

NOTICE OF MEETING

Notice is hereby given that a meeting of the Audit Committee will be held via

Electronic means in a virtual waiting room

The meeting will be live streamed via a link on our website:

<https://www.holdfast.sa.gov.au/council/council-meetings>

Thursday 23 July 2020 at 6.00pm



Roberto Bria
CHIEF EXECUTIVE OFFICER



Audit Committee Agenda

1. OPENING

The Presiding Member, Councillor Smedley will declare the meeting open at 6.00pm

2. APOLOGIES

2.1 Apologies received

2.2 Absent

3. DECLARATION OF INTEREST

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

4. CONFIRMATION OF MINUTES

Motion

That the minutes of the Audit Committee held on 25 May 2020 be taken as read and confirmed.

Moved _____, Seconded _____

Carried/lost

5. PRESENTATION

6. ACTION ITEMS

6.1 Action Item List – 23 July 2020

7. REPORTS BY OFFICERS

7.1 Standing Items (Report No: 203/20)

7.2 Draft 2020-21 Annual Business Plan and Budget (Report No: 204/20)

8. URGENT BUSINESS – Subject to the Leave of the Meeting

9. CONFIDENTIAL ITEMS

9.1 External Audit Services (Report No: 205/20)

Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in

confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- k. tenders for the supply of goods, the provision of services or the carrying out of works.

9.2 Alwyndor Long Term Financial Plan (Report No: 206/20)

Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.
- c. information the disclosure of which would reveal a trade secret.
- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

9.3 Review of Investment Options – Alwyndor (Report No: 207/20)

Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.
- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest

10. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit Committee will be held on Wednesday 26 August 2020 at the Brighton Civic Centre, 24 Jetty Rd Brighton in the Mawson Room at 6.00pm.

11. CLOSURE

A handwritten signature in black ink, appearing to read 'Roberto Bria', is positioned above the printed name and title.

**ROBERTO BRIA
CHIEF EXECUTIVE OFFICER**



**AUDIT COMMITTEE
ACTION ITEMS
As at 25 May 2020**

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
17 October 2018	6.4 Brighton Oval Redevelopment Review	Review Council report template to include a section on risk implications.	GM Strategy & Business Services	April 2020	A new system to manage meetings and agendas is being implemented. The templates will be reviewed as part of the implementation. In the interim any reports to Council that involve major risks will be documented in the report.
17 October 2018	6.4 Brighton Oval Redevelopment Review	Some guidance to be included in the Prudential Management Policy on when in the project lifecycle that a prudential management report is undertaken. This also to be included in the Project Management training	GM Strategy & Business Services	April 2020	Policy tabled at 25 May 2020 meeting to be brought back at 26 August meeting.
17 October 2018	6.4 Brighton Oval Redevelopment Review	Council's Prudential Management Policy will be reviewed and if necessary amended to clarify the forms of recommendations the Prudential Report and any covering paper must make to Council - for example unqualified, or qualified.	GM Strategy & Business Services	April 2020	Policy tabled at 25 May 2020 meeting to be brought back at 26 August meeting.
8 April 2019	6.2 Draft 2019-20 Annual Business Plan	That a Long Term Financial Plan for Alwyndor be brought back to the Committee	GM Alywndor	April 2020	To be tabled at Audit Committee on 23 July 2020.



**AUDIT COMMITTEE
ACTION ITEMS
As at 25 May 2020**

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
19 June 2019	6.1 Standing Items	Review of Financial Policies and Procedures (Action from the Control Track Assessment)	Manager, Finance	September 2020	Will be part of the Control Track Assessment. Galpins to review existing financial policies and procedures
19 June 2019	6.1 Standing Items	Disaster Recovery Plan, including IT Function, to be reviewed and brought back to the Committee (Action from the Control Track Assessment)	GM Strategy & Business Services	August 2020	Business Continuity Plan complete. Disaster Recovery Plan currently being reviewed and tabled at 26 August meeting.
19 June 2019	6.1 Standing Items	Schedule quarterly stocktake of inventory items (Action from the Control Track Assessment)	Manager, Finance	June 2020	Working with Manager, Field Services to implement process for stocktake. Galpins to review frequency as part of the Internal Audit Plan.
8 April 2019	7.1 External Auditor Appointment	External Audit Services be put to tender and an external auditor appointed prior to the commencement of work required for the 2020/21 financial year	Manager, Finance	September 2020	Report to Audit in April on appointment of external auditor

Item No: **7.1**

Subject: **STANDING ITEMS – 23 JULY 2020**

Date: 23 July 2020

Written By: Manager Financial Services

General Manager: Strategy and Business Services, Ms P Jackson

SUMMARY

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

RECOMMENDATION

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

- **Monthly Financial Statements**
 - **Risk Management and Internal control**
 - **Audit – External/Internal**
 - **Local Government Reform Bill**
 - **Public Interest Disclosures – previously Whistle-Blowing**
 - **Economy and Efficiency Audits**
 - **Audit Committee Meeting Schedule**
-

COMMUNITY PLAN

Culture: Enabling high performance
Culture: Being financially accountable
Culture: Supporting excellent, efficient operations

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

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

BACKGROUND

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

- Monthly financial statements
- Risk management and Internal Controls
- Audit – External/Internal
- Public Interest Disclosures – previously Whistle-Blowing
- Economy and efficiency audits

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

REPORT

Monthly Financial Statements

Members of the Committee receive copies of the monthly financial reports as soon as practical after they are provided to Council.

Financial reports for Municipal and Alwyndor operations for the months ended 30 April 2020 and 31 May 2020 were considered by Council at its meetings on 26 May 2020 and 23 June 2020. Members of the Committee have received copies of these reports.

Risk Management

Council Administration undertook a review of the Strategic Risk Register in light of the COVID-19 pandemic. The outcome of the review is attached for the Committee’s information.

Refer Attachment 1

Internal Controls

Administration is not aware of any material changes to Council’s internal controls not otherwise disclosed since the previous Standing Items report on 25 May 2020.

Council uses ControlTrack software product for its internal control assessment and review. It is based on the Better Practice Model for internal controls endorsed by the South Australian Local Government Financial Management Group.

Internal controls have been reduced based on the program recommended by Galpins. The controls were assessed and reviewed by managers during May and June 2020. The outcomes have been reviewed by Galpins and the ControlTrack assessment report for Council and Alwyndor activities is attached.

Refer Attachment 2

It is expected that Council's external auditor will review the assessments and outcomes as part of the 2019-20 transaction audit.

External Audit

The term of Council's external auditor BDO will be completed when the 2019/20 financial year audit is finalised and is expected to be during October 2020. A confidential report is included with this agenda providing a summary of tender responses received for this service and potential short list of for interviewing by the committee.

Internal Audit

As part of the internal audit program the following audits are scheduled to be conducted by Galpins in 2020/21:

- Workforce Planning
- Stakeholder Management
- Asset Management – Short-term
- Financial Controls

Galpins has completed the Financial Controls audit for 2019/20. Galpins are currently undertaking the Cybersecurity Audit which was delayed due to the resourcing impacts of COVID-19.

Local Government Reform Bill

The Statutes Amendment (Local Government Review) Bill 2020 (the Bill) was introduced into Parliament on 17 June 2020. The Bill includes major reforms that are contained in the Bill's four 'reform areas' that were the basis of the Local Government Reform Program that ran over 2019/20:

1. Stronger council member capacity and better conduct
2. Cost savings and financial accountability
3. Efficient local government representation
4. Simpler regulation

Reform area 2 has an impact on the Audit Committee and its functions. Within this area of reform are the following:

Rate monitoring system

The Bill introduces a rate monitoring system that will require all councils to receive, consider and publish independent advice on proposed changes to their general rate revenue each year from a designated authority.

Clause 79 amends section 123 of the Act which sets out the requirements for council annual business plans. The Bill inserts a new section 123(2)(ea) requiring the inclusion of the following matters in draft and adopted annual business plans—

- (i) a statement on the change in total revenue from general rates for the financial year and, if an annual business plan sets out a growth component in relation to general rates, it may

- only relate to growth in the number of rateable properties (and must not relate to growth in the value of rateable properties); and
- (ii) an explanation of how the change is consistent with the council's long-term financial plan; and
- (iii) a summary of any other reasons for the change; and
- (iv) details of the impact of the change on average rates for each land use category (if relevant); and
- (v) the advice received from the designated authority under subsection (3a); and
- (vi) the council's response to the advice, which must set out whether the change in total revenue from general rates is consistent with the advice and, if not, the reasons for the inconsistency.

In preparing a draft annual business plan (and before finalising the draft plan and undertaking consultation on it), councils must provide critical information to the designated authority by 31 December. This includes the proposed change in total revenue from general rates and the reasons for this proposed change, the council's view of the impact of the proposed change on ratepayers, information as to whether consideration has been given to alternatives to the proposed change in total revenue from general rates, and information as to how the proposal is consistent with the council's long-term financial plan and infrastructure and asset management plan.

The Bill provides that the designated authority must provide advice to councils on the appropriateness of the proposed change in total revenue from general rates for the financial year compared to the previous financial year by no later than 31 March.

This advice must be included in draft and adopted annual business plans, together with the council's response to the advice. Councils are not required to comply with the advice, however, the annual business plan must include an explanation of whether the change in total revenue from general rates is consistent with the advice and, if not, the reasons for the inconsistency. If the designated authority is of the view that a council has not responded appropriately to its advice, it may report this to the Minister. The Minister may then consider making recommendations or a direction to the council on the basis of this advice.

Audit and Risk Committees

Clause 83 of the Bill amends section 126 of the Act to expand the role of audit committees to a new role as 'audit and risk committees', consisting of a majority of independent members.

The Bill provides that the purpose of an audit and risk committee is to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters.

Clause 83(6) sets out the expanded functions of an audit and risk committee, including —

- a) reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and
- b) proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and
- c) monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's auditor; and
- d) proposing, and reviewing, the exercise of powers under section 130A; and

- e) liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and
- f) reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and
- g) —
 - i) if the council has an internal audit function—
 - (A) providing oversight of planning and scoping of the internal work plan; and
 - (B) reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or
 - ii) if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and
- h) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and
- i) reviewing any report obtained by the council under section 48(1); and
- j) performing any other function determined by the council or prescribed by the regulations.

Given the expanded role of audit and risk committees, the Bill also prescribes the required skillsets, knowledge and experience for committee members (when considered as a whole), requires meetings to be held at least quarterly, and sets out reporting requirements to councils.

The Bill enables councils to establish regional audit and risk committees through the insertion of new section 126A, to ensure that this is available to councils who are of the view that a regional committee can be an effective and resource effective option.

The Bill also amends section 128 of the Act, by requiring councils to change audit firms at least every five years (rather than the current requirement to change auditors)

Public and Finance Act

The Bill includes a number of amendments to the Public Finance and Audit Act 1987 (PFA Act) that relate to the activities that the Auditor-General can undertake in regard to councils and other local government bodies.

Currently, under section 32 of the PFA Act, the Auditor-General can undertake an examination of a council's accounts and the efficiency, economy and effectiveness of its activities. The Bill also allows for the Auditor-General to undertake a review, to allow for a less detailed and therefore lower resource impact activity. The Bill also enables the Auditor-General to audit the accounts of a council, effectively becoming a council's auditor (clause 87 of the Bill amends section 129 of the Act to clarify that if this is the case, the relevant council auditor is not required to have provide an audit for that period).

The Bill does not change the way in which the Auditor-General undertakes these activities. They will continue to be as the Auditor-General deems advisable, or on the direction of the Treasurer or the Independent Commissioner Against Corruption.

Public Interest Disclosures

On 1 July 2019 the *Public Interest Disclosure Act 2018* came into effect replacing the *Whistleblowers Protection Act 1993*. The new laws strengthen transparency and accountability across government by establishing a scheme that encourages and facilitates the appropriate disclosure of public interest information to certain persons or authorities. Council has endorsed the Public Interest Disclosure Policy aligned to the model policy provided by the Local Government Association.

There have been no public interest disclosures made to Council since the previous standing items report on 25 May 2020.

Sec 130A Economy and Efficiency Audits

Council has not initiated any review pursuant to section 130A of the *Local Government Act* since the previous Standing Items Report on 25 May 2020.

Council Recommendations

At its meeting on 9 June 2020 Council received the minutes and endorsed the recommendations of the meeting of the Audit Committee held on 25 May 2020.

2020 Meeting Schedule

The Audit Committee's terms of reference require it to meet at least 4 times each year and at least once each quarter. During 2020 meetings have been set to align with the two important financial programs in which the Audit Committee plays important roles:

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

In order to accommodate the above reporting requirements the following ordinary meeting schedule is proposed for 2020:

- Wednesday 26 August 2020
- Wednesday 7 October 2020.

Attachment 1



Update for Audit Committee – Status of Financial Internal Control Self-Assessment 2019/20



Background

Each financial year, Council performs a financial internal controls self-assessment (CSA) process to provide assurance that Council is meeting its obligations under s125 of the Local Government Act 1999:

“A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records.”

The CSA is restricted to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

The CSA process conducted by Council constitutes Council's internal financial control monitoring program, as required by the *Better Practice Model – Internal Financial Controls for South Australian Councils*.

Status of the CSA

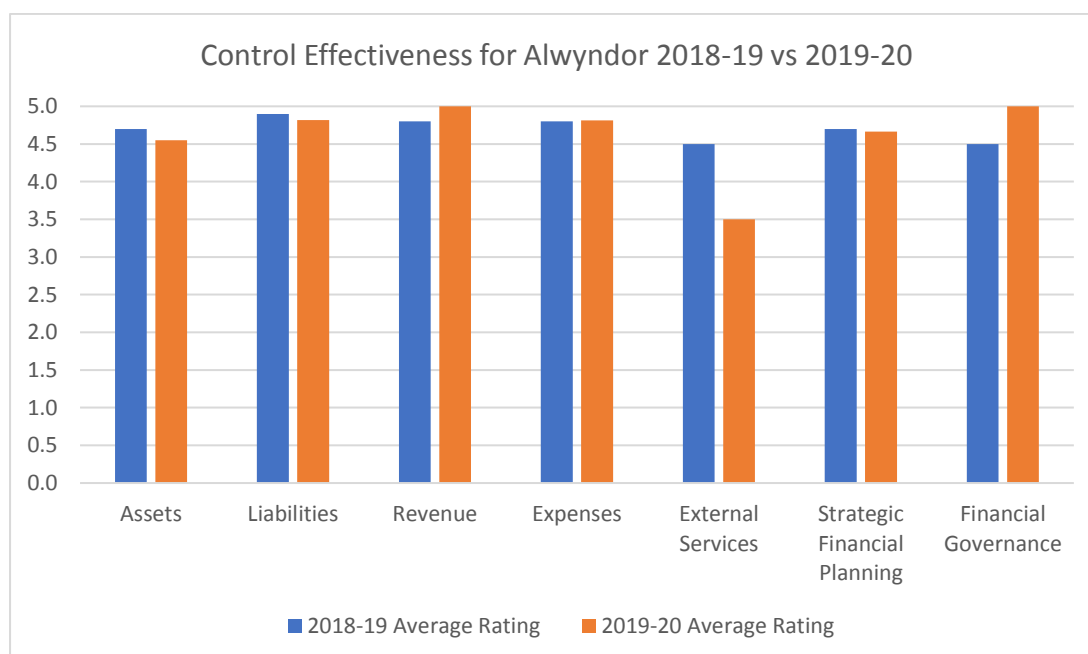
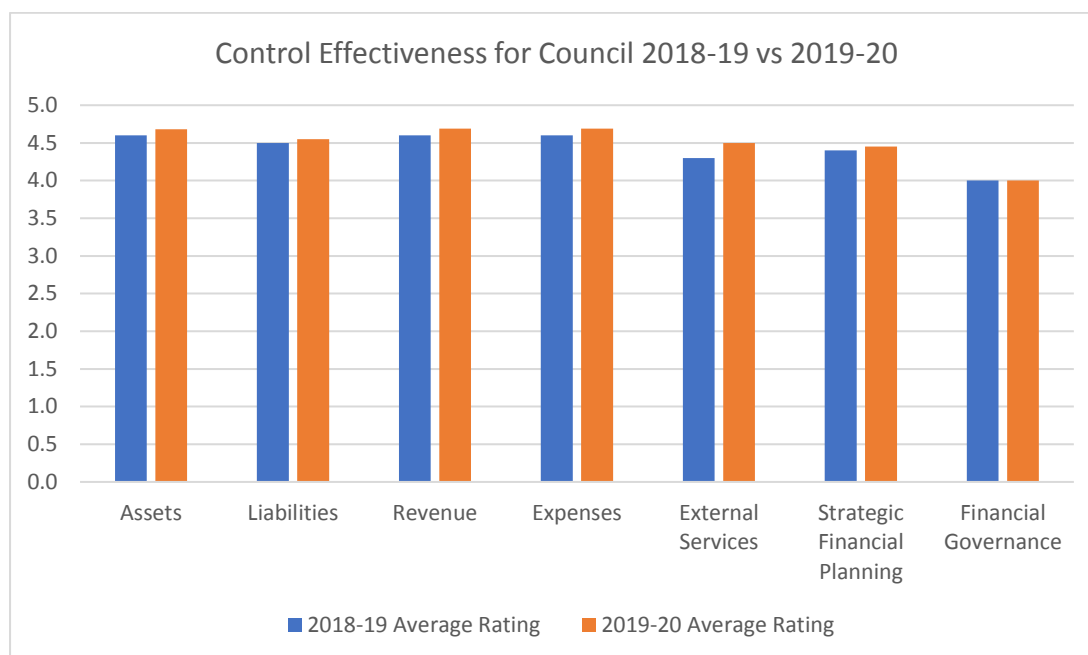
The CSA was finalised by Council staff on the 25th June 2020 and Alwyndor staff on the 14th July 2020, encompassing a review of the operating effectiveness of 88 controls for Council and 81 controls for Alwyndor as selected per the risk-based control monitoring methodology. Each control was given an effectiveness score out of 5 by both an 'assessor' (typically staff member responsible for performing the control activity) and a reviewer (typically the manager responsible for overseeing the control activity).

Control effectiveness scores are defined as follows:

Definitions of Control Effectiveness Ratings	
1. Ineffective	During the period, the control has not been implemented as described. Urgent management action is required to implement the described control processes.
2. Requires significant improvement	During the period, the control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action required to implement processes to improve the effectiveness of the control.
3. Partially effective	During the period, the control has been implemented as described, but with some deficiencies in the consistency and/or effectiveness in which it has been applied.
4. Majority effective	During the period, the control has been implemented as described and in the majority of cases has been consistently and/or effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.
5. Effective	During the period, the control as described has been fully implemented and has in all cases has been consistently and/or effectively applied.

Preliminary results of the CSA (pre-internal audit reasonableness review)

Preliminary results indicate a high level of control effectiveness for both Council and Alwyndor.



Comment re decline in effectiveness rating for Alwyndor external services: Alwyndor was previously following the Council's procurement policies to evaluate and select contractors but have now developed Alwyndor-specific policies to make the process more relevant to the organisation. These new policies are not yet fully implemented. Additionally, the contract management process is currently under review.

Next steps

Galpins have not yet independently reviewed the results of the self assessments to provide assurance that effectiveness ratings given by staff are reasonable, and that treatment plans for improving control effectiveness are appropriate. This assessment will occur in the coming weeks. A sample of controls has been selected for review – see Appendix 1 and 2.

Appendix 1 – Controls selected for IA review – Council

Description	Reason for selection			
	Assessor / reviewer difference	Prior treatment plan	Other	Comments
There is a process in place for the regular review of all grant income to monitor compliance with the terms of the grant.		yes		Was 3, with suggestion that Grant funding reports be tabled with SLT quarterly. Has this happened?
Management and/or Council to approve all tied grants (prior to funds being received by Council) to ensure that Council will be able to meet the terms and obligations of the grant.	A = 3, R = 4			
Council reviews services where grant funding has ceased to ensure it understands the financial impact on its sustainability.		yes		Was 3, with suggestion that Grant funding reports be tabled with SLT quarterly. Has this happened?
All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	A = 5, R = 4			
Delegations are in place for adjusting or waiving fees for service charges adopted in the fees and charges register.	A = 4, R = 5			
There is a process in place to ensure the supplier master file is periodically reviewed for ongoing pertinence.	A = 5, R = 4			
Requested changes or additions to supplier masterfile are verified independently of source documentation.	A = 4, R = 5			
All loans are in accordance with treasury management policy(ies) which outline appropriate approval mechanisms and authority required.			Policy	Ensure policy up to date (prior general CSA finding)
There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	A = 5, R = 4		Policy	Ensure policy up to date (prior general CSA finding)
There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.			Policy	Review draft revised policy
There is a process to ensure all overtime is verified and approved by relevant appropriate staff.			Audit judgement	Inherently high risk of control failure
The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll.			Audit judgement	Critical control
Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.			Policy	Ensure policy up to date (prior general CSA finding)
Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	A = 4, R = 5			
Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated. Assets - Banking			Audit judgement	Critical control
Access to EFT Banking system is restricted to appropriately designated personnel.	A = 4, R = 5			
There is a process in place to review and approve all credit notes for sundry debtors in accordance with delegations of authority.	A = 5, R = 4	yes		Previously 3 - follow up can a report be run showing a population of credit notes for review?
Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.			Policy	Ensure policy up to date (prior general CSA finding)
Council has a clear and comprehensive investment policy to assist when making any decisions to invest funds.			Policy	Ensure policy up to date (prior general CSA finding)

Appendix 2 – Controls selected for IA review – Alwyndor

Description	Assessor / reviewer difference	Prior treatment plan	Reason for selection	
			Other	Comments
Process to establish the annual budget and ensure it is aligned with the Alwyndor Strategic Plan, including Long Term Financial Plan and Asset Management Plans.	A = 4, R = 3		Treatment plan	
All journals, including manual entries, identify date posted, narration, author, journal and posting reference.	A = 5, R = 4			
Recorded changes to the supplier master file are review through an exception report.	A = 5, R = 4			Check consistency with Council process (e.g. use of confirmation phone calls)
There is an approval process for all staff requests for leave and leave taken is recorded by somebody independent from the approval.	A = 4, R = 5			
There is a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations.			Treatment plan	
There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	A = 3, R = 4			New process
There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.			Policy	
There is a process to ensure all overtime is verified and approved by relevant appropriate staff.			Audit judgement	Inherently high risk of control failure
There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	A = 5, R = 4			
The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll.			Audit judgement	Critical control
The listing of payroll deductions is periodically reviewed by relevant staff for accuracy, compliance with statutory requirement and ongoing pertinence with changes compared to authorised source documents to ensure that they were input accurately.		yes		
Employees must ensure all purchases are in accordance with Alwyndors Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.			Audit judgement	Critical control
Alwyndor has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.			Treatment plan / Policy	Ensure policy up to date (prior general CSA finding)
Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated. Assets - Banking			Audit judgement	Critical control
The organisation maintains a Debt Collection Policy and/or procedure.		yes		
Where appropriate, fixed assets are secured and access is restricted to appropriate staff and authorised users.			Treatment plan	
There is a process in place for the verification of fixed assets which is reconciled to the FAR.		yes		
Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.		yes	Treatment plan	
Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.		yes	Treatment plan	
Alwyndor has a clear and comprehensive investment policy to assist when making any decisions to invest funds.			Policy	Ensure policy up to date (prior general CSA finding)

Attachment 2



Current as at: 17/07/2020

#	Objectives	Risk short name	Risk Owner	Risk Description	Causes <i>Potential and Actual</i>	L	C	Inherent Risk Rating	Critical Controls	Causes	Control Effectiveness: Detailed	Control Effectiveness	L	C	Residual Risk Rating	Treatment Actions	Who	When by?
	What are we trying to achieve by delivering our services?	Short reference		There is a risk of/that:	What are the contributing factors as to <i>How</i> and <i>Why</i> this risk occurs right now? What would cause the event to occur in the future (based on what we know now)?			If all controls fail, how bad can it be?	What are the things we do to manage the risk? (controls either reduce the likelihood or consequences) Align to causes where possible	Which # cause does this critical control address?	Effective; Majorly Effective; Partially Effective; Ineffective	Overall: Effective; Majority Effective; Partially Effective; Ineffective			After controls, how bad is it now?	What are the things we should be doing that we currently are not? Once implemented becomes a new control		Accountability
1	Environment	Environmental Management	Howard	Poor or ineffective management of the impacts of climate change	1. Growing community expectations regarding management of the environment 2. Waste Management of importance currently: State government increasing levies and also impact of recycling company costs increasing (Chinese recycling stopped; Visy raising rates due to SKM failure) 3. Notwithstanding that a 'climate emergency' has been noted by Council, climate change ambiguity in messaging from various levels of government remains, along with responsibility for managing the impacts	LIKELY SEVERE	EXTREME	Environment Strategy & implementation plan	1,2,3	ME	PE	LIKELY MAJOR	EXTREME	Finalise Environment strategy & implement (based on funding commitments by Council)	Michael De Heuss	July(Strategy)2020		
								Reducing carbon footprint	1,2	PE				Continue transition to hybrid vehicles, increase solar power installations, rollout energy audits & implement energy saving initiatives subject to Council funding	Michael De Heuss	July 2020 (commence)		
								Greenhouse gas reduction strategy	1,2	ME				Continue rollout of WSUD projects in 2020/21 subject funding by Council	Michael De Heuss	30 June 2021		
								Improving resource efficiency	1,2	ME				Continue rollout of recycling initiatives in 2020/21 at council facilities subject to Council funding	Alex Gaut	30 June 2021		
								Climate change impact assessments	1,3	PE				Accelerate urban tree planting in 2020/21 subject to Council funding	Alex Gaut	30 June 2021		
								Improve seawalls, beach/dune management & stormwater controls	1,3	PE				Support construction of SRWRA MRF	Roberto Bria	30 November 2020		
								Urban forest strategy	1,3	PE				Trial weekly FOGO collections	Shani wood	30 September 2020		
								Increase diversion from landfill/improve recycling and green organics capture	1,2	ME				Continue support for RediPlan initiative - subject to Council funding	Matt Rechner	30 June 2021		
								Community preparedness & education	1,3	ME				Build effective relationships with Coastal Protection Board, DEW, EPA & Green Industries SA	Michael De Heuss	30 June 2021		
								Effective partnerships/support with State Government to manage climate change impacts	3	PE				Undertake a Coastal Adaptation Scoping Study	Michael De Heuss	31 March 2021		
								2	Community	Community Services delivery				Marnie	Poor or ineffective Community Service delivery	1. Significant number of different services offered and increasing demand (Sport, Volunteer programs, Community Home Assist/Care (which is in competition with Alwyndor home support services), Community Wellbeing activities, Ageing Well in CHB (helping elderly maintain independence), Arts, Museums, Clubs, community development, city activation and events etc) 2. Increasing demand as "a service as a last resort" as State and Federal services are decreasing 3. No policy and strategy re Access and Social Inclusion 4. Funding not guaranteed for some programs (eg Home Assist) 5. Some pressures and concern regarding longevity of grant funding (which has impacts on employee contracts) 6. COVID has impacted on the types of program and service delivery to the community 7. COVID has impacted on levels of service, particularly in relation to cleaning/hygiene standards; building capacity	LIKELY MAJOR	EXTREME
Arts and Culture strategy	1	PE	Review adequacy of resourcing to implement Arts and Culture strategy/actions															
Youth action Plan	1	PE	Review Youth Action Plan for effectiveness															
Social needs analysis	1	IE	Social needs analysis - work to strengthen/develop more granular analysis															
Access and Social Inclusion Plan (in development)	3	IE	Finalise Access and Social Inclusion Plan	Monica du Plessis	1 October 2020													
Community Wellbeing Future State Report	2	PE	Link a range of documentation - including Demographic Population Mobility Study, Community Services Audit, Social Needs Analysis to Community Wellbeing Future State Report and develop an action plan to implement	Alice Mariano	30 June 2020													
Business process mapping completed for all Community Services business units (except Community Activation)	4,5	IE	Community Wellbeing Taskforce (in conjunction with (external) Economic Recovery Taskforce)	Marnie Lock	30 June 2020													
Stakeholder engagement in relation to future grant funding for community wellbeing	5	PE	Complete business process mapping for Community Activation team	Sally Heading	1 November 2021													
Alterations to community service delivery	6	ME	Explore / implement a pilot for user-pays service provision to offset potential funding cancellation															
Aged Care Quality Standards	5	PE	Consider impacts of COVID on future state of community services delivered (ongoing agility regarding changes as they occur)	Marnie Lock	30 September 2020													
Volunteer Services Strategy	2,4	PE	Consider impacts on service levels, particularly in relation to cleaning/hygiene standards and building capacity	Howard Lacy	30 September 2020													
			Implement recommendations from Future State Report to create efficiencies															
			Implement remaining actions from business process mapping exercise and align with business transformation projects															
			Implement the outcomes of the Aged Care Quality Standards Gap analysis															
			Decide on an approach to lobbying/engaging with State and Federal government in relation to grant funding															
			Review Volunteer Services Strategy	Matt Rechner	1 April 2021													

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	What are we trying to achieve by delivering our services?	Short reference		There is a risk of/that:	What are the contributing factors as to <i>How</i> and <i>Why</i> this risk occurs right now? What would cause the event to occur in the future (based on what we know now)?			If all controls fail, how bad can it be?	What are the things we do to manage the risk? (controls either reduce the likelihood or consequences) Align to causes where possible	Which # cause does this critical control address?	Effective; Majority Effective; Partially Effective; Ineffective	Overall: Effective; Majority Effective; Partially Effective; Ineffective			After controls, how bad is it now?	What are the things we should be doing that we currently are not? Once implemented becomes a new control	Accountability			
3	Placemaking	Asset Management	Howard	Insufficient or ineffective Asset Management Planning	<ol style="list-style-type: none"> 1. Significant investment annually by Council - reliant on effective Asset Management Plans (and resultant preventative maintenance) 1.1 Potential acceleration of capital expenditure as a result of economic stimulus arising from state and federal government COVID recovery grants 2. Lack of understanding of what asset portfolio is required to meet Council's strategic objectives (partly informed by Social Needs Analysis) 3. Lack of strategic investment outlook (aligned to the strategic plan) in the medium to longer-term 4. Holdfast Bay Council has unique circumstances to manage, which impact on infrastructure, including: <ul style="list-style-type: none"> significant visitor numbers (1.4m visitors per year) - impacting upon asset and infrastructure increasing itinerant/transient population and anti-social behaviour which the community expects that the Council assists with (nice area, good weather in summer, particularly around Jetty Road) Wellbeing and Social Inclusion 57% women; safety a key concern (lighting and access) 5. Some asset categories not being maintained or lacking effective planning and investment for renewal to sufficient levels, for example future requirements regarding stormwater management (drainage/coastal) and impacts of climate change in the absence of State Government funding 6. Lack of definition of service levels for assets (for example, for parks) 7. Where new infrastructure is being developed, there is a lack of embedding future expected maintenance expenditure (for example new beachfront path at Minda - new attraction which means high use and therefore increased wear and tear) 8. Traffic management strategies insufficient and transport capacity being stretched (infill, congestion, parking issues) 9. Opportunities evolving to use different funding models (Government and Private) 10. Asset investment process not identifying full asset life-cycle costs (renewal, maintenance etc) 	ALMOST CERTAIN	MAJOR	EXTREME	<ul style="list-style-type: none"> Placemaking Strategies guiding future asset investment/design Asset Management Plans Matching project resources to program investment Preventative Maintenance Planning Grant management processes/access to state government funding process Asset Investment process (planning through to construction) 	2,3 1,5,7,8 1.1 1,4,5,6,7,8 1.1 5,6,7	ME PE PE PE ME PE	PE PE PE PE ME PE	POSSIBLE	MAJOR	HIGH	<ul style="list-style-type: none"> Change Management plan / training on organisational change Capital Project list: Reprioritise/reconsider capital project list and method of construction post-COVID Develop 'shovel-ready' project list - in accordance with longer term strategies, and financial and asset plans Review AMP's (including post-COVID review of service levels), taking into consideration/informed by 12-15 other new plans fully inform the AMP's (e.g., social needs analysis, strategic property review, traffic management strategy, future demand expectations on new/renewed assets, community-driven service levels) Currently planning/documenting new preventative maintenance approach - moving towards further proactive maintenance Develop engagement plan with state government - including identification and access to new funding sources as part of post-COVID response Support staff ability to understand/measure full asset life-cycle costs 	Michael De Heuss Executive Team Michael De Heuss Ross Whitfield Pamela Jackson Michael De Heuss	1 October 2020 30 September 2020 31 March 2021 1 October 2021 30 September 2020 30 June 2021		
	4	Culture	External Communications	Marnie	Failure to appropriately engage the broader community and stakeholders	<ol style="list-style-type: none"> 1. A need to select appropriate method of engagement /informing etc in line with the IAP2 framework (community can get "engagement fatigue") 2. A need to respond to vocal minority/to awaken silent majority 3. Ad-hoc approach to stakeholder management (responsive approach) 4. As COVID is continuing, the effectiveness of community engagement is diminished (due to reduced face-to-face) 5. Reduction in engagement with Community using traditional mediums due to Messenger newspaper ceasing and other print media impacts 	LIKELY	MAJOR	EXTREME	<ul style="list-style-type: none"> Communications Strategy 2030 Community Engagement Framework + Policy Customer Experience Strategy (in development) Access and Social Inclusion Plan (in development) Customer Service facility modifications to comply with COVID Safe Digital Transformation Program (including bringing forward some IT improvements, such as bandwidth upgrades, Webchat) 	1 1,2,3 1,2,3 1,2,3 4 1,2,3	PE ME IE IE E PE	ME ME ME ME E PE	POSSIBLE	MAJOR	HIGH	<ul style="list-style-type: none"> Develop a Stakeholder Management Plan Develop Consumer Reference Groups Inform and educate leadership group about key elements of Communications Strategy Training and development across CHB aligned with Customer Experience strategy Assess external communication to the Community - given ceasing of Messenger and other print publications not online Finalise Disability and Access and Inclusion Plan and Customer Experience Strategy (including customer journey mapping) 	Sally Heading Marnie Lock Marnie Lock	1 December 2020 30 September 2020 31 October 2020	
		5	Community	Alwyndor	Beth	Inability to sustainably provide aged care services to the community consistent with the requirements of the ACQS.	<ol style="list-style-type: none"> 1. Significant operation (\$20m turnover and 250 staff) with other Allied Health operations 2. Lack of defined/inadequate policies and procedures 3. Failure to identify, report and manage risk of services delivered off site (in the home) 4. Failure to assess, document and respond to risks to customer safety 5. Lack of rigorous governance structures 6. Inability to attract and maintain a well trained workforce 7. Inability to understand consumer needs and expectations and provide services to meet those needs and expectations 8. Inability to react to change in the Government funding model 9. Poor staff training/understanding of requirements 10. Reactionary changes to manage impacts of COVID - particularly for visitors and hygiene standards; therapy services reduction impacted on revenue (but not >15% reduction) and costs (to meet additional standards and PPE expenses) 	LIKELY	SEVERE	EXTREME	<ul style="list-style-type: none"> Comprehensive clinical policies and procedures Comprehensive training plan (based on Training Needs Analysis), covering Mandatory Employee training on the ACQS Standards, AHPRA nursing standards & Alwyndor systems and processes Mandatory reporting systems and processes Dedicated resources to maximise funding Governance frameworks which include: monitoring of incidents data, ongoing review of policies and procedures, legislative compliance, continuous improvement. Hygiene and access standards; Aged Care and Quality Commission audits Customer feedback mechanisms - including surveys, resident meetings, focus groups, family/stakeholder engagement Self-assessment system consistent with the ACQS standards. Effective care planning and assessment processes 	2 4,6,9 5 8 1,2,5 10 3,4,7 3,4,7 2,3,4,8	ME ME E ME ME E E ME	ME ME E ME ME E ME	POSSIBLE	MAJOR	HIGH	<ul style="list-style-type: none"> Development of operational manual aligned to Accreditation self-assessment Respond to issues identified in Accreditation Report Review Governance Structure, Audit Schedules and KPI's Strategic Management Review 	RSM, MCC, QM GM, RSM, MCC Executive Team Executive team	30 June 2020 31 December 2019 31 March 2020 31 March 2020

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	What are we trying to achieve by delivering our services?	Short reference		There is a risk of/that:	What are the contributing factors as to <i>How</i> and <i>Why</i> this risk occurs right now? What would cause the event to occur in the future (based on what we know now)?			If all controls fail, how bad can it be?	What are the things we do to manage the risk? (controls either reduce the likelihood or consequences) Align to causes where possible	Which # cause does this critical control address?	Effective; Majorly Effective; Partially Effective; Ineffective	Overall: Effective; Majorly Effective; Partially Effective; Ineffective			After controls, how bad is it now?	What are the things we should be doing that we currently are not? Once implemented becomes a new control	Accountability	
8	Culture	WHS	Sharon	WHS & Staff safety: Staff, contractor or volunteer death or serious injury OR subject to physical, sexual, emotional or psychological abuse	1. Systems to manage fatigue which impact on health and wellbeing require improvement 2. Lean staffing model impacting on stress of workforce 3. Increasing awareness and emerging risk of Mental Health impacts associated with physical and verbal abuse from customer/general public, burnout/fatigue, cumulative trauma (along with upcoming change in presumptive legislation); Mental Health and Wellbeing Strategy continuously evolving	ALMOST CERTAIN	SEVERE	EXTREME	WHS Strategic Plan and Programs	1,2,3	E	ME	UNLIKELY	SEVERE	HIGH	LGAWCS Audits undertaken bi-annually	P&C	31 December 2021
									Workforce Capability Audit & Gap Analysis	1,2	PE					Business Capability Model to be developed and implemented before capability & gap analysis can be completed for whole of organisation. (Audit to be undertaken for Leadership Team against Leadership Capability by 31/1/20)	Ania Karzek	30 June 2020
									Reviewing of rostering requirements for Field Services & Events staff for Council events	1,2,3	PE					Review currently underway regarding shiftwork and fatigue of Field Services staff to be incorporated in Enterprise Agreement negotiations	GM City Assets ,Manager Field Services, P&C Manager	31 December 2020
									Reasonable Adjustment Procedures for non-work related medical conditions	1	E					Review Working-from-Home policy and procedure		
9	Culture	Local Government Reform	Roberto	Inability to implement appropriate controls to manage changes to Local Government reform	1. Significant ongoing changes being proposed and implemented in local government, including: - Rate Capping - Audit Committee Changes - Audit proposals for changes to the Auditor-General - Planning reform - Rate Waivers (Opposition Bill in front of Parliament) 2. General rate and revenue pressures from state government 3. Boundary Reform process - some residents from Marion Council wanting to join HB Council	LIKELY	MAJOR	EXTREME	Ongoing monitoring of changes	1	E	POSSIBLE	MAJOR	HIGH	Engaging with LGA to lobby State Government against legislation which has detrimental impact on the financial sustainability of the council	Roberto Bria	30 September 2020	
									Providing input into proposed changes and advocating to government on impacts of changes	1,2,3	E				Providing input into the impacts of the proposed planning changes to CHB	Pamela Jackson	30 September 2020	
11	All	Strategy	Pam Jackson	Lack of strategic alignment	1. Lack of complete and up-to-date strategy which is understood and agreed by key stakeholders (Current strategy outdated and being renewed) 1.A. Impacts of COVID are having ongoing impacts on the Strategy 1.B. Requirement to consider the role of CoHB in assisting with the local business economic recovery and resilience 2. Difficulty in measuring performance on what is being achieved (outcomes vs outputs) 3. Lack of ability to measure community wellbeing to inform Social Needs Analysis as a key input to the strategy 4. Future outlook for service/asset model is changing in addition to the ability of the organisation to respond to those changing needs (eg online services required, increasing demand/expectations in relation to asset base (tourism), homeless management, aged care management, potential changing government agenda/reform) 5. Lack of understanding/agreement on future priorities (asset investment and services) - lack of agreement at Exec and Elected Member level to finalise renewed strategy 6. Current transformation projects ongoing - transformation projects may not be aligned to renewed strategy; strategically critical projects may not be included in transformational program 7. Increasing demand for enhanced customer experience 8. A need to be more agile to respond to the community's needs 9. A need to "fund what we are trying to achieve" (service delivery and service level choices) 10. Increasing pressures to justify how Councils spend money vs community expectations 11. Difficult to understand full cost of individual services 12. Lack of risk appetite to explore alternative service delivery options	LIKELY	MAJOR	EXTREME	Strategic Plan	1,	IE	PE	POSSIBLE	MAJOR	HIGH	Develop indicators to measure the effectiveness of the strategy implementation	Ania Karzek	31 December 2020
									Project to review the Strategic Plan (also needs to consider the CEX Strategy, Social Needs, Environment, Asset Management Plans)	1,2,3,4,5,6,7,8,9,10,11,12	IE					Develop a plan that considers the causes and to ensure deadlines are met to deliver the new Strategy	Ania Karzek	31 December 2020
									Economic Recovery Taskforce (commenced June 2020) - actions being undertaken to embed	1,1B,1C	PE					Review of Alwyndor Strategic Plan to be embedded into Council Strategic Plan	Beth Davidson-Park	1 June 2020
																Project to review the Strategic Plan to also include broader research and data to determine recovery from COVID impacts - particularly as a result of reduced interstate and international tourism on local businesses	Ania Karzek	31 December 2020
15	Community	Event Management	Marnie	Inability to deliver a sustainable events calendar	1. The city delivers many significant events throughout the year (NYE, concerts, Christmas Pagaent, ad hoc events at beaches) 2. Recent Events strategy being implemented 3. Not matching community needs/expectations in relation to event delivery/volume of events (tension between residents, businesses and visitors) 4. Management of open space an ongoing and increasing issue 5. Scale of events increase risks in relation to community safety 6. Reduced community attendance due to restrictions on mass gatherings which will reduce income (and expenditure)	ALMOST CERTAIN	MAJOR	EXTREME	Events Strategy (draft)	1,2,3	IE	ME	POSSIBLE	MAJOR	HIGH	Finalise Events Strategy - including modifications considering mass gathering restrictions and impacts on interstate and international travel (and impacts on discretionary spend) - full impacts are not yet materialised (and agility to change events on an ongoing basis)	Sally Heading	30 September 2020
									Tourism Plan 2020 (currently being reviewed based on credible data)	3	PE					Annual review of event risk management and emergency responses/staff training and development in relation to events		
									Commercial Activation of Community Land Policy	4	PE					Annual review of event schedule		
									Asset Management Plans / maintenance schedule	4	PE					Event survey data		
									Tourism Destination Action Plan	1,2,3	IE							
									Regional Destination Action Plan (Western Alliance)	1,2,3	E							
									Economic Activation Plan 2030	3	E							
									Strategic Plan 2030	3,4	E							
Risk Management & Emergency Respose Plans + Crisis Communications Plans	5	E																

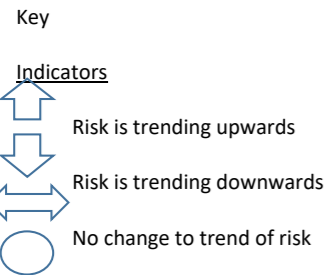
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	What are we trying to achieve by delivering our services?	Short reference		There is a risk of/that:	What are the contributing factors as to <i>How</i> and <i>Why</i> this risk occurs right now? What would cause the event to occur in the future (based on what we know now)?			If all controls fail, how bad can it be?	What are the things we do to manage the risk? (controls either reduce the likelihood or consequences) Align to causes where possible	Which # cause does this critical control address?	Effective; Majorly Effective; Partially Effective; Ineffective	Overall: Effective; Majorly Effective; Partially Effective; Ineffective			After controls, how bad is it now?	What are the things we should be doing that we currently are not? Once implemented becomes a new control		Accountability
16	Culture	Budget Management	John	Poor or ineffective budget development and management	1. Lack of zero baseline budgeting (of discretionary spend) aligned with strategy and service level requirements (generally just CPI% increases) 2. Insufficient budget allocated to significant new assets being developed 3. Difficult to understand full cost of individual services 4. Lack of oversight of Alwyndor finances on an everyday basis - as well as being separated from core Council financial system 5. A need to review budget management/delegations 6. Difficult to embed future potential strategic options and requirements in Long Term Financial Planning 7. Impacts of COVID will have ongoing variability impacts (financial sustainability) on the budget (revenue (rates) and expenditure (strategic investments and ongoing expenditure))	ALMOST CERTAIN	MAJOR	EXTREME	Budget Development process	1,2,3,4	ME	ME	POSSIBLE	MAJOR	HIGH	Annual training and education re the Budget Development process (include additional training re 'commercial acumen')	John/Cadel/Vivienne	31 December 2019
									Budget Management policy, process, training	1,	ME					Refinement of budget review processes (short-term reviews - to include more discussions at quarterly review - to respond to the changes in the economic environment due to unknown impacts of COVID)	Pam/John	30 September 2020
									"Control Track" - annual testing of best practice Budget internal controls and effectiveness measures	4,5	ME					Regular training/education and support re the Budget Management process	John/Cadel	30 June 2020
									Long-term Financial Plan being updated	2	PE					Annual review of internal controls, including reporting and budget management policy, process and procedure - using "Control track" tool - reporting also to Audit Committee on results.	John/Lyn/ Leisa (Alwyndor)	30 June 2020
																LTFP being reviewed (including impacts of COVID) and updated to include strategic projects and scenario analysis - using new LG solutions product. Also LTFP being prepared for Alwyndor operations using same product.	John/Leisa (Alwyndor)	30 June 2020
19	Economy	Economic Development and Tourism	Marnie / Pam	Poor or inadequate Economic Development and Tourism Management	1. Council's Tourism Plan currently out of date 2. A need to finalise development of the Social Inclusion/Access and Inclusion Plan 3. A need for more effective traffic management strategies and transport capacity being stretched (infill, congestion) 4. A lack of investment in market research to inform economic development/tourism management 5. A lack of infrastructure to attract private investment 6. Substantial impacts on local businesses due to COVID restrictions on interstate and international visitation.	LIKELY	MODERATE	HIGH	Tourism Destination Action Plan, Regional Destination Action Plan (Western Alliance), Tourism Plan 2020	1	IE	ME	POSSIBLE	MAJOR	HIGH	Review Retail Strategy for Jetty Road - consider impacts of COVID to further develop the broader economy (more than retail such as accomodation, hospitality, etc)	Marnie Lock	31 December 2020
									Economic Activation Plan 2030	2,	E					Glenelg Rejuvenation Project	Pamela Jackson	1 March 2023
									Jetty Road Retail Strategy + Action Plan	4	PE					Finalise Events Strategy		
									CoHB Investment Prospectus	4,5	E					Tourism & Retail Market Research - impacts on retail spend due to interstate and international travel restrictions (and impacts on discretionary spend); short, medium and long-term action plan being implemented for destination marketing in response to COVID	Marnie Lock	31 December 2020
									Quality of Life survey	5	E					Review Economic Activation Plan 2030 considering the impacts of COVID (consider also the Economic Recovery Taskforce)	Pamela Jackson	31 December 2020
									Tourism and Retail Market research	1,2	IE							
									Business Confidence Survey	4	E							
									Jetty Road Investment Propectus	4,5	PE							
10	Culture	ICT enabling strategy	Pam Jackson	Inadequate consideration of how information technology can support service delivery (Information systems are not: Effective and fit-for-purpose . Used to an optimum level)	1. Lack of a defined/finalised IT strategy to enable overarching organisational strategy 2. Inadequate approach to data governance, including data security / collection practices/systems, poor use of extensive data collected 3. Significant transformation projects ongoing, particularly with TechnologyOne (For example works orders from entry into the organisation to completion) 4. Inadequate identification of specific opportunities to enable better engagement with customers via ICT innovations 5. Lack of appropriate access to analyse and use data to guide evidence-based decision-making 6. Current move towards 'SMART' city concepts with prioritisation and strategic choices required 7. Extensive number of projects being implemented - some lack of overarching program governance to 'join the dots' 8. Vendor functionality improvements timeframe not aligned with Council's needs (Tech1)	LIKELY	MAJOR	EXTREME	Information Management Governance Committee	2,7	PE	PE	POSSIBLE	MODERATE	MEDIUM	Develop a set of criteria for measuring success of ICT projects	Pamela Jackson	30 September 2020
									Information Management Strategy	1,5	PE					Consider efficiency and effectiveness for staff WFH (telephony systems; cloud-based IT)	Pamela Jackson	31 December 2020
									IT Roadmap (in draft); Smart City Tech (draft blueprint); Future State Architecture	1,3,4,6,8	PE							
7	Placemaking	Planning Development	Howard	Poor or ineffective planning systems and processes	1. Impacts of upcoming planning reform potentially reduces Council's influence over planning direction 2. State government priorities/targets to increase tree coverage impacting on Council planning (tree coverage) 3. Lack of finalised Code and DPTI system to manage new planning	ALMOST CERTAIN	SEVERE	EXTREME	Effective Planning and Development application process	2,3	ME	ME	POSSIBLE	MODERATE	MEDIUM	Review processes & improve as a result of the new planning system implementation	Anthony Maroncelli	30 June 2021
									Effective & integrated IT systems (State portal/Council Tech1)	3	PE					Review IT systems, develop integration from DPTI system & train staff to ensure smooth transition to the new system	Anthony Maroncelli	30 June 2021
									Effective Planning Team with appropriate resources	1	ME					Review Planning team	Anthony Maroncelli	30 June 2021
6	Culture	Disruptive events	Pam Jackson	Inability to respond and recover effectively from disruptive events	1. Cyber Security/hacking 2. Disruptive events	ALMOST CERTAIN	MAJOR	EXTREME	Business Continuity Plan and Crisis and Incident Management Plan (recently tested as part of COVID impacts)	1,2	PE	ME	POSSIBLE	MODERATE	MEDIUM	Finalise recently reviewed BCPs	Ania Karzek	30 June 2020
									IT DR Plans	1,2	PE					Review IT DR	Robert Zanin	30 September 2020
									Emergency Management Plan	1,2	E					Finalise Crisis and Incident Management Plan	Rajiv Mouveri	31 December 2020
12	Culture	Workforce Planning	Sharon	Poor or ineffective workforce planning, including recruitment and retention	1. Lack of effective position management (including planning, role type, need for the role) 2. Poor and ineffective decisions on recruitment of some individual positions 3. Lack of effective Workforce Planning 4. Significant change underway (and to come) and workforce capability currently not sufficient (refer to Transformation Capability risk) 5. Pressure as a result of COVID to ensure workforce is more efficient	LIKELY	MAJOR	EXTREME	Vacancy Management Process	1,	E	ME	POSSIBLE	MODERATE	MEDIUM	All vacancies reviewed in consultation with P&C; approved by GM's & final decision to conduct recruitment process and engage preferred candidate by CEO	SLT/CEO	31 December 2020
									Recruitment & Selection Procedures (merit based)	2,4	ME					P&C Participation on panels to ensure culture/skill fit	P&C/LT	31 December 2020
									Workforce Capability Audit & Gap Analysis	3,4	PE					Business Capability Model to be developed and implemented before capability & gap analysis can be completed for whole of organisation. (Audit to be undertaken for Leadership Team against Leadership Capability by 31/1/20)	Strategy & Innovation	30 June 2020

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									Leadership Scorecard Process	4	ME				Bi-annual leadership scorecard measurement which includes 360 degree review for all Leaders & overall leadership benchmark.	People & Culture	31 March 2021	
									Professional Development Review Process	1	ME				Annual PDR process for all staff that includes a development plan	Managers/ Supervisor; P&C	30 June 2020	
13	All	Project delivery	Roberto	Inability to effectively implement strategic projects	1. Volume and complexity of projects 2. Stakeholder interest in outcomes of major projects 3. Decentralised approach to project management 4. A need to clarify roles and responsibilities (governance) in relation to projects 5. Some historical issues with capital project estimating (quantity surveying) processes (estimates in design not correlating with tender responses)	LIKELY	MAJOR	EXTREME	Annual budget process	1,4	E		POSSIBLE	MODERATE	Project Governance needs to defined to improve the Project Management Methodology	Ania Karzek	30 June 2020	
									Project Management Methodology	3,4	PE				Undertake an audit of how the Project Management Methodology is implemented in Council	Pamela Jackson		
									Budget bids include business cases and risk assessments	1,3,4	E	ME			Review Major Capital Project Estimating processes	Howard Lacy	30 September 2020	
									Consultation Plans for all projects	2	E							
									Regular Corporate Reporting	4	E							
14	Culture	Customer Service	Marnie	Poor or ineffective customer service delivery	1. Lack of customer-centric service design to promote optimal customer contact/service: Customer Experience Strategy currently being developed (change culture to "customer outcomes-focussed" organisation) 2. There is a need to strengthen customer focus of Council staff (recruitment, culture and skills development) to enable transformational activities 3. Lack of strong IT systems and efficient and effective processes (eg works orders, complaints management) to support efficient and complete customer service 4. Changing profile of customer expectations and service requirements, for example . increasing requirements for additional services to support increasingly aging population in the Council . online/out of hours capacity 5. Lack of performance measurement in line with community needs 6. Government changes impact upon service delivery (Planning Code, Dog and Cat management, Aged Care Royal Commission findings) 7. As COVID is continuing, the effectiveness of customer service delivery is diminished (due to reduced face-to-face)	LIKELY	MAJOR	EXTREME	Customer experience strategy, key measures + quality standards	1,2,5	IE		POSSIBLE	MODERATE	Change management plan (customer experience strategy)	Ross Whitfield	31 December 2020	
									TechnologyOne system for customer interactions	3	PE				Development of relevant/achievable measures and quality standards in relation to the customer experience	Marnie Lock	1 June 2021	
									Mitel phone system solutions	3	PE				Implement Request Management, including the customer interface, to support customer experience	Yvette van Berkel	30 June 2021	
									Training and development of staff in relation to customer experience	2	PE				Exploring further functionality (Mitel) to enhance customer experience			
									Communications Strategy 2030	1,2	PE	PE			Ensure that customer-experience training embedded in annual training calendar			
									CoHB style guide	1	E				Review communications strategy annually			
									Reviewing customer profiles regularly (approx 3-yearly); currently completed for tourism/retail cohort and residents	1,4	PE				Review customer profile in more granular detail for the broader customer base to encompass all Council services (not just tourism)	Marnie Lock	1 December 2020	
									Identifying externally-imposed changes that impact upon service delivery and training staff to comply	6	ME				Strengthen key stakeholder engagement actions (develop a plan in line with these requirements to facilitate better alignment)			
									Engagement channels (increased with COVID response, such as online responsiveness, social media, Webchat, meeting platforms)	7	E				Provide support and training/development for business units across Council			
									Community Engagement Framework	1,4	ME				Develop consumer reference groups			
														Monitor digital media platforms to formally capture community engagement.				
17	Culture	Legislative Compliance and change management	Roberto	Poor or ineffective management of legislative and regulatory obligations and ongoing changes	1. Continuous legislative and regulatory changes 2. Aged care changes 3. A need for strengthened compliance framework / understanding of the risks of non-compliance	ALMOST CERTAIN	SEVERE	EXTREME	Compliance Register - Council	1,2,3	PE		POSSIBLE	MODERATE	Compliance Register - Completed for all Acts	Nicole Roberts	30 June 2021	
									Aged Care Standards - Quality System	2	E				Compliance Register to be risk assessed	Nicole Roberts	30 June 2021	
									LGA circulars - Changes to legislation	1,2,3	E	ME			Undertake internal audit on compliance register (both on the completion/effectiveness of the register as well as individual identified compliance audits)	Nicole Roberts	30 June 2022	
									Aged Care Changes - Notifications from Industry bodies	2	E				Undertake an internal audit of the Aged Care Quality standards at Alwyndor	Beth Davidson-Park	30 June 2021	
18	Culture	Transformation capability	Pam Jackson	Current staff profile capability not able to transform the organisation	1. Significant need going forward to transform the organisation from 'process-driven' to innovative and dynamic 2. Lack of internal capability/capacity for the organisation needs to transform the organisation to deliver strategic direction [problem solving/influencing/innovative thinking] 3. Lack of skills/training to support staff to build skills to implement change 4. Culture of 'government'/public service ("We've always done it this way", internal compliance) 5. Some 'Decision Paralysis and/or lack of engagement' amongst mid-level management (from a combination of capability, resilience, fear of making decisions, permission [and trust from SLT to make decisions] and a lack of understanding/alignment of the existing strategy)	POSSIBLE	MAJOR	HIGH	Business Capability Model developed	1	PE		POSSIBLE	MODERATE	Change Management plan / training on organisational change	Sharon Somerville/ Ania Karzek		
									Performance Development process and system	2,3,4	PE	PE			Performance Development Plans should consider future capability requirements (as part of the Workforce Development Plan)	Sharon Somerville	30 July 2022	
									Leadership Development Program	5	PE				Development of workforce plan that considers business capability model, future workforce requirements, current workforce profile	Sharon Somerville	30 June 2021	
														Develop KPIs for implementation of Leadership Program	Sharon Somerville			

City of Holdfast Bay
Short Strategic Risk Report

Current as at: 17/07/2020

		CONSEQUENCES ASSESSMENT				
		Insignificant	Minor	Moderate	Major	Severe
LIKELIHOOD ASSESSMENT	Almost Certain	MEDIUM	HIGH	HIGH	EXTREME	EXTREME
	Likely	LOW	MEDIUM	HIGH	EXTREME ¹	EXTREME
	Possible	LOW	LOW	MEDIUM	EXTREME ^{4 3 2}	EXTREME ^{7 6 5}
	Unlikely	LOW	LOW	LOW	MEDIUM	HIGH ⁸
	Rare	LOW	LOW	LOW	MEDIUM	HIGH



Treatment Action Timing
On Track for completion
Behind
Overdue
No additional treatment plans

#	Risk Short Name	Residual Risk Rating	Treatments <i>Additional controls (i.e. controls <u>not</u> yet implemented) to be established</i>	Treatment Plans Current Status
1	Poor or ineffective management of the impacts of climate change	Extreme	Finalise Environment strategy & implement (based on performance measures)	On Track for completion
2	Poor or ineffective Community Service delivery	High	Consider impacts of COVID on future state of community services delivered (ongoing agility regarding changes as they occur) Consider impacts on service levels, particularly in relation to cleaning/hygiene standards and building capacity Complete Demographic Population Mobility Study, Community Services Audit, Social Needs Analysis to Community Wellbeing Future State Report and develop an action plan to implement: Develop a Sport and Recreation Plan; Access and Inclusion Plan; Youth Action Plan	On Track for completion
3	Insufficient or ineffective Asset Management Planning	High	Capital Project list: Reprioritise/reconsider capital project list and method of construction post-COVID Develop 'shovel-ready' project list - in accordance with longer term strategies, and financial and asset plans Review AMP's (including post-COVID review of service levels; Complete 12-15 other inputs which precede the Asset Management Plans (eg social needs analysis, strategic property review, traffic management strategy, future demand expectations on new/renewed assets, community-driven service levels) Develop engagement plan with state government - including identification and access to new funding sources as part of post-COVID response	On Track for completion
4	Failure to appropriately engage the broader community and stakeholders	High	Finalise Disability and Access and Inclusion Plan and Customer Experience Strategy (including customer journey mapping) Assess external communication to the Community - given ceasing of Messenger and other print publications not online Develop a Stakeholder Management Plan	On Track for completion
5	Inability to sustainably provide aged care services to the community consistent with the requirements of the ACQS.	High	Strategic Management Review; Review Governance Structure, Audit Schedules and KPI's ; Development of operational manual aligned to Accreditation self-assessment	On Track for completion
8	WHS & Staff safety: Staff, contractor or volunteer death or serious injury OR subject to physical, sexual, emotional or psychological abuse	High	Business Capability Model to be developed and implemented before capability & gap analysis can be completed for whole of organisation	On Track for completion
11	Lack of strategic alignment	High	Project to review the Strategic Plan to also include broader research and data to determine recovery from COVID impacts - particularly as a result of reduced interstate and international tourism on local businesses	On Track for completion
15	Inability to deliver a sustainable events calendar	High	Finalise Events Strategy - including modifications considering mass gathering restrictions and impacts on interstate and international travel (and impacts on discretionary spend) - full impacts are not yet materialised (and agility to change events on an ongoing basis)	On Track for completion
16	Poor or ineffective budget development and management	High	Refinement of budget review processes (short-term reviews - to include more discussions at quarterly review - to respond to the changes in the economic environment due to unknown impacts of COVID)	On Track for completion
19	Poor or inadequate Economic Development and Tourism Management	High	Consider impacts of COVID: . Tourism & Retail Market Research . Review Retail Strategy for Jetty Road . Review Economic Activation Plan 2030	On Track for completion
9	Inability to implement appropriate controls to manage changes to Local Government reform	High	Nil	On Track for completion

Council vision for the City of Holdfast Bay is: 'Balancing our progress with our heritage, we lead in coastal management to deliver high-quality public spaces and services to build a welcoming, safe and active community where resident, visitor and business prosperity meet.'

Community	A healthy, creative, connected community
Environment	A community connected to our natural environment
Economy	A diverse and resilient local economy
Placemaking	An accessible, lively and safe coastal city that celebrates our past to build for our future
Culture	An effective customer-centred organisation

Risk Rating

EXTREME
HIGH
MEDIUM
LOW

Effectiveness of controls

E	Effective	Effective (100%)
ME	Majority Effective	Largely effective controls (95%)
PE	Partially Effective	Improvement opportunity (25-75%)
IE	Ineffective	Critical improvement opportunity (<25%)

Risk Category

Asset/Infrastructure
 Financial
 Commercial
 Customer Service Delivery
 People
 Compliance and Legal
 Safety and Welfare
 Information and Technology
 Governance
 Political/Reputational
 Environmental
 Disruptive Events

Risk Assessment Ratings (for criteria refer to the Consequences and Likelihood)

Likelihood	Consequence
ALMOST CERTAIN	SEVERE
LIKELY	MAJOR
POSSIBLE	MODERATE
UNLIKELY	MINOR
RARE	INSIGNIFICANT
Not Assessed	Not Assessed

Accept Risk

ACCEPT RISK
YES

NO
CLOSED

Completion Date (Drop Down Menu)

N/A
31-December-2019
31-March-2020
30-June-2020
30-September-2020
31-December-2020
31-March-2021
30-June-2021
30-September-2021
31-December-2021

Change in Trend/Mood of Risk (Better/Same/Worse)

- Better
- Same
- Worse

No control gap. The control is influencing the risk level and only continued monitoring is required.

Controls are largely effective, Minor opportunities to improve the control environment.

Some control gaps that result in the control having limited influence on the level of risk. Improvement is needed.

Significant control gaps that result in the control not influencing the risk level

d Assessments)



Risk Assessment Matrix

Red text = to be updated

Table 1: Risk Matrix

		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Severe
LIKELIHOOD		1	2	3	4	5
Almost Certain	E	Medium	High	High	Extreme	Extreme
Likely	D	Low	Medium	High	Extreme	Extreme
Possible	C	Low	Low	Medium	High	Extreme
Unlikely	B	Low	Low	Low	Medium	High
Rare	A	Low	Low	Low	Medium	High

Table 2: Risk Acceptance table and suggested monitoring/reporting (Note these are just suggested and risk acceptance here means whether you accept this risk based on its residual risk rating. This should not be linked to risk tolerance. This means if a risk is rated high, then management needs to decide if the risk rating can be accepted or not.

RISK RATING	Acceptance Level	Control Level	Monitoring	Reporting	Reporting - Strategic Risks	Reporting - Operational Risks
Low	Acceptable	Adequate	Active	Quarterly/Yearly	All Strategic Risks, regardless of rating are reported to the CHB Audit Committee, Senior leadership Team and CEO. Strategic Risks are managed by CHB Leadership and management	Reported and managed by CHB Leadership and Management
Moderate	Acceptable	Adequate	Active	Monthly/Quarterly		Reported and managed by CHB Leadership and Management
High	Acceptable in some circumstances	Excellent	Pro-Active	Weekly/Monthly		All High Operational risks are reported to the CHB Audit Committee, Senior leadership Team and CEO.
Extreme	Unacceptable in most circumstances	Excellent	Pro-Active	Daily/Weekly		All Extreme Operational risks are reported to the CHB Audit Committee, Senior leadership Team and CEO.

Table 3: Qualitative Measures of Likelihood

Likelihood	Explanation – Operations	Explanation – Projects/ Business Case	FREQUENCY (Description)
Almost Certain	It is expected to occur again, immediately or within a short period – likely to occur most weeks or months.	Could be expected to occur more than once during the study or project delivery	Event is expected to occur in most circumstances
Likely	Will probably occur in most circumstances – several times a year.	Could easily be incurred and has generally occurred in similar studies or projects.	Event could occur in most circumstances
Possible	Could be incurred within a one – two year period.	Incurred in a minority of similar studies or projects	Event could occur at some time
Unlikely	Could be incurred in a two - five year time frame.	Known to happen, but only rarely.	Event could occur in circumstances

Rare	May occur in exceptional circumstances. Could be incurred in a 5-30 year timeframe.	Has not occurred in similar studies or projects. Conceivable but in extreme circumstances.	Event may only occur in exceptional circumstances
-------------	--	--	---

Table 4: Qualitative Measures of Consequence

Impact Scale	Reputation	Business impact	People Safety	Environment	Service Delivery
1. Insignificant	No adverse effect on public image	Low financial loss – impact of less than \$5k	No injuries	"Nuisance" category under the SA Environment Protection Act (1993) met	Insignificant impact on Council's ability to achieve strategic outcomes
	No media interest	Operational issues manageable	Minor repairs required of an insignificant nature to property / infrastructure.	Short term, immediately reversible effects on ecosystem	
2. Minor	Insignificant level of community concern. A slight but manageable increase in the number of adverse resident complaints	within normal activities			Some delays in delivery of strategic initiatives, but only minor aspects impacted
	Negligible adverse impact upon social health and wellbeing of the community which has little or no impact upon established community relationships and links	Medium financial loss – impact of between \$5k and \$20k	Only First Aid treatment required	"Nuisance" category under SA Environment Protection Act (1993)	
	Minor adverse effect on public image	Minor impact in undertaking routine activities	Minor loss or infrastructure damage.	Some minor adverse effects to few species/ ecosystem parts that are short term and immediately reversible.	Overall strategic intent still achievable
	Minor level of community concern, an increase in the number of resident complaints requiring direct effort to resolve/attend to		Normal seasonal illness leading to minor disruption to activities	Contamination – on-site release immediately contained	
3. Moderate	Minor adverse impact upon social health and wellbeing of the community that may have a minor impact upon established community relationships and links	Moderate financial loss – impact of between \$20k and \$50k	Medical treatment required which may include short term admission to hospital	"Material" category under the SA Environment Protection Act (1993)	Some key components of the Strategic Plan cannot be achieved within expected timeframes.
	Adverse media campaign in Messenger over two or more issues, supported by uptake of issue in Advertiser and or local electronic media	Impaired ability to maintain normal operations	Moderate loss/or infrastructure damage	Contamination – on-site release contained with outside assistance	Additional funding/resources or some strategies re-prioritisation is required
	Moderate level of community concern, large number of complaints and letters to editor in Messenger paper	Reprogramming required	damage	Ecosystems- temporary, reversible damage, loss of habitat and migration of animal populations, some reduction in numbers and	
	Minor common law action or Ombudsman investigation threatened/ initiated	Minor legal issues, non-compliances and breaches of regulation	Local epidemic leading to noticeable disruption of activities	die back of plants. Pollution requires physical removal, air quality constitutes potential long term health problems. Manageable restrictions in resource usage	
	Significant adverse effect on public image	Major financial loss - impact of between \$50k and \$1million	Serious & extensive injuries	"Serious" category under the SA Environment Protection Act (1993)	Key Strategic Objectives unable to be achieved; review of Strategic Plan is required
4. Major	Widespread adverse media campaign including electronic local and national media.	Significant effects loss of ability to complete programs, major	Serious structural damage to infrastructure or serious loss of assets.	Contamination – off-site release with no detrimental effects	
				Ecosystems – recoverable damage, death of animals in large	

5. Catastrophic

Social media going viral requiring management intervention. Pressure on State	restrictions to services and		numbers, widespread habitation destruction, significant air quality	
Government and agencies to intervene	project delivery	Widespread epidemic that causes significant disruption to activities	issues. Pollution issues requiring long term management, serious introduction of invasive species	
Significant level of community concern	Serious breach of regulation with investigation or report to		Restrictions on resource usage threatening viability of accepted	
Social health and wellbeing of the community seriously affected by major community unrest and/or significant breakdown of established community relationships and links Significant common law action threatened, major Ombudsman investigation initiated	authority with prosecution and/or moderate fine possible		lifestyle	
Major effect on public image	Critical financial loss/exposure – impact greater than \$1 million	Fatalities	“Serious Material harm” category under the SA Environment Protection Act (1993) and EPA actions initiated	Goals of Strategic Plan not achievable; total and immediate re-work of Plan is required
Widespread adverse media campaign including electronic local, national and international media.	Projects & programs failure, inability to meet minimum acceptable standards	Critical loss, irreversible damage property / infrastructure with a replacement cost that overwhelms the capital budget (>25%)	Off-site contamination requiring immediate and significant remediation actions	
Widespread community outrage	Major breaches of regulation, sanctions imposed	Community movements restricted under State Emergency	Ecosystems – irreversible damage, widespread loss of animals, and key stone species extinctions, destruction of flora species, widespread domination of invasive species. Pollution unable to be effectively remediated	
Social health and wellbeing of the community severely affected resulting in fracturing of established community relationships and links. Class Actions, Judicial Inquiries initiated		Plan	Restriction on resource usage resulting in permanent disruption of accepted life-style	

Table 5: Controls

RATING	Definition	Note
Adequate	The control is designed in a manner that it can give reasonable assurance that the risk will be mitigated. In other words existing systems and procedures cover known circumstances and provide reasonable assurance for majority of risks.	This definition applies to the design of the control
Inadequate	The design of the control is not sufficient enough to give reasonable assurance that the risk will be mitigated. There are weaknesses and	This definition applies to the design of the control
Effective	The control operates in a manner that is effective in terms of being consistent, complete, reliable and timely.	This definition applies for the operating effectiveness of the control
Ineffective	The control does not or partially operates in a manner that is not effective in terms of being consistent, complete, reliable and timely.	This definition applies for the operating effectiveness of the control

Table 6: Risk Types

Strategic
Operational
Project

Table 7: Risk Categories

Asset/Infrastructure
Financial
Customer Service Delivery
Safety and Welfare
Political Reputation
Human Resources
Environment
Compliance and Legal

Table 8: Risk Tolerance

Zero	Willingness to accept no risk at all
Low	Willingness to accept very little risk
Moderate	Willingness to accept some reasonable risk
High	Willingness to accept a high level of risk

Table 9: Consequence matrix for Project risks

	Project specific consequences				
	Cost	Schedule	Performance	Reputation	Safety
Catastrophic	>20% of remaining Project Budget	>20% of remaining Project Schedule	Would cause the delivered capability to be functionally unfit for its intended purpose (i.e. unable to perform core missions or essential tasks).	Widespread public agitation, Government censure, high multiple impacts, widespread negative news profile	Would cause loss of life.
Major	15-19% of remaining Project Budget	15-19% of remaining Project Schedule	Would cause the delivered capability to be only partly functionally fit for purpose (i.e. degraded ability to perform some core missions or essential tasks or unable to perform non-core missions or tasks, and there are no known workarounds).	Sustained public interest, high negative news profile, Premier/Cabinet publicly involved, third party action	Serious Long Term Injury. Temporary disablement. Significant impact on morale and business
Moderate	10-14% of remaining Project Budget	10-14% of remaining Project Schedule	Would cause the delivered capability to be partly functionally fit for purpose (i.e. degraded ability to perform all desired missions or tasks; however, there are known workarounds). There would be some qualification to the level to which it would perform (e.g. due to issues of relationships, concurrency, etc). Several such qualifications would exist.	Moderate impact, moderate public interest, public embarrassment, moderate news profile	Significant Injury requiring medical attention. Short Term effect on morale and business
Minor	2.5-10% of remaining Project Budget	2.5-10% of remaining Project Schedule	Would cause the delivered capability to be functionally fit for all desired missions or tasks, but there would be some qualification to the level to which it would perform non-critical elements of the mission or task. Several such qualifications would exist.	Low impact, some passing interest, low news profile	Minor Medical attention. Negligible impact on morale
Insignificant	< 2.5% of remaining Project Budget	< 2.5% of remaining Project Schedule	Would cause the delivered capability to be functionally fit for all desired missions or tasks, but there may be some qualification to the level to which it would perform non-critical elements of the mission or task. Few such qualifications would exist.	Little community interest, low profile, no news items	Minor injuries not requiring first aid treatment, or near miss

Risk Assessment Matrix

		CONSEQUENCES ASSESSMENT		
		Insignificant	Minor	Moderate
LIKELIHOOD ASSESSMENT	Almost Certain	MEDIUM	HIGH	HIGH
	Likely	LOW	MEDIUM	HIGH
	Possible	LOW	LOW	MEDIUM
	Unlikely	LOW	LOW	LOW
	Rare	LOW	LOW	LOW



SSMENT

Major	Severe
EXTREME	EXTREME
EXTREME	EXTREME
HIGH	EXTREME
MEDIUM	HIGH
MEDIUM	HIGH

Spreadsheet
Column

A

B

D

E

F

N

H

I

J

S

W

X

Y

Z

AA

AB

AC

AD

AE

Risk Assessment - Template

Risk

A unique identifier assigned by the user to each risk in the assessment template

Strategic Objective

Objective – this sets the context for the risk. Risk is based on the impact, +ve or -ve, to achieving the objective.

Typically, the objective will come from existing sources, such as strategic/corporate plans

Risk Owner

The person with the accountability and authority to manage the risk.

In the case of strategic risks, ownership resides with a member of the Executive

Risk Description

The risk should be described in the way of an event occurring. i.e. there is a risk of/that <x> will occur.

Refer to the cause of the event separately.

Risk Cause/s

This is where you identify all the causes that would lead to the risk event occurring.

Multiple causes should be entered

Risk Consequences

Consequences of the event

Identify what the consequences would be should the risk occur in the future.

Rule of Thumb: For every cause that is within the control of the organisation there should be a control in place.

Inherent - Likelihood Rating

Assess the likelihood of the risk event occurring. [Use the drop down menu to select the appropriate likelihood](#) of the event occurring.

The likelihood rating is based on the likelihood table. The table provides further information to assist you determine the appropriate rating.

Inherent - Consequences Rating

Assess the consequences of risk event occurring. [Use the drop down menu to select the consequences](#) of the event occurring

The consequences rating is based on the consequences table. The table provides further information to assist you determine the appropriate rating.

Inherent - Risk Rating - *automatically calculated*

The template will automatically calculate the risk rating based on the entries to the consequences and likelihood ratings

The risk matrix provides further information to assist you in determining the appropriate risk rating.

Critical Controls

risk.

To be a control it has to be an action that is in place and reducing the risk now .

Note: Controls work to reduce either the likelihood of the event occurring or the consequences should the event occur.

Note: Multiple controls may be entered and match up with causes.

Effectiveness of the Controls

Use the drop down list to rate the effectiveness of the current controls. Choose from: Not Effective; Partially Effective; Majority Effective; Fully Effective.

Residual - Likelihood Rating

Assess the likelihood of the risk event occurring - this time you're assessment takes account of the current controls in place to reduce the likelihood

Use the drop down menu to select the appropriate likelihood of the event occurring.

The likelihood rating is based on the likelihood table. The table provides further information to assist you determine the appropriate rating.

Residual - Consequences Rating

Assess the consequences should the risk event occur - this time you're assessment takes account of the current controls in place to reduce the consequences should the risk materialise.

Use the drop down menu to select the appropriate consequences of the event occurring.

The consequences rating is based on the consequences table. The table provides further information to assist you determine the appropriate rating.

Residual - Risk Rating - *automatically calculated*

The template will automatically calculate the risk rating based on the entries to the consequences and likelihood ratings

The risk matrix provides further information to assist you in determining the appropriate risk rating.

ACCEPT THE RISK AT THIS LEVEL?: Additional Controls?

Used to indicate whether additional controls are required beyond the current controls. Use the drop down menu, select either Yes/No

Treatment Actions

****IMPORTANT****

Treatment actions must address the cause of the event.

Multiple treatment actions may be entered beginning with numbers 1, 2, 3, etc.

Treatment actions must be stated clearly and concisely - and be ACTIONS

Who: Treatment Owner

The name of the person who is accountable for implementing the treatment

The treatment owner can be the risk owner

When By: Planned Completion Date

Use the drop down menu to select prepopulated end of quarter dates.

Note: Until the treatment is complete and in place the treatment has no impact on lowering the risk rating.

Change in Trend/ Mood/ Outlook of Risk

When reporting in future, consider whether the outlook for the risk is changing (remember risk management is about trying to predict the future)

Item No: 7.2

Subject: **DRAFT 2020-21 ANNUAL BUSINESS PLAN AND BUDGET**

Date: 23 July 2020

Written By: Manager Financial Services

General Manager: Strategy and Business Services – Ms P Jackson

SUMMARY

The draft 2020/21 Annual Business Plan and Budget was developed on the assumptions and parameters discussed at a Council workshops held in February, March and May 2020. The draft budget satisfies Council's financial sustainability and performance measures.

The Audit Committee at its meeting on 25 May 2020, received, considered and supported the draft 2020/21 Annual Business Plan for public consultation. Subsequent to this meeting on 26 May 2020 Council approved its Draft 2020-21 Annual Business Plan and Budget for public consultation.

A further Council workshop was held on 30 June 2020 to discuss the outcome of the consultation. Council received a report covering the above outcomes on 14 July 2020 (Report 191/20) and resolved that the submissions be noted and answers to specific questions be provided. Additionally Council resolved that the draft Annual Business Plan be reviewed to allow for a reduction in the rate from 2.4% (increase) to 1.9% (increase) with the same \$660,213 operating deficit result.

At its meeting on 14 July 2020 council resolved to include \$69,500 for a beach access safety ramp at Seacliff (Report 170/20) and \$65,000 (subject to grant funding) for Greener Neighbourhood program (Report 177/20) in the 2020/21 capital budget. A further proposed amendment is a \$91,000 reduction in the amount required for the Da Costa play space. Compensating \$2,890 reductions in revenue and expenditure are also proposed for the Jetty Road Main Street levy and budget.

The draft 2020/21 Annual Business Plan and Budget is presented to Audit Committee for their comment and support that it satisfies Council's financial sustainability and performance measures.

RECOMMENDATION

That the Audit Committee note that the draft 2020/21 Annual Business Plan and Budget satisfies Council's financial sustainability and performance measures and support its presentation to Council for adoption.

COMMUNITY PLAN

Culture: Being financially accountable

COUNCIL POLICY

Not Applicable.

STATUTORY PROVISIONS

Section 123 of the *Local Government Act, 1999* (the Act).

BACKGROUND

The Audit Committee at its meeting on 25 May 2020, received, considered and supported the draft 2020/21 Annual Business Plan for public consultation. Subsequent to this meeting on 26 May 2020 Council approved its Draft 2020/21 Annual Business Plan and Budget for public consultation. The consultation period ran from 2 June until 24 June 2020. Council had a workshop on 30 June to consider the submissions and discuss budgeting options. Council then provided an opportunity to hear verbal submissions and comments from members of the community at its meeting on 14 July 2020.

REPORT**Development and consultation of the Draft 2020/21 Annual Business Plan and Budget**

Details of the draft budget parameters, considerations and inclusions were included in the Audit Committee report 138/20 on 25 May 2020. The report included the detailed draft 2020-21 Annual Business Plan which was subsequently published and made available for community consultation.

Consultation submissions

Council received a report covering the above outcomes on 14 July 2020 (Report 191/20) and resolved that the submissions be noted together with answers to submitted questions. A further outcome was a resolution to allow for a reduction of the rate from 2.4% to 1.9% providing the same operating deficit outcome.

A total of 34 submissions were received, in comparison with 12 for the 2019-20 plan. Written submissions were received via three letters, four emails, and twenty seven through the interactive web page. There were expressions of interest for two representations to Council at its meeting on the 14th July 2020. Each of these are accompanied by submissions mentioned above.

These submissions were discussed at an Informal Gathering of Council on 30 June 2020, and the Elected Members were provided full copies of all the submissions.

The feedback and comments received during the consultation period, along with answers, are appended as Attachment 1.

Refer Attachment 1

The key items raised within the submissions included:

- 5 persons provided full support for the Annual Business Plan
- 14 specific comments regarding the rate increase, 1 positive and 13 negative.
- 8 respondents commented on administrative costs including staffing costs, asking what reviews had been undertaken, what cuts had been made and requesting benchmarking.
- 2 respondents did not support the budget deficit. 1 would support a deficit if it allowed a rate freeze.
- 5 respondents requested local consultation regarding the DaCosta Playspace redevelopment.
- 4 respondents suggested delaying major/discretionary projects in light of the current economic climate
- 2 respondents queried elected member benefits
- 4 respondents mentioned Alwyndor, questioning if it posed a financial risk to Council. 1 respondent urged Council to sell Alwyndor.
- 3 respondents suggested the COVID Fund budget was insufficient.
- There were 6 responses regarding tourism and marketing, requesting an even spread of marketing programs across the council area, support for New Year's Eve Fireworks and increased funding in the tourism and marketing area. 2 respondents did not support the cost of Christmas Decorations and 1 wanted the purchase deferred.

Amendments to 2020/21 draft budget

In drafting the Annual Business Plan 2020/21, a number of assumptions were made in relation to the impact of COVID-19 on Council's budget. As a result of modelling, a decision was made to increase rates by 1.6%, with an additional 0.8% increase to cover the State Government's waste levy. This resulted in a total rate increase of 2.4%.

Administration has subsequently reviewed the assumptions that had been made at the time of budget formulation given the easing of restrictions and their impact on the Municipal Budget. Based on this analysis, Administration believes there is an additional \$175,000 available mainly from increased non-rate revenue than previously anticipated.

Council has considered how the additional funds could be applied to the 2020/21 budget including whether to reduce the rate increase or reduce the deficit at its meeting on 14 July 2020 (report 191/20).

Based on the feedback received through community consultation, Council resolved to reduce the rate increase for 2020/21 from 2.4% to 1.9%. The rate increase is made up of a base increase of 1.1% with an additional 0.8% to cover the State Government's waste levy increase.

Further amendments to the municipal budget have been proposed as follows:

- Da Costa Playspace and Basketball Court – Revised amount \$150,000 (previously \$241,000) resulting in \$91,000 reduction.
- Inclusion of Seacliff Beach Access Safety improvements \$69,500 (Report 170/20).
- Inclusion of Greener Neighbourhood Program (subject to funding) \$65,000 (Report 177/20).
- Reduced Jetty Road Mainstreet rate revenue \$2,890 and equivalent operating expenditure reduction.

The updated 2020/21 Annual Business Plan is attached with updated financial statements for Council Municipal activities. The change in capital expenditure has not had a material impact on Council's financial indicators or long term financial plan.

Refer Attachment 2
(Under separate cover)

There are no changes to the draft 2020/21 Alwyndor budget.

Updated Draft Budget Financial Performance and Position

The updated municipal draft budget features:

- an operating deficit of \$660,213 for Council's municipal activities;
- gross capital expenditure of \$22.85m comprising \$6.04m on renewal and replacement of existing assets and \$15.98m for new and upgraded assets and \$832,000 for employee costs capitalised;
- Council's Net Financial Liabilities Ratio ceiling is 75%. The ratio is expected to be 68%. The projected Interest Cover Ratio of 1.6%, which measures the affordability of its indebtedness, shows that Council can manage debt without adversely affecting the sustainability of its long term financial position.

Measure – Municipal Activities	Target	1.9% Rate Increase	Comments
Operating Result – including new initiatives Forecast for 2020/21 <i>Operating revenue less operating expenditure</i>	≥ 0	(\$660,213) deficit	Target is best measured over a five year average. 5 year-average from 15/16 to 19/20 is \$1.3m surplus.
Net Financial Liabilities Ratio – after allowing for proposed new initiatives	≤ 75%	68%	<input checked="" type="checkbox"/> Current (19/20 forecast) ratio is 57%. Increase due to proposed new borrowings

Forecast to 30 June 2021 <i>Total liabilities less financial assets as a percentage of operating revenue</i>			(\$4.2m net) to fund major capital projects; Glenelg Town Hall (\$1.3m); Stormwater Mgmt (\$1.2m); Caravan Pk Stg 2 (\$750k); Wigley Res (\$500k); Kingston Pk Kiosk (\$300).
Interest Cover Ratio Forecast for 2020/21 <i>Net interest expense as a percentage of operating revenue</i>	≤ 5%	1.6%	<input checked="" type="checkbox"/> Low interest-bearing debt and historically low interest rates.

For Alwyndor activities the financial measures are as follows:

Measure – Alwyndor Activities	Target	Forecast	Comments
Operating Result – Forecast for 2020/21 <i>Operating revenue less operating expenditure</i>	≥ 0	(\$379,000) deficit	Expected to return to a sustainable surplus from 2021/22. The forecast surplus for 2021/22 is \$305,000 and for 2022/23 \$563,000.
Net Financial Liabilities Ratio – Forecast to 30 June 2021 <i>Total liabilities less financial assets as a percentage of operating revenue</i>	≤ 75%	66%	<input checked="" type="checkbox"/> Current (19/20 forecast) ratio is 77%. This ratio includes Aged Care Facility deposits which are recorded as current liabilities.
Interest Cover Ratio Forecast for 2020/21 <i>Net interest expense as a percentage of operating revenue</i>	≤ 5%	0.4%	<input checked="" type="checkbox"/> Alwyndor have no borrowings.

Updated Municipal Long Term Financial Plan (LTFP)

The Municipal LTFP was presented to the Audit Committee on 5 February 2020 (report 28/20).

In response to the impact of COVID-19 the LTFP was modelled for various scenarios. Various financial indicator charts were presented at subsequent Council budget workshops to assist in decision making. The key financial indicators of the LTFP were then updated for the final draft 2020-2021 Budget and presented at the Council workshops on 5 May and 30 June and Audit Committee meetings on 26 May 2020.

The current forecasts in the LTFP are:

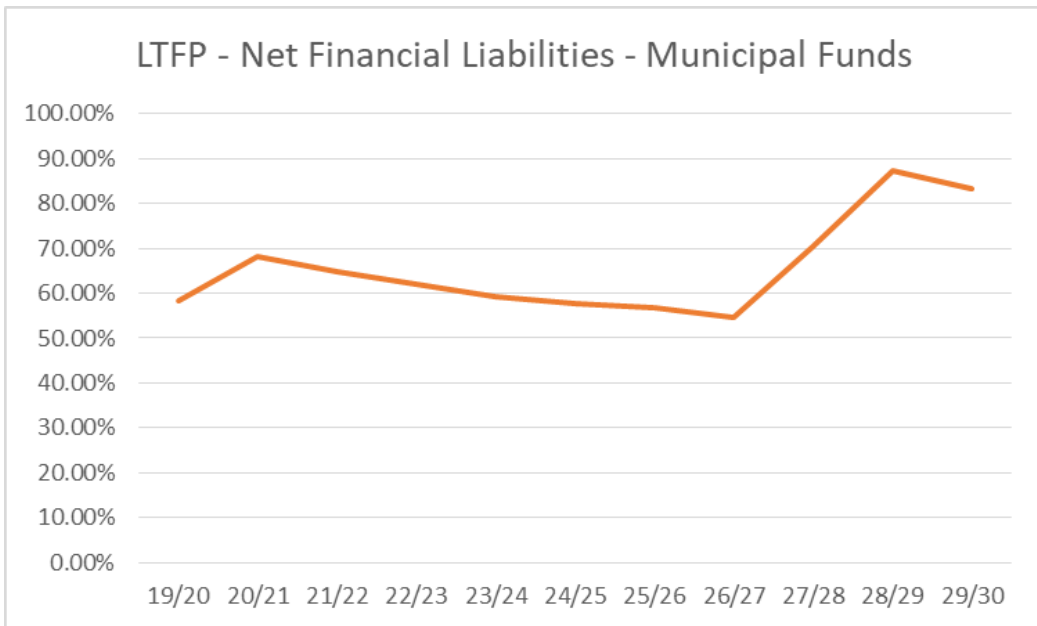
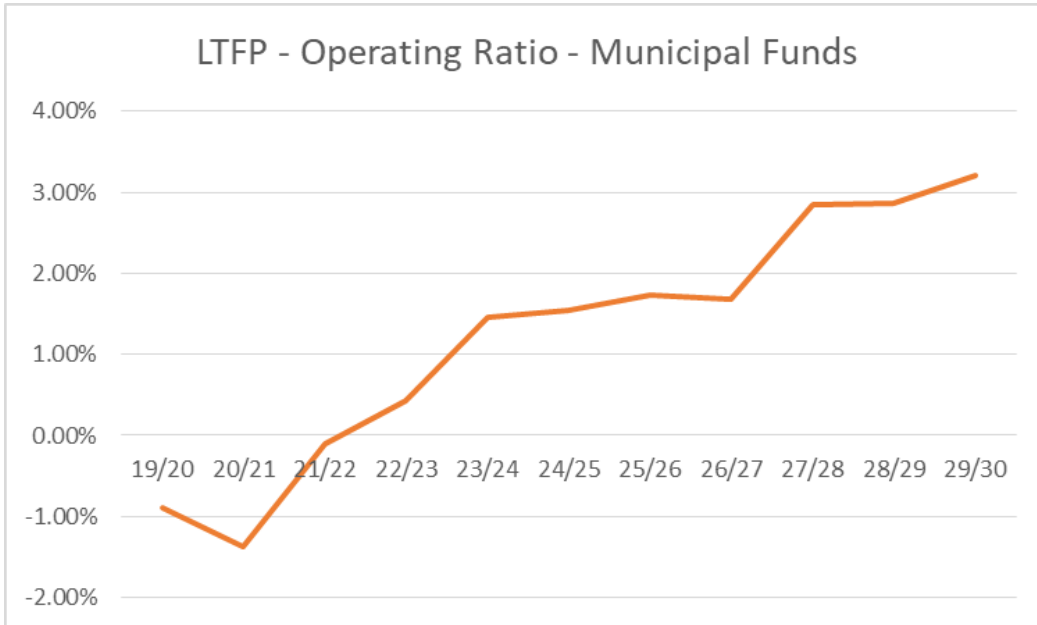
- Asset renewal/upgrades based on 3 year capital program and adopted Asset Management Plan.
- 1.9% rate increase; 0.5% rate increase for new development.

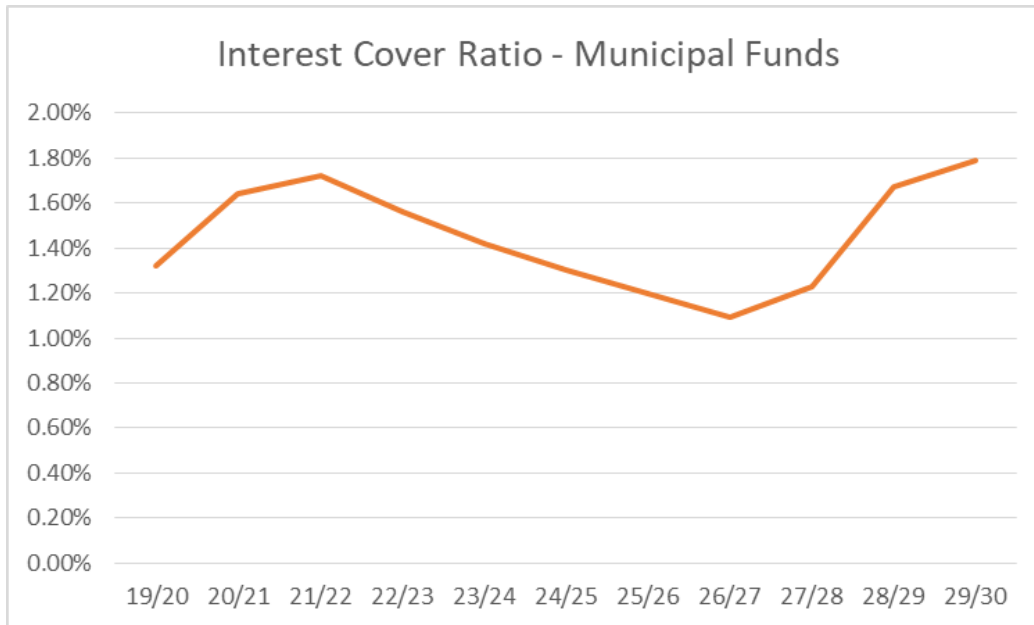
- 2.5% employment costs with the Superannuation Guarantee rate forecast commencing at 9.5% for 2020/21 increasing to 12% by 2025/26.
- Provision for new initiatives indexed for forecast LGPI - \$500,000 operating; \$500,000 capital.
- Provision for election costs has been allowed for every four years, commencing at \$340,000 in 2022/23.
- New Strategic Projects have been allowed for throughout the forecast period (including forecast grant funding) as follows:
 - Storm-water upgrades \$1m Council funding per year over 10 years (indexed).
 - Brighton Sporting Community Centre Stage 2 - \$5m fully funded by grants.
 - Glenelg Oval Masterplan - \$11.1m net.
 - Jetty Road Glenelg Masterplan - \$8.6m net.
 - Coast Park and Kingston Park Masterplan - \$1.3 m net.
 - Foreshore irrigation upgrade - \$331,000 over 3 years.
- Additional depreciation provided for new and upgraded assets based on the average useful life of the class of asset.

The principal LTFP charts indicate that over the forecast period Council will:

- Achieve an operating surplus
- Achieve a net financial liabilities ratio of less than 75% until 2028/29 which reflects additional forecast asset renewal for the transport class of assets.
- Achieve an interest cover ratio of less than 5%.

It should also be noted that the existing asset management plan (AMP) is being updated and this will in turn affect the amount required for asset renewal in future years. It is expected that the updated AMP will be presented to Council later this year. Once approved the LTFP will be updated to include this information and presented to the audit committee for consideration.





Budget and Annual Business Plan Timeline

A number of further meetings and workshops are scheduled to meet the requirements of the budget timetable as follows:

- 28 July: Council receives verbal confirmation on Audit Committee recommendations to endorse final 2020/21 Budget and Annual Business Plan.
- 28 July: Council adopt the 2020/21 Annual Business Plan and Budget and declare the rates.

Audit Committee response

After receiving the above information and outcomes the Audit Committee has a further opportunity to:

- propose and provide information relevant to a review of Council's Annual Business Plan; and
- review and provide recommendations to Council on the sustainability of Council financial performance and proposals.

BUDGET

The cost of production of the 2020/21 Annual Business Plan and community engagement has been met within the current budget.

LIFE CYCLE COSTS

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

Attachment 1



Question/Comment	Response
I fully support the Annual Business Plan	Thank you for your support. We appreciate time taken to review the document and to let us know that we're on the right track.
Dogs on the beach. Please legislate for owners to have dogs on a leash at all times	<p>Currently, dogs must be on a leash from 10am – 8pm only during daylight savings. However, our officers patrol the beaches to ensure dogs are under effective control when dogs are not leashed. Unfortunately from time to time dog owners allow dogs to harass others. This is an offence under the <i>Dog and Cat Management Act 1995</i>.</p> <p>While some people agree with your suggestion to require dogs to be leashed at all times on the beach, others do not. As a Council, we need to balance the needs and desires of all stakeholders across our City.</p> <p>We will be reviewing our Animal Management Directions Plan shortly. This will provide an opportunity for everyone to contribute their feedback on what they would like to see.</p>
Changing the steps to the beach at the end of Holder street, Hove to a ramp for Kayaks	This is not included in the current capital plan, however, we have noted this suggestion and will consider it for future investment opportunities.
<p>\$250k on 'Christmas Decorations... to create a cohesive atmosphere' is vague and seems very excessive. Surely expenditure could be reduced in this area whilst still allowing sufficient money for decorations etc. I do not support spending \$250,000 on this initiative. Will the Christmas Decorations from past years be reused?</p> <p>Upgrade of Christmas Decorations should be delayed for one year.</p>	Jetty Road Glenelg is the only precinct to currently have Christmas decorations and have been used for so many years that they are now in disrepair and at the end of their life. In 2019 many complaints were received from the public and traders about the lack of festive decorations throughout CHB. This cost includes design, procurement, installation, and removal of all decorations and are expected to have a minimum 5 year life cycle (dependent on how they weather the conditions over the years).
In regard to Fireworks it is acknowledged that New Year's Eve is an important celebration and a major benefit to the traders of Glenelg and Brighton.	Thank you for your support. We appreciated hearing from community members about the investments that are important to them.
My family and I are highly supportive of environmental initiatives particularly those focussed around recycling and reducing waste and would like to see continued focus in these areas. We would also like to see this extended to businesses, many of which are producing huge amounts of waste with very limited recycling processes in place.	<p>The Food Organics/Green Organics pilot has been included in the draft plan. Whilst primarily for household waste, the program would be open to any businesses within the trial zone.</p> <p>The pilot is another step in what we hope will be ongoing improvements to waste management in our City and complements other initiatives we continue to take.</p>
It should also be noted that as a large organisation with a wide influence, the City of Holdfast Bay has a responsibility to source products and services ethically and (within reason) support and encourage others to do the same. At this stage (and once again this view is strongly supported by friends and family) links with countries such as China should be actively reviewed to ensure that we are not indirectly supporting their discrimination against other cultures/religions or human rights abuses.	The Council's procurement policy favours products sourced locally and our new proposed Materials Recovery Facility partnership with SRWRA will give us control over where our recycling goes, none of which currently goes to China.
Sell off Alwyndor Care home	Council is committed to providing an excellent aged care service to the community. Alwyndor is a self-funding activity and as such does not rely on Council ratepayers to fund its operations. Due to the demographic profile of our City, it is not part of Council's strategic plan to sell this well-regarded community asset, as it provides much-needed, high-quality services which are increasing in demand.
The fund for batteries for community centres is a very good idea however it may not be enough. Holdfast Bay Community Centre is part of the State emergency plan as a gathering point in a disaster and should be better equipped. A battery system would help if it can run without the grid in an emergency. The centre has a small 2kw inverter generator which can run sensitive equipment but a battery system and community education that reliable power is available there for medical devices would be another community safeguard. \$30,000 won't go far for city-wide.	<p>This initiative is proposed to reduce the costs associated with electricity for the centres and a system would be sized around that. This wouldn't really provide enough capacity to sustain the building(s) long-term in an emergency situation. Battery technology may not be the economical solution if we're catering for our needs in an emergency situation we would need to consider standby generators and a significantly larger budget.</p> <p>Council is in the process of reviewing its suite of emergency plans and will further consider this comment in that context.</p>

Question/Comment	Response
Given the crisis and who know what unexpected financial consequences may arise I would strongly oppose any more ratepayers money bailing out Glenelg Football Club.	The Glenelg Football Club works closely with Council and its administration on an ongoing basis to ensure the long term sustainability of this sporting entity. To date significant club debt reduction financial support has been provided to Council via the SANFL. This is received on an annual basis and has resulted in reduced debt exposure to Council ratepayers. Council regularly reviews the performance of the Club and the support it offers to ensure its sustainability.
With regard to hardship facilities post covid I am of the view that Council needs do no more as there are sufficient facilities in place for hardship available and creating more is not needed. I have no doubt there will be those who don't need help with seek it under a more generous scheme.	Councils new hardship policy reflects contemporary practice within the Local Government sector. It ensures that each case is treated appropriately and in confidence. The policy provides clarity and direction ensuring those cases that are granted financial hardship relief are genuine. Council has considered carefully the balance of support it can provide against the value of that expenditure and we believe that the provisions we have put in place provide targeted assistance to those who are genuinely impacted, while judiciously managing the budget.
In tough financial times and especially those of low interest it is important for Governments to spend and keep the economy going. A deficit is no issue nor is increasing the debt servicing ratio closer to the Council 5% cap. Rate capping at 6% is too high and need to be brought down as a 6% rise is a large slug on a household.	Council supports the comments that it is important to spend on projects for the benefit of the local and general economy. It is agreed that a short term deficit position is acceptable.
The Somerton park Yacht club should be removed from the John Miller Reserve and the facility demolished and returned to open space. In a small city one yacht club is enough for the council to support.	The Somerton Yacht Club provides a safe and welcoming facility for its members and visitors and has done so since the club was built in 1950. Providing stairs on the outside of the building will allow club members to easily and safely access the observation bridge to judge and officiate races (rather than the ladder which only has access through the bar area). The redevelopment as a whole will provide better facilities for the community, allowing the club to gain membership and provide a community facility fit to hire out.
Paint a white line down the centre of the Minda coast park and most of the problems will be solved just like happened when a white line was put down the Jimmy Melrose path.	There are practical impediments to the effectiveness of a centre line, including appropriate transitions through the plaza areas at both ends of the Park. Signage, along with a digital display so cyclists are aware of their speed, are preferred ways to encourage multiple users to share the path safely.
Happy with draft plan and keeping rates under control with a limit of 1.6% rise. Well done!	Thank you for your support. We appreciate time taken to review the document and to let us know that we're on the right track.
Most of Adelaide and Australia are reducing staff and saving money, council should be doing the same	It is important to note that as a government instrumentality, Council also has an obligation to contribute to positive economic outcomes by not adding to the numbers of unemployed unnecessarily, particularly during an economic crisis affecting large parts of our national and state economies. In drafting the 2020/21 budget Council has reviewed its costs while endeavouring to maintain service levels for acceptable and essential services. In terms of staff numbers, all vacancies are reviewed by senior management when they arise and only filled if deemed necessary for operational reasons. Council will continue to look for ways to reduce its costs without reducing services.
Why does it cost \$10,000 to crest 6 street sign posts for VC recipients in Glenelg?	The costs include commemorative street signs and then plaques in the vicinity explaining who the VC recipient is and further information about them. It includes the actual sign costs, installation and a launch of the signs in conjunction with the Veteran's Shed.

Question/Comment	Response
Oppose \$1m deficit	Council has in place a financial target to achieve a positive operating result over a five year period. It is important to accommodate a rolling five year period as economic fluctuations can occur that directly affect the operations of Council. The COVID-19 pandemic has impacted the ability of Council to raise non-rate revenue, while simultaneously requiring Council to maintain community services. The 2020/21 deficit budget forecast reflects the impact of COVID-19 and the measures taken to continue to invest in and support the local economy and community. The current five year rolling average operating result for Council is \$1.3 million surplus meeting its financial target. Council also has a long-term financial plan which indicates an improved operating result in future years.
Why are childminding fees paid by council?	The <i>Local Government (Members Allowance and Benefits) Regulations 2010</i> allow for reimbursement for child care expenses (Regulation 5). Childcare reimbursement is detailed in the Elected Members Entitlements Policy available on Council's webpage (see clause 2.5).
Why is there a sum of \$4000 for football hospitality?	This budget is for issuing tickets to the Glenelg Football Club home games and the hosting by the Mayor and Elected Members of mid-game refreshments to office bearers and participants of local community and service clubs, and volunteers. Councils has a policy entitled "Glenelg Football Club SANFL Tickets" which details the principles of this community benefit.
Why are there so many salaries of \$120,000 to \$150,000?	<p>Under the <i>Local Government Act 1999</i> the CEO is responsible for managing and remunerating employees of the council. Appointments must be consistent with strategic policies and budgets. Salaries in this range include the Managers responsible for service delivery in accordance with the organisational chart and strategic plan of the council. Service areas include engineering, field services(depot), regulatory, development, city activation (tourism and events), libraries, community activities and wellbeing, people and culture, finance, technology, strategy and governance.</p> <p>There are 10 positions in this salary band, reflecting the number of managers in the organisation. As well as salaries being in line with industry benchmarks for such roles, this represents a ratio of approximately 1 manager to 17.5 staff.</p>
Why is so much spent on catering? Catering has increased by 5% and entertainment by 10%	<p>Councils Elected Members Entitlement Policy states that a meal will be provided to elected members by the administration of Council when elected members attend Council meetings, briefings and workshops, reflecting that these are held in the evening, across dinner hours. On average meetings and workshops occur fortnightly, on alternate weeks. The budgeted amount for 2020/21 equates to approximately \$25 per head, which is considered reasonable for an evening meal.</p> <p>The entertainment budget is an annual provision for special occasions as deemed appropriate by the Mayor. The dollar value increase for this budget line is \$500.</p>
Expenditures of the elected members. Have elected members considered a decrease in allowances to reduce the deficit. What memberships for elected members does Council pay for? Why has an travel and accomodation expense been introduced? Why is there an increase of 15.83% in caretaking?	<p>The decision to decrease elected member allowances to reduce the overall deficit is a personal choice. The Mayor has chosen to reduce their allowance by 20% for six months and to apply it to community services support for the elderly during the COVID-19 restriction period. Memberships that are paid for by Council are for the benefit of Council as a whole and not for personal memberships. The budget provision is for Council membership of the Murray Darling Association and the Australian Local Government Women's Association.</p> <p>Travel and accommodation expenses relate to attending training as required. These expenses were previously included in the training budget. The overall training budget has not increased and the new travel and accommodation line has been introduced to enable better transparency.</p> <p>Caretaking has increased to reflect the current contractual arrangement. This budget line includes caretaking for all meetings including staff meetings where necessary. Caretaking includes building cleaning, which is required to increase in frequency due to COVID-19.</p>

Question/Comment	Response
DaCosta Reserve, support for redevelopment, consideration of local residents feedback	<p>The Draft 2020/2021 Annual Business Plan includes a proposed Redevelopment of Da Costa Reserve Playspace. This budget includes a New Initiative Budget of \$162,500 and a Capital Renewal Budget of \$80,000, bringing the total project budget to \$242,500. This budget is for the upgrade of the existing play equipment and basketball half court and the installation of a shade sail over the playground. The new playspace is planned to be located in the same location as the current play and recreation area and be of a similar sized footprint. Council are aware of parking issues at this location and can look into any opportunities that may be available here however due to the location of the reserve this is an expected issue.</p> <p>Should the initiative be successful in being included in the Final 2020/2021 Annual Business Plan, Council will be opening community engagement from the 4 to 31 August 2020 to seek community feedback and ideas about the design of the new playground and recreation area. As part of this engagement we will ask the community what they like about the existing space and what items they would and wouldn't like to see included in the new space. Council will also include a question about whether the community would prefer natural or synthetic shade over the play area. At the end of the engagement period we will review and compile this information and use it to inform our Open Tender to select a contractor to supply and install the new playspace and recreation area.</p> <p>A second stage of engagement is planned for late 2020 or early 2021, to share the concept design that has been created based on the community feedback we receive during stage 1. The new play and recreation area is planned to be completed by the end of June 2021.</p>
Reduce Administrative expenditure	In drafting the 2020/21 budget Council has reviewed its costs while endeavouring to maintain service levels for acceptable and essential services. Council will continue to look for ways to reduce its costs and not reduce services.
Defer Major projects	Council considers it important to continue to invest in the local community to ensure its assets are maintained and replaced appropriately and that services are delivered to an acceptable community standard. The majority of new capital projects are below \$200,000 while the large value major projects include ongoing committed capital works at the Glenelg Town Hall and Wigley Reserve. Other projects are considered essential for community safety and wellbeing and include major drainage works and environmental projects. Investing in income producing assets such as the caravan park is also considered an important strategy for financial sustainability. In drafting the budget Council has deferred a number of other projects in an effort to focus on essential projects.
COVID fund is insufficient. What is proposed?	The amount is considered reasonable given the size of Council and the concessions and relief measures already implemented. The fund is to be used directly for the recovery of businesses and the community from COVID-19. The initiatives are to be developed by Council administration and approved by Council.
Approves of increase to tourism and events	Thank you for your support. We appreciate time taken to review the document and to let us know that we're on the right track.
Specific Traffic and Stormwater requests	These will be considered in the context of management plans.

Question/Comment	Response
Would support a deficit to freeze rates	The COVID-19 pandemic has impacted the ability of Council to raise non-rate revenue, while simultaneously requiring Council to maintain community services. The 2020/21 deficit budget forecast reflects the impact of COVID-19 and the measures taken to continue to invest in and support the local economy and community. The current five year rolling average operating result for Council is \$1.3 million surplus meeting its financial target in this area. In setting its rate income requirements, Council considered its operating costs affected by inflation as well as those imposed on it by the State Government in terms of increased waste collection levies. Financial modelling was also prepared looking at a range of scenarios including a rate freeze. Based on this modelling Council made the decision that a freeze on rates was not sustainable for the community in the long term. It was deemed appropriate to have a small rate increase to ensure services can be maintained while ensuring the long term sustainability of Council. Further reviews of the level of the rate increase increase are continuing as part of this consultation feedback process.
Would like Seacliff and Kingston Park marketed as a tourism destination, is it only Glenelg that is marketed?, how much of the marketing is spent on Brighton? How does Council support/promote the Somerton Park Light Industry area?	<p>A key action of the Tourism Plan 2020 was to develop a Destination Campaign to encourage visitation to Holdfast Bay to experience the array of experiences on offer through different brand statements that has a specific target market.</p> <p>The brand statements are used for Glenelg, Brighton and Seacliff. Each location has key imagery that is used through digital and web.</p> <p>Glenelg is predominantly used for the interstate market as it is well known and acts as a hook to attract visitors who are then encouraged to explore neighbouring towns.</p> <p>Jetty Road Glenelg have their own marketing budget via a seperate (additional) rate levied on commercial properties in the precinct and this uses similar artwork to the Tourism campagins, so it can appear there is more Glenelg promotion occuring due to this.</p>
Supports investment in Kurna partnership	Thank you for your support. We appreciate time time taken to review the document and to let us know that we're on the right track.
Supports Environmental initiatives, no specific target or provision to increase urban forest	The Our Place 2030 Strategic Plan includes a target to increase the tree canopy in our City by 10% over the life of the plan. Also Council has developed a Draft Environment Strategy that is currently on community consultation that includes further targets.
Who will be on the COVID task force?	The Economic Recovery Taskforce includes the Mayor and Councillors Jane Fleming and John Smedley, as well as senior members of Council Administration. Invitations were also issued to several business representatives from various sectors and precincts, reflective of the make-up of the City's economy.
Query 2.4% rate increase, other Councils are freezing rates.	The COVID-19 pandemic has impacted the ability of Council to raise non-rate revenue, while simultaneously requiring Council to maintain community services. The 2020/21 deficit budget forecast reflects the impact of COVID-19 and the measures taken to continue to invest in and support the local economy and community. The current five year rolling average operating result for Council is \$1.3 million surplus meeting its financial target in this area. In setting its rate income requirements Council considered its operating costs affected by inflation as well as those imposed on it by the State Government in terms of increased waste collection levies equating to 0.8% of the rates increase. Financial modelling was also prepared looking at a range of scenarios including a rate freeze. Based on this modelling Council made the decision that a freeze on rates was not sustainable for the community in the long term. It was deemed appropriate to have a small rate increase to ensure services could be maintained while ensuring the long term sustainability of Council. Further reviews of the level of the rate increase increase are continuing as part of this consultation feedback process.
What else has been considered to reduce rate rise	Refer above

Question/Comment	Response
COHB rates will be higher than Marion. Impact on boundary reform?	The final rate in the dollar amount is still to be determined for both Marion and Holdfast Bay. However it is expected that Holdfast Bay will still have a lower rate in the dollar resulting in lower rates for comparable valued properties.
Can the community participate in the budget process at an earlier stage	This can be considered in the formulation of the 2021-22 planning timeline.
Quality of Life survey - How are we improving the scores for value for money and service satisfaction	A customer service strategy is under development, alongside projects to allow customers to access more services online.
Kingston Park Kiosk - what is budget based on? Include this as a business opportunity	The budget for Kingston Park Kiosk has been established over two years. The amount has been determined as an estimate of what is likely to be spent on planning and design and a prediction of what may be affordable for construction in later budget periods. The final budget will be finalised as concept designs are developed and finalised.
Seacliff Toilets - consultation please	Consultation will form a part of the project delivery program.
Brighton Caravan Park - Integrate with plans for Kingston Park and the Kiosk	Yes, the stage 2 redevelopment of the Brighton Caravan Park will be progressed at the same time as, and in consideration of, the Kingston Park and kiosk plans.
Pine Gully works - how do they relate to the Masterplan?	The Masterplan's key themes for Pine Gully are stormwater management, erosion protection, removal on non native vegetation, replanting, trail infrastructure and signage. The planned works are in line with the Masterplan.
Kauri outdoor toilet and wifi - why was this not included in the original development? Why is there a professional services fee for this and not any of the others	The toilets are to service the people that utilise the playground that has now been built. Professional services fees: The Kauri Sporting Centre is managed by Belgravia Health and Leisure since September 2019 to increase utilisation of the centre and offer a range of social, recreational, educational and personal development programs. The requirement for Wifi has increased in line with the level of activation of the centre.
Kingston Park Masterplan - is there enough money? Will carpark remediation be done by September/October?	The budget for Kingston Park Masterplan is considered sufficient at this time. This will be reviewed at the project progresses. The timing of remediation of the area previously used as an "overflow" carpark is currently being considered as part of the overall remediation of the Tjilbruke Spring. Timing of this is currently unknown but the community will be kept up to date on the progress. A community liaison from the 5049 Coastal Community Association is now involved with the project to provide input into the project and assist with the communication and engagement with the community regarding the progress and timing of the project.
No mention of the Seacliff Plaza Masterplan	There are no intentions to progress this project at this time.
Seacliff Boat ramp - please include this in the Beach access signage program	Noted.
What's on down the bay - please can these be at Seacliff and Kingston Park	This initial installation is planned for 5 signs between Glenleg - Brighton. Depending on the success of these installations, we would consider more down the coast next financial year.
Integrated Transport Strategy - what will the initiatives be	This is a budget allocation to progress pilot activities that are highlighted in the strategy once it has been finalised. The strategy is currently being drafted and will be released for community consultation prior to adoption.
Draft Planning and Design Code - will Council be employing extra resources	Rather than increase resourcing to manage council's transition to the Planning and Design Code, existing resources have been redirected through the creation of a temporary transition manager role. Internal working groups have also been established using existing resources to manage the structural and technological changes required.
Walking Tour of Seacliff - no provision for a booklet	This is a considerable project undertaking, and as such research and planning is being undertaken in 2020/21, and production will be submitted to Council for consideration in the 2021/22 budget process.
Coast Park - no funding for solar lighting or measures to slow cyclists and improve safety	Much of the length of the Coast Park is lit by street lights. In areas not lit, this has commonly been a deliberate decision to discourage excessive night use of those areas. In relation to slowing cyclists, a trial of digital technology is about to commence on the Minda Coast Park section of Coast Park, where a speed read-out will be installed to inform cyclists of their speeds and enable them to slow down to the prescribed speed limits.
Improving Kingston Park and Seacliff. Tree planting at Wheatland.	Wheatland street Seacliff has been audited for street planting viability. It has been determined that street tree planting is not achievable due to interference with underground infrastructure.

Question/Comment	Response
Kingston Park open space and playground renewal. What does this comprise?	The playground at Kingston park was identified as requiring replacement imminently, and this is being considered as part of the remaining activities to be undertaken at Kingston Park. The nature of the replacement is still to be determined but will be in line with directions acknowledging the cultural significance of this area.
Oppose increasing debt level, why are debt levels increasing whilst also running a deficit	Page 53 of the draft annual business plan explains Councils approach to debt. Council has a treasury policy which recognises the use of borrowings for long-life capital projects and to spread the debt burden over the generations which benefit from the projects (often referred to as intergenerational equity). Council has a financial ceiling for borrowings and this is measured regularly. Page 58 of the document explains net financial liabilities and the ceiling at 75%. The draft budget indicates that net borrowings are below this ceiling and Council has the capacity to borrow for new capital projects such as the Glenelg Town Hall restoration, stormwater projects and caravan park upgrades. The deficit budget result refers to Council operations. Council has in place a financial target to achieve a positive operating result over a five year period. It is important to accommodate a rolling five year period as economic fluctuations can occur that directly affect the operations of Council. The COVID-19 pandemic has impacted the ability of Council to raise non-rate revenue, while simultaneously requiring Council to maintain community services. The 2020/21 deficit budget forecast reflects the impact of COVID-19 and the measures taken to continue to invest in and support the local economy and community. The current five year rolling average operating result for Council is \$1.3 million surplus meeting its financial target. Council also has a long-term financial plan which indicates an improved operating result in future years.
Rugless Tce Pedestrian Refuge - Consultation please	The concept design has been completed and is pending budget approval in order to proceed. The pedestrian refuge is located outside of the school. Consultation with local residents will occur once the project progresses.
<p>Queries regarding balance sheet items changes:</p> <p>LAND INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT. This Balance Sheet item dropped in value by \$6,903,313. What adverse operational event caused this loss?</p> <p>LONG-TERM BORROWINGS. The debt level increased by \$3,429,222. What were the increased funds used for?</p> <p>ASSET REVALUATION RESERVE. This reserve dropped by \$11,523,000. Why ?</p>	<p>The change in both the carrying value of Land, infrastructure, property, plant and equipment and the Asset Revaluation Reserve is due to revaluation of road and kerb assets accounted for in the 2018/19 year-end financial statements. Road and Kerb assets were revalued by Public Private Property. The last revaluation on these assets was performed in 2015. This resulted in a valuation decrease of with the main variances as follows:</p> <ul style="list-style-type: none"> • The value of Council’s kerb and guttering assets increased by \$2.0m due to higher replacement costs. • The value of Council’s road surface assets increased by \$0.8m due to higher replacement costs. • Accumulated depreciation calculated for Council’s road base assets increased by \$14.5m which reduced the carrying value due to a change in methodology in calculating the condition of the underground assets. The value, Public Private Property, based the condition, and amount depreciated, on the age of the asset. <p>The 19/20 original budget figures did not include the change in this valuation as it was not known at the time of preparing the 19/20 budget. The 18/19 financial results were finalised in October 2019. The 20/21 draft balance sheet takes into account the 18/19 audited financial position plus the current 19/20 and forecast 20/21 budget movements.</p> <p>The increase in borrowings is for new capital projects. These include the on-going restoration of the Glenelg Town Hall \$1.3m, stormwater management projects \$1.2m, Brighton Caravan Park \$750,000 and Wigley Reserve Playspace \$500,000. Page 53 of the draft annual business plan explains Councils approach to debt. Council has a treasury policy which recognises the use of borrowings for long-life capital projects and to spread the debt burden over the generations which benefit from the projects. Council has a financial ceiling for borrowings and this is measured regularly. Page 58 of the document explains net financial liabilities and the ceiling at 75%. The draft budget indicates that net borrowings are below this ceiling and Council has the capacity to borrow for new capital projects.</p>

Question/Comment	Response
Request for public budget workshops	<p>The <i>Local Government (General) Regulations 2013</i> states at Regulation 8AB that workshops can be in confidence if it is a planning session of a general or strategic nature, a briefing relating to information or a matter of a confidential nature (to be considered on a case by case basis). The <i>Informal Gatherings of Council Policy</i> also details processes for Workshops. The Senior Leadership Team determines if a workshop is open or closed and the reason is detailed on Council's webpage if it is a closed meeting.</p> <p>The desire for greater involvement in budgeting is noted and will be considered in the context of impending procedural reviews.</p>
What cuts were made to operations?	<p>In drafting the 2020/21 budget Councils administration reviewed its operating costs while assessing service levels. No major cuts were made to operational services as this would have significantly impacted existing service standards. Council will continue to look for ways to reduce its costs without impacting service levels.</p>
<p>4 out of the 5 budgets for Alwyndor reflect figures against the 2018/19. Re presents a substantial risk to Council with 31% of its revenue and 32% of its expenditure. Original Budget. Please clarify why the 2019/20 year budget figures were not used?</p>	<p>The Alwyndor financial statements on page 72 through to 75 have the incorrect prior financial year heading only. They should be labelled as 19/20. The dollar amounts on the statements are correct and refer to the correct 19/20 financial year. Council apologises for this error. In terms of the financial risk of Alwyndor, Council is committed to providing an excellent aged care service to the community in the long term. It is a self funded activity and as such does not rely on Council ratepayers to fund its operations.</p>
<p>In light of the current economic climate are the following projects considered essential to be implemented this year: Digital Transformation - \$375,000 Customer On - Line Booking and Service Scheduling Experience - \$65,000 Audio in Kingston Room - \$15,000</p>	<p>All capital and operational initiatives are assessed by senior management and Council before they are included in the draft annual business plan. These projects are considered essential. The digital transformation and booking system will deliver efficiency and effectiveness improvements for council staff and external customers. The audio in the Kingston Room is considered essential for public meetings that are held regularly in that room.</p>
<p>Glenelg Sports Club Budget figure of \$90,000 allocated for an upgrade of facilities to the Glenelg Cricket Club. Is this amount in addition to the \$200,000 allocated to Stage 2 of the Glenelg Oval Master Plan? What is the plan for the repayment of the \$2.5 million interest free loan to the Glenelg Football Club? Is it part of Glenelg Master Plan Stage 2 to join all the clubs into one facility? When will the Glenelg Sports Clubs be subject to the current Council leasing policy? The Glenelg Oval operating expenses are set at \$163,967 yet when compared to the Brighton Oval operating expenses they are much lower at \$127,333. Why the substantial difference?</p>	<p>The \$90,000 for the Glenelg District Cricket Club change room refurbishments is in addition to the \$200,000 allocated to the new uni-sex change rooms and associated facilities. The remaining stages of the Glenelg Oval masterplan are unfunded and under review. The Glenelg Oval Sports Clubs will be subject to the Sporting Club leasing policy on expiry of their current leases or in the event of a substantial redevelopment triggering the redevelopment clause in the current lease. The operating expenditure for Glenelg Oval is substantially higher than that of Brighton Oval due to the nature and level of activities held there. Glenelg Oval hosts SANFL and SACA matches which have a higher maintenance requirement for obvious reasons. Largely, this is the reason behind the difference in expenditure.</p>
<p>Brighton Caravan Park It appears that a substantial management fee is paid in lieu of any lease agreement. If this is the case and in view of the associated costs, is the leasing of the Park a consideration of the Council?</p>	<p>The Brighton Caravan Park has been operated on behalf of Council since 2013. The occupancy rate and return profits to Council have grown consistently since then, proving the operating model to be successful and profitable. Council may consider options including leasing in the future if it can be seen as beneficial.</p>
<p>Signage HBRA feel that Council should exercise more discretion with signage. Banners erected on poles without supporting an event e.g. "Glenelg Precinct" banners, have no significance to the ratepayers. Is there a need for signage at a cost of \$56,252 advertising the Council ownership of parks and assets again it does not appear to provide any benefit to the ratepayers?</p>	<p>The Jetty Road Banners have been included after requests from traders along the eastern end of Jetty Road where there is currently none. The costs include the fixtures and installation of the banners, and updating the brand on the current poles for consistency. The banners help add to a sense of place and destination which are important factors for Tourism, a key economic driver for CHB. Aside from this type of signage, Council has a regulatory responsibility, much of the signage Council owns is required to inform visitors and residents of these regulations.</p>

Question/Comment	Response						
Operating Budget: Are there Actuals to Budget figures available?	Council receives regular monthly budget to actual reports and these are available via Councils website. Major budget updates are also prepared at the end of each quarter. These reports are also received and considered by Council's Audit Committee.						
Many Councils interstate use site value rather than capital value for rates.	Council considers capital value to be the most appropriate basis for rating and is consistent with most South Australian Councils. In SA only seven Councils use site value. The proposed Statutes Amendment (Local Government Review) Bill 2020 removes the ability of Councils to use the site (unimproved) valuation of land as the basis of rating to provide for a consistent approach across the State.						
Will there be a staffing review, will there be salary reductions relating to COVID as with other industries? Has the number of staff increased over the past 5 years?	<p>There has been minimal change to staffing levels over the past 3 years:</p> <table data-bbox="1041 422 1243 502"> <tr> <td>2017/18</td> <td>178.43 FTE</td> </tr> <tr> <td>2018/19</td> <td>177.66 FTE</td> </tr> <tr> <td>2019/20</td> <td>178.33 FTE</td> </tr> </table> <p>All staff are bound by Enterprise Agreements (EA) which prescribe wage increases. These cannot be amended unless there is an industrial process which includes a vote by staff. The Field Services Enterprise Agreement is due for negotiation at the end of 2020 so the current environment will be considered in those negotiations. The Admin EA doesn't expire until 30 June 2022. The Chief Executive Officer and Senior Leadership Team have frozen their wages for the 2020/21 financial year.</p>	2017/18	178.43 FTE	2018/19	177.66 FTE	2019/20	178.33 FTE
2017/18	178.43 FTE						
2018/19	177.66 FTE						
2019/20	178.33 FTE						
If Alwyndor was not included would it diminish the level of responsibility and lower executive salaries	Municipal funded executive salaries would not be lower if Alwyndor were excluded. The employment costs on the Municipal Funds financial statements include executive salaries for staff who do not perform or have responsibility for Alwyndor activities.						
What does the \$600,000 in contractor expenses comprise?	From time to time specialists are contracted to undertake specific projects.						
Cinema Carpark: Professional fees increased by 8% and why does it run at a deficit. What does the management arrangement comprise?	<p>The car park was designed to drive visitation into the area by offering more parking and boost the local economy which is why 2hrs free parking was introduced. This comes at a small cost in comparison to the benefit the local economy receive. If there was no free parking then the revenue would be significantly higher.</p> <p>The management fees cover servicing and management of the car park. This includes having staff available 24 hr 7 days a week to fix problems. They also service the equipment and manage the money coming in at the ticket machines.</p>						
Can we access benchmarking information on expenses and income?	The benchmarking of services across Councils is comparatively difficult due to the differing nature and focus of each Councils, an example of this is the different service levels Councils have for the maintenance of parks and reserves. The Productivity Commission recommended to the State Government in its report on local government costs and efficiency earlier this year that the State develop a benchmarking framework for local government that provided transparency to the public. The State Government is still consideration the implementation of this recommendation.						
External borrowings - buildings. What is this for as an operating item	This is a budget line that refers to interest on borrowings which are operational costs.						
Why is there an increase of \$340,000 for interest costs on external borrowing?	This amount refers to interest on new borrowings required for approved major capital building projects completed in 2020, including the Brighton Oval redevelopment.						