	5,028,700	5,157,361	5,290,052	5,426,908
Principal Receipts - Overdraft		0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Payments		1,475,578	1,580,575	1,793,849	1,793,849	1,912,223	2,239,415	2,483,453	2,360,065	1,953,214	1,768,527	2,087,519	2,430,608	2,425,028
<b>Net Financing</b>		<b>-1,475,578</b>	<b>3,140,880</b>	<b>-1,793,849</b>	<b>-1,793,848</b>	<b>2,529,159</b>	<b>2,312,370</b>	<b>2,182,148</b>	<b>2,422,880</b>	<b>2,950,724</b>	<b>3,260,174</b>	<b>3,069,843</b>	<b>2,859,444</b>	<b>3,001,880</b>
<b>OTHER</b>														
Asset Sales		0	2,433,395	750,000	750,000	8,296,000	1,500,000	0	0	0	0	0	0	0
Receipts - Other		2,507,455	2,507,455	1,507,455	1,507,455	1,757,455	2,007,455	2,257,455	2,507,455	2,757,455	3,007,455	3,257,455	3,507,455	3,757,455
Capital Expenditure	3	20,384,316	27,818,596	17,274,392	17,274,392	23,578,110	22,009,528	25,519,748	22,342,519	24,361,191	25,687,895	27,205,611	28,778,987	30,495,399
Net Unspent Funds		0	8,000,000	0	0	-3,000,000	0	3,000,000	0	0	0	0	0	0
Payments - Other		2,350,000	3,350,437	7,350,000	7,350,000	2,364,350	2,379,288	2,644,839	2,911,028	3,177,880	3,445,423	3,713,685	3,982,696	4,252,487
<b>Net Other</b>		<b>-20,226,861</b>	<b>-18,228,183</b>	<b>-22,366,937</b>	<b>-22,366,937</b>	<b>-18,889,005</b>	<b>-20,881,361</b>	<b>-22,907,132</b>	<b>-22,746,091</b>	<b>-24,781,616</b>	<b>-26,125,862</b>	<b>-27,661,842</b>	<b>-29,254,228</b>	<b>-30,990,431</b>
<b>NET INCREASE/(DECREASE)</b>														
<b>IN CASH</b>		<b>-6,659,394</b>	<b>1,617,230</b>	<b>-8,052,841</b>	<b>-8,052,841</b>	<b>997,783</b>	<b>-127,928</b>	<b>-1,111,149</b>	<b>540,482</b>	<b>346,019</b>	<b>659,270</b>	<b>442,167</b>	<b>178,885</b>	<b>239,613</b>
<i>Add</i>														
<b>OPENING CASH</b>		10,838,685	11,820,308	13,437,538	13,437,538	5,384,697	6,382,480	6,254,552	5,143,403	5,683,886	6,029,905	6,689,174	7,131,342	7,310,227
<b>CLOSING CASH</b>		<b>4,179,291</b>	<b>13,437,538</b>	<b>5,384,697</b>	<b>5,384,697</b>	<b>6,382,480</b>	<b>6,254,552</b>	<b>5,143,403</b>	<b>5,683,886</b>	<b>6,029,905</b>	<b>6,689,174</b>	<b>7,131,342</b>	<b>7,310,227</b>	<b>7,549,839</b>
<b>CASH RESERVES:</b>														
Committed		39,442,165	41,991,140	35,709,116	35,709,116	36,671,417	36,593,796	35,522,474	35,957,681	36,399,656	36,848,647	37,304,909	37,768,709	38,240,322
Less Used		35,319,303	28,567,441	30,361,441	30,361,441	30,281,442	30,281,442	30,281,442	30,281,442	30,281,442	30,281,442	30,281,442	30,281,442	30,281,442
<b>Net Cash Reserves</b>		<b>4,122,861</b>	<b>13,423,699</b>	<b>5,347,675</b>	<b>5,347,675</b>	<b>6,389,975</b>	<b>6,312,354</b>	<b>5,241,032</b>	<b>5,676,239</b>	<b>6,118,214</b>	<b>6,567,205</b>	<b>7,023,467</b>	<b>7,487,267</b>	<b>7,958,880</b>
<b>SURPLUS/(DEFICIT)</b>		<b>56,429</b>	<b>13,840</b>	<b>37,023</b>	<b>37,023</b>	<b>-7,495</b>	<b>-57,802</b>	<b>-97,628</b>	<b>7,647</b>	<b>-88,309</b>	<b>121,970</b>	<b>107,875</b>	<b>-177,040</b>	<b>-409,041</b>



**NOTE 1**  
**CITY OF WEST TORRENS**  
**REVENUE PROJECTIONS**  
**FORWARD ESTIMATES FOR THE 10 YEARS TO 2022/23**

2-May-13

DESCRIPTION	BUDGET 2012/13		BUDGET 2013/14		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
	ORIGINAL	REVISED	ORIGINAL	REVISED	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Rates</b>													
Rate Revenue	39,975,278	39,953,758	42,463,422	42,463,422	44,837,117	47,414,931	50,142,509	53,028,595	56,082,439	59,313,836	62,733,153	66,351,362	70,180,079
Rate Equivalent Payments	3,550,000	3,723,879	3,940,000	3,940,000	4,142,555	4,372,260	4,614,702	4,870,587	5,140,661	5,425,711	5,726,567	6,044,105	6,379,250
<b>Statutory Charges</b>													
Development Act Fees	550,000	530,000	550,000	550,000	563,750	577,844	592,290	607,097	622,275	637,831	653,777	670,122	686,875
Parking Fines	666,600	571,600	579,300	579,300	593,783	608,627	623,843	639,439	655,425	671,810	688,606	705,821	723,466
Dog Fees & Fines	220,000	220,000	224,300	224,300	229,908	235,655	241,547	247,585	253,775	260,119	266,622	273,288	280,120
Other	53,420	59,420	144,030	144,030	147,631	151,322	155,105	158,982	162,957	167,031	171,206	175,487	179,874
<b>User Charges</b>													
St Martins - ACFI	4,006,000	4,374,318	4,861,657	4,861,657	4,983,198	5,107,778	5,235,473	5,366,360	5,500,519	5,638,032	5,778,982	5,923,457	6,071,543
St Martins - Other	2,169,800	2,282,582	2,462,067	2,462,067	2,523,619	2,586,709	2,651,377	2,717,661	2,785,603	2,855,243	2,926,624	2,999,790	3,074,784
Waste Income	335,664	255,664	228,820	228,820	235,685	242,755	250,038	257,539	265,265	273,223	281,420	289,862	298,558
Other	1,083,404	1,049,660	946,315	946,315	969,973	994,222	1,019,078	1,044,555	1,070,669	1,097,435	1,124,871	1,152,993	1,181,818
<b>Grants &amp; Subsidies</b>													
FA Grant	1,150,000	516,621	1,166,532	1,166,532	1,195,695	1,225,588	1,256,227	1,287,633	1,319,824	1,352,819	1,386,640	1,421,306	1,456,839
UL Road Grants	570,000	223,273	570,000	570,000	584,250	598,856	613,828	629,173	644,903	661,025	677,551	694,490	711,852
Special Road Funding	0	1,006,103	0	0	0	0	0	0	0	0	0	0	0
Roads to Recovery	438,839	438,839	438,839	438,839	438,839	438,839	438,839	438,839	438,839	438,839	520,000	520,000	520,000
Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0
Home Assist	439,532	471,930	465,663	465,663	477,305	489,237	501,468	514,005	526,855	540,026	553,527	567,365	581,549
Library	407,800	423,354	397,472	397,472	407,409	417,594	428,034	438,735	449,703	460,946	472,469	484,281	496,388
Other	209,418	337,834	169,190	169,190	173,420	177,755	182,199	186,754	191,423	196,209	201,114	206,142	211,295
<b>Other Income</b>													
Investment Income	1,025,285	818,554	390,000	390,000	399,750	409,744	419,987	430,487	441,249	452,280	463,587	475,177	487,057
Reimbursements	127,700	142,352	219,030	219,030	224,506	230,118	235,871	241,768	247,812	254,008	260,358	266,867	273,538
Insurance Premium Refund	260,000	260,000	270,000	270,000	274,050	278,161	282,333	286,568	290,867	295,230	299,658	304,153	311,757
Profit/(Loss) on Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry	159,400	203,014	188,950	188,950	193,674	198,516	203,478	208,565	213,780	219,124	224,602	230,217	235,973
<b>Sub Total</b>	<b>57,398,140</b>	<b>57,862,755</b>	<b>60,675,587</b>	<b>60,675,587</b>	<b>63,596,115</b>	<b>66,756,511</b>	<b>70,088,226</b>	<b>73,600,927</b>	<b>77,304,841</b>	<b>81,210,778</b>	<b>85,411,335</b>	<b>89,756,283</b>	<b>94,342,615</b>
Less Profit/(Loss) on Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Add Capital Income	0	2,522,518	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>57,398,140</b>	<b>60,385,273</b>	<b>60,675,587</b>	<b>60,675,587</b>	<b>63,596,115</b>	<b>66,756,511</b>	<b>70,088,226</b>	<b>73,600,927</b>	<b>77,304,841</b>	<b>81,210,778</b>	<b>85,411,335</b>	<b>89,756,283</b>	<b>94,342,615</b>



**NOTE 2**  
**CITY OF WEST TORRENS**  
**OPERATIONAL & MAINTENANCE EXPENDITURE PROJECTIONS**  
**FORWARD ESTIMATES FOR THE 10 YEARS TO 2022/23**

2-May-13

DESCRIPTION	BUDGET 2012/13		BUDGET 2013/14		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
	ORIGINAL	REVISED	ORIGINAL	REVISED	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Employee Costs</b>													
St Martins Aged Care Facility	5,229,557	5,451,254	5,565,642	5,565,642	5,788,268	6,048,740	6,320,933	6,605,375	6,902,617	7,213,235	7,537,830	7,877,033	8,231,499
Other Employee Costs	18,555,701	18,434,200	19,204,930	19,204,930	19,973,127	20,871,918	21,811,154	22,792,656	23,818,326	24,890,150	26,010,207	27,180,666	28,403,796
<b>Contractual Services</b>													
Waste Management - Solo	3,050,000	3,094,810	3,060,000	3,060,000	3,167,100	3,277,949	3,392,677	3,511,420	3,634,320	3,761,521	3,893,175	4,029,436	4,170,466
Waste Management - Disposal	1,320,000	1,090,000	1,336,000	1,336,000	1,409,480	1,487,001	1,568,786	1,655,070	1,746,099	1,842,134	1,943,451	2,050,341	2,163,110
Other Contract	1,973,500	2,317,818	2,320,077	2,320,077	2,436,081	2,557,885	2,685,779	2,820,068	2,961,071	3,109,125	3,264,581	3,427,810	3,599,201
<b>Materials</b>													
Materials	919,000	919,000	883,350	883,350	909,851	937,146	965,260	994,218	1,024,045	1,054,766	1,086,409	1,119,001	1,152,571
<b>Finance Charges</b>													
Interest	768,019	1,016,982	955,423	955,423	767,547	871,858	962,800	1,057,037	1,172,923	1,343,846	1,529,719	1,704,411	1,872,998
Other Finance Charges	156,860	131,500	139,200	139,200	143,376	147,677	152,108	156,671	161,371	166,212	171,198	176,334	181,624
<b>Depreciation</b>													
Buildings	2,116,260	2,096,260	2,150,487	2,150,487	2,220,378	2,292,540	2,367,048	2,443,977	2,523,406	2,605,417	2,690,093	2,777,521	2,867,790
Plant, Furniture & Equipment	1,182,050	1,162,732	1,077,863	1,077,863	1,104,810	1,132,430	1,160,741	1,189,759	1,219,503	1,249,991	1,281,240	1,313,271	1,346,103
Library Resources	271,561	271,561	347,000	347,000	355,675	364,567	373,681	383,023	392,599	402,414	412,474	422,786	433,355
Infrastructure	6,171,500	6,549,500	6,549,500	6,549,500	6,754,571	6,966,064	7,184,178	7,409,122	7,641,109	7,880,360	8,127,102	8,381,569	8,644,005
<b>Other Expenses</b>													
Plant Related	1,770,930	1,910,430	721,150	721,150	739,179	757,658	776,600	796,015	815,915	836,313	857,221	878,651	900,618
Computer Maint & Support	1,130,700	1,164,300	1,002,620	1,002,620	1,027,686	1,053,378	1,079,712	1,106,705	1,134,373	1,162,732	1,191,800	1,221,595	1,252,135
General Insurance Premium	733,523	748,627	797,838	797,838	853,687	913,445	977,386	1,045,803	1,119,009	1,197,340	1,281,153	1,370,834	1,466,793
Professional Fees	1,359,050	1,956,776	1,394,597	1,394,597	1,429,462	1,465,198	1,501,828	1,539,374	1,577,858	1,617,305	1,657,738	1,699,181	1,741,661
Street Lighting	900,000	900,000	920,000	920,000	961,400	1,004,663	1,049,873	1,097,117	1,146,487	1,198,079	1,251,993	1,308,333	1,367,208
Rates, Power & Property	1,073,290	1,100,104	1,559,886	1,559,886	1,715,875	1,887,462	2,076,208	2,283,829	2,512,212	2,763,433	3,039,777	3,343,754	3,678,130
NRM Levy	1,125,278	1,137,778	1,162,422	1,162,422	1,288,851	1,321,072	1,354,099	1,387,952	1,422,650	1,458,217	1,494,672	1,532,039	1,570,340
General Operating Costs	2,756,959	2,774,432	4,026,700	4,026,700	4,127,368	4,230,552	4,336,315	4,444,723	4,555,841	4,669,737	4,786,481	4,906,143	5,028,797
<b>Sub Total</b>	<b>52,563,738</b>	<b>54,228,064</b>	<b>55,174,685</b>	<b>55,174,685</b>	<b>57,173,769</b>	<b>59,589,203</b>	<b>62,097,167</b>	<b>64,719,914</b>	<b>67,481,735</b>	<b>70,422,326</b>	<b>73,508,314</b>	<b>76,720,711</b>	<b>80,072,199</b>
Less Depreciation	9,741,371	10,080,053	10,124,850	10,124,850	10,435,434	10,755,601	11,085,647	11,425,881	11,776,617	12,138,181	12,510,909	12,895,147	13,291,253
Leave Provisions	467,272	467,272	482,192	482,192	499,850	518,154	537,129	556,799	577,189	598,325	620,236	642,949	666,494
<b>TOTAL</b>	<b>42,355,095</b>	<b>43,680,740</b>	<b>44,567,643</b>	<b>44,567,643</b>	<b>46,238,485</b>	<b>48,315,448</b>	<b>50,474,390</b>	<b>52,737,234</b>	<b>55,127,929</b>	<b>57,685,820</b>	<b>60,377,169</b>	<b>63,182,614</b>	<b>66,114,451</b>





**NOTE 3**  
**CITY OF WEST TORRENS**  
**CAPITAL EXPENDITURE PROJECTIONS**  
**FORWARD ESTIMATES FOR THE 10 YEARS TO 2022/23**

2-May-13

ACTIVITIES	BUDGET 2012/13		BUDGET 2013/14		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
	ORIGINAL	REVISED	ORIGINAL	REVISED	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Road Program</b>													
Reseal / Maintenance	2,722,325	4,684,880	3,050,212	3,050,212	3,385,774	3,758,253	4,171,709	4,630,651	5,140,082	5,705,557	6,333,241	7,029,979	7,803,367
Reconstruction - Renewal	1,273,791	2,099,894	1,400,518	1,400,518	1,513,411	1,635,404	1,767,230	1,909,682	2,063,618	2,229,962	2,409,714	2,603,956	2,813,855
Reconstruction - Upgrade	570,000	223,273	1,359,950	1,359,950	1,246,462	1,284,104	1,322,913	1,611,274	1,661,167	1,712,642	1,765,750	1,820,543	1,877,077
Roads to Recovery	438,839	438,839	438,839	438,839	438,839	438,839	438,839	438,839	438,839	438,839	520,000	520,000	520,000
Kerb & Gutter	1,699,626	1,699,626	2,160,793	2,160,793	2,153,049	2,145,334	2,137,645	2,129,985	2,122,352	2,114,746	2,107,167	2,099,616	2,092,092
<b>Footpath / Bikeway Program</b>													
Reconstruction	310,715	370,715	356,013	356,013	389,278	425,651	465,423	508,911	556,462	608,457	665,309	727,474	795,447
Construction	236,847	334,435	284,675	284,675	331,260	385,469	448,549	521,952	607,367	706,759	822,416	957,000	1,113,607
<b>Drainage Program</b>													
Local Drainage Works	2,050,000	8,125,862	600,000	600,000	2,597,020	2,632,215	2,667,993	2,704,365	2,741,343	2,778,939	2,817,166	2,856,035	2,895,561
Brown Hill / Keswick Drainage	775,000	775,000	1,714,000	1,714,000	2,639,546	2,731,930	2,827,547	2,926,512	3,028,939	3,134,952	3,244,676	3,358,239	3,475,778
<b>Other Capital Works</b>													
Other Works	4,042,999	3,716,531	2,455,000	2,455,000	2,516,375	2,579,284	2,643,766	2,709,861	3,677,607	3,769,547	3,863,786	3,960,381	4,059,390
<b>Building Program</b>													
Land & Buildings	1,804,373	2,126,455	975,000	975,000	1,613,339	1,764,653	1,930,159	2,111,187	2,309,194	2,525,772	2,762,663	3,021,771	3,305,181
Community Hub Developments	4,100,000	3,028,130	2,040,000	2,040,000	4,500,000	2,000,000	4,500,000	0	0	0	0	0	0
<b>Other Capital Expenditure</b>													
Plant, Furn & Equipment	1,301,700	1,883,190	1,210,796	1,210,796	1,241,066	1,272,093	1,303,895	1,336,492	1,369,905	1,404,152	1,439,256	1,475,237	1,512,118
Library Resources	341,750	318,044	329,141	329,141	337,370	345,804	354,449	363,310	372,393	381,703	391,245	401,026	411,052
<b>Total Capital Expenditure</b>	<b>21,667,965</b>	<b>29,824,874</b>	<b>18,374,937</b>	<b>18,374,937</b>	<b>24,902,789</b>	<b>23,399,033</b>	<b>26,980,118</b>	<b>23,903,021</b>	<b>26,089,267</b>	<b>27,512,026</b>	<b>29,142,389</b>	<b>30,831,258</b>	<b>32,674,526</b>
Less Overheads	1,283,649	2,006,278	1,100,545	1,100,545	1,324,679	1,389,505	1,460,370	1,560,502	1,728,076	1,824,132	1,936,777	2,052,271	2,179,127
<b>TOTAL EXPENDITURE</b>	<b>20,384,316</b>	<b>27,818,596</b>	<b>17,274,392</b>	<b>17,274,392</b>	<b>23,578,110</b>	<b>22,009,528</b>	<b>25,519,748</b>	<b>22,342,519</b>	<b>24,361,191</b>	<b>25,687,895</b>	<b>27,205,611</b>	<b>28,778,987</b>	<b>30,495,399</b>



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

Year Ended	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<b>Current Assets</b>										
Cash & Cash Equivalents	5,121	8,294	8,422	4,014	4,553	4,771	5,387	5,775	5,948	6,200
Trade and Other Receivables	2,760	2,827	2,889	2,961	3,034	3,110	3,189	3,270	3,354	3,441
Financial Assets	907	907	907	907	907	907	907	907	907	907
Inventory	11	11	11	11	11	11	11	11	11	11
<b>Total Current Assets</b>	<b>8,799</b>	<b>12,039</b>	<b>12,229</b>	<b>7,893</b>	<b>8,505</b>	<b>8,799</b>	<b>9,494</b>	<b>9,963</b>	<b>10,220</b>	<b>10,559</b>
<b>Non-Current Assets</b>										
Financial assets	7	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment	578,076	582,911	592,642	607,040	617,902	630,414	643,871	658,444	674,174	691,194
Other non-current assets	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507
<b>Total Non-Current Assets</b>	<b>581,590</b>	<b>586,418</b>	<b>596,149</b>	<b>610,547</b>	<b>621,409</b>	<b>633,921</b>	<b>647,378</b>	<b>661,951</b>	<b>677,681</b>	<b>694,701</b>
<b>Total Assets</b>	<b>590,389</b>	<b>598,457</b>	<b>608,378</b>	<b>618,440</b>	<b>629,914</b>	<b>642,720</b>	<b>656,872</b>	<b>671,914</b>	<b>687,901</b>	<b>705,260</b>
<b>Current Liabilities</b>										
Trade and other Payables	5,814	5,155	5,445	5,238	5,274	5,184	5,151	5,083	5,026	4,959
Borrowings	1,912	2,239	2,484	2,360	1,953	1,769	2,088	2,430	2,425	0
Short-term Provisions	2,209	2,222	2,361	2,447	2,567	2,677	2,800	2,925	3,057	3,194
Aged Care Facility deposits	19,622	19,372	19,372	19,372	19,372	19,372	19,372	19,372	19,372	19,372
<b>Total Current Liabilities</b>	<b>29,557</b>	<b>28,988</b>	<b>29,662</b>	<b>29,417</b>	<b>29,166</b>	<b>29,002</b>	<b>29,411</b>	<b>29,810</b>	<b>29,880</b>	<b>27,525</b>
<b>Non-Current Liabilities</b>										
Long-Term Borrowings	14,930	17,132	19,200	21,506	24,336	27,471	30,412	33,139	36,004	41,431
Long-Term Provisions	273	284	295	306	318	330	343	356	370	384
<b>Total Non-Current Liabilities</b>	<b>15,203</b>	<b>17,416</b>	<b>19,495</b>	<b>21,812</b>	<b>24,654</b>	<b>27,801</b>	<b>30,755</b>	<b>33,495</b>	<b>36,374</b>	<b>41,815</b>
<b>Total Liabilities</b>	<b>44,760</b>	<b>46,404</b>	<b>49,157</b>	<b>51,229</b>	<b>53,820</b>	<b>56,803</b>	<b>60,166</b>	<b>63,305</b>	<b>66,254</b>	<b>69,340</b>
<b>Net Assets</b>	<b>545,629</b>	<b>552,053</b>	<b>559,221</b>	<b>567,211</b>	<b>576,094</b>	<b>585,917</b>	<b>596,706</b>	<b>608,609</b>	<b>621,647</b>	<b>635,920</b>
<b>Equity</b>										
Accumulated Surplus	39,353	42,277	51,445	63,935	72,818	82,641	93,430	105,333	118,371	132,644
Reserves	501,150	501,150	501,150	501,150	501,150	501,150	501,150	501,150	501,150	501,150
Other Reserves	5,126	8,626	6,626	2,126	2,126	2,126	2,126	2,126	2,126	2,126
<b>Total Equity</b>	<b>545,629</b>	<b>552,053</b>	<b>559,221</b>	<b>567,211</b>	<b>576,094</b>	<b>585,917</b>	<b>596,706</b>	<b>608,609</b>	<b>621,647</b>	<b>635,920</b>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<b>Operating Revenue</b>										
Rates - General	42,853	45,194	47,749	50,451	53,306	56,324	59,514	62,885	66,451	70,219
Rates Equivalent - AAL	3,550	3,786	4,038	4,307	4,594	4,900	5,226	5,573	5,944	6,340
Statutory Charges	1,498	1,537	1,575	1,614	1,655	1,696	1,738	1,782	1,826	1,872
User Charges	8,499	8,713	8,932	9,156	9,386	9,621	9,864	10,111	10,364	10,625
Operating Grants & Subsidies	3,208	3,276	3,349	3,420	3,495	3,571	3,649	3,812	3,895	3,979
Investment Income	421	432	443	454	464	476	488	500	513	526
Reimbursements	219	224	230	236	242	248	254	260	267	274
Other Income	428	436	444	452	461	469	477	487	497	507
<b>Total Operating Revenue</b>	<b>60,676</b>	<b>63,598</b>	<b>66,760</b>	<b>70,090</b>	<b>73,603</b>	<b>77,305</b>	<b>81,210</b>	<b>85,410</b>	<b>89,757</b>	<b>94,342</b>
<b>Operating Expenses</b>										
Employee costs	24,771	25,761	26,921	28,132	29,397	30,720	32,103	33,548	35,057	36,634
Materials, contracts & other expenses	19,324	20,209	21,043	21,919	22,840	23,812	24,837	25,919	27,062	28,271
Depreciation, Amortisation & Impairment	10,125	10,436	10,756	11,086	11,426	11,777	12,137	12,510	12,896	13,291
Finance Costs	955	768	872	963	1,057	1,173	1,344	1,530	1,704	1,873
<b>Total Operating Expenses</b>	<b>55,175</b>	<b>57,174</b>	<b>59,592</b>	<b>62,100</b>	<b>64,720</b>	<b>67,482</b>	<b>70,421</b>	<b>73,507</b>	<b>76,719</b>	<b>80,069</b>
<b>Operating Surplus/(Deficit) before Capital Revenues</b>	<b>5,501</b>	<b>6,424</b>	<b>7,167</b>	<b>7,990</b>	<b>8,883</b>	<b>9,823</b>	<b>10,790</b>	<b>11,902</b>	<b>13,038</b>	<b>14,273</b>
<b>Capital Revenue</b>										
Net Gain (loss) on Disposal or Revaluation of Assets	0	0	0	0	0	0	0	0	0	0
Amounts Specifically for New/Upgraded Assets	0	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment Received FOC	0	0	0	0	0	0	0	0	0	0
<b>Total Capital Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Surplus/(Deficit) after Capital Revenues</b>	<b>5,501</b>	<b>6,424</b>	<b>7,167</b>	<b>7,990</b>	<b>8,883</b>	<b>9,823</b>	<b>10,790</b>	<b>11,902</b>	<b>13,038</b>	<b>14,273</b>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<b>Year Ended</b>										
<b>Cash Flows from Operating Activities</b>										
Operating Receipts	60,256	63,100	66,249	69,565	73,067	76,754	80,644	84,830	89,161	93,730
Investment Receipts	421	432	443	454	464	476	488	500	513	526
Operating Payments to Suppliers and Employees	(43,961)	(46,606)	(47,525)	(50,162)	(52,070)	(54,501)	(56,838)	(59,398)	(62,031)	(64,822)
Finance Payments	(957)	(768)	(872)	(963)	(1,057)	(1,173)	(1,344)	(1,530)	(1,704)	(1,873)
<b>Net Cash Used in Operating Activities</b>	<b>15,759</b>	<b>16,158</b>	<b>18,295</b>	<b>18,894</b>	<b>20,404</b>	<b>21,556</b>	<b>22,950</b>	<b>24,402</b>	<b>25,939</b>	<b>27,561</b>
<b>Cash Flows from Investing Activities</b>										
<b>Receipts</b>										
Amounts Specifically for New/Upgraded Assets	0	0	0	0	0	0	0	0	0	0
Sale of Replaced Assets	992	992	992	992	992	992	992	992	992	992
Sale of Surplus Assets	750	8,296	1,500	0	0	0	0	0	0	0
Repayments of Loans by Community Groups	7	7	7	0	0	0	0	0	0	0
<b>Payments</b>										
Expenditure on Renewal/Replacement of Assets	(10,737)	(11,176)	(11,764)	(12,408)	(13,170)	(14,029)	(14,882)	(15,890)	(16,915)	(18,043)
Expenditure on New/Upgraded Assets	(7,530)	(13,383)	(11,215)	(14,068)	(10,110)	(11,252)	(11,704)	(12,185)	(12,703)	(13,260)
Capital Contributed to Associated Entities	0	0	0	0	0	0	0	0	0	0
<b>Net Cash Used in Investing Activities</b>	<b>(16,518)</b>	<b>(15,264)</b>	<b>(20,480)</b>	<b>(25,484)</b>	<b>(22,288)</b>	<b>(24,289)</b>	<b>(25,594)</b>	<b>(27,083)</b>	<b>(28,626)</b>	<b>(30,311)</b>
<b>Cash Flows from Financing Activities</b>										
<b>Receipts</b>										
Proceeds from Borrowings	1,714	4,441	4,552	4,666	4,783	4,904	5,029	5,157	5,290	5,427
Proceeds from Aged Care Facility Deposits	1,500	1,750	2,000	2,250	2,500	2,750	3,000	3,250	3,500	3,750
<b>Payments</b>										
Repayments of Borrowings	(1,794)	(1,912)	(2,239)	(2,484)	(2,360)	(1,953)	(1,769)	(2,088)	(2,430)	(2,425)
Repayment of Finance Lease Liabilities	0	0	0	0	0	0	0	0	0	0
Repayment of Aged Care Facility Deposits	(3,000)	(2,000)	(2,000)	(2,250)	(2,500)	(2,750)	(3,000)	(3,250)	(3,500)	(3,750)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(1,580)</b>	<b>2,279</b>	<b>2,313</b>	<b>2,182</b>	<b>2,423</b>	<b>2,951</b>	<b>3,260</b>	<b>3,069</b>	<b>2,860</b>	<b>3,002</b>
<b>Net Increase/(Decrease) in cash held</b>	<b>(2,339)</b>	<b>3,173</b>	<b>128</b>	<b>(4,408)</b>	<b>539</b>	<b>218</b>	<b>616</b>	<b>388</b>	<b>173</b>	<b>252</b>
<b>Cash &amp; Cash Equivalents at Beginning of Period</b>	<b>7,460</b>	<b>5,121</b>	<b>8,294</b>	<b>8,422</b>	<b>4,014</b>	<b>4,553</b>	<b>4,771</b>	<b>5,387</b>	<b>5,775</b>	<b>5,948</b>
<b>Cash &amp; Cash Equivalents at End of Period</b>	<b>5,121</b>	<b>8,294</b>	<b>8,422</b>	<b>4,014</b>	<b>4,553</b>	<b>4,771</b>	<b>5,387</b>	<b>5,775</b>	<b>5,948</b>	<b>6,200</b>

**City of West Torrens - Long Term Financial Planning Model****Forecast Statement of Changes in Equity**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Year Ended	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)
<b>Accumulated Surplus</b>										
Balance at end of previous reporting period	32,957	39,353	42,277	51,445	63,935	72,818	82,641	93,430	105,333	118,371
Net Result for Year	5,501	6,424	7,168	7,990	8,883	9,823	10,789	11,903	13,038	14,273
Transfers to Reserves	0	(3,500)	0	0	0	0	0	0	0	0
Transfers from Reserves	895	0	2,000	4,500	0	0	0	0	0	0
<b>Balance at end of period</b>	<b>39,353</b>	<b>42,277</b>	<b>51,445</b>	<b>63,935</b>	<b>72,818</b>	<b>82,641</b>	<b>93,430</b>	<b>105,333</b>	<b>118,371</b>	<b>132,644</b>
<b>Asset Revaluation Reserve</b>										
Balance at End of Previous Reporting Period	501,150	501,150	501,150	501,150	501,150	501,150	501,150	501,150	501,150	501,150
Gain on Revaluation of Infrastructure, Property, Plant & Equipment	0	0	0	0	0	0	0	0	0	0
Transfer to Accumulated Surplus on Sale of Property, Plant & Equipment	0	0	0	0	0	0	0	0	0	0
<b>Balance at end of period</b>	<b>501,150</b>	<b>501,150</b>	<b>501,150</b>	<b>501,150</b>	<b>501,150</b>	<b>501,150</b>	<b>501,150</b>	<b>501,150</b>	<b>501,150</b>	<b>501,150</b>
<b>Other Reserves</b>										
Balance at end of previous reporting period	6,021	5,126	8,626	6,626	2,126	2,126	2,126	2,126	2,126	2,126
Transfers from Accumulated Surplus	0	3,500	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	(895)	0	(2,000)	(4,500)	0	0	0	0	0	0
<b>Balance at end of period</b>	<b>5,126</b>	<b>8,626</b>	<b>6,626</b>	<b>2,126</b>	<b>2,126</b>	<b>2,126</b>	<b>2,126</b>	<b>2,126</b>	<b>2,126</b>	<b>2,126</b>
<b>Total Equity</b>	<b>545,629</b>	<b>552,053</b>	<b>559,221</b>	<b>567,211</b>	<b>576,094</b>	<b>585,917</b>	<b>596,706</b>	<b>608,609</b>	<b>621,647</b>	<b>635,920</b>

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

	Year Ended	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
		\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)
Operating Surplus Ratio		12.2%	13.5%	14.2%	15.0%	15.7%	16.4%	17.1%	17.8%	18.4%	19.0%
		<i>This ratio expresses the operating surplus as a percentage of general and other rates, net of the NRM levy.</i>									
Net Financial Liabilities Ratio		60.4%	55.2%	56.4%	63.1%	62.8%	63.3%	63.6%	63.6%	63.5%	63.4%
		<i>This ratio expresses net financial liabilities as a percentage of total operating revenue.</i>									
Asset Sustainability Ratio		103.4%	107.1%	109.4%	111.9%	115.3%	119.1%	122.6%	127.0%	131.2%	135.8%
		<i>This ratio expresses net asset renewal expenditure as a percentage of depreciation expense.</i>									

**City of West Torrens - Long Term Financial Planning Model****Forecast Uniform Presentation of Finances**

	Year Ended	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
		\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
Operating Revenue		60,676	63,598	66,760	70,090	73,603	77,305	81,210	85,410	89,757	94,342
<u>Less</u>											
Operating Expenses		55,175	57,174	59,592	62,100	64,720	67,482	70,421	73,507	76,719	80,069
<b>Operating Surplus / (Deficit) Before Capital Amounts</b>		<b>5,501</b>	<b>6,424</b>	<b>7,168</b>	<b>7,990</b>	<b>8,883</b>	<b>9,823</b>	<b>10,789</b>	<b>11,903</b>	<b>13,038</b>	<b>14,273</b>
<u>Less Net Outlays on Existing Assets</u>											
Capital Expenditure on the Renewal and Replacement of Existing Assets		11,466	11,176	11,764	12,408	13,170	14,029	14,882	15,890	16,915	18,043
Less Depreciation, Amortisation and Impairment		10,125	10,436	10,756	11,086	11,426	11,777	12,137	12,510	12,896	13,291
Less Proceeds from the Sale of Replaced Assets		992	992	992	992	992	992	992	992	992	992
		<b>349</b>	<b>(252)</b>	<b>16</b>	<b>330</b>	<b>752</b>	<b>1,260</b>	<b>1,753</b>	<b>2,388</b>	<b>3,027</b>	<b>3,760</b>
<u>Less Net Outlays on New &amp; Upgraded Assets</u>											
Capital Expenditure on New and Upgraded Assets		7,901	13,383	11,215	14,068	10,110	11,252	11,704	12,185	12,703	13,260
Less Grants and Contributions Specifically for New and Upgraded Assets		0	0	0	0	0	0	0	0	0	0
Less Proceeds from the Sale of Surplus Assets		750	8,296	1,500	0	0	0	0	0	0	0
		<b>7,151</b>	<b>5,087</b>	<b>9,715</b>	<b>14,068</b>	<b>10,110</b>	<b>11,252</b>	<b>11,704</b>	<b>12,185</b>	<b>12,703</b>	<b>13,260</b>
		<b>(1,999)</b>	<b>1,589</b>	<b>(2,563)</b>	<b>(6,408)</b>	<b>(1,979)</b>	<b>(2,689)</b>	<b>(2,668)</b>	<b>(2,670)</b>	<b>(2,692)</b>	<b>(2,747)</b>



**Glossary of Terms**

## Glossary of Terms

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

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

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

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

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

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

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

*Asset sustainability ratio* shows the extent to which capital expenditure on the renewal and replacement of assets matches the rate at which these assets are used or consumed, with the amount spent divided by the total depreciation expense.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Financial statements* comprise a comprehensive income statement, a balance sheet, a statement of changes in equity and a cash flow statement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Postponement of rates* is available to seniors in certain circumstances under Section 182A of the Local Government Act 1999.

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

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

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

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

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

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

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

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

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

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

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

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

