

2023/24

annual business
plan and budget



We acknowledge the land that we work on is the traditional land of the Kurna People and that we respect their spiritual relationship with their country.

We also acknowledge the Kurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the Kurna people today. We pay respect to the cultural authority of Aboriginal people visiting or attending from other areas of South Australia and Australia.



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Under Section 123 of the *Local Government Act 1999* your Council is required to have a budget for each financial year. The budget must be considered as part of the Council's Annual Business Plan.

This document presents the 2023/24 Annual Business Plan and Budget for the City of Burnside.

1

your city

Established in 1856, the City of Burnside is one of Adelaide's oldest residential areas and is located 10 minutes from the central business district of Adelaide, nestled at the base of the Adelaide foothills. It is a city known for its character and amenity featuring tree-lined streets, period architecture, plentiful reserves and gardens and tidy, safe streetscapes.

The Census reveals the following statistics for the City of Burnside



15,198

or 33%, of people in the City were born overseas



The three largest ancestries were

**English,
Australian and
Chinese**





32%

of our population are parents, home builders and older workers (35-59 years)

21%

are under 18 years

4%

are over 84 years

26%

are retirees and seniors (60-84 years)

57.5%

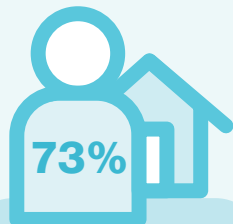
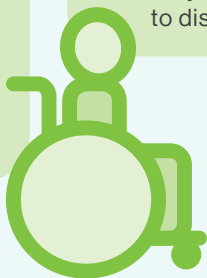
are under 50 years

42.4%

are over 50 years

27%

of the population in Burnside reported doing some form of voluntary work



73%

of households were purchasing or fully owned their home, 20.2% were renting privately and 1.2% were in social housing



68%

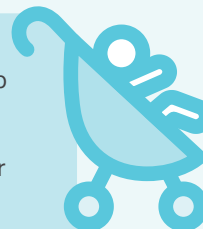
of households earned an income less than \$3,000 per week



33.8%

(6,102) of households were made up of couples with young children

The number of households made up of couples without children (4,832) is similar to the number of lone person households (4,766)



4.8%

of the population (2,196 people) reported needing help in their day-to-day lives due to disability

The estimated resident population for 2021 was

46,444

living in 19,626 dwellings



2

your Mayor

The City of Burnside's Annual Business Plan and Budget for the 2023/24 Financial Year is the first one to be provided to you by the newly elected Council, who are aware of the precarious times that we are facing now as a community. Hence we have been frugal, but desirous of continuing without any changes to service levels.

Over the past year there have been many achievements:

The Magill Village Project was successfully completed with the co-operation of the City of Campbelltown, the State and Commonwealth Governments. I thank everyone concerned with the development of this project, which was nearly 10 years in the making.

Work was completed on the Rose Park Memorial and 22 new names were consecrated and dedicated along Alexander Avenue with signage to help remember the lost and fallen. We began the redevelopment of the Dulwich Community Centre, with plans underway and progress about to begin.

As a result of the development of the City Master Plan Connecting People to Places, Council undertook community engagement on a proposed 40 km/h on local roads in sections of our City. Over 2,200 responses (our largest ever) were received and action will follow after this report is finalised and presented to Council for decision making. Work on the master plan for The Regal Theatre continues as does working with Norwood, Payneham & St Peter's Council on a master plan for the Marryatville Precinct.

The Tusmore Wading Pool opened for the 2022/23 season and was overwhelmingly successful. The Bell Yett Reserve Master Plan was completed and the new Penfold Park Playground was constructed after successful consultation with local residents. The Brock Reserve Public Toilet was installed to support the thousands of people who use the Pioneer Women's Trail. Consultation and design for the redevelopment of the Conyngham Street Dog Park was completed and work will progress this year.

City of Burnside has continued to focus on becoming Carbon Neutral by 2030

The Heritage Reference Group initiated the launch of the Architectural Advisory Service and it also provided more blue plaques for installation on heritage homes and churches. Our Reconciliation Reference Group received the approval of its Reconciliation Action Plan and the associated artwork by Allan Sumner was installed inside the Civic Centre to honour this occasion. Our Access and Inclusion Reference Group also continues to provide advice to council with regard to opportunities to be more inclusive and ensure accessibility to all Council owned facilities.

Since declaring a Climate Emergency back in 2019, the City of Burnside has continued to focus on becoming Carbon Neutral by 2030 and our Environmental Sustainability Scorecard for 2021/22 was excellent. Over 1500 trees have been planted each year on council property, energy savings have increased and environmental sustainability is embedded in decision making, resource allocation, processes and operations. We give away trees to be planted on private property and our annual Biodiversity Plant Giveaway contributes to this goal of canopy cover and habitat conservation and restoration.

Costs to landfill have been reduced. It is vital that we continue to focus on this and to this end, East Waste conducted our successful bin-tagging project to help educate ratepayers about using the right bins for garden and food waste Green bins being separated from recyclables (yellow bins) and garbage heading for landfill (red bins). Waste education continues to be a priority.

Following in these pages is our Annual Business Plan and Budget for the 2023/24 financial year. After two years of zero per cent and last year of 3.5 per cent increase, we cannot continue to maintain current services without a rise in rates. With inflation running high and being cognisant of this, our rate rise will accommodate ongoing costs and services, without any major infrastructure additions.

Anne Monceaux

Mayor



3 your CEO

This year I set my team the task to deliver a budget that will ensure that our high levels of service to the community remain unchanged throughout 2023/24, with a modest number of essential projects while achieving a low average rates increase.

This financial year Council is presenting a minor deficit position (excluding subsidiaries) with an on average rates increase of 6.01 per cent for 2023/24 (excluding Vacant Land and growth on subdivisions). This rates increase is lower than the March 2023 Local Government Price Index (LGPI) of 6.4 per cent and is slightly lower than the Cost of Business (COB) of 6.0 per cent.*

Considering the COB and other additional cost pressures, in 2023/24 Council can still deliver \$3.8m in new and upgraded assets and allocate \$13.8m for the renewal and replacement of existing assets. A 6.01 per cent average rate increase will allow a \$668k allocation to operating projects and capital contributions (subject to Council approval) to the Brown Hill Keswick Creek Project (\$480k) and ERA Water (\$800k).

New community projects for 2023/24 include developing the action plan that will deliver the aspirations of the city master plan, Connecting People to Places, such as improved traffic, transport, parking and movement throughout the City of Burnside. Work will commence on the second theme of the city master planning process, which is an extensive review of the use of open space and recreation and sport facilities. Two planning amendment projects will be undertaken this financial year – the Burnside City Master Plan Code Amendment and the Historic Area Overlay Code Amendment – both critical projects that will set the foundation for managing population growth, development and transport in our City while ensuring that our residential and urban environment is preserved and valued.

Other projects include the fit-out of the redeveloped Dulwich Community Centre; implementing our Disability Access and Inclusion and Reconciliation Action Plans; a new recycling hub at the Civic Centre; introducing a trial scheme providing grants to private land owners to improve koala, indigenous and endangered species habitats on their land; and improvements to the Conyngham Street Dog Park.

Keeping rates low and affordable while maintaining and delivering 118 high-quality services for our community.

* Every year Council estimates the increase in the cost to deliver services to the community, also accounting for cost pressures like increases above general inflation, this is Council's 'Cost of Business' (COB). See page 28 for more information on the COB.

Our focus on the goal for carbon neutrality and sustainability in 2030 continues with the use of eBikes and electric or hybrid fleet vehicles and machinery where possible; continued investment in Smart Cities technology to collect data for the purpose of future decision making, asset management and the optimised use of resources; and placing a focus on contributing to the circular economy by purchasing recycled materials such as recycled asphalt and recycled paper, ensuring that materials are recycled into new products at the end of their useful life. I also encourage Burnside residents to purchase products that contain recycled materials wherever possible. This action supports the markets for the materials Council collects in the yellow bins each fortnight. These markets offset the cost of the recycling process which in turn helps to keep pressure off Council Rates.

Consistent with past tree planting programs, Council plans to plant approximately 1500 trees on public land in the next planting season. These trees will be planted on verges, in urban biodiversity sites, parks and the Hills Face Reserve and will complement approximately 6,000 shrubs, wildflowers and grasses planted in the same locations.

A small deficit operating position demonstrates Council's commitment to lean financial management, keeping rates low and affordable while maintaining and delivering in excess of 118 high-quality services for our community.

Chris Cowley

GEO



4

your Council



Mayor Anne Monceaux

Beaumont Ward



Cr Paul Huebl



Cr Harvey Jones

Burnside Ward



Cr Mike Daws



Cr Jenny Turnbull

Eastwood & Glenunga Ward



Cr Ted Jennings



Cr Di Wilkins

Kensington Gardens & Magill



Cr Kerry Hallett



Cr Jo Harvey

Kensington Park Ward



Cr Jane Davey



Cr Andy Xing

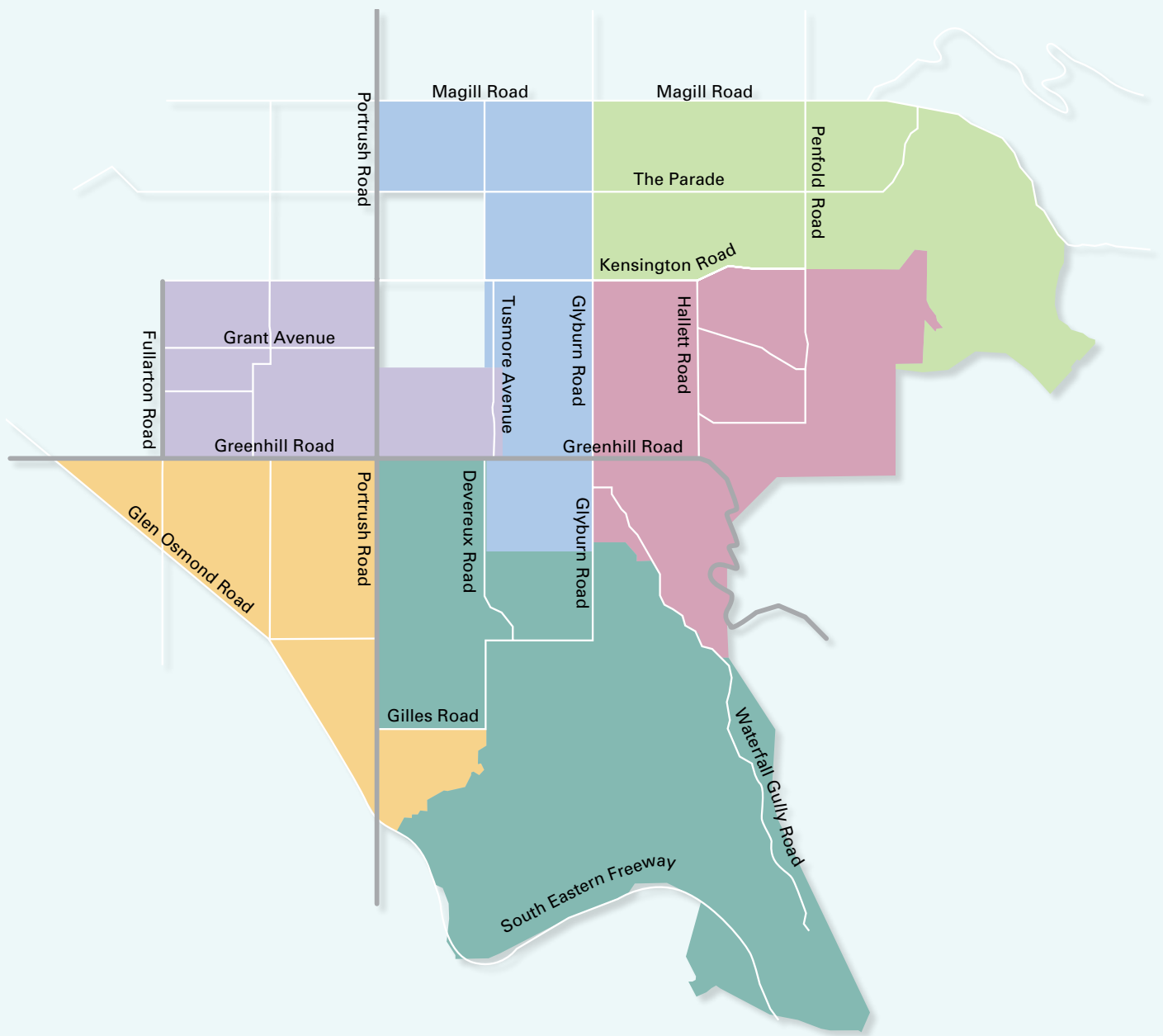
Rose Park & Toorak Gardens Ward



Cr Peter Cornish



Cr Lilian Henschke



City of Burnside Wards

- **Beaumont**
 Beaumont, parts of Glen Osmond, Leawood Gardens, Linden Park, Mt Osmond, St Georges, Waterfall Gully
- **Kensington Gardens and Magill**
 Auldana, Kensington Gardens, Magill, Rosslyn Park, Skye
- **Kensington Park**
 Beulah Park, Hazelwood Park, Kensington Park, Leabrook
- **Rose Park**
 Dulwich, Rose Park, Toorak Gardens, Tusmore
- **Burnside**
 Burnside, Erindale, Stonyfell, Wattle Park
- **Eastwood and Glenunga**
 Eastwood, Frewville, parts of Glen Osmond, Glenside, Glenunga

5 your voice

Your first input 2022 Annual Community Survey

Council will always need to find the balance between what residents expect Council to deliver and what is appropriate and affordable for Council to provide with the revenue available to deliver services. The Annual Community Survey provides relevant and timely data, which may assist the formation of planning and budget decisions that influence Council's service delivery.

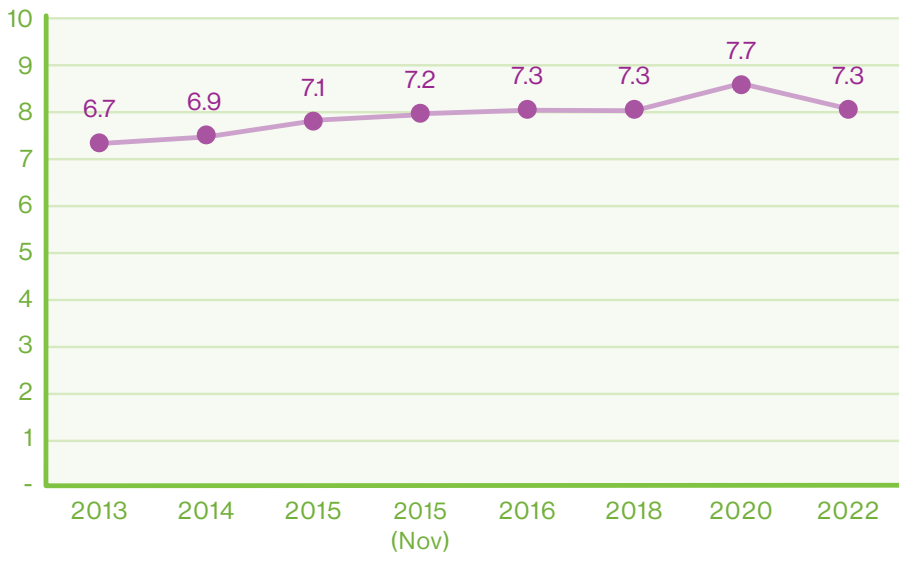
This input from our community contributes to the development of the Annual Business Plan and Budget and is vital to ensure that Council continues to deliver the high quality services that our community needs; working within the goals of the Long Term Financial Plan.

The results of the last trend-data survey conducted in December 2022 revealed that our community's satisfaction with Council's performance is consistent with results from preceding years.

Our residents have told us that nearly all services that Council currently provides are what residents want, as 9 in 10 residents (96 per cent) could not suggest any services that Council currently provides that it shouldn't. Most residents did not have requests for future services (66 per cent had no suggestions while 8 per cent were unsure).

The complete 2022 Annual Community Survey report, and past reports, can be found on Council's website at bit.ly/CoBACS

Mean Score - Overall Satisfaction



Overall satisfaction with Council services over a ten year period. Results are in a scale of 0 – 10; where Satisfied = 7 – 10, Neutral = 4 – 6, Dissatisfied = 0 – 3.

NB: the 2020 result is an outlier result and potentially a consequence of that research being undertaken during the COVID-19 pandemic. This is a trend that researchers are seeing across many industries and studies.

Another opportunity to have your say



The input from our community on the 2023/24 Annual Business Plan and Budget is vital to ensure that Council continues to deliver the high quality services that our community needs; working within the goals of the Long Term Financial Plan; and remaining responsive to the Annual Community Survey outcomes.

The engagement with the community on this Business Plan and Budget was undertaken consistent with the legislative requirements in Section 123 (4) of the *Local Government Act, 1999*.

All community feedback was presented to Council for consideration before the final Annual Business Plan and Budget was adopted. This feedback was also used to inform our long term financial planning.

The Long Term Financial Plan

Council sought feedback on the Long Term Financial Plan. More details about this plan can be found on page 31 of this document.



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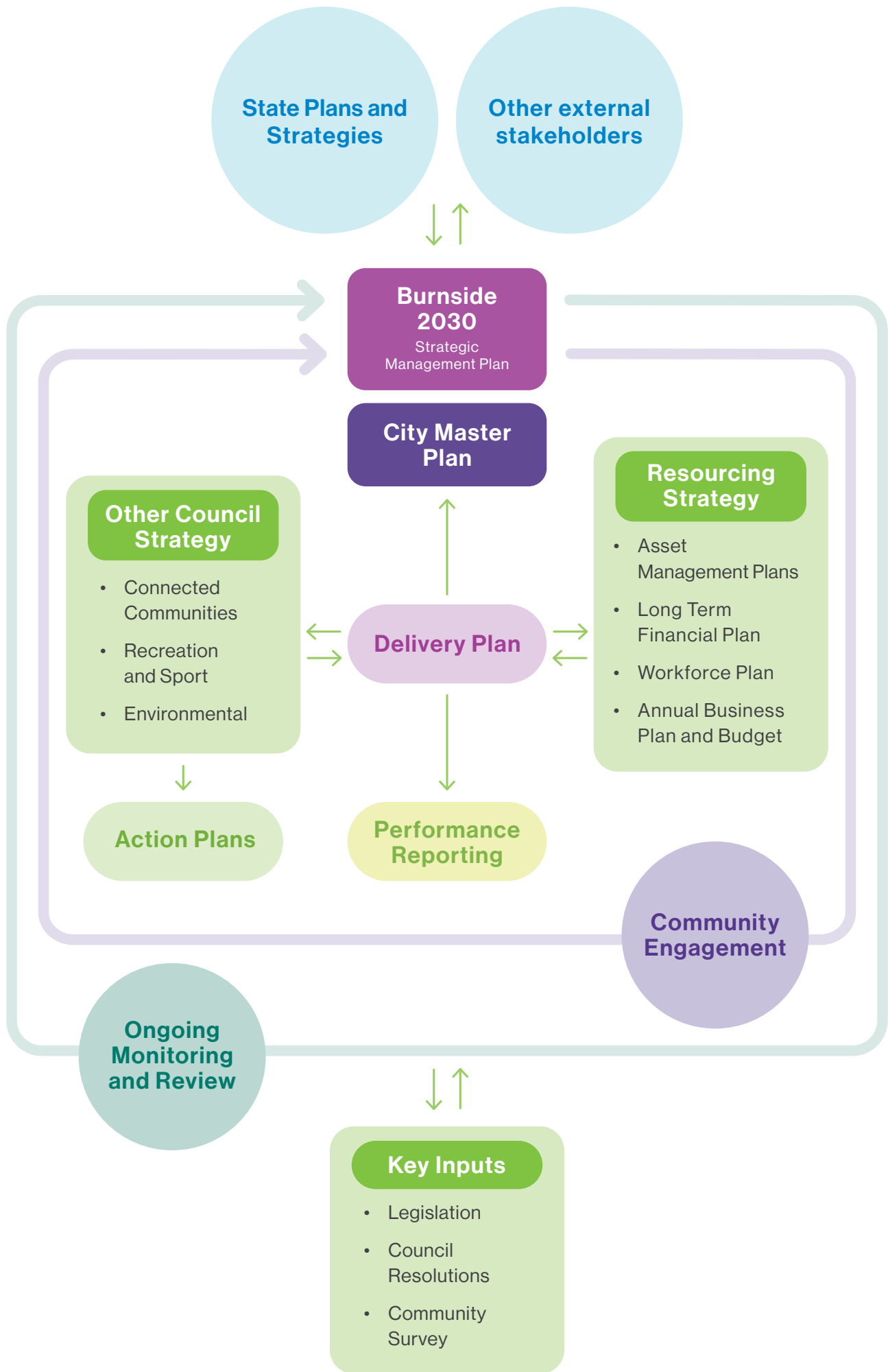
measuring our performance

The Council measures its achievements and financial performance through the following processes:

- regular financial reporting to Executive and Council
- annual review of the Long Term Financial Plan
- production of the Annual Report with audited Financial Statements
- budget reviews in accordance with legislation
- progress reports against the Annual Business Plan
- individual staff performance plans
- Annual Community Survey
- customer request and complaint systems
- Annual Business Plan and Budget consultation.

Monitoring performance is critical in ensuring that Council is contributing to the achievement of Burnside's Strategic Community Plan. Council's Strategic Planning Framework supports Council in measuring the achievements of Council's Vision as well as monitoring the delivery of services and projects.





7

budget snapshot

The 2023/24 Annual Business Plan and Budget has been prepared in accordance with the priorities of our Strategic Community Plan, our Long Term Financial Plan and our Annual Community Survey.

Key highlights of the 2023/4 Annual Business Plan

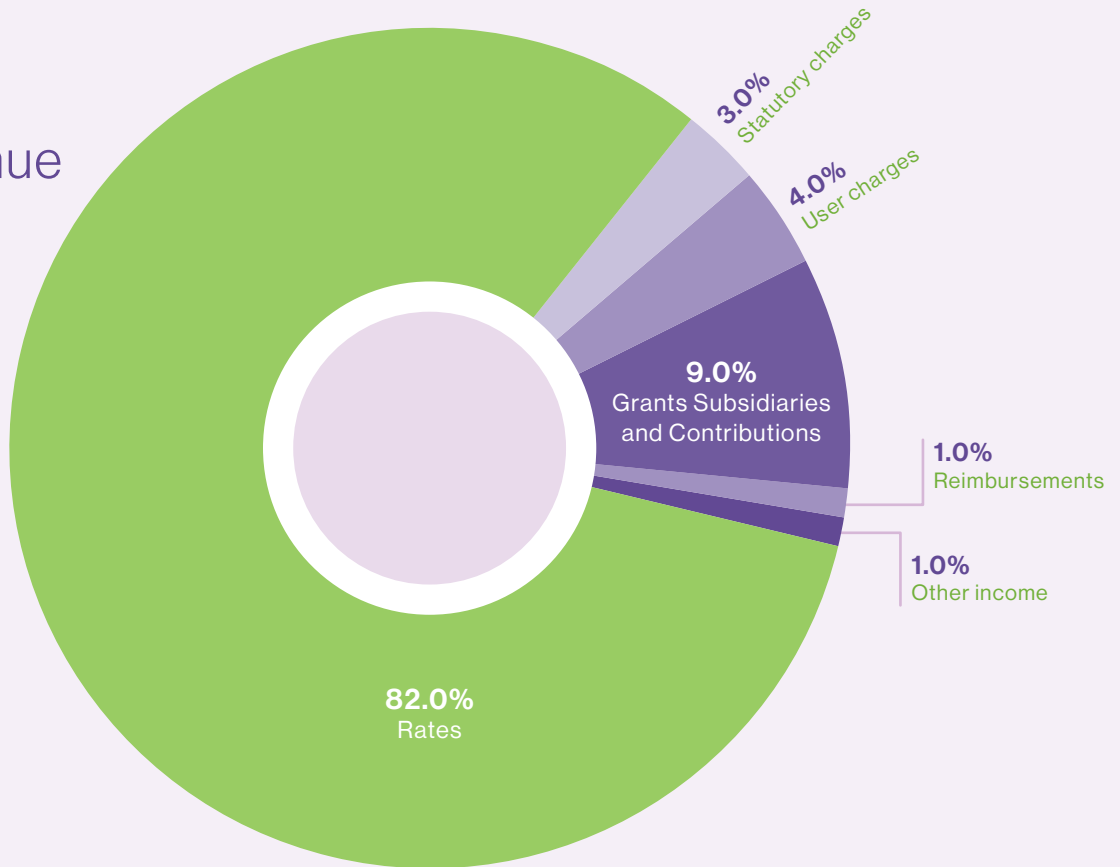
	Budget 2023/24	Forecast 2022/23
Average rate increase	6.01%*	3.50%*
Operating Surplus (excluding subsidiaries \$'000)	68	(26)
Operating Projects and New Services (Net) (\$'000)	668	300
Capital Expenditure (\$'000)	17,523	21,945

* Average rates increase for all properties excluding growth (subdivisions)



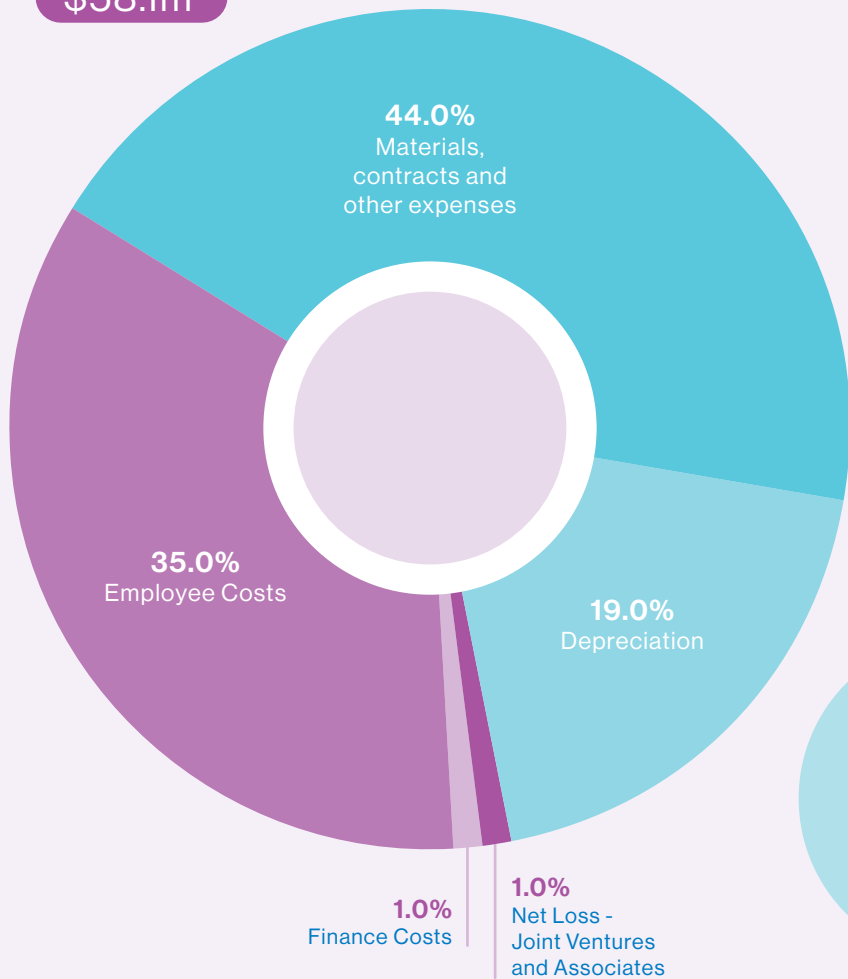
Source of Revenue

\$58.1m



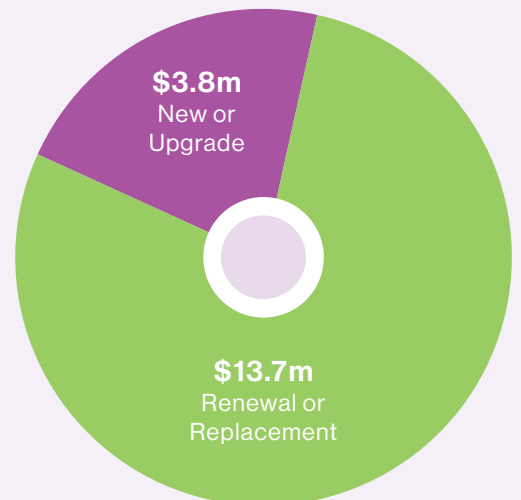
Source of Expenditure

\$58.1m



Capital Expenditure

\$17.5m



Operating Surplus

\$68k

Council's key financial indicator comparisons are shown in the table below which indicate that, excluding the Operating Surplus Ratio including subsidiaries shown in pink panels below, Council has been within the target range for all of the financial parameters:

Description	Target amount (LGA Recommended Target)	Audited Actuals 2020/21 \$('000)	Audited Actuals 2021/22 \$('000)	Forecast 2022/23 \$('000)	Budget 2023/24 \$('000)
Operating Surplus/(Deficit) (including subsidiaries)	Operating Surplus position	3,205	2,071	(306)	(88)
Operating Surplus/(Deficit) (excluding subsidiaries)	Operating Surplus position	3,309	2,186	(26)	68
Operating Surplus/(Deficit) Ratio (including subsidiaries)	0 – 10%	6.1%	3.9%	(0.6%)	(0.2%)
Net Financial Liabilities	Less than Total Annual Operating Revenue	17,703	21,564	29,793	36,919
Net Financial Liabilities Ratio	Between 0 - 100%	34%	41%	48%	57%
Asset Renewal Funding Ratio (Rolling Average)*	Greater than 90% but less than 110%	93%	90%	103%	103%

* The Asset Renewal Funding Ratio for 2021/22 and 2022/23 have been calculated excluding the Magill Village Redevelopment as this project is a one-off with a significant asset renewal component.

Description definitions

Operating Surplus/(Deficit) (including subsidiaries)

An Operating Surplus (or Deficit) arises when operating income exceeds (or is less than) operating expenses for a period (usually a year).

Operating Surplus/(Deficit) (excluding subsidiaries)

An Operating Surplus (or Deficit) arises when operating income exceeds (or is less than) operating expenses for a period (usually a year).

Operating Surplus/(Deficit) Ratio (including subsidiaries)

This Ratio measures what percentage the operating income varies from operating expenses. If a Council is not generating an operating surplus in most periods, then it is unlikely to be operating sustainably.

Net Financial Liabilities

This indicator measures Council's indebtedness to third parties.

Net Financial Liabilities Ratio

This Ratio measures how significant the net amount owed to others is compared to Council's Operating Income.

Asset Renewal Funding Ratio

This Ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with the asset renewal and replacement expenditure identified in Council's asset management plan (AMP).



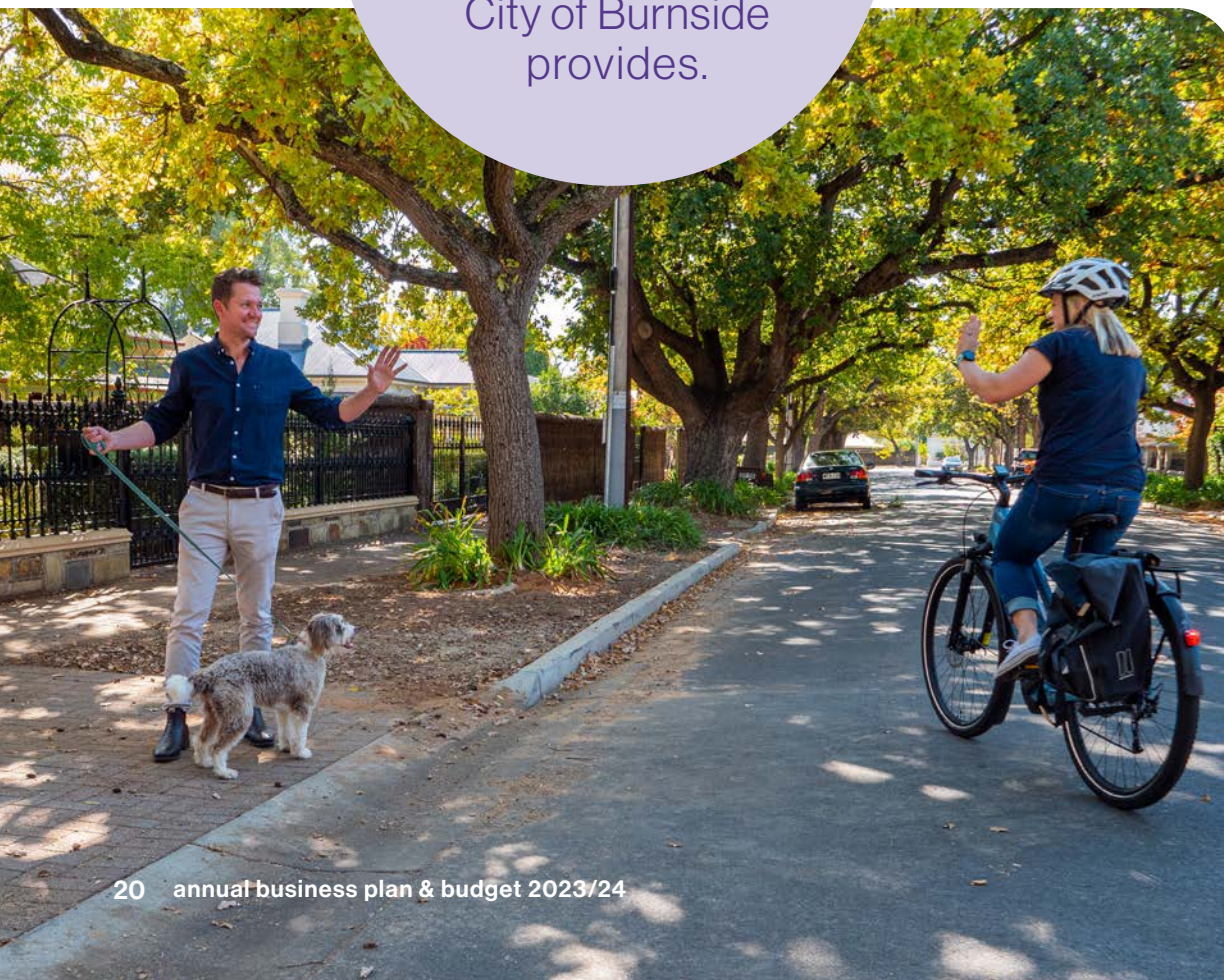
8

new projects

A 6.01 per cent rate increase will ensure that Council can continue to provide in excess of 118 high quality services to our City, undertake projects to maintain the city's \$715m in assets and deliver new community projects in the 2023/24 financial year.

Visit
bit.ly/CoBservices
to find out more
about the 118
services that the
City of Burnside
provides.

Highlights of the new projects are featured on these pages. For more detail on these and other projects, see pages 51-58.



Place



City Master Plan Action Plan Delivery

In line with the action plan for the Burnside City Master Plan – Connecting People to Places, Council will undertake a series of initiatives to plan for and deliver improved traffic, transport, parking, and movement throughout the City of Burnside. Initiatives for 2023/24 include:

1. 40 km/h areas implementation (subject to community engagement outcomes, Council endorsement and Department of Infrastructure and Traffic approval) for Beulah Park, Kensington Park (part), Eastwood, Frewville, Glenunga, Glen Osmond (part), Rose Park, Dulwich, Toorak Gardens, Kensington Park (part), and Magill;
2. Prepare and consult on traffic management plans for Frewville, Glenunga, Dulwich, Rose Park, Toorak Gardens, Magill and Eastwood with the inclusion of traffic calming measures in Stuart Road and Dulwich Village roundabout and review of Prescott Terrace traffic calming devices;
3. Prepare and consult on a city-wide cycling map and action plan for a safer bicycle network;
4. Advocate to Department of Infrastructure and Traffic on pedestrian crossings on arterial roads;
5. Review Council-owned road network classifications;
6. Advocate to SA Public Transport Authority for public transport service improvements;
7. Advocate to the State Government for school transport and traffic management plans; and
8. Develop an ongoing program for mobile speed warning devices.

Burnside City Master Plan and Expansion of the Historic Area Overlay Code Amendments - Phase 2

The Burnside City Master Plan – Connecting People to Places provides a strategic approach to managing population growth, development, and transport in the City of Burnside and sets out where Council will accommodate growth in a planned, sustainable way while preserving our valued urban character, built heritage, tree canopy, and streetscapes. In line with the action plan for the Burnside City Master Plan, Council is undertaking two crucial Council-initiated Code Amendments:

1. The Burnside City Master Plan Code Amendment will turn the policies of the Master Plan into real amendments to the application of the Zones, Overlays and Technical Numerical Variations within the Planning and Design Code; and
2. The Historic Area Overlay Code Amendment will seek to expand the Historic Area Overlay over various areas.

These two Code Amendments are essential to achieving increased protections complemented by sustainable growth, as well as responding to the State Government's review of the 30-Year Plan for Greater Adelaide. Both Amendments will be subject to community consultation.

City Master Plan Open Space Layer and Recreation and Sports Facility Review

In line with the action plan for the Burnside City Master Plan – Connecting People to Places, Council will undertake over two years an extensive review of the use of open space and recreation and sports facilities within the City of Burnside.

This will include community consultation and an analysis of trends, usage, service level standards, and spatial distributions to meet our community's needs, now and into the future. The review findings will form the basis of an open space layer in the City Master Plan that will provide direction for all types of open space including sports grounds, recreation reserves, parks, and nature areas and will guide Council in strategically managing our valuable open space over the next 10 years and beyond.

Horticultural Landscaping and Beautification Resources for Burnside Streetscapes and Reserves

Council will engage a consultant to identify the resources required for the horticultural work across Burnside's parks and streetscapes to:

- Maintain, improve and regenerate the existing plantings, flowers and shrubs, including halo planting and biodiversity sites;
- Control weeds; and
- Provide a healthy environment for street trees, including the management of basal growth rates.



Community

Dulwich Community Centre Fit-out

The Dulwich Community Centre is due to be renovated in early 2023 and be back open for community use in mid-late 2023. This centre was previously used by several community groups and many are planning to return. In addition to these returning hirers, the new centre will likely attract many new potential regular users who will be seeking a home for various programs and activities.

The target of this project is to activate the centre for community use with various technical and equipment specifications which will ensure the facility is fit-for-purpose and ready to accommodate community groups. The facility itself will require a range of audio visual features, furniture and equipment which are considered fundamental to the operational nature of a community centre. These items will cater to all abilities and be inclusive of differing requirements and needs that align with council's Disability Access and Inclusion Plan.

George Bolton Swim Centre Aquatic play space floor surface replacement

Replacement of the toddler pool play space floor surface. The current surface is deteriorating rapidly, and breaking apart creating an uneven surface which is contributing to algal growth.

A replacement product for the play space surface needs to withstand the elements of continuous running chlorinated water from the play equipment and UV exposure. The product also needs to be slip resistant and be a cushioned fall surface, due to the many toddlers and young children that play in the area.

Disability Access and Inclusion Plan - Implementation

The Council endorsed its Disability Access and Inclusion Plan (DAIP) and its subsequent implementation forms part of Council's legislative responsibility under the Disability Inclusion Act 2018. The Act supports the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD).

This budget proposal seeks assistance through inclusion and disability experts and inclusion and disability training providers to roll out a number of actions in Council's DAIP.





Dog Park Improvements

The Conyngham Street Dog Park is the only dedicated park of this type in the City of Burnside.

In late 2021 community consultation occurred to determine whether the community supported splitting the dog park into two separate sections, and any other suggestions for improvements to the space. A total of 0 per cent of the 431 respondents supported splitting the dog park into two sections.

Based on the consultation results, a concept design was developed. This reflected the community's preference to split the park into two sections, and provided a smaller section for small dogs, and a larger section for all dogs. The design ensures that similar facilities are provided on both sides, such as shelter, seating, bins, drinking fountains and loop paths. The proposed design was supported through a further round of consultation which occurred in July/Aug 2022, with 83% of respondents in favour.



LEGEND

New turf	New chain-mesh fencing
New planting	Agility items *
Existing planting to make good	New logs
New compacted gravel	New double gate
New brick paving	Maintenance access gate
New drinking fountain	Telstra Service Line (indicative)
Shelter and benches	Existing tree
New lighting *	Proposed new tree



Reconciliation Action Plan Implementation

The Reconciliation Action Plan (RAP) requires financial support to achieve its goals. Funding is required to: continue to consult with Kaurna representatives on projects, host public events during Reconciliation Week and NAIDOC week, engage a First Nations organisation to present Cultural Awareness training sessions for staff, Council Members, volunteers and community groups and to look to further our Reconciliation journey with an “Innovate” RAP planned for 2024.





Environment

Recycling Hub for Civic Centre

There is an increasing demand for recycling services beyond what is collected through the Council 3-bin system. For example, items like batteries, light globes and x-rays are not collected in the kerbside bin system.

These items can be recycled through other avenues, however these are limited and can pose challenges for residents to access. The City of Burnside currently provide limited additional drop off recycling services such as batteries and mobile phones. The collection of these items are currently scattered throughout the Civic Centre and do not have a central location for drop off.

This proposal is to build a recycling hub where residents can drop off a greater variety of items for recycling. The hub would be purpose built with slots specifically designed to fit each recyclable item. This initiative will improve the availability and visibility of these recycling services in the City of Burnside.

Habitat Grant Scheme for Private Land

A two-year trial will demonstrate how a Habitat Grant Scheme for Private Land will work in the City of Burnside, improving habitat for koalas, indigenous and threatened species. The scheme will augment Council's existing work at the Biodiversity Nursery, enabling targeted support for landholders to improve habitat that will benefit the Council and wider community.



9

the strategic context

The City of Burnside maintains a 10-year financial plan (our Long Term Financial Plan), to ensure that we can deliver our Strategic Community Plan, Burnside 2030.

Our corporate planning framework aligns our operations with our corporate and strategic plans to achieve sustainable improvements for the City and its people. This framework includes long, medium and short-term plans that set the direction for everything we do.

This Annual Business Plan and Budget has been prepared in the context of our Long Term Financial Plan and flows directly from priorities identified in our Strategic Community Plan. Our departmental programs and budgets complete our planning framework and ensure the timely and appropriate allocation of resources to meet our long term goals in a staged and responsible fashion.

We will monitor our progress against the Strategic Community Plan and report on our progress annually through our Annual Report.

The decisions that Council makes, and the activities and services it initiates, are driven by a variety of factors. These include:

- requirements to maintain and improve infrastructure assets to acceptable standards as well as meeting community expectations for open space, roads, footpaths and Council community buildings.
- continued increases in the cost of waste levies, water charges, bitumen and concrete and other building materials.
- the reduction of funding from state and federal government sources.
- the outcomes of the Annual Community Survey.
- feedback from the community on many other community engagements.
- the increasing costs of environmental issues such as stormwater management in our waterways, bush fire zones and water supply for open spaces.
- the impacts of Climate Change.
- unexpected events (such as storms and pandemics).

Further impacting the City of Burnside are legislative changes and reform, residential growth, global and domestic economic conditions and our changing demographics.

We have developed financial planning strategies to take this economic climate into account while keeping our ratepayers in mind and ensuring we continue to deliver services to our community.

Our Annual Business Plan and Budget guides Council's activities so that we can make the best possible progress towards our community's vision for the future of Burnside.



Key Challenges for 2023/24

Cost pressures, often outside of Council's control, directly affect the cost of providing services to our community.

The key challenges facing Council in the 2023/24 year include, but are not limited to:

- large increases in CPI/LGPI driven by the current economic growth.
- cost shifting from other levels of government
- changes in legislation.
- achieving an optimum balance between Council rates and services.
- balancing increasing costs versus ratepayer expectations.
- maintaining financial sustainability.
- continuing to focus on effectiveness and efficiency.
- maintaining assets to set standards.
- lost revenue due to 0 per cent rate rises in previous years.
- performance of subsidiaries.
- additional cost pressures listed in the Cost of Business table on the next page.



We will always aim to keep rates affordable and continue to deliver the 118+ services at the current service levels to the community; to maintain the \$715m asset base; to continue to strive for effectiveness and efficiencies in our business and achieve financial sustainability.

Cost of Business

Every year Council estimates the increase in the 'Cost of Business' (COB) to deliver services to the community (ie construction and maintenance of roads, footpaths, drains, parks, facilities and environmental projects, staff salaries and contractor costs such as waste management and recycling).

Other pressures such as cost increases above general inflation (such as waste collection costs) are also considered.

For Council to maintain the existing quality of its services to the community, while balancing its budget, a rate increase of 6.01 per cent will be adopted for 2023/24 which is lower than the March 2023 LGPI index of 6.4 per cent and below Council's cost of business which has been forecast at 6.0 per cent.

Cost of Business	
LGPI for expenses (existing services) - March 2023	4.40%
add Additional cost pressures	
• Depreciation following Revaluation (\$690k)	1.60%
• Cloud hosting of ERP (\$420k)	1.00%
• Additional FTE's (\$151k)	0.40%
• Forecast Enterprises Agreement and SGK Increase (\$395k)	0.90%
• East Waste increase waste costs (\$100k), Solid Waste Levy (\$20k)	0.30%
• Council Resolutions: LMA Audit and Pedestrian Crossing (\$114k), Horticultural Landscaping and Beautification Resource (\$30k), 40 km/h Consultation Magill (\$23k)	0.40%
Cost to deliver existing services	9.00%
less Budgeted Cost Reductions	
• Reduction in Operating Projects (\$252k)	-0.60%
• Savings achieved through Zero Based Budget Process	-2.40%
Cost of Council Business in 2023/24	6.00%
Rates increase	6.01%



IF YOU
GROW EM
YOU CAN
PICK EM

10

the strategic

financial process

With disciplined planning and financial processes Council has achieved a financially sustainable position. This progress is achieved while still meeting the needs and expectations of our community.

These processes deliver Council's objectives as specified in **Our Strategic Community Plan** and related strategies. Our strategic financial processes integrate our long term planning and forecasting with annual business planning and budgeting. It incorporates:

- the **Long Term Financial Plan**
- Annual Operating Budget
- Operating Projects
- Capital Works
- Asset Management
- Financial Sustainability.

This integrated approach assists in meeting the priorities of both our community and the organisation, while also ensuring our long term sustainability and intergenerational equity (ensuring a fair sharing of the distribution of resources and financial burden between current and future users of our services and infrastructure).





The Long Term Financial Plan

The City of Burnside's Long Term Financial Plan (LTFP) is critical to Council's financial planning process. It underpins our long term financial sustainability while meeting the needs and expectations of our community, and delivering Council's Strategic Directions highlighted in our strategic community plan Burnside 2030.

The LTFP is pivotal in setting high-level financial parameters that guide the development and refinement of Council's budgeted plans, strategies and actions and generates information that assists decisions about the mix, timing and affordability of future outlays on operating activities, renewal and replacement of existing assets and funding of additional assets. Each year the City of Burnside reviews and updates its LTFP as part of its financial planning process.

In developing the LTFP, we establish financial parameters and forecast our financial performance and position over a 10-year time frame. It is developed using a range of forecast economic indicators and financial assumptions. This provides the basis for allocating funds between ongoing services and project and capital works.

The LTFP informs the 2023/24 Annual Business Plan and Budget and enables Council to effectively and equitably manage service levels, asset management, funding and revenue raising decisions while achieving its financial strategy and key financial performance targets. The 2023/24 draft budget offers a rates increase at 5.8 per cent which is slightly lower than the forecast cost of business. The Burnside 2030 can be found at www.burnside.sa.gov.au

The Long Term Financial Plan can
be viewed on bit.ly/CoBLTFP

Annual Operating Budget and Projects

Council has planned for a minor deficit position (excluding subsidiaries) with \$668k in operating projects and expenditure of \$17.5m in new and renewed capital projects for 2023/24. This is despite the increasing cost of business and cost pressures on Council from legislative changes and increased subsidiary services costs.

To achieve cost-effectiveness Council delivers services and programs through a variety of service delivery models such as the appointment and management of contractors, the development and maintenance of collaborating relationships and the involvement of a large network of volunteers.

Council is committed to running a lean organisation and are constantly reviewing our internal costs with a view to finding efficiencies and savings and keep rates low and affordable. This forms part of our overall approach of providing a sustainable budget for 2023/24.

Further detail on the operating budget can be found in the Appendices.

Asset Management

The City of Burnside is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for our community.

Asset Management Plans are in place for major asset categories such as transport, open space, storm water and buildings to ensure that available resources are allocated to the required maintenance and renewal programs as well as to provide new infrastructure. These Asset Management Plans indicate Council's ongoing commitment to operate and maintain its asset portfolio efficiently, to meet strategic and legislative requirements and deliver the required levels of service for the community.





Financial Sustainability

To assist Council in meeting its objectives of financial sustainability we are guided by a suite of Key Financial Indicators. These indicators and our performance in relation to them are detailed in the table on page 18. We will ensure that we continue to:

- achieve and maintain an Operating Surplus over the long term.
- aim to fully fund the cost of our services, including depreciation of our assets and infrastructure.
- achieve intergenerational equity - ensuring a fair sharing of the distribution of resources and financial burden between current and future users of our services and infrastructure.
- balance intergenerational equity and financial conservatism.
- employ sound asset management practices - aim to maintain our structure and assets to the required standard to ensure continued delivery of services to agreed standards.

Review Efficiency and Effectiveness

The Burnside community has an expectation that Council delivers the best value for money and the *Local Government Act 1999* outlines Council's legislative responsibilities for effective and efficient service delivery. To this end, Council management and staff consistently endeavour to actively pursue more efficient and effective systems and processes and continuous improvement to address the ever increasing needs and demands from a changing community. Council has achieved savings and efficiencies of approximately \$5.5m over the past few years.

There is always room for continuous improvement and benefit to be gained from independent reviews and comparison to similar local government authorities. To achieve financial savings, and maintain existing levels of service to our community, Council will endeavour to continue to review its services, processes and systems. This business improvement framework tracks closely with the City's LTFP and Strategic Community Plan; delivering improved services, efficient and effective operations, while maintaining equitable rates.

ESCOSA Local Government Advice

The Council is obliged under the *Local Government Act 1999 (LG Act)* to publish this advice and its response, if applicable, in its 2023/24 Annual Business Plan and subsequent plans until the next cycle of the scheme. It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website), nor is it compelled under the LG Act to follow the advice.

The Essential Services Commission (ESCOSA) is South Australia's independent economic regulator and advisory body, and has been given a role by the State Government to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (SMPs) and on the proposed revenue sources, including rates, which underpin those plans.



ESCOSA Findings

Summary of the Council's financial sustainability performance/outlook and the Commission's risk assessment

Financial Sustainability Indicators	Last 10 years from 2011-12 (Actual performance)	2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)
Operating surplus ratio (target 0-10%)	Ratio met historically and in forecast period →		
Net financial liabilities ratio (target 0-100%)	Ratio met historically and in forecast period →		
Asset renewal funding ratio (target 90-110%)	Spending on renewal works requirements met but with ratio at the lower end of suggested target range	Ratio within target range	Suggested ratio target range meeting projections with higher projected spending on asset renewal works →
Identified Risks			
Cost control risk	Operating expenses growth avg 3.0 percent p.a. to 2020-21 (CPI 1.7 percent p.a.) →	Lower cost growth forecast except wages (from 22-23)	Operating expense growth avg 3.3 percent p.a. to 2031-32 (CPI 2.8 percent p.a.) →
Affordability risk	Low affordability risk →	Higher residential rates	Higher residential rates & successive 'above CPI' rate increases projected →

Ratio within suggested LGA target range or lower risk
 Ratio close to suggested LGA target range or medium risk
 Ratio outside suggested LGA target range or high risk

Excerpt from ESCOSA Local Government Advice to City of Burnside February 2023

The Essential Services Commission (Commission) considers the City of Burnside (Council) to be in a sustainable financial position and is reliant on further growth in rate revenue and assumptions of lower expense growth than it has achieved in the past. The Council has consistently prioritised the renewal of its base, consistent with the requirements it has identified through its asset management planning and demonstrates a commitment to reviewing desired service levels for the community.

Looking ahead, the Commission suggests the following steps to help ensure that it budgets transparently, continues to report its cost savings and efficiencies, ensures the assumptions underpinning its financial and asset management planning are reasonable, and looks for opportunities to limit the extent of further residential rate increases.

ESCOSA considers the following would be appropriate for Council:

Budgeting considerations

- 1 Consider better clarity in its forward estimates in its long term financial plan concerning the inflation assumptions feeding into its projected revenue (including rates) and expenses, distinct from 'real' impacts.

Council response:

ESCOSA's review was undertaken in a period of increasing inflation and interest rates. The LTFP reviewed was adopted by Council in June 2022 with indexation rates and best estimates applicable at the time. In reviewing Council's forecasts for the Annual Business Plan 2023/24, Council has continued to source its forecast inflation rates from latest publications from the Reserve Bank of Australia and the Centre for Economic Studies (University of Adelaide).

- 2 Review its inflation assumptions in its forward projections from 2023-24, given the potential for higher short-term inflation outcomes, followed by a return to long term averages.

Council response:

As detailed in the response to recommendation 1, Council undertakes a review of its inflationary assumptions every year as part of the budget process. The rates utilised are sourced from the Reserve Bank of Australia, Mid-Year Budget Review for the South Australian Government and Centre for Economic Studies. The inflationary rates used in the 2023/24 Annual Business Plan identify an inflationary spike for 2023/24 and 2024/25 before a return to normal in the medium term (3-5 years).

Providing evidence of ongoing

cost efficiencies

- 3 Continue the recent focus on constraining cost growth in its budgeting, where possible.

Council response:

For 2023/24 Council has undertaken a zero based budget process. This has ensured that Council is only budgeting what it needs to deliver the services for our community. Savings identified each year through the quarterly budget review process are identified and recorded in a 'savings register' presented to Council.

- 4 Continue the good practice of reporting actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

Council response:

Council utilises the method of calculating a 'cost of business' percentage to identify the movement of Council's own costs rather than just using CPI (Consumer Price Index) or LGPI (Local Government Price Index) which may be impacted by cost movements not experienced by Council. This calculation together with the quarterly presentation of a savings register to Council supports both Council and the community in the awareness of savings achieved.

Refinements to asset management planning

- 5 Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better align with the allocations in its long term financial plan, including the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.

Council response:

Council continually reviews and updates its Asset Management Plans. The plans have undergone a comprehensive review over recent months with community consultation scheduled to be undertaken in the third quarter of 2023 (calendar year). It is anticipated that these updated plans will be updated by the end of 2023. The funding required for these updated plans has been included in the LTFP 2023/24.

Containing residential rate levels

- 6 Review and consider limiting future increases in its average residential rates to help reduce any emerging affordability risk in the community.

Council response:

Council is conscious of the pressures on residential rates and have always attempted to keep rates low. The residential sector comprises of approximately 94% of the City making it difficult to shelter from the cost increase experienced by Council. This advice may be considered in greater detail when reviewing rates for the 2024/25 financial year.

The full advice provided by ESCOSA can be found in the appendix on page 70.

11

rating policy

The fundamental principle of equity within the community and assessment of the impact of rates across the Council's footprint forms the criteria for annual rates modelling which is then used to develop a planned review of the basis of rating each year.

Council takes into consideration the effect of rates on all ratepayers and is mindful of maintaining the balance between economic and community development.

A rates increase reflects the increasing costs that Council must pay to deliver services and maintain infrastructure for the community. Also taken into account are factors such as the current economic climate, the Local Government Price Index (LGPI), employment rates, Council's debt profile, imposed legislative change and the need to manage, maintain and improve the community's physical infrastructure assets for future generations.

Rate rises have no direct correlation with the Consumer Price Index (CPI).

The CPI measures changes in the price of a 'basket' of goods and services that is representative of the expenditure of households (toothpaste, nappies, food, clothing and other typical domestic expenditure including council rates).

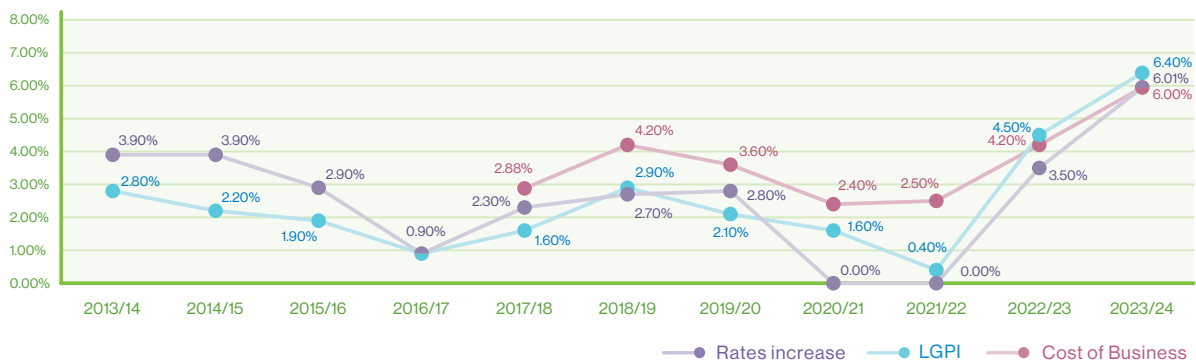
Rates increases occur in line with the LGPI. In the LGPI 'basket' are wages, heavy equipment, diesel, bitumen, and much greater proportions of power and water than the average household.

The LGPI and CPI are both historical indices whereas the rates increase is for the year ahead.

With the March 2023 LGPI Index at 4.4 per cent for recurrent costs and an overall 6.4 per cent, and the forecast Cost of Business (the 'projected' cost to deliver Council's services) at 6.0 per cent, Council proposes a rates increase of 6.01 per cent.

Council's commitment to achieving financial discipline has enabled this rate, while still delivering a high standard of service to our community.

Rating Policy History



The City of Burnside's Rating Policy guides the implementation of rates, rebates and hardship provisions.

Below is a summary of the rating practices over the past four financial years. Council has maintained a consistent rating policy by charging a minimum rate.



	2020/21	2021/22	2022/23	2023/24*
Minimum	875	875	906	958
Valuation at Minimum (excl. Vacant Land)	395,748	408,116	521,889	591,359
Rate in \$ - All				
Rate in \$ - Residential	0.00216	0.002149	0.001725	0.0016286
Rate in \$ - Vacant Land	0.00432	0.004299	0.004313	0.0040715

The following table demonstrates the expected level of revenue to be raised by each differential rate:

Category	Proposed Rate Revenue 2023/2024*	Proposed Rate in the Dollar 2023/2024*
Residential	41,003,538	0.0016286
Independent Living	417,037	0.0016286
Commercial - Shop	821,710	0.0016286
Commercial - Office	883,133	0.0016286
Commercial - Other	616,897	0.0016286
Industrial - Light	13,245	0.0016286
Industrial - Other	12,151	0.0016286
Primary Production	38,684	0.0016286
Vacant Land	1,070,845	0.0040715
Other - General	513,136	0.0016286
Contiguous Land	3,212	0.0016286
Total (excludes growth)	\$45,393,588	



Capital Values

The City of Burnside adopts and uses the capital valuations provided by the State Government's Office of the Valuer-General for the calculation and setting of council rates each year. Council considers that this method of valuing land is the fairest method of distributing the rate responsibility across all rate payers.

Section 151 of the *Local Government Act, 1999* further identifies that the value of land for the purpose of rating is capital value which includes all improvements.

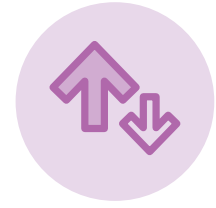
Council uses the services of the South Australian Valuer General to establish the value of land within the Council area for rating purposes. The City of Burnside's **Rating Policy** provides detail on land valuations and valuation objections.

The following tables demonstrates the changes in rate revenue and valuations over the past four years.



	2020/21	2021/22	2022/23	2023/24*
Total Valuation \$(M)	18,448	18,864	24,526	27,706
% Increase Total Valuation	3%	2%	30%	13%

	2020/21	2021/22	2022/23	2023/24*
% Increase Rates Revenue (excluding Natural Growth)	0.0%	0.0%	3.5%	6.01%
% Increase Natural Growth	0.5%	0.3%	1.1%	0.81%



The following table shows the increase/(decrease) in property valuations over the past four years.

Class	Increased Value 2020 to 2021	Increased Value 2021 to 2022	Increased Value 2022 to 2023	Increased Value 2023 to 2024*
Non-Residential	4.16%	8.58%	14.46%	18.89%
Residential	0.24%	2.07%	31.60%	12.33%

The following table shows the increase/(decrease) in average rates over the past four years.

Average Rate	2020/21	2021/22	2022/23	2023/24*	Change in average rates for 2023/24 compared to 2022/23
Residential	\$1,898	\$1,894	\$2,022	\$2,140	\$117
Independent Living	\$831	\$720	\$567	\$604	\$36
Commercial - Shop	\$2,125	\$1,995	\$1,769	\$1,855	\$86
Commercial - Office	\$3,068	\$2,794	\$2,658	\$2,786	\$128
Commercial - Other	\$2,290	\$2,087	\$2,021	\$2,219	\$198
Industrial - Light	\$1,336	\$1,148	\$1,065	\$1,656	\$590
Industrial - Other	\$2,201	\$2,198	\$1,988	\$2,430	\$442
Primary Production	\$2,615	\$9,052	\$8,140	\$7,737	(\$403)
Vacant Land	\$3,125	\$3,242	\$4,089	\$4,389	\$300
Other	\$6,102	\$6,068	\$5,557	\$7,029	\$1,472

The following table shows the 2022/23 valuation increase by suburb for residential properties, as supplied by the Valuer-General.

Suburb	No. of Properties	% Change in Valuation
Auldana	256	13.66%
Beaumont	1,100	14.08%
Beulah Park	810	11.67%
Burnside	1,325	14.28%
Dulwich	842	15.57%
Eastwood	577	15.58%
Erindale	496	7.84%
Frewville	443	14.53%
Glen Osmond	823	13.73%
Glenside	1,847	15.70%
Glenunga	965	15.09%
Hazelwood Park	883	8.15%
Kensington Gardens	1,265	11.11%
Kensington Park	1,187	11.03%
Leabrook	843	7.73%
Leawood Gardens	11	19.94%
Linden Park	964	8.63%
Magill	1,196	14.53%
Mount Osmond	183	15.17%
Rose Park	696	16.12%
Rossllyn Park	646	13.67%
Skye	138	14.85%
St Georges	692	14.15%
Stonyfell	497	13.79%
Toorak Gardens	1,179	16.26%
Tusmore	675	7.17%
Waterfall Gully	60	13.55%
Wattle Park	767	13.39%
Total	21,366	12.98%



Rebates, Remission and Postponement

The City of Burnside's **Rating Policy** provides detail on:

- rebate of rates
- rate relief
- rate capping
- hardship relief
- remission of rates
- postponement of rates.

Financial Statements

The 2023/24 Annual Budget Financial Statements include:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Uniform Presentation of Finances

Delivering our Vision

- Burnside 2030 Strategic Community Plan
- 2023/24 initiatives
- Maintaining our assets

Delivery of services to our community in 2023/24

Statement on Expected Rate Revenue

ESCOSA Local Government Advice



2023/24 Annual Budget Financial Statements

Statement of Comprehensive Income	2023/24 Budget (\$'000)	2022/23 Forecast (\$'000)
Income		
Rates	47,427	44,274
Statutory charges	1,773	1,498
User charges	2,489	2,172
Grants, subsidies & contributions	5,327	4,451
Investment income	59	70
Reimbursements	610	489
Other Income	229	520
Net Gain - Joint Ventures & Associates	137	97
Total Income	58,050	53,572
Expenses		
Employee Costs	20,172	18,206
Materials, contracts & other expenses	25,876	24,025
Depreciation	11,198	10,508
Finance Costs	600	761
Net Loss - Joint Ventures & Associates	293	377
Total Expenses	58,139	53,878
Operating Surplus / (Deficit) (excluding subsidiaries)	68	(26)
Operating Surplus / (Deficit) (including subsidiaries)	(88)	(306)
Capital Revenue		
Gain/(Loss) on Disposal of Non Current Assets	(150)	(150)
Amounts received specifically for new/upgraded assets*	186	7,229
Physical Resources Received Free of Charge	-	-
	36	7,079
Net Operating Surplus / (Deficit) (including subsidiaries)	(52)	6,773
Other Comprehensive Income		
Changes in Revaluation Surplus - Infrastructure, Property, Plant & Equipment	3,247	13,418
Total Comprehensive Income	3,194	20,191

* 2022/23 includes Capital Grants to be received for Major Projects

2023/24 Annual Budget Financial Statements

Statement of Financial Position	2023/24 Budget (\$'000)	2022/23 Forecast (\$'000)
Assets		
Current Assets		
Cash & cash equivalents	-	-
Trade & other receivables	2,526	2,703
Inventories	-	-
Total Current Assets	2,526	2,703
Non-Current Assets		
Financial assets	133	124
Equity accounted investments	7,274	6,150
Infrastructure, property, plant & equipment	714,848	704,576
Other Non-Current Assets	583	1,483
Total Non-Current Assets	722,838	712,333
Total Assets	725,364	715,036
Liabilities		
Current Liabilities		
Trade & other payables	6,093	5,664
Short-term borrowings	1,044	1,128
Short-term provisions	3,089	3,058
Total Current Liabilities	10,226	9,850
Non-Current Liabilities		
Trade & Other Payables	9	8
Long term borrowings	25,020	18,266
Long term provisions	337	334
Equity accounted liabilities in Regional Subsidiaries	1,459	1,459
Total Non-Current Liabilities	26,825	20,067
Total Liabilities	37,051	29,917
Net Assets	688,313	685,119
Equity		
Accumulated Surplus / (Deficit)	248,026	248,158
Asset Revaluation Reserve	439,117	435,871
Other Reserves	1,170	1,090
Total Equity	688,313	685,119

Statement of Changes in Equity	2023/24 Budget (\$'000)	2022/23 Forecast (\$'000)
Accumulated Surplus		
Balance at end of previous reporting period	248,158	241,465
Net result for year	(52)	6,773
Transfers from other reserves	(80)	(80)
Balance at end of period	248,026	248,158
Asset Revaluation Reserve		
Balance at end of previous reporting period	435,871	422,453
Gain on revaluation of infrastructure, property, plant & equipment	3,247	13,418
Transfer to Accumulated Surplus on sale of property, plant & equipment	-	-
Balance at end of period	439,117	435,871
Other Reserves		
Balance at end of previous reporting period	1,090	1,010
Transfers to Accumulated Surplus	80	80
Transfers from Accumulated Surplus	-	-
Transfers between reserves	-	-
Balance at end of period	1,170	1,090
Total Equity at End of Reporting Period	688,313	685,119



2023/24 Annual Budget Financial Statements

Statement of Cash Flows	2023/24 Budget (\$'000)	2022/23 Forecast (\$'000)
Cash Flows from Operating Activities		
Receipts		
Rates	47,450	44,973
Statutory Charges	1,700	2,423
User Charges	2,405	3,340
Grants, subsidies & contributions	5,670	4,368
Investment Income	59	69
Reimbursements	582	908
Other Income	306	495
Payments		
Employee Costs	(20,062)	(18,219)
Materials, contracts & other expenses	(25,612)	(23,642)
Finance payments	(600)	(761)
Net cash provided by (or used in) Operating Activities	11,897	13,953
Cash Flows from Investing Activities		
Receipts		
Amounts received specifically for new/upgraded assets	186	7,229
Sale of replaced assets	50	150
Payments		
Expenditure on renewal/replacement of assets	(13,758)	(17,341)
Expenditure on new/upgraded assets	(3,764)	(4,603)
Loans Made to Community Groups	-	-
Capital Contributed to Associated Entities	(1,280)	16
Net cash provided by (or used in) Investing Activities	(18,567)	(14,550)
Cash Flows from Financing Activities		
Receipts		
Proceeds from Borrowings	7,909	6,500
Proceeds from Aged Care Facility deposits	-	-
Payments		
Repayments of Borrowings	(1,239)	(917)
Repayment of Finance Lease liabilities	-	(58)
Net cash provided by (or used in) Financing Activities	6,670	5,525
Net Increase / (Decrease) in cash held	-	4,928
Cash & Cash Equivalents - at beginning of period	6,461	1,533
Cash & Cash Equivalents - at end of period	6,461	6,461

Uniform Presentation of Finances	2023/24 Budget (\$'000)	2022/23 Forecast (\$'000)
Operating Income	58,050	53,572
/less Operating Expenses	(58,139)	(53,878)
Operating Surplus / (Deficit)	(88)	(306)
/less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(13,758)	(17,341)
/less Depreciation, Amortisation and Impairment	11,198	10,508
/less Proceeds from Sale of Replaced Assets	50	150
	(2,511)	(6,683)
/less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(3,764)	(4,603)
/less Amounts received specifically for New and Upgraded Assets	186	7,229
	(3,529)	2,626
Net Lending / (Borrowing) for Financial Year	(6,128)	(4,364)



Vision

A prosperous City with a healthy, safe, connected, and active community, living in green leafy neighbourhoods where lifestyle is admired, heritage is valued, and people and nature live in harmony.



Delivering our Vision

In 2023/24 the City of Burnside proposes the following program of expenditure to meet the Goals, Priorities and Themes of Burnside 2030, our strategic community plan.

The following pages outline our capital works program, key projects, programs and services.

Burnside 2030 Strategic Community Plan

Strategic Goal	Environment Our City will be a leading environmental custodian	Community A resilient, healthy and connected community	Place A City of accessible and liveable precincts, open spaces, and treasured heritage
Projects	Recycling Hub for Civic Centre Habitat Grant Scheme for Private Land Bin tagging to reduce food going to landfill	Dulwich Community Centre Fit-out Dog Park Improvements George Bolton Swim Centre Aquatic play space floor surface replacement Disability Access and Inclusion Plan - Implementation Reconciliation Action Plan Implementation Penfold Park Masterplan George Bolton Swimming Centre Family Change Rooms Upgrade Lockwood Traffic Control*	Public Art Reserve Fund City Master Plan Action Plan Delivery Burnside City Master Plan and Expansion of the Historic Area Overlay Code Amendments - Phase 2 City Master Plan Open Space Layer and Recreation and Sports Facility Review Regal Theatre Master Plan Detailed Design Dulwich Community Centre Redevelopment Horticultural Landscaping and Beautification Resources for Burnside Streetscapes and Reserves Community Consultation of 40 km/h zone Greenhill Rd Hallett Rd intersection upgrade - Black Spot Grant Funded* Marryatville Precinct Master Plan*
Strategic Principles	Principle 1 Services Sustainability	Principle 3 Improvement and Innovation	Principle 4 Governing with Integrity
Projects	Plant Replacement - Depot Based Major Plant Plant Replacement - Depot Based Minor Plant Operations & Civic Centre Light Fleet Replacement Burnside Library Collection Renewal Program Community Centres Activation Plan	Wireless Network Upgrade for Corporate and Community CCTV Security - Legacy System Replacement	Strategic Community Plan Review

* Budget adjusted in Final Budget to include Council resolutions post Draft Budget.

2023/24 Initiatives

2023/24 Initiatives	Project Description	Expenditure Range	Category
Recycling Hub for Civic Centre	<p>There is an increasing demand for recycling services beyond what is collected through the Council 3-bin system. For example, items like batteries, light globes and x-rays are not collected in the kerbside bin system. These items can be recycled through other avenues, however these are limited and can pose challenges for residents to access. The City of Burnside currently provide limited additional drop off recycling services such as batteries and mobile phones. The collection of these items are currently scattered throughout the Civic Centre and do not have a central location for drop off.</p> <p>This proposal is to build a recycling hub where residents can drop off a greater variety of items for recycling. The hub would be purpose built with slots specifically designed to fit each recyclable item. This initiative will improve the availability and visibility of these recycling services in the City of Burnside.</p>	\$0-\$100k	New Capital
Habitat Grant Scheme for Private Land	<p>A two-year trial will demonstrate how a Habitat Grant Scheme for Private Land will work in the City of Burnside, improving habitat for koalas, indigenous and threatened species. The scheme will augment Council's existing work at the Biodiversity Nursery, enabling targeted support for landholders to improve habitat that will benefit the Council and wider community.</p>	\$0-\$100k	Operating Project
Bin tagging to reduce food going to landfill	<p>Carry forward project from 2022/23 Financial Year, Bin Tagging Program is completed with remaining funding to be utilised on printing waste education flyers in top spoken languages in Council area.</p>	\$0-\$100k	Operating Project



2023/24 Initiatives	Project Description	Expenditure Range	Category
Dulwich Community Centre Fit-out	<p>The Dulwich Community Centre is due to be renovated in early 2023 and be back open for community use in mid-late 2023. This centre was previously used by several community groups and many are planning to return. In addition to these returning hirers, the new centre will likely attract many new potential regular users who will be seeking a home for various programs and activities.</p> <p>The target of this project is to activate the centre for community use with various technical and equipment specifications which will ensure the facility is fit-for-purpose and ready to accommodate community groups. The facility itself will require a range of audio visual features, furniture and equipment which are considered fundamental to the operational nature of a community centre. These items will cater to all abilities and be inclusive of differing requirements and needs that align with council's Disability Access and Inclusion Plan.</p>	\$0-\$100k	New Capital
Dog Park Improvements	<p>The Conyngham Street Dog Park is the only dedicated park of this type in the City of Burnside.</p> <p>In late 2021 community consultation occurred to determine whether the community supported splitting the dog park into two separate sections, and any other suggestions for improvements to the space. A total of 0 per cent of the 431 respondents supported splitting the dog park into two sections.</p> <p>Based on the consultation results, a concept design was developed. This reflected the community's preference to split the park into two sections, and provided a smaller section for small dogs, and a larger section for all dogs. The design ensures that similar facilities are provided on both sides, such as shelter, seating, bins, drinking fountains and loop paths. The proposed design was supported through a further round of consultation which occurred in July/Aug 2022, with 83% of respondents in favour.</p>	\$100k- \$200k	New Capital
George Bolton Swim Centre Aquatic play space floor surface replacement	<p>Replacement of the toddler pool play space floor surface. The current surface is deteriorating rapidly, and breaking apart creating an uneven surface which is contributing to algal growth.</p> <p>A replacement product for the play space surface needs to withstand the elements of continuous running chlorinated water from the play equipment and UV exposure. The product also needs to be slip resistant and be a cushioned fall surface due to the many toddlers and young children that play in the area.</p>	\$0-\$100k	Asset Renewal
Disability Access and Inclusion Plan - Implementation	<p>The Council endorsed Disability Access and Inclusion Plan (DAIP) and it subsequent implementation forms part of Council's legislative responsibility under the Disability Inclusion Act 2018. The Act supports the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD).</p> <p>This budget proposal seeks assistance through inclusion and disability experts and inclusion and disability training providers to roll out a number of actions in Council's DAIP.</p>	\$0-\$100k	Operating Project

2023/24 Initiatives	Project Description	Expenditure Range	Category
Reconciliation Action Plan Implementation	The Reconciliation Action Plan (RAP) requires financial support to achieve its goals. Funding is required to: continue to consult with Kaurna representatives on projects, host public events during Reconciliation Week and NAIDOC week, engage a First Nations organisation to present Cultural Awareness training sessions for staff, Council Members, volunteers and community groups and to look to further our Reconciliation journey with an “Innovate” RAP planned for 2024.	\$0-\$100k	Operating Project
Penfold Park Masterplan	This project is for the implementation of improvements based on the master plan including fitness stations and tree plantings.	\$0-\$100k	New Capital
George Bolton Swimming Centre Family Change Rooms Upgrade	This project is to replace the existing spa and steam rooms to develop much needed additional family change rooms and create two new 'school change rooms' for use by schools and children	\$600k and Above	New Capital

2023/24 Initiatives	Project Description	Expenditure Range	Category
City Master Plan Action Plan Delivery	<p>In line with the action plan for the Burnside City Master Plan – Connecting People to Places, Council will undertake a series of initiatives to plan for and deliver improved traffic, transport, parking, and movement throughout the City of Burnside. Initiatives for 2023/24 include:</p> <ol style="list-style-type: none"> 1. 40 km/h areas implementation (subject to community engagement outcomes, Council endorsement and Department of Infrastructure and Traffic approval) for Beulah Park, Kensington Park (part), Eastwood, Frewville, Glenunga, Glen Osmond (part), Rose Park, Dulwich, Toorak Gardens, and Kensington Park (part), and Magill; 2. Prepare and consult on traffic management plans for Frewville, Glenunga, Dulwich, Rose Park, Toorak Gardens, Magill and Eastwood with the inclusion of traffic calming measures in Stuart Road and Dulwich Village roundabout and review of Prescott Terrace traffic calming devices; 3. Prepare and consult on a city-wide cycling map and action plan for a safer bicycle network; 4. Advocate to Department of Infrastructure and Traffic on pedestrian crossings on arterial roads; 5. Review Council-owned road network classifications; 6. Advocate to SA Public Transport Authority for public transport service improvements; 7. Advocate to the State Government for school transport and traffic management plans; and 8. Develop an ongoing program for mobile speed warning devices. 	\$100k- \$200k	New Capital



2023/24 Initiatives	Project Description	Expenditure Range	Category
<p>Burnside City Master Plan and Expansion of the Historic Area Overlay Code Amendments - Phase 2</p>	<p>The Burnside City Master Plan – Connecting People to Places provides a strategic approach to managing population growth, development, and transport in the City of Burnside and sets out where Council will accommodate growth in a planned, sustainable way while preserving our valued urban character, built heritage, tree canopy, and streetscapes. In line with the action plan for the Burnside City Master Plan, Council is undertaking two crucial Council-initiated Code Amendments:</p> <ol style="list-style-type: none"> 1. The Burnside City Master Plan Code Amendment will turn the policies of the Master Plan into real amendments to the application of the Zones, Overlays and Technical Numerical Variations within the Planning and Design Code; and 2. The Historic Area Overlay Code Amendment will seek to expand the Historic Area Overlay over various areas. <p>These two Code Amendments are essential to achieving increased protections complemented by sustainable growth, as well as responding to the State Government’s review of the 30-Year Plan for Greater Adelaide. Both Amendments will be subject to community consultation.</p>	<p>\$100k- \$200k</p>	<p>Operating Project</p>
<p>City Master Plan Open Space Layer and Recreation and Sports Facility Review</p>	<p>In line with the action plan for the Burnside City Master Plan – Connecting People to Places, Council will undertake over two years an extensive review of the use of open space and recreation and sports facilities within the City of Burnside. This will include community consultation and an analysis of trends, usage, service level standards, and spatial distributions to meet our community’s needs, now and into the future. The review findings will form the basis of an open space layer in the City Master Plan that will provide direction for all types of open space including sports grounds, recreation reserves, parks, and nature areas and will guide Council in strategically managing our valuable open space over the next 10 years and beyond.</p>	<p>\$100k- \$200k</p>	<p>Operating Project</p>



2023/24 Initiatives	Project Description	Expenditure Range	Category
Regal Theatre Master Plan Detailed Design	This project will deliver the detailed design for The Regal Theatre precinct	\$0-\$100k	New Capital
Dulwich Community Centre Redevelopment	The project is to undertake the Council approved renovation of the existing Dulwich Community Centre to provide an updated facility which provides improved access and inclusion, offstreet parking, environmental benefits and allows for improved community activation and use	\$200k-\$600k	New Capital
Horticultural Landscaping and Beautification Resources for Burnside Streetscapes and Reserves	<p>Council will engage a consultant to identify the resources required for the horticultural work across Burnside parks and streetscapes to:</p> <ul style="list-style-type: none"> • Maintain, improve and regenerate the existing plantings, flowers and shrubs, including halo planting and biodiversity sites; • Control weeds; and • Provide a healthy environment for street trees, including the management of basal growth rates. 	\$0-\$100k	Operating Project
Community Consultation of 40 km/h zone	As part of the City Master Plan (Urban Form and Transport) undertakes Community Consultation in 2023/24 on a proposal to introduce two adjacent 40 km/h speed zones on Council roads in the suburbs of Magill and Kensington Gardens, with boundaries to be defined to meet Department of Infrastructure and Transport guidelines	\$0-\$100k	Operating Project

2023/24 Initiatives	Project Description	Expenditure Range	Category
Plant Replacement - Depot Based Major Plant	<p>Council currently runs a fleet of major plant at its depot that are used for the delivery of field services across the city. These vehicles are used for specific tasks and the transportation of equipment and materials in the delivery of services to the community.</p> <p>All major plants are required to be fit for purpose and provide modern ergonomic, safety and efficiency outcomes for the organisation, staff and community. To achieve this, major plants are renewed as per an Asset Management approach. This approach looks at the age, use and resale of the plant to inform a rolling ten-year replacement program. A whole of Council Fleet Asset Management Plan is being produced in this financial year to bring together all aspects of Council's fleet renewal.</p> <p>Major plants proposed to be replaced in 2023/24 include:</p> <ul style="list-style-type: none"> • Truck Road Sweeper, • Front deck mower for reserve mowing, • Three-point linkage mower for oval mowing, • Self-propelled walk behind roller. 	\$200k-\$600k	Asset Renewal

2023/24 Initiatives	Project Description	Expenditure Range	Category
Plant Replacement - Depot Based Minor Plant	To replace minor plant to minimise downtime for service provision and operators. Carbon Neutrality battery operating minor plant replacement options will be used where fit for purpose.	\$0-\$100k	Asset Renewal
Operations & Civic Centre Light Fleet Replacement	<p>Council currently runs a fleet of light vehicles at its depot that are used for the delivery of field services across the City. These vehicles are used for the transportation of staff, equipment and material in the delivery of services to the community.</p> <p>Our aim is that all light fleet vehicles are fit for purpose including modern ergonomic design, high safety level and low environmental impact for the organisation, staff and community. To achieve this, light vehicles (utes or vans), are renewed as per an Asset Management Systems approach. This approach looks at the age, use and resale of the vehicles to inform a rolling 10-year replacement program. A whole of Council Fleet Asset Management Plan is being produced to bring together all aspects of Councils fleet renewal</p> <p>During 2023/2024 it is proposed to renew fifteen Civic Centre and Depot light fleet vehicles. Analysis and investigations will be taken to increase environmental, safety and fuel efficiency.</p> <p>The continual external pressure from International, National, State and Local Governments and our communities driven from the Climate Change agenda to investigate renewable fuelled vehicles that are less reliant on fossil fuels. Utilisation of electric and or hybrid vehicles by Council is a way to lead by example at a local level. Hybrid or Electric powered vehicles is the first preference for Fleet Vehicles.</p>	\$600k and Above	Asset Renewal
Burnside Library Collection Renewal Program	<p>This budget initiative allows the Burnside Library to continue serving our community by providing relevant and up to date collections and programs for our residents. The library offers residents an extensive range of materials which are selected based on reader suggestion forms, library surveys, collection evaluations, informal borrower feedback and review periodicals.</p> <p>The Burnside Library is more than just a repository for books, and this budget supports the community in other important ways through providing materials for;</p> <ul style="list-style-type: none"> • the home library service, which regularly visits individual residences, retirement villages and nursing homes with materials for borrowing; • the toy library service, story time, and baby-chat programs with materials and resources for families that enrich and develop children's learning, literacy and development. The library also facilitates an ongoing digital literacy program through one-on-one sessions and group classes delivered by qualified staff. 	\$200k-\$600k	Asset Renewal

2023/24 Initiatives	Project Description	Expenditure Range	Category
Community Centres Activation Plan	This funding would support a targeted consultation process with all key stakeholders and users of Council administered community centres, providing somewhat of a SWOT analysis of all facilities. This feedback loop will assist in the delivery of a new Community Centres Activation Plan which will be drafted by the Community Connections department.	\$0-\$100k	Operating Project

2023/24 Initiatives	Project Description	Expenditure Range	Category
Wireless Network Upgrade for Corporate and Community	The project will encompass renewal of Council's wireless access points (hardware) across all sites whilst reviewing internet accessibility of facilities where internet access is required and activating new facilities such as the Dulwich Community Centre. As part of this project, existing cabling will be reviewed and replaced where required in line with modern standards and data speed capability to future proof the chosen solution.	\$100k-\$200k	Asset Renewal
CCTV Security - Legacy System Replacement	<p>This project is to ensure that Council's CCTV systems are replaced to ensure they are compatible with the rest of Council's CCTV network.</p> <p>Locations include:</p> <ul style="list-style-type: none"> • The Civic Centre including the Community Centre • The George Bolton Swimming Centre • The Shed, Conygham Street • The Glenunga Hub <p>The below sites require CCTV expansion:</p> <ul style="list-style-type: none"> • Dulwich Community Centre • Community Buses • Transportable outdoor CCTV systems for monitoring tree damage and illegal dumping • The Regal Theatre 	\$100k-\$200k	Asset Renewal

2023/24 Initiatives	Project Description	Expenditure Range	Category
Strategic Community Plan Review	As the Burnside 2030 Strategic Community Plan was developed with a 10 year outlook, this project represents an opportunity for the new council to determine whether the strategic priorities contained within the existing plan will be relevant to the new council over their four year term. This budget bid represents a review of the Strategic Community Plan, rather than the development of a whole new strategy.	\$0-\$100k	Operating Project



Maintaining our Assets

The purpose of an asset management plan is to help an organisation manage their infrastructure and other assets to an agreed standard of service. The City of Burnside currently has four Asset Management Plans covering the following categories: Transport assets, Stormwater assets, Open Space assets, and Building assets.

Based on our Asset Management Plans, the 2023/24 Budget includes a total of \$11.65m in capital expenditure on both new assets and renewal of assets.

Asset Renewal	
Projects	
Buildings Asset Management Plan	Buildings Emergency Program
	Community Buildings Program
Sub-Total	\$1,398,000
Open Space Asset Management Plan	Hills Face Trails
	Bus Shelter Renewal Program
	Infrastructure Emergency Program
	Open Space Renewal
	Playgrounds
	Public Lighting Renewal Program
	Reserve Lighting Replacement
	Tennis Courts
	Retaining Walls Renewal
	Fencing Renewal
Signage Renewal	
Sub-Total	\$1,611,709
Stormwater Asset Management Plan	Drainage Renewal Program
Sub-Total	\$500,000
Transport Asset Management Plan	Footpath Renewal Program
	Kerb Program
	Road Cracksealing program
	Road Resurfacing Program
Sub-Total	\$6,659,000
Plant Asset Management Plan *	George Bolton Swimming Centre Plant Renewal
Sub-Total	\$1,160,330

* Plant Asset Management Plan is in public consultation stage at the time of developing the draft 2023/24 ABP

New & Upgrade Asset

Projects

Open Space Asset Management Plan	New Open Space Infrastructure and fittings	
Sub-Total		\$246,500
Stormwater Asset Management Plan	Drainage New Program	
Sub-Total		\$630,000
Transport Asset Management Plan	Traffic Calming Program	
	Footpath New Construction Program	
Sub-Total		\$777,535
Building Asset Management Plan	Civic Centre upgrades	
Sub-Total		\$130,000
Public Art Policy *	Public Art Reserve Fund	
Sub-Total		\$100,000

* Public Art Policy was endorsed by Council in May 2022, and per policy the initial \$100k annual allocation is being included in 2023/24 ABP for Council consideration.



Delivery of services to our community in 2023/24

Council delivers services through three directorates with strategic leadership through the Office of the CEO. The three directorates include:

- Environment and Place
- Corporate
- Community and Development.



Directorate	Strategic Community Plan Priorities and Principles	Functions and Services
<p>Office of the Chief Executive Officer</p> <p>The Office of the Chief Executive Officer provides a strategic and coordinated approach to Council business including relationship management for Council staff, Elected Members, ratepayers and external partners. It provides the overall vision and leadership for the organisation.</p>	<ul style="list-style-type: none"> • Governing with integrity • Improvement and innovation 	<ul style="list-style-type: none"> • Elected Member liaison and administrative support • CEO and Director support • Leadership and strategic direction • Government / intergovernmental relations and Council meeting management • Strategic partnerships and alliances
Directorate Total		\$957,950

Directorate	Strategic Community Plan Priorities and Principles	Functions and Services
<p>Director Environment and Place</p> <p>The Director Environment and Place provides leadership and management oversight of the Environment and Place Directorate that includes Assets and Infrastructure, Operations, Environment, and Strategic Planning and Delivery; providing key services to the community, strategic planning, City policy planning, and project delivery in accordance with Council's Principles.</p>	<ul style="list-style-type: none"> • Service sustainability • Improvement and innovation • Our City will be a leading environmental custodian • A City of accessible and liveable precincts, open space and treasured heritage 	<ul style="list-style-type: none"> • Leadership and management oversight • Strategic and corporate planning • Strategic projects • Environmental sustainability • Waste management • Urban forestry • Landscape architecture • City services • Open space • Capital projects • Civil engineering • Asset planning • Property and facilities management • Traffic
Directorate Total		\$20,276,985

Department	Strategic Community Plan Priorities and Principles	Functions and Services
<p>Strategic Planning and Delivery</p> <p>The Strategic Planning and Delivery team manages projects to deliver facilities and outcomes aligned to our strategic goals and our community's needs.</p> <p>This team also works with our community to establish Council's strategic goals, as well as manage its City Plan and built heritage.</p>	<ul style="list-style-type: none"> • Our City will be a leading environmental custodian • A city of accessible and liveable precincts, open spaces and treasured heritage • Improvement and innovation • Character and heritage protected, cherished and celebrated • Master planning our city 	<ul style="list-style-type: none"> • Strategic projects management • Strategic and corporate planning • City planning • Built heritage programs • Planning policy
<p>Operations</p> <p>Ensure that the City's assets including open spaces, streets and trees, are safe, efficient and fit-for-purpose for the use and benefit of the community.</p>	<ul style="list-style-type: none"> • Service sustainability • Improvement and innovation • Our City will be a leading environmental custodian • Facilities, services and programs that meet our community's needs • Canopy cover, greening and open space • Healthy habitats and biodiversity • Attractive streets and neighbourhoods with easy access and movement and encouragement of greener transport 	<ul style="list-style-type: none"> • Emergency management response • Fleet management and maintenance • Graffiti removal program • Hill Face zone conservation and land management • Out of hours service • Parks and reserves management and maintenance • Road and footpath maintenance • Street cleaning programs • Traffic engineering and management • Tree management • Woody weed removal • Urban biodiversity management and maintenance • Urban Forest management and maintenance
<p>Environment and Infrastructure</p> <p>The City's assets are fit-for- purpose, meet the needs of current and future visitors and residents, and are cost-effectively managed in an environmentally sustainable manner.</p>	<ul style="list-style-type: none"> • Service sustainability • Improvement and innovation • Our city will be a leading environmental custodian • Facilities, services and programs that meet our community's needs • Flexible fit-for-purpose facilities and places • Use natural resources efficiently and minimise waste • Adapt and mitigate climate change 	<ul style="list-style-type: none"> • Open space planning and landscape architecture • Leasing, licensing and permits • Asset planning • Property and facilities management • Capital projects • Civil Engineering • WSUD Projects • Flood protection projects and studies • Environmental sustainability • Waste education and management

Directorate	Strategic Community Plan Priorities and Principles	Functions and Services
<p>Director Corporate</p> <p>The Director Corporate and Development provides leadership and management oversight of the Corporate Directorate (Finance and Risk, People and Innovation) and also has functional responsibility for Council's Governance, Economic Development, and Communications and Community Engagement functions providing key services both internally and externally in accordance with Council's strategic directions.</p>	<ul style="list-style-type: none"> • Governing with integrity • Improvement and innovation • Communication and engagement • A resilient, healthy and connected community • A sense of community • Council as an advocate and influencer to ensure our community's voices are heard 	<ul style="list-style-type: none"> • Leadership and management oversight • Insurance • IT • People Experience • Customer experience • Information management • Governance • Procurement • Finance and rates • WHS and risk management • Corporate communications • Community engagement
Directorate Total		\$13,301,069

Department	Strategic Community Plan Priorities and Principles	Functions and Services
<p>Finance and Risk</p> <p>The Finance and Risk Department supports Council to achieve a sustainable financial platform through managing financial transactions and providing risk and procurement advice and support in a manner which supports both short and long term financial sustainability, accountability and transparency of public expenditure, while ensuring value for money is achieved and the principles of probity, transparency, accountability and risk management are embraced and maintained.</p>	<ul style="list-style-type: none"> • Governing with integrity • Improvement and innovation 	<ul style="list-style-type: none"> • Financial planning, budgeting and forecasting • Financial analysis, management and reporting • Accounts receivable and payable • Rates modelling and debtor management • Payroll • Procurement and contract management • External and internal audit (outsourced functions) • Work health safety and risk management



Department	Strategic Community Plan Priorities and Principles	Functions and Services
<p>People and Innovation</p> <p>Build organisational capacity and capability to enable the delivery of Council's strategic directions through fostering a culture of accountability, and achievement. Ensure outstanding systems and records management support to provide efficient service delivery and information dissemination to the organisation and greater community. It also provides the first point of contact for our customers that leads to a first and overall impression of Council. The department fosters and develops a strategic approach to the provision of customer experience policies, programs and activities across the organisation</p>	<ul style="list-style-type: none"> • Improvement and innovation 	<ul style="list-style-type: none"> • Website development and maintenance • Live streaming Council meetings • Creative design • Intranet administration and application, support and development • Information management • Learning and development • Employee wellness • Workforce management and operations • Telecommunications • Network infrastructure and security • Information technology projects and support • GIS and mobile applications • Enterprise resource and planning systems • Change management and strategic organisational development • Customer service
<p>Community Engagement and Communications</p> <p>The Community Engagement and Communications Department delivers services which enhance and foster community input into Council decision making; communicates the City of Burnside's services, events and activities to the community; and provides engagement and corporate communications services across all departments in the organisation. The department also fosters a strategic approach to the provision of public relations functions to positively position the City of Burnside's reputation.</p>	<ul style="list-style-type: none"> • Communication and engagement • Governing with Integrity • A resilient, healthy and connected community • A sense of community • Council as an advocate and influencer to ensure our community's voices are heard 	<ul style="list-style-type: none"> • Community engagement planning • Strategic community engagement advice • Community engagement projects and reporting • Strategic communications • Media management and liaison • Public relations advice • Annual Community Survey • Corporate publications (Annual Report, Focus newsletter, eNews, Burnside Focus online news hub) • Corporate image • Online and digital engagement • Internal eNewsletter • Media (film and photography) permits • Website content management • Social media management • Digital content creation • Image database development • Photography and videography • Legislation compliance

Directorate	Strategic Community Plan Priorities and Principles	Functions and Services
<p>Director Community and Development</p> <p>The Director Community and Development provides leadership and management oversight of the Community and Development Directorate that includes Economic Development, Community Connections and City Development and Safety to provide key services in accordance with Council's strategic directions.</p>	<ul style="list-style-type: none"> • A resilient, healthy and connected community • Service sustainability • Improvement and innovation • Governing with Integrity • Communication and engagement • Small business support • A sense of community • Facilities, services and programs that meet our community's needs • Resilience, wellbeing and recreation • Business precincts and villages • Council as an advocate and influencer to ensure our community's voices are heard 	<ul style="list-style-type: none"> • Leadership and management oversight • Economic development • Pepper Street Arts Centre • George Bolton Swimming Centre • The Regal Theatre • Volunteer coordination • Community centres and halls • Community events • Community development • Community learning • Library services • Local history and events • Community wellbeing • Community transport • The Shed programs • In home support • Planning • Building compliance • Rangers
Directorate Total		\$12,405,047



Department	Strategic Community Plan Priorities and Principles	Functions and Services
<p>Community Connections</p> <p>The Community Connections Department delivers services and programs which enhance and foster community learning and development and provide targeted community wellness and lifestyle choice support services to the City of Burnside community.</p>	<ul style="list-style-type: none"> • A resilient, healthy and connected community • Service sustainability • Improvement and innovation • Governing with integrity • A sense of community • Facilities, services and programs that meet our community's needs • Resilience, wellbeing and recreation • Flexible fit-for-purpose facilities and places 	<ul style="list-style-type: none"> • Community grants and sponsorships • Community development program • Youth development program • Social inclusion and wellbeing programs • Volunteer coordination • Community transport program • Toy library • Home support program (Commonwealth Home Support Program) • Cultural & historical support service • Burnside library lending and lifelong learning services • Community mobile library • The Shed • Community centres and halls – Glenunga Hub, Dulwich Community Centre, Eastwood Community Centre, Burnside Community Centre, Burnside Ballroom, Burnside Town Hall • Justice of the Peace service • Pepper Street Arts Centre • George Bolton Swimming Centre • The Regal Theatre
<p>City Development and Safety</p> <p>Development Assessment and Compliance Services are undertaken in a consistent, professional and transparent manner. Ranger Services provide effective and professional parking control, animal management, bushfire management and other regulatory compliance services to the community.</p>	<ul style="list-style-type: none"> • Governing with integrity • A city of accessible and liveable precincts, open spaces and treasured heritage • Character and heritage protected, cherished and celebrated • Business precincts and villages 	<ul style="list-style-type: none"> • Regulated and Significant Trees Assistance Fund • Planning assessment and development compliance • Building assessment • Development administration • Eastern Health Authority • Ranger services

Statement on Expected Rate Revenue

Attachment G - Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue				
Expected Rates Revenue (including)	2022/23 (as adopted)	2023/24 (estimated)	Change	Comments
General Rates Revenue				
General Rates (existing properties)		\$45,393,588 ^(a)		
General Rates (new properties)		\$345,445 ^(b)		
General Rates (GROSS)	\$42,819,585	\$45,739,033 ^(c)		
Less: Mandatory Rebates	(\$305,788)	(\$325,052) ^(d)		
General Rates (NET)	\$42,513,797	\$45,413,981 ^(e)	6.8%	
		^{(e)=(c)+(d)}		
Other Rates (inc. service charges)				
Regional Landscape Levy	\$1,732,811	\$1,994,643 ^(f)		The Regional Landscape Levy is a State tax, it is not retained by council.
	\$44,246,608	\$47,408,624		
Less: Discretionary Rebates	(\$70,067)	(\$74,481) ^(l)		
Expected Total Rates Revenue	\$42,443,730	\$45,339,500 ^(m)	6.8%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
		^{(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)}		
Estimated growth in number of rateable properties				
Number of rateable properties	21,314	21,315 ⁽ⁿ⁾	0.0%	
	<i>Actual</i>	<i>Estimate</i>		
Growth is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.				
Estimated average General Rates per rateable property				
Average per rateable property	\$2,009	\$2,146 ^(o)	6.8%	
		^{(o)=(c)/(n)}		
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total General Rates paid by all rateable properties will equal the amount adopted in the budget.				

Notes

^(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories: Health Services - 100 per cent Religious purposes - 100 per cent Royal Zoological Society of SA - 100 per cent Community Services - 75 per cent Public Cemeteries - 100 per cent Educational purposes - 75 per cent The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
^(e) Presented as required by the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea) Please Note: The percentage figure in ^(e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).
^(f) Councils are required under the <i>Landscape South Australia Act 2019</i> to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.
^(l) A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
^(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.
⁽ⁿ⁾ *Growth* as defined in the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2)

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue (including growth)

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$	
	2022/23	2023/24	Change	2022/23	2023/24	2022/23	2023/24	Change	2023/24	
Land Use (General Rates - GROSS)										
Residential	\$39,227,935	\$41,545,857	5.91%	19893	19933	\$1,972	\$2,084	(p)	\$112	0.0016286
Commercial - Shop	\$813,084	\$828,961	1.95%	455	449	\$1,787	\$1,846	(p)	\$59	0.0016286
Commercial - Office	\$868,024	\$918,504	5.82%	314	322	\$2,764	\$2,853	(p)	\$88	0.0016286
Commercial - Other	\$582,783	\$622,212	6.77%	285	281	\$2,045	\$2,214	(p)	\$169	0.0016286
Industry - Light	\$6,392	\$13,245	107.22%	6	8	\$1,065	\$1,656	(p)	\$590	0.0016286
Industry - Other	\$11,929	\$12,151	1.86%	6	5	\$1,988	\$2,430	(p)	\$442	0.0016286
Primary Production	\$32,559	\$38,684	18.81%	4	5	\$8,140	\$7,737	(p)	-\$403	0.0016286
Vacant Land	\$847,354	\$1,246,282	47.08%	273	290	\$3,104	\$4,298	(p)	\$1,194	0.0040715
Other	\$429,519	\$513,136	19.47%	78	73	\$5,507	\$7,029	(p)	\$1,523	0.0016286
Total Land Use	\$42,819,579	\$45,739,033	6.8%	21,314	21,366	\$2,009	\$2,141	(p)	\$132	

Council is cognisant of the principle of equity across the City. As a result of the decrease in average rates for Vacant Land owners, a proposal to increase the differential on Vacant Land is being considered so as to discourage land banking.

Minimum Rate

	No. of properties to which rate will apply		Rate		
	2023/24	% of total rateable properties	2022/23	2023/24	Change
Minimum Rate	3,943	18.5%	\$906	\$958	(r) \$52

In accordance with Section 158 of the Act, the City of Burnside imposes a minimum rate, as it considers it appropriate that all rateable properties make a base level contribution to the cost of:

- Administering the Council's activities; and
- Creating and maintaining the physical infrastructure that supports each property.

Adopted valuation method

Capital Value/Site Value/Annual Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land;

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

Annual Value – a valuation of the rental potential of the property.

In accordance with Section 153 of the Act, the City of Burnside applies a single general rate (with a minimum rate) to capital valuations on all rateable properties within the council area (except Vacant Land) and a differential rate at 200 per cent of the residential rate in the dollar to its Vacant Land properties.

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided* by number of rateable properties within that category in the relevant financial year.

(r) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

ESCOSA Local Government Advice

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Local Government Advice

City of Burnside

February 2023

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Enquiries concerning this advice should be addressed to:

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The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

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Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Council of the City of Burnside
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

1 The Commission's key advice findings for the City of Burnside

The Essential Services Commission (**Commission**) considers the City of Burnside (**Council**) to be in a sustainable financial position but is reliant on further growth in rate revenue and assumptions of lower expense growth than it has achieved in the past. The Council has consistently prioritised the renewal of its asset base, consistent with the requirements it has identified through its asset management planning and demonstrates a commitment to reviewing desired service levels for the community.

Looking ahead, the Commission suggests the following steps to help ensure that it budgets transparently, continues to report its cost savings and efficiencies, ensures the assumptions underpinning its financial and asset management planning are reasonable and looks for opportunities to limit the extent of further residential rate increases.

Budgeting considerations

1. **Consider** better clarity in its forward estimates in its long-term financial plan concerning the inflation assumptions feeding into its projected revenue (including rates) and expenses, distinct from 'real' impacts.
2. **Review** its inflation assumptions in its forward projections from 2023-24, given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.

Providing evidence of ongoing cost efficiencies

3. **Continue** the recent focus on constraining cost growth in its budgeting, where possible.
4. **Continue** the good practice of reporting actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

Refinements to asset management planning

5. **Continue** the good practice of reviewing the capital expenditure program annually in its asset management plans and consider options to better align the assumptions underpinning the expenditure allocations with its long-term financial plan, including the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.

Containing residential rate levels

6. **Review** and **consider** limiting future increases in its average residential rates to help reduce any emerging affordability risk in the community.

2 About the advice

The Essential Services Commission (**Commission**), South Australia's independent economic regulator and advisory body, has been given a role by the State Government to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (**SMPs**) and on the proposed revenue sources, including rates, which underpin those plans.¹

One of the main purposes of the Local Government Advice Scheme (**advice or the scheme**) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (**LTFPs**) and infrastructure and asset management plans (**IAMPs**)² – both required as part of a council's SMP.³ Financial sustainability is considered to encompass intergenerational equity,⁴ as well as program (service level) and rates stability in this context.⁵ The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, outlined in the LTFP.⁶ In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.⁷

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 15 councils for advice in the first scheme year (2022-23), including the City of Burnside (**Council**).

This report provides the Local Government Advice for the City of Burnside in 2022-23.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2023-24 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.⁸ It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website⁹), nor is it compelled under the LG Act to follow the advice. The Commission thanks the City of Burnside for providing relevant information to assist the Commission in preparing this advice.

2.1 Summary of advice

In general, the Commission finds the City of Burnside's current financial performance and position sustainable. Over the last 10 years, the Council has consistently run relatively small operating surpluses, indicating that the operating income it collects is generally exceeding its operating expenses by a conservative margin. The Commission notes that this demonstrates financial prudence since the Council is not accumulating excessive surpluses. At the same time, the Council has increased its rate levels consistently above inflation, and its residential rates are high, noting the socio-economic ranking

¹ Amendments to the *Local Government Act 1999* (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

² Commonly referred to as asset management plans.

³ The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.

⁴ 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

⁵ Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

⁶ LG Act s122(1f) (a) and (1g) (a)(ii).

⁷ LG Act s122(1f) (b) and (1g) (b).

⁸ LG Act s122(1h).

⁹ The Commission must publish its advice under LG Act s122(1i) (a).

for the community is also high, suggesting that there is more capacity to pay for higher rates than in other communities.^{10 11}

Community service levels appear to have been maintained, largely through the Council's focus on renewing its asset base, consistent with the requirements it has identified through its asset management planning.

The Council's forward projections from 2022-23 continue to forecast a consistent financial sustainability outlook through:

- ▶ lower average cost increases than it has experienced over the past 10 years (but still higher than it had forecast in 2021-22, primarily due to the impact of higher inflation)
- ▶ the continued prioritisation of its asset expenditure on renewal and rehabilitation works, rather than on new and upgraded assets, and
- ▶ continued rate increases on the community above the rate of inflation.

The Commission notes the City of Burnside's current good practice of reporting cost savings and efficiencies in its annual budget and reviewing annually the expenditure requirements in its Asset Management Plans (**AMPs**) and encourages it to continue to do so. It is also suggested that the Council review the asset-related assumptions (e.g., asset lives) feeding into its estimated depreciation expenses in its forward projections to determine whether there are opportunities to reduce these expenses. There are other opportunities for the Council to be more transparent about its price, service level and efficiency-related assumptions in its forward cost projections. In general, a transparent focus on cost constraint should help the Council to identify opportunities to reduce any affordability risk emerging for residential ratepayers, who account for the major share of the rates revenue.

The charts on the next page of the City of Burnside's past and projected operating surplus ratio, net financial liabilities ratio, asset renewal funding ratio and average rate revenue per property, together support these findings.

The 'heat map' diagram underneath summarises the Commission's findings with reference to whether the Council has met the suggested target ranges for the three main financial sustainability indicators¹² and the level of cost control and affordability risk identified for the Council over time.

¹⁰ Refer to the Councils in Focus website, available at <https://councilsinfocus.sa.gov.au/home> for 2019-20 rates data by council.

¹¹ The City of Burnside LGA is ranked 68 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2016), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20lga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&27.03.2018&Latest>.

¹² The suggested LGA target ranges for the ratios are discussed in more detail in the attachment.



Summary of the City of Burnside's financial sustainability performance and the Commission's risk assessment

Financial sustainability indicators:	Last 10 years from 2011-12 (Actual performance)	2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)
Operating surplus ratio (target 0-10%)	Ratio met historically and in forecast period →		
Net financial liabilities ratio (target 0-100%)	Ratio met historically and in forecast period →		
Asset renewal funding ratio (target 90-110%)	Spending on renewal works requirements met but with ratio at the lower end of suggested target range →	Ratio within target range	Suggested ratio target range met in projections with forecast higher spending on asset renewal works →
Identified Risks:			
Cost control risk	Operating expenses growth average 3.0% p.a. to 2020-21 (CPI 1.7%) →		Forecast operating expense growth to average 3.3% p.a. to 2031-32 (CPI 2.8%) →
Affordability risk	Low affordability risk with capacity to pay (rates revenue growth average 3.7% p.a. to 2020-21) →	High residential rates	Higher residential rates & successive 'above CPI' rate increases projected (rates revenue growth to average 3.4% p.a.) →

- Ratio outside suggested LGA target range or higher risk
- Ratio close to suggested LGA target range or medium risk
- Ratio within suggested LGA target range or lower risk

2.2 Detailed advice findings

The next sections summarise the Commission's detailed advice findings regarding the City of Burnside's material changes to its 2022-23 plans (compared with the previous year's plans), its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure) and its current and projected rate levels.

In providing this Advice, the Commission followed the approach it earlier explained in the Framework and Approach – Final Report (F&A). The attachment explores these matters further.¹³

2.2.1 Advice on material plan amendments in 2022-23

The City of Burnside's 2022-23 long term financial plan includes increases to its projected income and expenditure to 2030-31, compared with the 2021-22 forecasts,¹⁴ as follows:

- ▶ An additional \$35.1 million or 7 percent in total operating income. This includes an additional \$30.1 million or 7 percent in rates.
- ▶ An additional \$38.1 million or 8 percent in total operating expenses (for example, for contracts and employees) and \$10.2 million or 8 percent in total capital expenditure. Also, more than half of the City of Burnside's higher operating expenses are due to an increase of \$20.4 million or 9 percent in 'materials, contracts, and other' expenses. This is due to an increase in the Council's 'Cost Index' applied from 2023-24 to 2031-32.

In the current inflationary environment, most of the revisions to the forward estimates appear to be for additional inflation impacts. The Council's annual business plan identifies inflation assumptions distinct from other cost impacts for 2022-23, however the LTFP is less clear from 2023-24, with the Council not stating its annual inflation assumptions.

The Commission considers that it would be appropriate for it to:

1. **Consider** better clarity in its forward estimates in its long-term financial plan concerning the inflation assumptions feeding into its projected revenue (including rates) and expenses, distinct from 'real' impacts.

In the current inflationary environment, the assumptions concerning price rises over the next 10 years will require annual review, particularly given the potential for higher short-term inflation before a return to long-run averages. However, the Commission notes that the Council should always endeavour to find savings in real terms to reduce any inflationary impact on its community. To these ends, the Commission suggests that the Council:

2. **Review** its inflation assumptions in its forward projections from 2023-24, given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.

2.2.2 Advice on financial sustainability

Operating performance

Historically, the City of Burnside has ensured that its income growth exceeds its expense growth, thereby providing for recurring operating surpluses. From 2011-12 to 2020-21, operating expenses increased by an average of 3.0 percent per annum, which compares with average operating income

¹³ The attachment will be available on the Commission's website with the advice.

¹⁴ The overlapping forecast period in both LTFPs (2021-22 to 2030-31 and 2022-23 to 2031-32).

growth of 3.9 percent and average annual inflation growth of 1.7 percent over this period.¹⁵ Accordingly, the operating surplus ratio¹⁶ averaged 2.7 percent which demonstrates prudent financial management without excessive surplus levels, in the context of the growth in expenses experienced.

'Materials, contracts, and other' expenses increased by an average of 3.8 percent per annum in the 10 years to 2020-21, while 'employee' expenses increased by 3.0 percent per annum over this period.¹⁷

¹⁸ The estimated annual average rate of growth in these expenses projected over the next 10 years (3.1 percent and 3.4 percent respectively), combined with higher rates increases, will ensure the Council's operating performance remains in surplus.

The Commission further notes that on a per property basis, operating expense growth is forecast to average 2.6 percent per annum and operating income growth 2.7 percent annum. These projections are below RBA-based forecast average inflation of 2.8 percent and represent a shift from the Council's historical performance of cost growth exceeding the rate of inflation.¹⁹

To continue to achieve its sound operating position without the need for additional or unplanned rate increases, the Council will need to continue to find savings and efficiencies in its budgets, as it stated it is committed to doing. It achieved savings and efficiencies of more than \$3.7 million over the past five years, and it stated that it would continue to review its services, processes and systems.²⁰ To this end, it would be appropriate for the Council to:

3. **Continue** the recent focus on constraining cost growth in its budgeting, where possible.
4. **Continue** the good practice of reporting actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

Net financial liabilities

Over the past 10 years, the City of Burnside has consistently used borrowing and other financing options within the suggested target range for the net financial liabilities ratio.²¹ It will continue to meet the suggested target range in its 2022-23 forecast and has projected a reduction in the ratio from 65 percent in 2022-23 to 44 percent by the end of 2031-32. This will be achieved by the City of Burnside

¹⁵ CPI (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 1.9 percent), available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

¹⁶ The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target for councils is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 (**LGA SA Financial Indicators Paper**), p. 6).

¹⁷ The Commission notes the increase in the solid waste levy over the last 10 years, which has impacted waste management costs in the local government sector.

¹⁸ Based on the compound average annual growth rate formula throughout the Commission's Advice.

¹⁹ The forecast average annual growth in the CPI from 2022-23 to 2031-32 is estimated to be 2.8 percent based on Reserve Bank of Australia (**RBA**) forecasts for the Consumer Price Index (**CPI**) (Australia wide) to June 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26

²⁰ City of Burnside, *2022-23 Annual Business Plan and Budget*, July 2022, p. 29, available at <https://www.burnside.sa.gov.au/files/assets/public/about-council/policies-plans-amp-reports/annual-business-plan-amp-budget/adopted-annual-business-plan-amp-budgets/annual-business-plan-and-budget-2022-23.pdf>.

²¹ The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances, LGA SA Financial Indicators Paper, pp. 7-8.

reducing its borrowings from \$28.9 million in 2022-23 to \$24.1 million in 2031-32 and demonstrates that the Council will continue to have sufficient operating capacity for its borrowing needs.

Asset renewals expenditure

The City of Burnside has consistently invested enough on renewing its assets to maintain service levels and avoid a backlog of renewal expenditure. The Council's asset renewal funding ratio (IAMP-based) has been within the suggested target range of 90 percent to 110 percent,²² in seven of the previous eight years, at an average of 92 percent between 2015-16 and 2021-22.

Looking forward, the City of Burnside is forecasting to continue to spend close to the amount it recommends from its IAMP on the renewal and rehabilitation of its existing asset stock.²³ Accordingly, the ratio is forecast to remain within the suggested target range in each year to 2031-32.

The City of Burnside updates its capital program allocation for new and upgraded expenditure and for asset renewal and rehabilitation on an annual basis through its AMPs. These AMPs provide a list of expected renewal expenditure based on the expired useful life or intervention points on assets that the Council manages. The plans also include consideration of the desired levels of service for different assets by the community.

One potential area for improvement regarding the City of Burnside's asset management planning relates to the LTFP projections better aligning with the expenditure needs identified in the AMPs. For example, in the 2022-23 to 2031-32 LTFP, estimated renewal and rehabilitation expenditure is \$16.9 million for 2022-23²⁴ while the AMPs' identified aggregate expenditure on renewal and rehabilitation is \$8.4 million for the same year. Similarly, estimated new and upgraded asset expenditure in the LTFP is \$7.6 million²⁵ while in the four AMPs it is altogether \$1.07 million. The Commission notes that there can be legitimate budgeting reasons for adjusting capital expenditure from year to year, as well as additional inflation impacts, but encourages the Council to review this area to determine if there can be better alignment.

In addition, the City of Burnside's annual depreciation expenses, which should represent the estimated average rate of asset consumption over time, are forecast to continue to exceed its renewal spending in forward projections. This might indicate that the assumptions underpinning the depreciation expenses, such as the extent of asset lives assumed (in the depreciation calculation), warrant further review and revision by the Council. The Commission notes that lower depreciation expenses would reduce operating expenses and improve the Council's operating position, which would help to relieve further pressure on rate levels.

For the reasons discussed above, the Commission suggests that the Council:

5. **Continue** the good practice of reviewing the capital expenditure program annually in its asset management plans and consider options to better align the assumptions underpinning the expenditure allocations with its long-term financial plan, including the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.

²² The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9).

²³ City of Burnside, *Long Term Financial Plan 2022-23 to 2031-32*, July 2022, p. 30, available at <https://www.burnside.sa.gov.au/files/assets/public/about-council/policies-plans-amp-reports/long-term-financial-plan/lftp-2022-23-2031-32-finalweb.pdf>.

²⁴ City of Burnside, *Long Term Financial Plan 2022-23 to 2031-32*, July 2022, p. 5.

²⁵ City of Burnside, *Long Term Financial Plan 2022-23 to 2031-32*, July 2022, p. 5.

2.2.3 Advice on current and projected rate levels

Between 2011-12 and 2020-21, the City of Burnside's rate revenue per property increased by an average of 3.9 percent per annum to \$1,973 in 2020-21. This exceeded CPI growth of an average of 1.7 percent per annum.²⁶

Between 2022-23 and 2031-32 the average rate across all categories is forecast to increase from \$2,049 to \$2,691²⁷, a cumulative increase of \$642 per property. This equates to a 3.1 percent average annual increase (between 2022-23 and 2031-32) which is higher than the forecast average inflation over the next 10 years of 2.8 percent.²⁸

The majority of the City of Burnside's revenue comes from residential rates (contributing around 90 percent of total rates revenue in 2021-22).²⁹ The Council's average residential rates per property are relatively high, while its average commercial rates are relatively low.³⁰

The Council increased residential rates by an average of 6.0 percent or \$112 to an average rate of \$1,972 in 2022-23 (which also includes 0.9 percent growth in residential property assessments).³¹ The three-year average annual increase (excluding growth) from 2019-20 to 2022-23 was 2.7 percent.³²

Currently, affordability risk among the community appears relatively low based on the Socio-Economic Indexes for Areas (SEIFA) economic resources ranking, which places the area in the top three councils in South Australia in terms of residents' access to economic resources.³³ The Council's lower commercial rates might also provide it with some leverage to limit residential rate increases.

However, affordability risk could still emerge given the current economic environment affecting the residents more generally. The survey feedback from 485 residents on the Council's Draft 2022-23 Business Plan and Budget and LTFP indicated that only 14 percent or 67 residents supported a rate increase above 3.5 percent.³⁴ For these reasons, the Commission suggests that the Council:

6. **Review** and consider limiting future increases on its average residential rates to help reduce any emerging affordability risk in the community.

2.3 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the City of Burnside's:

- ▶ ongoing performance against its LTFP estimates, and transparency of its inflation assumptions in its LTFP
- ▶ achievement of cost savings and efficiencies, and its reporting of these achievements

²⁶ CPI (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 1.9 percent), available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index/>.

²⁷ This includes rates growth of 1 percent expected each year.

²⁸ See footnote 19.

²⁹ City of Burnside, *2022-23 Annual Business Plan and Budget*, July 2022, p. 57.

³⁰ Refer to the Councils in Focus website, available at

https://councilsinfocus.sa.gov.au/councils/city_of_burnside.

³¹ City of Burnside, *2022-23 Annual Business Plan and Budget*, July 2022, p. 57.

³² City of Burnside, *2022-23 Annual Business Plan and Budget*, July 2022, p. 33.

³³ See footnote 11.

³⁴ City of Burnside, *Ordinary Council Meeting Agenda -28 June 2022, Engagement Outcomes, 2022/23 Draft Annual Business Plan and Budget and Long-Term Financial Plan 2022/23 to 2031/32*, Item 11.2, p. 110, available at https://www.burnside.sa.gov.au/files/assets/public/about-council/council-amp-committees/agendas-minutes-amp-workshops/council/2022/agendas/2022-06-28-notice-of-meeting-agenda_public.pdf.

- ▶ actions to address any misalignment between the renewals capital expenditure and depreciation estimates in its LTFP and various AMPs, as appropriate, and
- ▶ how it has sought to address any emerging affordability risks for residential ratepayers.



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