

COUNCIL AGENDA

Council Meeting

Notice is hereby given pursuant to the provisions of the Local Government Act, 1999, that the next Meeting of Unley City Council will be held in the Council Chambers, 181 Unley Road Unley on

Monday 28 November 2022 7.00pm

for the purpose of considering the items included on the Agenda.

Chief Executive Officer

OUR VISION 2033

Our City is recognised for its vibrant community spirit, quality lifestyle choices, diversity, business strength and innovative leadership.

COUNCIL IS COMMITTED TO

- Ethical, open honest behaviours
- Efficient and effective practices
- Building partnerships
- Fostering an empowered, productive culture – “A Culture of Delivery”
- Encouraging innovation – “A Willingness to Experiment and Learn”

KAURNA ACKNOWLEDGEMENT

Ngadlurlu tampinhi, ngadlu Kurna yartangka inparrinhi. Ngadlurlu parnuku tuwila yartangka tampinhi.

*Ngadlurlu Kurna Miyurna yaitya yarta-mathanya Wama Tarntanyaku tampinhi. Parnuku yailtya, parnuku tapa purruna yalarra puru purruna.**

We would like to acknowledge this land that we meet on today is the traditional lands for the Kurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kurna people as the traditional custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kurna people today.

*Kurna Translation provided by Kurna Warra Karrpanthi

PRAYER AND SERVICE ACKNOWLEDGEMENT

We pray for wisdom to provide good governance for the City of Unley in the service of our community.

Members will stand in silence in memory of those who have made the Supreme Sacrifice in the service of their country, at sea, on land and in the air.

Lest We Forget.

WELCOME

ORDER OF BUSINESS

ITEM

PAGE NO

1. ADMINISTRATIVE MATTERS

1.1 APOLOGIES

Nil

1.2 LEAVE OF ABSENCE

Nil

1.3 CONFLICT OF INTEREST

Members to advise if they have any material, actual or perceived conflict of interest in any Items in this Agenda and a Conflict of Interest Disclosure Form (attached) is to be submitted.

1.4 MINUTES

1.4.1 Minutes of the Ordinary Council Meeting held Monday,
24 October 2022

1.5 DEFERRED / ADJOURNED ITEMS

Nil

2. PETITIONS/DEPUTATIONS

Nil

3. REPORTS OF COMMITTEES

To receive and adopt or otherwise the reports and recommendations of the under mentioned Committees

3.1 Minutes of Audit Committee

7

4. REPORTS OF OFFICERS

4.1	2022 Local Government Election Results	13
4.2	Appointment of Deputy Mayor	17
4.3	Questions Laying on the Table	21
4.4	2021-22 General Purpose Financial Statements	23
4.5	2022-23 Quarter 1 Financial Performance Report	109
4.6	2022-23 Quarter 1 Budget Review	122
4.7	First Quarter 2022-23 Corporate Performance Report	140
4.8	Quarterly Report - Centennial Park Cemetery Authority September 2022	177
4.9	Determination of Time and Place of Ordinary Meetings of Council for 2023	182
4.10	Council Member Allowances and Benefits Policy	187
4.11	Council Member Allowances and Benefits Policy - Facilities and Support Specific to the Mayor	212
4.12	Acting Chief Executive Officer - Appointment of Suitable Person	218
4.13	Council Action Records	222

5. MOTIONS AND QUESTIONS

5.1 MOTIONS OF WHICH NOTICE HAS BEEN GIVEN

Nil

5.2 MOTIONS WITHOUT NOTICE

Mayor to ask the Members if there are any motions without notice

5.3 QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN

5.3.1 Question on notice from Councillor P. Hughes Re:
Council's Security Protocols 226

5.4 QUESTIONS WITHOUT NOTICE

Mayor to ask the Members if there are any questions without notice

6. MEMBER'S COMMUNICATION

6.1 MAYOR'S REPORT

6.1.1 Mayor's Report for Month of November 2022 228

6.2 DEPUTY MAYOR'S REPORT

6.2.1 Deputy Mayor's Report for Month of November 2022 229

6.3 ELECTED MEMBERS' REPORTS

Nil

6.4 CORRESPONDENCE

6.4.1 Correspondence 230

7. CONFIDENTIAL ITEMS

Nil

SUGGESTED ITEMS FOR NEXT AGENDA

Unley Oval Community Hub Hire - Fees and Facility Name	
Expert Panel Planning System Implementation Review	
Community Grants - Round 1 - September 2022	

NEXT MEETING

Monday 12 December 2022 - 7.00pm

Council Chambers, 181 Unley Road Unley

REPORT OF COMMITTEE

REPORT TITLE: MINUTES OF AUDIT COMMITTEE
ITEM NUMBER: 3.1
DATE OF MEETING: 28 NOVEMBER 2022
ATTACHMENTS: 1. MINUTES OF AUDIT COMMITTEE -
14 NOVEMBER 2022

1. PURPOSE

The minutes and recommendations of the Audit Committee meeting held on Monday 14 November 2022 are presented for Council's consideration.

2. RECOMMENDATION

That:

1. The minutes of the Audit Committee meeting held on Monday 14 November 2022, be received and the following recommendations contained therein be adopted by Council
 - (a) Item 2.1 - Proposed Financial Targets for the Long Term Financial Plan 2023-33

MOVED Independent Member A Martin
SECONDED Independent Member N Handley

That:

1. The report be received.
2. The Long-Term Financial Plan 2023-2033 key financial targets as set out below, be adopted.

Indicator	Key Financial Target
Operating Surplus Ratio (excluding equity accounts businesses)	4%
Net Financial Liabilities Ratio	Less than 80%
Asset Renewal Funding Ratio 10 Year average based on the Asset Management Plans	Equal or greater than 100%

CARRIED

Resolution No. AC0099/22

- (b) Item 2.2 - Proposed Corporate Purchase Card Policy - November 2022

MOVED Independent Member A Martin
SECONDED Independent Member N Handley

That:

1. The report be received.

CARRIED

Resolution No. AC0100/22

- (c) Item 2.3 - Quarterly Risk Report - November 2022

MOVED Independent Member N Handley
SECONDED Independent Member A Martin

That:

1. The report be received.

CARRIED

Resolution No. AC0101/22



**Minutes of the City of Unley
Audit Committee Meeting
Monday, 14 November 2022, 5:30pm
Council Chambers
181 Unley Road Unley**

1. PRESENT

Presiding Member D Powell (Presiding Member)
Independent Member N Handley
Independent Member A Martin

2. OFFICERS PRESENT

General Manager Business Support & Improvement, Ms N Tinning
Manager Finance and Procurement, Mr A Brown
Finance Business Partner, Mrs R Webber

3. GUESTS

Councillor M Rabbitt
Councillor M Broniecki

4. ACKNOWLEDGEMENT

The Presiding Member welcomed Members to the meeting and opened the meeting with the Acknowledgement.

5. 1. ADMINISTRATIVE MATTERS

1.1 APOLOGIES

Nil

1.2 LEAVE OF ABSENCE

Nil

1.3 CONFLICT OF INTEREST

Nil

1.4 MINUTES

ITEM 1.4.1

MINUTES OF THE ORDINARY AUDIT COMMITTEE MEETING HELD TUESDAY, 18 OCTOBER 2022

MOVED Independent Member A Martin

SECONDED Independent Member N Handley

That:

1. The minutes of the Ordinary Audit Committee held on Tuesday, 18 October 2022 be taken as read and signed as a correct record.

CARRIED

Resolution No. AC0098/22

1.5 DEFERRED / ADJORNED ITEMS

Nil

SUSPENSION OF FORMAL MEETING PROCEDURES

The Presiding Member with approval of two-thirds of the members present suspended meeting procedures pursuant to Regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013* at 5.40pm for up to 20 minutes to facilitate an informal discussion of Item 2.1.

The Presiding Member with approval of two-thirds of the members present, called for an extension of time for the suspension of formal meeting procedures pursuant to Regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013* at 6pm for 10 minutes to facilitate further informal discussion on the matter.

The Presiding Member with approval of two-thirds of the members present, called for an extension of time for the suspension of formal meeting procedures pursuant to Regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013* at 6.10pm for 15 minutes to facilitate further informal discussion on the matter.

Formal meeting procedures resumed at 6.25pm.

6. 2. REPORTS

ITEM 2.1

PROPOSED FINANCIAL TARGETS FOR THE LONG TERM FINANCIAL PLAN 2023-33

MOVED Independent Member A Martin

SECONDED Independent Member N Handley

That:

1. The report be received.
2. The Long-Term Financial Plan 2023-2033 key financial targets as set out below, be adopted.

Indicator	Key Financial Target
Operating Surplus Ratio (excluding equity accounts businesses)	4%
Net Financial Liabilities Ratio	Less than 80%
Asset Renewal Funding Ratio 10 Year average based on the Asset Management Plans	Equal or greater than 100%

CARRIED

Resolution No. AC0099/22

ITEM 2.2

PROPOSED CORPORATE PURCHASE CARD POLICY - NOVEMBER 2022

MOVED Independent Member A Martin

SECONDED Independent Member N Handley

That:

1. The report be received.

CARRIED

Resolution No. AC0100/22

ITEM 2.3

QUARTERLY RISK REPORT - NOVEMBER 2022

MOVED Independent Member N Handley

SECONDED Independent Member A Martin

That:

1. The report be received.

CARRIED

Resolution No. AC0101/22

7. 3. OTHER BUSINESS

8. NEXT MEETING

14 February 2023

9. CLOSURE

The Presiding Member closed the meeting at 6.55pm.

.....
PRESIDING MEMBER

INFORMATION REPORT

REPORT TITLE:	2022 LOCAL GOVERNMENT ELECTION RESULTS
ITEM NUMBER:	4.1
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	KATHRYN GOLDY, ACTING MANAGER GOVERNANCE
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	1. FORMAL DECLARATION OF ELECTION RESULTS FOR CITY OF UNLEY

1. **PURPOSE**

This report summarises the 2022 Local Government Election results for the City of Unley.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership

4.1 We have strong leadership and governance.

4. **BACKGROUND**

The *Local Government (Elections) Act 1999* requires elections to determine the membership of each council to be held at intervals of four (4) years on the basis that voting at the elections will close at 5pm on the second to last business day before the second Saturday of November in the year the election is held.

Local Government elections are conducted via postal voting, with the election process managed by the Electoral Commission SA (ECSA). Ballot papers are sent to electors, designated persons of a group or body corporate whose names appear on the roll of certified voters. Ballot papers were distributed to electors of the City of Unley from 14 October 2022, with postal voting closing on 10 November 2022.

The City of Unley is comprised of six (6) wards, each with two (2) elected members, and the position of Mayor, comprising a total of thirteen (13) positions that were eligible for contest during the 2022 elections.

5. DISCUSSION

At the close of nominations on 6 September 2022 a total of 30 Candidate nominations were received for the thirteen (13) vacant positions.

Elections were conducted for the six (6) wards and the Mayoral position, with counting of votes occurring on Saturday 12 November 2022.

Election Results

Following the conclusion of the 2022 Local Government Elections for the City of Unley the Returning Officer, Electoral Commission, Mick Sherry, has declared the following candidates elected:

Mayor	HEWITSON, Michael Gordon	
Clarence Park Ward	PALMER, Don	ROGERS, Rebekah
Fullarton Ward	HUGHES, Peter	GAFFEY, Jack
Goodwood Ward	HART, Georgie	CRABBE, Chris
Parkside Ward	DOYLE, Luke	BONHAM, Jennifer
Unley Ward	RUSSO, Jane	FINOS, Stephen
Unley Park Ward	BRONIECKI, Monica	RABBITT, Michael James

The formal declaration (Attachment 1) of election results provided by the Returning Officer is attached in full for the information of Council.

Attachment 1

The Local Government Association and ECSA are conducting evaluations of various elements of the election process. Once available, this information will be circulated to members.

6. REPORT AUTHORISERS

Name	Title
Peter Tsokas	Chief Executive Officer

SECRET

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

17/11/2022

Mr Peter Tsokas
Chief Executive Officer
PO Box 1
UNLEY 5061

ptsokas@unley.sa.gov.au

Level 6, 60 Light Square
Adelaide SA 5000

GPO Box 646
Adelaide SA 5001

T +61 8 7424 7400

W ecsa.sa.gov.au

ABN 99 891 752 468

Dear Mr Tsokas

Re: 2022 Council Election Results

In accordance with section 50 of the *Local Government (Elections) Act 1999* (the Act), I enclose the results for the November 2022 council elections.

The council elections were conducted by post and telephone assisted voting for blind and low vision electors, and electors who are interstate or overseas. Voting material comprising of ballot papers, candidate profiles, a postal voting guide, a ballot paper envelope containing the elector's declaration and return envelope was sent to electors, bodies corporate and groups whose names appeared on the certified voters roll.

Voting closed at 5pm on Thursday 10 November with the scrutiny and count commencing at 9am on Saturday 12 November 2022 at Council Chamber, City of Unley, 181 Unley Road Unley SA 5061.

In accordance with section 50 of the Act, I, Mick Sherry, Returning Officer, confirm the provisional declarations and certify the results for the following elections, with the following candidates being elected:

Mayor HEWITSON, Michael Gordon	Vacancies 1 Elected
Councillor for Unley Ward RUSSO, Jane FINOS, Stephen	Vacancies 2 Elected 1 Elected 2
Councillor for Parkside Ward DOYLE, LUKE BONHAM, Jennifer	Vacancies 2 Elected 1 Elected 2
Councillor for Fullarton Ward HUGHES, Peter	Vacancies 2 Elected 1

RESULTS

GAFFEY, Jack

Elected 2

Councillor for Goodwood Ward

Vacancies 2

HART, Georgie

Elected 1

CRABBE, Chris

Elected 2

Councillor for Clarence Park Ward

Vacancies 2

PALMER, Don

Elected 1

ROGERS, Rebekah

Elected 2

Councillor for Unley Park Ward

Vacancies 2

BRONIECKI, Monica

Elected 1

RABBITT, Michael James

Elected 2

All candidates will be notified in writing of the results of the elections. Copies of the reports and copies of the full scrutiny and count details are available on the ECSA website.

Yours sincerely



Mick Sherry
RETURNING OFFICER

DECISION REPORT

REPORT TITLE:	APPOINTMENT OF DEPUTY MAYOR
ITEM NUMBER:	4.2
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	KATHRYN GOLDY, ACTING MANAGER GOVERNANCE
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	NIL

1. **PURPOSE**

This report provides information with respect to the appointment of a Deputy Mayor for the current term of Council and seeks a decision from Council as to whether it wishes to make such an appointment

2. **RECOMMENDATION**

That:

1. The report be received.
 2. Pursuant to Section 51 (3) and (4) of the *Local Government Act 1999*, that a position of Deputy Mayor for the Council term November 2022 to November 2026 be endorsed.
 3. Cr _____ be appointed to the position of Deputy Mayor for the period commencing from the date of this resolution and concluding _____.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership
 - 4.1 We have strong leadership and governance.

4. **BACKGROUND**

Section 51 (3) and (4) of the *Local Government Act 1999* (the Act) provides:

- (3) *If the council so resolves, there may also be a deputy mayor.*

- (4) *If there is to be a deputy mayor, he or she will be chosen by the members of the council from amongst their own number and will hold office for a term determined by the council.*

The term must not exceed 4 years.

While it has been the practice of Unley Council to have a Deputy Mayor, Council is not obligated to make such an appointment.

Nominations for the office of Deputy Mayor are initially sought at the first Council meeting following the conclusion of an election. Historically the appointment has been made for a one (1) year term, with Council then re-considering the appointment of Deputy Mayor in October of each year.

The table below sets out the history of the position of Deputy Mayor for the previous Council term:

November 2018 – November 2019	Councillor P. Hughes
November 2019 – November 2020	Councillor P. Hughes
November 2020 – November 2021	Councillor J. Dodd
November 2021 – November 2022	Councillor D. Palmer

5. DISCUSSION

In the absence of the Mayor, a Deputy Mayor acts in the office of the Mayor. If Council chooses not to create the role of Deputy Mayor and appoint a member to that role, then a decision of Council is required to appoint a member to act in the office of Mayor each time the Mayor is absent from official duties. This is as per the requirements of section 51 (7) of the Act.

The position of Deputy Mayor receives an annual allowance of \$23,887.50 per annum, in accordance with the Remuneration Tribunal SA Determination 2 of 2022, Allowances for members of Local Government Councils. Determination 2 of 2022 is to be read in conjunction with the Supplementary Report and Determination 5 of 2022. Determination 5 provides for a Deputy Mayor who undertakes the duties of Mayor for a period of one month, or longer, is entitled to receive the Mayoral allowance for the entire time they undertake those duties.

Procedure for appointment

Clause U33 of the Code of Practice – Procedures at Meetings sets out the process for nomination/appointment of Elected Members to internal and external positions. In brief, the process is:

- Meeting procedures are suspended to enable a ballot process to be undertaken.
- Nominations for the position are sought.
- Where nominations exceed the number of available positions, ballot papers are completed.
- For a ballot involving one (1) vacancy, members indicate their preferred candidate by placing a '1' next to the candidate's name on the ballot paper.
- Ballot papers are collected and counted by staff.
- The outcome of the ballot is communicated to the Presiding Member and the successful outcome is announced.
- Meeting procedures are resumed, and the Presiding Member will call for a motion in relation to the item to confirm the ballot outcome

If Council resolves to appoint a Deputy Mayor, on the expiration of a term of office, the current serving Deputy Mayor is eligible to be chosen for a further term.

6. POLICY IMPLICATIONS

The appointment of a Deputy Mayor allows for that person to act in the absence of the Mayor without the need for a separate decision to be made each time an absence occurs. This provides an efficient and responsive mechanism to ensure that the functions of the office of Mayor continue to be delivered during any period of absence. It also provides an opportunity for the appointed member to develop skills in representation and leadership as they fulfil civic duties required by the role.

6.1 Financial/budget mplications

- The position of Deputy Mayor attracts a slightly higher allowance, which has been factored into the budget.

6.2 Risk Management (identification and mitigation)

- Not Applicable.

6.3 Staffing/Work Plans/Additional Resource Impact

- Not Applicable.

6.4 Climate/Environmental Impact

- Not Applicable.

6.5 Social/Economic

- Not Applicable.

7. ANALYSIS OF OPTIONS

Option 1 –

1. The report be received.
2. Pursuant to Section 51 (3) and (4) of the *Local Government Act 1999*, that a position of Deputy Mayor for the Council term November 2022 to November 2026 be endorsed.
3. Cr _____ be appointed to the position of Deputy Mayor for the period commencing from the date of this resolution and concluding _____.

This option provides for Council to determine that the position of Deputy Mayor be created and for the appointment of a member to the position for a specified term.

The appointment of a Deputy Mayor allows for that person to act in the absence of the Mayor without the need for a separate decision to be made each time an absence occurs. This provides an efficient and responsive mechanism to ensure the functions of the office of Mayor continue to be delivered during any period of absence. It also provides an opportunity for the appointed member to develop skills in representation and leadership as they fulfil civic duties required by the role.

Option 2 –

1. The report be received.

Council is under no obligation to establish a Deputy Mayor position. This option receives the report and takes no further action. In the event that the Mayor is absent from official duties, Council would need to appoint a member to act in the office of Mayor.

8. RECOMMENDED OPTION

Option 1 is the recommended option.

9. REPORT AUTHORISERS

Name	Title
Peter Tsokas	Chief Executive Officer

INFORMATION REPORT

REPORT TITLE:	QUESTIONS LAYING ON THE TABLE
ITEM NUMBER:	4.3
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	PETER TSOKAS, CHIEF EXECUTIVE OFFICER
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	NIL

1. **PURPOSE**

Section 12 (19) of the *Local Government (Procedures at Meetings) Regulations 2013* (the Regulations) provides that any question that lies on the table as a result of a successful formal motion under sub-regulation (14)(c) lapses at the next general election.

Section 12 (20) of the Regulations requires that the Chief Executive Officer must provide a report on each question that lapses under sub-regulation (19) to the Council at the first Ordinary Meeting of the Council after the general election.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership

4.1 We have strong leadership and governance.

4. **BACKGROUND**

Regulation 12 (14) of the *Local Government (Procedures at Meetings) Regulations 2013* (the Regulations) states:

(14) *If the formal motion is –*

.....

(c) *that the question lie on the table, then the effect of the motion, if successful, is that the meeting immediately moves to the next item of business and the question can then only be retrieved at a later time by resolution (and, if so retrieved, debate is then resumed at the point of interruption); or*

The Regulations provide for the treatment of questions that are laying on the table, pursuant to a successful formal motion under regulation 12 (14)(c), following a general election.

Section 12 (Motions) provides:

(19) Any question that lies on the table as a result of a successful formal motion under subregulation (14)(c) lapses at the next general election.

(20) The chief executive officer must report on each question that lapses under subregulation (19) to the council at the first ordinary meeting of the council after the general election

The practical effect is that the question is disposed of and the only way for the matter to again be considered by the Council is by consideration of a new report prepared by Administration or by way of motion given by an Elected Member. Both approaches result in Council considering the item of business afresh.

5. DISCUSSION

There were no questions that are lying on the table from the 2018-2022 Council term.

To ensure compliance with statutory requirements this report is presented to the first meeting of Council following the 2022 Local Government Elections.

6. REPORT AUTHORISERS

Name	Title
Peter Tsokas	Chief Executive Officer

DECISION REPORT

REPORT TITLE:	2021-22 GENERAL PURPOSE FINANCIAL STATEMENTS
ITEM NUMBER:	4.4
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	MORGAN KRIS, TEAM LEADER - FINANCIAL ACCOUNTING
DIRECTORATE:	BUSINESS SUPPORT AND IMPROVEMENT
ATTACHMENTS:	<ol style="list-style-type: none">1. 2021-22 GENERAL PURPOSE FINANCIAL STATEMENTS2. 2021-22 FINANCIAL RESULTS COMPARED TO BUDGET

1. **PURPOSE**

This report presents the Audited 2021-22 General Purpose Financial Statements (financial statements) to Council for adoption.

The financial statements were considered by the Council's Audit Committee on 18 October 2022 following the completion of the external audit for the 2021-22 financial year by Council's external auditors, Galpins.

The Audit Committee recommended the financial statements be presented to Council for endorsement.

2. **RECOMMENDATION**

That:

1. The report be received.
 2. The Audited 2021-22 General Purpose Financial Statements contained in Attachment 1 to this report (Item 4.4, Council Meeting 28/11/2022) be adopted.
 3. The Audited 2021-22 Financial Results compared to Budget contained in Attachment 2 to this report (Item 4.4, Council Meeting 28/11/2022) be noted.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership
 - 4.1 We have strong leadership and governance.

4. **BACKGROUND**

The 2021-22 General Purpose Financial Statements (financial statements) were audited by Council's external auditor's, Galpins, in September 2022. The financial statements were considered by the Audit Committee at its meeting held on 18 October 2022. The Audit Committee resolved that the financial statements present fairly the state of affairs of Council and that they be signed and presented to Council.

The financial statements have now been finalised and are attached for Members' consideration. They have been prepared in accordance with the Australian Accounting Standards and the *SA Local Government Model Financial Statements* as prescribed in the *Local Government (Financial Management) Regulations 2011*. A copy of the Financial Statements is provided as Attachment 1

Attachment 1

This report also includes the Audited 2021-22 Financial Results compared to Budget Report which is required by legislation to be presented by Council by no later than 31 December of the relevant year.

Attachment 2

5. **DISCUSSION**

In accordance with the *Local Government (Financial Management) Regulations 2011*, the:

- Audit Committee resolved that the financial statements present fairly the state of affairs of Council;
- Council's Certificate of Auditor Independence has been certified by the Chief Executive Officer and Mr David Powell, the Presiding Member of the Audit Committee;
- Financial statements have subsequently been certified by the Mayor and the Chief Executive Officer; and
- Audit Reports have been signed by the external auditor, Mr Tim Muhlhausler of Galpins; and
- Audited 2021-22 Financial Results compared to Budget Report has been provided with the financial statements.

The following summary is made in relation to the General Purpose Financial Statements.

5.1 **Statement of Comprehensive Income**

Net Surplus: The Statement of Comprehensive Income shows a net operating surplus (including Centennial Park Cemetery Authority and the Brown Hill Keswick Creek Stormwater Project) of \$4.685M for 2021-22 compared with \$3.449M in the previous year.

Statement of Comprehensive Income	2021-22	2020-21	Movement
	\$000s	\$000s	\$000s
Council Operating Surplus	4,687	3,663	1,024
Centennial Park Net gain	67	(204)	271
Brown Hill Keswick Creek Net loss	(69)	(10)	(59)
Net Operating Surplus	4,685	3,449	1,236
Net Surplus (incl. income for assets)	5,886	4,514	1,372
Other Comprehensive Income	8,864	13,324	(4,460)
Total Comprehensive Income	14,750	17,478	(3,088)

Net Operating Surplus: The Net Operating Surplus has increased from the previous year by \$1.2M.

Income:

The financial statements show income increased by \$2.9M compared to the 2020-21 financial year. Key items included the following:

- Rate income increased by \$1.8M which was in line with Council's expectations. This increase was attributed to:
 - A General Rate increase for the 2021-22 financial year of 2.2% before the growth from new developments;
 - Growth from new developments and additions of 0.7%; and
 - Income forgone in the prior financial year due to the waiver of rates for a significant rate payer in the 2020-21 financial year.
- Grants, Subsidies and Contributions increased by \$641K due to the advance payment of the Financial Assistance Grant for the 2022-23 financial year, \$449K, received in April 2022.
- User Charges increased by \$271K, largely due to the recovery of income from the Unley Swimming Centre and venue hire which was less in the 2020-21 financial year due to COVID-19 restrictions.
- Other Income increased by \$147K. Council received the full Liability Guarantee Fee of \$330K from Centennial Park whereas in 2020-21 Council only received half of the amount due to a 50% fee waiver.

Expenditure:

The financial statements show expenditure increased by \$1.7M compared to the 2020-21 financial year. Key items included:

- Employee Costs reduced by \$204K. The reduction was principally due to a reduction in resourcing for Development and Compliance following a service review, and vacancies which were partially offset by an increase to temporary contract staff as explained below.

- Materials, Contracts and Other Expenditure increased by \$1.98M. Key items included the following:
 - Legal Fees increased by \$931K mainly due to ongoing matters associated with Unley Central Project;
 - Temporary Contract staff increased by \$329K due to vacancies, compounded by extended timeframes to recruit vacant roles due to the tight labour market;
 - Increases in Waste Contract \$237K due to contractual indexation and significant increases in fuel prices; and
 - Insurance \$171K due to an increase in premiums;
- Depreciation increased by \$128K due to increased depreciation on bridges following their revaluation as at 30 June 2021; and
- Finance Costs reduced by \$102K mainly due to the timing of capital expenditure and carry forward of projects \$5.4M, in part due to extended lead times for the supply of materials and contractual services.

5.2 Statement of Financial Position

The Statement of Financial Position discloses the total assets, total liabilities, and total Council Equity of Council at the end of the reporting period. As at 30 June 2022, Council held net assets totalling \$560.8M compared with \$546M for the previous year, representing an increase in total equity of \$14.8M.

Statement of Financial Position	2021-22	2020-21	Movement
	\$'000	\$'000	\$'000
Total Assets	574,491	566,114	8,377
Total Liabilities	13,695	20,088	6,393
Net Assets	560,796	546,026	14,770

The key movements for 2021-22 across Asset and Liabilities are as follows:

- Current assets reduced by \$146K. This was due to a \$131K reduction in deposits on call and cash on hand. Trade and other receivables were in line with the previous year, with a reduction in rates receivable and accrued revenue offset by an increase in general debtors.
- Equity Accounted Investments increased by \$9.7M, represented by the following equity increases:
 - Centennial Park Cemetery Authority increased by \$7.8M. This was attributable to:
 - an increase in the asset revaluation reserve due to the revaluation of Authority's infrastructure, property, plant and equipment \$7.7M (50% share), and
 - a small operating surplus of \$67K (50% share);

- Brown Hill Keswick Creek Stormwater Project increased by \$1.9M. This was due to additional capital contributions from owner councils and government grants;
- Infrastructure, Property, Plant and Equipment reduced by \$1.2M. The capitalisation of new \$3.9M and renewal assets \$5.6M, offset by depreciation of \$10.0M and asset disposals of \$0.6M.
 - The increase to work in progress (WIP) is mainly due to multi-year projects such as Unley Oval Grandstand Stage 2, the Edmund Avenue Cottages Business Hub and construction of new clubrooms for Millswood Croquet Club. These projects are due to be completed in 2022-23.
 - Key projects and renewals capitalised in 2021-22 relate to capital replacement projects broadly across assets comprising Roads, Kerbs, Drains and Traffic & Lighting.

5.3 **Statement of Cash Flows**

Council generated \$17.0M from its Operating Activities during the 2021-22 financial year compared to \$12.9M during 2020-21, largely due to an increase in receipts from operating activities. Details of how this reconciles with the net surplus and changes in net assets are shown in Note 11 of the Financial Statements.

During the year, Council spent \$9.5M on the construction and purchase of assets compared to \$11.3M in 2020-21 (refer Note 7a of the Financial Statements).

Council repaid \$8.7M of borrowings during the year, noting project carry forwards of \$5.4M into the 2022-23 financial year will require a draw down on borrowings.

As a result, the Cash Flow Statement shows a decrease in cash held of \$131K in 2021-22 compared to a decrease of \$63K in 2020-21.

5.4 **Financial Key Performance Indicators**

The key financial indicators are summarised and discussed below and are also included as Note 15 Financial Indicators of the Financial Statements.

Financial Indicators	2021-22	2020-21	Adopted Target
	\$'000	\$'000	
Operating Surplus	4,685	3,449	
Adjusted Operating Surplus Ratio*	6.7%	6.9%	5%
Net Financial Liabilities Ratio	20%	33%	<80%
Asset Renewal Funding Ratio (#Refer to Note below)	63%	83%	100% over 10 years

**The Adjusted Operating Surplus Ratio removes the distortion of Federal Government advance payments made in 2021-22.*

The 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.

Council's Operating Surplus Ratio and Net Financial Liabilities Ratio continue to perform better than Council's adopted targets whilst the Asset Renewal Funding Ratio on average performed lower than the Council adopted target for 2021-22.

Capital renewal expenditure was lower than originally forecasted, largely due to the extended lead time for materials and contract services. Capital renewal expenditure of \$3.2M has been carry forward for the completion of the renewal works in 2022-23.

Notwithstanding the timing delay with the capital projects, the City of Unley continues to be financially sustainable. Council continue to review and monitor future financial results and its financial position in conjunction with its Long-Term Financial Plan (LTFP).

The targets for the Long Term Financial Plan were considered by the Audit Committee at its meeting 14 November. The Audit Committee recommended that Council consider reducing the Operating Surplus Ratio to 4% prior to the commencement of the budget process for 2023-24.

5.5 End of Year Result Compared to Budget

Council is required, pursuant to Regulation 10 of the *Local Government (Financial Management) Regulations 2011*, to consider a report showing the audited financial results of the Council for the Statement of Comprehensive Income, Statement of Financial Position and Financial Indicators, compared with the estimated financial results set out in the budget, presented in a manner consistent with the Model Financial Statements.

The Statement of Comprehensive Income, Statement of Financial Position and Financial Indicators and associated commentary for 2021-22, are shown as Attachment 2.

Attachment 2

5.6 Centennial Park Cemetery Authority Financial Statements

A copy of the Centennial Park Cemetery Authority's (CPCA) financial statements for 2021-22 have been submitted as required and are included as part of the CPCA Annual Report, which is presented separately.

Their financial statements reflect a Net Operating Surplus of \$134K for the reporting period and Council's 50% share of this result is \$67K. This is compared to a deficit of \$407K for the previous year. Council's share was 50% of this loss.

Their financial statements reflect Net Assets of \$47.5M as at 30 June 2022. This represents an increase of \$15.5M for the reporting period due to the revaluation of the Authority's infrastructure, property, plant and equipment.

The equity accounted value of CPCA reflected in the City of Unley's Statement of Financial Position is \$23.8M compared to \$16.0M for the previous year.

5.7 Brown Hill Keswick Creek Stormwater Project Financial Statements

A copy of the Brown Hill Keswick Creek Stormwater Project (BHKC) financial statements for 2021-22 has been submitted as required and is included as part of the BHKC Annual Report, which is presented separately.

The BHKC Board was established on 27 February 2018 by Gazettal, and is under the control of City of Adelaide, City of Burnside, City of Unley, City of Mitcham, and City of West Torrens.

Their financial statements reflect a Net Operating Deficit of \$330K for the reporting period compared to a deficit of \$49K for the previous year. Council's 21% share of this result is \$69K.

Their financial statements reflect Net Assets of \$35.2M as at 30 June 2022. This represents an increase of \$9.3M for the reporting period which is reflective of the entity increasing its capital works through contributions from Member Councils and State Government grants.

Council's share of equity accounted value of BHKC reflected in the City of Unley's Statement of Financial Position is \$7.4M compared to \$5.4M for the previous year. The details of the breakdown are provided in Note 19.

6. POLICY IMPLICATIONS

6.1 Financial/budget implications

- Council must, on or before 30 November, submit a signed copy of the audited financial statements of Council to the Minister for Local Government and the Presiding Member of the South Australian Local Government Grants Commission.
- Council must also consider a report showing the audited financial results of the Council compared with the estimated financial results set out in the budget, by no later than 31 December of each year.

6.2 Risk Management (identification and mitigation)

- Not applicable

6.3 Staffing/Work Plans/Additional Resource Impact

- Not applicable

6.4 Climate/Environmental Impact

- Not applicable

6.5 Social/Economic

- Not applicable

7. ANALYSIS OF OPTIONS

Option 1 –

1. The report be received.
2. The Audited 2021-22 General Purpose Financial Statements contained in Attachment 1 to this report (Item 4.4, Council Meeting 28/11/2022) be adopted.
3. The Audited 2021-22 Financial Results compared to Budget contained in Attachment 2 to this report (Item 4.4, Council Meeting 28/11/2022) be noted.

The Audit Committee has reviewed the 2021-22 General Purpose Statements and are satisfied that they present fairly the state of affairs of Council in accordance with the requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.

Council is required to receive the General Purpose Financial Statements and pursuant to Regulation 10 of the *Local Government (Financial Management) Regulations 2011*, consider a report showing the audited financial results of the Council for the previous financial year compared with the estimated financial results set out in the 2021-22 budget presented in a manner consistent with the Model Financial Statements by 31 December 2022.

In accordance with legislation, a copy of the financial statements will be sent by Council to the Minister for Local Government and the SA Local Government Grants Commission by 30 November 2022.

There are no further options proposed.

8. RECOMMENDED OPTION

Option 1 is the recommended option.

9. REPORT CONSULTATION

There has been considerable consultation with Council's external auditors, Galpins, in the preparation of the General Purpose Financial Statements.

The Audit Committee considered the financial statements and met with the external auditors, Galpins, at its meeting held on 18 October 2022.

10. REPORT AUTHORISERS

Name	Title
Nicola Tinning	General Manager, Business Support & Improvement
Alex Brown	Manager Finance and Procurement

THE CITY of
Unley

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Our City is recognised for its enviable lifestyle, environment,
business strength and civic leadership.

General Purpose Financial Statements

for the year ended 30 June 2022

Contents	Page
Council Certificate	2
Principal Financial Statements	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to and forming part of the Financial Statements	7
Independent Auditor's Report – Financial Statements	44
Certificates of Audit Independence	
Council Certificate of Audit Independence	67
Audit Certificate of Audit Independence	68

General Purpose Financial Statements for the year ended 30 June 2022

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

Peter Tsokas
Chief Executive Officer

Michael Hewitson
Mayor

Date : 28 November 2022

City of Unley

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Income			
Rates	2a	44,084	42,313
Statutory Charges	2b	1,598	1,653
User Charges	2c	1,937	1,666
Grants, Subsidies and Contributions	2g	4,134	3,493
Investment Income	2d	45	41
Reimbursements	2e	421	374
Other income	2f	888	741
Net Gain - Centennial Park Cemetery Authority	19(a)	67	-
Total Income		53,174	50,281
Expenses			
Employee costs	3a	17,255	17,459
Materials, Contracts and Other Expenses	3b	20,952	18,972
Depreciation, Amortisation and Impairment	3c	10,026	9,898
Finance Costs	3d	187	289
Net loss - Brown Hill Keswick Creek Board	19(a)	69	214
Total Expenses		48,489	46,832
Operating Surplus / (Deficit)		4,685	3,449
Asset Disposal & Fair Value Adjustments	4	(433)	(803)
Amounts Received Specifically for New or Upgraded Assets	2g	1,634	1,868
Net Surplus / (Deficit)		5,886	4,514
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	6a	7,705	11,196
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19/19	1,159	2,128
Total Amounts which will not be reclassified subsequently to operating result		8,864	13,324
Total Other Comprehensive Income		8,864	13,324
Total Comprehensive Income		14,750	17,838

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

City of Unley

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	1,485	1,616
Trade & Other Receivables	5b	1,697	1,699
Other Financial Assets	5c	2	15
Total current assets		3,184	3,330
Non-current assets			
Equity Accounted Investments in Council Businesses	6	31,137	21,435
Infrastructure, Property, Plant & Equipment	7(a)(i)	540,170	541,349
Total non-current assets		571,307	562,784
TOTAL ASSETS		574,491	566,114
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	6,181	3,569
Borrowings	8b	266	256
Provisions	8c	3,996	4,318
Total Current Liabilities		10,443	8,143
Non-Current Liabilities			
Borrowings	8b	2,944	11,673
Provisions	8c	308	272
Total Non-Current Liabilities		3,252	11,945
TOTAL LIABILITIES		13,695	20,088
Net Assets		560,796	546,026
EQUITY			
Accumulated surplus		169,467	162,422
Asset revaluation reserves	9a	391,132	383,427
Other reserves	9b	197	177
Total Council Equity		560,796	546,026
Total Equity		560,796	546,026

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

City of Unley

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance at the end of previous reporting period		162,422	383,427	177	546,026
Adjustments (Correction of Prior Period Errors)	24a	-	-	-	-
Restated opening balance		162,422	383,427	177	546,026
Net Surplus / (Deficit) for Year		5,886	-	-	5,886
Other Comprehensive Income					
Gain (loss) on revaluation of IPP&E	7a	-	-	-	-
Share of OCI - Equity Accounted Council Businesses	10	1,159	7,705	-	8,864
Other Equity Adjustments - Equity Accounted Council Businesses	10	-	-	-	-
- Other Movements - Carpark and tree funds		-	-	20	20
Other comprehensive income		1,159	7,705	20	8,884
Total comprehensive income		7,045	7,705	20	14,770
Balance at the end of period		169,467	391,132	197	560,796
2021					
Balance at the end of previous reporting period		155,804	372,231	230	528,265
Adjustments (Correction of Prior Period Errors)	24a	(47)	-	-	(47)
Restated opening balance		155,757	372,231	230	528,218
Net Surplus / (Deficit) for Year		4,514	-	-	4,514
Other Comprehensive Income					
Gain (loss) on revaluation of IPP&E	7a	-	11,196	-	11,196
Share of OCI - Equity Accounted Council Businesses	10	2,128	-	-	2,128
Other Equity Adjustments - Equity Accounted Council Businesses	10	23	-	-	23
- Other Movements - Carpark and tree funds		-	-	(53)	(53)
Other comprehensive income		2,151	11,196	(53)	13,294
Total comprehensive income		6,665	11,196	(53)	17,808
Balance at the end of period		162,422	383,427	177	546,026

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

City of Unley

Statement of Cash Flows

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
Operating Receipts		57,393	52,285
Investment Receipts		45	41
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(40,153)	(39,074)
Finance Payments		(221)	(321)
Net cash provided by (or used in) Operating Activities	11b	<u>17,064</u>	<u>12,931</u>
Cash flows from investing activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,634	1,868
Sale of Replaced Assets		190	372
Repayments of Loans by Community Groups		13	61
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(5,574)	(6,650)
Expenditure on New/Upgraded Assets		(3,896)	(4,665)
Capital contributed to Equity Accounted Council Businesses		(840)	(1,183)
Net cash provided (or used in) investing activities		<u>(8,473)</u>	<u>(10,197)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		-	2
<u>Payments</u>			
Repayment of Bonds & Deposits		(3)	-
Repayments of Borrowings		(8,719)	(2,799)
Net Cash provided by (or used in) Financing Activities		<u>(8,722)</u>	<u>(2,797)</u>
Net Increase (Decrease) in Cash Held		<u>(131)</u>	<u>(63)</u>
plus: Cash & Cash Equivalents at beginning of period		1,616	1,679
Cash and cash equivalents held at end of period	11a	<u>1,485</u>	<u>1,616</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8
2	Income	14
3	Expenses	17
4	Asset Disposal & Fair Value Adjustments	18
5	Current Assets	19
6	Non-Current Assets	20
7	Infrastructure, Property, Plant & Equipment & Investment Property	21
8	Liabilities	26
9	Reserves	27
10	Assets Subject to Restrictions	27
11	Reconciliation to Statement of Cash Flows	28
12(a)	Functions	29
12(b)	Components of Functions	30
13	Financial Instruments	31
14	Capital Expenditure and Investment Property Commitments	34
15	Financial Indicators	36
16	Uniform Presentation of Finances	37
17	Leases	37
18	Superannuation	38
19	Interests in Other Entities	39
20	Non-Current Assets Held for Sale & Discontinued Operations	41
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	41
22	Events after the Balance Sheet Date	41
23	Related Party Transactions	43

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of Preparation**1.1 Compliance with Australian Accounting Standards**

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated DD MMM 2022

1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

Particular areas involving a high degree of judgement or complexity include the estimation of future payments and timing in relation to tip restoration liability. Further information in relation to the estimation of these liabilities are given in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

1.4 Estimates and assumptions**(2) The Local Government Reporting Entity**

The City of Unley is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 181 Unley Road, Unley. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

(3) Income Recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2021/22	\$2,304,602	\$1,282,422	+\$1,022,180

continued on next page

Page 8 of 68

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

2020/21	\$1,188,495	\$1,223,509	- \$35,014
2019/20	\$1,260,571	\$1,404,448	- \$143,887

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(4) Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

(5) Infrastructure, Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is given to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Buildings	\$3,000
Drainage / Recycled Water	\$3,000
Roads, Lanes, Kerb & Watertable	\$3,000
Pathways	\$3,000

continued on next page

Page 9 of 68

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

Traffic & Lighting	\$3,000
Bridges	\$3,000
Other Assets	\$3,000
Equipment, Furniture & Fittings - Other	\$3,000
Equipment, Furniture & Fittings - Computers	\$500

5.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

5.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Equipment, Furniture & Fittings	1 to 10 years
---------------------------------	---------------

Building & Other Structures

Buildings	50 years
Building Fit Outs	15 years

Infrastructure

Roads, Lanes, Kerb & Watertable	20 to 100 years
Pathways	20 to 50 years
Drainage / Recycled Water	5 to 100 years
Traffic and Lighting	5 to 20 years
Bridges	50 to 75 years
Other Assets	5 to 20 years

5.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

5.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(6) Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

6.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(7) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(8) Employee Benefits

8.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted avg. discount rate 2.77% (2021, 0.73%)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

8.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(9) Leases

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Note: For the FY 21/22, The council did not have any leases.

9.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at

continued on next page

Page 11 of 68

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(10) Equity Accounted Council Businesses

Council has a 50% share in the regional subsidiary, Centennial Park Cemetery Authority. Council's share has been recognised in the Financial Statements by including its share of the net assets within the Statement of Financial Position. The Change in the Equity Share, including any asset revaluation, is disclosed in the Statement of Comprehensive Income. Details are reported in Note 19.

As a result of changes made to the Charter of Centennial Park on August 2011, all distributions paid to Council are recorded as revenue in the Statement of Comprehensive Income. Distributions paid by Centennial Park to Council are regarded as payments for guaranteeing the liabilities of Centennial Park and accordingly are treated as an expense in the Statement of Comprehensive Income in the Financial Statements of Centennial Park.

Council is party to an agreement with the cities of Burnside, Mitcham, West Torrens and the Corporation of the City of Adelaide in relation to the Brown Hill Keswick Creek Project which is accounted for under AASB 11 Joint Agreements as a joint operation. As such each party is responsible for its own direct costs, and joint assets, revenue and expenses are shared on the basis set out in the agreement and Stormwater Management Plan documentation. Council's share has been recognised in the Financial Statements by including its share of joint revenue and expenditure in the Statement of Comprehensive Income and Council's share of joint assets within the Statement of Financial Position. Further details are provided in Note 19.

(11) GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

(12) New accounting standards and UIG interpretations

New accounting standards and UIG Interpretations

Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASBs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 2021 the AASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no impact on the financial statements.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

Effective for NFP annual reporting periods beginning on or after 1 January 2025

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2021-7)

(13) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(14) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income

\$ '000	2022	2021
(a) Rates		
General Rates		
General Rates	43,197	41,531
Less: Mandatory Rebates	(916)	(900)
Less: Discretionary Rebates, Remissions & Write Offs	(114)	(110)
Total General Rates	42,167	40,521
Other Rates (Including Service Charges)		
Regional Landscape Levy	1,427	1,414
Separate & Special Rates	332	233
Total Other Rates (Including Service Charges)	1,759	1,647
Other Charges		
Penalties for Late Payment	120	124
Legal & Other Costs Recovered	38	21
Total Other Charges	158	145
Total Rates	44,084	42,313
(b) Statutory Charges		
Development Act Fees	554	495
Animal Registration Fees & Fines	191	183
Parking Fines / Expiation Fees	727	857
Environmental Control Fines	29	25
Search Fees	97	93
Total Statutory Charges	1,598	1,653
(c) User Charges		
Hall & Equipment Hire	234	116
Property Lease	580	560
Catering	39	33
Sales - Swimming Memberships	284	164
Parking Control	92	144
Swim School	202	156
Swimming User Groups	86	88
Swimming Centre Operations	176	193
Unley Community Centre	35	33
Other User Charges	209	179
Total User Charges	1,937	1,666

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
---------	------	------

(d) Investment Income

Interest on Investments

- Local Government Finance Authority

45

41

Total Investment Income

45

41

(e) Reimbursements

Depot

133

109

Parking Control

91

109

Strategic Projects

-

53

Events Operating Projects

-

18

Waste Management

10

2

Other

187

83

Total Reimbursements

421

374

(f) Other income

Donations - General

19

14

Advertising - Other

78

97

Artisit - Exhibition Income

16

38

Contributions - CPCA Guarantee Fee

330

160

Contributions - Other

107

5

Community Services - Other

296

335

Book Club

1

1

Replacement Material

4

5

Workers Compensation Rebate

-

47

Insurance Claims Received

20

20

Fuel Tax Credits

17

16

CT Requests Fee

-

3

Total Other income

888

741

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	1,634	1,868
Total Amounts Received Specifically for New or Upgraded Assets	1,634	1,868
Other Grants, Subsidies and Contributions	4,134	3,493
Total Other Grants, Subsidies and Contributions	4,134	3,493
Total Grants, Subsidies, Contributions	5,768	5,361
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	2,925	1,402
State Government	2,828	3,957
Other	15	2
Total	5,768	5,361
(ii) Individually Significant Items		
Grant Commission (FAG) Grant Recognised as Income	1,097	648

In April 2022, Council has received payment of \$1,097k for the 2022-23 Financial Assistance Grant (FAG). As in the previous years, these amounts are recognised as income upon receipt. Similarly in April 2022, the 2021-22 grant was paid and recognised as income in that year.

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3. Expenses

\$ '000	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		14,134	14,606
Employee Leave Expense		2,037	2,186
Superannuation - Defined Contribution Plan Contributions		1,538	1,526
Workers' Compensation Insurance		393	393
Less: Capitalised and Distributed Costs		(847)	(1,252)
Total Operating Employee Costs		17,255	17,459
Total Number of Employees (full time equivalent at end of reporting period)		164	173
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Current Year Audit Fees		23	23
Elected Members' Expenses		297	291
Subtotal - Prescribed Expenses		320	314
(ii) Other Materials, Contracts and Expenses			
Contracts		4,380	3,999
Maintenance Contracts		2,310	2,199
Legal Expenses		1,670	739
Levies Paid to Government - NRM levy		1,428	1,414
Parts, Accessories & Consumables		3,018	3,073
Insurance (Workers Compensation, Public Liability, Assets)		800	629
Brownhill Keswick Creek Contributions		97	94
Levies & Taxes		170	195
Other Contributions & Donations		93	96
Printing		27	21
Sitting Fees		35	36
Trader Associations Contributions		335	232
Valuation Fees (Property for Rating Purposes)		193	194
Electricity		649	721
Advertising		113	94
Bank Fees & Charges		101	105
Community Program Expenses		372	303
Economic Development Program Expenses		32	30
Community Grants & Sponsorship		273	250
Sundry Materials, Contract & Expenses		237	172
Waste Contract		4,299	4,062
Subtotal - Other Material, Contracts & Expenses		20,632	18,658
Total Materials, Contracts and Other Expenses		20,952	18,972

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3. Expenses (continued)

\$ '000	Notes	2022	2021
(c) Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Infrastructure			
Stormwater Drainage / Recycled Water	†	1,183	1,188
Roads, Lanes, Kerb & Watertable	‡	2,276	2,215
Pathways	‡	1,449	1,417
Traffic & Lighting	‡	359	323
Bridges	‡	212	116
Equipment, Furniture & Fittings	‡	1,573	1,646
Buildings - Level 2	‡	1,416	1,413
Other Assets	‡	1,558	1,580
Subtotal		10,026	9,898
Total Depreciation, Amortisation and Impairment		10,026	9,898

(d) Finance Costs

Interest on Loans	187	289
Total Finance Costs	187	289

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	Notes	2022	2021
Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		190	372
Less: Carrying Amount of Assets Sold	‡	(623)	(1,175)
Gain (Loss) on Disposal		(433)	(803)
Net Gain (Loss) on Disposal or Revaluation of Assets		(433)	(803)

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 5. Current Assets

\$ '000	Notes	2022	2021
(a) Cash & Cash Equivalent Assets			
Cash on Hand at Bank	13	7	23
Deposits at Call	13	1,478	1,593
Total Cash & Cash Equivalent Assets		1,485	1,616
(b) Trade & Other Receivables			
Rates - General & Other	13	500	619
Accrued Revenues		-	48
Debtors - General	13	820	661
Prepayments		377	371
Subtotal		1,697	1,699
Total Trade & Other Receivables		1,697	1,699
(c) Other Financial Assets			
Loans to Community Organisations		2	15
Total Other Financial Assets		2	15

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13.

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 6. Non-Current Assets

\$ '000	Notes	2022	2021
Equity Accounted Investments in Council Businesses			
Centennial Park Cemetery Authority	19	23,752	15,995
Brown Hill Keswick Creek Board	19a	7,385	5,440
<u>Total Equity Accounted Investments in Council Businesses</u>		<u>31,137</u>	<u>21,435</u>

CPCA : Within the terminology of Section 43 of the Local Government Act 1999, the Centennial Park Cemetery Trust Incorporated is a jointly controlled authority of the City of Unley and the City of Mitcham each having a 50% interest in the assets, liabilities and operations of the Authority. The Authority was established in the cemetery industry and no financial contributions have been made to the Authority in the financial year.

FY 21/22 :

(1) The increase in Revaluation Surplus (\$15,463,235) is due to the following asset categories :

- a. Land - Other : \$3,700,000
- b. Buildings & Other Structures : \$129,279
- c. Infrastructure : \$11,633,956

(2) Other movements (\$52,025)

(3) Asset Disposal and Fair Value Adjustments (\$30,186)

(4) Operating Surplus \$134,146

The council's share (50%) of other comprehensive income (net of other movements) is : \$7,705,605

The council's share (50%) of operating surplus is : \$67,073

The council's share (50%) of Asset Disposal and Fair Value Adjustments is : (\$15,093)

BHKC : The Brown Hill and Keswick Creeks Stormwater Board (the Board) is a Local Government Regional Subsidiary established under Section 43 of and Schedule 2 to the Local Government Act 1999. The Regional Subsidiary is under the control of City of Adelaide, City of Burnside, City of Unley, City of Mitcham and City of West Torrens.

The Board was established by Gazettal dated 27 February 2018. The Board has been established to implement the construction and maintenance of infrastructure and other measures for the purposes of a stormwater management plan prepared by the constituent councils and approved by the Stormwater Management Authority.

The City of Unley's investment in the Authorities has been accounted for under the equity method (Note 19).

FY 21/22 : The increase in Council's share from BHKC is due to following ,

The council's share (21%) of other comprehensive income (Capital Funding and revaluation) is : \$1,174,483

The council's share (21%) of operating deficit is : \$69,869

The capital contributions for FY21/22 : \$840,000

City of Unley

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property

(a(ii)) Infrastructure, Property, Plant & Equipment

	Fair Value Level	as at 30/06/21				Asset movements during the reporting period							as at 30/06/22			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Capital Work in Progress		-	4,349	-	4,349	-	-	-	-	3,122	-	-	-	7,471	-	7,471
Stormwater Drainage / Recycled Water	3	101,190	1,430	(42,184)	60,436	-	459	(47)	(1,183)	(79)	87	-	101,086	1,949	(43,362)	59,673
Roads, Lanes, Kerb & Watertable	3	185,395	7,769	(43,812)	149,352	331	3,191	(381)	(2,276)	(242)	(49)	-	184,576	10,999	(45,649)	149,926
Pathways	3	55,114	714	(13,390)	42,438	309	161	-	(1,449)	(144)	289	-	55,984	714	(15,094)	41,604
Traffic & Lighting	3	5,565	4,488	(2,244)	7,809	395	557	(50)	(359)	(150)	-	-	5,487	5,290	(2,575)	8,202
Bridges	3	11,899	-	(5,862)	6,037	-	33	-	(212)	(33)	-	-	11,899	-	(6,074)	5,825
Other Assets	3	10,097	13,223	(10,130)	13,190	304	160	-	(1,558)	23	(339)	-	9,609	13,547	(11,376)	11,780
Equipment, Furniture & Fittings		-	18,796	(11,941)	6,855	122	513	(139)	(1,573)	(61)	-	-	-	18,937	(13,220)	5,717
Land	2	48,140	1,415	-	49,555	-	-	-	-	-	(1)	-	48,140	1,415	-	49,555
Land	3	169,091	777	-	169,868	-	-	-	-	-	-	-	169,091	777	-	169,868
Buildings	2	25,892	1,996	(19,800)	8,088	-	83	-	(451)	-	-	-	27,121	850	(20,251)	7,720
Buildings	3	46,572	4,413	(27,613)	23,372	2,436	417	(8)	(965)	(2,436)	13	-	45,164	6,074	(28,409)	22,829
Recycled Water	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Infrastructure, Property, Plant & Equipment		658,955	59,370	(176,976)	541,349	3,897	5,574	(625)	(10,026)	-	-	-	658,157	68,023	(186,010)	540,170
Comparatives		651,189	52,564	(173,795)	529,958	4,665	6,650	(1,175)	(9,898)	-	(47)	11,196	658,955	59,370	(176,976)	541,349

continued on next page

Page 21 of 68

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Fair value hierarchy level 2 valuations - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land - Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, formal sensitivity analysis does not provide useful information.

Transfers between fair value hierarchy levels

In the course of revaluing (name the asset classes), the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as at the date of the revaluation.

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Other Information - Fair Value Level Classification

An adjustment column named "Fair Value Level Reclassification" has been included for the purpose of aligning the asset classes fair value level balances.

Other Information - City of Unley's Tree Strategy

The Council recognises the important contribution trees and vegetation make to the City and our community. These assets provide multiple benefits like supporting flora and fauna and reducing the impacts of climate change, while creating a liveable city that adds character to neighbourhoods and economic value to properties.

The Tree Strategy sets out a vision of keeping Unley leafy for future generations. It provides a foundation for how the Council will continue to enrich our City through continual management of this valuable asset, now and for future generations.

Ongoing implementation and improvement of Councils' Tree Strategy and any associated maintenance is managed in accordance with, and subject to, adoption of Councils Annual Business Plan and Budget. An increase in planting and projects relating to trees will require additional and ongoing maintenance funding, including administrative support.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land & Land Improvements

- Date of valuation: 30 June 2018
- Valuer: Public Private Property
- All acquisitions made after the valuation date are recorded at cost.
- Next date of valuation: 1 July 2022

The following provides a summary of the City of Unley's asset classes together with the Public Private Property opinion of the Fair Value Hierarchy relevant to each asset group based on the quantum of observable inputs involved in the valuation relative to observable inputs.

Valuations techniques used to measure fair value within Level 2, including a description of the significant input used.

Land : Excluded / Revoked from classification as community land

The valuation of all Excluded / Revoked Land has been undertaken using the Market Approach, more specifically the Direct Comparison method of valuation and by reference to comparable market data.

Buildings : Market Approach

A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

Buildings : Cost Approach (excluding highly specialised and/or heritage listed Buildings)

The calculated value is based on Replacement Costs data sourced from the Public Private Property Replacement Costs Database and/or Rawlinsons Australia Construction Handbook 2017.

Valuation techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationships between unobservable inputs and fair value.

Asset Type	Valuation Technique
Land	Market Approach using the Direct Comparison Method of valuation by reference to comparable market data and subsequently adjusted to reflect the level of risk associated with alienating the Land to make it available for disposal.

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Land - Structures	Market Approach using the Direct Comparison Method of valuation by reference to comparable market data and subsequently adjusted to reflect the level of risk associated with alienating the Land to make it available for disposal.
Buildings	Cost Approach using the Replacement Costs data sourced from Public Private Property Replacement Costs Database, recent constructions by local government and/or Rawlinson's Australia Construction Handbook 2013. The unique nature of such buildings and the lack of definitive valuation inputs results in some variance to rates adopted.

Council being of the opinion that it is not possible to attribute a value that is sufficient and reliable to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

Buildings & Other Structures

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 30 June 2018
- Valuer: Public Private Property
- Next date of valuation: 1 July 2022

Infrastructure

Roads, Kerb and Gutter

- Date of valuation: 1 July 2017
- Valuer: Pavement Management Services & Assetic
- Basis of Valuation: Consumption based approach to the valuation of the pavement and surface assets was developed in order to more closely reflect the life cycle of the assets.
- Next date of valuation: 1 July 2022

Pathways (Footpaths, Car Parks, Bike Paths)

- Date of valuation: 1 July 2019
- Valuer: Public Private Property
- Basis of valuation: Level 3, please refer to summary table below
- All acquisitions made after the valuation date are recorded at cost.
- Next date of valuation: 1 July 2022

Drainage / Recycled Water (Stormwater Drains, Creeks, Managed Aquifer Recharge Scheme)

- Date of valuation: 30 June 2021
- Valuer: Public Private Property
- Basis of valuation: Level 3, please refer to summary table below
- All acquisitions made after the valuation date are recorded at cost.
- Next date of valuation: 2025 financial year

Traffic and Lighting (Traffic Control, Street Lighting, Bus Stops)

- Date of valuation: 1 Jul 2019
- Valuer: Public Private Property
- Basis of valuation: Written down current replacement cost discounted for age and condition
- All acquisitions made after the valuation date are recorded at cost.
- Next date of valuation: 2024 financial year

Bridges

- Date of valuation: 30 June 2021
- Valuer: Wallbridge Gilbert Aztec
- Basis of valuation: Level 3, please refer to summary table below
- Next date of valuation: 2025 financial year

Other Assets (Open Space and Reserve Equipment)

- Date of valuation: 30 June 2017
- Valuer: Calibre
- Basis of valuation: Level 3, please refer to summary table below
- All acquisitions made after the valuation date are recorded at cost.

continued on next page

Page 24 of 68

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

- Next date of valuation: 1 July 2022

Valuation Techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationships between unobservable inputs and fair value.

Asset Type	Valuation Technique
Infrastructure <ul style="list-style-type: none"> • Pathways • Other Assets 	Depreciated Replacement Cost (DRC) being the current replacement cost on an asset less, where applicable, accumulated depreciation calculated on the basis of such costs to reflect the already consumed or expired future economic benefits of the assets.
Infrastructure <ul style="list-style-type: none"> • Bridges 	Current Replacement Cost (CRC) of the infrastructure asset minus any accumulated depreciation and impairment losses. Field inspections provided certainty of the type and condition of the assets. However, due to lack of information on bridge replacement costs at the time of valuation factored have been applied to industry rates to provide the replacement cost based on the professional judgement and experience of the Tonkin Consulting engineers.
Infrastructure <ul style="list-style-type: none"> • Bridges 	Current Replacement Cost (CRC) of the infrastructure asset minus any accumulated depreciation and impairment losses. The valuation of assets were based on rates provided by the 2014 Rawlinson's handbook and rates obtained from Humes.

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 8. Liabilities

\$ '000	Notes	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables					
Goods & Services		3,405	-	2,479	-
Payments Received in Advance	N	1,668	-	72	-
Accrued Expenses - Employee Entitlements		746	-	370	-
Accrued Expenses - Finance Costs		33	-	67	-
Accrued Expenses - Other		326	-	575	-
Deposits, Retentions & Bonds		3	-	6	-
<u>Total Trade and Other Payables</u>		<u>6,181</u>	<u>-</u>	<u>3,569</u>	<u>-</u>
(b) Borrowings					
Loans		266	2,944	256	11,673
<u>Total Borrowings</u>		<u>266</u>	<u>2,944</u>	<u>256</u>	<u>11,673</u>
All interest bearing liabilities are secured over the future revenues of the Council					
(c) Provisions					
Employee Entitlements (including oncosts)		3,996	308	4,318	272
<u>Total Provisions</u>		<u>3,996</u>	<u>308</u>	<u>4,318</u>	<u>272</u>

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves

\$ '000	as at 30/06/21				as at 30/06/22	
	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance	
(a) Asset Revaluation Reserve						
Infrastructure						
Stormwater Drainage	30,900	-	-	-	-	30,900
Roads, Lanes, Kerb & Watertable	76,957	-	-	-	-	76,957
Pathways	26,270	-	-	-	-	26,270
Traffic & Lighting	598	-	-	-	-	598
Bridges	5,356	-	-	-	-	5,356
Land	205,475	-	-	-	-	205,475
Buildings	25,616	-	-	-	-	25,616
Other Assets	583	-	-	-	-	583
JV's / Associates - Other Comprehensive Income	11,672	-	7,705	-	-	19,377
Total Asset Revaluation Reserve	383,427	-	7,705	-	-	391,132
Comparatives	372,231	11,196	-	-	-	383,427

\$ '000	as at 30/06/21				as at 30/06/22	
	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance	
(b) Other Reserves						
Carpark Contribution Fund	129	-	(7)	-	-	122
Urban Tree Fund	37	4	-	-	-	41
Street Tree Amenity Fund	11	24	-	-	-	35
Total Other Reserves	177	28	(7)	-	-	198
Comparatives	230	23	(76)	-	-	177

Purposes of Reserves

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Note 10. Assets Subject to Restrictions

The nature of some of the City of Unley's assets, and in particular Centennial Park, is such that they have restricted use either because of legal restrictions, heritage or community expectation so that these assets would continue to be held for the benefit of the community.

City of Unley

Financial Statements 2022

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2022	2021
---------	-------	------	------

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Total Cash & Equivalent Assets	ii	1,485	1,616
Balances per Statement of Cash Flows		<u>1,485</u>	<u>1,616</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus/(Deficit)		5,886	4,514
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		10,026	9,898
Equity Movements in Equity Accounted Investments (Increase)/Decrease		2	214
Grants for capital acquisitions treated as Investing Activity		(1,634)	(1,868)
Net (Gain) Loss on Disposals		433	803
Other		20	(54)
		<u>14,733</u>	<u>13,507</u>
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		2	505
Net Increase/(Decrease) in Trade & Other Payables		2,615	(1,297)
Net Increase/(Decrease) in Unpaid Employee Benefits		(286)	216
Net Cash provided by (or used in) operations		<u>17,064</u>	<u>12,931</u>

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Bank Overdrafts	500	500
Corporate Credit Cards	250	250
LGFA Cash Advance Debenture Facility	20,000	20,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

City of Unley

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 12(b).

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions/Activities										
Office of the CEO	717	230	3,737	2,438	(3,020)	(2,208)	-	-	31,137	21,435
City Development	2,830	2,233	25,029	24,391	(22,199)	(22,158)	1,602	1,256	317,707	318,484
Business Support & Improvement	45,114	43,107	8,635	8,750	36,479	34,357	1,134	804	5,535	6,078
City Services	4,513	4,449	11,088	11,039	(6,575)	(6,590)	1,398	1,433	220,112	220,117
Total Functions/Activities	53,174	50,019	48,489	46,618	4,685	3,401	4,134	3,493	574,491	566,114

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 12(b). Components of Functions

The activities relating to Council functions are as follows:

OFFICE OF THE CEO

Governance, Marketing & Communications, Office of the CEO, Strategic Projects

CITY DEVELOPMENT

City Development Management, Environmental Initiatives, Operational Services, Property Services, Recreation & Sport Planning, Strategic Asset Management, Transportation & Traffic, Urban Design, Urban Policy & Planning, Waste Management, Economic Development

BUSINESS SUPPORT & IMPROVEMENT

Business Support & Improvement Management, Business Systems & Solutions, Corporate Activities, People & Culture, Finance & Procurement, Risk, Human Resources, WHS

CITY SERVICES

Active Aging Program, Animal Management, Arts & Cultural Development, City Services Management, Community Bus Program, Community Centres, Community Development & Wellbeing Management, Community Events, Community Grants, Customer Experience, Development Services, Library Services, Parking Enforcement, Public & Environmental Health, Unley Museum, Unley Swimming Centre, Volunteer Development, Youth Development

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments

Recognised Financial Instruments**Bank, Deposits at Call, Short Term Deposits****Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates of 0.20% (2021: 0.25% and 0.10%). Short term deposits have an average maturity of 30 days and an average interest rate of 0.70% (2021: 30 days and 0.65%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 5.2% (2021: 5.2%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings**Accounting Policy:**

Carried at the principal amounts. Interest is charged as an expense as it accrues

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Terms & Conditions:

Secured over future revenues, Credit Foncier loans are repaid on a 6-monthly basis, whilst Cash Advance Debentures (CAD) are repaid as surplus funds become available. Interest is charged at fixed and variable rates between 1.05% and 4.0% (2021: 1.3% and 4.0%).

Carrying Amount:

Approximates fair value.

Liabilities - Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 17.

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2022					
Financial Assets					
Cash & Cash Equivalents	1,485	–	–	1,485	1,485
Receivables	1,320	–	–	1,320	1,320
Other Financial Assets	2	–	–	2	2
Total Financial Assets	2,807	–	–	2,807	2,807
Financial Liabilities					
Payables	4,513	–	–	4,513	4,513
Current Borrowings	297	–	–	297	266
Non-Current Borrowings	–	2,297	676	2,973	2,944
Total Financial Liabilities	4,810	2,297	676	7,783	7,723
2021					
Financial Assets					
Cash & Cash Equivalents	1,616	–	–	1,616	1,616
Receivables	1,328	–	–	1,328	1,328
Other Financial Assets	15	–	–	15	15
Total Financial Assets	2,959	–	–	2,959	2,959
Financial Liabilities					
Payables	3,497	–	–	3,497	3,497
Current Borrowings	297	–	–	297	256
Non-Current Borrowings	–	6,499	5,233	11,732	11,673
Total Financial Liabilities	3,794	6,499	5,233	15,526	15,426

The following interest rates were applicable to Council's Borrowings at balance date:

\$ '000	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	2.40%	2,380	1.69%	10,843

continued on next page

Page 32 of 68

City of UnleyNotes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

\$ '000	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.00%	830	4.00%	1,086
		<u>3,210</u>		<u>11,929</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Expected Credit Losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

Set out below is the movement in the allowance for expected credit losses:

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	2022	2021
---------	------	------

(a) Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Infrastructure	6,754	9,204
	6,754	9,204

These expenditures are payable:

Not later than one year	6,693	9,033
Later than one year and not later than 5 years	61	171
	6,754	9,204

(b) Other Expenditure Commitments

Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities:

Maintenance Contracts on Properties and Leases	2,764	3,406
Maintenance Contracts (Service & Consulting)	363	1,769

continued on next page

Page 34 of 68

City of UnleyNotes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 14. Capital Expenditure and Investment Property Commitments (continued)

\$ '000	2022	2021
Waste Maintenance	3,031	5,245
	6,158	10,420
These expenditures are payable:		
Not later than one year	6,158	5,260
Later than one year and not later than 5 years	-	5,160
	6,158	10,420

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 15. Financial Indicators

	Indicator 2022	Indicators 2021	Indicators 2020
--	-------------------	--------------------	--------------------

Financial Indicators overview

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.

1. Operating Surplus Ratio

Operating Surplus			
<hr/>			
Total Operating Income	8.8%	6.9%	7.4%

This ratio expresses the operating surplus as a percentage of total operating revenue.

Adjusted Operating Surplus Ratio

Operating Surplus			
<hr/>			
Total Operating Income	6.7%	6.9%	7.4%

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

2. Net Financial Liabilities Ratio

Net Financial Liabilities			
<hr/>			
Total Operating Income	20%	33%	40%

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.

3. Asset Renewal Funding Ratio

Asset Renewals			
<hr/>			
Infrastructure & Asset Management Plan required expenditure	63%	83%	135%

Net asset renewals expenditure, as expressed in Council's Asset Management Plan, is used as the denominator in this indicator.

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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 16. Uniform Presentation of Finances

\$ '000	2022	2021
---------	------	------

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.

Income	53,174	50,281
less Expenses	(48,489)	(46,832)
Operating Surplus / (Deficit)	4,685	3,449
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(5,574)	(6,650)
add back Depreciation, Amortisation and Impairment	10,026	9,898
add back Proceeds from Sale of Replaced Assets	190	372
	4,642	3,620
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property)	(3,896)	(4,665)
add back Amounts Received Specifically for New and Upgraded Assets	1,634	1,868
	(2,262)	(2,797)
Net Lending / (Borrowing) for Financial Year	7,065	4,272

Note 17. Leases

Council does not have any Leases.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 18. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus Super (formerly Statewide Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10% in 2021/22, 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Interests in Other Entities

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2022	2021	2022	2021
Council's Share of Net Income				
Associates	(2)	(214)	31,137	21,435
Total Council's Share of Net Income	(2)	(214)	31,137	21,435

((a)i) Joint Ventures, Associates and Joint Operations

(a) Carrying Amounts

\$ '000	Notes	Principal Activity	2022	2021
Brown Hill Keswick Creek Board		Stormwater Management	7,385	5,440
Centennial Park Cemetery Authority		Cemetery Industry	23,752	15,995
Total Carrying Amounts - Joint Ventures & Associates			31,137	21,435

Brown Hill Keswick Creek Board

The Brown Hill Keswick Creeks Stormwater Board was established on the 27 February 2018 under section 43 of the Local Government Act 1999 and it has been recognised as a jointly controlled subsidiary of the City of Unley, City of Burnside, City of Mitcham, City of Adelaide and City of West Torrens each having a 20% interest in the assets, liabilities and operations of the Subsidiary. The City of Unley's investment in the subsidiary has been accounted for under the Equity method.

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

Centennial Park Cemetery Authority

Within the terminology of Section 43 of the Local Government Act 1999, the Centennial Park Cemetery Trust Incorporated is a joint controlling authority of the City of Unley and the City of Mitcham each having a 50% interest in the assets, liabilities and operations of the Authority. The Authority was established in the cemetery industry and no financial contributions have been made to the Authority in the financial year. The City of Unley's investment in the Authority has been accounted for under the equity method.

(b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2022	2021	2022	2021	2022	2021
Brown Hill Keswick Creek Board	20.00%	20.00%	21.00%	21.00%	20.00%	20.00%
Centennial Park Cemetery Authority	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Interests in Other Entities (continued)

(c) Movement in Investment in Joint Venture or Associate

\$ '000	Brown Hill Keswick Creek Board		Centennial Park Cemetery Authority	
	2022	2021	2022	2021
Opening Balance	5,440	2,134	15,995	16,181
Share in Operating Result	(69)	(10)	67	(204)
Share in Other Comprehensive Income	1,174	2,133	(15)	(5)
New Capital Contributions	840	1,183	—	—
Adjustments to Equity	—	—	7,705	23
Council's Equity Share in the Joint Venture or Associate	7,385	5,440	23,752	15,995

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position

Cash and Cash Equivalents	9,502	12,135	8,588	7,328
Trade and other receivables	422	271	1,600	1,503
Other Assets	20	—	—	—
Non-Current Assets	25,786	13,634	55,428	40,168
Total Assets	35,730	26,040	65,616	48,999
Current Trade and Other Payables	537	117	3,173	2,550
Current Provisions	25	18	614	600
Current Financial Liabilities	—	—	53	111
Non-Current Provisions	—	—	14,272	13,748
Total Liabilities	562	135	18,112	17,009
Net Assets	35,168	25,905	47,504	31,990

Statement of Comprehensive Income

Other Income	486	472	11,185	9,467
Interest Income	59	25	65	85
Total Income	545	497	11,250	9,552
Employee Costs	317	285	5,204	4,833
Materials, Contracts & Other Expenses	472	199	3,999	3,483
Depreciation, Amortisation and Impairment	86	62	1,912	1,643
Total Expenses	875	546	11,115	9,959
Operating Result	(330)	(49)	135	(407)

Contingent Liabilities of the Associate:

Each Member is Jointly and Severally Liable for the Debts of the Operation

- arising from Council's Share of Associate
- arising from Joint and Several Liability of all Members

The Centennial Park Cemetery Authority has contingent liabilities with respect to the redemption of unused licences in the event that the Authority ceases to take any business. The Burial and Cremation Act 2013 mandates the refund of unexercised licences at current prices less a provision for administration, maintenance and establishment costs. The calculation is determined in the regulations. The contingent liability as at 30 June 2022 is \$8,617,202 (2021: \$14,071,155). An actual liability will only arise if a claim is made by existing licence holders in the future. Based on the Board's understanding of the experience of Cemetery

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Interests in Other Entities (continued)

operators interstate when similar legislation was introduced, it is considered that the likelihood of future claims arising which could have a significant impact on Centennial Park is remote.

Total unused interment rights account for approximately 7.29% (2021: 7.25%) of 44,144 (2021: 44,513) burial interment rights currently issued.

Total unused interment rights account for approximately 9.31% (2021: 11.34%) of 33,985 (2021: 34,892) memorial interment rights currently issued. Once an interment or placement of a monument has occurred a licence cannot be redeemed.

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled **167.2 km** of road reserves of average width **12 metres**.

2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. Bank guarantees

Council does not expect to incur any loss arising from these guarantees.

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2022, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

City of Unley

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 22. Events after the Balance Sheet Date (continued)

COVID 19

COVID 19 has been classified as global pandemic by the World Health Organisation and developed rapidly during 2020. Measures taken by the Federal and State government have affected South Australia's economic activity and Council's operations.

The financial impacts on Council's operations for the 2021/22 financial year were not significant and, at this stage, Council expect that the financial impacts on Council's operations for the 2022/23 financial year will not be significant.

East Waste

The City of Unley become a Constituent Member of East Waste, a regional subsidiary established under s43 of the *Local Government Act 1999*, on 25 July 2022.

The City of Unley has an equal, 1/8th share (12.5%) of East Waste with the Cities of Campbelltown, Burnside, Prospect, Mitcham, Norwood Payneham & St Peters, the Corporation of the Town of Walkerville, and Adelaide Hills Council.

East Waste commenced providing waste collection services for Council on 1 August 2022.

Accordingly, the "authorised for issue" date is 28/11/2022.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 23. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 20 persons (2021 : 17 persons) were paid the following total compensation:

\$ '000	2022	2021
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	2,707	2,859
Long-Term Benefits	653	637
Total	3,360	3,496

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Elected Members are members of the management committees of the following organisations:

St Augustines Anglican Church, Diocesan Council of Adelaide Anglicans, Open Space Contemporary Arts, Sturt Football Club, Athletics SA, Transcend Australia, Inasmuch Inc, Centennial Park Cemetery Authority.

In accordance with the Local Government Act SA 1999, these persons declare a conflict of interest and leave the meeting environs when any matter affecting their Club/Association/Organisation is discussed or voted upon.

Many of the above-mentioned organisations use facilities maintained by Council for which there is no available arms length market pricing; these facilities are also used by other not-for-profit organisations and the general public.

Council made payments to a total value of \$26,067 to the above organisations for the period ending 30 June 2022.

Employees are members of the following organisation's Boards/Management Committees :

Local Government IT SA Incorporated, LGP Continuous Improvement Network, Kadaltilla Adelaide Park Lands Authority, Office of Design and Architecture SA, Australian Institute of Landscape Architects, Community Centres SA, Glenelg Rebels Softball Club, Mount Gambier Audit Committee, South Australian Local Government Finance Managers Group, University of Adelaide, Colton State Electoral Committee & Branch, Liberal Party of Australia SA Division, Australia Day Council SA, St Basils Homes, KESAB, Risk Management Institute Australasia, Local Government Risk Managers Group, Mylor Tennis Club, Adelaide Titans Football Club Inc, Libraries Board of SA.

In accordance with the Local Government Act SA 1999, these persons declare a conflict of interest and leave the meeting environs when any matter affecting their Club/Association/Organisation is discussed or voted upon.

Galpins

Accountants, Auditors & Business Consultants

2021/22 Audit Completion Report

The City of Unley



Mount Gambier
233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
DX 29044
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling
Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au



Table of Contents

EXECUTIVE SUMMARY.....	3
1. Status of Our Audit Work	4
2. Summary of Audit Risks and Overall Responses	5
3. Key Audit Matters	7
3.1 Valuation of Infrastructure assets.....	7
3.2 Valuation of Land and Buildings	8
3.3 Accounting treatment of capitalisation of assets	9
3.4 Management Override of Controls	9
3.5 Other High Risk Areas	10
4. Internal Controls Opinion and Recommendations	11
5. Final Management Letter	12
6. Immaterial Uncorrected Misstatements.....	13
7. Contact Details.....	14
Appendix 1 – Proposed Independent Auditor’s Report on the Financial Report.....	15
Appendix 2 – Proposed Independent Auditor’s Report on the Internal Controls.....	17
Appendix 3 – Statement by Auditor	19
Appendix 4 – Better Practice Model (BPM) Risks	20
Appendix 5 – Risk Ratings	23



EXECUTIVE SUMMARY

To the members of the audit committee of The City of Unley

We are pleased to present our Audit Completion Report for the financial year ended 30 June 2022. The purpose of this document is to summarise the key accounting and audit matters that have arisen during the engagement and our audit conclusions.

We intend to issue the following opinions (subject to the satisfactory completion of the items described in section 1 – *Status of our Audit Work* of this document):

Intended opinions	Type of opinion	Proposed Auditor's Report
Opinion on the Financial Statements	Unmodified	Refer to Appendix 1 of this report.
Controls Opinion	Unmodified	Refer to Appendix 2 of this report.

We have included in this report the following information to ensure that councillors, management and audit committee members are aware of all significant matters relating to the audit.

Matters	Sections
Status of our audit work	Section 1
Summary of Audit Risks and Overall Responses	Section 2
Key Audit Matters	Section 3
Internal Controls Opinion and Recommendations	Section 4
Final Management Letter	Section 5
Immaterial Uncorrected Misstatements	Section 6
Proposed Independent Auditor's Report on the Financial Report	Appendix 1
Proposed Independent Auditor's Report on the Internal Controls	Appendix 2
Draft Statement by Auditor	Appendix 3
Better Practice Model (BPM) Risks	Appendix 4
Risk Ratings	Appendix 5

We also confirm our intention to sign the statement by auditor regarding our independence, and confirm that for the audit of the year ended 30 June 2022 we have maintained our independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

Yours faithfully

Tim Muhlhausler CA Registered Company Auditor

Date: 28 September 2022



1. Status of Our Audit Work

Below is a summary of the status of audit activities and key documents related to the completion of our final audit.

Activities/Documents	Responsibility	Status
Final draft of the financial report	Management	Completed
Final audit visit	Audit	Completed
Final substantive procedures	Audit	Completed
Audit verification of the final draft of the financial report	Audit	Completed
Final draft of the financial report after audit verification	Management	Completed
Audit Completion Report	Audit	Completed
Final audited financial statements from the Council's subsidiaries	Management	Completed
Signed certification of auditor independence	Management	Completed
Final financial report after considerations from the audit committee	Management	Note 1
Signed certification of financial statements	Management	Note 1
Signed management representation letter	Management	Note 1
Signed statement by auditor	Audit	Note 1
Final Independent Auditor's Report on the Internal Controls	Audit	Note 2
Final Independent Auditor's Report on the Financial Report	Audit	Note 2

Note 1 To be provided after the audit committee meeting.

Note 2 To be provided by audit on receipt of both the:

- final financial report containing the signed certification of financial statements and the signed certification of auditor independence, and
- signed management representation letter.

2. Summary of Audit Risks and Overall Responses

Below, a summary of our initial audit risks identified in our audit plan presented to the audit committee, the audit approach and responses to address these risks and the final audit risks (residual risks) after the execution of our audit procedures.

Statement of Comprehensive Income – Income

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Rates and charges	High	\$44,084	RA1/RA2/RA3/RA4/RE1/RE2	Controls and substantive tests	Low	Fairly presented
Statutory charges	Moderate	\$1,598	US1/US2/US3/RE1/RE2	Substantive tests	Low	Fairly presented
User charges	Moderate	\$1,937	US1/US2/US3/RE1/RE2	Substantive tests	Low	Fairly presented
Grants	Moderate	\$4,134	GR1/GR2/GR3/RE1/RE2	Substantive tests	Low	Fairly presented
Investment Income	Low	\$45	II1	Substantive tests	Low	Fairly presented
Reimbursements	Low	\$421	OR1	Substantive tests	Low	Fairly presented
Other Income	Low	\$888	OR1	Substantive tests	Low	Fairly presented
Equity Accounted Businesses	Low	\$67	OR1/OE1	Substantive tests	Low	Fairly presented

Statement of Comprehensive Income - Expenses

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Employee costs	High	\$17,255	PA1/PA2/PA3/PA4/PA5/PA6	Controls and substantive tests	Low	Fairly presented
Materials / Contracts / Other Expenses	High	\$20,952	PP1/PP2/PP3/PP4/PP5/PP6 CO1/CO2/CO3 CC1/CC2/CC3	Controls and substantive tests	Low	Fairly presented
Depreciation and amortisation	High	\$10,026	FI4	Controls and substantive tests	Low	Fairly presented
Finance Costs	Low	\$187	BO1	Substantive tests	Low	Fairly presented
Equity Accounted Businesses	Low	\$69	OR1/OE1	Substantive tests	Low	Fairly presented

Statement of Comprehensive Income – Expenses

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Asset Disposals & FV Adjust	High	\$(433)	FI1/FI3	Controls and substantive tests	Low	Fairly presented
Amounts Received Specifically for New or Upgraded Assets	Moderate	\$1,634	GR1/GR2/GR3/RE1/RE2	Substantive tests	Low	Fairly presented
Physical Resources Received Free of Charge	Low	-	FI1	Substantive tests	Low	Fairly presented

Statement of Financial Position – Assets

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Cash and cash equivalents	High	\$1,485	BA1/BA2/IN1/IN2/IN3	Controls and substantive tests	Low	Fairly presented
Trade and other receivables	Moderate	\$1,697	DE1/DE2/DE3/DE4/DE5/PR1	Controls and substantive tests	Low	Fairly presented
Inventories	Low	-	INV1	Substantive tests	Low	Fairly presented
Financial Assets – NC	Low	\$2	LO1	Substantive tests	Low	Fairly presented
Equity Accounted Businesses	Low	\$31,137	OR1/OE1	Substantive tests	Low	Fairly presented
IPPE and WIP	High	\$540,170	FI1/FI2/FI3/FI4/FI5	Controls and substantive tests	Low	Fairly presented

Statement of Financial Position – Liabilities

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Trade and other payables	High	\$6,181	AP1/AP2/AP3/AP4/AP5/TA1/AE1	Controls and substantive tests	Low	Fairly presented
Borrowings	Low	\$266	BO1/BO2/BO3/BO4	Substantive tests	Low	Fairly presented
Provisions	Moderate	\$3,996	EP1	Substantive tests	Low	Fairly presented
Borrowings - NC	Low	\$2,944	BO1/BO2/BO3/BO4	Substantive tests	Low	Fairly presented
Other Non-current liabilities	Low	-	AE1	Substantive tests	Low	Fairly presented
Provisions - NC	Moderate	\$308	EP1	Substantive tests	Low	Fairly presented

Statement of Financial Position – Equity

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Accumulated Surplus	Low	\$169,467	N/A	Substantive tests	Low	Fairly presented
Asset Revaluation Reserves	High	\$391,132	FI3	Controls and substantive tests	Low	Fairly presented
Other Reserves	Low	\$197	N/A	Substantive tests	Low	Fairly presented

Intended Audit Opinion

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, ***the financial report prepared by the Council presents fairly***, in all material respects, the Council's financial position as at the end of the current financial year and its financial performance for the year ended on that date.

* A list of the main risks as per the Better Practice Model (BPM) addressed during our audit and related risk references is provided in Appendix 4.

3. Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report. We address these matters in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

3.1 Valuation of Infrastructure assets

Why the matter is significant	How the matter was addressed
<p>Infrastructure assets are valued at fair value. The fair values of these assets were based on depreciated current replacement costs which is comprised by the gross replacement cost less accumulated depreciation.</p> <p>Council values the gross replacement cost using the estimated average cost (unit cost) at which it could construct a substitute asset of comparable quality in the normal course of business. There was inherent subjectivity involved in making judgments in relation to assumptions used to estimate unit rates which also involved determining the:</p> <ul style="list-style-type: none"> ▪ components of assets that are replaced at different times in the asset lifecycle ▪ costs required to replace these components using current prices for materials, labour, and plant costs ▪ indices for measuring subsequent changes in unit rates. <p>The useful lives of assets and the measurement of accumulated depreciation are determined by external valuers. Significant judgement is used to determine the different useful lives for different components of assets and to calculate the depreciation that would have accumulated since original construction using these estimated useful lives.</p> <p>The significant professional judgments used to estimate the gross replacement cost and the accumulated depreciation are also relevant to the calculation of the annual depreciation expense of these assets.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> ▪ reconciled closing balances to the asset registers ▪ reconciled the movements in note 7 to the asset register ▪ reviewed the basis for valuation used by external valuers ▪ assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards ▪ reviewed the fair value hierarchy provided in note 7 for each category of asset ▪ reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports ▪ reviewed the useful lives mentioned above for different components and compared them to other local government entities ▪ performed a recalculation of depreciation ▪ reviewed the methodology used by Council to perform componentisation of infrastructure assets and compared the methodology used to Council's actual asset management practices and to other local government entities ▪ reconciled the unit rates used for different components of infrastructure assets to the unit rates provided in the valuer's report ▪ reviewed the unit rates mentioned above and compared them to different local government entities ▪ assessed the adequacy of disclosures in the financial report.

3.2 Valuation of Land and Buildings

Why the matter is significant	How the matter was addressed
<p>Land and buildings are valued at fair value. The basis of valuation to be used for these assets depends on a number of factors such as the nature of the asset, purpose of their use, the highest and best use of the asset, potential restrictions to the disposal of these assets among other factors.</p> <p>Valuation of land depends on whether the land is classified as Crown land or community land. Community land and Crown land are valued using unobservable (level 3) inputs as the allowance for the restriction on sale (requiring Ministerial consent) is usually an unobservable input, and is likely to have a significant effect on valuation.</p> <p>Land, where Council has an unfettered right to sell them, is usually valued at current market value based on their highest and best use. Level 2 inputs are primarily used for land during the valuation process.</p> <p>Valuation of buildings depends on the nature of these assets. Some Council buildings have no active market due to the specialised nature of the assets and the services they provide. For such buildings fair value is usually determined on the basis of replacement with a new building having similar service potential. Valuation techniques used to measure fair value of these buildings include significant unobservable inputs (level 3).</p> <p>For buildings that have an active market, buildings are assessed on market value principles which is deemed to be their fair value based on level 2 inputs. The most significant input into this valuation approach is sales transactions of comparable properties within the City, adjusted for any pertinent differences.</p> <p>The significant professional judgments used to estimate the value of buildings are also relevant to the calculation of the annual depreciation expense of these assets.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> ▪ reconciled closing balances to the asset registers ▪ reconciled the movements in note 7 to the asset registers ▪ reviewed the basis for valuation used by external valuers ▪ assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards ▪ analysed the nature of the land building assets and concluded whether the fair value hierarchy provided in note 7 for each category of asset was reasonable ▪ reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports ▪ reviewed the useful lives mentioned above for different components and compared them to other local government entities ▪ performed a recalculation of depreciation; and ▪ assessed the adequacy of disclosures in the financial report.

3.3 Accounting treatment of capitalisation of assets

Why the matter is significant	How the matter was addressed
<p>Councils are asset intensive and highly dependent on multiple assets to deliver services to customers. Hence, there is a high volume of transactions and significant amounts involved in relation to capitalisation of assets.</p> <p>Due to the unique characteristics of Council's assets a number of considerations are taken into account when an expenditure is capitalised which include:</p> <ul style="list-style-type: none"> ▪ whether Council is incurring capital expenditure on physical resources that are controlled by Council. Control is the most difficult of the characteristics of an asset to be defined as the concept goes beyond the legal ownership; ▪ Inclusions and exclusions of costs at initial recognition of an asset in accordance with AASB 116; ▪ Cost involved in dismantling and removing the asset and/or restoring the site under AASB 137; ▪ Borrowing costs to be capitalised into the cost of IPPE where the asset is a "qualifying asset" as per AASB 123; and ▪ accounting for subsequent costs and defining the nature of these costs as being capital or maintenance expenditure. 	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> ▪ performed analytical procedures to define whether the amounts capitalised for the FY was in accordance with our expectation and our understanding of the entity; ▪ reviewed internal controls in place for capitalisation of assets; ▪ selected a sample of additions and performed an assessment of the nature of the addition and concluded whether the addition was recognised in accordance with Australian Accounting Standards; ▪ reviewed the WIP schedule and selected a sample of transfers out to ensure that the asset was appropriately valued and capitalised in the right account; and ▪ reviewed the WIP schedule in order to identify projects that should have been capitalised but were not.

3.4 Management Override of Controls

Why the matter is significant	How the matter was addressed
<p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare a fraudulent report by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, the risk of material misstatement due to fraud is a significant risk.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> ▪ tested the appropriateness of journal entries recorded in the general ledger ▪ reviewed accounting estimates for biases ▪ performed final analytical procedures to conclude as to whether the financial report is consistent with our understanding of the entity ▪ requested written representation from Management ▪ reviewed IT access controls rights processes in place ▪ reviewed processes in place to ensure independent reviews of exception reports generated by Council ▪ reviewed processes in place to ensure independent reviews of audit trails of changes to master files.

3.5 Other High Risk Areas

The other high risk areas described in this section are account balances and/or audit areas that are not subject to a high degree of professional judgement, however we assessed their inherent risks as being high due to the materiality of the account balances, the high volume of transactions involved and other reasons outlined below:

Account balance	Why the risk is High	Overall audit response
Rates and charges	<ul style="list-style-type: none"> - largest revenue item - often used as a reference point for analysing expenditure decisions - politically sensitive – reputational risk involved if rates are raised incorrectly. 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - comparison of total capital values from the VG report to the total capital value recorded in the rates system - reconciliation of the rates modelling to the rates system and to the general ledger - recalculation of rates for a sample of rate payers.
Employee costs	<ul style="list-style-type: none"> - one of the largest expense items - high volume of transactions / data – subject to error - errors impact individuals financially. 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of employee files (contracts, awards, EBs) - inspection of timesheets - recalculation of a sample of individual payments.
Materials, Contracts & Other expenses	<ul style="list-style-type: none"> - one of the largest expense items - high volume of transactions, inherently higher risk of error - fraud risk area (procurement, payments and credit cards) - procurement and contracting are key focus areas for ICAC and the Auditor-General's Department. 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of supporting documents (contracts, invoices, purchase orders, subsequent payments, etc) for a sample of expenses.
Cash and cash equivalents	<ul style="list-style-type: none"> - material balance - fraud risk - if there is any instance of errors and/or fraud it will be indicative of broader errors - poor attitude to cash controls may be indicative of overall culture related to the entity's controls environment - public money 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - bank confirmation - inspection of bank statements - verification of outstanding reconciling items - reperformance of bank reconciliations.
Trade and other payables	<ul style="list-style-type: none"> - one of the largest liabilities - material balance - opportunity for understatements - if there is a poor use of accrual basis of accounting it may be indicative of poor culture - payments represent an opportunity for fraud. 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - reconciliation between subsidiary ledgers and the general ledger - inspection of subsequent payments for a sample of creditors - inspection of a sample of subsequent payments for completeness test.

4. Internal Controls Opinion and Recommendations

We have performed an extensive review of the Council's financial controls for the purpose of forming our control opinion as required by section 129 of the *Local Government Act 1999* based on council's obligations under s125 of that Act.

Our controls opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively				2022 Findings			
		2022	2021	2020	2019	H	M	L	BP
Purchasing & Procurement/Contracting	10	9	8	6	3	-	1	-	-
Fixed Assets	16	15	15	14	13	-	1	-	-
General Ledger	11	10	9	9	9	-	1	-	-
Accounts Payable	13	13	12	10	10	-	-	-	-
Credit Cards	5	4	3	5	5	-	-	1	-
Rates / Rates Rebates	10	10	10	8	8	-	-	-	-
Payroll	19	19	19	16	15	-	-	-	-
Receipting	5	5	5	4	4	-	-	-	-
Banking	5	5	5	5	5	-	-	-	-
Debtors	6	6	6	6	6	-	-	-	-
Total	100	96	92	83	78	-	3	1	-

Overall the Council demonstrated a **high level of compliance** with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim audit visit we found that the majority of key internal controls reviewed were in place and were operating effectively (96 out of 100 core controls reviewed). Risks were rated based on an assessment of the risk of non-compliance with s125 of the *Local Government Act 1999* as described in Appendix 5 – Risk Ratings.

An interim audit management letter was issued and presented to the audit committee containing our overall assessment of the council's internal controls and all the controls weaknesses identified during our review of the Council's financial controls.

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, **the Council has complied, in all material respects, with Section 125 of the Local Government Act 1999** in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities.



5. Final Management Letter

We have identified the following additional performance improvement observations when performing our substantive procedures during our final audit:

Assets requiring new revaluations		Risk High
Finding	<p>The most recent external revaluation of roads, kerb and gutter assets occurred on 01 July 2017.</p> <p>Accounting standards require assets using the revaluation model to be revalued with sufficient regularity to avoid material misstatement. Common practice in local government is for assets to have a full revaluation every 3-5 years, 5 years being generally accepted as the maximum allowable gap between revaluations.</p> <p>Infrastructure assets are requiring a revaluation to be effective as at 01 July 2022 to be within the 3-5 year revaluation cycle. In the absence of such a revaluation it is highly likely that infrastructure values will be materially misstated, putting Council at risk of a modified audit report in relation to the financial statements.</p>	
Risk	Risk of the financial report being materially misstated.	
Recommendation	Ensure that assets using the revaluation model are revalued with sufficient regularity as required by Australian Accounting Standards.	



6. Immaterial Uncorrected Misstatements

There are no Immaterial Uncorrected Misstatements to be reported.



7. Contact Details



Tim Muhlhausler CA, B Comm, Grad Dip. (ICAA),
Registered Company Auditor, MIAA (Aust), Registered SMSF Auditor
Partner

☎ (08) 8332 3433
☎ (08) 8332 3466
🌐 www.galpins.com.au



📍 3 Kensington Road Norwood SA 5067
PO Box 4067 Norwood South SA 5067



Juliano Freitas CA, B Acc, Registered Company Auditor
Audit Manager

☎ (08) 8332 3433
☎ (08) 8332 3466
🌐 www.galpins.com.au



📍 3 Kensington Road Norwood SA 5067
PO Box 4067 Norwood South SA 5067



Appendix 1 – Proposed Independent Auditor’s Report on the Financial Report

To the members of The City of Unley

Opinion

We have audited the accompanying financial report of The City of Unley (the Council), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of The City of Unley.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2022, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council’s Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council’s financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and



are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:



Appendix 2 – Proposed Independent Auditor’s Report on the Internal Controls

To the members of The City of Unley

Independent Assurance Report on the Internal Controls of The City of Unley

Opinion

We have audited the compliance of The City of Unley (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 have been conducted properly and in accordance with the law.

In our opinion, The City of Unley has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2021 to 30 June 2022.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Council’s Responsibility for Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Performs Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

**Auditor's responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with the law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of Use

This report has been prepared for the members of the Council in accordance with section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:



Appendix 3 – Statement by Auditor

I confirm that, for the audit of the financial statements of The City of Unley for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:

Appendix 4 – Better Practice Model (BPM) Risks

The risks outlined below are the main BPM risks addressed when determining our audit approach / response as described in section 2 of this report.

Business Cycles	Risk REF	Risks
Rates	RA1	Council does not raise the correct level of rate income
	RA2	Rates and rate rebates are either inaccurately recorded or not recorded at all
	RA3	The property master file data does not remain pertinent
	RA4	Rates are not collected on a timely basis
User Pay Income / Fee for services	US1	The fee charged does not reasonably reflect the value of the services provided
	US2	Council does not apply User Pay principles consistently
	US3	User pay income is either inaccurately recorded or not recorded at all
Investment / Interest Income	II1	Investment income is either inaccurately recorded or not recorded at all
Other Revenue	OR1	Other revenue is either inaccurately recorded or not recorded at all
Grants	GR1	Council loses recurrent grant funding to provide existing services
	GR2	Grant funding is not claimed by Council on a timely basis or not claimed at all
	GR3	Grants are either inaccurately recorded or not recorded at all
Receipting	RE1	Receipts are either inaccurately recorded or not recorded at all
	RE2	Receipts are not deposited at the bank on a timely basis
Purchasing & Procurement	PP1	Council does not obtain value for money in its purchasing and procurement
	PP2	Purchase of goods and services are made from non-preferred suppliers
	PP3	Purchase orders are either recorded inaccurately or not recorded at all
	PP4	Purchase orders are made for unapproved goods and services
	PP5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file
Payroll	PA1	Payroll expense is inaccurately calculated
	PA2	Payroll disbursements are made to incorrect or fictitious employees
	PA3	Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all
	PA4	Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
	PA5	Voluntary and statutory payroll deductions are inaccurately processed or without authorisation
	PA6	Employees termination payments are not in accordance with statutory and enterprise agreements
Credit cards	CC1	Credit cards are issued to unauthorised employees
	CC2	Credit cards are used for purchases of a personal nature
	CC3	Credit card limits are set at inappropriate levels



Business Cycles	Risk REF	Risks
Other Expenses	OE1	Other expenses are invalid, inaccurately recorded or not recorded at all
Contracting	CO1	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process
	CO2	Council does not obtain value for money in relation to its Contracting
	CO3	Commitments are made for unapproved goods and services
Banking	BA1	Banking transactions are either inaccurately recorded or not recorded at all
	BA2	Fraud (i.e. misappropriation of funds)
Investments	IN1	Council makes poor investment decisions
	IN2	Investment transactions are either not recorded or are recorded inaccurately
	IN3	Investment income is inaccurately calculated or not recorded in the appropriate period
Debtors	DE1	Debtors are either inaccurately recorded or not recorded at all
	DE2	Rebates and credit notes to debtors are either inaccurately recorded or not recorded at all
	DE3	An appropriate provision for doubtful debts is not recorded
	DE4	Debtors are either not collected on a timely basis or not collected at all
	DE5	The Debtors master file data does not remain pertinent.
Inventories	INV1	Inventories are either inaccurately recorded or not recorded at all
Fixed Assets	FI1	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent
	FI2	Fixed assets are inadequately safeguarded
	FI3	Fixed assets are not valued correctly initially or on subsequent revaluation
	FI4	Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals
	FI5	Fixed asset maintenance and/or renewals are inadequately planned
Prepayments	PR1	Prepayments are either inaccurately recorded or not recorded at all
Loans to Community groups	LO1	Loans to community groups are inaccurately recorded or not recorded at all
Accounts Payable	AP1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all
	AP2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all
	AP3	Disbursements are not authorised properly
	AP4	Accounts are not paid on a timely basis
	AP5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file
Accrued Expenses	AE1	Accrued Expenses are either inaccurately recorded or not recorded at all

Business Cycles	Risk REF	Risks
Borrowings	BO1	Borrowings are either not recorded or are recorded inaccurately
	BO2	Loans are taken out without appropriate approval
	BO3	Loans are not repaid in accordance with agreed terms
	BO4	Loan repayments are not recorded at all or are recorded inaccurately
Employee Provisions	EP1	Employee provisions are either inaccurately recorded or not recorded at all
Taxation	TA1	Tax liabilities are either inaccurately recorded or not recorded at all

Appendix 5 – Risk Ratings

The audit findings identified during our interim audit documented in our interim management letter and in section 4 of this report were rated as follows:

Category	Description
Potential Material Weaknesses	The issue described could lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

City of Unley

Financial Statements 2022

General Purpose Financial Statements for the year ended 30 June 2022

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The City of Unley for the year ended 30 June 2022, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*



Peter Tsokas
Chief Executive Officer



David Powell
Presiding Member, Audit Committee

Date: 18 October 2022

Galpins

Accountants, Auditors
Business Consultants



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

THE CITY OF UNLEY

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of The City of Unley for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 28 September 2022

Mount Gambier

Commercial Street West
Box 246, Mount Gambier SA 5290
(08) 8725 3068
(08) 8724 9553
admin@galpins.com.au

Stirling

14, 3-5 Mount Barker Road
Box 727, Stirling SA 5152
(08) 8339 1255
(08) 8339 1266
stirling@galpins.com.au

Norwood

Wilmington Road, Norwood SA 5067
Box 4067, Norwood South SA 5067
(08) 8332 3433
norwood@galpins.com.au

www.galpins.com.au

Galpins Trading Pty Ltd
N. 89 656 702 886

Galpins is a company limited by a scheme approved under Professional Standards Legislation

Attachment 2: 2021-22 Financial Results compared to Budget

Statement of Comprehensive Income
For the year ended 30 June 2022

\$ '000	Notes	Actuals	Budget	Variance
Income				
Rates		44,084	43,994	90
Statutory charges		1,598	1,575	23
User charges	A	1,937	1,977	(40)
Grants, subsidies and contributions	B	4,134	3,784	351
Asset Disposal		-		
Investment Income	C	45	12	33
Reimbursements		421	381	40
Other income	D	888	782	106
Total Income		53,107	52,505	602
Expenses				
Employee Costs	E	17,255	18,724	(1,469)
Materials, contracts & other expenses		20,952	20,899	53
Depreciation, amortisation & impairment		10,026	10,000	26
Finance costs	F	187	300	(113)
Net loss – Equity accounted investments	G	2	571	(569)
Total Expenses		48,422	50,494	(2,072)
Operating Surplus / (Deficit)		4,685	2,011	2,674
Asset disposal & fair value adjustments	H	(433)	314	(747)
Amounts received specifically for new, upgraded assets or replacement assets	I	1,634	6,101	(4,467)
NET SURPLUS / (DEFICIT)		5,886	8,426	(2,540)
Other Comprehensive Income				
Changes in revaluation surplus - infrastructure, property, plant & equipment	K	7,705	-	7,705
Share of other comprehensive income - joint ventures and associates	K	1,159	-	1,159
Total Other Comprehensive Income		8,864	-	8,864
Total Comprehensive Income		14,750	8,426	6,324

Attachment 2: 2021-22 Financial Results compared to Budget

Note	Comment – Statement of Comprehensive Income
A	User Charges were \$40K unfavourable to budget due to lower than expected income from memberships and casual entries at the Swimming Centre \$31K, lease income \$26K and facility hire \$14K, offset by a favourable variance in community centres \$32K.
B	Grants, subsidiaries, and contributions were \$351K favourable to budget due to the receipt of \$388K from the Special Local Road Grant for Duthy Street, Year 2 road upgrade.
C	Investment income was \$33K favourable to budget due to a \$17K bonus received from the LG Finance Authority, and higher than expected interest income of \$16K.
D	Other Income was \$106K favourable to budget due to funding contributions received for the Unley Road Streetscape \$90K, and Unley Sports Club \$16K projects.
E	Employee Costs were \$1.5M favourable to budget primarily due to vacancies \$1.1M, and adjustments to leave liability provisions \$0.4M. The employee costs are partially offset in Materials, Contracts and Other Expenditure due to the use of temporary contract labour of \$0.7M.
F	Finance Costs were \$113K favourable to budget due to project carry forwards for the delay in completing projects, therefore reducing the drawdown of borrowings.
G	The Equity Accounted Businesses were \$569K favourable to budget. Centennial Park Cemetery Authority returned a net surplus of \$67K and not the expected operating deficit \$571K. This was partially offset by City of Unley's share of Brown Hill Keswick Creek Stormwater operating deficit \$69K.
H	Asset Disposal was \$747K unfavourable to budget due to the following: a) Income from the sale of plant and fleet was deferred to 2022-23 due to delays in the change over of plant and fleet due to delivery lead times; and b) Unbudgeted loss from the disposal of infrastructure and assets replaced as part of the capital renewal process.
I	Amounts received for new and upgraded Assets were \$4.467M less than budget. This was primarily due to the carry forward of grant funding for multi-year projects including Unley Oval Stage 2, Unley Oval Sports Precinct and Edmund Avenue Cottages.
J	A net increase of \$7.7M in the revaluation reserve of the Centennial Park Cemetery Authority. An increase in the valuation of the infrastructure, building and land assets categories.
K	A net increase of \$1.2M in the share other comprehensive income - joint ventures and associates relate to Brown Hill Keswick Creek Stormwater Project (BHKC) for funding received for new / upgraded assets and the gain on the revaluation of land and buildings.

Attachment 2: 2021-22 Financial Results compared to Budget

Statement of Financial Position

For the year ended 30 June 2022

\$ '000	Notes	Actuals	Budget	Variance
ASSETS				
Current Assets				
Cash and cash equivalents		1,485	1,679	(194)
Trade & other receivables	A	1,697	2,437	(740)
Other financial assets		2	69	(67)
Total Current Assets		3,184	4,185	(1,001)
Non Current Assets				
Financial Assets		-	7	(7)
Equity accounted investments in Council businesses	B	31,137	18,719	12,418
Infrastructure, Property, Plant & Equipment	C	540,170	545,295	(5,125)
Total Non-current Assets		571,307	564,021	7,286
TOTAL ASSETS		574,491	568,206	6,285
LIABILITIES				
Current Liabilities				
Trade & Other Payables	D	6,181	5,383	798
Borrowings Fixed Term	E	266	256	10
Provisions		3,996	3,946	50
Total Current Liabilities		10,443	9,585	858
Non-current Liabilities				
Borrowings	E	2,944	12,836	(9,892)
Provisions		308	428	(120)
Other Non-current Liabilities		-	-	-
Total Non-current Liabilities		3,252	13,264	(10,012)
TOTAL LIABILITIES		13,695	22,849	(9,154)
Net Assets		560,796	545,358	15,439
EQUITY				
Accumulated Surplus		169,467	171,746	(2,279)
Asset Revaluation Reserves	F	391,132	373,381	17,751
Other Reserves		197	230	(33)
TOTAL EQUITY		560,796	545,358	15,439

Attachment 2: 2021-22 Financial Results compared to Budget

Note	Comment – Statement of Financial Position
A	Trade & other receivables were \$740K unfavourable to budget as outstanding rates were lower than originally forecast.
B	<p>Council's equity in associated joint ventures was \$12.4M higher than budget due to:</p> <p><u>Centennial Park Cemetery Authority (CPCA)</u>: a net increase of \$7.7M share in Asset Revaluation Reserve movement following the revaluation of infrastructure, building and land asset categories.</p> <p><u>Brown Hill Keswick Creek Stormwater Project (BHKC)</u>: a net increase of \$1.2M in share of other comprehensive income for funding received for new / upgraded assets and the gain on the revaluation of land and buildings.</p>
C	<p>Infrastructure, Property, Plant and Equipment was \$5.1M unfavourable to budget due to the capital carry forward of;</p> <ul style="list-style-type: none"> - multiple year major projects (Unley Oval Grandstand & Edmund Avenue Cottages), and - delays in project delivery resulting from supply chain constraints and price increases. The affected projects relate to renewal asset categories such as drain and stormwater, roads, reserves and open space, IT replacement, major plant and fleet vehicle assets.
D	Trade and Other Payables were \$798K unfavourable to budget due to an increase in the outstanding creditors, and other payables including grant income received in advance as of 30 June 2022.
E	Total borrowings were \$9.9M less than expected. This was due to \$5.4M of carry forwards into the 2022-23 financial year, a \$2.5M favourable operating budget variance, higher than forecast trade and other payables, and the timing of grant income.
F	<p>Asset Revaluation Reserves was \$17.8M favourable to budget due to:</p> <p>(b) The accumulated effect of the increase from infrastructure revaluations of \$11.2M across stormwater, drainage, and bridges asset categories for the City of Unley in 2020-21 that had not been reflected in the budget, and</p> <p>(a) \$7.7M in CPCA's revaluation of its infrastructure, building and land assets categories in 2021-22.</p>

Attachment 2: 2021-22 Financial Results compared to Budget

The City of Unley

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 15. Financial Indicators

\$ '000	Notes	Actuals	Budget	Variance
---------	-------	---------	--------	----------

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.

1. Operating Surplus Ratio

Operating Surplus	A	8.8%	4.9%	80%
Total Operating Income				

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	B	20%	36.0%	(44%)
Total Operating Income				

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.

3. Asset Renewal Funding Ratio

Net Asset Renewals	C	63%	101%	(37%)
Infrastructure & Asset Management Plan required expenditure				

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.

Attachment 2: 2021-22 Financial Results compared to Budget

Note	Comment – Financial Indicators
A	The Operating Surplus Ratio was significantly more favourable than expected due to the operating surplus being \$2.5M favourable to budget. Key favourable variances included employee costs \$1.5M, Council's share of equity accounted investments \$0.6M, and higher than anticipated grants recognised as income \$0.4M.
B	The Net Financial Liabilities Ratio was lower than expected primarily due to borrowings being \$9.8M favourable. This was due to end \$5.4M of carry forwards into the 2022-23 financial year, a \$2.5M favourable operating surplus, higher than forecast trade and other payables, and the timing of grant income.
C	The Asset Renewal Funding Ratio was lower than expected primarily due to the carry forward of \$3.2M of budgeted capital renewal expenditure. These projects are expected to be completed in 2022-23 along with the 2022-23 capital renewal program. The 2-year average is currently forecast to be 100%.

INFORMATION REPORT

REPORT TITLE:	2022-23 QUARTER 1 FINANCIAL PERFORMANCE REPORT
ITEM NUMBER:	4.5
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	EDDIE PETERS, ACCOUNTANT
DIRECTORATE:	BUSINESS SUPPORT AND IMPROVEMENT
ATTACHMENTS:	1. 2022-23 QUARTER 1 FINANCIAL PERFORMANCE REPORT

1. **PURPOSE**

This report provides a summary of the year-to-date financial performance for the 2022-23 financial year to 30 September 2022.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership
- 4.2 Council provides best value services to the community.

4. **BACKGROUND**

This report informs Council of its financial performance for the period ending 30 September 2022, compared to the approved budget incorporating the 2021-22 carry forwards approved by Council at its meeting on 22 August 2022.

5. **DISCUSSION**

Council's operating surplus after operating projects is favourable to budget by \$1.0M and 3%, consisting of the following variances:

- Operating Income is higher than the forecast budget by \$0.2M;
- Operating Expenditure is \$0.9M lower than the forecast budget; and
- Net Expenditure on Operating projects is \$0.1M higher than the forecast budget.

Net Capital Expenditure is \$0.6M and 20% favourable to budget, consisting of the following variances:

- Net Expenditure on New Capital Asset projects is \$0.4M less than the forecasted budget; and
- Net Expenditure on Capital Renewals is \$0.2M less than the forecast budget.

The following table is a summary of the actual year to date financial information compared to the approved budget for the period ending 30 September 2022.

\$'000 Favourable/(unfavourable)	Actual Year to Date	Budget Year to Date	Variance Favourable/ (unfavourable)		Full Year Budget Including Carry Forwards
			\$'000	%	
Operating					
Operating Income	47,833	47,654	179	0.4%	54,095
Operating Expenditure	(11,012)	(11,945)	933	7.8%	(50,143)
Operating Surplus/(deficit) before Operating Projects	36,821	35,709	1,112	3.1%	3,952
Net Operating Projects	(213)	(148)	(65)	(44.0%)	(1,396)
Operating Surplus/(deficit) after Operating Projects	36,608	35,561	1,047	2.9%	2,557
Capital					
Net New Capital Projects	(1,041)	(1,436)	395	27.5%	(3,862)
Net Capital Renewal	(1,209)	(1,378)	169	12.3%	(11,559)
Total Net Capital Expenditure	(2,250)	(2,814)	564	20.1%	(15,422)
Operating surplus/(deficit) less Net Capital Expenditure	34,358	32,747	1,612	4.9%	(12,865)
Depreciation & amortisation					10,175
Net Lending / (Borrowing) for the Financial Year					(2,690)

Operating Expenditure (before Operating Projects) contributed to the majority of the favourable variance amount. This was mainly due to favourable Employee Costs as a result of vacancies across the business, and Materials, Contracts and Other Expenses due to the scheduling of maintenance, and timing of other expenditure such as consultants.

Income relating to both Operating and New Capital Projects was favourable due to the receipt of grant funding for projects. The three major multi-year projects, the Unley Oval Grandstand Stage 2, Edmund Avenue Cottages Business Hub, and the Millswood Croquet Clubrooms are progressing as scheduled with the Edmund Avenue Cottages near completion.

Expenditure relating to the Capital Renewal Program was favourable due to the scheduling of work around inclement weather.

Further analysis is included in Attachment 1.

Attachment 1

6. REPORT AUTHORISERS

Name	Title
Alex Brown	Manager Finance and Procurement
Nicola Tinning	General Manager, Business Support & Improvement

City of Unley

2022-23 Quarter 1 Financial Performance Report

Attachment 1

Contents

Overall Funding Statement	2
Operations (excluding Projects)	
Income	3
Expenditure	4
Operating Projects	5
New Capital	7
Capital Renewal	9



2022-23 Quarter 1 Financial Performance Report

Overall Funding Statement

\$'000	Year to Date				Approved Full Year Budget
	Actual	Budget	Variance	Variance %	
Operating (excluding Projects)					
Income					
Rates	46,042	46,006	36	0.1%	46,051
Statutory income	644	551	94	17.0%	1,713
User charges	399	389	10	2.5%	2,051
Grants, subsidies and contributions	444	444	-	0.1%	3,063
Investment Income	26	3	23	713.1%	13
Reimbursements	101	70	31	44.1%	396
Asset Disposal	-	-	-	0.0%	-
Other income	177	191	(14)	(7.3%)	809
Total Operating Income	47,833	47,654	179	0.4%	54,095
Operating expenditure					
Total Employment costs (incl. contract labour)	(4,511)	(4,918)	407	8.3%	(20,462)
Materials, contracts and other expenses	(3,913)	(4,437)	524	11.8%	(19,193)
Depreciation and amortisation	(2,544)	(2,544)	-	0.0%	(10,175)
Finance costs	(44)	(46)	2	4.5%	(312)
Total Operating Expenditure	(11,012)	(11,945)	933	7.8%	(50,143)
Funding surplus/(deficit) before Projects	36,821	35,709	1,112	3.1%	3,952
Operating projects					
Income	-	-	-	0.0%	20
Expenditure	(213)	(148)	(65)	(44.0%)	(1,415)
Net expenditure - Operating projects	(213)	(148)	(65)	(44.0%)	(1,396)
Operating surplus/(deficit) including Projects	36,608	35,561	1,047	2.9%	2,557
Capital					
New Assets					
Income	962	802	160	20.0%	3,286
Expenditure	(2,003)	(2,238)	235	10.5%	(7,148)
Net expenditure - Capital projects	(1,041)	(1,436)	395	27.5%	(3,862)
Renewal Assets					
Income	0	-	0	0.0%	468
Expenditure	(1,209)	(1,378)	169	12.3%	(12,028)
Net expenditure - Capital projects	(1,209)	(1,378)	169	12.3%	(11,559)
Total Capital	(2,250)	(2,814)	564	20.1%	(15,422)
Operating surplus/(deficit) less Net Capital Expenditure	34,358	32,747	1,612	4.9%	(12,865)
Depreciation and amortisation	2,544	2,544	-	-	10,175
Net Lending / (Borrowing) for the Financial Year before Equity Accounted Businesses					(2,690)

2022-23 Quarter 1 Financial Performance Report

Operations (excluding Projects)

Income

\$'000	Year to Date				Approved Full Year Budget
	Actual	Budget	Variance	Variance %	
Income					
Rates	46,042	46,006	36	0.1%	46,051
Statutory income	644	551	94	17.0%	1,713
User charges	399	389	10	2.5%	2,051
Grants, subsidies and contributions	444	444	-	0.1%	3,063
Investment Income	26	3	23	713.1%	13
Reimbursements	101	70	31	44.1%	396
Asset Disposal	-	-	-	0.0%	-
Other income	177	191	(14)	(7.3%)	809
Total Operating Income	47,833	47,654	179	0.4%	54,095

Commentary

Operational income is \$179K and 0.4% favourable to budget. Key contributing factors are as follows:

- **Statutory Income** \$94K favourable. Higher than forecast income associated with the Royal Adelaide Show \$103K offset by a downturn in development applications \$17K;
- **Investment Income** \$23K favourable. This is due to cash deposits resulting in higher than budgeted interest income earned and increased interest rates; and
- **Reimbursements** are \$31K favourable to budget primarily due to higher than budgeted reimbursements from damaged council property / infrastructure.

Forecast

The following income categories are the subject of proposed adjustment to budgeted income in the Quarter 1 Budget Review:

- **Other Income:** A \$16K reduction in income received from WH&S assistance for Centennial Park Cemetery Authority which is no longer required offset by a \$16K reduction in employee costs (net zero request).

Otherwise, income is presently expected to be in line with the budget, and there are no foreseeable concerns regarding the Annual Budget.

2022-23 Quarter 1 Financial Performance Report

Operations (excluding Projects)

Expenditure

\$'000	Year to Date				Approved Full Year Budget
	Actual	Budget	Variance	Variance %	
Operating expenditure					
Total Employment costs (incl. contract labour)	(4,511)	(4,918)	407	8.3%	(20,462)
Materials, contracts and other expenses	(3,913)	(4,437)	524	11.8%	(19,193)
Depreciation and amortisation	(2,544)	(2,544)	-	0.0%	(10,175)
Finance costs	(44)	(46)	2	4.5%	(312)
Total Operating Expenditure	(11,012)	(11,945)	933	7.8%	(50,143)

Commentary

Operational expenditure is \$933K and 7.8% favourable to budget. Key contributing factors are as follows:

- **Employment Costs (including Contract Labour)** are \$407K favourable. This is due to vacancies in the following service areas: Operational Services, Development Services, Strategic Asset Management, Community and Cultural Centres, Finance, Human Resources, and Economic Development;
- **Materials, Contracts and Other Expenses** are \$524K favourable due to:
 - Contracts – Maintenance \$139K favourable primarily due to a review of some maintenance scheduling of works. The favourable variance is partially offset by an unfavourable variance for cleaning \$70K;
 - Utilities \$84K power and water favourable across all properties and reserves;
 - Consultants \$66K favourable due to the scheduling of work;
 - Waste \$60K favourable due to budget timing;
 - General Materials \$36K favourable due to the timing of maintenance for roads, signs, planning projects and reserves; and
 - Other favourable variances \$192K include purchase services, conferences, training, and postage primarily due to unutilised budgets.

Forecast

The following expenditure categories are the subject of proposed adjustments to budgeted expenditure in the Quarter 3 Budget Review:

- **Employee Costs:** A reduction of \$16K due to WHS assistance for Centennial Park Cemetery Authority, no longer required which is offset by a reduction in other income;

Employee vacancies and temporary backfill will be monitored throughout the year. Utilities costs and other budgets with favourable variances will also be monitored, and adjusted in a future budget review if they are not expected to be fully utilised during the financial year.

Expenditure is otherwise presently expected to be in line with budget, and there are no foreseeable concerns regarding the Annual Budget.

2022-23 Quarter 1 Financial Performance Report

Operating Projects

\$'000	Year To Date			Approved Full Year Budget
	Actual	Budget	Variance	
Income				
Greening Unley - Young Street	-	-	-	35
Waiving Outdoor Dining Fees	-	-	-	(15)
Total Income	-	-	-	20
Expenditure				
Unley Central Project	(75)	-	(75)	-
Co-housing for Ageing Well	-	-	-	(4)
Ignite Unley Outdoor Cinema Program	-	-	-	(20)
Events - Australia Day	-	-	-	(15)
Event Attraction	-	-	-	(10)
Royal Adelaide Show Traffic Mgmt	(27)	(27)	-	(27)
Water Wells (Tree Inlets) Program	(8)	(10)	2	(73)
Community Grants	-	-	-	(21)
City Wide Greening Verges	-	-	-	(60)
Trader Event Sponsorship	-	-	-	(40)
Active Aging	(0)	-	(0)	(20)
All Connections to Unley Art Prize	-	-	-	(20)
Tree Strategy Expand Canopy Target Public Land	-	-	-	(150)
Kerbside Performance (Food Waste) Grant	(0)	-	(0)	-
2022 Santos Tour Down Under Stage Start	-	-	-	(55)
Christmas Decorations	(0)	-	(0)	(25)
Living with Trees	(1)	(3)	1	(77)
Creative Activation Stations	-	-	-	(20)
Clarence Park Community Centre - Community Shed Program	(15)	(15)	-	(15)
Resilient East	-	-	-	(10)
Planning & Design Code (Stage 2) Sig.Tree List Review	-	(2)	2	(10)
Greening Unley - Young Street	-	-	-	(35)
City-wide Parking Strategy (Stage 2)	-	-	-	(35)
Carbon Neutral Operations by December 2023	(6)	(7)	1	(35)
Sustainability Projects Officer	(25)	(29)	3	(115)
Shaping Unley - Trees on Private Land	-	-	-	(25)
Significant Tree List Review- Additional Candidates	-	-	-	(10)
Plastics Free SA Program	-	-	-	(5)
Spring Fling Festival	(3)	(5)	2	(55)
Economic Advisory Committee	-	-	-	(20)
Strategic Projects Consultant	-	-	-	(30)
Culture Plan: First Nations	-	-	-	(30)
2022 Local Government Elections	-	-	-	(250)
Discover Historic Parkside Walking Trail	-	-	-	(24)
History of Unley Book	(51)	(50)	(1)	(75)
Total Expenditure	(213)	(148)	(65)	(1,415)
Net Expenditure	(213)	(148)	(65)	(1,396)

Operating Projects continued

Commentary

Expenditure

Operating Project expenditure is \$65K unfavourable to budget.

The unfavourable variance is primarily due to increased expenditure on legal fees for the Unley Central Project \$75K, which is the subject of a proposed budget adjustment.

Forecast

The following projects are the subject of proposed adjustments in the Quarter 1 Budget Review:

- Unley Central \$400K: Increased funding as per Council Resolution No. C0891/22. Council is expecting to receive reimbursement, in part, for the legal fees due to the City of Unley being awarded costs at the recent hearing of the High Court. A budget amendment will be made upon receipt of the funds; and

Beyond the proposed and anticipated changes outlined above, income and expenditure on projects is presently expected to be in line with budget.

2022-23 Quarter 1 Financial Performance Report

New Capital Projects

\$'000	Year To Date			Approved Full Year Budget
	Actual	Budget	Variance	
Income				
Unley Oval Grandstand Upgrade Stage 2	580	580	-	2,009
Edmund Avenue Cottages Business Hub Construction	178	178	0	593
Millswood Croquet Club-New Clubrooms Construction	143	44	99	44
Cycling and Walking Plan: Weller Street/Simpson Parade Streetscape	36	-	36	-
Leader St Bicycle Facilities	-	-	-	5
Unley Oval Sports Precinct	-	-	-	635
Millswood Croquet Club- Furniture & Fittings	25	-	25	-
Total Income	962	802	160	3,286
Expenditure				
Brownhill Keswick Creek	(257)	(257)	-	(515)
Capitalised Project Delivery Costs including Overheads	(63)	(63)	-	(252)
Unley Oval Grandstand Upgrade Stage 2	(870)	(1,123)	254	(3,041)
Digital Services Program (technology for communication, syst	(28)	(28)	0	(28)
Wilberforce Walk	(79)	(79)	(0)	(79)
Cycling and Walking Plan: King William Road Shared Path Upgrade	-	-	-	(11)
Edmund Avenue Cottages Business Hub Construction	(357)	(360)	3	(1,236)
Millswood Croquet Club-New Clubrooms Construction	(215)	(215)	(0)	(229)
Unley Swimming Centre Junior Pools Design	-	-	-	(64)
Cycling and Walking Plan: Weller Street/Simpson Parade Streetscape	(88)	(72)	(17)	(72)
Climate & Energy Plan Implementation	-	-	-	(101)
Leader St Bicycle Facilities	-	-	-	(10)
Unley Oval Sports Precinct	-	-	-	(635)
Living Streets	-	-	-	(70)
Drainage Program Wattle Street	(21)	(22)	1	(225)
Drainage Program Wilson Avenue	(22)	(19)	(3)	(75)
Unley Road Streetscape Upgrade	-	-	-	(40)
Cycling and Walking Plan: Wood-Weller Bikeway (Stage 5) Design	(1)	-	(1)	(20)
Hampton Street North / Leader Street Intersection	(2)	-	(2)	(25)
Stage 1 George St & Young St Intersection	-	-	-	(80)
Bicycle End of Trip Facilities	-	-	-	(20)
Cottages Museum Expansion 78-80 Edmunds Ave	-	-	-	(180)
Mobility & Operational Management Improvements (Year 1)	-	-	-	(120)
Light Fleet Renewal EV Premium	-	-	-	(20)
Total Expenditure	(2,003)	(2,238)	235	(7,148)
Net Expenditure	(1,041)	(1,436)	395	(3,862)

2022-23 Quarter 1 Financial Performance Report

New Capital Projects continued

Commentary

Income

New Capital Project income is \$160K favourable to budget. Key variances include:

- Millswood Croquet Club – New Clubrooms Construction \$99K favourable, primarily due to the receipt of Recreation, Sport and Racing grant funding net \$110K; and
- Cycling & Walking Plan (CWP) Weller Street/Simpson Parade Streetscape \$36K due to the recognition of grant income not included in the budget.

Expenditure

New Capital Project expenditure is \$18K unfavourable to budget. Key variance includes:

- Cycling & Walking Plan (CWP) Weller Street/Simpson Parade Streetscape \$17K unfavourable: The final project costs were higher than budgeted due to increased construction costs.
- Unley Oval Grandstand Upgrade Stage 2 \$254K favourable due to budget timing.

Forecast

Key adjustments proposed in the Quarter 1 Budget Review include:

- Unley Swimming Centre Junior Pools Concept & Design \$64K, returning unspent funds as savings;
- The recognition of a State Bicycle Fund grant received for the Cycling and Walking Plan \$36K. The associated expenditure budget was recognised in 2021-22 and carried forward.
- An increase in the expenditure budget of Cycling and Walking Plan: Weller Street/Simpson Parade Streetscape \$17K is requested due to higher than forecast construction costs.
- Millswood Croquet Club – New Clubrooms Construction:
 - Recognition of Recreation, Sport and Racing grant funding \$200K, offset by return of Club contributions \$90K (as per Club Facility Funding Agreement) and an associated expenditure budget \$110K, (net zero budget request); and
 - Additional club contribution \$14K, and an associated expenditure budget \$14K (net zero budget request);
- Recognition of Department of Infrastructure and Transport grant funding for the following projects:
 - Hampton Street North /Leader Street Intersection \$12.5K, and an associated expenditure budget \$12.5K (net zero budget request); and
 - Stage 1 George Street & Young Street Intersection \$60K, and an associated expenditure budget \$60K (net zero budget request).

Beyond these proposed changes, income and expenditure on capital programs is presently expected to be largely in line with the budget.

2022-23 Quarter 1 Financial Performance Report

Capital Renewal Program

\$'000	Year To Date			Approved Full Year Budget
	Actual	Budget	Variance	
Income				
Plant and Equipment	-	-	0	468
Total Income	-	-	-	468
Expenditure				
Bridges	-	-	-	(170)
Building	(150)	(153)	3	(908)
Bus Shelters	-	-	-	(10)
Drains & Stormwater	(7)	(63)	56	(1,275)
Footpaths	(49)	(65)	16	(710)
IT Equipment	(143)	(141)	(2)	(1,141)
Kerb & water table	(305)	(319)	14	(2,000)
Street Lighting	-	-	-	(20)
Plant and Equipment	(109)	(120)	11	(1,621)
Project Delivery	(238)	(238)	-	(954)
Reserves	(6)	(44)	37	(1,220)
Roadworks	(153)	(196)	43	(1,950)
Signs	(29)	(20)	(9)	(20)
Traffic Facilities	(20)	(20)	-	(30)
Total Expenditure	(1,209)	(1,378)	169	(12,028)
Net Expenditure	(1,209)	(1,378)	169	(11,559)

Commentary

Expenditure

Renewal expenditure is \$169K favourable to budget, primarily due to the timing of:

- Drains & Stormwater \$56K favourable: works not commencing until summer months due to the wetter than usual winter and the lack of materials availability;
- Reserves \$37K favourable: works delayed due to wetter than usual winter – reserves are too wet for machinery to access sites; and
- Roads Capital Replacement \$43K favourable, due to works delayed until warmer months for asphalt resurfacing.

There are no expected delays to the delivery of the Capital Renewal Program by the end of the financial year.

M m

DECISION REPORT

REPORT TITLE: 2022-23 QUARTER 1 BUDGET REVIEW
ITEM NUMBER: 4.6
DATE OF MEETING: 28 NOVEMBER 2022
AUTHOR: ROOXANA WEBBER, FINANCE BUSINESS PARTNER
DIRECTORATE: BUSINESS SUPPORT AND IMPROVEMENT
ATTACHMENTS: 1. QUARTER 1 BUDGET REVIEW INCREASE

1. PURPOSE

The Quarter 1 Budget Review is the first of three budget reviews for the 2022-23 financial year. It proposes variations to the existing budget, including new budget requests, budget savings, and zero budget requests, for member's consideration and endorsement.

2. RECOMMENDATION

That:

1. The report be received.
 2. The proposed budget variations increasing the net funding requirement by \$296K as set out in Attachment 1 to this Report, (Item 4.6. Council Meeting 28/11/2022,) for the 2022-23 Quarter 1 Budget Review, be endorsed.
 3. Council notes the \$556K favourable adjustment to the budgeted forecast for the Equity Accounted Business.
 4. The revised budgeted Uniform Presentation of Finances reflecting a change in the estimated Operating Surplus to \$2.19M, and estimated borrowings at 30 June 2023 of \$6.1M be adopted.
-

3. RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN

4. Civic Leadership
 - 4.1 We have strong leadership and governance.

4. **BACKGROUND**

The *Local Government (Financial Management) Regulations 2011* require Council to formally consider its budget three times per year. This statutory requirement recognises the likelihood that events will occur that require, or offer opportunities for, changes to the budget during the year.

Council adopted its 2022-23 Annual Business Plan and Budget on 27 June 2022.

Following the adoption of the 2022-23 Budget, Council approved the carry forward of \$5.4M net expenditure from 2021-22 financial year into the 2022-23 financial year. These carry forwards were approved by Council at its meeting held on 22 August 2022, and now form the approved budget.

5. **DISCUSSION**

The Administration has taken the opportunity to revise the budget at the completion of the first quarter of operations. An overview of the proposed adjustments is provided below.

Proposed adjustment by budget category Favourable/(unfavourable)	Net \$'000s
Increase to net operating income (excluding projects)	21
Net increase in expenditure on Operating Projects	(400)
Net reduction to the operating surplus	(379)
Less increase in expenditure on New Capital Projects	83
Less decrease in expenditure on Capital Renewal	0
Increase in the net funding requirement	(296)

Operating (excluding projects) Adjustments

Proposed adjustment \$'000	Zero Budget Request	Proposed Budget Requests	Total
Increase to income	-	21	21
Reduction to income	(16)	-	(16)
Increase to expenditure	(33)	-	(33)
Reduction to expenditure	49	-	49
Increase to net operating income	-	21	21

The operating variations propose a net income adjustment of \$21K. Key items include:

- Increased income of \$21,450 from the proposed disposal of a portion of land as per Council Resolution C0793/22, 27 June 2022; and
- A reduction in income of \$15,586, and corresponding reduction in employee costs of \$15,586, due to the discontinuation of WHS support for Centennial Park Cemetery Authority; and
- The reallocation of expenditure budgets as follows:
 - The Kerbside Waste Education Program of \$13,332 reallocated to Community Education Waste following the cessation of funding arrangements with SOLO; and
 - The reallocation of \$20,000 from the building maintenance program to Strategic Assets to cover the costs associated with the building asset condition audits.

Operating Project Adjustments

Proposed adjustment \$'000	Zero Budget Request	Proposed Budget Requests	Total
Increase to Income	39		39
Increase to expenditure	(39)	(400)	(439)
Net increase in expenditure on Operating Projects	-	(400)	(400)

The Operating Project adjustment proposes an increase in net expenditure of \$400,000 primarily due to legal fees for the Unley Central Project as per Council Resolution No. C0891/22, 26 September 2022. Council is expecting to receive reimbursement, in part, for the legal fees due to the City of Unley being awarded costs at the recent hearing of the High Court.

A zero budget request has been proposed to recognise Public Library Services grant funds, and associated expenditure budgets, relating to:

- the "On Track" program \$22,250, and
- the "3 X Three Club Program" program \$17,000.

New Capital Project Adjustments

Proposed adjustment \$'000	Zero Budget Request	Proposed Budget Requests	Total
Increase to income	287	36	323
Reduction to income	(90)		(90)
Increase to expenditure	(287)	(17)	(304)
Reduction to expenditure	90	64	154
Reduction in net expenditure on New Capital	-	83	83

The New Capital Project adjustments propose a reduction in net expenditure of \$83K.

Key items include:

- The return of unspent budget for the Unley Swimming Centre Junior Pools Concept & Design \$63,945; and
- The recognition of a State Bicycle Fund grant received for the Cycling and Walking Plan \$35,829. The associated expenditure budget was recognised in 2021-22 and carried forward. However, due to increased construction costs, an increase in the expenditure budget of \$16,619 is requested to fund project expenditure.
- Recognition of the Office for Recreation, Sport and Racing Grant funding for the Millswood Croquet Club new club rooms. The \$200,000 grant was paid to Council consisting of two parts:
 - \$110,000 retained by the Council to fund the construction of the new club rooms, with an associated expenditure budget (net zero budget request), and
 - \$90,000 payable to the Club (net zero request).
- Recognition of a further \$14,500 contribution from the Millswood Croquet Club, and an associated expenditure budget (net zero budget request), towards deck and canopy for the clubrooms; and
- Recognition of the Department of Infrastructure and Transport grant funding, and the associated expenditure budgets (net zero budget request), for
 - Stage 1 George Street & Young St Intersection \$60,000; and
 - Hampton Street North/Leader Street Intersection \$12,500.

Capital Renewal Adjustments

There are no proposed adjustments to the Capital Renewal Budget as part of this budget review.

Equity Accounted Businesses

Since the adoption of the 2022-23 Annual Business Plan and Budget in June, the Council has become a constituent council of East Waste, a regional subsidiary, on 25 July 2022. The City of Unley has a one eighth share (12.5%) of East Waste, so the Council's share of the budgeted operating surplus has been incorporated within the Budgeted Financial Statements in Attachment 1.

Centennial Park Cemetery Authority has also recently revised its forecast for the 2022-23 financial year following a small operating surplus in the 2021-22 financial year, and due to an improvement in market conditions.

Collectively, these changes have resulted in a \$556K favourable adjustment to the forecast surplus/(deficit) for the Equity Accounted Businesses, from a net loss of \$543K to a net surplus of \$13K. This surplus has been reflected in the Budgeted Financial Statements in Attachment 1.

Attachment 1

Movement in Forecast Borrowings

The opening borrowings position, prior to the proposed Quarter 1 Budget Review adjustments, was \$5.8M. The proposed budget adjustments in the Quarter 1 Budget Review increase the forecast annual borrowing requirement by \$296K. Consequently, borrowings are forecast to be \$6.1M at 30 June 2023.

Forecast Borrowings at 30 June 2023	\$'000
Forecast borrowings prior to Quarter 1 Budget Review	5,820
Proposed adjustments in Quarter 1 Budget Review	296
Forecast borrowings after Budget Review adjustments	6,115*

*Rounded

Financial Indicators

The financial indicators have been revised based on the proposed changes, the 2021-22 preliminary financial results, and carry forwards approved in the Preliminary End of Year Report.

Proposed adjustment \$'000 Favourable/(unfavourable)	Adopted Target	Adopted Budget	Quarter 1 Budget Review
Operating Surplus Ratio (excluding equity accounts businesses)	> 5.0%	4.7%	4.0%
Net Financial Liabilities Ratio	< 80%	24%	25%
Asset Funding Renewal Ratio (based on the Asset Management Plans)	=> 100%	137%	137%

The *Operating Surplus Ratio* will decrease from 4.7% to 4.0%. This is due to the reduction in the operating surplus of \$379K (before equity accounted businesses), primarily due to the increase in legal fees for the Unley Central project as per Council Resolution C0891/22. Council will be awarded some costs following the court decision.

The *Net Financial Liabilities Ratio* is forecast to increase marginally from 24% to 25% due to the \$296K increase in the funding requirement from the Quarter 1 Budget Review requests.

The Asset Funding Renewal Ratio is unchanged at 137%, noting this includes the carry forwards from the 2021-22 financial year which increased the ratio from 100% to 137%.

6. POLICY IMPLICATIONS

6.1 Financial/budget implications

- The proposed revised budget forms the approved budget if the proposed budget adjustments are approved.
- The Quarter 2 Budget Review will be presented to Council in February 2023.

6.2 Risk Management (identification and mitigation)

- Not applicable

6.3 Staffing/Work Plans/Additional Resource Impact

- Not applicable

6.4 Climate/Environmental Impact

- Not applicable

6.5 Social/Economic

- Not applicable

7. ANALYSIS OF OPTIONS

Option 1

1. The report be received.
2. The proposed budget variations increasing the net funding requirement by \$296K as set out in Attachment 1 to this Report, (Item 4.6. Council Meeting 28/11/2022) for the 2022-23 Quarter 1 Budget Review, be endorsed.
3. Council notes the \$556K favourable adjustment to the budgeted forecast for the Equity Accounted Business.
4. The revised budgeted Uniform Presentation of Finances reflecting a change in the estimated Operating Surplus to \$2.19M, and estimated borrowings at 30 June 2023 of \$6.1M be adopted.

8. RECOMMENDED OPTION

Option 1 is the recommended option.

9. REPORT CONSULTATION

All budget adjustments have been processed through the relevant Business Unit Managers and approved by the relevant General Manager of the Division.

10. REPORT AUTHORISERS

Name	Title
Alex Brown	Manager Finance and Procurement
Nicola Tinning	General Manager, Business Support & Improvement

City of Unley

2022-23 Quarter 1 Budget Review

Attachment 1

Contents

Proposed Changes

Summary by Budget Category	2
Operating (excluding Projects)	3
Operating Projects	4
Capital - New Assets	5

Financial Indicators **6**

Proposed Budgeted Financial Statements

Uniform Presentation of Finances	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Cash Flows	10
Statement of Equity	11



2022-23 Quarter 1 Budget Review

Proposed Changes

Summary by Budget Category

Operating Projects Adjustments

Proposed adjustment \$'000	Zero Budget Request	Proposed Budget Requests	Total
Increase to income	-	21	21
Reduction to income	(16)	-	(16)
Increase to expenditure	(33)	-	(33)
Reduction to expenditure	49	-	49
Increase to net operating income	-	21	21

Operating Projects Adjustments

Proposed adjustment \$'000	Zero Budget Request	Proposed Budget Requests	Total
Increase to Income	39		39
Increase to expenditure	(39)	(400)	(439)
Net increase in expenditure on Operating Projects	-	(400)	(400)

New Capital Projects Adjustments

Proposed adjustment \$'000	Zero Budget Request	Proposed Budget Requests	Total
Increase to income	287	36	323
Reduction to income	(90)		(90)
Increase to expenditure	(287)	(17)	(304)
Reduction to expenditure	90	64	154
Reduction in net expenditure on New Capital	-	83	83

No adjustments have been proposed to Capital Renewal Projects

2022-23 Quarter 1 Budget Review

Proposed Changes

Operations (excluding Projects)

Description	Proposed Adjustment Increase/(reduction)		
	Income	Expenditure	Net (income less expenditure)
Proposed Budget Requests			
Proceeds from sale of land Income from the sale of a parcel of land in Hyde Park as per Council Resolution C0793/22.	21,450	-	21,450
Total	21,450	-	21,450
Zero Budget Requests			
Kerbside Waste Audit Reallocation of funding from Waste Education operations to the Community Education - Waste		13,332	
Community Education - Waste Reallocation of the expenditure budget associated with Waste Education is due to the cessation of funding arrangements with SOLO who contributed funding to the education program.		(13,332)	
Building Maintenance Reallocation of Building Maintenance costs to Assets & Environment - Strategic Assets.		20,000	
Assets & Environment - Strategic Assets Reallocation of the budget from Building Maintenance to fund the asset condition audit for buildings.		(20,000)	
Workplace Health and Safety The City of Unley no longer provides WHS assistance to Centennial Park Cemetery Authority (CPCA). This adjustment removes the forecast income from CPCA and associated expenditure budget in employee costs.	(15,586)	15,586	
Total	(15,586)	15,586	

2022-23 Quarter 1 Budget Review

Proposed Changes

Operating Projects

Description	Proposed Adjustment Increase/(reduction)		
	Income	Expenditure	Net (income less expenditure)
Proposed Budget Requests			
Unley Central Increased funding as per Council Resolution C0891/22,		(400,000)	(400,000)
Total	-	(400,000)	(400,000)
Zero Budget Requests			
2022-2023: Library Board Innovation Fund 2022-2023 Public Library Services grant funds relating to the following programs, and recognition of associated expenditure budgets.			
• "On Track" Program	22,250	(22,250)	-
• "3 X Three Club" Program	17,000	(17,000)	-
Total	39,250	(39,250)	-

2022-23 Quarter 1 Budget Review

Proposed Changes

New Capital

Description	Proposed Adjustment Increase/(reduction)		Net (income less expenditure)
	Income	Expenditure	
Proposed Budget Requests			
Unley Swimming Centre Junior Pools Concept & Design Return unspent funds.		63,945	63,945
CWP Weller Street/Simpson Parade Streetscape State Bicycle fund grant offset by the increase in project costs due to industry demand and inflation	35,829	(16,619)	19,210
Total	35,829	47,326	83,155
Zero Budget Requests			
Millswood Croquet Club - New Clubrooms Construction Recognition of an Office for Recreation, Sport and Racing Grant (and associated expenditure budget) as a contribution towards the construction of the new clubrooms, including a members area, covered deck, toilets, office, storage room, paved entry, carpark and landscaping.	200,000	(200,000)	-
<ul style="list-style-type: none"> Transfer of \$90K of the grant funding to the Club as per Club Facility Funding Agreement. 	(90,000)	90,000	-
Recognition of the additional contribution from the Millswood Croquet Club to fund the deck and canopy, and associated expenditure budget.	14,450	(14,450)	-
Hampton Street North/Leader Street Intersection Receipt of State Bicycle Fund from the Department of Infrastructure and Transport, and the associated expenditure budget, for a new median refuge at Leader Street/Hampton Street North intersection for safer crossing.	12,500	(12,500)	-
Stage 1 George St & Young St Intersection Receipt of State Bicycle Fund from the Department of Infrastructure and Transport, and the associated expenditure budget, for the upgrade on George Street/Young Street intersection for safer riding to Parkside Primary School, Parkside Childcare and St Raphael's School.	60,000	(60,000)	-
Total	196,950	(196,950)	-

Financial Indicators

Operating Surplus Ratio

Operating surplus as a percentage of operating income.

The target range is 5% and above.



Net Financial Liabilities Ratio

Net financial liabilities as a percentage of operating income.

The target range is below 80%.



Asset Sustainability Ratio

Capital Renewal expenditure as a percentage of recommended expenditure in the Asset Management Plans.

The target range is equal to or greater than 100%.



2022-23 Quarter 1 Budget Review

Proposed Budgeted Financial Statements

Uniform Presentation of Finances

\$'000s	Adopted Budget with Carry Forwards	Zero Budget Requests	Additional Requests	Adjustment to Equity Accounted Businesses	Proposed Quarter 1 Budget Review
Income	54,115	23	21	-	54,159
less Expenses	(51,558)	(23)	(400)	-	(51,981)
Subtotal	2,557	-	(379)		2,178
Equity Accounted Subsidiaries	(543)	-	-	556	13
Operating Surplus / (Deficit) before Capital Amounts (inclusive of Equity Accounted Businesses)	2,014	-	(379)	556	2,191
less Net Outlays on Existing Assets					
Net Capital Expenditure on Renewal & Replacement of Existing Assets	(12,028)	-	-	-	(12,028)
less Depreciation, Amortisation and Impairment	10,175	-	-	-	10,175
less Amounts received specifically for Replacement of Existing Assets	-	-	-	-	-
less Proceeds from the Sale of Replaced Assets	468	-	-	-	468
Net Outlays on Existing Assets	(1,385)	-	-	-	(1,385)
less Net Outlays on New and Upgraded Assets					
Net Capital Expenditure on New and Upgraded Assets	(7,148)	(197)	47	-	(7,298)
less Amounts received specifically for New and Upgraded Assets	3,286	197	36	-	3,519
less Proceeds from Sale of Assets	-	-	-	-	-
Net Outlays on New and Upgraded Assets	(3,862)	-	83	-	(3,779)
Net Lending / (Borrowing) for the Financial Year (inclusive of Equity Accounted Businesses)	(3,233)	-	(296)	556	(2,973)
Less Equity Accounted Businesses	543	-	-	(556)	(13)
Net Lending / (Borrowing) for the Financial Year	(2,690)	-	(296)	-	(2,986)
Net Financial Liabilities at Beginning of Year	9,888	-	296		10,184
Decrease / (increase) in Other		-	-		-
Net Financial Liabilities at End of Year	13,121	-	296	-	13,417

The figures in this report have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

2022-23 Quarter 1 Budget Review

Proposed Budgeted Financial Statements

Statement of Comprehensive Income

\$'000s	Adopted Budget with Carry Forwards 22/23	Zero Budget Requests	Additional Requests	Adjustment to Equity Accounted Businesses	Proposed Quarter 1 Budget Review	
					Favourable/(unfavourable)	
Income						
Rates	46,051	-	-	-	-	46,051
Statutory Charges	1,713	-	-	-	-	1,713
User Charges	2,051	-	-	-	-	2,051
Grants, Subsidies & Contributions	3,063	-	-	-	-	3,063
Asset Disposal	-	-	21	-	-	21
Investment Income	13	-	-	-	-	13
Reimbursements	396	-	-	-	-	396
Other Income	809	(16)	-	-	-	793
Net gain - Equity Accounted Council Businesses	-	-	-	-	13	13
Operating Projects	20	39	-	-	-	59
Total Income	54,116	23	21	13		54,173
Expenditure						
Employee Costs	19,967	(16)	-	-	-	19,951
Materials, Contracts & Other Expenses	19,689	-	-	-	-	19,689
Depreciation, Amortisation & Impairment	10,175	-	-	-	-	10,175
Finance Costs	312	-	-	-	-	312
Net loss - Equity Accounted Council Businesses	543	-	-	-	(543)	-
Operating Projects	1,415	39	400	-	-	1,855
Total Expenditure	52,101	23	400	(543)		51,982
Operating Surplus / (Deficit) inclusive of Equity Accounted Businesses	2,015	-	(379)	556		2,191
Asset Disposal & Fair Value Adjustments	468	-	-	-	-	468
Amounts received specifically for new, upgraded or replacement assets	3,286	197	36	-	-	3,519
Net Outlays on New and Upgraded Assets	3,754	197	36	-		3,987
Net Surplus / (Deficit) inclusive of Equity Accounted Businesses	5,768	197	(343)	556		6,178
Share of Other Comprehensive Income - Equity Accounted Council Businesses	1,050	-	-	-	-	1,050
Total Comprehensive Income inclusive of Equity Accounted Businesses	6,818	197	(343)	556		7,228

The figures in this report have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

2022-23 Quarter 1 Budget Review

Proposed Budgeted Financial Statements

Statement of Financial Position

\$'000s	Adopted Budget with Carry Forwards	Proposed Quarter 1 Budget Review
Assets		
Current Assets		
Cash & cash equivalents	1,485	1,485
Trade & other receivables	1,697	1,697
Other financial assets	2	2
Total Current Assets	3,184	3,184
Non-current Assets		
Financial Assets	-	-
Equity accounted investments in Council businesses	32,398	32,954
Infrastructure, Property, Plant & Equipment	549,171	549,321
Total Non-current Assets	581,569	582,275
Total Assets	584,753	585,459
Liabilities		
Current Liabilities		
Trade & Other Payables	6,181	6,181
Borrowings Fixed Term	266	266
Provisions	3,996	3,996
Total Liabilities Assets	10,443	10,443
Non-current liabilities		
Borrowings	5,554	5,849
Provisions	308	308
Total Non-current Liabilities	5,862	6,157
Total Liabilities	16,305	16,600
Net Assets	568,448	568,858
Equity		
Accumulated Surplus	177,119	177,529
Asset Revaluation Reserves	391,132	391,132
Other Reserves	197	197
Total Equity	568,448	568,858
Net Financial Liabilities	13,121	13,417

Net Financial Liabilities are defined as total liabilities less financial assets.

The figures in this report have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

2022-23 Quarter 1 Budget Review

Proposed Budgeted Financial Statements

Statement of Cash Flows

\$'000s	Adopted Budget with Carry Forwards	Proposed Quarter 1 Budget Review
Cash Flows from Operating Activities		
Receipts		
Operating Receipts	54,102	54,147
Investment Receipts	13	13
Payments		
Operating Payments to suppliers and employees	(41,071)	(41,495)
Finance Payments	(312)	(312)
Net Cash provided by (or used in) Operating Activities	12,732	12,353
Cash Flows from Investing Activities		
Receipts		
Amounts specifically for new or upgraded assets	3,286	3,504
Amounts received specifically for Replacement of Existing Assets		
Proceeds from Sale of Surplus Assets		14
Sale of replaced assets	468	468
Repayments of loans by community groups		
Payments		
Expenditure on renewal/replacement of assets	(12,028)	(12,028)
Expenditure on new/upgraded assets	(7,148)	(7,299)
Net purchase of Investment Securities		
Capital Contributed to Equity Accounted Council Businesses		
Net Cash provided by (or used in) Investing Activities	(15,422)	(15,340)
Cash Flows from Financing Activities		
Receipts		
Proceeds from borrowings	2,690	2,986
Payments		
Repayments of borrowings		
Net Cash provided by (or used in) Financing Activities	2,690	2,986
Net Increase/(Decrease) in cash held	-	-
Plus: Cash & cash equivalents at beginning of period	1,485	1,485
Cash & cash equivalents at end of period	1,485	1,485

The figures in this report have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

2022-23 Quarter 1 Budget Review

Proposed Budgeted Financial Statements

Statement of Equity

\$'000s	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
Proposed Quarter 1 Budget Review				
Balance at end of previous reporting period	170,301	391,132	197	561,630
Net Surplus/(Deficit) for Year	6,178	-	-	6,178
Other Comprehensive Income	-	-	-	-
Gain/(loss) on revaluation of Infrastructure and Assets	-	-	-	-
Share of Other Comprehensive Income – Equity Accounted Council Businesses	1,050	-	-	1,050
Other Comprehensive Income	1,050	-	-	1,050
Total Comprehensive Income	7,228	-	-	7,228
Balance at end of period	177,529	391,132	197	568,858

\$'000s	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
Adopted Budget with Carry Forwards				
Balance at end of previous reporting period	170,301	391,132	197	561,630
Net Surplus/(Deficit) for Year	5,768	-	-	5,768
Other Comprehensive Income	-	-	-	-
Gain/(loss) on revaluation of Infrastructure and Assets	-	-	-	-
Share of Other Comprehensive Income – Equity Accounted Council Businesses	1,050	-	-	1,050
Other Comprehensive Income	1,050	-	-	1,050
Total Comprehensive Income	6,818	-	-	6,818
Balance at end of period	177,119	391,132	197	568,448

The figures in this report have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

INFORMATION REPORT

REPORT TITLE:	FIRST QUARTER 2022-23 CORPORATE PERFORMANCE REPORT
ITEM NUMBER:	4.7
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	NICOLA TINNING, GENERAL MANAGER, BUSINESS SUPPORT & IMPROVEMENT
DIVISION:	BUSINESS SUPPORT AND IMPROVEMENT
ATTACHMENTS:	1. CORPORATE PERFORMANCE REPORT - FIRST QUARTER 2022- 23

1. **PURPOSE**

To provide Council with data analysis, and information on service delivery and customer satisfaction survey results for the first quarter of the 2022-23 financial year.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership
- 4.3 Our business systems are effective and transparent.

4. **BACKGROUND**

The City of Unley has a Four-Year Plan that informs its Annual Business and Delivery Plans and budget processes, and guides Council and the community in relation to priorities and strategies, including the longer-term vision outlines in the Community Plan 2033.

The Corporate Performance Report, which provides Council with a performance report on a quarterly basis, ensures that Council is informed about service delivery to improve public accountability and transparency.

5. DISCUSSION

The State Government has introduced “Councils in Focus”, a website which draws data from annual Grants Commission reporting and allows for comparisons between Councils. The website is publicly available.

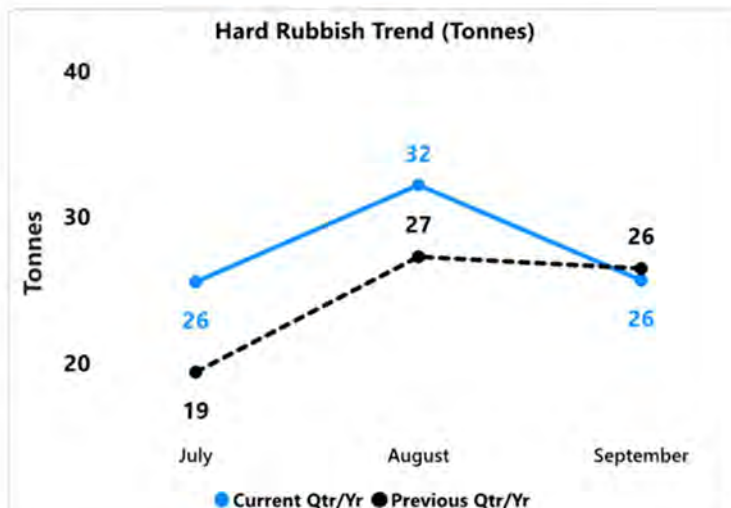
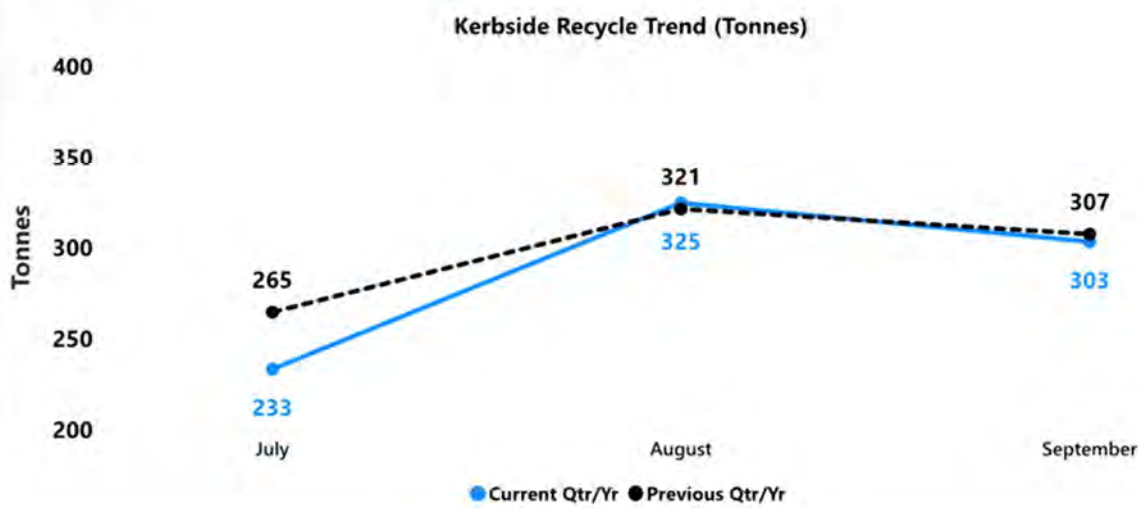
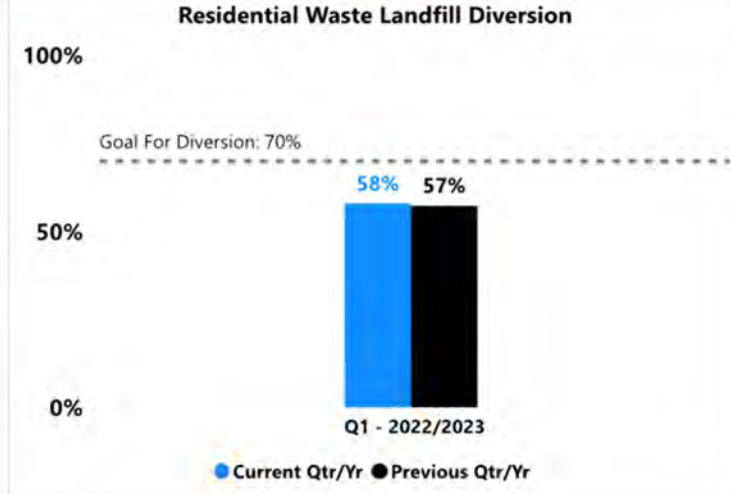
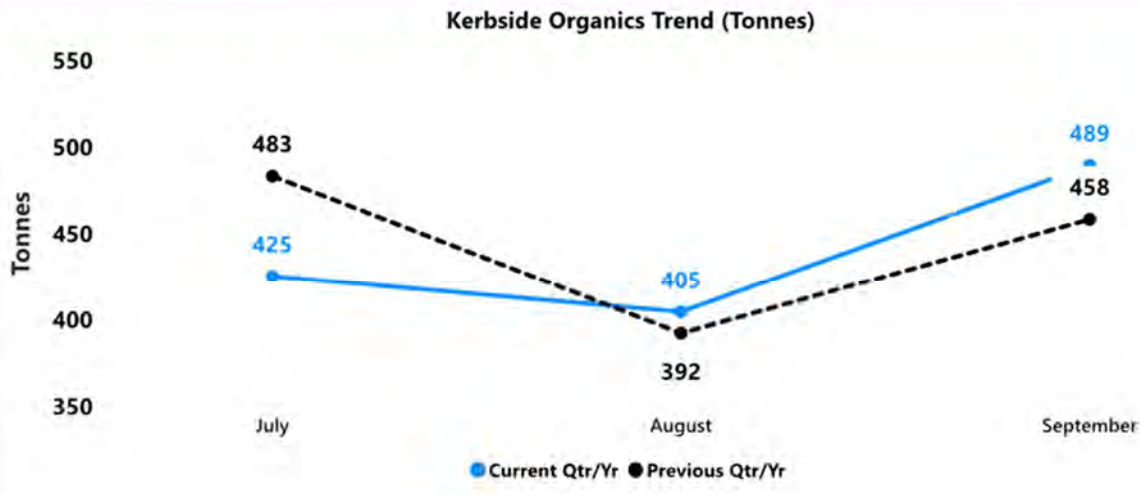
The collection of data from source corporate systems for the corporate performance report has been automated where possible. Automation is to improve data quality and create efficiencies in the data collection and process of analysis.

This report covers the first period of the 2022-23 financial year from 1 July 2022 to 30 September 2022. The Corporate Performance Report is provided as Attachment 1.

Attachment 1

6. REPORT AUTHORISERS

Name	Title
Peter Tsokas	Chief Executive Officer





ENVIRONMENTAL STEWARDSHIP

Residential Waste

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

Due to the timing of this report the data used has not been verified and therefore could have a variance of up to 5% from actual numbers.

There has been a marginal decrease in the total recorded tonnage of organic (green) material disposed by the community for the quarter, but follows the general trend of organics disposal given the time of year, which generally shows an increase of organics waste disposed through spring.

The total tonnage of recycled material for the quarter decreased by 32 tonnes, This reduction of total tonnage disposed by our community follows the current trend of all recycled material and general waste tonnage gradually decreasing each year.

The total waste diverted from landfill increased by 1% during this quarter compared to that of last year and is consistent with most quarterly diversion rates achieved by our community. The consistent results in waste diversion is a result of continued waste education and promotion of how to separate and avoid waste.

The total hard rubbish tonnage collected for the quarter increased by 10 tonnes and is attributed to additional collections being undertaken during the transition of waste collection service providers.



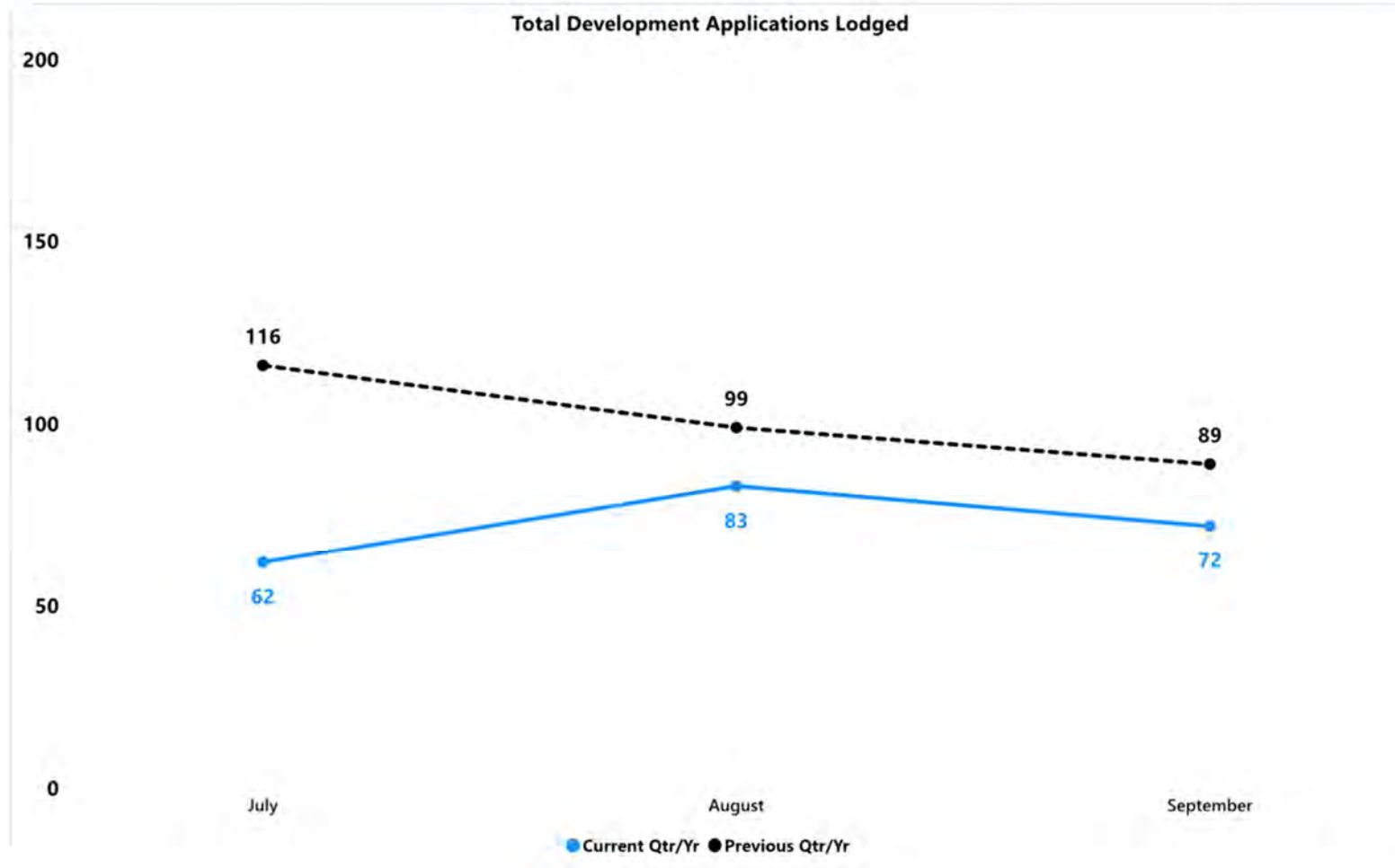
COMMUNITY LIVING - Development Applications

Financial Year

2022/2023

Financial Quarter

Q1





COMMUNITY LIVING

Development Applications - Planning Consents Granted

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

This report provides the number of applications for planning consent that have been lodged with Council during the quarter. The number of applications lodged this quarter (217) has reduced in comparison to the same quarter last year (304) and continues a trend for this calendar year of a lower than 5-year average for lodgements.

As noted in the report for "Value of Approved Development Applications", this may be due to a number of economic factors such as increasing interest rates and related economic factors. Council also received an influx of development applications post the PDI Act introduction on 19 March 2021, which resulted in increased numbers due to the policy changes that provided new flexibility in the assessment of planning applications that had not previously been supported. As the economic climate returns to more stable conditions, we anticipate that the number of applications lodged will be in line with the 5 year average.

Reporting systems in the Planning and Design Code indicate that legislated assessment times continue to be well met (on average achieved in 10-11 days, compared to the 20 day legislated target).



COMMUNITY LIVING - Value of Approved Development Applications

Financial Year

2022/2023

Financial Quarter

Q1



Average Development Value

\$237K

Financial Year 2020/2021

Average Development Value

\$323K

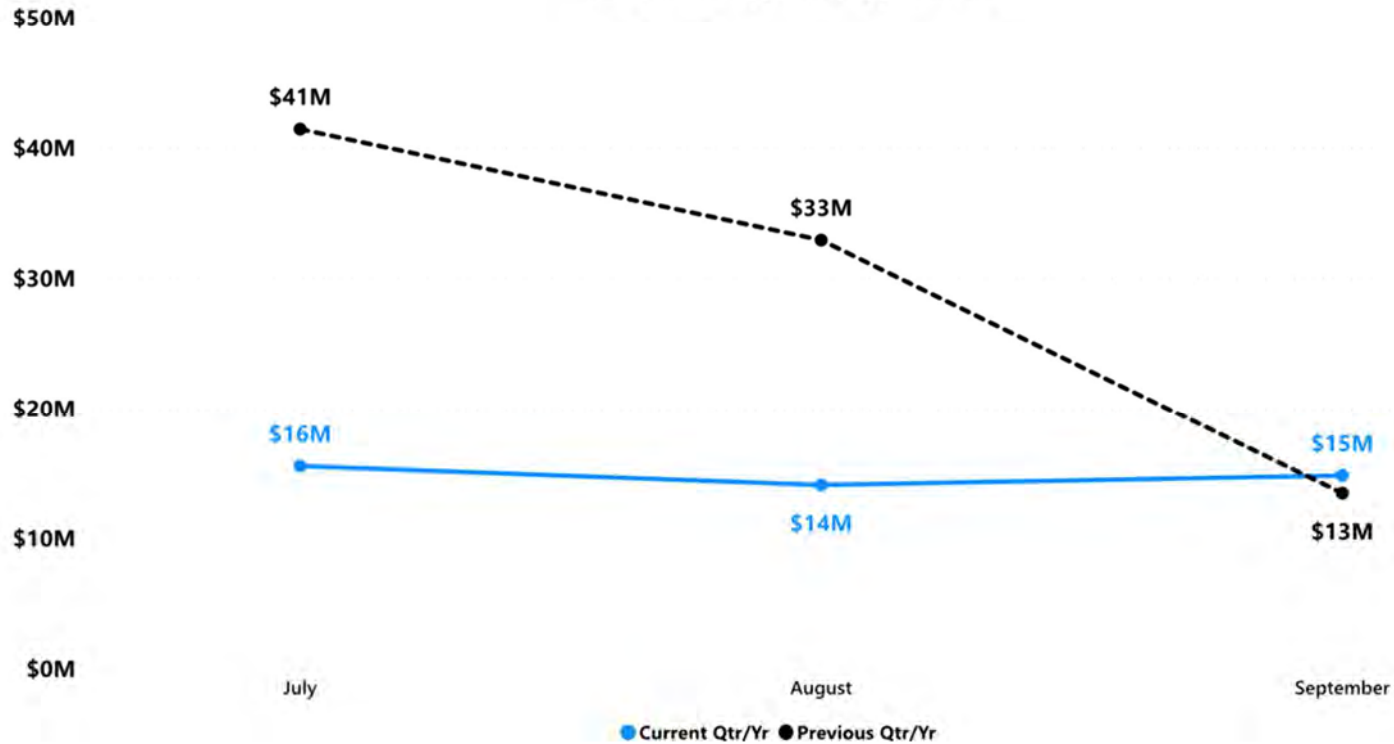
Financial Year 2021/2022

Average Development Value

\$220K

Financial Year 2022/2023 YTD

Total Value of Approved Applications





COMMUNITY LIVING

Value of Approved Development Applications

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

This report indicates the total and average value of development in the City of Unley approved during the quarter.

Quarter 1 has provided a more consistent total value of approved applications each month (between \$14-\$16m per month) that is reflective of the more minor development applications currently being processed. The minor nature of development, typically residential additions, alterations or outbuildings, has resulted in a lower average development value so far (\$220k YTD) in comparison to last year (\$323k). The impact to total and average development value is most likely being influenced by increasing interest rates and related economic factors. The average value of approvals remains high, consistent with recent past quarters over the previous years, where more consistent lodgements have occurred. It is envisaged that as the economic climate settles, these numbers will return to more consistent levels in line with the 3 year average.



COMMUNITY LIVING - Planning Compliance Inspected

Financial Year

2022/2023

Financial Quarter

Q1



Total Completed Requests



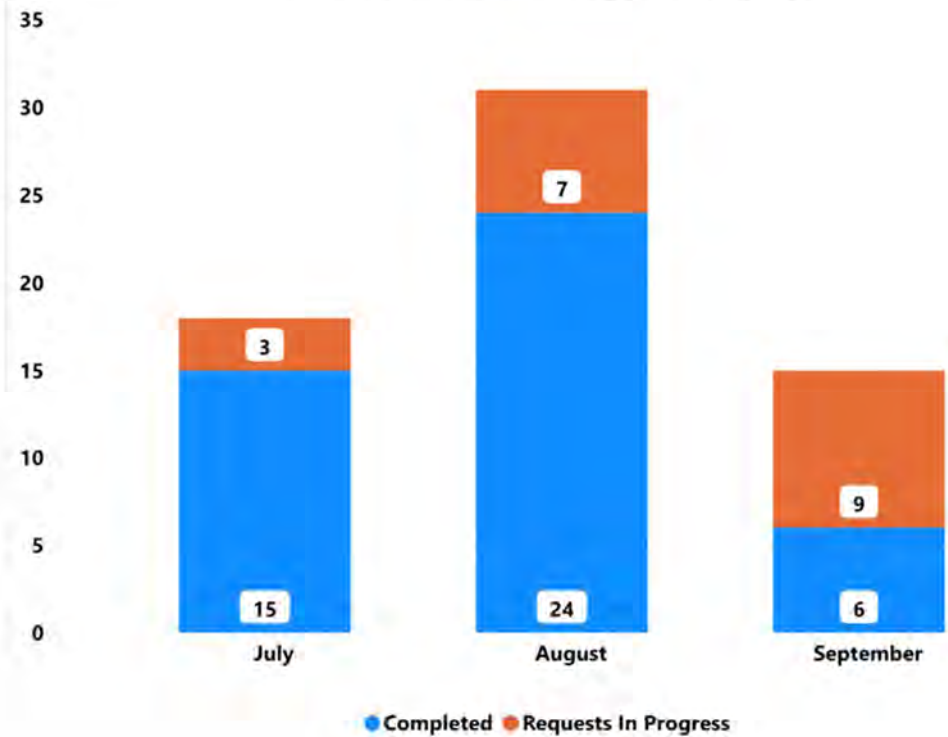
45

Compliance Requests In Progress

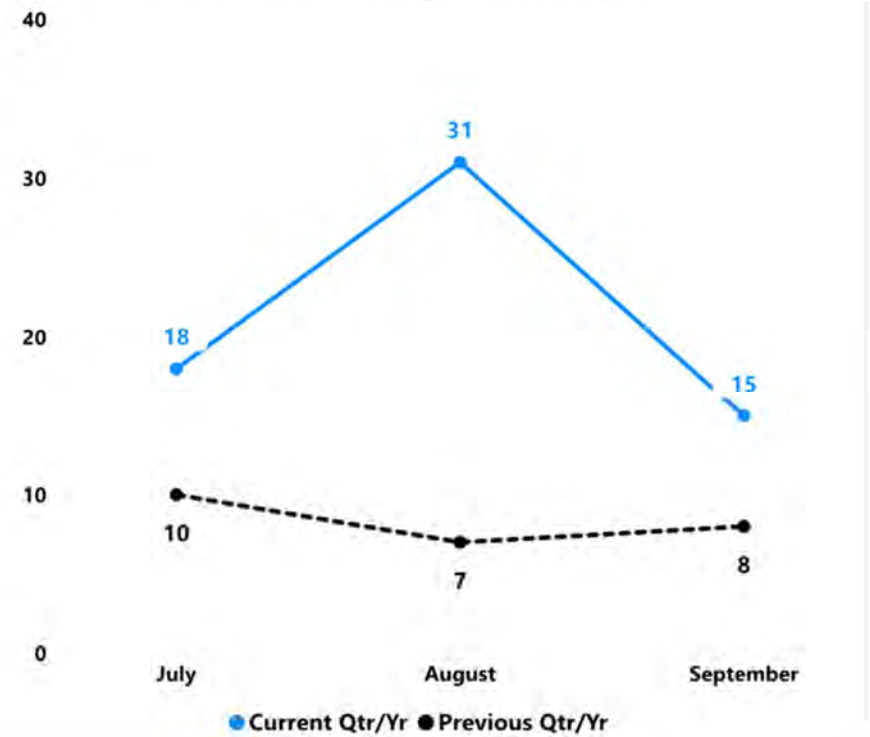


19

The Status of Current Compliance Requests



The Total of Compliance Requests





COMMUNITY LIVING

Planning Compliance Inspected

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

The purpose of this report is to demonstrate the level of planning compliance inspections undertaken by Council over the last quarter. The inspections are a result of either customer requests/complaints or notifications being lodged (reactive complaint) or as a result of inspections conducted by Council's Planning Compliance Officer without receiving a customer complaint (proactive). Proactive inspections are intended to mitigate the number of complaints received by Council regarding the development approval process by ensuring sensitive or potentially contentious development matters are inspected. As part of this methodology, planning compliance focuses primarily on but not limited to the following inspection types as these typically cause community concerns if not adequately addressed in terms of meeting the conditions of development approval.

- Applications for tree removal that require replacement trees to be planted
- Applications that require a tree protection zone to be established during development
- Multi-level residential developments that require privacy treatments to be constructed to upper levels
- Commercial developments where landscaping is required to be completed

A total of 64 customer requests for reactive planning compliance inspections were received in quarter 1. Of these, 45 inspections have been undertaken and closed out. The remaining 19 requests in progress are either pending action, currently under investigation, or have been inspected but cannot be closed pending further action to address the specific issue being investigated. These matters will continue to be followed up until they are resolved.

It is noted that the report provided for this quarter does not yet include the proactive inspections undertaken and this additional information being further developed to include in coming reports. Notwithstanding, Council has identified 20 proactive development matters for investigation in quarter 1, with 11 completed.



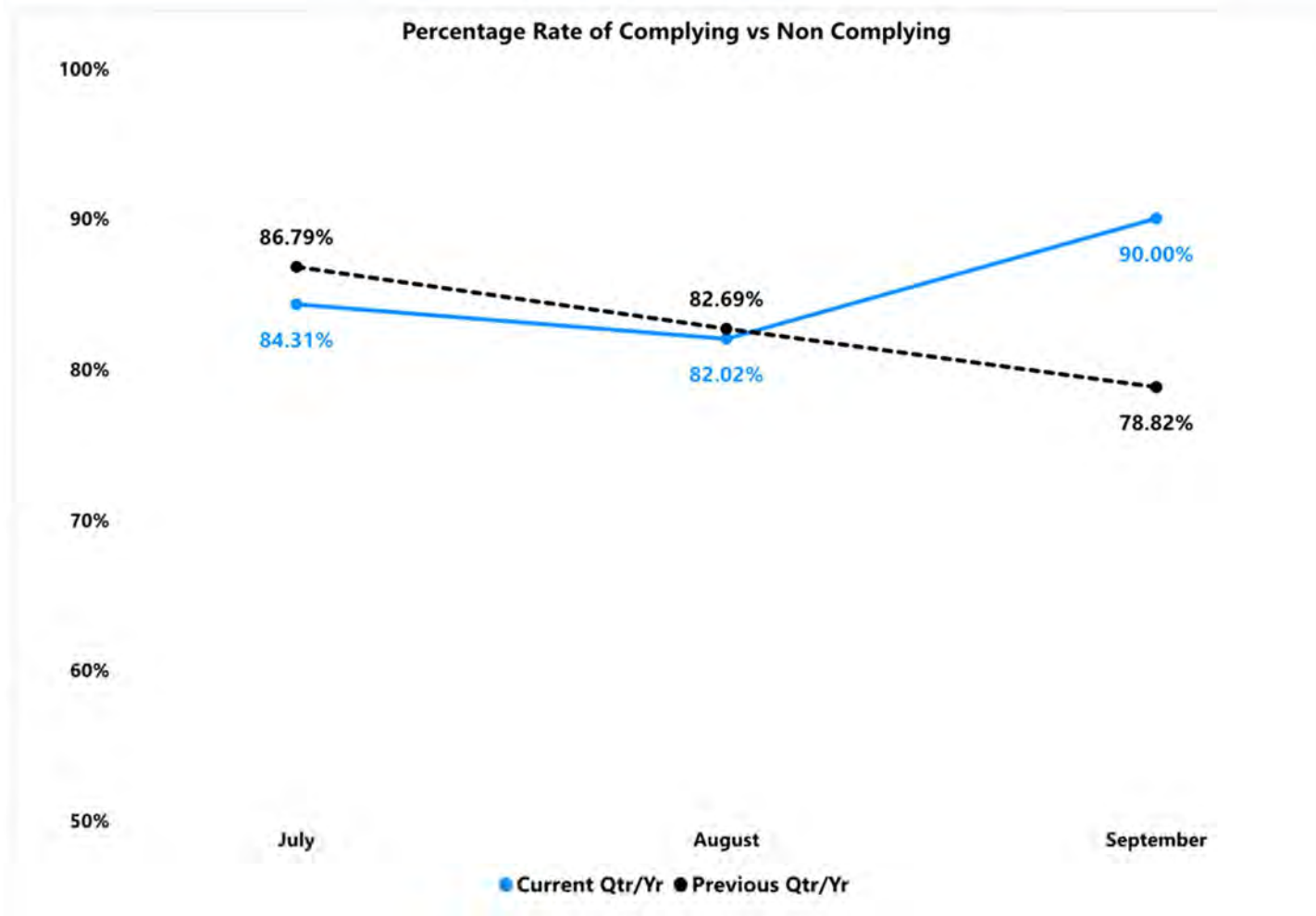
COMMUNITY LIVING - Building and Planning - % Compliance vs Non Compliance

Financial Year

2022/2023

Financial Quarter

Q1





COMMUNITY LIVING

Building and Planning - % Compliance vs Non Compliance

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

The purpose of this report is to demonstrate the level of compliance found overall for Planning and Building Compliance inspections. These are a result of customer complaints or proactive inspections conducted by Council staff and considers whether the development has obtained the proper consents and/or complies with the relevant approvals granted.

Overall, compliance with approvals over this quarter remained high as figures indicate that building work is generally being undertaken in line with the approvals granted and remains consistent with a relatively high compliance rate of approximately 85% for the quarter. This reflects applicants are gaining the appropriate consents and constructing development in accordance with the approval. Additionally, the Council's compliance has been effective in investigating compliance matters in a timely manner when complaints have been received by comparison to last year's compliance rate of approximately 80%.

Non-compliances typically relate to failed building inspections, comprised primarily of structural roof framing, concrete footing inspection and swimming pools, which can present minor technical non-compliances with relevant Building Code or Australian Standards; or to developments that have not obtained the appropriate consents and/or developments proceeding contrary to their approvals from a planning compliance perspective. All non-compliance matters are followed up by relevant staff through inspection, education/instruction or formal direction and/or enforcement action in accordance with Council's Compliance Policy. Additional inspections are undertaken to confirm all non-complying works have been satisfactorily resolved.



COMMUNITY LIVING - Building/Roof Frame Inspections

Financial Year

2022/2023

Financial Quarter

Q1



Total Roof Frame Inspections

64

Total Inspections Passed

53

Total Inspections In Progress

0

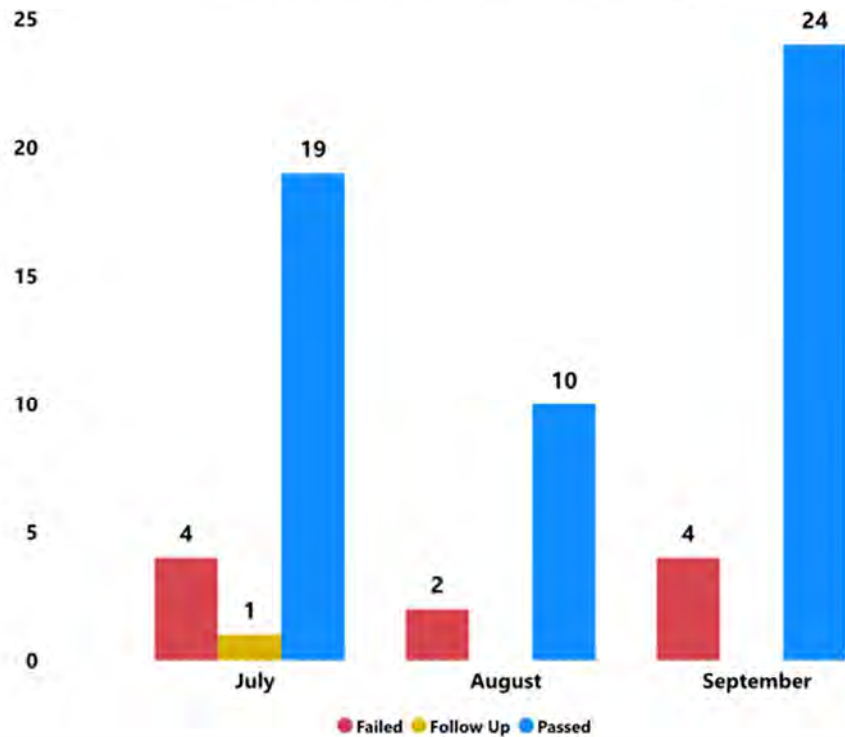
Total Inspections Follow Up

1

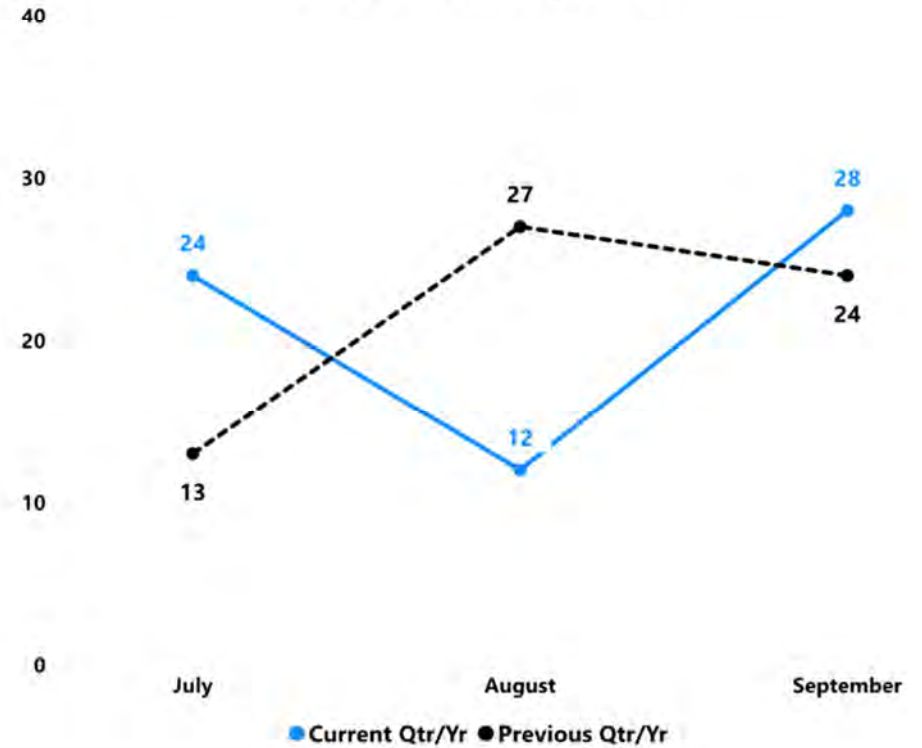
Total Inspections Failed

10

Total Roof Frame Inspections - Results



Total Roof Frame Inspections





COMMUNITY LIVING

Building/Roof Frame Inspections

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

The purpose of this report is to detail the number of Building/Roof frame inspections undertaken to meet legislated inspection rates under the Planning, Development and Infrastructure Act 2016 (PDI Act). The PDI Act currently prescribes an inspection rate 66% of all building work related to residential dwellings and 90% of commercial building work commenced within the financial year.

The figures reported reflect a total of 64 building/roof frame inspections have been undertaken with 10 failed inspections and 1 follow up recorded. The reasons a failed inspection is recorded can vary depending on the development being inspected, however they most commonly relate to minor non-compliances with either the Building Code or related Australian Standards and are typically resolved through education, direction and instruction being issued to applicants and/or builders by Council Building Officers. It is noted that the failed inspections are resolved through negotiation with the builder. All failed inspections are reinspected to ensure that they are compliant prior to the continuation of work.

The number of inspections undertaken this quarter (64) is the same as quarter 1 of the previous year (64). The data for this quarter now includes inspections numbers undertaken and recorded through the new PlanSA portal inspection system in addition to inspections undertaken under the Development Act (now repealed). Both systems will continue to be reported on until such time as construction of building work approved under the Development Act has been completed or lapsed.



COMMUNITY LIVING - Swimming Pool Inspections

Financial Year

2022/2023

Financial Quarter

Q1



Total Swimming Pool Inspections

22

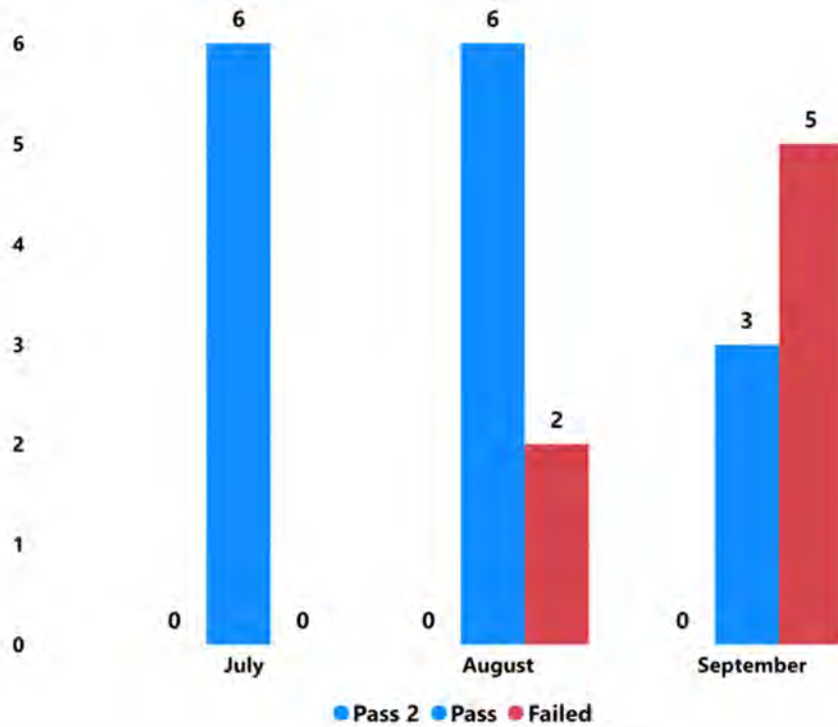
Total Inspections Passed

15

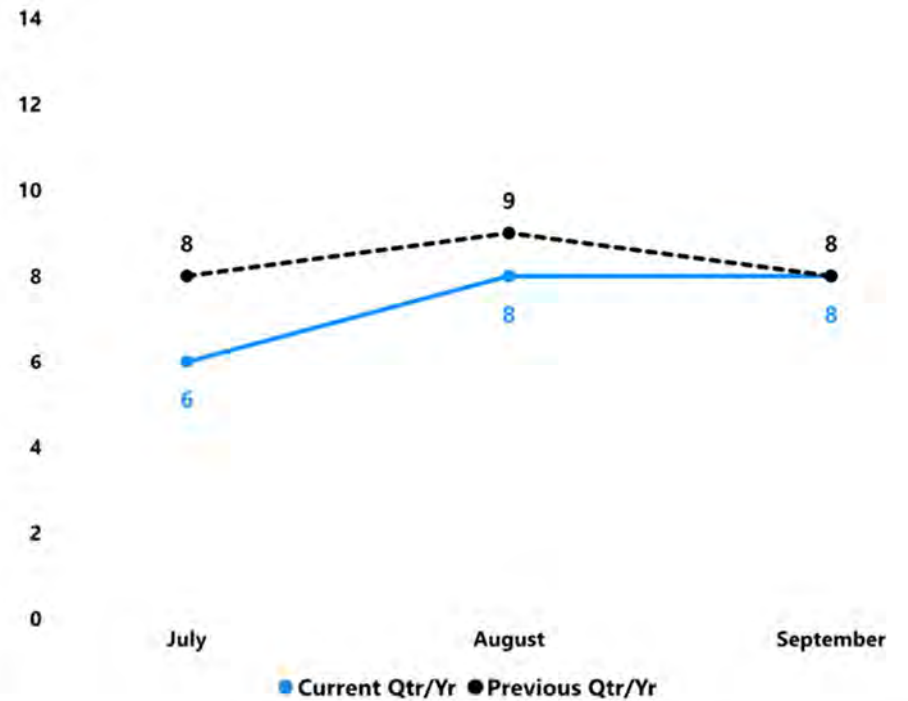
Total Inspections Failed

7

Swimming Pool Inspections- Results



Total Swimming Pool Inspections





COMMUNITY LIVING

Swimming Pool Inspections

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

The purpose of this report is to detail the number of mandatory swimming pool safety barrier inspections undertaken to ensure 100% of swimming pools and associated safety barriers are constructed in accordance with the Building Code of Australia and applicable Australian Standards. The Planning, Development and Infrastructure Act 2016 (PDI Act) practice direction 8 dictates statutory obligations to swimming pool inspections. Practice direction 8 requires Council to inspect 100% of all notified swimming pools and associated barriers within 10 business days of being notified of completion of construction of the barriers prior to the pool being filled with water.

Historically, swimming pool safety barrier inspections tend to peak prior to, or during, the summer period as people rush to complete swimming pool installations in time for the warmer months. It is noted a there has been a slight decrease in inspections undertaken this quarter (22) compared to the same time last year (25), reflective of the total number of swimming pool barriers under construction and notified to Council.

Of the 22 swimming pool inspections undertaken, 7 of those were recorded as a failed inspection. As with all technical building inspections, the reasons for failure can vary. Due to safety/risk concerns, there are exceptionally low tolerances for compliance for swimming pools, and in particular the safety barriers. Typically, failed inspections relate to minor defects or non-compliances with the Australian Standards for Swimming pools. Non-compliances typically include items such as minor adjustments required to gates and latches or climbable items being located within No Climb Zones of the external or internal safety barriers.

Where a non-compliance is recorded during an inspection, Council officers work with owners and builders providing specialist advice and several follow up inspections to ensure a 100% compliance rate for all swimming pool barriers notified in line with legislative requirements. For reporting purposes only the initial inspection is counted against the development, all subsequent inspections required to achieve compliance are not counted as part of the data for this report.



COMMUNITY LIVING - Food Hygiene Inspections

Financial Year

2022/2023

Financial Quarter

Q1



Total Health Food Inspections

139

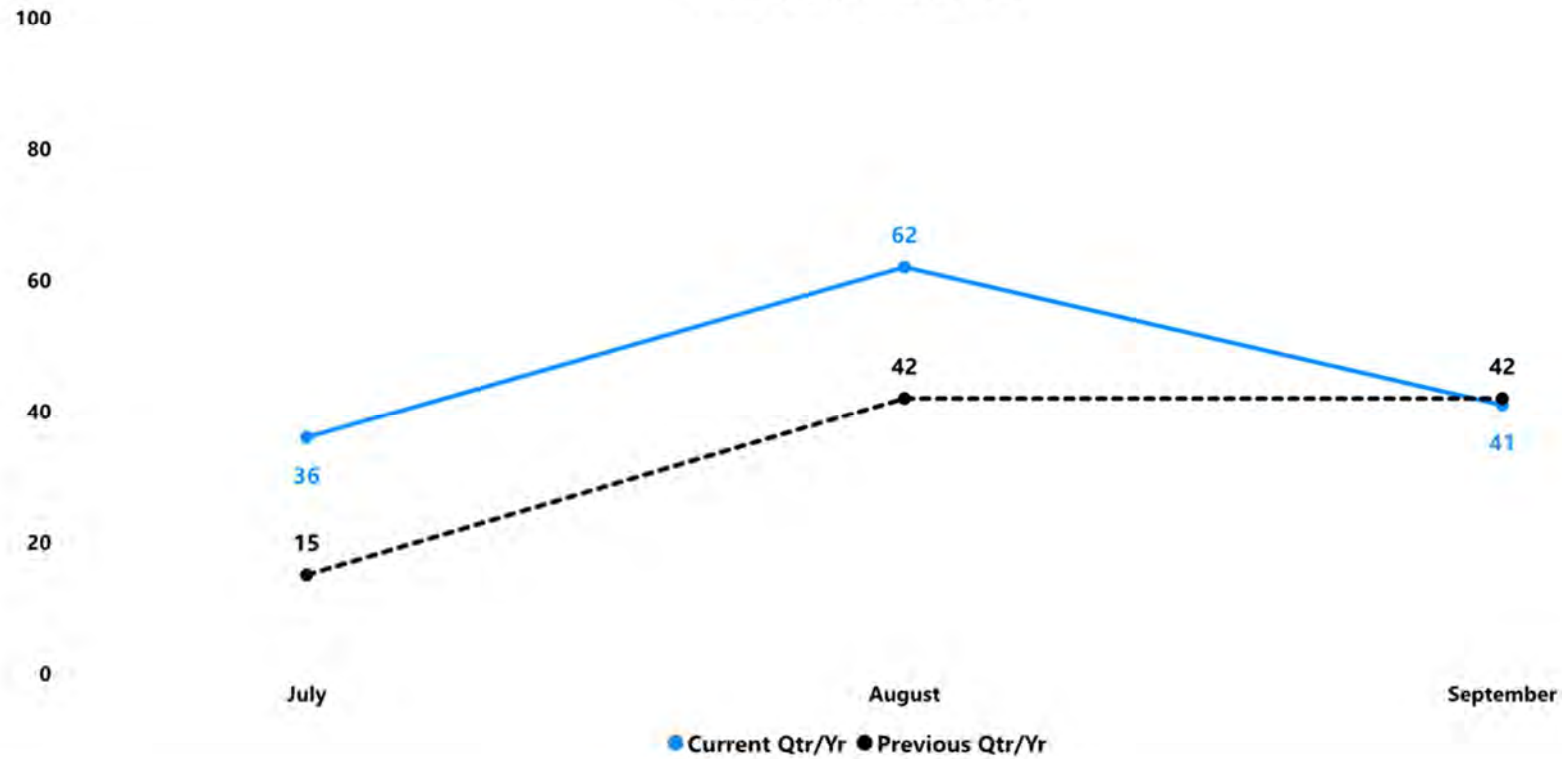
Number of Routine Inspections

87

Number of Written Warnings

29

Food Hygiene Inspections





COMMUNITY LIVING

Food Hygiene Inspections

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

The purpose of this report is to demonstrate the number of food premise inspections undertaken to ensure businesses are compliant with food safety requirements. Where a non-compliance is recorded during inspections, Health officers will conduct a risk assessment of the premises and either take informal action or formal action in line with Council's Compliance Policy.

The number of routine inspections refers to the total general inspections undertaken as scheduled inspection work, while the 'Total Inspections' refers to the routine inspections undertaken in addition to follow up inspections where either informal or formal action has been directed by Health Officers during a previous inspection.

This quarter saw an increase in food premise inspection numbers (139) undertaken, up from the same time last year (99). This increase is in part due to scheduling requiring more frequent inspection for higher risk or consistently non-compliant businesses, along with the Health Team moving towards a more consistent schedule of proactive inspections.

Written warnings issued for this quarter on non-compliant business total (29) up from previous quarter (16). All non-compliant inspections are addressed through a written warning process are either remedied through follow up inspection for significant non-compliances, or at the next scheduled routine inspection in cases where the non-compliance is considered minor. Reducing the total number of written warnings being issued requires regular routine inspections, monitoring and education of business owners and operators by Council's Health team, resulting in higher levels of compliance and food safety for the protection of the community.

Please note, the Royal Adelaide Show inspections are not included in the data, where approximately 200 individual stalls were inspected over the event period.



COMMUNITY LIVING - Health Premise Inspections

Financial Year

2022/2023

Financial Quarter

Q1



Total Health Premise Inspections

1

Self Audit Inspections

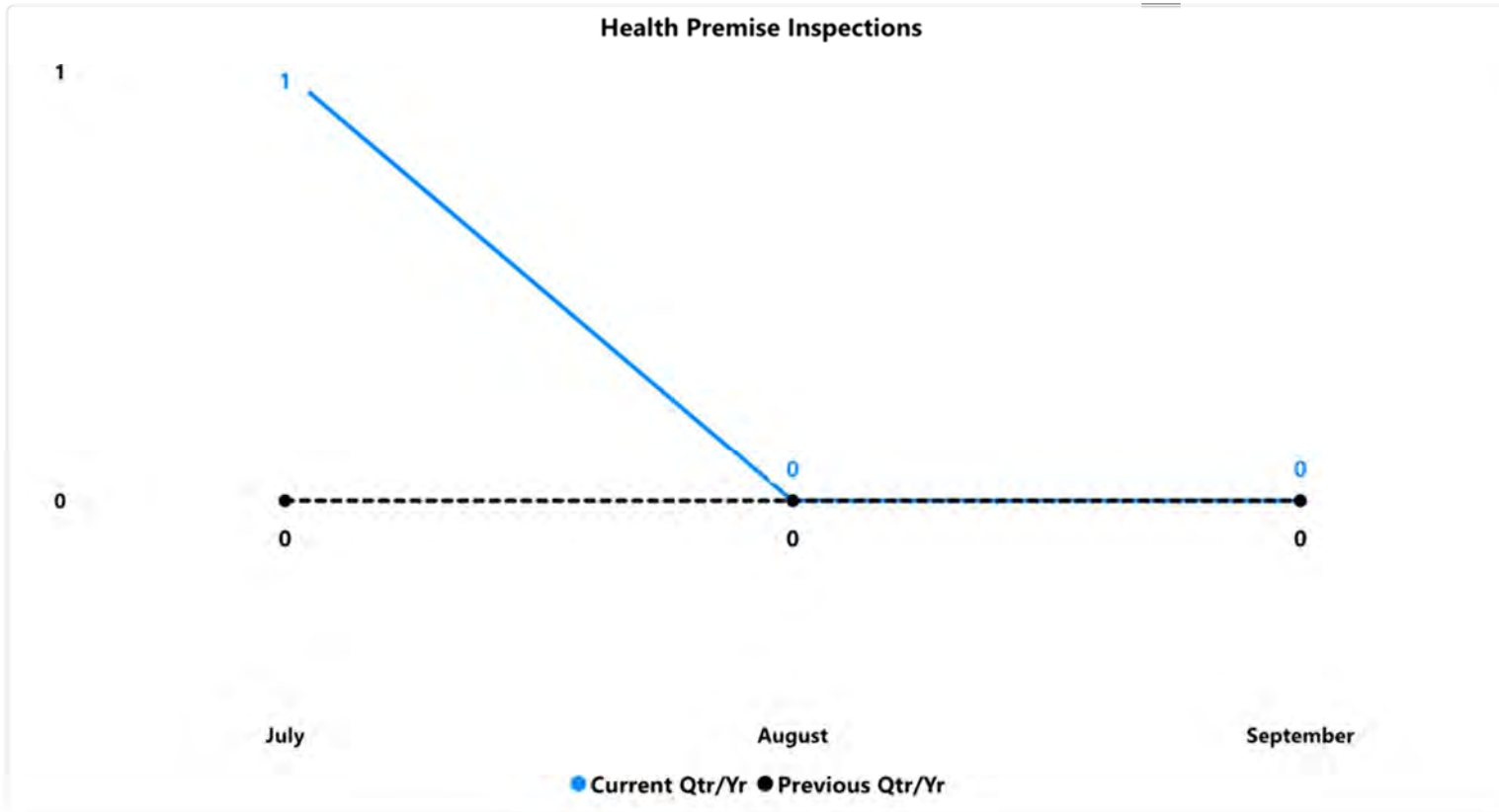
0

Compliant Inspections

1

Non-Compliant Inspections

0





COMMUNITY LIVING

Health Premise Inspections

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

This report indicates the total number of health inspections undertaken under the Public Health Act where activities may impact public health. This includes inspections of public swimming pools and spas, cooling towers, warm water systems, hairdressers and tattoo parlours.

Inspections are either undertaken onsite or via a desktop assessment where the business provides information relating to compliance for review by Council. This quarter is comparable in terms of total number of health premise inspections undertaken in relation to the previous quarter. However overall, this financial year will reflect a significant decrease in total health premise inspections undertaken as self-audit inspections are undertaken every 2 years for low risk premises such as hairdressers. This is represented in this quarter's low inspection numbers (1).

The numbers also reflect the total inspection of cooling towers along with onsite audits for swimming pools and these numbers fluctuate according to scheduled inspection work. For example, swimming pools are inspected and reported typically in quarters 2 & 3 during operation in the warmer months resulting in the low inspection numbers for this quarter. Where an inspection results in non-compliance, a risk assessment is undertaken to determine whether no action, informal action or formal action as determined against Council's Compliance Policy.



COMMUNITY LIVING - Community Home Support Programs

Financial Year

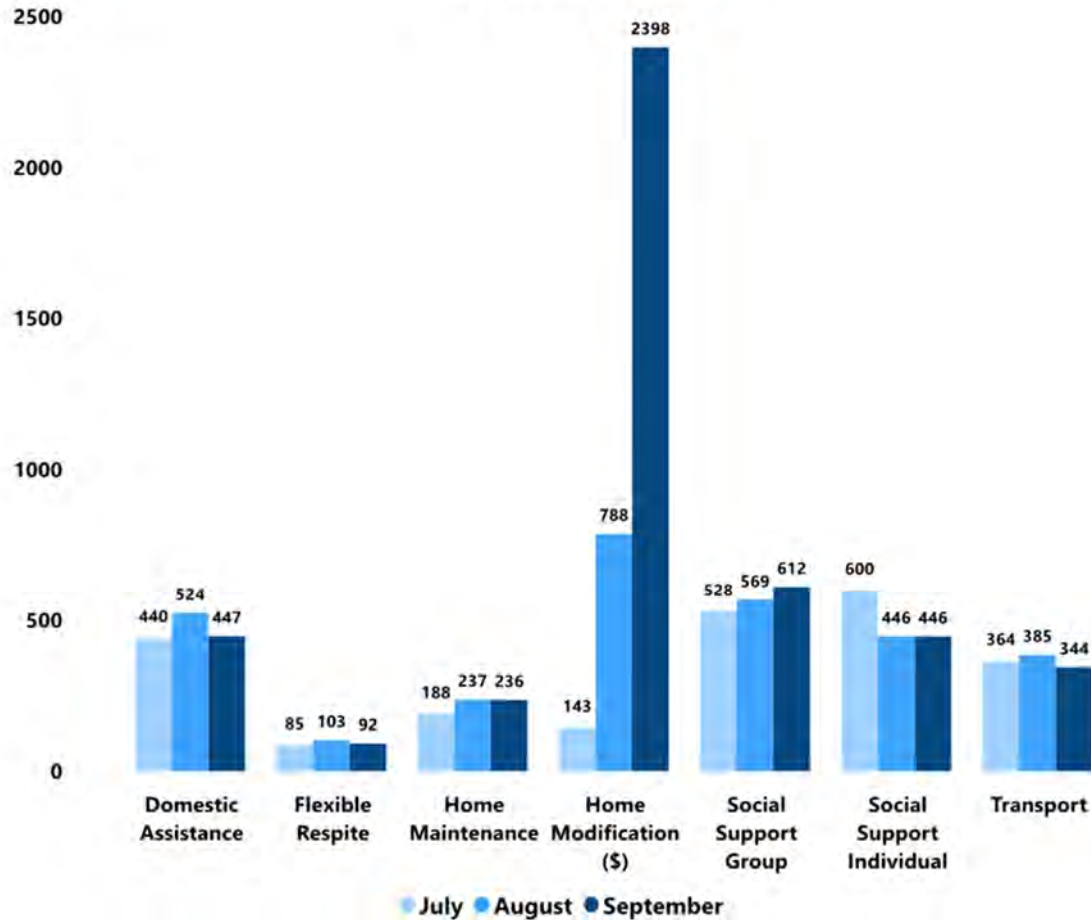
Financial Quarter

2022/2023

Q1



CHSP Actuals Per Month



CHSP Outputs Table

CHSP Program	Annual Outputs	Required (KPI)*	Actuals
Domestic Assistance	5935	1485	1411 ↓
Flexible Respite	1080	270	280 ↑
Home Maintenance	2312	579	661 ↑
Home Modification (\$)	23482	5871	3329 ↓
Social Support Group	2102	528	1709 ↑
Social Support Individual	7196	1800	1492 ↓
Transport	4333	1086	1093 ↑

*As at the end of the quarterly reporting period



COMMUNITY LIVING

Home Support Program Visits

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

Council's Commonwealth Home Support Program is funded by the Commonwealth Government and Council. The program provides services to eligible older residents who have a My Aged Care referral to support them to remain living independently within their own homes.

For the 1st Quarter, 639 clients benefited from receiving one or more service types, with over 50% of clients receiving several service types.

The table outlines the required KPIs to be achieved for each service type, and our corresponding actual achievements against each for Quarter 1. The figures provided are for hours of service, except for transport which is captured as one-way trips, and Home Modifications which is captured as dollar amount of the subsidies provided towards the cost of home modifications required. It is worth noting that any fluctuations in the number of services provided for each month is generally related to the number of referrals we are allocated and able to activate through the My Aged Care portal.

When reporting to the Commonwealth on KPIs, flexibility is provided, with the areas that we have exceeded KPIs taken into consideration against the under-performing areas, removing the need to return any unspent grant funds.



COMMUNITY LIVING - Community Bus Passengers

Financial Year

2022/2023

Financial Quarter

Q1



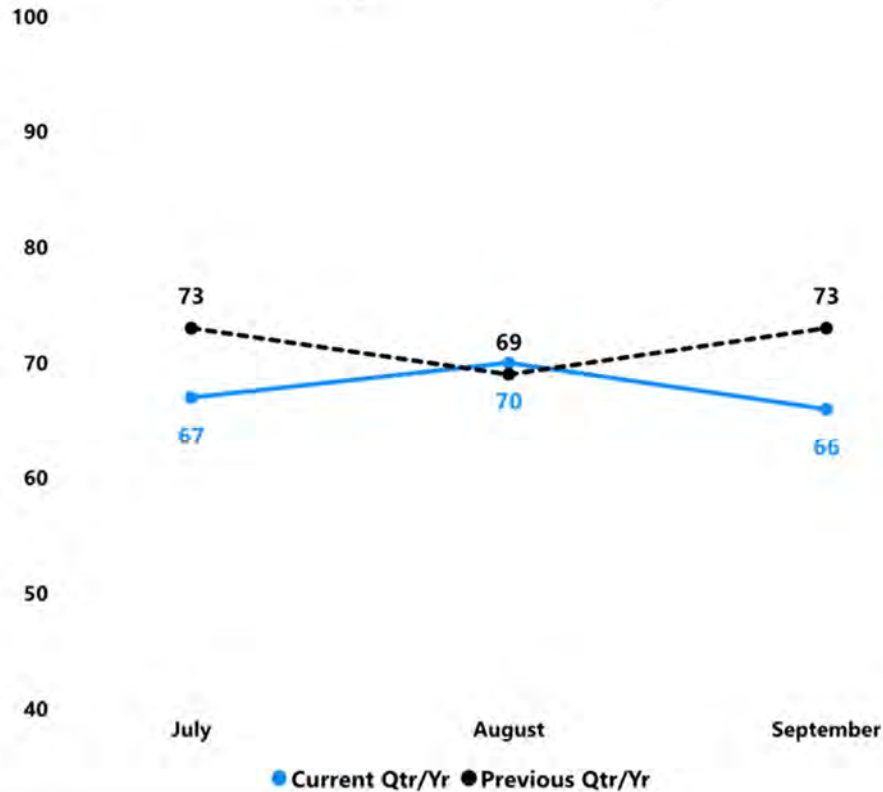
Total Number of Trips

1122

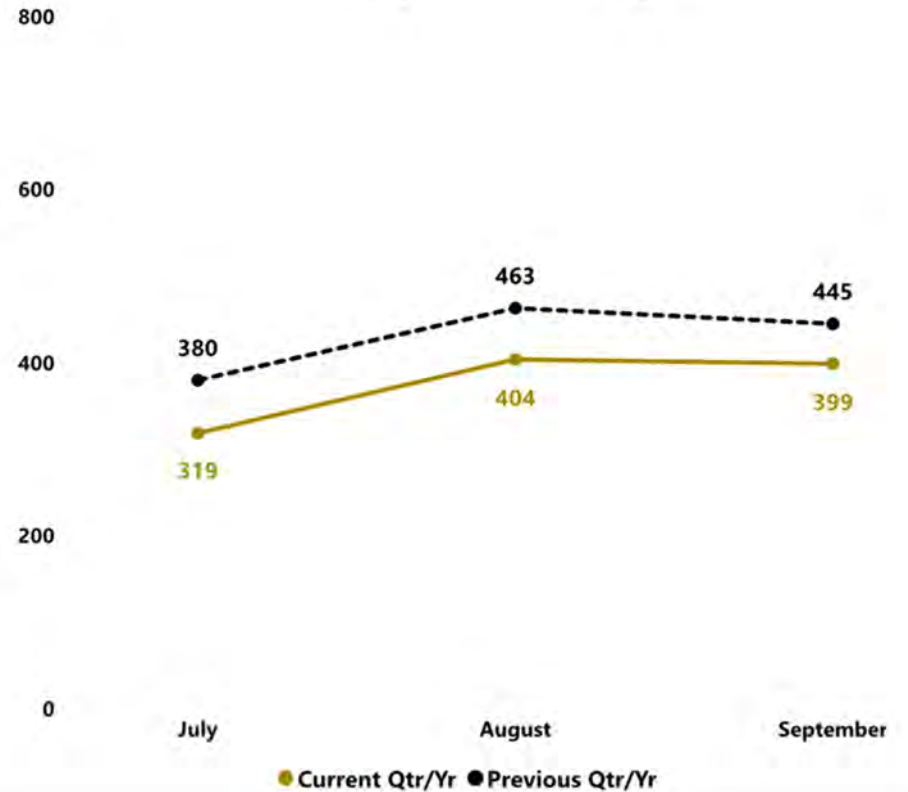
Average Passengers Per Month

68

Community Bus Number of Passengers



Community Bus Number of Trips





COMMUNITY LIVING

Community Bus Passengers

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

The Community Bus service is comprised of a fleet of three buses all of which are driven by volunteer drivers and supported by volunteer helpers who assist the passengers as required. The Program primarily provides return transport assistance to local shopping centres and other community-based venues, with most passengers utilising the service multiple times each month. There are currently 85 residents registered to use the service.

A 'Trip' in this context is defined as one way for each passenger i.e., a bus of ten people would be counted as 10 trips. This is aligned to the required CHSP program reporting for transport trips to ensure our reporting structures are compatible.

When compared with the same quarter last year (July-September 2021-22) a decline in passenger numbers and trips is noted overall, indicating demand for the service has diminished slightly. A review of travel destinations and optional shopping centres is underway based on passenger survey results.



CIVIC LEADERSHIP - Website Visits

Financial Year

2022/2023

Financial Quarter

Q1



Total Website Visits

79K

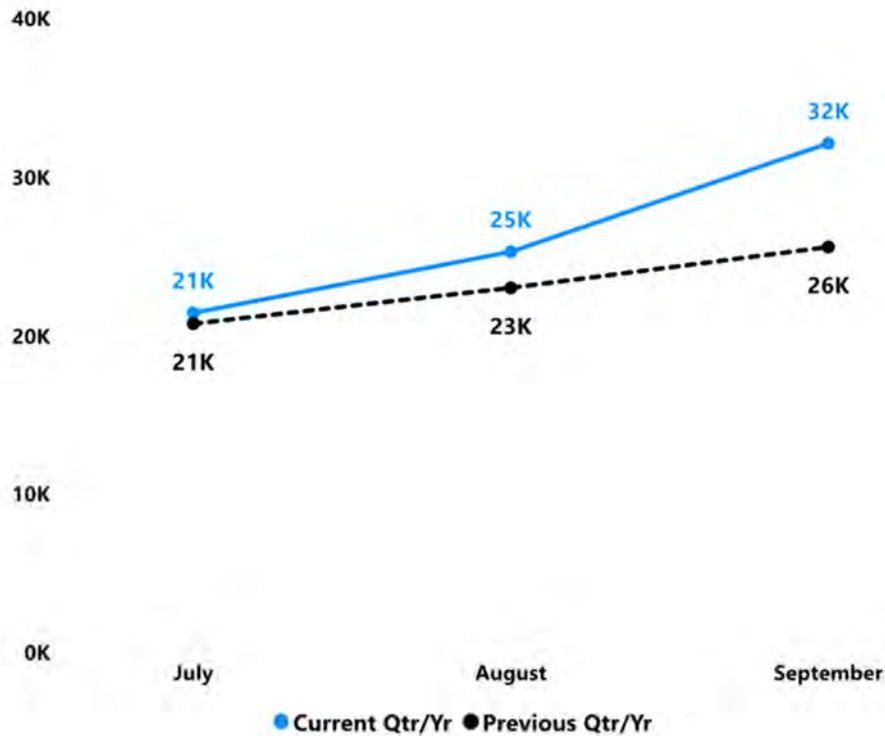
Total Website Visits Outside Aus

4398

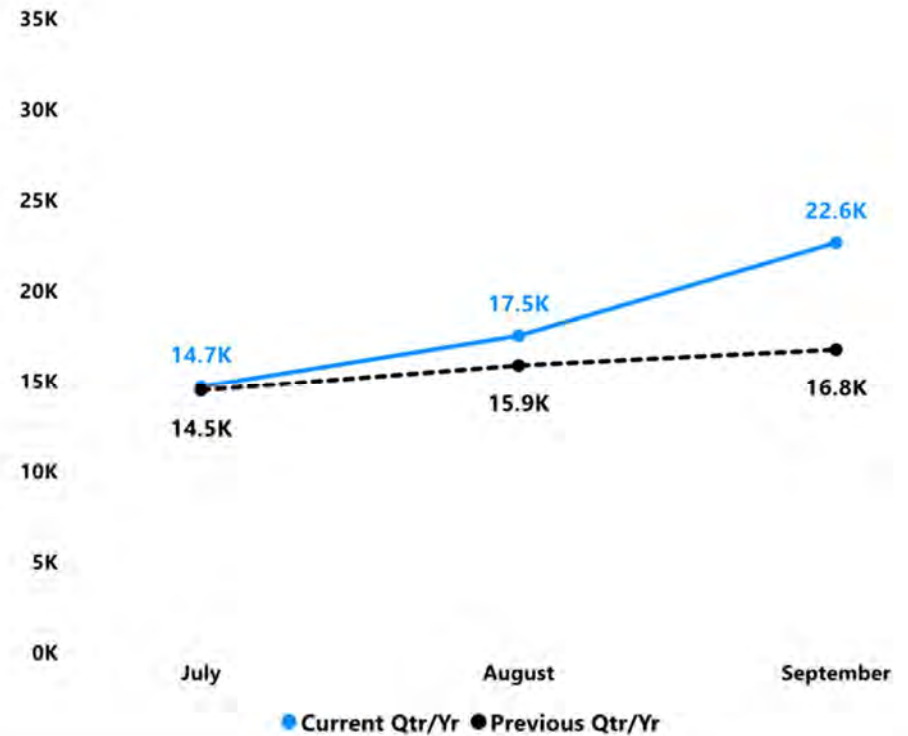
Total New Users

55K

Website Visits



New Users





CIVIC LEADERSHIP

Website Visits

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

Q1 website data 22-23

Compared to the previous quarter, we saw an increase of 12.8% visits to our corporate website.

Compared to September 2021, an increase in page views and new users is noted for September 2022. Analytics show this can be partly attributed to the return of the Royal Adelaide Show:

- 'Royal Show Parking' content – a dedicated page attracted 4,135 views in September 2022
- 'Pay a Parking Fine' appears in the Sept 2022 top 25 pages (1,081 views in Sept 2022) but doesn't appear in the equivalent Sept 2021 data
- 'Parking Expiation Disputes' appears in the Sept 2022 top 25 pages (887 views in Sept 2022) but doesn't appear in the equivalent Sept 2021 data.

Q1 data 22-23

- Total website visits 79k
- Total new users 55k

Previous quarter (Q4 data 21-22)

- Total website visits 70k
- Total new users 48k

Popular pages

Google Analytics show us popular pages visited during July, August, September 2022. Our home page received the most views (11.8% of page views) and new content for 'Royal Show Parking' appeared in the top 5.

Top 10 viewed pages for Q1 22-23:

1. Home page
2. Unley Libraries – Landing Page
3. Rubbish collection dates
4. Contact Us
5. Royal Show Parking
6. Unley Swimming Centre – Landing Page
7. Hard Waste Collection
8. Pay a parking fine
9. Waste and recycling
10. Council

Popular content

Aside from visits to the home page, content that attracted the most website visitors for this period included:

- The venues listed under 'Facilities and Venues' attracted 11.7% of all visitors
- Waste, recycling pages – 5.7%.



CIVIC LEADERSHIP - Key Customer Request Timeframes

Financial Year:

2022/2023

Financial Quarter:

Q1



Target Time Frame Met Average

74%
Of the Time

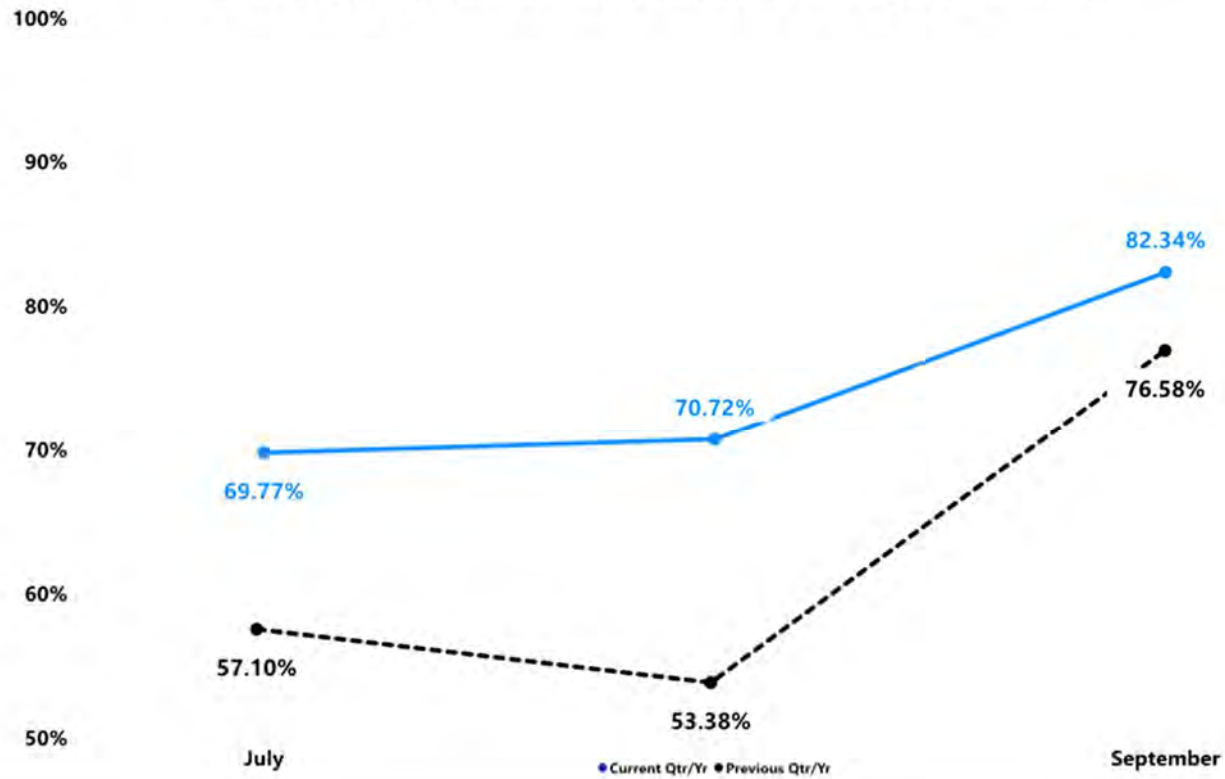
Most Common Request

Planning Enquiry

90,75%

Requests Done in Time frame

Percentage of Customer Requests Completed Within Targeted Timeframes





CIVIC LEADERSHIP

Customer Requests Timeframes

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

This data represents the percentage of customer requests lodged as completed within set time frames, noting time frames vary based on the request type. This quarter's average of 74% is an increase of 12% compared to the same quarter last year (62% complete on time in Q1 21-22) and can be attributed to dedicated work across the business in closing requests within set timeframes.

September saw the highest amount of Customer Requests completed within the targeted time frame for this quarter (82%). This was the result of work undertaken with the Depot on reviewing customer request timeframes/ processes and continuous improvement opportunities being identified and implemented.

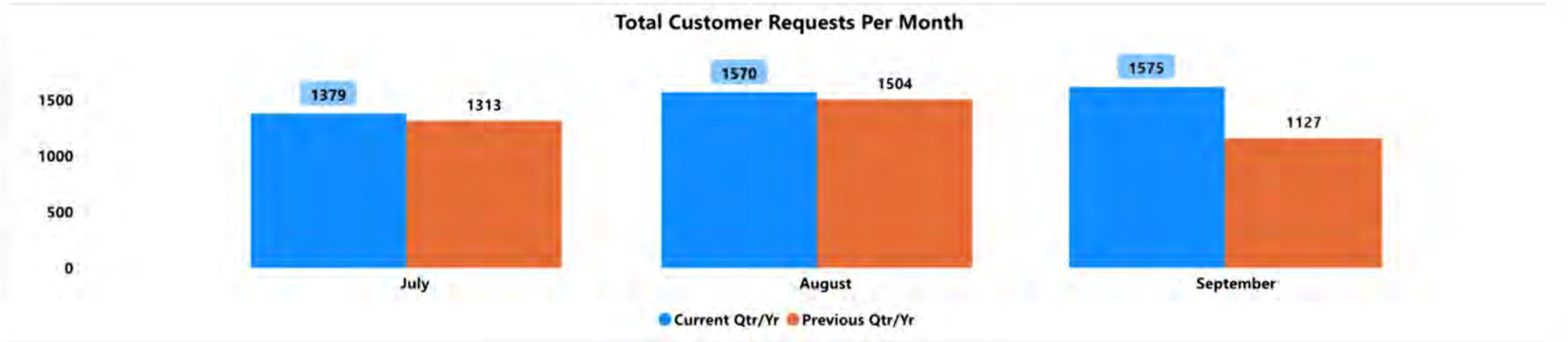
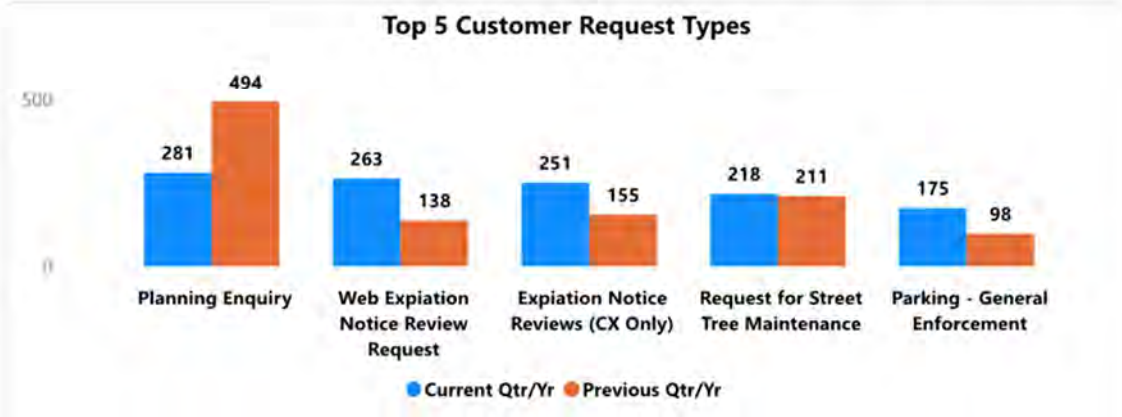
Planning requests completed on time achieved 90%, which is a significant improvement compared previous quarters and is a result of a decrease in planning enquires and process improvements to the management of customer requests undertaken by the Planning Team.

CIVIC LEADERSHIP - Customer Requests Financial Year: 2022/2023 Financial Quarter: Q1

Total Customer Requests
4524

Suburb with Most Requests
UNLEY
318 Requests

Week Day with Most Requests
Monday





CIVIC LEADERSHIP

Customer Requests

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

Customer requests include seeking information, action, or assistance in line with Council's service offering. It does not include phone messages for staff.

This quarter, a total of 4,524 requests were received, noting an increase of 580 requests compared to the same quarter last year (Q1 21/22). The increase in requests in the month of September compared to last year (increase of 448), can be attributed to the return of the Royal Show and an increase in requests that may result from candidate door knocking.

Of the requests received in Q1, 88% were completed, which is an increase compared to the previous quarter where 82% were completed.

Of the top five lodged customer requests, planning enquiries, expiation reviews, street tree maintenance, and parking enforcement have remain consistently high. Noting the significant increase this quarter of customers submitting requests for expiations to be reviewed via Council's website or through written correspondence, is likely to be a result of the Royal Show, (increase of 221 requests for expiation reviews). The decrease in planning enquiries from this quarter compared to the same quarter last year (a decrease of 213) is related to the decline in applications being experienced across the state due to economic factors.



CIVIC LEADERSHIP - Customer Complaints

Financial Year

2022/2023

Financial Quarter

Q1



Total Complaints Received

14

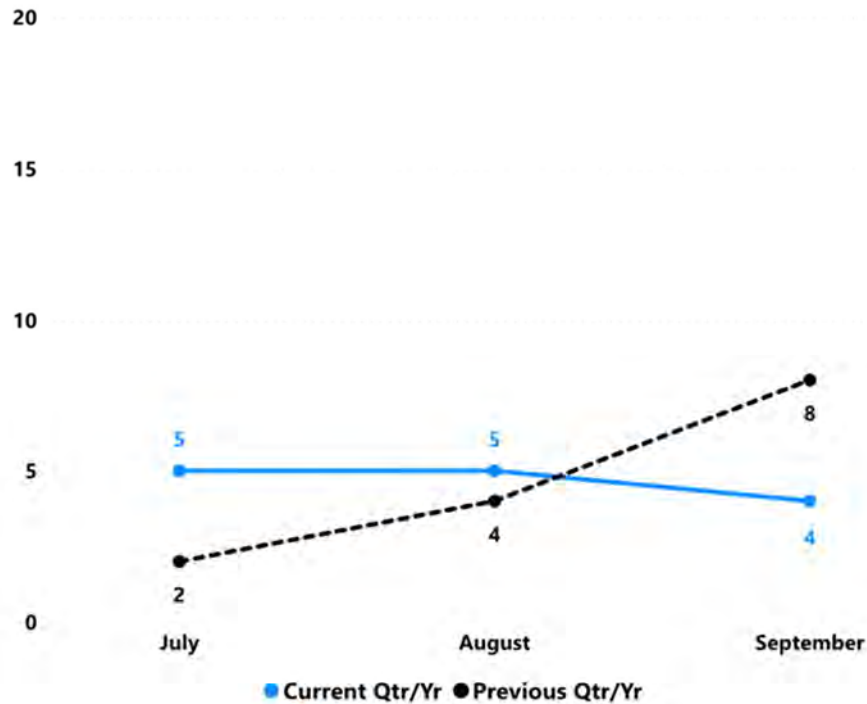
Complaints Under Review

0

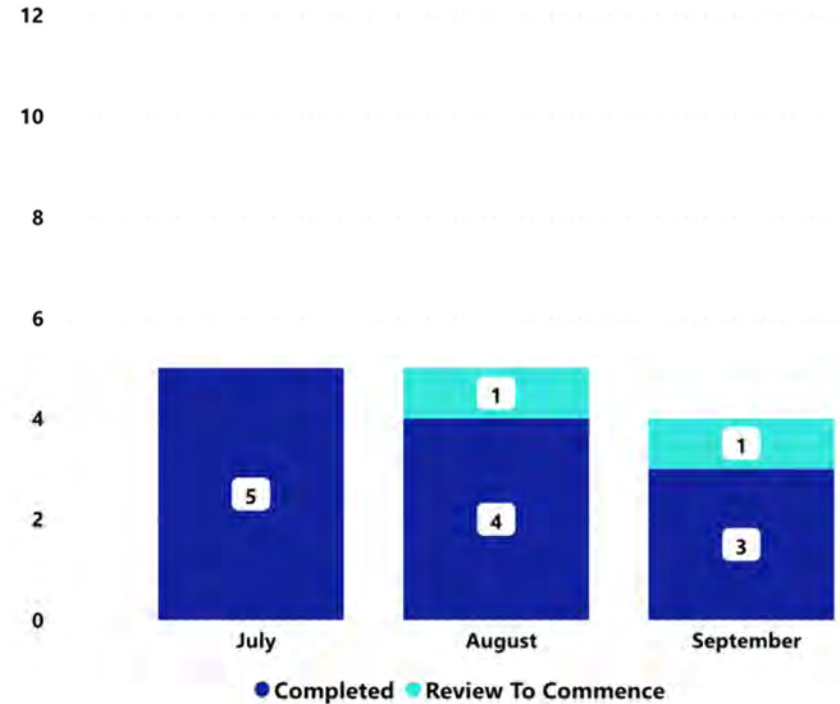
Complaints Review To Commence

2

Customer Complaints Per Month



Customer Complaints Per Month - Status





CIVIC LEADERSHIP

Customer Complaints

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

A complaint is defined in the City of Unley's Complaint procedure framework as, "An expression of dissatisfaction made to or about our decisions, products, services, facilities, staff or the handling of a complaint". It is against these criteria that complaints are lodged.

A total of 14 complaints were received this quarter, comparable to the number of complaints for the same time last year (Q1 20/21 generating 15 complaints). This is a good result, given the increase of requests over this period compared to last year (increase of 580 requests).

In reviewing the complaints over the quarter, there was no pattern of issues that resulted in complaints. Examples of complaints received included one-off complaints of noise of tree mulching; noise of night works; weed spraying; mess to car from works on verge; lack of support to businesses during the Show: interaction with Parking Inspector; Kerb works – height of kerbs; and conservation grants.

When considering the depth and breadth of services provided to customers and measuring the total number of complaints received against the number of requests received for the same period, complaints are less than 0.3% of the total interactions with the City of Unley.



CIVIC LEADERSHIP - Customer Satisfaction

Financial Year

2022/2023

Financial Quarter

Q1



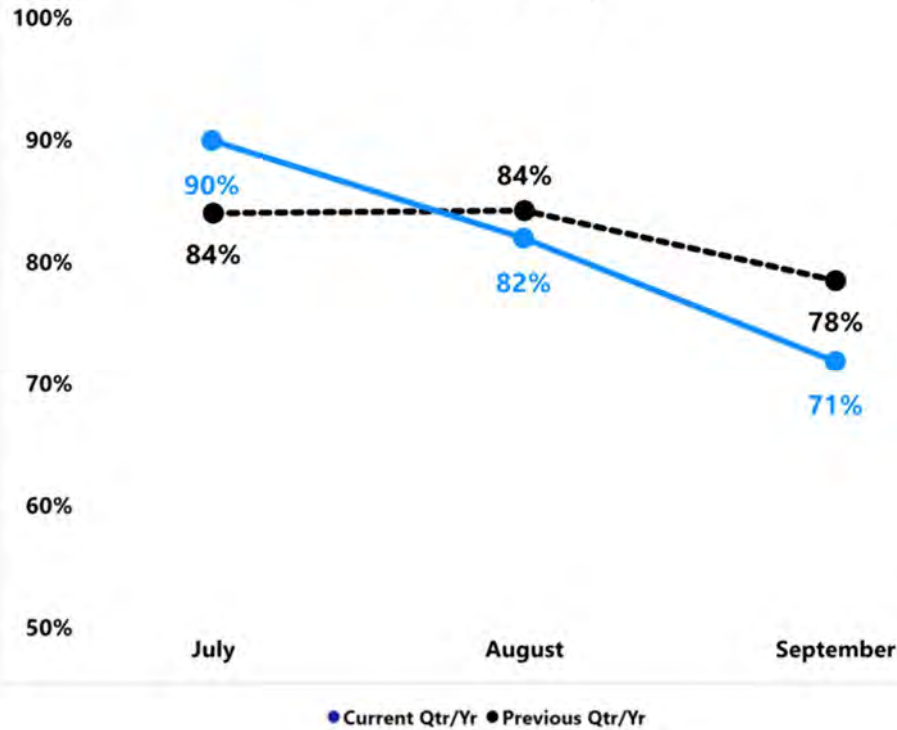
Average Satisfaction Rating

81%

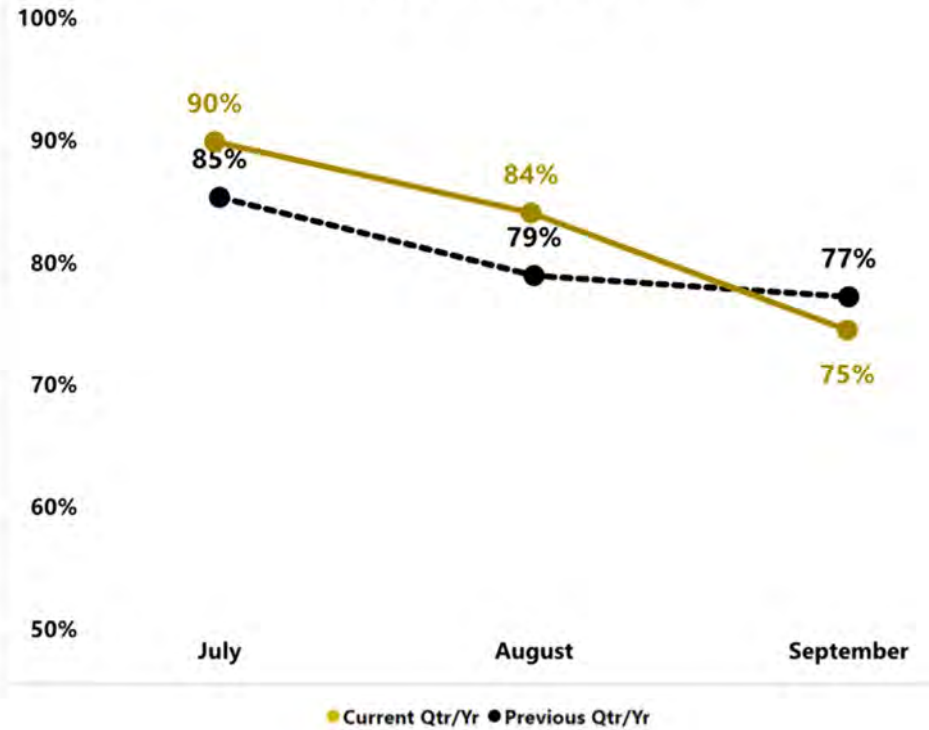
Average First Contact Resolution

83%

Satisfaction Rating



First Contact Resolution





CIVIC LEADERSHIP

Customer Satisfaction

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

A total of 223 customers participated in an independent phone survey regarding their satisfaction with the services provided by the City of Unley in Quarter 1. This represents a 49% take-up rate of customers agreeing to be surveyed from the 450 randomly selected phone numbers called to participate. This is a lower than usual take-up rate of people agreeing to be surveyed and may be the result of an increase in phone scams and growing distrust.

This quarter's average customer satisfaction score of 81% remains consistent with other quarters. Satisfaction score continues to be above both the SA council benchmark of 71% as well as the City of Unley's target of 80%.

First Call Resolution (addressing the customers need the first time they call, thereby eliminating the need for a customer to follow-up with a second call) for the quarter was 83%, which is also above the industry benchmark of 57% and exceeds the City of Unley's target of 80%.

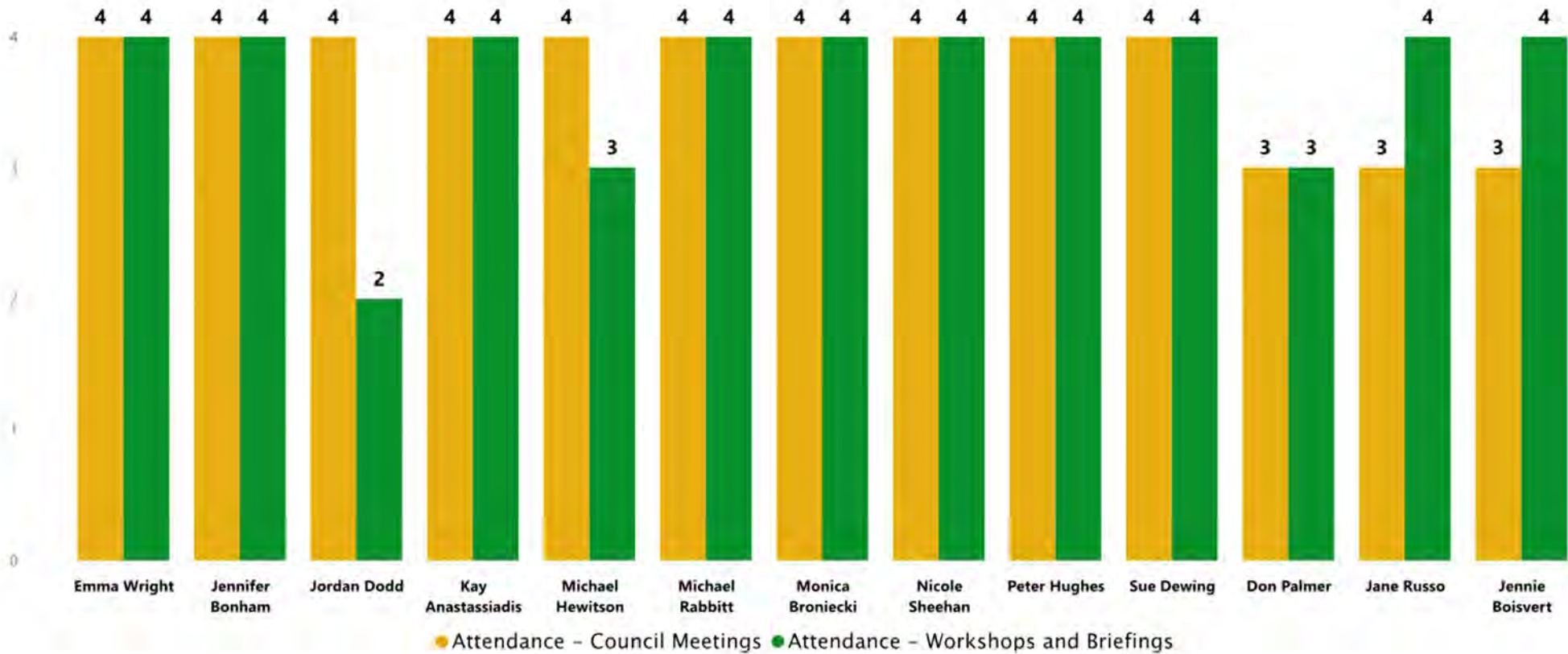
The decline in both customer satisfaction and first point of call resolution in September may be related to the increase in requests experienced this month and an increase in the number of customers surveyed whose interaction with Council was in relation to expiations.


Elected Member Attendance

 Financial Year:
 Financial Quarter:

Council Meetings, Briefings and Workshops Attendance FYTD 2022

5





CIVIC LEADERSHIP

Elected Member Attendance

Financial Year and Quarter For Comments

2022/2023 Q1



Comments

Since the beginning of the 2022/23 financial year, there has been a total of four (4) Council Meetings and four (4) Elected Member Briefings and Workshops.

The following apologies were received by Members during this quarter:

Cr J. Boisvert for the Council Meeting on 22 August 2022.

Cr J. Dodd for the Elected Member Briefings on 4 July (due to illness) and 15 August 2022.

Mayor M. Hewitson for the Elected Member Briefing on 4 July 2022 due to COVID-19 isolation requirements.

Cr D. Palmer for the Elected Members Briefing on 4 July 2022 and the Council Meeting on 11 July 2022 both due to COVID-19 isolation requirements.

Cr J. Russo for the Council Meeting on 22 August 2022 due to illness.

INFORMATION REPORT

REPORT TITLE:	QUARTERLY REPORT - CENTENNIAL PARK CEMETERY AUTHORITY SEPTEMBER 2022
ITEM NUMBER:	4.8
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	LARA KENNEDY, EXECUTIVE ASSISTANT TO THE CEO AND MAYOR
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	1. CPCA CEO PROGRESS REPORT SEPTEMBER QTR 2022

1. **PURPOSE**

To provide Council with an update on the performance of Centennial Park Cemetery Authority (CPCA), for the period ending 30 September 2022.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership

4.1 We have strong leadership and governance.

4. **BACKGROUND**

The CEO of the Centennial Park Cemetery Authority provides to member councils via the CPCA Owners Executive Committee a quarterly report on the activities and financial performance of the Authority. The progress report for the period ending 30 September 2022 is included for the information of Council as Attachment 1.

Attachment 1

5. **DISCUSSION**

The Centennial Park Cemetery Authority has provided the second Quarterly Report for the financial year, summarising the performance of the Authority for the period ended 30 September 2022, together with providing insights into matters or activities that may be of interest.

6. **REPORT AUTHORISERS**

Name	Title
Kathryn Goldy	Acting Manager Governance



Centennial Park Cemetery

760 Goodwood Road, Pasadena, South Australia 5042

t 08 8276 6011 | e enquiry@centpark.org.au

www.centennialpark.org

CENTENNIAL PARK CEMETERY AUTHORITY CEO PROGRESS REPORT SEPTEMBER QUARTER 2022

This progress report provides an update to our owner councils in relation to the performance of the Centennial Park Cemetery Authority for the period ended 30 June 2022, as well as insights into matters or activities that may be of interest.

Audited Financial Statements FY2022

The Audited Financial Statements for the year ended 30 June 2022 were presented to the Authority's Audit & Risk Committee on 18 August, with auditors Dean Newbery and Partner in attendance.

The auditors advised that the internal controls in place are amongst the strongest they have seen in any organisation of the same size and commended the Authority on the quality of the controls implemented. The Finance team was further commended for its speed, diligence, and transparency in working with the auditors. An unqualified audit report was issued.

The Audit & Risk Committee recommended the Accounts to the Board for signing at the Board's meeting on 25 August, and final audited financial statements have been provided to both owner councils.

There are no material variances to the results reported in the June Quarter Progress Report.

Board Performance Evaluation

The Centennial Park Charter requires the Board to undertake an annual evaluation of its performance. Previous Charters required every third evaluation to be conducted by an external consultant and while this is not a requirement under the current Charter, it is good governance to continue the practice and we have therefore appointed Rosina Hislop of RH Advisory to conduct the review.

The Owners Executive Committee will participate in the process, and the outcomes will be shared with the committee.

Business Performance to 30 Sept 2022

We are seeing strong sales so far this year, with revenue ahead of budget by \$600k and ahead of the same period last year by a similar amount. With our overall surplus also ahead of budget, we have revised our forecasts upwards for both revenue and operating surplus by approximately \$1M.

Accolades for Centennial Park's Caterer & Café Operator

Blanco Horner Hospitality Management, which provides the catering for Centennial Park's function rooms as well as operating our café, has received a number of significant awards in recent weeks.

The run of accolades culminated in *Restaurant Botanic*, which is operated by Blanco Horner, being named Best Restaurant in Australia in the Gourmet Traveller 2023 Restaurant Awards.

This coveted national award comes weeks after the restaurant was named SA's Best Restaurant in The Advertiser's Delicious 100, and after owners Steve Blanco and Christopher Horner were recognised for their contribution to hospitality and catering, receiving the Lifetime Achiever Award at the 2022 Restaurant and Catering Awards for Excellence.

These awards acknowledge the consistent quality of Blanco Horner's food and service and validates the choice we made in appointing them as our catering partner and café operator. Unsurprisingly, the feedback received from families following a function is consistently glowing and the rate of post-service function bookings is growing.

Annual Pricing Review

Each year, to ensure compliance with our obligations under our Competition Policy, we calculate the cost of those services in which we compete with the open market and ensure our pricing is set at a level to cover those costs. Around this time this year, we also undertook a deeper analysis into two key offerings.

Cremations

Given the volume of alternate providers offering low-cost cremations in SA, an analysis was undertaken of the impact over a six-year period of Centennial Park's cremation pricing strategy.

Centennial Park's cremation service is based on quality rather than lowest price. The analysis showed that, despite a reduced proportion of total State cremations being conducted at Centennial Park, revenue continues to cover all direct and indirect costs of providing the service, as well as a full allocation of overhead.

A report on the outcomes of the analysis was presented to the Board in August and will be discussed with the Owners Executive Committee at its November meeting.

Perpetual Interment Rights

The offering of Interment Rights in perpetuity was also the subject of a detailed report and discussion at recent meetings of both the Centennial Park Audit & Risk Committee and the Board.

A copy of the report was also shared with the Owners Executive Committee for feedback and discussion at the committee's meeting on 1 August 2022 prior to the Board finalising its position. The committee confirmed its support for Centennial Park's continued offering of perpetuity.

Community Engagement

SALA

This year we again partnered with SALA, presenting a Sculptural Trail through the Park. The annual event is very popular with our community – there were 1185 views of the page on our website, 336 maps were downloaded, and 350 hardcopy maps were taken. Engagement with the event on social media was also high, with 814 clicks on the Facebook post, and 277 reactions, shares and comments.

Tours

In the quarter we hosted the following tours.

- Three public Behind-the-Scenes Tours with 41 people attending
- A garden tour for a Russian walking group
- Grief students from Tabor College toured the grounds, Jubilee Complex and Crematorium
- A garden tour for the Westbourne Park Probus Club.

Father's Day

On Father's Day, 94 people attended a ticketed brunch in the function rooms; with food and service provided by our caterers, Blanco Horner. A guitarist played in the concourse between the function rooms and café throughout the morning and positive feedback was received by all who attended.

Terrarium Workshop

In September, we held a workshop at which participants paid \$75 to learn how to create a terrarium. This followed interest expressed by the community in the terrariums for sale in our gift shop. 17 people attended and feedback was very positive.

Janet Miller

Chief Executive Officer
17 October 2022

DECISION REPORT

REPORT TITLE:	DETERMINATION OF TIME AND PLACE OF ORDINARY MEETINGS OF COUNCIL FOR 2023
ITEM NUMBER:	4.9
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	LARA KENNEDY, EXECUTIVE ASSISTANT TO THE CEO AND MAYOR
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	NIL

1. **PURPOSE**

For the purposes of section 81 of the *Local Government Act 1999*, Council must determine the time and place of its ordinary meetings. There must be at least one ordinary meeting in each month.

This report provides the proposed meeting dates for the 2023 calendar year.

2. **RECOMMENDATION**

That:

1. The report be received.
2. *The matter is for Council to determine – options are provided in section 7.*

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership

4.1 We have strong leadership and governance.

4. **BACKGROUND**

Section 81 of the *Local Government Act 1999*, provides:

- (1) *Subject to this section, ordinary meetings of a council will be held at times and places appointed by resolution of the council.*
- (2) *There must be at least one ordinary meeting in each month.*

...

- (5) *Ordinary meetings of a council may not be held on Sundays, or on public holidays.*
- (6) *In the case of a municipal council, ordinary meetings of the council may not be held before 5pm unless the council resolved otherwise by a resolution supported unanimously by all members of the council.*

5. DISCUSSION

Council is required to meet at least once in each month. Current practice is that Council Meetings are convened on the fourth Monday of the month, and it is proposed that this practice continue and form the basis of the 2023 Council Meeting schedule. In circumstances where the CEO determines it is required, a further meeting may be scheduled for the second Monday of the month.

A variation to the standard meeting schedule is proposed for the month of December 2023 as follows:

- The Council Meeting that would ordinarily be scheduled for Monday 25 December 2023 be brought forward to the second Monday of the month, 11 December.

In addition, in the event that a meeting falls on a public holiday that is not noted in the schedule, the meeting will be held the following day.

6. POLICY IMPLICATIONS

6.1 Financial/budget implications

- Not Applicable

6.2 Risk Management (identification and mitigation)

- Not Applicable

6.3 Staffing/Work Plans/Additional Resource Impact

- Not Applicable

6.4 Climate/Environmental Impact

- Not Applicable

6.5 Social/Economic

- Section 84 of the *Local Government Act 1999* requires that public notice of Council Meetings be given by causing a copy of the notice and the agenda for the meeting to be placed on public display at each office of the council and by publishing the notice and the agenda on a website.
- In addition, the meeting schedule will be communicated to stakeholders and the community through other council publications and communication channels.

7. **ANALYSIS OF OPTIONS**

Option 1 –

1. The report be received.
2. The Council meet on the fourth Monday of every month (excepting December 2023) in the Council Chambers, 181 Unley Road, Unley, with appropriate adjustments to accommodate public holidays, in accordance with the meeting schedule outlined below:

<u>Monday</u>	<u>23 January 2023</u>
<u>Monday</u>	<u>27 February 2023</u>
<u>Monday</u>	<u>27 March 2023</u>
<u>Monday</u>	<u>24 April 2023</u>
<u>Monday</u>	<u>22 May 2023</u>
<u>Monday</u>	<u>26 June 2023</u>
<u>Monday</u>	<u>24 July 2023</u>
<u>Monday</u>	<u>28 August 2023</u>
<u>Monday</u>	<u>25 September 2023</u>
<u>Monday</u>	<u>23 October 2023</u>
<u>Monday</u>	<u>27 November 2023</u>
<u>Monday</u>	<u>11 December 2023</u>

3. Council Meetings commence at 6.30pm in the Council Chambers, 181 Unley Road, Unley.
4. The Council meet, when required, on the second Monday of the month, as determined by the Chief Executive Officer.
5. The Chief Executive Officer be delegated authority to amend the date and time of Council Meetings should the need arise, with advice provided to Elected Members as soon as practicable when a need for change is identified, and formal notification provided in accordance with the requirements of section 83(1) of the *Local Government Act 1999*.

This option provides for the identification of Council meeting dates for 2023. It accommodates known public holidays and proposed variations to the usual scheduling of Council Meetings on the fourth Monday of the month, which allows for advance notification to the community of Council Meeting dates throughout the year.

This option proposes a change in the commencement of Council Meetings from a 7.00pm start to a 6.30pm start time. This option is being recommended to Council based on feedback received from several Elected Members during the last Council term. The 6.30pm start time of Council Meetings also aligns to the start time of briefing sessions with Elected Members.

An earlier starting time to Council Meetings will minimise the impacts of long working hours for both staff and Elected Members.

Option 2 –

1. The report be received.
2. The Council meet on the fourth Monday of every month (excepting December 2023) in the Council Chambers, 181 Unley Road, Unley, with appropriate adjustments to accommodate public holidays, in accordance with the meeting schedule outlined below:

<u>Monday</u>	<u>23 January 2023</u>
<u>Monday</u>	<u>27 February 2023</u>
<u>Monday</u>	<u>27 March 2023</u>
<u>Monday</u>	<u>24 April 2023</u>
<u>Monday</u>	<u>22 May 2023</u>
<u>Monday</u>	<u>26 June 2023</u>
<u>Monday</u>	<u>24 July 2023</u>
<u>Monday</u>	<u>28 August 2023</u>
<u>Monday</u>	<u>25 September 2023</u>
<u>Monday</u>	<u>23 October 2023</u>
<u>Monday</u>	<u>27 November 2023</u>
<u>Monday</u>	<u>11 December 2023</u>
3. Council Meetings commence at 7.00pm in the Council Chambers, 181 Unley Road, Unley.
4. The Council meet, when required, on the second Monday of the month, as determined by the Chief Executive Officer.
5. The Chief Executive Officer be delegated authority to amend the date and time of Council Meetings should the need arise, with advice provided to Elected Members as soon as practicable when a need for change is identified, and formal notification provided in accordance with the requirements of section 83(1) of the *Local Government Act 1999*.

This option provides for the identification of Council meeting dates for 2023. It accommodates known public holidays and proposed variations to the usual scheduling of Council Meetings on the fourth Monday of the month, which allows for advance notification to the community of Council meeting dates throughout the year.

This option retains the start time of Council Meetings to a 7.00pm commencement which occurred during the last Council term.

Option 3 –

1. The report be received.
2. The following Council Meeting schedule for 2023 be endorsed:
 - 2.1 *To be determined by Council*

This option allows Council to determine an alternative schedule for Council Meetings to be held during 2023. Should an alternative schedule be determined, identification of known public holiday dates and that at least one Council Meeting is to be held each month is to be noted.

8. RECOMMENDED OPTION

This matter is for Council to determine.

9. REPORT AUTHORISERS

Name	Title
Kathryn Goldy	Acting Manager Governance

DECISION REPORT

REPORT TITLE:	COUNCIL MEMBER ALLOWANCES AND BENEFITS POLICY
ITEM NUMBER:	4.10
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	KATHRYN GOLDY, ACTING MANAGER GOVERNANCE
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	1. COUNCIL MEMBER ALLOWANCES AND BENEFITS POLICY

1. **PURPOSE**

Section 76 (1) of the *Local Government Act 1999* (the Act) provides that a Council Member is entitled to receive an allowance to contribute to the costs associated with performing or discharging their official functions and duties. Allowances are determined by the Remuneration Tribunal SA (the Tribunal), and certain other benefits, primarily in the form of reimbursement of expenses, are provided for within the Act and the *Local Government (Members Allowances and Benefits) Regulations 2010*. Council may also determine facilities and support to be provided to Council Members to assist with the discharge of their duties.

This report seeks endorsement of the Council Member Allowances and Benefits Policy (Policy) which sets out the statutory and discretionary allowances and benefits available for the support of Council Members at the City of Unley.

2. **RECOMMENDATION**

That:

1. The report be received.
 2. *The matter is for Council to determine – options are provided in section 7.*
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership

4.1 We have strong leadership and governance.

4. BACKGROUND

The Act and the *Local Government (Members Allowances and Benefits) Regulations 2010* (the Allowances Regulations) make provision for Council Members to receive allowances and benefits.

Part 5 of the Act and the Allowances Regulations prescribe that all Council Members are entitled to receive:

- The allowance determined by the Remuneration Tribunal in relation to the member's office; and
- Reimbursement of expenses actually and necessarily incurred in performing or discharging official functions and duties:
 - in travelling within the council area to or from a "prescribed meeting"; and
 - for the care of a dependant or a child of the council member as a consequence of the member's attendance at a "prescribed meeting" (but not if the carer is a person who ordinarily resides with the council member).

The Act also makes provisions for Council to approve, on a discretionary basis, reimbursement to Council Members for a range of additional expenses incurred in performing or discharging official functions and duties.

These discretionary expenses can only be reimbursed with specific Council approval either by establishing a formal policy, known as the Policy, or alternatively by Council approving each claim for reimbursement on a case-by-case basis by resolution. It is not possible to delegate power to approve these reimbursements unless Council has adopted a formal Policy.

Further, Council may exercise its discretion to resolve to provide Council Members with facilities and support. This could be in the form of laptop computers, electronic tablets/devices and/or stationery, where it is necessary to expedite the performance or discharge of their official functions or duties.

5. DISCUSSION

Following the 2022 Local Government Periodic Elections the former Policy has lapsed. Therefore, it is necessary for Council to determine whether it wishes to establish a new Policy that details the facilities and support that will be made available to all Council Members.

A separate item is being presented to Council setting out the support specific to the office of the Mayor, which will form Schedule 3 to the Policy.

This separation is necessary due to conflict of interest provisions and the definition of 'ordinary business matters'. *Local Government (General) Regulations 2013 8AAA(1)(b)* states:

the preparation, discussion, adoption or revision of a policy relating to allowances and benefits payable to members if the policy relates to allowances and benefits payable equally to each member (rather than allowances and benefits payable to particular members or particular office holders);

Therefore, Council Members are not required to declare a conflict of interest in relation to the Policy. However, the determination of allowances and benefits specific to the Mayor does bring rise to a conflict of interest for the individual in the office of the Mayor, so for ease of consideration Schedule 3 has been separated from the Policy and Council will consider this Schedule as a separate item.

To assist Council with its deliberations, a draft Policy is attached to this report as attachment 1.

Attachment 1

The draft Policy is consistent with the requirements of the Allowances Regulations and proposes facilities and support consistent with those previously made available to the Council Members at the City of Unley.

Entitlements

Council Member Allowance

A Council Member is entitled to an allowance determined by the Tribunal in relation to the members office. The Tribunal makes the determination on a four-yearly basis, on a date set prior to the periodic elections.

The most recent Determination was No 2 of 2022 and was dated 5 July 2022. As provided for by section 76 (8) of the Act, the Determination came into operation at the conclusion of the 2022 Local Government Elections. Determination No 2 of 2022, should be read in conjunction with the recent supplementary report and Determination 5 of 2022, which corrects an oversight relating to allowances payable to a deputy mayor or deputy chairperson when those members undertake the duties of the Mayor for a period of at least one month.

The allowances determined by the Tribunal applicable to the City of Unley are as follows:

Mayor	\$76,440.00 per annum
Deputy Mayor	\$23,887.50 per annum
Presiding Member of a “prescribed committee”	\$23,887.50 per annum
Elected Member	\$19,110.00 per annum

An additional allowance in the form of a sitting fee is payable to a councillor (other than the principal member, or deputy principal member or a presiding member of a committee, that is not a prescribed committee, as follows:

An allowance of \$188.00 per meeting limited to an aggregate amount of allowance of \$1,129.00 per annum.

The allowance is:

- Payable from the first ordinary meeting of the Council held after the conclusion of the relevant periodic election (section 76 (8));
- To be adjusted on the first, second and third anniversaries of the relevant periodic elections to reflect changes in the Consumer Price Index (section 76 (9)).

Section 76 (12) of the Act provides that an allowance must be paid in accordance with any requirements set in the Allowances Regulations, unless the member declines to accept the payment of an allowance. The Allowances Regulations provide that:

4—Allowances—section 76

- (1) *For the purposes of section 76 of the Act, an allowance may be paid in instalments up to 3 months in advance or 3 months in arrears of each month in respect of which an instalment is payable.*

In the previous term of Council, allowances were paid quarterly in advance. Council will need to either confirm that this approach should continue or determine an alternative instalment for allowance payments.

Reimbursement of expenses

Regulation 5, in reference to section 77(1)(a), provides for reimbursement of expenses actually and necessarily incurred for travelling to and from a “prescribed meeting” and for the care of a child or dependant while at such a meeting. Under the Allowances Regulations, “prescribed meeting” is defined as:

A meeting of the council or council committee, or an informal gathering, discussion, workshop, briefing, training course or similar activity which is directly or closely related to the performance or discharge of the roles or duties of the member.

Regulation 6, in refence to section 77(1)(b), provides for reimbursement of expenses approved by Council either specifically or under a Policy for the purposes of section 77(1)(b). To this end, the Council Member Allowances and Benefits Policy has historically been established.

The type of council business expenses that may be reimbursed under Allowances Regulation 6 include:

- (a) *expenses incurred in the use of a telephone, fax or other telecommunications device, or in the use of a form of electronic communication, on the business of the council;*
- (b) *travelling expenses incurred by the member as a consequence of the member's attendance at a function or activity on the business of the council (other than for which the member is reimbursed under section 77(1)(a) of the Act);*
- (c) *travelling expenses incurred by the member in undertaking an eligible journey to the extent that those expenses are attributable to travel outside the area of the council;*
- (d) *expenses for the care of— (i) a child of the member; or (ii) a dependant of the member requiring full-time care, incurred by the member as a consequence of the member's attendance at a function or activity on the business of the council (other than for which the member is reimbursed under section 77(1)(a) of the Act);*
- (e) *expenses incurred by the member as a consequence of the member's attendance at a conference, seminar, training course or other similar activity which is directly or closely related to the performance or discharge of the roles or duties of a member of a council (other than for which the member is reimbursed under section 77(1)(a) of the Act).*

Discretionary provision of facilities and support

Section 78 of the Act allows that a Council may, at its discretion, provide facilities and support in addition to the above if these assist the Council Members in the performance and discharge of their official functions and duties.

The provision of discretionary facilities and services under section 78 is subject to the following requirements:

- Council must specifically resolve which facilities and support will be made available;
- The facilities and services are provided on a uniform basis to all members, with the exception of the Mayor; and
- All property provided remains the property of Council.

Section 78 (3) of the Act specifically states:

- (3) *A member of a council must not use a facility or service provided by the council under this section for a purpose unrelated to the performance or discharge of official functions or duties (unless the use has been approved by the council and the member has agreed to reimburse the council for any additional costs or expenses associated with this use).*

Council has the legislative right to provide additional facilities and services under the Act. If Council chooses not to use its discretion to provide additional benefits, Council Members will only be able to claim for those which are legislatively prescribed.

Any facilities/support accessed the Policy will be recorded in the Allowances and Benefits Register, in accordance with the requirements of section 79 of the Act.

6. POLICY IMPLICATIONS

6.1 Financial/budget implications

- The 2022/23 Council budget includes the costs to cover the allowances and benefits to the same level as in the previous Policy. Should Council determine to change or add to their benefits, then a quarterly budget adjustment may be required.

6.2 Risk Management (identification and mitigation)

- Not Applicable

6.3 Staffing/Work Plans/Additional Resource Impact

- Not Applicable

6.4 Climate/Environmental Impact

- Not Applicable

6.5 Social/Economic

- Not Applicable

7. ANALYSIS OF OPTIONS

Option 1 –

1. The report be received.
2. In accordance with Section 78 of the *Local Government Act 1999*, that the provisions of facilities and support set out in the Council Members Allowances and Benefits Policy are necessary or expedient to the performance or discharge of official functions and duties by Council Members (as set out in Attachment 1, Item 4.10, Council Meeting 28/11/22) be resolved.
3. The Council Member Allowances and Benefits Policy (as set out in Attachment 1, Item 4.10, Council Meeting 28/11/22) be adopted.
4. The Council Member allowance provided under Section 79 (1) of the *Local Government Act 1999* be paid {Council to determine frequency) in arrears.

By adopting the proposed Council Member Allowances and Benefits Policy, Council Members will be provided with a suite of discretionary facilities and benefits to support them in the performance and discharge of their official duties and functions. This will be in addition to the benefits provided for in Part 5 of the Act.

This option determines that the instalments for payment of Council Member allowances will be in arrears. This option asks Council to determine the frequency of these payments up to three (3) months.

While historically Council Member allowances have been paid three (3) months in advance, it is not unreasonable for Council Members to undertake the duties and functions prior to receiving the Council Member allowance.

Option 2 –

1. The report be received.
2. In accordance with Section 78 of the *Local Government Act 1999*, that the provisions of facilities and support set out in the Council Members Allowances and Benefits Policy are necessary or expedient to the performance or discharge of official functions and duties by Council Members (as set out in Attachment 1, Item 4.10, Council Meeting 28/11/22) be resolved.
3. The Council Member Allowances and Benefits Policy (as set out in Attachment 1, Item 4.10, Council Meeting 28/11/22) be adopted.
4. The Council Member allowance provided under Section 79 (1) of the *Local Government Act 1999* be paid {*Council to determine frequency*} in advance.

By adopting the proposed Council Member Allowances and Benefits Policy, Council Members will be provided with a suite of discretionary facilities and benefits to support them in the performance and discharge of their official duties and functions. This will be in addition to the benefits provided for in Part 5 of the Act.

This option determines that the instalments for payment of Council Member allowances will be in advance. This option asks Council to determine the frequency of these payments up to three (3) months.

Historically Council Member allowances have been paid three (3) months in advance.

Option 3 –

1. The report be received.
2. In accordance with Section 78 of the *Local Government Act 1999*, that the provisions of facilities and support set out in the Council Members Allowances and Benefits Policy are necessary or expedient to the performance or discharge of official functions and duties by Council Members (as set out in Attachment 1, Item 4.10, Council Meeting 28/11/22) be resolved.

3. Subject to the incorporation of the following amendments, the Council Member Allowances and Benefits Policy (as set out in Attachment 1, Item 4.10, Council Meeting 28/11/22) be adopted:
 - Amendments to be determined by Council
 - Etc
4. The Council Member allowance provided under Section 79 (1) of the Local Government Act 1999 be paid_____.

This option allows for Council to determine amendments to the Policy prior to the Policy being adopted. Council will need to articulate any changes required to the Policy within part 3 of the above resolution so that these can be reflected within the final version of the Policy.

The requirement for Council to determine the basis of instalments for payment of Council Member allowances remains. These historically have been paid in advance, however it is open to Council to determine any frequency of up to three (3) months, and payments can be made in advance or arrears.

Option 4 –

1. The report be received.
2. The Council Member allowance provided under Section 79 (1) of the Local Government Act 1999 be paid_____.

The previous Policy, known as the Elected Members Allowances and Benefits Policy, lapsed at the Local Government Elections in November 2022. Council may wish to have further discussions in relation to the discretionary facilities and support to be provided to Council Members, prior to endorsing this Policy.

Should this option be preferred, it is recommended to Council to still make the decision as to the payment of allowances so that the necessary arrangements for allowance payments can be actioned. A workshop/briefing will then be scheduled with Members to facilitate a discussion on the Council Members Allowance and Benefits Policy. As noted in the report, in the absence of a Policy adopted by Council, the additional discretionary allowances and benefits will not be available to Members. Council Members would only be able to rely upon the provisions of section 77(1)(a) to seek reimbursement of expenses.

8. RECOMMENDED OPTION

The matter is for Council to determine.

9. REPORT AUTHORISERS

Name	Title
Peter Tsokas	Chief Executive Officer



COUNCIL MEMBER ALLOWANCES AND BENEFITS POLICY

Policy Type:	Statutory Policy
Responsible Department:	Office of the CEO
Responsible Officer:	Manager Governance
Related Policies, Documents and Procedures	<ul style="list-style-type: none"> Register of Allowances and Benefits
Community Plan Link	<i>Civic Leadership:</i> 4.1 We have strong leadership and governance 4.3 Our business systems are effective and transparent
Date Adopted	24 November 2014
Last review date	28 November 2022 – C0 XXX
Next review date	Next periodic election
Reference/Version Number	V9
ECM Doc set I.D.	2192641

1. PREAMBLE

- 1.1. The City of Unley (Council) seeks to ensure that the payment of Council Members allowances, the reimbursement of expenses and the provision of benefits by the Council is accountable, transparent and in accordance with the *Local Government Act 1999 (the Local Government Act)*, *Local Government (Members Allowances and Benefits) Regulations 2010 (the Allowances Regulations)*.
- 1.2. This Policy sets out the provisions of the Local Government Act and Allowances Regulations in respect of Council Member allowances, expenses and support. This Policy is also provided in accordance with section 77(1)(b) of the Local Government Act by specifying the types of expenses that will be reimbursed without the need for specific approval of Council every time a claim is made.
- 1.3. Council Members are paid an allowance for performing discharging their functions and duties on Council. Section 59 of the Local Government Act provides that the role of a Council Member, as a member of the governing body of the Council is:
 - i. to act with integrity;
 - ii. to ensure positive and constructive working relationships within the council;
 - iii. to recognise and support the role of the principal member under the Local Government Act;
 - iv. to develop skills relevant to the role of a member of the council and the functions of the council as a body;

- v. to participate in the deliberations and activities of the council;
 - vi. to keep the council's objectives and policies under review to ensure that they are appropriate and effective; and
 - vii. to keep the council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery, under review;
 - viii. to ensure, as far as practicable, that the principles set out in section 8 of the Local Government Act are observed;
 - ix. to participate in the oversight of the chief executive officer's performance under the council's contract with the chief executive officer; and
 - x. to serve the overall public interest.
- 1.4. Section 58 of the Local Government Act specifies the role of the Principal Member as leader of the Council is to:
- (a) to provide leadership and guidance to the council; and
 - (b) to lead the promotion of positive and constructive working relationships among members of the council; and
 - (c) to provide guidance to council members on the performance of their role, including on the exercise and performance of their official functions and duties; and
 - (d) to support council members understanding of the separation of responsibilities between elected representatives and employees of the council; and
 - (e) to preside at meetings of the council' and
 - (f) to liaise with the chief executive officer between council meetings on the implementation of a decision of the council; and
 - (g) to act as the principal spokesperson of the council; and
 - (h) to exercise other functions of the council as the council determines; and
 - (i) to carry out the civic and ceremonial duties of the office of principal member.
- 1.5. This Policy also explains the information that must be recorded within the Council's Register of Allowances and Benefits to ensure compliance with section 79 of the Local Government Act.
- 1.6. This Policy, in its entirety, will automatically lapse at the next general election of this Council.

2. SCOPE

- 2.1. This policy applies to all Council Members, who each have an obligation to abide by this Policy.
- 2.2. The Council's Chief Executive Officer has the duty to:
- (a) maintain the Register of Allowances and Benefits;
 - (b) adjust allowances paid to Council Members (on the first, second and third anniversaries of the relevant periodic elections to reflect changes in the Consumer Price Index (CPI); and



- (c) ensure copies of this Policy are published on a website and able to be provided in printed form on request and on payment of a fee (if any) fixed by the Council.

3. POLICY PURPOSE/OBJECTIVES

- 3.1. To ensure Council Member allowances, the reimbursement of expenses and the provision of benefits, facilities, and support by the Council are in accordance with the requirements of the Local Government Act and the Allowances Regulations.

4. DEFINITIONS

Chief Executive Officer (CEO)	means the appointed CEO of Acting CEO or nominee
Council Member	means an elected member of the City of Unley
Eligible journey	means a journey (in either direction) between the principal place of residence, or a place of work, of a Council member, and the place of a prescribed meeting
Facilities and support	means facilities and other forms of support made available to Council Members in accordance with section 78 of the <i>Local Government Act 1999</i>
Prescribed meeting	means in relation to a member of a council, means a meeting of the council or council committee, or an information or briefing session, discussion, workshop, briefing, training course or similar activity which is directly or closely related to the performance or discharge of the roles or duties of the member
Prescribed reimbursements	means those reimbursements provided for within Section 77 of the <i>Local Government Act 1999</i> (and supporting Allowances Regulations)

5. POLICY PRINCIPLES

5.1 This Policy is underpinned by the following principles:

- (a) Council Members should not be out of pocket as a result of performing and discharging their Council functions and duties;
- (b) To assist Council Members in performing or discharging their official functions and duties they are entitled to be provided with a range of necessary facilities and support and to be reimbursed for expenses as specified in this Policy;



- (c) Facilities and support provided to Council Members will be provided on a uniform basis (other than facilities or services specifically provided for the benefit of the Mayor);
- (d) Any reimbursements claimed by Council Member must be for expenses actually and necessarily incurred in performing and discharging official Council functions and duties, which will be assessed according to the role of a Council Member under the Local Government Act;
- (e) Council encourages continued professional training and development for Council Members. This is seen as being necessary in terms of good governance and to the improved performance of their functions and duties; and
- (f) The accountability of the Council to its community for the use of public monies.

6. POLICY STATEMENT

ALLOWANCES

- 6.1. Council Member allowances are determined by the Remuneration Tribunal on a four-yearly basis with each determination required to be made 14 days before the close of nominations for each set of periodic elections held under the *Local Government (Elections) Act 1999*.
- 6.2. The relevant determination for the Council term commencing in November 2022 is Determination No 2 of 2022 – Allowances for Members of Local Government Councils. Determination No 2 of 2022 should be read in conjunction with the Supplementary Report and Determination 5 of 2022 – Members of Local Government.
- 6.3. The allowance determined by the Remuneration Tribunal will be payable for the period:
 - commencing on the conclusion of the 2022 periodic election; and
 - concluding at the time the last result of the 2026 periodic election is certified by the Electoral Commissioner under the *Local Government (Elections) Act 1999*.
- 6.4. The annual allowance for Council Members is determined according to the relevant Council group. There are six Council Groups which are each explained within the Determination of the Remuneration Tribunal.
- 6.5. The City of Unley has been identified as falling within Group 2 in the current Remuneration Tribunal Determination, with an initial council member annual allowance of \$19,110.
- 6.6. The annual allowance for:
 - principal member is equal to four times the annual allowances for elected members;
 - deputy mayor or an elected member who is the presiding member of one or more prescribed committees is equal to one and a quarter (1.25) times the annual allowance for elected members;



An additional allowance in the form of a sitting fee is also payable for elected members who are presiding members of other committees (who are not deputy mayors or presiding members of prescribed committees).

A deputy mayor who undertakes the duties of mayor for a period of one month or longer, is entitled to receive the mayor allowance for the entirety of the time they undertake those duties.

- 6.7. Council Member allowances are to be adjusted on the first, second and third anniversaries of the relevant periodic election to reflect changes in the CPI. Adjustments will occur on 10 November 2023, 10 November 2024 and 10 November 2025. The change in CPI to be applied will be the most recently available annual percentage change in the CPI as at the date of adjustment (which will likely to be the most recent relevant September quarter figure).
- 6.8. In accordance with regulation 4 of the Allowances Regulations (and for the purposes of section 76 of the Local Government Act), an allowance may be paid in instalments up to 3 months in advance or 3 months in arrears of each month in respect of which an instalment is payable.
- 6.9. The City of Unley Council Members Allowances will be paid **{insert basis of payment method following Council Decision}** by electronic funds transfer to a nominated bank account.
- 6.10. A statement of earnings will be provided to Council Members at the conclusion of each financial year.

LEAVE OF ABSENCE – ELECTED MEMBER CONTESTING ELECTION

- 6.11. If a Council Member stands as a candidate for election as a member of State Parliament, section 55A of the Local Government Act automatically grants a leave of absence from the date on which nominations for the relevant election close until the result of the election is publicly declared.
- 6.12. During the leave of absence period the Council Member:
 - is not entitled to receive any Council Member allowance or reimbursement of expenses; and
 - must not use any facility, service or other form of support provided by the Council; and
 - must not carry out any function or duty as a Council Member.
- 6.13. A maximum penalty of \$15,000 applies for a breach of this section of the Local Government Act.

COUNCIL MEMBERS RESPONSIBILITIES

- 6.14. In addition, although not required by the Local Government Act, the Council has determined that the provision of the facilities and support are made available to Council Members on the following terms:
 - each Council Member is solely responsible for those facilities released into their care and/or control for the duration of their term in office;
 - all facilities must be returned to the Council at the end of each term in office, upon the office of a Member of a Council becoming vacant, or earlier at the request of the Chief Executive Officer;



- if the facilities provided to the Council Member are damaged or lost, the Council Member must lodge a written report with the Council officer responsible for this Policy;
- The use of Council facilities, support and/or services by Council Members for campaign or election purposes is not permitted under any circumstances on the basis it is not necessary or expedient to the performance or discharge of a Council Member's official functions or duties under the Local Government Act. The use of such facilities for electoral purposes during the election period would be a breach of section 78(3) of the Local Government Act.

CLAIMING REIMBURSEMENTS

- 6.15. Claims for reimbursement must be submitted on the Council Member Expense Reimbursement Form (example attached to Policy).
- 6.16. Council Members are required to provide details of kilometres travelled and/or evidence of expenses incurred to support all reimbursements claimed.
- 6.17. All claims for reimbursement must be submitted to the Manager Governance on the form/s provided for this purpose on a monthly/quarterly basis for the purposes of maintaining the Register of Allowances and Benefits.
- 6.18. Reimbursement of expenses will only be paid to a Council Member upon presentation of the form/s and adequate evidence supporting the claims made.

REGISTER OF ALLOWANCES AND BENEFITS

- 6.19. Pursuant to section 79(1) and (2) of the Local Government Act, the Chief Executive Officer must maintain a Register in which he or she shall ensure that a record is kept of—
- a) the annual allowance payable to a Council Member (in the case of section 79(1)(a)); and
 - b) any expenses reimbursed under section 77(1)(b) of the Local Government Act (in the case of section 79(1)(b)); and
 - c) other benefits paid or provided for the benefit of the Member by the Council (in the case of section 79(1)(c)); or
 - d) to make a record of the provision of a reimbursement or benefit not previously recorded in the Register (in the case of section 79(2)(b)),
 - e) on a quarterly basis (see regulation 7 of the Allowances Regulations).
- 6.20. Reimbursements paid under section 77(1)(a) of the Local Government Act are not required to be recorded in the Register.
- 6.21. Schedules to this Policy provide details of:
- Approved reimbursements (Schedule 1)
 - Additional facilities and support (Schedule 2)
 - Facilities and support specific to the Mayor (Schedule 3)



This Policy will lapse at the next general election at which time the newly elected Council will be required to adopt a new policy dealing with Council Members allowances, reimbursements, and benefits for their term in office (section 77(2) Local Government Act).

7. LEGISLATION

- *Local Government Act 1999, sections 76 -79*
- *Local Government (Members Allowances and Benefits) Regulations 2010*

8. AVAILABILITY OF POLICY

This Policy is available to be downloaded, free of charge from [Councils website](#)

A printed copy may be purchased on request from the Council office.

9. DOCUMENT HISTORY

Date	Ref/Version No.	Comment
27/06/2006	C362/2006:V1	
27/04/2010	C665/2010:V2	
26/07/2010	C701/2010:V3	
30/01/2012	C341/2012:V4	
28/05/2012	C420/2012:V5	
11/03/2014	C1073/2014:V6	
24/11/2014	C2/2014:V7	Mandatory Post-Election Review-
26/11/2018	C1341/2018: V8	Mandatory Post-Election Review- Replacement of Previous Policy
28/09/2020	C0347/20: V8.1	Schedule 4: changes to allocation of business cards and communication devices
28/11/2022	C0XXX/22: V9	Mandatory Post-Election Review



Council Member Allowances and Benefits Policy

The Electronic version of this document is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version

Page 7 of 17

SCHEDULE 1 – APPROVED REIMBURSEMENTS

MANDATORY REIMBURSEMENTS – TRAVEL

- Council Members are entitled to receive reimbursements for travelling expense actually and necessarily incurred by the Council Member for travel within the Council area and associated with attendance at a 'prescribed meeting' (section 77(1)(a) of the Local Government Act).
- A 'prescribed meeting' is defined under the Allowances Regulations to mean a meeting of the Council or Council committee, or an information or briefing session, discussion, workshop, training course or similar activity which is directly or closely related to the performance or discharge of the roles or duties of the Member.
- Reimbursement for travel expenses is restricted to "eligible journeys" (as defined in Regulation 3) provided the journey is by the shortest or most practicable route and to the part of the journey within the Council area i.e. any travelling outside the Council area in order to attend Council or Council committee meetings is not reimbursable under section 77(1)(a) of the Local Government Act. For reimbursement for travel outside the Council area refer to Prescribed and Approved Reimbursements below.
- An "eligible journey" means a journey (in either direction) between the principal place of residence, or a place of work, of a Council Member, and the place of a prescribed meeting.
- Where a Council Member travels by private motor vehicle, the rate of reimbursement is at a rate equal to the appropriate rate per kilometre (determined according to the engine capacity of the vehicle) prescribed for the purposes of calculating deductions for car expenses under section 28.25 of the *Income Tax Assessment Act 1997* of the Commonwealth¹.
- Travelling by taxi, bus or other means of public transport is reimbursed on the basis of expenses "actually and necessarily incurred" but is still limited to "eligible journeys" by the shortest or most practicable route and to the part of the journey that is within the Council area.
- The Council may aggregate claims for reimbursement of expenses that relate to journeys that do not exceed 20 kilometres and then pay them on either a quarterly or monthly basis.

MANDATORY REIMBURSEMENTS – CHILD/DEPENDANT CARE

- Council Members are entitled to reimbursement for child/dependant care expenses actually or necessarily incurred by the Council Member as a consequence of the Council Member's attendance at a prescribed meeting.
- Child/dependant care is not reimbursed if the care is provided by a person who ordinarily resides with the Council Member.

¹ Section 28.25 of the *Income Tax Assessment Act 1997* (Cwth) relates to the 'cents per kilometre' method. The Commissioner for Taxation may, by legislative instrument, determine rates of cents per kilometre for cars for an income year. Refer to ato.gov.au for cents per kilometre rates.



ADDITIONAL EXPENSE REIMBURSEMENT

- There may be additional expenses incurred by Council Members (not included in the mandatory reimbursements outlined above) that can be reimbursed by the Council. Section 77(1)(b) of the Local Government Act provides that the Council may approve the reimbursement of additional expenses incurred by Council Members, as provided for in the Allowances Regulations, either on a case-by-case basis or under a policy adopted by Council.
- Regulation 6 sets out the additional expenses that may be reimbursed under section 77(1)(b) with the approval of the Council.
- For the purposes of this Policy, and pursuant to section 77(1)(b) of the Local Government Act, the Council approves the reimbursement of additional expenses of Council Members as described below.

Travel

The following travel related expenses incurred by a Council Member are eligible for:

- to a function or activity on the business of the Council; and
- in undertaking an eligible journey to the extent those expenses are attributable to travel outside the area of the Council.

Examples:

Council Members will receive reimbursement for expenses incurred in travelling to a function or activity on Council business. The following conditions apply to these expenses:

- travel both within and outside the Council area must be incurred by the Council Member as a consequence of attendance at a function or activity on the business of Council. A "function or activity on the business of the Council" includes official Council functions including Mayoral receptions, opening ceremonies, dinners, citizenship ceremonies and official visits etc.; inspection of sites within the Council area which relate to Council or Committee agenda items; meetings of community groups and organisations as a Council representative; but not to attend meetings of community groups or organisations when fulfilling the role as a Member of the Board of any such community group or organisation;
- reimbursement is restricted to the shortest or most practicable route;
- where a Council Member travels by private motor vehicle, the rate of reimbursement is at a rate equal to the appropriate rate per kilometre (determined according to the engine capacity of the vehicle) prescribed for the purposes of calculating deductions for car expenses under section 28.25 of the Income Tax Assessment Act 1997 of the Commonwealth;
- car parking fees will be reimbursed (where they are a consequence of a Council Member attending a function or activity on the business of the Council); and
- travel by taxi, bus, plane (specify in what circumstances), or other means of public transport will be reimbursed on the basis of being expenses where they are incurred as a consequence of the Member's attendance at a function or activity on the



Council Member Allowances and Benefits Policy

*The Electronic version of this document is the controlled version. Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version*

Page 9 of 17

business of the Council however such travel must still be by the shortest or most practicable route.

Care and other expenses

The following Care and Other expenses incurred by a Council Member are eligible for reimbursement:

- Expenses incurred for the care of a child of a Council Member or a dependant of the Council Member requiring full-time care as a consequence of the Council Member's attendance at a function or activity on the business of Council (other than expenses for which the Member is reimbursed under section 77 (1)(a) of the Local Government Act);
- Expenses incurred by the Council Member as a consequence of the Council Member's attendance at a conference, seminar, training course or other similar activity that is directly or closely related to the performance or discharge of the roles or duties of the Council Member (other than expenses for which the Member is reimbursed under section 77(1)(a) of the Local Government Act). Expenses will only be reimbursed for attendance at conferences, seminars, etc which have been approved by Council or under delegation/policy, e.g. under Council's 'Council Member Training and Development Policy'. Where attendance at the conference, seminar etc is approved, the following types of expenses can be reimbursed: airfares, registration fees, accommodation, meals, taxi fares, car parking and incidentals; and
- Expenses incurred in the use of a telephone, internet, or other communication device on the business of the Council, e.g. Internet connection costs, computer software, applications for electronic tablets/devices, printer cartridge, contribution towards mobile telephone account etc.



SCHEDULE 2 – ADDITIONAL FACILITIES AND SUPPORT

In addition to allowances and the reimbursement of expenses, the Local Government Act provides that the Council can provide facilities and forms of support for use by its Council Members to assist them to perform or discharge their official functions and duties (section 78).

The Council must consider and specifically approve the particular facility and support as necessary or expedient to the performance or discharge of all Council Members' official functions or duties. In approving the provision of facilities and support, section 78 requires that any such services and facilities must be made available to all Council Members on a uniform basis, other than those facilities or support specifically provided to the Principal Member set out below (if any).

Pursuant to section 78 of the Local Government Act, Council has considered and is satisfied that the following facilities and support are necessary or expedient for all Council Members to assist them in performing or discharging their official functions and duties:

Communication Equipment:

- An internet enabled laptop computer or equivalent and compatible printer (or access to printing facilities)
- The following costs relating to Communication Equipment will be met by Council:
 - Internet access via an internet enabled laptop, up to a cost of \$60 per month per member;
 - Servicing, repair and maintenance of Council provided hardware
 - Provision of software and any necessary software upgrades to enable Members to conduct Council business within the Council IT environment;
 - Provision of training to enable effective use of communication equipment provided
 - Support services within the limits of purchasing arrangements relating to the equipment;
 - Insurance of Council provided hardware;
 - Consumable items such as toner cartridges, paper etc.
- The supply of accessories for Council issued Communication equipment, not included as part of the standard provision for IT equipment, or the cost of internet access beyond the monthly limit, will be borne by the respective Member.
- Communication equipment provided to Council Members must be positioned and supervised in an appropriate location when in use to ensure that confidentiality of Council material is not compromised and Council information/systems are not subject to inappropriate access.
- Communication equipment provided to Council Members must be returned within agreed timeframes following the Council Members cessation in office.



Council E-mail Account

Council Members will be provided with a Council email account (name@unley.sa.gov.au) for the sole purpose of performing or discharging official functions and duties. No other email account should be used for the conduct of Council business.

Use of the Council provided email account should be avoided on the basis that:

- (a) All emails created or received (including any attachments or other documents transmitted) in the course of, or associated with, the conduct of Council business are a Council record;
- (b) Council records are subject to the requirements of the *State Records Act 1997* and may be subject to disclosure under the *Freedom of Information Act*.

Building Access, Meeting Room and Pigeon Holes

Council Members will be provided with an Access Card allowing access to Council Member Pigeon Holes and relevant meeting rooms within the Civic Centre.

Council Members will be provided with access to a Meeting Room and Pigeon Holes to facilitate the collection of materials at the convenience of the Member.

Council Members are allocated two car spaces in the under-croft carpark, if required.

Meals and Refreshments

Meals/refreshments will generally be provided prior to Council meetings and workshops. Every effort will be made to ensure expenditure on catering is minimised, without unnecessarily compromising quality of the catering provided.

Access to Council provided meals and refreshments by persons other than Council Members is to be at the invitation of the Presiding Member of the relevant meeting or the CEO.

Presiding Members are to be mindful that refreshments are provided through public funds and invitations are therefore to be issued in particular and special circumstances only, and not as a regular occurrence.

Stationery

In the place of pre-printed letterhead, Council Members will be provided with letterhead templates to enable printing of correspondence on plain paper as required.

The following stationery items will be available to each Council Member:

- Business Cards – up to 500 per annum
- Plain paper – up to four reams per annum
- Envelopes – up to 2000 per annum
- With Compliments Slips – up to 500 per annum
- Postage facilities – accessible via Office of the CEO
- Name badge



Council Member Allowances and Benefits Policy

*The Electronic version of this document is the controlled version. Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.*

Page 12 of 17

Additional Support

Specific Requirements

Council, or the CEO as delegate, may determine that reasonable additional facilities or expenses will be made available to support a Council Member with specific requirements to ensure the expedient performance or discharge of official functions and duties.

Insurance Cover

In accordance with section 80 of the Local Government Act, Council provides a policy of insurance insuring every member of the council, and a spouse, domestic partner or another person who may be accompanying member of the council, against risks associated with the performance or discharge of official functions and duties by members.

The facilities and support set out in schedule 2 are made available to all Council Members on a uniform basis. A Council Member is not obligated to receive or use any items set out.

The provision of these facilities and support are made available to all Council Members (including the Principal Member) under the Local Government Act on the following basis:

- they are necessary or expedient for the Council member to perform or discharge his/her official functions or duties;
- the facilities remain the Council's property regardless of whether they are used off site or not; and
- they are not to be used for a private purpose or any other purpose unrelated to official Council functions, and duties, unless such usage has been specifically pre-approved by the Council and the Council Member has agreed to reimburse the Council for any additional cost or expenses associated with that usage.



SCHEDULE 3 – FACILITIES AND SUPPORT SPECIFIC TO THE MAYOR

Intentionally left blank for Council to consider at alternative Item.



Council Member Allowances and Benefits Policy

*The Electronic version of this document is the controlled version. Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version*

Page 14 of 17



COUNCIL MEMBER EXPENSE REIMBURSEMENT CLAIM

(Relating to expenses claimed under S.76 & 77 of the *Local Government Act 1999, the Local Government (Members Allowances and Benefits) Regulations 2010* and detailed in the Policy – Council Member Allowances and Benefits)

This form must be completed by Council Members when claiming for the reimbursement of expenses.

Name:	
--------------	--

TRAVEL EXPENSES AND TRAVEL TIME PAYMENT (if applicable)

Personal Vehicle

Date	Council function or business purpose for travel*	Km
TOTAL KILOMETRES CLAIMED:		
Office Use Only: _____ Kilometres @ _____ ¢/km = \$		

Motor Vehicle Details (where applicable):

Model and make	
Engine size	

Bus and/or Taxi Costs (where applicable):

Date	Council function or business purpose for travel	Cost
TOTAL REIMBURSEMENT CLAIMED:		

Please attach copies of all receipts

*NOTE: Travel claims must relate to expenses actually and necessarily incurred by the Member in travelling to or from a prescribed meeting provided the journey is an eligible journey and is by the shortest or most practicable route. For the purposes of this form the term "eligible journey" means a journey between the principal place of residence, or a place of work, of a Member of the Council, and the place of a prescribed meeting (in either direction), in accordance with the *Local Government (Members Allowances and Benefits) Regulations 2010*.



Council Member Allowances and Benefits Policy

The Electronic version of this document is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version.

CARE EXPENSES

Date	Prescribed meeting attending requiring care**	Hrs care provided	Cost
TOTAL REIMBURSEMENT CLAIMED:			

Please attach copies of all receipts

****NOTE:** A "prescribed meeting" means a meeting of the Council or Council committee, or an information or briefing session, discussion, workshop, training course or similar activity which is directly or closely related to the performance or discharge of the roles or duties of the Member.

TELEPHONE/OTHER TELECOMMUNICATION EXPENSES

Claim period start	Claim period end	Details of expense being claimed	Cost
TOTAL REIMBURSEMENT CLAIMED:			

Please attach copies of all receipts

CONFERENCE/SEMINAR/TRAINING COURSE EXPENSES

Date	Conference/Seminar/Training Course details	Cost
TOTAL REIMBURSEMENT CLAIMED:		

Please attach copies of all receipts



Council Member Allowances and Benefits Policy

The Electronic version of this document is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version.

Reimbursements will be made direct to your nominated bank account that allowance payments are made. If your details have changed, please complete your details below:

BSB:	
Bank and Branch:	
Account No:	
Account Name:	

Please remember to attach all paperwork supporting your claim otherwise payment will be delayed.

I confirm that the above claims for reimbursement are true and accurate, have been actually and necessarily incurred in the performance of my official duties as a Council Member with the City of Unley and are made in accordance with section 77(1)(a) of the *Local Government Act 1999* and Regulation 5 of the *Local Government (Members Allowances and Benefits) Regulations 2010*.

Signature

Date

OFFICE USE ONLY

Received by: _____ **Date:** _____

Processed by: _____ **Date:** _____



Council Member Allowances and Benefits Policy

The Electronic version of this document is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version

DECISION REPORT

REPORT TITLE:	COUNCIL MEMBER ALLOWANCES AND BENEFITS POLICY - FACILITIES AND SUPPORT SPECIFIC TO THE MAYOR
ITEM NUMBER:	4.11
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	KATHRYN GOLDY, ACTING MANAGER GOVERNANCE
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	1. SCHEDULE 3 - FACILITIES AND SUPPORT SPECIFIC TO THE MAYOR

1. **PURPOSE**

The purpose of this report is present, the Council Members Allowances and Benefits Policy that specifically relates to the facilities and support to the office of the Mayor.

This brings rise to a conflict of interest for the individual in the office of the Mayor. As a consequence, Schedule 3: Facilities and Support specific to the Mayor has been separated from the Policy and is now presented for the consideration of Council.

2. **RECOMMENDATION**

That:

1. The report be received.
 2. In accordance with Section 78 of the *Local Government Act 1999*, Council resolves that the provision of facilities and support specific to the Mayor as set out in Schedule 3 to the Council Member Allowances and Benefits Policy (Attachment 1, Item 4.11, Council Meeting 28/11/2022) are necessary or expedient to the performance or discharge of official functions and duties by the Mayor.
 3. Schedule 3 to the Council Member Allowances and Benefits Policy as set out in Attachment 1 to this report (Item 4.11, Council Meeting 28/11/2022) be adopted.
-

3. RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN

4. Civic Leadership

4.3 Our business systems are effective and transparent.

4. BACKGROUND

The Elected Member Allowances and Benefits Policy has been developed in accordance with the requirements of section 78 of the *Local Government Act 1999* (the Act), which allows for provision of facilities and support to members on a uniform basis, other than facilities or services specifically provided for the benefit of the Mayor.

The *Local Government (General) Regulations 2013* define the preparation, discussion and adoption or revision of a policy relating to allowance and benefits as 'ordinary business', so long as the allowances and benefits apply equally to each member. This definition means that all members can consider and determine the Allowances and Benefits Policy, however, when it comes to the facilities and support specific to the Mayor, this brings rise to a conflict of interest for the individual in the office of the Mayor. As a consequence, Schedule 3: Facilities and Support specific to the Mayor has been separated from the Policy and is now presented for the consideration of Council.

5. DISCUSSION

Further to the consideration of Item 4.10 - Council Member Allowances and Benefits Policy, it is open to Council to determine facilities and support specifically provided for the Principal Member (section 78(b), the Act).

Similar to the requirements for the making of the Council Members Allowances and Benefits Policy, the provision of facilities and other forms of support specific to the Mayor can be provided subject to:

- a) council specifically resolving that the provision of the facilities or services is necessary or expedient to the performance or discharge of official functions or duties;
- b) any property provided to a member remains the councils.

The provision of facilities and support specific to the Mayor is in addition to the facilities and support provided to all members on a uniform basis set out in the Council Member Allowances and Benefits Policy.

Should the Council determine to apply facilities and support specific to the Mayor, the information will be incorporated as Schedule 3 to the Council Member Allowances and Benefits Policy.

Schedule 3 to the Council Member Allowances and Benefits Policy (Attachment 1) has been developed to identify facilities and support to be provided specifically to the office of Mayor.

Attachment 1

The Schedule lists items that may be made available to the Mayor, in addition to facilities and support provided to other members. The additional facilities and support are provided in recognition of the broader role and responsibilities associated with the position of Mayor.

Any facilities/support accessed under the Council Members Allowances and Benefits Policy will be recorded in the Allowances and Benefits Register, in accordance with the requirements of section 79 of the Act.

6. POLICY IMPLICATIONS

6.1 Financial/budget implications

- The 2022/23 Council budget includes the costs to cover the allowances and benefits to the same level as in the previous Policy. Should Council determine to change or add to their benefits, then a quarterly budget adjustment may be required.

6.2 Risk Management (identification and mitigation)

- Not Applicable

6.3 Staffing/Work Plans/Additional Resource Impact

- Not Applicable

6.4 Climate/Environmental Impact

- Not Applicable

6.5 Social/Economic

- Not Applicable

7. ANALYSIS OF OPTIONS

Option 1

1. The report be received.
2. In accordance with Section 78 of the *Local Government Act 1999*, Council resolves that the provision of facilities and support specific to the Mayor as set out in Schedule 3 to the Council Member Allowances and Benefits Policy (Attachment 1, Item 4.11, Council Meeting 28/11/2022) are necessary or expedient to the performance or discharge of official functions and duties by the Mayor.

3. Schedule 3 to the Council Member Allowances and Benefits Policy as set out in Attachment 1 to this report (Item 4.11, Council Meeting 28/11/2022) be adopted.

By adopting the proposed Schedule 3 to the Council Member Allowances and Benefits Policy, the Mayor will be provided with some additional discretionary facilities and benefits to support them in the performance and discharge of official function and duties, in addition to the benefits provided for in Part 5 of the Act and the Policy.

Option 2

1. The report be received.
2. In accordance with Section 78 of the *Local Government Act 1999*, Council resolves that the provision of facilities and support specific to the Mayor as set out in Schedule 3 to the Council Member Allowances and Benefits Policy (Attachment 1, Item 4.11, Council Meeting 28/11/2022) are necessary or expedient to the performance or discharge of official functions and duties by the Mayor.
3. Schedule 3 to the Council Member Allowances and Benefits Policy as set out in Attachment 1 to this report (Item 4.11, Council Meeting 28/11/2022) be adopted with the following amendments:
 - *Amendments to be determined by Council*

Schedule 3 to the Council Member Allowances and Benefits Policy may be adopted with amendments. Council will need to identify any changes required to the Schedule with part 3 of the above resolution so that these can be reflected within the final version of the Schedule.

Option 3

1. The report be received.

If Council resolved not to adopt the Council Member Allowances and Benefits Policy when it considered the previous item, it would be appropriate to only receive this report in relation to Schedule 3 until further discussions in relation to the discretionary facilities and support to be provided to Council Members occurs.

8. RECOMMENDED OPTION

Option 1 is the recommended option.

9. REPORT AUTHORISERS

Name	Title
Peter Tsokas	Chief Executive Officer

SCHEDULE 3 – FACILITIES AND SUPPORT SPECIFIC TO THE MAYOR

Council has resolved, in accordance with section 78(b) of the *Local Government Act 1999*, that the provision of the facilities and support set out in this Schedule are necessary or expedient to the performance or discharge of official functions or duties by the Mayor.

The facilities and support set out in this Schedule are made available to the Mayor in addition to the facilities and support provided to all Council Members and set out in Schedule 2.

The Mayor must not use a facility or service provided by Council within this Schedule for a purpose unrelated to the performance or discharge of official functions or duties (unless the use has been approved by the council and the Mayor has agreed to reimburse the council for any additional costs or expenses associated with this use) (s.78(3)).

The Mayor is not obligated to receive or use any of the facilities and support set out in this Schedule.

- Access to a dedicated office/meeting space including a desktop computer, telephone and speech to text software
- Access to an internet enabled iPad in addition to Communications equipment provided in Schedule 2
- Access to administrative support to assist with coordination and management of council related activities, and responding to correspondence
- A Council provided mobile phone, or reimbursement of mobile phone costs associated with the conduct of Council business up to \$60 per month
- A fully maintained Council-owned vehicle, of a similar type and standard to that supplied to the CEO. In accordance with section 78(3) of the *Local Government Act 1999* the use of the vehicle for a purpose unrelated to the performance or discharge of official functions and duties is authorised, subject to the reimbursement to the council for any additional costs or expenses associated with this use.
- Business Cards – up to 500 per annum in addition to the Stationery provided in Schedule 2
- Attendance at:
 - Conferences, seminars, meetings or other engagements within the State;
 - South Australian Local Government Association meetings or events;
 - Australian Local Government Association meetings or events;
 - Intrastate or interstate meetings with representatives of Commonwealth, State and Local governments on Council related matters;

without the need for specific Council approval, and with all costs associated with the attendance to be met by Council.

- Conferences, seminars, meetings or engagements interstate or overseas may be approved by Council on a case by case basis, prior to the activity occurring.



DECISION REPORT

REPORT TITLE:	ACTING CHIEF EXECUTIVE OFFICER - APPOINTMENT OF SUITABLE PERSON
ITEM NUMBER:	4.12
DATE OF MEETING:	28 NOVEMBER 2022
AUTHOR:	PETER TSOKAS, CHIEF EXECUTIVE OFFICER
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	NIL

1. **PURPOSE**

Section 102 of the *Local Government Act 1999* (the Act) allows the Chief Executive Officer (CEO) to appoint a suitable person to act in the office after consultation with Council.

This report seeks endorsement by Council of “suitable persons” to act in the role of CEO during periods of leave or other absences to facilitate the appointment process as required.

2. **RECOMMENDATION**

That:

1. The report be received.
 2. The following persons be endorsed as suitable persons as per section 102 of the *Local Government Act 1999* to be appointed by the Chief Executive Officer to act in the office of Chief Executive Officer during periods of leave of absence:
 - 2.1 General Manager Business Support and Improvement – Nicola Tinning
 - 2.2 General Manager City Development – Claude Malak
 - 2.3 General Manager City Services – Megan Berghuis
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership
 - 4.1 We have strong leadership and governance.

4. **BACKGROUND**

During periods of leave or other absences it is necessary to appoint an Acting CEO to ensure that the day-to-day operations of the organisation can continue, particularly in relation to the exercise of delegations held solely by the CEO.

With the commencement of the new Council term, it is appropriate to confirm with Council the arrangements for appointment of Acting CEO.

Section 102 of the Act states:

In the absence of the chief executive officer, the following provisions apply:

- (a) if there is a deputy to the chief executive officer—the deputy must act in the office of the chief executive officer;*
- (b) if there is no deputy or the deputy is absent—a suitable person appointed by the chief executive officer after consultation with the council must act in the office;*
- (c) if a person is not appointed under paragraph (b)—a suitable person must be appointed by the principal member of the council to act in the office (after taking into account the organisational structure of the council);*
- (d) if a person is not appointed under paragraph (c)—a suitable person must be appointed by any three or more members of the council to act in the office (after taking into account the organisational structure of the council).*

The responsibility to appoint a Deputy CEO rests with the CEO, however, the CEO must obtain the concurrence of the Council before making such an appointment. Currently there is no deputy to the CEO appointed at the City of Unley.

5. **DISCUSSION**

Historically the responsibility of acting as CEO has been shared across the members of the Executive Management Team (EMT). This approach ensures that there is a pool of suitable persons available to make an appointment from and enables the management of ongoing operations of the organisation to continue with limited disruption. This approach also provides EMT members with development opportunities through performance at the CEO level and contributes to their ongoing professional development.

The current practice of rotating acting CEO appointments has worked well, and the intention is to retain this strategy. To facilitate this process, the following list of staff has been identified as suitable persons from which the CEO may make an acting CEO appointment during periods of leave or other absences:

- General Manager Business Support and Improvement – Nicola Tinning
- General Manager City Development – Claude Malak
- General Manager City Services – Megan Berghuis

The determination of which person to appoint to an acting capacity will be made by the CEO taking into account operational requirements of the organisation and key issues likely to require action during the period.

6. POLICY IMPLICATIONS

6.1 Financial/budget implications

- Not Applicable

6.2 Risk Management (identification and mitigation)

- Not Applicable

6.3 Staffing/Work Plans/Additional Resource Impact

- Not Applicable

6.4 Climate/Environmental Impact

- Not Applicable

6.5 Social/Economic

- Not Applicable

7. ANALYSIS OF OPTIONS

Option 1 –

1. The report be received.
2. The following persons be endorsed as suitable persons as per section 102 of the *Local Government Act 1999* to be appointed by the Chief Executive Officer to act in the office of Chief Executive Officer during periods of leave of absence:
 - 2.1 General Manager Business Support and Improvement – Nicola Tinning
 - 2.2 General Manager City Development – Claude Malak
 - 2.3 General Manager City Services – Megan Berghuis

This option identifies the current members of the EMT as suitable persons to act in the office of CEO. The consideration of this report and the subsequent resolution from Council endorsing the “suitable persons” achieves the requirement of consultation with Council by the CEO before making any acting appointment and enables the CEO to make acting appointments as required, without further reference to Council.

This is an administratively efficient approach to ensure that the organisation continues to have a suitable person available to act in the role of CEO if required.

Option 2 –

1. The report be received.
2. The following persons be endorsed as suitable persons as per section 102 of the *Local Government Act 1999* to be appointed by the Chief Executive Officer to act in the office of Chief Executive Officer during periods of leave of absence:
 - 2.1 *To be determined by Council*

This option allows Council to determine a list of suitable persons. It would be important to ensure that any additional persons have the relevant skills/knowledge/experience to act in the role.

Should Council decided to reduce the number of persons from the list, it may result in a need for the CEO to undertake consultation regarding acting appointments if none of the persons remaining on the list are available to act when required.

Option 3 –

1. The report be received.

This option allows for Council to receive the report only with no further action.

Council may choose not to endorse a list of suitable persons and require that the CEO consults with Council on a case-by-case basis when a decision is required to appoint an acting CEO.

This option would mean that each time an acting appointment is required in the position of CEO, consultation would need to occur with Council prior to the appointment being made.

8. RECOMMENDED OPTION

Option 1 is the recommended option.

9. REPORT AUTHORISERS

Name	Title
Peter Tsokas	Chief Executive Officer

COUNCIL ACTION REPORT

REPORT TITLE: COUNCIL ACTION RECORDS
ITEM NUMBER: 4.13
DATE OF MEETING: 28 NOVEMBER 2022
AUTHOR: LARA KENNEDY, EXECUTIVE ASSISTANT TO
THE CEO AND MAYOR
DIVISION: OFFICE OF THE CEO
ATTACHMENTS: 1. COUNCIL ACTION REPORT

1. PURPOSE

To provide an update to Members on information and actions arising from resolutions of Council.

2. RECOMMENDATION

That:

1. The report be noted.
-

COUNCIL ACTION REPORTS - ACTIONS TO NOVEMBER 2022					
Meeting Date	Item #	Subject and Council Resolution	Responsible Exec.	Status/Progress	Expected Completion Date
23/05/22	4.3	PAGE PARK SHARED USE ARRANGEMENTS 2. A trial for extended dog off-leash times at Page Park between 4pm-10am during Australian Central Standard times be undertaken from 30 June 2022 until 2 October 2022. 3. The trial for extended dog off-leash times at Page Park be supported by a community engagement campaign to capture further community feedback. 4. An assessment of costs and proposed implementation timeframes for the following enhancements at Page Park be developed: 4.1 Fencing of exercise equipment 4.2 Motion activated, energy efficient lighting 4.3 The ongoing use of dog behavioural training at the Park 4.4 Provision of additional seating 5. The results of the extended dog off-leash trial and investigation of associated costs and implementation timeframes for proposed enhancements at Page Park be presented to Council for further consideration.	GM City Services	Completed	Completed
				Completed	Completed
				Completed	Completed
				Trial completed and report on the effectiveness of the trial and the proposed implementation timeframes regarding the enhancements will be presented to future Council meeting on outcomes post-election	December 2022
25/07/22	4.1	E-SCOOTER TRIAL EVALUATION 4. The Mayor is authorised to write to the Minister for Infrastructure and Transport, requesting approval to extend the gazettal for the City of Unley e-scooter trial up to 14 February 2023 and to seek clarification regarding the following matters: a. The future of e-scooters in South Australia, noting that the first e-scooter trial commenced in the City of Adelaide in February 2019. b. Proposed changes/improvements to the current e-scooter trial road rules to improve the safety of pedestrians, including the use of e-scooters in bicycle lanes. 5. Administration continues to work with the e-scooter operators to address complaints and concerns raised during the extended trial period from 14 August 2022 to 14 February 2023 and that a further report be presented to Council prior to 14 February 2023 to determine the next steps for e-scooter usage within the City of Unley.	GM City Development	A letter was sent to the Minister for Infrastructure and Transport regarding the relevant issues, as resolved by Council. Council staff continue to work with the e-scooter operators to address complaints and concerns raised by the community. An area-wide No Parking Zone trial in the Parkside area bounded by Fullarton Road, Greenhill Road, George Street, Duthy Street and Wattle Street commenced on 29 August 2022 and will be monitored on a monthly basis. A further report will be presented to Council for its consideration prior to the conclusion of the trial period.	Completed
					January 2023
25/07/22	4.3	ESTABLISHMENT OF THE BUSINESS AND ECONOMIC DEVELOPMENT ADVISORY COMMITTEE 2. Council establishes the Business and Economic Development Advisory Committee in accordance with Section 41 of the Local Government Act 1999. 3. The Business and Economic Development Advisory Committee Terms of Reference as set out in Attachment 1 to this Report (Item 4.3, Council Meeting, 25/07/2022) be adopted. 4. Administration is authorised to commence an Expression of Interest (EOI) process for the recruitment of independent committee members for the Business and Economic Advisory Committee, with a further report to be presented to Council regarding appointment of independent members. 5. An initial shortlist of applications that meet the key attributes for independent members be prepared by the CEO and Manager Economic Development and Strategic Projects, and is presented to the new Council in December 2022 for consideration. 6. Sitting Fees per meeting attended for the Business and Economic Advisory Committee be set at: (a) \$300.00 for the Presiding Member (b) \$250.00 for an Independent Member	Manager Economic Development	Noted	Completed
				Completed	Completed
				Nominations for Independent members for the Economic Development Advisory Committee will close on 4 November 2022.	Completed
				Nominations will be presented to the December 2022 Council Meeting for the new Council to endorse Committee Members.	December 2022
		No further action	Completed		

COUNCIL ACTION REPORTS - ACTIONS TO NOVEMBER 2022					
Meeting Date	Item #	Subject and Council Resolution	Responsible Exec.	Status/Progress	Expected Completion Date
25/07/22	4.4	<p>MAINSTREET MANAGEMENT MODEL 2023/24</p> <p>2. The Administration investigate the following Mainstreet Model/s:</p> <ul style="list-style-type: none"> • Continue to collect the Separate Rate on the four main streets, but Council to manage the expenditure of funds and engagement with local traders (no funding provided to the Associations). • Discontinue collecting the Separate Rate but put a small % increase on the differential business rate to all rateable businesses. Money is to be quarantined and recommendation on its expenditure made by Independent Economic Advisory Committee. Recommendations on expenditure (across the Council region) to be provided to Council to endorse. • Discontinue the Separate Rate completely and don't provide a Separate Rate funded Mainstreet Model. <p>3. A report be provided to the new Council on completion of the investigation.</p> <p>4. The CEO write to the Mainstreet Associations, and all businesses rated under the separate rate scheme, to inform them of the investigation.</p>	Manager Economic Development	<p>Research and further investigation into the three models selected by Council will commence August 2022 and it is envisaged that a Report on the findings will be presented to the new Council at the December 2022 Council Meeting. Should there be a significant change of membership in the new Council, a workshop will be held in December 2022 in advance of the report to Council.</p> <p>Completed</p>	<p>December 2022</p> <p>December 2022 Completed</p>
22/08/22	4.8	<p>RECRUITMENT OF INDEPENDENT MEMBERS FOR COUNCIL ASSESSMENT PANEL</p> <p>2. Applications for four (4) Independent Member positions on the Council Assessment Panel, including Presiding Member, and additionally one (1) Deputy Independent Member, be sought from appropriately qualified Level 2 Planning Accredited Professionals with appointments to commence on 1 March 2023.</p> <p>3. An initial shortlist of suitably accredited applicants for interview that meet the minimum accreditation standards be prepared by the General Manager City Services, Manager Development and Regulatory and Manager Governance for consideration of the incoming Council.</p> <p>4. A report be presented to Council in December 2022 to appoint a Council Assessment Panel Selection Committee to conduct interviews of the shortlisted applicants to identify four (4) persons for recommendation to Council for appointment to Independent Member positions on the Council Assessment Panel, including Presiding Member and additionally one (1) Deputy Independent Member.</p>	GM City Services	<p>Applications closed 18 November and shortlist to be generated for further consideration.</p> <p>A report will be presented to Council for consideration at the December 2022 Council Meeting.</p> <p>A report will be presented to Council for consideration at the December 2022 Council Meeting.</p>	<p>Completed</p> <p>December 2022</p> <p>December 2022</p>
26/09/22	5.1.1	<p>NOTICE OF MOTION FROM COUNCILLOR P. HUGHES RE: ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT USING BEST PRACTICE PRINCIPLES</p> <p>2. The Mayor raises the topic of environmentally sustainable development at the next Eastern Regional Alliance (ERA) Mayors and CEOs meeting, seeking agreement for a joint project to be undertaken using ERA funds to create Best Practice Principles for Environmentally Sustainable Development with the intention to:</p> <ul style="list-style-type: none"> - be a guide for development being proposed in ERA Councils; - advocate for commensurate changes to the Planning and Design Code; and - advocate for better construction standards. 	CEO	The Mayor will raise the matter at the next ERA Mayors and CEOs meeting that will be scheduled by the host council in early 2023.	TBA

COUNCIL ACTION REPORTS - ACTIONS TO NOVEMBER 2022					
Meeting Date	Item #	Subject and Council Resolution	Responsible Exec.	Status/Progress	Expected Completion Date
24/10/22	5.1.2	<p>NOTICE OF MOTION FROM COUNCILLOR K. ANASTASSIADIS RE: INVESTIGATE OPTIONS FOR HARD TO RECYCLE MATERIAL INCLUDING MEDICATION BLISTER PACKS</p> <p>1. Administration investigate options for recycling hard to recycle materials by:</p> <p>a. considering the results of the RecycleSmart scheme currently being trialled by the City of West Torrens and the merits of adopting this program;</p> <p>b. exploring options for recycling medication plastic foil blister packs and other significant hard to recycle items not covered by the RecycleSmart scheme; and</p> <p>c. that a report be presented to Council for its consideration following the conclusion of the current investigations being undertaken into the various initiatives as contained within Council's Waste Management and Resource Recovery Plan for 2022/23.</p> <p>2. A letter be sent to pharmaceutical and recovery industries including Green Industries SA, the Waste Management and Resource Recovery Association, and the Australian Packaging Covenant Organisation, advocating for changes to blister packaging to improve the ability to recycle these items and also provide alternative options to this type of packaging to reduce the amount of plastic entering landfill or requiring costlier recycling.</p> <p>3. Until Council considers the report regarding the RecycleSmart scheme and options for hard to recycle material not covered by the scheme, considers incorporating information for the community on recycling that is consolidated and easily accessible, about where all materials can be recycled, including hard to recycle items, as part of Council's current education programs and initiatives.</p>	GM City Development	<p>The Administration will present a report for Council's consideration in May 2023. This will be following completion of the current priorities set by Council in implementing the Waste Management and Resource Recovery Plan.</p> <p>The Administration is currently drafting letters to be sent to the various parties as resolved by Council and is considering how best to implement information for the community on hard to recycle items as part of its education and promotion materials.</p>	<p>May 2023</p> <p>TBC</p> <p>TBC</p>
24/10/22	5.4	<p>QUESTIONS WITHOUT NOTICE</p> <p>Councillor P. Hughes asked a number of questions regarding Council's security protocols</p> <p>1. Has there been a comprehensive penetration test conducted on the Council systems (both internal and public facing)?</p> <p>2. Is two factor authentication implemented for both consumers and administrators of the systems?</p> <p>3. Is the minimum password complexity 10+ characters with special characters, numbers and letters with mixed case?</p> <p>4. Is all data encrypted at rest and in transit to a secure standard such as AES256?</p> <p>5. When were the ICT Security policies and procedures last updated?</p> <p>6. What actions will be undertaken when a breach is detected?</p> <p>7. Has consideration occurred about getting a security assessment undertaken (for example IRAP or ISO27001)?</p>	GM Business Support & Improvement	Answers have been provided as part of the November Council agenda.	Completed

QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN

REPORT TITLE:	QUESTION ON NOTICE FROM COUNCILLOR P. HUGHES RE: COUNCIL'S SECURITY PROTOCOLS
ITEM NUMBER:	5.3.1
DATE OF MEETING:	28 NOVEMBER 2022
ATTACHMENTS:	NIL

The following Questions without Notice were asked by Councillor P. Hughes at the Council Meeting on 24 October 2022. At that time the questions were taken on notice. The answers are now provided:

QUESTIONS

1. Has there been a comprehensive penetration test conducted on the Council systems (both internal and public facing)?
2. Is two factor authentication implemented for both consumers and administrators of the systems?
3. Is the minimum password complexity 10+ characters with special characters, numbers and letters with mixed case?
4. Is all data encrypted at rest and in transit to a secure standard such as AES256?
5. When were the ICT Security policies and procedures last updated?
6. What actions will be undertaken when a breach is detected?
7. Has consideration occurred about getting a security assessment undertaken (for example IRAP or ISO27001)?

ANSWERS

1. **Has there been a comprehensive penetration test conducted on the Council systems (both internal and public facing)?**

Throughout the lifecycle of the current infrastructure environment regular, in-depth penetration tests of our public facing networks and systems via third-party vendors has occurred. Internal penetration testing is not required. A sophisticated real-time monitoring solution has been employed that continuously monitors, investigates, and responds to internal threats and vulnerabilities. These are monitored through dashboard alerts.

2. **Is two factor authentication implemented for both consumers and administrators of the systems?**

Yes, a policy enforced multi-factor authentication requirement for all system users is in use.

3. **Is the minimum password complexity 10+ characters with special characters, numbers and letters with mixed case?**

The password passphrase requirements do not have a minimum 10+ complexity but are in-line with the adopted cyber-framework and meet associated industry standards.

4. **Is all data encrypted at rest and in transit to a secure standard such as AES256?**

Specific information about the handling of long-term storage of data is operationally sensitive, but broadly speaking, at-rest data is encrypted and transferred securely out-of-band.

5. **When were the ICT Security policies and procedures last updated?**

ICT Security policies and procedures are regularly reviewed. Administration has recently commenced a new cycle of review to ensure alignment with the recently endorsed cyber framework.

6. **What actions will be undertaken when a breach is detected?**

Incident response is operationally sensitive; however, our Operational Risk Plan includes a 24/7 response plan to incidents and Administration is notified of threats and vulnerabilities as they occur. If a data breach occurs that discloses Personally Identifiable Information, we follow the Office of the Australian Information Commissioner Notifiable Data Breach response procedure.

7. **Has consideration occurred about getting a security assessment undertaken (for example IRAP or ISO27001)?**

Administration engaged an external provider, CyberCX to undertake a comprehensive assessment against the ASD Essential 8 in July 2022. Administration require, assess and ensures our external system vendors who hold sensitive data comply with relevant industry standards.

MAYOR'S REPORT

REPORT TITLE: MAYOR'S REPORT FOR MONTH OF NOVEMBER 2022
ITEM NUMBER: 6.1.1
DATE OF MEETING: 28 NOVEMBER 2022
ATTACHMENTS: NIL

1. RECOMMENDATION

That:

1. The report be received.
-

Functions attended (19/10/22 to 11/11/22 and 17/11/22 to 21/11/22)

Legend for attendance type at Function/Event:	
Attendee – only, no duties	Guest – specifically invited as an event guest
Interview – on-air radio guest	Host – hosted a meeting as Mayor
Mayor – attended as the Mayor of City of Unley	Presenter – involved in presenting awards
Representative – attended as Council representative	Speaker – attended and gave a speech as Mayor

Date	Function/Event Description	Type
19/10/22	Australian of the Year Luncheon	Guest
21/10/22	2022 Wilks Oration – Aspire, Working Towards Ending Homelessness – Effective Living Centre	Guest
24/10/22	Council Meeting	Mayor
27/10/22	Elemental – Art Exhibition, Unley Museum	Guest
04/11/22	ERA Mayors Breakfast – Luigi Delicatessen	Mayor
06/11/22	SASMEE Public Run Day – SASMEE Park	Mayor
10/11/22	Celebrate 150 Years of the Cottage Homes – Parkside	Mayor
10/11/22	2023 Australian of the Year Awards for South Australia	Guest
11/11/22	RSL Unley Remembrance Day Service	Mayor
20/11/22	Inaugural Spring Fling Community Picnic	Speaker
21/11/22	Swearing In Ceremony	Mayor

Spring Fling

With the weather forecast for storms, staff relocated the planned outdoor Spring Fling event indoors to our wonderful Town Hall and Library. Whilst community groups such as the Unley Rotary Club were unable to host a BBQ at the spring fair, I was delighted with how well the event was reimagined indoors.

DEPUTY MAYOR'S REPORT

REPORT TITLE: DEPUTY MAYOR'S REPORT FOR MONTH OF NOVEMBER 2022

ITEM NUMBER: 6.2.1

DATE OF MEETING: 28 NOVEMBER 2022

ATTACHMENTS: NIL

1. **RECOMMENDATION**

That:

1. The report be received.
-

Functions attended (19/10/22 to 11/11/22 and 17/11/22 to 21/11/22)

Date	Function/Event Description
19 Oct	Australian of the Year Luncheon
21 Oct	Buddies Breakfast
22 Oct	MTB Project Walk Through
24 Oct	Full Council meeting
4 Nov	Buddies Breakfast
11 Nov	Remembrance Day Ceremony
17 Nov	Unley Road Traders AGM
18 Nov	Buddies Breakfast
19 Nov	The Locale Forestville Community drop-in session
20 Nov	Unley Spring Fling
21 Nov	Natonal over 50's Cricket Tournament hosted at Goodwood Oval
21 Nov	Swearing in Ceremony

CORRESPONDENCE

REPORT TITLE:	CORRESPONDENCE
ITEM NUMBER:	6.4.1
DATE OF MEETING:	28 NOVEMBER 2022
ATTACHMENTS:	<ol style="list-style-type: none">1. HON TOM KOUTSANTONIS MP, MINISTER FOR INFRASTRUCTURE AND TRANSPORT2. HON NICK CHAMPION MP, MINISTER FOR PLANNING

The correspondence from:

- Hon Tom Koutsantonis MP – Approval of Council's Request to Extend E-Scooter Trial
- Hon Nick Champion MP – The State Planning Commission's Review of Tree Protection Regulations and Policy, and Council's Proposed Tree Offset Scheme

be noted.

The Hon Tom Koutsantonis MP



Government
of South Australia

Minister for Infrastructure
and Transport

Minister for Energy and
Mining

Level 14, 83 Pirie Street
Adelaide SA 5000

GPO Box 1533
Adelaide SA 5001

Tel 08 7133 1100

minister.koutsantonis@sa.gov

22MIT3718

Mayor Michael Hewitson
City of Unley
POBox1@unley.sa.gov.au

Dear Mayor Hewitson

Thank you for your letter dated 19 August 2022, on behalf of the City of Unley, seeking an extension of the Council's e-scooter trial.

I am pleased to advise that I have approved the extension of the e-scooter trial until 14 February 2023 as requested.

My approval is based on the advice of the Department for Infrastructure and Transport (the Department) who have completed an assessment of your trial extension proposal.

This approval will be published in the South Australian Government Gazette in due course and the Department will notify you when this action has been completed. A copy of the notice is enclosed for your reference.

I note that the City of Unley have also raised a number of matters in respect to the e-scooter trials, including the future of e-scooter use in South Australia, an evaluation of the trials, a review of the road rules for e-scooters and insurance and liability issues in the event a pedestrian or third party is injured by an e-scooter rider.

I can advise that the Government is committed to conducting consultation on the desirability of a framework to recognise these devices in South Australia, including a review of the legislation and road rules. Consultation is scheduled to commence in early 2023. I have asked the Department to ensure that key stakeholders, including the City of Unley are involved as part of that process.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Koutsantonis', written over a diagonal line.

Hon Tom Koutsantonis MP
Minister for Infrastructure and Transport

26 / 10 / 2022

Att: Road Traffic (City of Unley Scooter Trial) Notice 2022.

South Australia

Road Traffic (Electric Personal Transporters) Notice No 2 of 2022

under section 161A of the *Road Traffic Act 1961*

1 Short title

This Notice may be cited as the Road Traffic (City of Unley Scooter Trial) Notice 2022.

2 Operation

This Notice comes into operation on the day on which it is made and will cease operation on 14 February 2023. This Notice revokes the Road Traffic (City of Unley Scooter Trial) Notice 2021 of 25 November 2021.

3 Interpretation

In this Notice—

Act means the *Road Traffic Act 1961*;

Council means the Corporation of the City of Unley ABN 63 714 797 082;

electric personal transporter has the same meaning as in the Road Traffic (Miscellaneous) Regulations 2014;

Minister means the Minister to whom the administration of the Act is committed;

path means a bicycle path, footpath, separated footpath or shared path.

4 Approval

In accordance with the power under section 161A of the Act, I hereby APPROVE an electric personal transporter to be driven on or over a road.

5 Conditions

An electric personal transporter may only be driven:

1. within the Council area designated in the Schedule to this Notice;
2. on roads and paths not prohibited for use by Council;
3. if supplied by an operator permitted by Council, or otherwise authorised or accredited;
4. by a driver aged 18 years old or older;
5. if the electric personal transporter meets the criteria in paragraphs (a) to (d) of the definition of *scooter* in rule 244A(1) of the Australian Road Rules;
6. if the maximum speed of the electric personal transporter cannot exceed 15km/h;
7. if the maximum speed of the electric personal transporter cannot exceed 10km/h on roads under the care, control and management of the Commissioner of Highways;
8. if the unladen mass of the electric personal transporter does not exceed 25kg.

6 Revocation

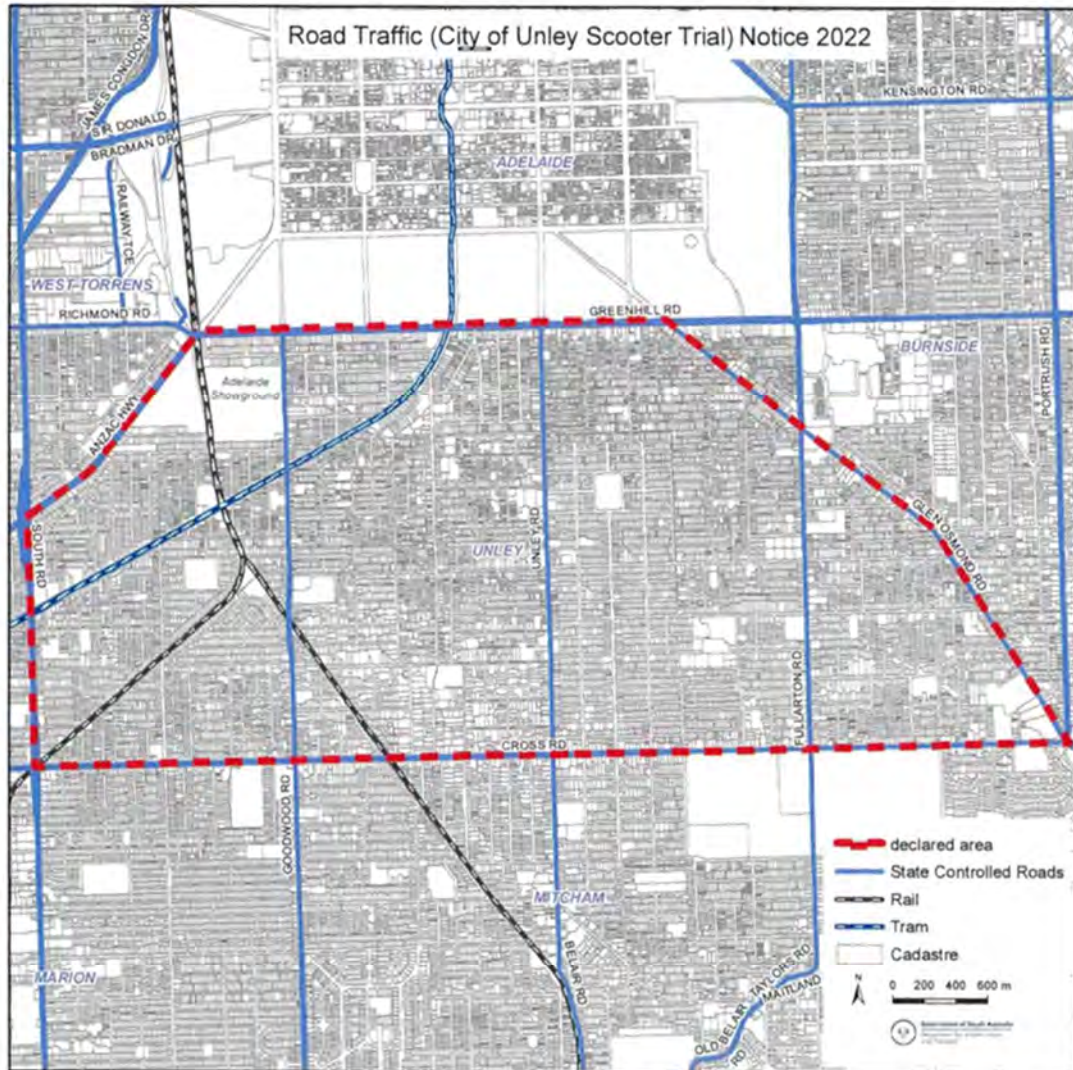
This Notice may be revoked by the Minister or his delegate at any time.

7 Execution

Dated: 28/10/2022



HON TOM KOUTSANTONIS MP
Minister for Infrastructure and Transport



Hon Nick Champion MP



Government
of South Australia

Minister for Trade and
Investment

Minister for Housing and
Urban Development

Minister for Planning

GPO Box 11032
ADELAIDE SA 5001

T: (08) 8235 5580

E: ministerchampion@sa.gov.au

22MP05142

Mr Michael Hewitson AM
Mayor
City of Unley

By email: pobox1@unley.sa.gov.au

Dear Mayor Hewitson *Michael*

Thank you for your recent correspondence regarding the current review of tree protection regulations and policy by the State Planning Commission (the Commission).

I acknowledge the City of Unley's ongoing interest in progressing a new tree off-set scheme under section 197 of the *Planning, Development and Infrastructure Act 2016* (the Act) to improve tree canopy coverage. In your letter you outline an intent to undertake broad and comprehensive community engagement on the proposed off-set scheme within the next two months, assuming my support for the proposal.

I have received initial advice from Planning and Land Use Services (PLUS) that a tree off-set scheme as proposed by the Council may be possible from a legislative perspective. However, a scheme requiring contributions to be paid until a specified threshold of tree canopy is reached may be difficult to implement and may also give rise to risks in the ongoing operation and management of the scheme.

In particular, I am advised that there is a need to provide for contributions which are clear and quantifiable as well as fair and reasonable. An ongoing contribution which may be payable on an annual basis indefinitely (subject to tree canopy measurements, which may also be difficult to quantify) is not sufficiently clear and quantifiable.

As such, I am open to examining the proposal for an off-set scheme but only as a one-off payment arrangement and I am not inclined to support a scheme that requires ongoing payments, or payments which could potentially occur indefinitely.

In addition to the Commission's work on tree regulations, you may be aware that I recently convened an Expert Panel to review the Act and the Planning and Design Code (the Code). Key areas of review by the Expert Panel include:

- the *Planning, Development and Infrastructure Act 2016*;
- the Code and related instruments, as it relates to infill policy, trees, character, heritage and car parking;



- the ePlanning system, to ensure it is delivering an efficient and user-friendly process and platform; and
- the PlanSA website, to check usability and ease of community access to information.

Further information about the Expert Panel and progress of their review is available at https://plan.sa.gov.au/planning_review.

The Expert Panel's review will consider the effectiveness of tree policy in the Code, being policy which is intended to facilitate both protection of existing trees as well as planting of new trees. I am keen to hear different views on these matters through the Expert Panel, and I expect the Expert Panel will consider a range of approaches to improving tree canopy protections, which I hope will provide opportunity for a consistent and robust approach to be broadly implemented across the state.

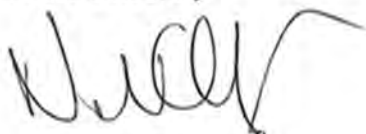
In addition to this, as you have noted, the Commission is also undertaking a review into significant and regulated tree protections, and how and when large trees are protected in the planning system. As part of this work, the Commission has recently finalised reports from the University of Adelaide and a specialist arborist, which will support this regulatory review work. These reports, together with the Adelaide Garden Guide for New Homes have recently been released for the information of councils as well as the broader community. Further information about these documents are available at https://plan.sa.gov.au/news/article/2022/adelaide_garden_guide.

Given the ongoing status of both the Commission and the Expert Panel's work on trees I consider it premature to express my full support for the Council's proposed new off-set scheme at this time. As such, I will consider your proposal at the conclusion of these matters.

I acknowledge your advice regarding the Council's resolution to delay progressing a code amendment to investigate the listing of additional significant trees for inclusion in the Code. I consider this approach pragmatic in the context of the ongoing work on tree protection regulations and policy, as noted above.

I value the Council's ongoing collaboration and communication on this important matter. You are invited to liaise directly with Mr Paul Bennett, Director, Growth Management, PLUS, on this further via email at paul.bennett@sa.gov.au.

Yours sincerely



Hon Nick Champion MP
Minister for Planning

9 / 11 / 2022

cc: Hon Robert Simms MLC, Member of the Legislative Council