

Agenda

Audit and Risk
Committee

NOTICE OF MEETING

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

Kingston Room, Civic Centre
24 Jetty Road, Brighton

15 April 2024 at 6.00pm



Roberto Bria
Chief Executive Officer



1. Opening

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

2. Kurna Acknowledgement

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

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

3. Apologies

3.1 Apologies received – Councillor Snewin, C Garrett

3.2 Absent

4. Declaration Of Interest

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

5. Confirmation Of Minutes

That the minutes of the Audit and Risk Committee held on 27 March 2024 be taken as read and confirmed.

6. Action Items

7. Presentations

7.1 Nil

8. Reports By Officers

8.1 Draft Long Term Financial Plan 2024 - 2034 (Report No: 108/24)

8.2 Draft 2024-25 Annual Business Plan and Budget (Report No: 107/24)

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



10. Confidential Items

10.1 Glenelg Football Club Loan (Report No: 109/24)

Pursuant to Section 87(10) of the *Local Government Act 1999* the Report attached to this agenda and the accompanying documentation is delivered to the Audit and Risk Committee upon the basis that the Committee considers the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Audit and Risk Committee will receive, discuss or consider:

- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - i. 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
 - ii. would, on balance, be contrary to the public interest.

11. Date and time of next meeting

The next meeting of the Audit and Risk Committee will be held on Wednesday 12 June 2024 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

12. Closure



Roberto Bria
Chief Executive Officer

Item No: 8.1

Subject: **DRAFT LONG TERM FINANCIAL PLAN 2024 - 2034**

Summary

The Long Term Financial Plan (LTFP) has been reviewed and updated to include the Draft 2024-25 Annual Business Plan, 2022-23 audited financial statements, and budget updates to 31 December 2023. The projections in the LTFP indicate Council remains in a sound financial position.

The LTFP has also been informed by the latest Asset Management Plans and direction from Council regarding its commitment to financial sustainability. A number of assumptions have been reviewed in updating the plan and these are detailed in the report.

The Draft Long Term Financial Plan 2024 - 2034 is presented for recommendation to Council of endorsement and release for community engagement.

Recommendation

That the Audit and Risk Committee:

- 1. notes the Draft Long Term Financial Plan 2024 - 2034 and supports its presentation to Council for community consultation; and**
 - 2. recommends to Council that the Net Financial Liability Ratio be increased from 75% to 100% for the life of this Plan, as a result of the borrowings for the Transforming Jetty Road Project.**
-

Background

The *Local Government Act* requires Council to review its Long Term Financial Plan (LTFP) at least annually and that as part of the process members of the public be given the opportunity for involvement in the review. The LTFP has been updated to include the 2022-23 audited financial statements, budget updates to 31 December 2023 and the draft 2024-25 budget.

Alwyndor has been excluded from the LTFP as it is managed as a financially self-sustaining operation.

Report

The annual LTFP update reviewed existing assumptions, considering economic conditions, and applied financial information and forecasts available at the time. It should be noted that the LTFP is not a static document and its purpose is to provide broad financial projections to assist in making key decisions.

A document for public consultation has been prepared to both meet regulatory requirements and, more importantly, to communicate often complex financial data in a format that will be informative to the community.

Refer Attachment 1

Financial principles and targets

In preparing the LTFP, Council's key financial principles were considered, including the following:

- delivering a balanced budget that fully funds the costs of its services including depreciation.
- developing sound infrastructure and asset management planning by creating, enhancing, and using long-term infrastructure and asset management plans.
- providing the community with a reasonable degree of predictability for rates over the medium term.
- creating intergenerational equity by spreading the cost of new infrastructure across the generations that will benefit from those assets.

The Local Government Association of South Australia has prescribed three key financial indicators for all councils to use to help measure financial sustainability. As well as specifying the methodology to be used they have provided suggested targets that will help determine financial sustainability.

- Operating Surplus Ratio - operating result as a percentage of rate revenue to be between 0% and 10% over a period of time.
- Net Financial Liabilities Ratio – net financial liabilities as a percentage of operating revenue to be between 0% and 100%.
- Asset Renewal Funding Ratio - capital renewal expenditure as a percentage of expenditure identified in the Asset Management Plans to be between 90% and 110%.

The LTFP has been developed with the aim of meeting all of these key targets over the life of the Plan. An additional indicator and target used was the Interest Cover Ratio.

- Interest Cover Ratio - net interest expense as a percentage of operating revenue to be less than 5%.

Revised underlying assumptions

The existing LTFP assumptions have been reviewed including consideration of current economic conditions, inflation, and other up-to-date financial information. The assumptions made and inputs used are detailed within the LTFP document.

Refer Attachment 1

A few of the key assumptions are detailed below.

Inflation forecasts

Current economic conditions make it hard to accurately predict future price rises, however, to assist with the process a forecast for Adelaide CPI over the next ten years was sourced from Deloitte Access Economics in November 2023.

New borrowings

In line with Council's Treasury Management Policy, borrowings are a mixture of short-term and long-term loans designed to manage liquidity and interest rate risk. Borrowings are only provided for when cash is required. New loans have been forecast on a 15-year repayment basis, initially at a current Local Government Finance Authority interest rate of 5.53% and reducing to 3.5% over the life of the Plan. This is in line with the Reserve Bank of Australia's projection that interest rates are expected to fall from late 2024.

Transformation of Jetty Road project

The 2024-25 Draft Annual Business Plan provides detail on the planned \$40 million Transforming Jetty Road project due to take place over the next three years. Council has secured \$10 million of funding from the Australian Government, however, the remaining \$30 million is funded through new borrowings. The associated costs have been included within the Plan with an allowance to fund this through increased rate revenue.

Rate revenue increase

Rate revenue increases are based on the forecast Adelaide CPI for that particular year. In addition, based on historical averages, an annual provision for property development growth of 0.8% has been made.

To fund the Transforming Jetty Road project a provision for a 2.3% increase in rate revenue has been made in each of the next three financial years. The exact increases required will be calculated and presented as part of future Annual Business Plan public consultations.

Long-term Financial Position

There are different ways in which Council can achieve its objectives. This Plan balances the funding needs of asset renewal, new infrastructure and existing services against rating expectations, reasonable fees, and debt leverage.

The current 10-year projection indicates a degree of financial capacity to respond to unexpected events, and undertake major new initiatives, without adversely affecting the continued provision of services to the community. The Plan has been set against economic uncertainty but will be reviewed every 12 months to reflect the prevailing economic conditions and changing community demands placed on the City of Holdfast Bay.

Over the life of this Plan, it is projected that Council will not only maintain a strong financial position but will meet all of its financial targets.

- Operating Surplus Ratio - Council forecasts operational surpluses for all years, thus meeting its target. These surpluses will be used to repay existing debt and fund new initiatives identified through community consultation.

- Net Financial Liabilities Ratio - Over the life of the Plan, the ratio averages 95%. However, it is forecast to exceed its target of 100% from 2026 to 2030 due to borrowing requirements for the Transforming Jetty Road project. As the repayment of this debt has been accounted for through a planned increase in rate revenue the Council remains financially sustainable. The declining ratio in later years confirms this, while also indicating that Council will have a corresponding increase in its capacity to fund future initiatives. It is recommended that the ratio be increased from 75% to 100% for the life of this Plan, noting that Council will work towards resetting the target back to 75% in the next 10 year plan.
- Asset Renewal Funding Ratio - Forecast capital renewal expenditure has been taken directly from Council's Asset Management Plans (2020-30) thus creating a 100% ratio in all years, except for 2025 when the requirement for additional renewal works was identified. This illustrates Council's intention to replace assets at the optimum time, ensuring that sustainability is maintained.
- Interest Cover Ratio - Council forecasts a ratio under 5% in all years, thus meeting its target. As with the Net Financial Liabilities Ratio, the declining Interest Cover Ratio over the timeframe of the plan indicates that Council will have a corresponding increase in its capacity to fund future initiatives.

The LTFP assumes a continuation of existing services and programs, however, as Council responds to changing community expectations it may make decisions to change services and invest in new and improved infrastructure and the LTFP will assist in this regard.

Community Engagement

Along with the Draft 2023 - 24 Annual Business Plan, copies of the Draft Long Term Financial Plan 2024 - 2034 will be made available at the commencement of a 21 day community engagement period, commencing Wednesday 24 April and concluding on Friday 17 May.

Copies of the Draft Long Term Financial Plan 2024 – 2034 will be available from Wednesday 24 April at:

- yourholdfast.com/DABP24-25
- Brighton Civic Centre, 24 Jetty Road, Brighton

Feedback must be received by 5pm Friday 17 May to be considered by Council. Comments can be made by:

- visiting yourholdfast.com/DABP24-25
- writing to the Manager Finance, PO Box 19, Brighton SA 5048
- emailing the Manager Finance at mail@holdfast.sa.gov.au
- telephoning council on 8229 9999 during office hours
- making a deputation to Council at its meeting on Tuesday 14 May 2024 (commences 7pm, Glenelg Town Hall, Moseley Square, Glenelg). Notice via mail@holdfast.sa.gov.au, or written notice provided to the Brighton Civic Centre by 5 pm Tuesday 7 May 2024 for anyone wishing to make a deputation.

Details of how the community may participate in the consultation process or gain copies of the Draft Long Term Financial Plan 2024 - 2034 will be advertised on the yourholdfast database and social media pages.

Budget

The cost of production of the Long-Term Financial Plan 2024 - 2034 and associated community engagement will be met within the current budget.

Life Cycle Costs

Not applicable

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999, Section 122

Local Government (Financial Management) Regulations 2011, Regulation 5

Written By: Manager Finance

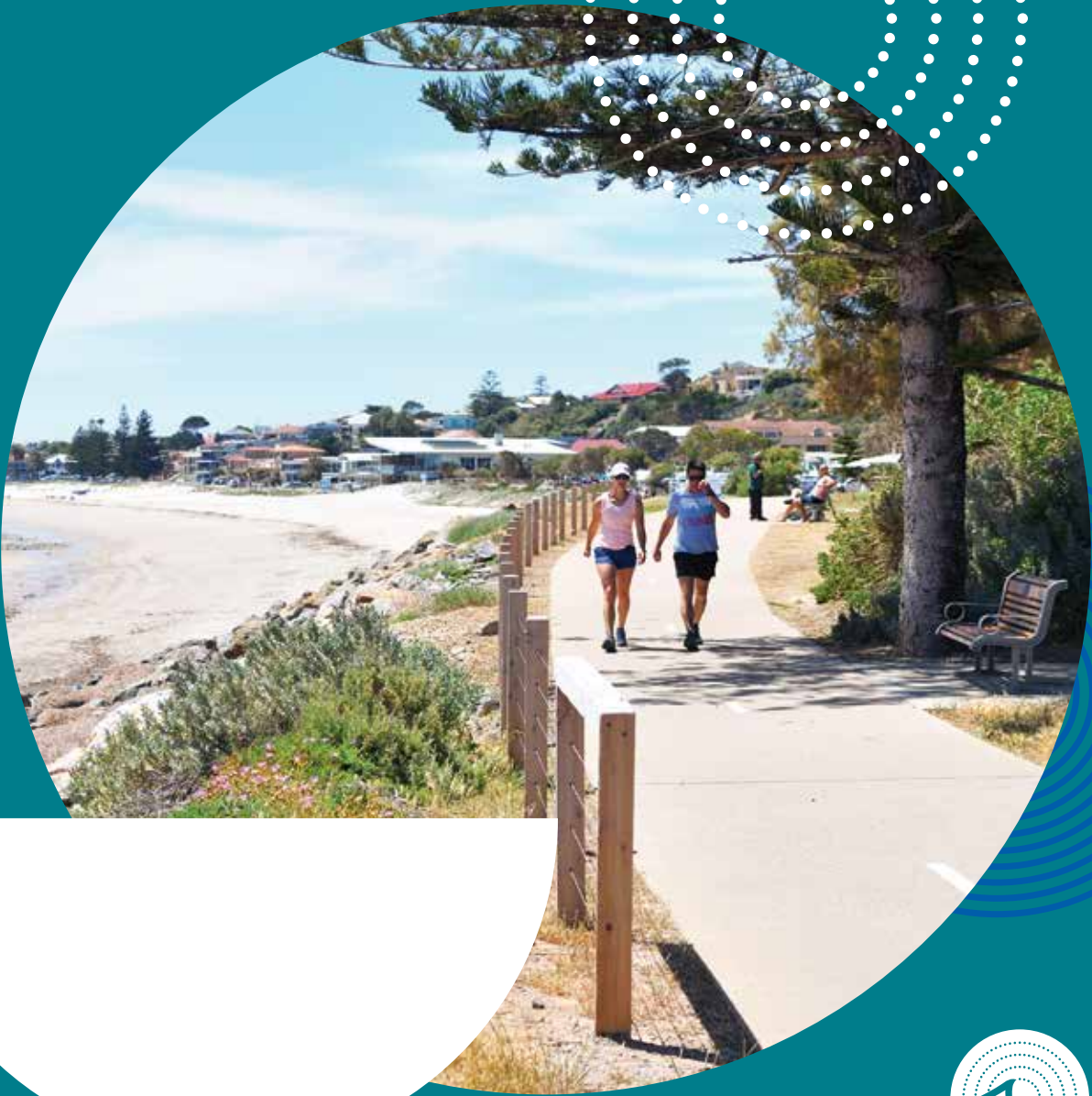
General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

DRAFT

Long Term Financial Plan

2024/25 –
2033/34



A Day in the Life

Did you know that on a normal day in the City of Holdfast Bay:

Nearly
1,508

items are borrowed from our libraries at Glenelg and Brighton



More than
322

people attend our four Community Centres

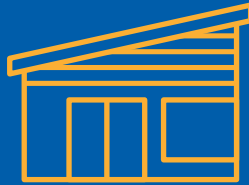


Maintenance and other works are carried out at Glenelg Oval by our Open Spaces team



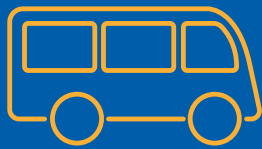
511

people visit the libraries

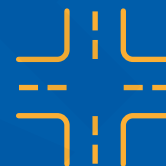


7,200

bins lifts for residential and business waste collection



30 trips on the Community Wellbeing bus



25 linear metres

of roads resealed



60

separate cleaning services are conducted at council buildings



Each of our **31** public toilet facilities are serviced and cleaned

18 linear metres

of kerb replaced



Our two Jetty Roads at Glenelg and Brighton are serviced by street sweepers



24sq metres

of footpaths repaired



3

trees planted



174 phone calls and

95 emails

are responded to by our Customer Service team



3,242

page views on our website



4

Development Applications processed



33 requests completed by our Field Services team

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The Long Term Financial Plan and its purpose

The City of Holdfast Bay Long Term Financial Plan is a planning tool developed to map the financial sustainability of the city into the future, while meeting the needs and expectations of our community.

By applying key principles and underlying assumptions to each year of the plan, financial projections have been determined for a 10-year period between 2024–25 to 2033–34. These projections help inform day-to-day and longer-term decision making about the affordability, timing and combination of future outlays on Council’s operations, renewal of existing assets and construction of new assets. They also allow early identification of potential financial issues and their longer-term impacts.

Long-term financial estimates are an integral part of Council’s strategic planning process. It provides the ability to plan how it can deliver short, medium and long-term community priorities, based on its resourcing capabilities. These priorities are identified in Council’s Strategic Plan, *Our Holdfast 2050+*, which through the Long Term Financial Plan informs the Annual Business Plan and Budget each year.

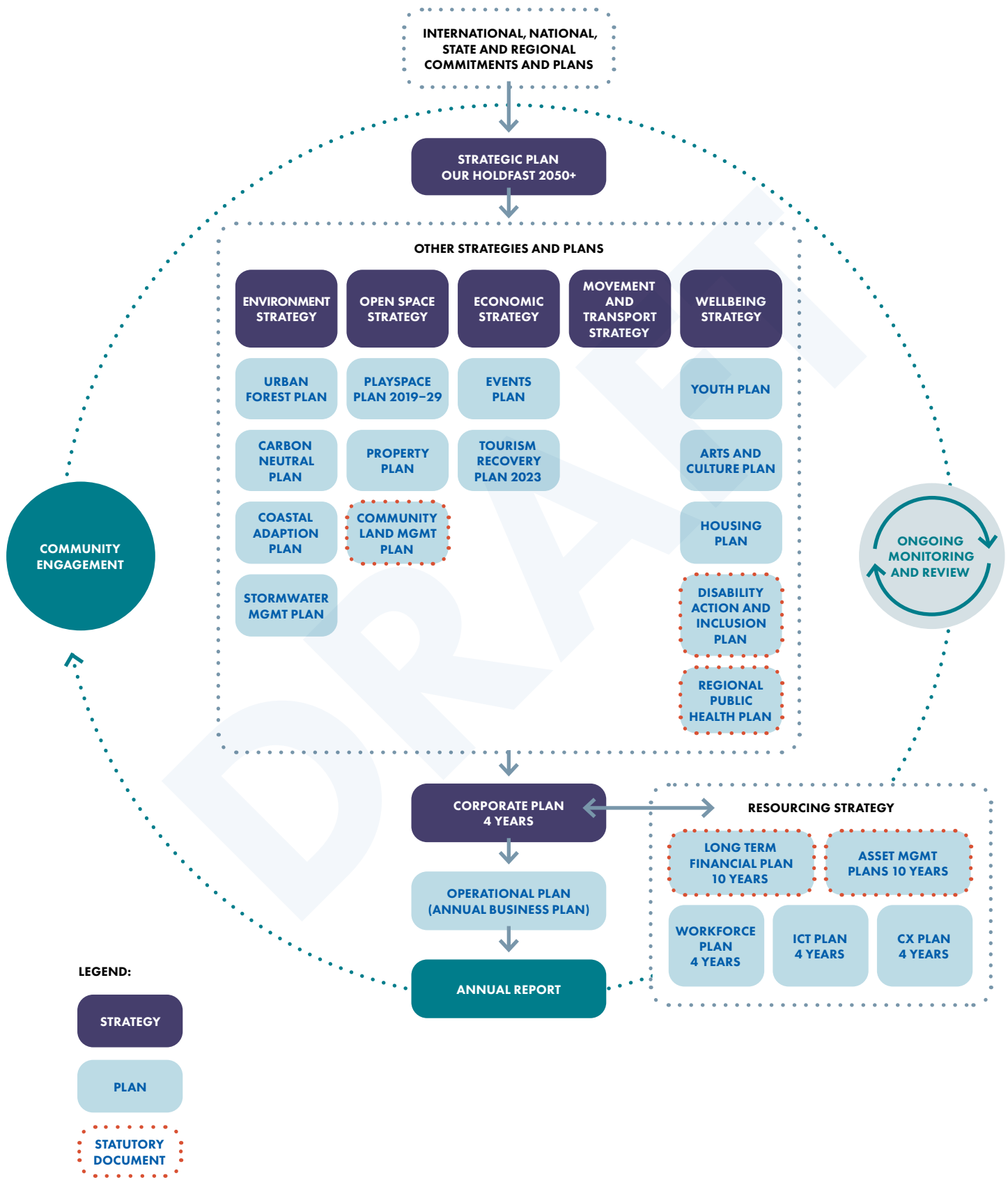
We look forward to delivering on this plan for our community.

Within *Our Holdfast 2050+*, three key strategies of Wellbeing, Sustainability, and Innovation have been identified to support Council in achieving its vision over the next 10 years. The objectives and aspirations which underpin these strategies have informed this plan.

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

Another important suite of documents which inform this plan are Council’s Asset Management Plans. These provide financial projections for the future cost of maintaining, renewing and replacing Council’s assets and infrastructure. With an asset portfolio valued in 2023 at \$859 million, it is critical to have the ability to forecast when future funding is required to maintain these community assets.

Due to the nature of the estimates and assumptions made, and the uncertainty of changes within the economy, the Long Term Financial Plan requires regular review and updating. If key assumptions such as inflation, interest rates or scale of capital investment vary, then this may drive changes in the annual budget.



CEO Statement on Financial Sustainability

I am pleased to present the *Long Term Financial Plan 2024–25 to 2033–34*, which demonstrates how the City of Holdfast Bay will remain financially sustainable in the medium to long term.

Financial sustainability is essential to the success of any local government organisation when planning future activities, services and major projects. And this can only be achieved when services and infrastructure standards are maintained, without the need to significantly increase rates or substantially reduce public services.

This plan also allows us to achieve the objectives identified in our Strategic Plan, *Our Holdfast 2050+*, and informs the Annual Business Plan and budget each year.

The following principles guided the plan to ensure we have the financial capacity to continue to provide service levels that meet the needs of our community, in a financially sustainable way:

- › An operating surplus over the 10-year plan
- › Meet key financial indicators
- › Renew obsolete infrastructure assets with funding sourced from operational revenue
- › Maintain existing service levels while keeping rate increases in line with Adelaide CPI.
- › Increase revenue streams from sources other than rates.

Another key component of the plan is the use of debt to achieve intergenerational equity. This means the cost of creating a new community asset is shared by both current and future ratepayers.

An example of this will be the Transforming Jetty Road Glenelg project – a multi-million dollar, multi-stage development which is the biggest undertaking Council has committed to.

With \$10 million in funds already secured from the Australian Government, Council will invest \$30 million to deliver this project which aims to transform the one kilometre stretch of road into a modern, five-star, vibrant, safe and accessible world-class destination.

A measure of the sustainability of our debt level is the Net Financial Liabilities Ratio which averages 92% over the life of the plan.

This indicator measures the significance of what is owed compared to the annual revenue generated and is within the Local Government Association's recommended range of 0% to 100%.

We also need to understand the risks and external factors which may affect our forecast financial position, including:

- › The unpredictability of current inflation rates and price pressures
- › The cost of borrowing as interest rates have risen along with uncertainty on when, or if, those rates will be lowered in the future
- › The imminent review of Council's Asset Management Plans, which may impact future funding requirements

Council's long-term financial planning, and the assumptions applied, is continually updated to reflect the ever-changing environment we operate in. This is to ensure that we remain focused on maintaining long-term financial sustainability for the City of Holdfast Bay.

Over the life of this plan, it is projected that we will not only maintain a strong financial position but will meet all our financial targets.



Roberto Bria
Chief Executive Officer

Financial Principles

The Long Term Financial Plan has been prepared to support the strategic planning process for the City of Holdfast Bay while ensuring future financial sustainability. To that end, the key principles of the plan are fundamental to providing direction for future financial decisions including the development of the annual budget.

Balanced Budget

Council aims to fully fund the cost of its services, including depreciation of its infrastructure and assets, to ensure an equitable sharing between current and future users. Insufficient funding shifts the cost burden of today's services on to future users in the form of higher rates or reduced services.

City Development



Leisure & Culture



Environment



Transport & Access



Community Support



Capital Works

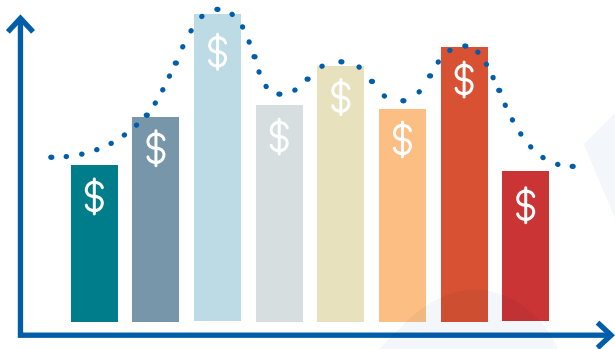


Adopted Council Commitment:
"Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."



Rate Predictability

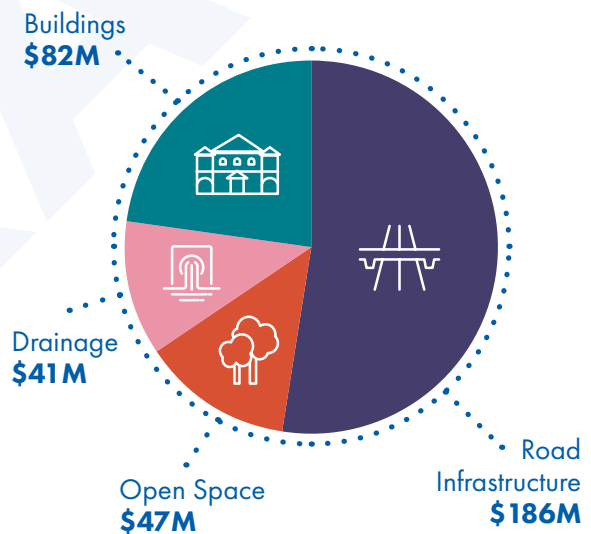
As specified in its Annual Business Plan, Council aims to minimise rate increase spikes to provide a degree of predictability for ratepayers.



Annual Business Plan Commitment:
 “We aim to provide our community with a reasonable degree of predictability for rates over the medium term. We will keep ratepayers fully informed about future rates and the corresponding services provided.”

Efficient Infrastructure and Asset Management

Council aims to maintain its infrastructure and assets to the requisite standard to ensure continued delivery of services to agreed levels. This involves developing and using long term infrastructure and asset management plans to manage Council’s asset portfolio efficiently along with continued investment in its renewal and replacement as our asset stock ages.



Asset Management Plans:
 “Assets are the foundation stones of the City of Holdfast Bay and include the streets we drive on, the parks and reserves our family play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across Holdfast Bay. The plans ensure we maintain and renew assets in a cost-effective and sustainable manner which meets community expectations.”

Financial Principles

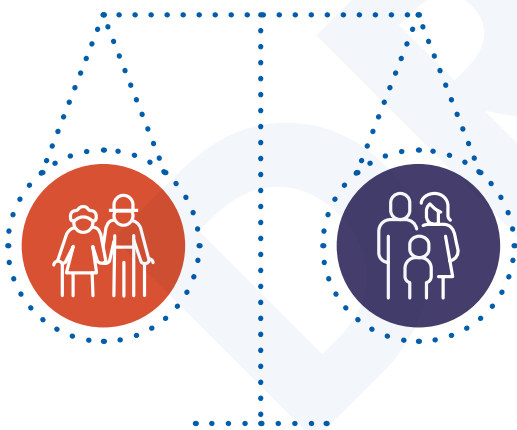
Intergenerational Equity and Debt

Borrowing money to pay for things over time means that current and future ratepayers are contributing to the costs of the services and facilities they are using and benefiting from.

Borrowing money also means that Council can deliver some projects that might otherwise be unaffordable. However, as debt is repaid through rates revenue, the amount Council borrows must be considered. A long-term view of debt has been taken, but with a limit on the borrowings required to fund the plan.

Council debt can:





- › be crucial to the timely delivery of key community infrastructure projects
- › enable Council to deliver infrastructure earlier than otherwise would have been possible
- › spread the costs among future generations who will enjoy the benefit of the investments
- › avoid asking today's generation to pay the full cost of building assets that last for 50 to 100 years.



Intergenerational equity occurs when the costs of an asset are spread over the lifetime of that asset and paid for by the generations that benefit from, or consume, that asset.

Financial Levers

When considering the funding of new projects, whether the creation of new community assets or the provision of additional services, several financial levers are available to Council. All levers should be considered as each opportunity to generate additional funding can also have potential negative effects.

	Lever	Factors to Consider
 <p>Borrowings</p>	Increase current cap on borrowing	<ul style="list-style-type: none"> › Risk of interest rate rises › Community expectation on debt levels › Increased debt levels may limit future capacity to borrow
 <p>Rates</p>	Increase amount of rates revenue raised	<ul style="list-style-type: none"> › Community expectation on acceptable rate increases
 <p>Capital</p>	Minimise new capital expenditure or reschedule asset renewal program	<ul style="list-style-type: none"> › Community expectations on delivery of key initiatives › Reduction in asset renewal will delay the delivery of the Asset Management Plans
 <p>Services</p>	Decrease operational expenditure by reducing services or level of service	<ul style="list-style-type: none"> › Community expectation on the services Council should deliver and the level provided › Potential long-term impact on community wellbeing

Assumptions

The Long Term Financial Plan includes a number of inputs and assumptions over which Council has varying levels of control. It reflects the most recent economic data and forecasts available, and includes allowances for known pressures, opportunities and risks.

It is important that the plan reflects the most recent economic data and forecasts available as the information generated is used to guide decisions on Council's operations into the future. To minimise the inherent risks of long-term planning, Council reviews and updates its Long Term Financial Plan on a regular basis, to ensure that the underlying parameters and assumptions are reasonable given the current economic conditions and expectations.

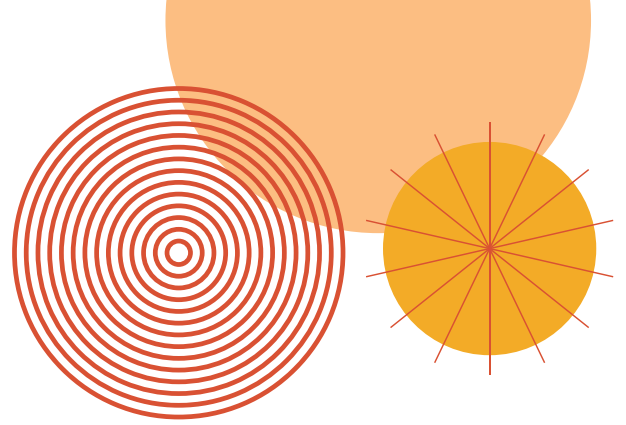
Key Assumptions

Inflation: To estimate the future rate at which prices for goods and services will rise, various economic forecasts have been sourced:

- › The December 2023 Consumer Price Index (CPI) for Adelaide formed the basis of the 2024–25 forecast as this index specifically measures price changes within South Australia where the majority of Council's expenditure occurs.
- › From 2025–26 onwards, CPI forecasting sourced from Deloitte Access Economics, which is an independent economic advisory service, has been applied.

These forecasts of future inflationary pressures were used to estimate Council's required expenditure in future years for all external outlays, including waste disposal, energy consumption and construction costs.

Another annual indicator for the increase in revenue required to fund Council's operations is the Local Government Price Index (LGPI), which measures price changes in the South Australian local government sector. However, LGPI is a historical measure and as such does not have forecast data available. Furthermore, in recent years LGPI has, on average, been close to CPI so the above forecasts have also been applied to future rate revenue, grant funding and other sources of income.



Employment costs: Employment costs have been revised in accordance with current enterprise agreements along with estimations for wage growth in future years. As per the Federal Government's determination to progressively increase Super Guarantee rates, it is assumed Council's obligation will rise from 11.5% in 2024–25 to 12% in 2025 and beyond.

Funding and borrowings: In line with Council's Treasury Management Policy, borrowings are a mixture of short-term and long-term loans designed to manage liquidity and interest rate risk. Borrowings are only provided for when cash is required.

Existing loans are with the Local Government Finance Authority (LGFA) which is guaranteed by the South Australian Government and is Council's preferred financial institution. New loans have been forecast on a 15 year repayment basis, initially at a current LGFA interest rate of 5.53% and reducing to 3.5% over the life of the plan. This is in line with the Reserve Bank of Australia's projection that interest rates are expected to fall from late 2024.

Asset renewal and replacement: Forecast capital renewal expenditure has been taken directly from Council's Asset Management Plans which detail the scheduled replacement of assets due over the years 2020 to 2030. A provision has been made for the years 2031 to 2034 based on average expenditure in previous years.

The Asset Management Plans are due to be updated in late 2024. Any changes to the capital renewal works required, or their cost, has the potential to impact the plan and Council's financial position.

Asset valuations: There is a requirement for Council assets to be valued at least every five years to ensure accurate financial reporting. These values inevitably rise over time, which has a direct and proportional effect on the annual depreciation charge. Within the plan, an allowance has been made for this impact based on average valuation rises in preceding years.

New assets and strategic projects: To enable Council, in consultation with the community, to fund new strategic projects it might identify, an annual amount of \$1 million for new capital projects and \$500,000 for new operational projects has been provided for. These amounts have been increased annually in line with forecast inflation.

Transformation of Jetty Road project: The 2024–25 Draft Annual Business Plan provides detail on the planned \$40 million Transforming Jetty Road project due to take place over the next three years. Council has secured \$10 million of funding from the Australian Government, however, the remaining \$30 million is funded through new borrowings. The associated costs have been included within the plan with an allowance to fund this made through increased rate revenue.

Alwyndor Aged Care: Though Council owns and operates this facility, it is excluded from the plan as it is managed as a self-operating business with all revenue sourced from its residents, government funding and investments. Alwyndor does not rely on funding from Council's rate revenue.

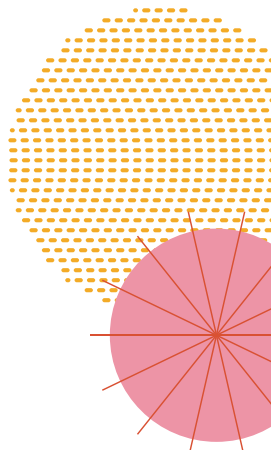
Assumptions

Key Economic Drivers

	Driver	2025	2026	2027	2028
Rate revenue – existing properties	Inflation	CPI 4.8%	Deloitte 3.3%	Deloitte 2.6%	Deloitte 2.6%
Rate revenue – Transformation of Jetty Rd funding	LGFA Rates / Council modelled	2.3%	2.3%	2.3%	–
Rate revenue – new properties (growth)	Historic growth data	VG 0.5%	VG 0.8%	VG 0.8%	VG 0.8%
Other revenue	Inflation	CPI 4.8%	Deloitte 3.3%	Deloitte 2.6%	Deloitte 2.6%
Employee costs	EA / Inflation	EA 4.0%	EA 4.0%	Deloitte 2.6%	Deloitte 2.6%
Depreciation	Prior revaluations	Average 2.0%	Average 2.0%	Average 2.0%	Average 2.0%
Loan Interest Rate (15 year – fixed rate)	LGFA Rates / Council modelled	Average 4.76%	Average 5.28%	5.53%	3.5%
Other expenditure	Inflation	CPI 4.8%	Deloitte 3.3%	Deloitte 2.6%	Deloitte 2.6%

GLOSSARY

- CPI:** Consumer Price Index Adelaide (December 2023)
Deloitte: Deloitte Access Economics (forecast)
EA: Enterprise Agreement
LGFA: Local Government Finance Authority
VG: Office of the Valuer General (SA)



2029	2030	2031	2032	2033	2034
Deloitte 2.6%	Deloitte 2.5%	Deloitte 2.2%	Deloitte 2.2%	Deloitte 2.4%	Deloitte 2.5%
-	-	-	-	-	-
VG 0.8%	VG 0.8%	VG 0.8%	VG 0.8%	VG 0.8%	VG 0.8%
Deloitte 2.6%	Deloitte 2.5%	Deloitte 2.2%	Deloitte 2.2%	Deloitte 2.4%	Deloitte 2.5%
Deloitte 2.6%	Deloitte 2.5%	Deloitte 2.2%	Deloitte 2.2%	Deloitte 2.4%	Deloitte 2.5%
Average 2.0%	Average 2.0%	Average 2.0%	Average 2.0%	Average 2.0%	Average 2.0%
3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Deloitte 2.6%	Deloitte 2.5%	Deloitte 2.2%	Deloitte 2.2%	Deloitte 2.4%	Deloitte 2.5%

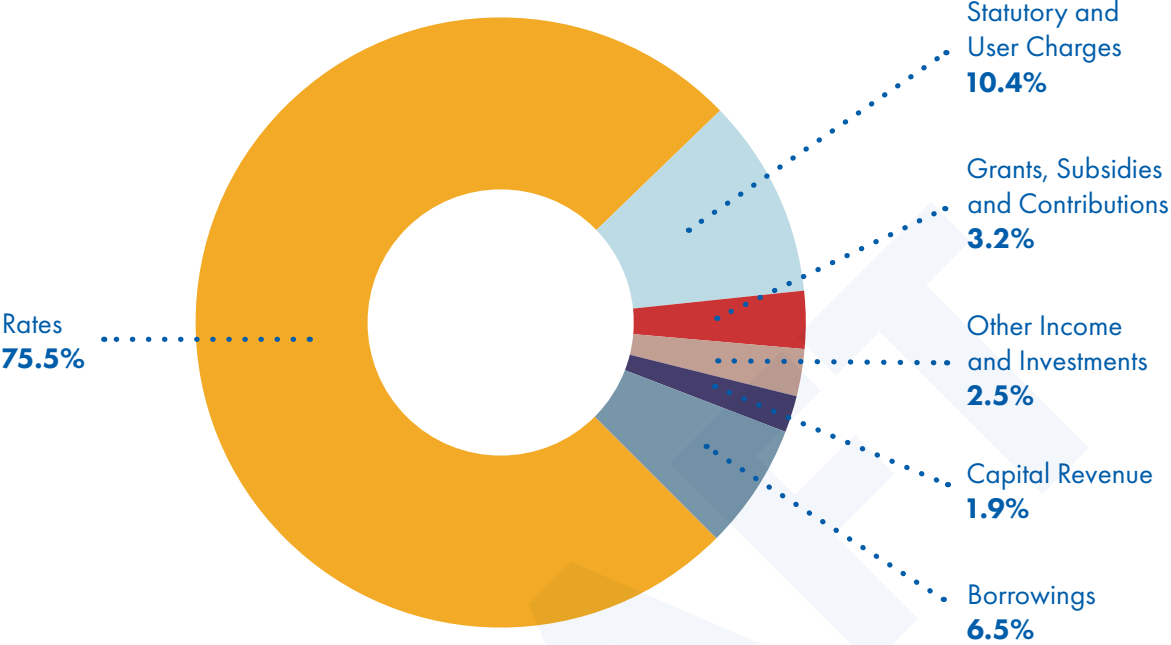
Long-Term Financial Position

The current 10-year projection indicates a degree of financial capacity to respond to unexpected events, and undertake major new initiatives, without adversely affecting the continued provision of services to the community. The plan has been set against economic uncertainty but will be reviewed every 12 months to reflect the prevailing economic conditions and changing community demands placed on the City of Holdfast Bay.

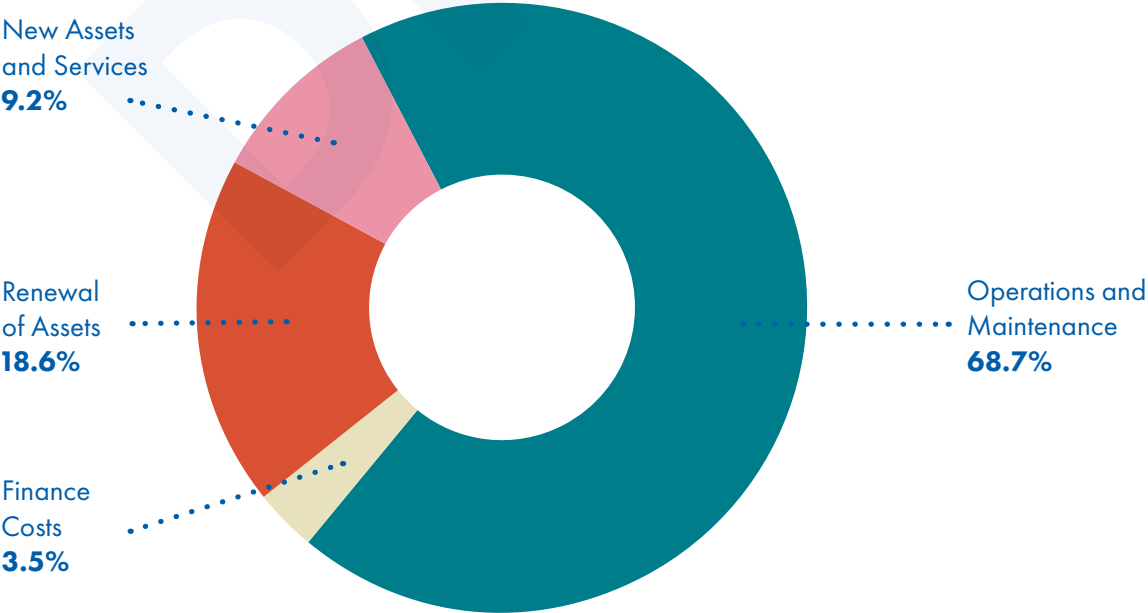
There are different ways in which Council can achieve its objectives. This plan balances the funding needs of asset renewal, new infrastructure and existing services against rating expectations, reasonable fees and debt leverage.

Consideration has also been given to the economic drivers that will influence the future cost of providing the infrastructure, facilities and services for the period 2024–25 to 2033–35. The values disclosed in this plan represent estimated future prices and costs.

OVER THE 10-YEAR PLAN, TOTAL REVENUE OF \$751 MILLION WILL BE SOURCED FROM:



OVER THE 10-YEAR PLAN, TOTAL EXPENDITURE OF \$711 MILLION WILL FUND:



Long-Term Financial Position

Operational Result

Operating surpluses are forecast in every year, ranging from \$1 million to \$7 million. The additional revenue raised is used to repay existing debt obligations, with any surplus amounts then allocated to fund approved capital projects, thus reducing the need to borrow further.

However, there is still a high reliance on rate revenue (82%) to fund operational expenditure despite increased revenue streams from the development of the Brighton Beachfront Holiday Park and car parking.

Capital Projects

This plan provides for a total capital investment of \$193 million over the 10-year period, split between asset renewal of \$133 million and new capital projects of \$60 million. New and upgraded assets will also result in additional maintenance and depreciation costs that increase Council's existing operational expenditure. Additional amounts to allow for these new charges have been included in the Long Term Financial Plan.

Major projects relating to the creation of new, or upgraded assets include:

Transformation of Jetty Road, Glenelg

A three-year, multi-million project will transform Jetty Road, Glenelg – our flagship destination for shopping, local services, dining, entertainment and events – into a modern, vibrant and world-class destination.

The project will be undertaken in three zones to minimise disruption to traders, residents and visitors. Plans for each of the zones are based on feedback received from the community consultation on the *Jetty Road Masterplan* in 2017–18.

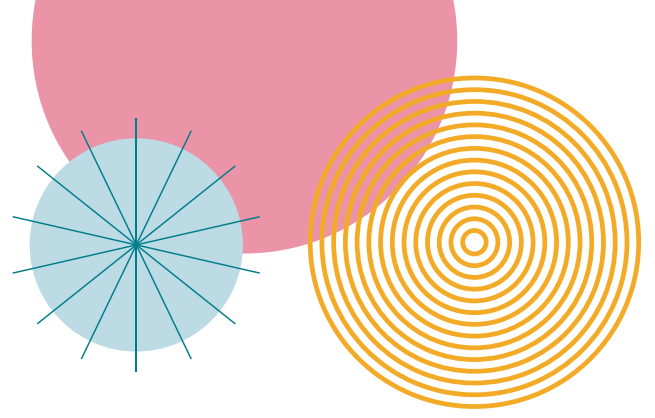
Spanning one kilometre in length and supporting 19 side streets and laneways, Jetty Road is home to more than 330 local business and welcomes a million visitors annually.

Stormwater Upgrades

Stormwater infrastructure upgrades will decrease the likelihood of flooding in high-risk areas. Part funded by the Federal Government; this was identified as a priority in the *Stormwater Management Plan*.

Patawalonga Frontage Irrigation Upgrade

The current irrigation mainline that delivers A-Class water to the coastal reserves in Glenelg, is an ageing infrastructure that is approximately 20–25 years old. This project will create an irrigation system that is not only fit-for-purpose but also cost-effective and environmentally sustainable. The outcome will be a new resilient and sustainable irrigation system designed for the future, operating on recycled water with mains back up in strategic locations.



Street Light Conversion Plan

In 2018–19 the City of Holdfast Bay converted around 2,300 of its 3,400 streetlights over to LED resulting in a 259 tonne decrease in Council’s CO2 greenhouse emissions. A plan will be developed for the conversion and transition to LED of the remaining streetlights.

Technology and Innovation Projects – Various ICT Improvements

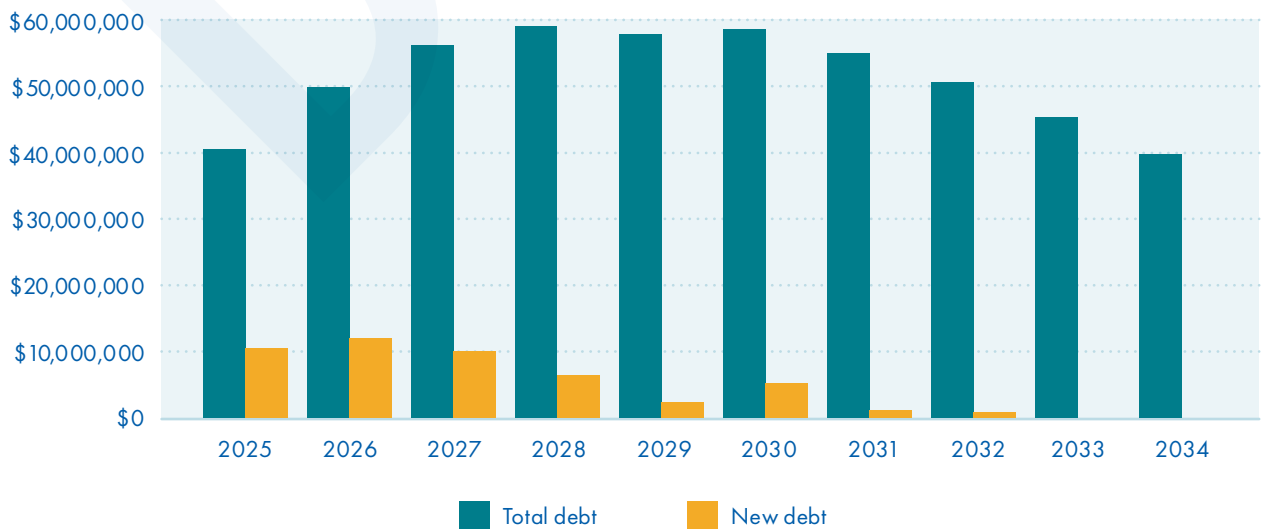
A range of technology projects aimed at improving efficiency and effectiveness in core business functions, including asset management and corporate planning. These projects will assist in planning and managing the work of council and ensuring security of information and data.

Debt Management

The lifespan of many of these new assets will range between 20 and 60 years. Certain assets, like stormwater infrastructure, may even last more than 100 years. Debt helps to spread the cost between those using the assets now and those using them in the future.

It is anticipated that new borrowings totalling \$48 million will be required to fund much of the \$60 million new and upgraded construction program. However, over the life of the plan, debt remains contained and within Council’s set limits.

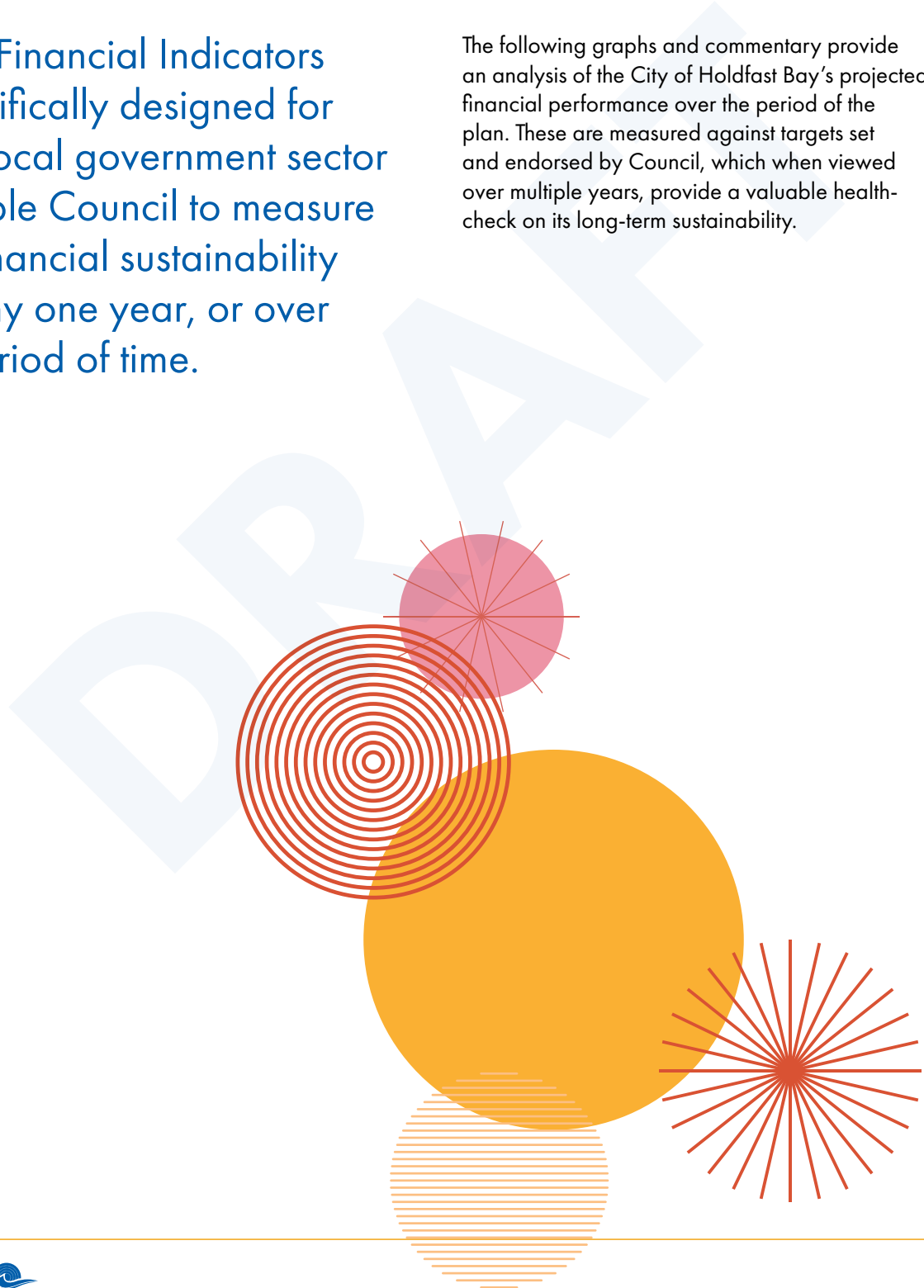
BORROWINGS



Key Financial Indicators

Key Financial Indicators specifically designed for the local government sector enable Council to measure its financial sustainability in any one year, or over a period of time.

The following graphs and commentary provide an analysis of the City of Holdfast Bay's projected financial performance over the period of the plan. These are measured against targets set and endorsed by Council, which when viewed over multiple years, provide a valuable health-check on its long-term sustainability.



Operating Surplus Ratio

What it measures

This indicator measures the difference between day-to-day income and expenditure.

A positive ratio denotes a council's income is greater than its expenditure (sustainable) and indicates the percentage of rates available to fund current and future capital expenditure. If the ratio is negative, then a council is spending more than the income it receives (unsustainable in the long-term) and could indicate the community is not being rated appropriately to cover the services provided.

How it's calculated

Operating surplus, or deficit, as a percentage of total operating revenue.

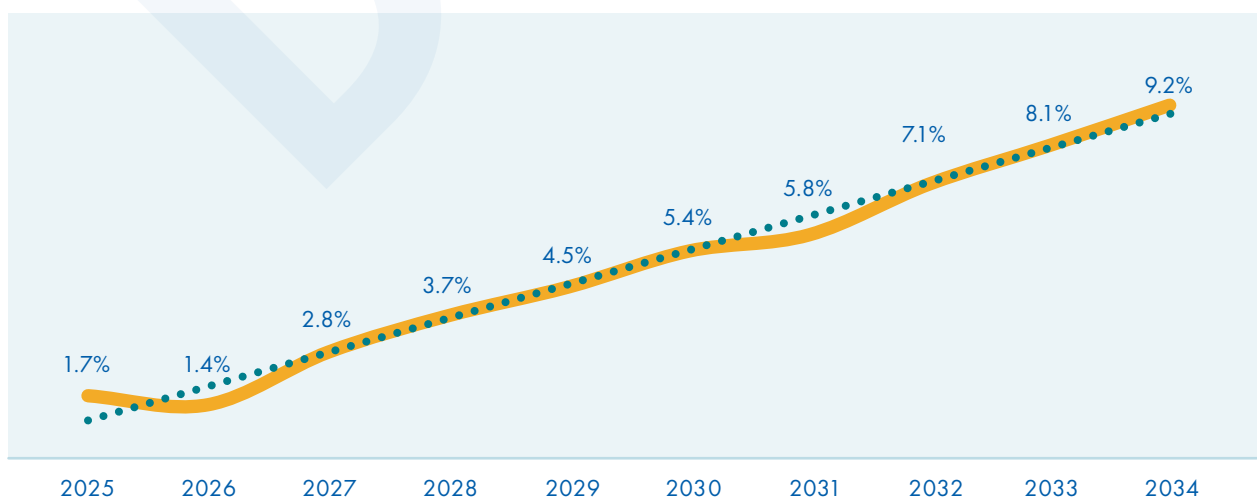
Council target

0% to 10% over a rolling five-year period.

Current projection

Council forecasts operational surpluses for all years, thus meeting its target. These surpluses can be used to repay existing debt, or fund new initiatives, identified through community consultation.

OPERATING SURPLUS RATIO



Key Financial Indicators

Net Financial Liabilities Ratio

What it measures

This indicator reflects the level of debt compared to annual revenue by expressing the percentage of Council's revenue that would be required to pay off total debts.

If used appropriately, debt can be a beneficial source of financing the construction of infrastructure that has a long life, as it spreads the cost across the generations that will benefit from it. This is called intergenerational equity.

If total debt is too low, it can indicate that current ratepayers are contributing a higher share compared to future generations. Conversely if debt is too high, it could indicate the burden is being left for future ratepayers. Debt incurred to pay for day-to-day expenditure, over a period of time, is unsustainable.

How it's calculated

Net financial liabilities as a percentage of total operating revenue.

Council target

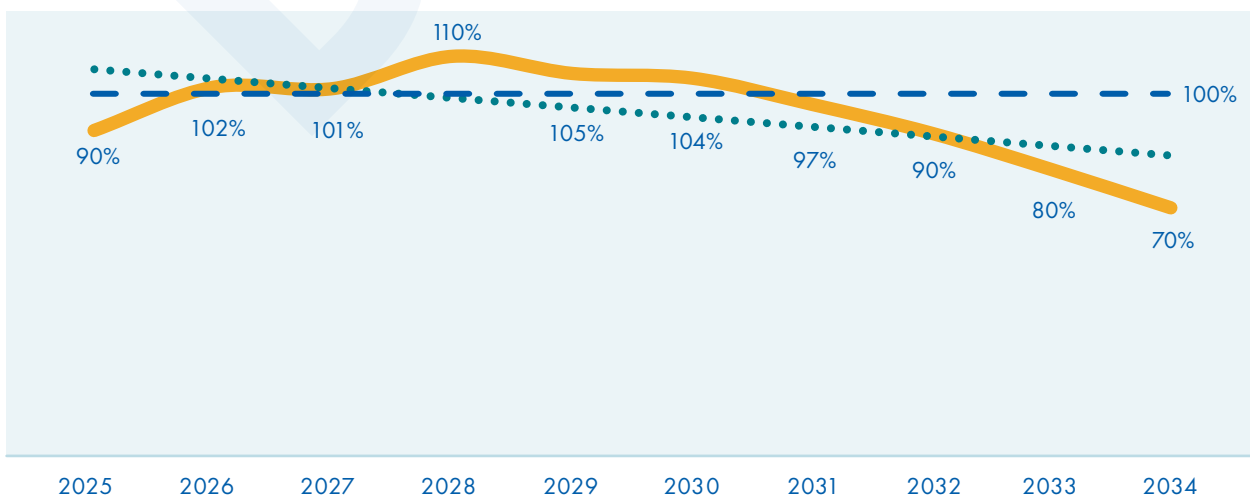
No greater than 100%.

Current projection

A Net Financial Liabilities Ratio limit of 100% is comparable to a household with an annual income of \$100,000 having a mortgage of only \$100,000, illustrating that Council has the capacity to borrow when necessary.

Over the life of the plan, the ratio averages 95%. However, it is forecast to exceed its target of 100% from 2026 to 2030 due to borrowing requirements for the Transformation of Jetty Road project. As the repayment of this debt has been accounted for through a planned increase in rate revenue the Council remains financially sustainable. The declining ratio in later years confirms this, while also indicating that Council will have a corresponding increase in its capacity to fund future initiatives.

NET FINANCIAL LIABILITIES RATIO





Interest Cover Ratio

What it measures

This indicator measures the percentage of income used to pay interest on loans.

When considered in conjunction with the Net Financial Liabilities Ratio, it provides an understanding of the level and affordability of Council's debt. An increasing ratio does not in itself imply unsustainability if the increased cost of debt is a consequence of a planned intergenerational infrastructure program. However, an increasing ratio due to the funding of day-to-day expenditure through borrowings is not financially sustainable.

How it's calculated

Finance charges as a percentage of total operating revenue.

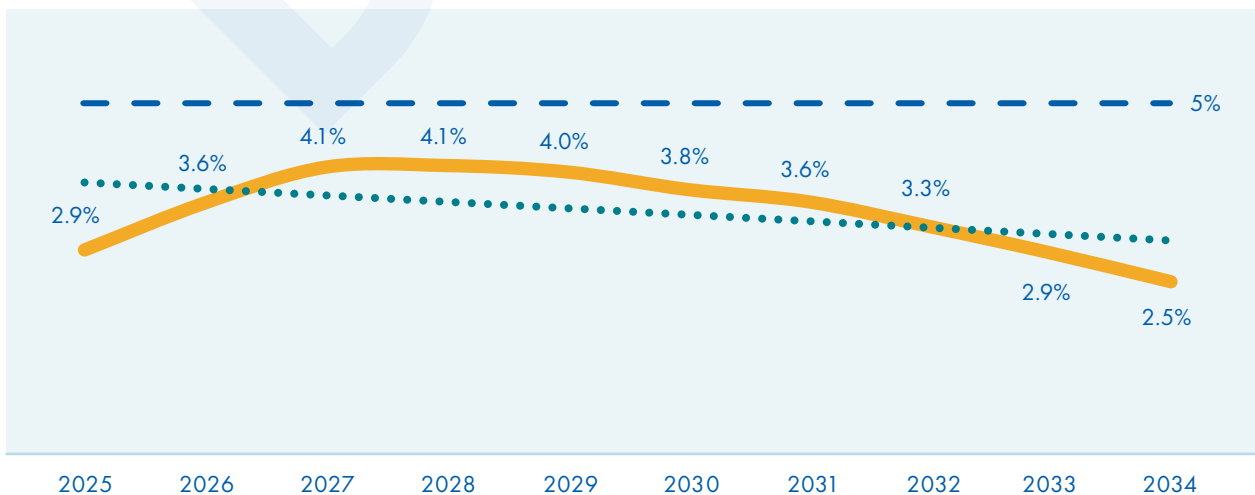
Council target

No greater than 5%.

Current projection

Council forecasts a ratio under 5% in all years, thus meeting its target. As with the Net Financial Liabilities Ratio, the declining Interest Cover Ratio over the timeframe of the plan indicates that Council will have a corresponding increase in its capacity to fund future initiatives.

INTEREST COVER RATIO



Key Financial Indicators

Asset Renewal Funding Ratio

What it measures

This indicator measures whether Council is appropriately maintaining its assets.

Council's Asset Management Plans outline the optimum time to replace each of its assets to ensure consistent service delivery to the community. It is important that funding is available each year to enable the delivery of the schedules contained within these plans. This ratio measures whether Council is achieving this. A ratio higher than 100% could imply assets are being replaced too frequently, while a lower ratio might indicate infrastructure is becoming unfit for purpose.

How it's calculated

Total planned capital renewal expenditure in the Long Term Financial Plan as a percentage of expenditure identified in the Asset Management Plans.

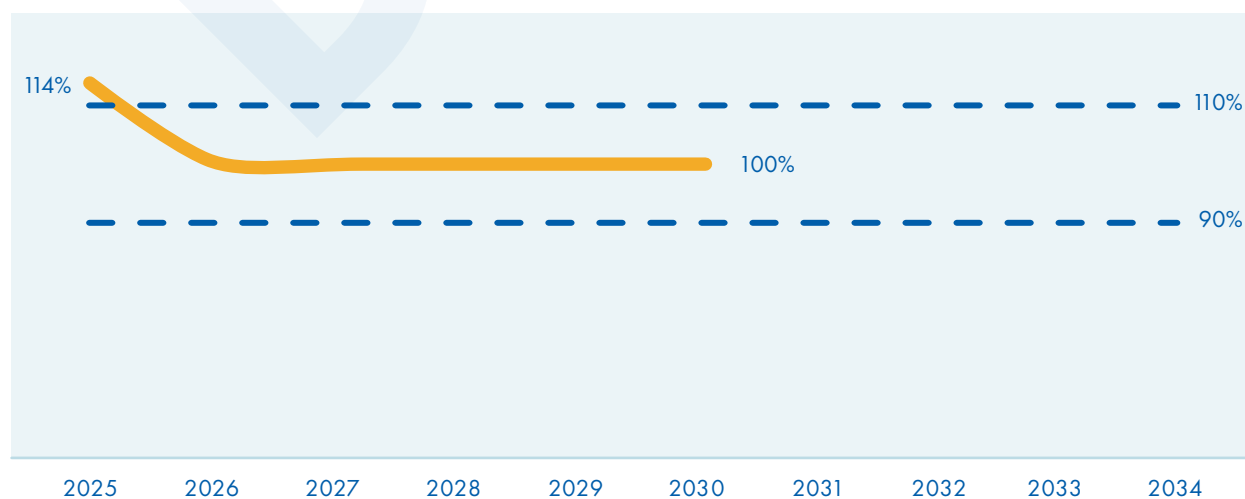
Council target

Between 90% and 100%.

Current projection

Forecast capital renewal expenditure has been taken directly from Council's Asset Management Plans (2020–30) thus creating a 100% ratio in all years, except for 2025 when the requirement for additional renewal works was identified. This illustrates Council's intention to replace assets at the optimum time, ensuring that sustainability is maintained. Until the Asset Management Plans are updated beyond 2030, a provision has been made for the years 2031 to 2034, based on average expenditure in previous years.

ASSET RENEWAL FUNDING RATIO



Financial Statements



Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
Income			
Rates	40,535,000	43,476,000	46,748,000
Statutory Charges	3,245,000	2,874,000	2,979,000
User Charges	3,992,000	3,646,000	3,938,000
Grants, Subsidies and Contributions - operating	3,188,000	2,679,000	2,183,000
Investment Income	141,000	72,000	72,000
Reimbursements	725,000	786,000	734,000
Other Income	1,318,000	838,000	872,000
Net gain - equity accounted Council businesses	323,000	91,000	98,000
Total Income	53,467,000	54,462,000	57,624,000
Expenses			
Employee Costs	18,953,000	19,569,000	20,561,000
Materials, Contracts & Other Expenses	21,039,000	22,662,000	22,666,000
Depreciation, Amortisation & Impairment	10,349,000	10,821,000	11,685,000
Finance Costs	582,000	793,000	1,753,000
Total Expenses	50,923,000	53,845,000	56,665,000
Operating Surplus / (Deficit)	2,544,000	617,000	959,000
Asset Disposal & Fair Value Adjustments	99,000	-	-
Amounts Received Specifically for New or Upgraded Assets	582,000	1,596,000	-
Net Surplus / (Deficit)	3,225,000	2,213,000	959,000
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	3,855,000	1,998,000	7,407,405
Total Other Comprehensive Income	3,855,000	1,998,000	7,407,405
Total Comprehensive Income	7,080,000	4,211,000	8,366,406

	Projected Years								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	49,683,000	52,456,000	54,236,000	56,076,000	57,924,000	59,660,000	61,447,000	63,410,000	65,501,000
	3,077,000	3,157,000	3,239,000	3,323,000	3,406,000	3,481,000	3,558,000	3,643,000	3,734,000
	4,068,000	4,174,000	4,283,000	4,394,000	4,504,000	4,603,000	4,704,000	4,817,000	4,937,000
	2,243,000	2,291,000	2,340,000	2,391,000	2,442,000	2,488,000	2,535,000	2,587,000	2,643,000
	74,000	76,000	78,000	80,000	82,000	84,000	86,000	88,000	91,000
	758,000	778,000	798,000	819,000	839,000	857,000	876,000	897,000	919,000
	901,000	924,000	948,000	973,000	997,000	1,019,000	1,041,000	1,066,000	1,093,000
	123,000	125,000	127,000	129,000	132,000	132,000	132,000	132,000	132,000
	60,927,000	63,981,000	66,049,000	68,185,000	70,326,000	72,324,000	74,379,000	76,640,000	79,050,000
	21,475,000	22,032,000	22,605,000	23,192,000	23,771,000	24,293,000	24,828,000	25,423,000	26,059,000
	23,962,910	24,886,522	25,367,901	26,071,744	26,732,258	27,593,994	27,938,191	28,616,807	29,338,462
	12,357,640	12,581,606	12,813,686	13,044,820	13,285,740	13,537,050	13,800,269	14,073,527	14,357,133
	2,258,589	2,694,354	2,795,681	2,823,263	2,735,981	2,687,962	2,503,511	2,292,844	2,041,419
	60,054,140	62,194,483	63,582,267	65,131,827	66,524,978	68,112,007	69,069,971	70,406,178	71,796,013
	872,860	1,786,517	2,466,733	3,053,173	3,801,022	4,211,993	5,309,029	6,233,822	7,253,987
	-	-	-	-	-	-	-	-	-
	-	10,000,000	-	-	-	-	-	-	-
	872,860	11,786,517	2,466,733	3,053,173	3,801,022	4,211,993	5,309,029	6,233,822	7,253,987
	7,965,035	8,337,766	8,807,119	9,184,728	9,413,200	9,699,829	9,901,066	10,107,606	10,298,266
	7,965,035	8,337,766	8,807,119	9,184,728	9,413,200	9,699,829	9,901,066	10,107,606	10,298,266
	8,837,895	20,124,284	11,273,852	12,237,900	13,214,221	13,911,822	15,210,095	16,341,428	17,552,253

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF FINANCIAL POSITION - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
ASSETS			
Current Assets			
Cash & Cash Equivalents	114,000	-	-
Trade & Other Receivables	3,519,000	1,879,725	1,872,899
Total Current Assets	3,633,000	1,879,725	1,872,898
Non-Current Assets			
Financial Assets	627,000	605,000	584,000
Equity Accounted Investments in Council Businesses	4,251,000	4,342,000	4,440,000
Infrastructure, Property, Plant & Equipment	858,973,000	874,194,000	901,447,406
Other Non-Current Assets	3,386,000	3,386,000	3,386,000
Total Non-Current Assets	867,237,000	882,527,000	909,857,406
TOTAL ASSETS	870,870,000	884,406,725	911,730,304
LIABILITIES			
Current Liabilities			
Cash Advance Debenture	249,000	-	-
Trade & Other Payables	8,813,000	9,146,074	9,458,854
Borrowings	1,113,000	1,523,469	2,539,201
Provisions	3,476,000	3,690,909	3,958,273
Total Current Liabilities	13,651,000	14,360,452	15,956,328
Non-Current Liabilities			
Borrowings	12,276,000	20,827,182	38,163,844
Provisions	275,000	340,091	364,727
Total Non-Current Liabilities	12,551,000	21,167,273	38,528,571
TOTAL LIABILITIES	26,202,000	35,527,725	54,484,899
Net Assets	844,668,000	848,879,000	857,245,405
EQUITY			
Accumulated Surplus	183,504,000	185,717,000	186,676,000
Asset Revaluation Reserves	661,164,000	663,162,000	670,569,405
Total Equity	844,668,000	848,879,000	857,245,405

2025/26	2026/27	2027/28	Projected Years					2033/34
			2028/29	2029/30	2030/31	2031/32	2032/33	
\$	\$	\$	\$	\$	\$	\$	\$	\$
-	3,954,157	-	-	-	-	-	647,164	1,851,828
1,970,140	2,504,070	2,110,752	2,171,506	2,235,483	2,299,524	2,348,573	2,407,610	2,475,995
1,970,140	6,458,227	2,110,752	2,171,506	2,235,483	2,299,524	2,348,573	3,054,774	4,327,823
564,000	545,000	529,000	516,000	502,000	487,000	478,000	476,000	476,000
4,563,000	4,688,000	4,815,000	4,944,000	5,076,000	5,208,000	5,340,000	5,472,000	5,604,000
920,168,801	943,042,961	961,960,394	973,297,302	987,760,762	998,586,540	1,009,950,337	1,020,802,416	1,032,075,550
3,386,000	3,386,000	3,386,000	3,386,000	3,386,000	3,386,000	3,386,000	3,386,000	3,386,000
928,681,801	951,661,961	970,690,394	982,143,302	996,724,762	1,007,667,540	1,019,154,337	1,030,136,416	1,041,541,550
930,651,941	958,120,188	972,801,146	984,314,808	998,960,245	1,009,967,064	1,021,502,910	1,033,191,191	1,045,869,373
-	-	-	-	-	-	-	-	-
10,008,922	10,472,779	10,745,011	11,073,625	11,393,050	11,748,335	11,989,806	12,323,844	12,679,386
3,213,575	3,488,588	3,985,729	4,311,798	4,780,527	5,066,526	5,346,186	5,597,613	5,861,341
4,236,625	4,522,302	4,815,304	5,115,631	5,423,283	5,737,344	6,058,731	6,387,442	6,724,395
17,459,122	18,483,669	19,546,044	20,501,054	21,596,860	22,552,205	23,394,723	24,308,899	25,265,122
46,719,143	53,012,238	55,329,969	53,623,048	53,930,110	50,040,823	45,494,444	39,896,831	34,035,489
390,375	416,698	443,696	471,369	499,717	528,656	558,269	588,558	619,605
47,109,518	53,428,936	55,773,666	54,094,417	54,429,827	50,569,479	46,052,713	40,485,389	34,655,095
64,568,641	71,912,605	75,319,710	74,595,471	76,026,687	73,121,684	69,447,436	64,794,288	59,920,217
866,083,301	886,207,584	897,481,436	909,719,337	922,933,558	936,845,380	952,055,474	968,396,903	985,949,156
187,548,860	199,335,378	201,802,110	204,855,283	208,656,304	212,868,298	218,177,326	224,411,149	231,665,136
678,534,440	686,872,207	695,679,326	704,864,054	714,277,253	723,977,082	733,878,148	743,985,754	754,284,021
866,083,301	886,207,584	897,481,436	909,719,337	922,933,558	936,845,380	952,055,474	968,396,903	985,949,156

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF CASH FLOWS - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
Cash Flows from Operating Activities			
Receipts:			
Rates Receipts	40,460,000	43,080,997	46,977,846
Statutory Charges	3,295,000	3,262,171	2,974,291
User Charges	4,328,000	4,118,577	3,924,904
Grants, Subsidies and Contributions (operating purpose)	3,202,000	3,066,834	2,205,245
Investment Receipts	141,000	89,752	72,000
Reimbursements	733,000	864,946	735,542
Other	3,623,000	1,014,034	866,250
Payments:			
Payments to Employees	(18,834,000)	(19,289,000)	(20,269,000)
Payments for Materials, Contracts & Other Expenses	(23,953,000)	(22,028,515)	(22,652,275)
Finance Payments	(582,000)	(793,000)	(1,753,000)
Net Cash provided (or used in) Operating Activities	12,413,000	13,386,794	13,081,803
Cash Flows from Investing Activities			
Receipts:			
Amounts Received Specifically for New/Upgraded Assets	582,000	1,613,555	75,803
Sale of Replaced Assets	528,000	669,000	26,000
Sale of Surplus Assets	722,000	-	-
Repayments of Loans by Community Groups	270,000	217,000	21,000
Payments:			
Expenditure on Renewal/Replacement of Assets	(8,315,000)	(12,588,000)	(9,000,000)
Expenditure on New/Upgraded Assets	(6,086,000)	(12,125,000)	(22,557,000)
Net Cash provided (or used in) Investing Activities	(12,299,000)	(22,213,445)	(31,434,197)
Cash Flows from Financing Activities			
Receipts:			
Proceeds from CAD	249,000	-	-
Proceeds from Borrowings	-	10,073,929	20,094,180
Repayments of Borrowings	(1,322,000)	(1,101,278)	(1,728,786)
Repayment of Principal Portion of Lease Liabilities	(11,000)	(11,000)	(13,000)
Repayment of Bonds & Deposits	(7,000)	-	-
Net Cash Flow provided (used in) Financing Activities	(1,091,000)	8,961,651	18,352,394
Net Increase/(Decrease) in Cash & Cash Equivalents	(977,000)	135,000	-
plus: Cash & Cash Equivalents - beginning of year	842,000	(135,000)	-
Cash & Cash Equivalents - end of the year	(135,000)	-	-
Cash & Cash Equivalents - end of the year	(135,000)	-	-
Cash, Cash Equivalents & Investments - end of the year	(135,000)	-	-

2025/26	2026/27	2027/28	Projected Years					2032/33	2033/34
			2028/29	2029/30	2030/31	2031/32			
\$	\$	\$	\$	\$	\$	\$	\$	\$	
49,889,173	52,650,793	54,361,039	56,205,253	58,053,815	59,781,948	61,572,530	63,547,894	65,647,885	
3,072,605	3,153,412	3,235,322	3,319,233	3,402,278	3,477,636	3,554,547	3,639,188	3,729,919	
4,062,170	4,169,246	4,278,112	4,389,022	4,499,067	4,598,560	4,699,470	4,811,932	4,931,618	
2,240,309	2,288,847	2,337,802	2,388,713	2,439,713	2,485,937	2,532,892	2,584,668	2,640,489	
73,941	75,941	77,941	79,941	81,941	83,941	85,941	87,941	90,911	
757,288	777,407	797,407	818,377	838,407	856,466	875,436	896,377	918,347	
899,699	949,442	920,450	971,879	995,924	1,018,013	1,040,013	1,064,879	1,091,789	
(21,171,000)	(21,720,000)	(22,285,000)	(22,864,000)	(23,435,000)	(23,950,000)	(24,477,000)	(25,064,000)	(25,691,000)	
(23,702,269)	(24,691,730)	(25,266,377)	(25,923,301)	(26,592,953)	(27,412,252)	(27,865,599)	(28,473,685)	(29,186,263)	
(2,258,589)	(2,694,354)	(2,795,681)	(2,823,263)	(2,735,981)	(2,687,962)	(2,503,511)	(2,292,844)	(2,041,419)	
13,863,326	14,959,004	15,661,017	16,561,853	17,547,210	18,252,288	19,514,720	20,802,350	22,132,277	
-	9,525,046	474,954	-	-	-	-	-	-	
727,000	361,000	510,000	392,000	308,000	396,000	405,000	414,000	424,000	
-	-	-	-	-	-	-	-	-	
21,000	20,000	19,000	16,000	13,000	14,000	15,000	9,000	2,000	
(12,631,000)	(10,836,000)	(14,568,000)	(13,959,000)	(16,973,000)	(13,351,000)	(13,922,000)	(13,445,000)	(13,925,000)	
(11,210,000)	(16,643,000)	(8,866,000)	(1,630,000)	(1,671,000)	(1,708,000)	(1,746,000)	(1,787,000)	(1,831,000)	
(23,093,000)	(17,572,954)	(22,430,046)	(15,181,000)	(18,323,000)	(14,649,000)	(15,248,000)	(14,809,000)	(15,330,000)	
-	-	-	-	-	-	-	-	-	
11,987,192	10,000,000	6,303,461	2,604,877	5,087,589	1,177,239	799,806	-	-	
(2,757,518)	(3,431,893)	(3,488,588)	(3,985,729)	(4,311,798)	(4,780,527)	(5,066,526)	(5,346,186)	(5,597,613)	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
9,229,674	6,568,107	2,814,873	(1,380,852)	775,791	(3,603,288)	(4,266,720)	(5,346,186)	(5,597,613)	
-	3,954,157	(3,954,157)	-	-	-	-	647,164	1,204,664	
-	-	3,954,157	-	-	-	-	-	647,164	
-	3,954,157	-	-	-	-	-	647,164	1,851,828	
-	3,954,157	-	-	-	-	-	647,164	1,851,828	
-	3,954,157	-	-	-	-	-	647,164	1,851,828	

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF CHANGES IN EQUITY - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
Opening Balance	837,588,000	844,668,000	848,879,000
Net Surplus / (Deficit) for Year	3,225,000	2,213,000	959,000
Other Comprehensive Income			
- Gain (Loss) on Revaluation of I,PP&E	3,855,000	1,998,000	7,407,405
Other Comprehensive Income	3,855,000	1,998,000	7,407,405
Total Comprehensive Income	7,080,000	4,211,000	8,366,406
Equity - Balance at end of the reporting period	844,668,000	848,879,000	857,245,405

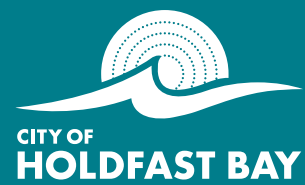
2025/26	2026/27	2027/28	Projected Years			2030/31	2031/32	2032/33	2033/34
			2028/29	2029/30					
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
857,245,405	866,083,301	886,207,584	897,481,436	909,719,337	922,933,558	936,845,380	952,055,474	968,396,903	
872,860	11,786,517	2,466,733	3,053,173	3,801,022	4,211,993	5,309,029	6,233,822	7,253,987	
7,965,035	8,337,766	8,807,119	9,184,728	9,413,200	9,699,829	9,901,066	10,107,606	10,298,266	
7,965,035	8,337,766	8,807,119	9,184,728	9,413,200	9,699,829	9,901,066	10,107,606	10,298,266	
8,837,895	20,124,284	11,273,852	12,237,900	13,214,221	13,911,822	15,210,095	16,341,428	17,552,253	
866,083,301	886,207,584	897,481,436	909,719,337	922,933,558	936,845,380	952,055,474	968,396,903	985,949,156	

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2034
UNIFORM PRESENTATION OF FINANCES - GENERAL FUND

	Audited 2022/23 \$	Base Year 2023/24 \$	2024/25 \$
Income			
Rates	40,535,000	43,476,000	46,748,000
Statutory Charges	3,245,000	2,874,000	2,979,000
User Charges	3,992,000	3,646,000	3,938,000
Grants, Subsidies and Contributions - operating	3,188,000	2,679,000	2,183,000
Investment Income	141,000	72,000	72,000
Reimbursements	725,000	786,000	734,000
Other Income	1,318,000	838,000	872,000
Net gain - equity accounted Council businesses	323,000	91,000	98,000
Total Income	53,467,000	54,462,000	57,624,000
Expenses			
Employee Costs	18,953,000	19,569,000	20,561,000
Materials, Contracts & Other Expenses	21,039,000	22,662,000	22,666,000
Depreciation, Amortisation & Impairment	10,349,000	10,821,000	11,685,000
Finance Costs	582,000	793,000	1,753,000
Total Expenses	50,923,000	53,845,000	56,665,000
Operating Surplus / (Deficit)	2,544,000	617,000	959,000
Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(8,315,000)	(12,588,000)	(9,000,000)
<i>add back</i> Depreciation, Amortisation and Impairment	10,349,000	10,821,000	11,685,000
<i>add back</i> Proceeds from Sale of Replaced Assets	528,000	669,000	26,000
Total Net Outlays on Existing Assets	2,562,000	(1,098,000)	2,711,000
Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(6,086,000)	(12,125,000)	(22,557,000)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	582,000	1,613,555	75,803
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments & non-current assets held for sale)	722,000	-	-
Total Net Outlays on New and Upgraded Assets	(4,782,000)	(10,511,445)	(22,481,197)
Annual Net Impact to Financing Activities (surplus / (deficit))	324,000	(10,992,445)	(18,811,198)

2025/26	2026/27	2027/28	Projected Years					
			2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
\$	\$	\$	\$	\$	\$	\$	\$	\$
49,683,000	52,456,000	54,236,000	56,076,000	57,924,000	59,660,000	61,447,000	63,410,000	65,501,000
3,077,000	3,157,000	3,239,000	3,323,000	3,406,000	3,481,000	3,558,000	3,643,000	3,734,000
4,068,000	4,174,000	4,283,000	4,394,000	4,504,000	4,603,000	4,704,000	4,817,000	4,937,000
2,243,000	2,291,000	2,340,000	2,391,000	2,442,000	2,488,000	2,535,000	2,587,000	2,643,000
74,000	76,000	78,000	80,000	82,000	84,000	86,000	88,000	91,000
758,000	778,000	798,000	819,000	839,000	857,000	876,000	897,000	919,000
901,000	924,000	948,000	973,000	997,000	1,019,000	1,041,000	1,066,000	1,093,000
123,000	125,000	127,000	129,000	132,000	132,000	132,000	132,000	132,000
60,927,000	63,981,000	66,049,000	68,185,000	70,326,000	72,324,000	74,379,000	76,640,000	79,050,000
21,475,000	22,032,000	22,605,000	23,192,000	23,771,000	24,293,000	24,828,000	25,423,000	26,059,000
23,962,910	24,886,522	25,367,901	26,071,744	26,732,258	27,593,994	27,938,191	28,616,807	29,338,462
12,357,640	12,581,606	12,813,686	13,044,820	13,285,740	13,537,050	13,800,269	14,073,527	14,357,133
2,258,589	2,694,354	2,795,681	2,823,263	2,735,981	2,687,962	2,503,511	2,292,844	2,041,419
60,054,140	62,194,483	63,582,267	65,131,827	66,524,978	68,112,007	69,069,971	70,406,178	71,796,013
872,860	1,786,517	2,466,733	3,053,173	3,801,022	4,211,993	5,309,029	6,233,822	7,253,987
(12,631,000)	(10,836,000)	(14,568,000)	(13,959,000)	(16,973,000)	(13,351,000)	(13,922,000)	(13,445,000)	(13,925,000)
12,357,640	12,581,606	12,813,686	13,044,820	13,285,740	13,537,050	13,800,269	14,073,527	14,357,133
727,000	361,000	510,000	392,000	308,000	396,000	405,000	414,000	424,000
453,640	2,106,606	(1,244,314)	(522,180)	(3,379,260)	582,050	283,269	1,042,527	856,133
(11,210,000)	(16,643,000)	(8,866,000)	(1,630,000)	(1,671,000)	(1,708,000)	(1,746,000)	(1,787,000)	(1,831,000)
-	9,525,046	474,954	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(11,210,000)	(7,117,954)	(8,391,046)	(1,630,000)	(1,671,000)	(1,708,000)	(1,746,000)	(1,787,000)	(1,831,000)
(9,883,500)	(3,224,830)	(7,168,627)	900,993	(1,249,238)	3,086,043	3,846,298	5,489,349	6,279,119



Brighton Civic Centre
24 Jetty Road
Brighton SA 5048

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PO Box 19
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Item No: 8.2

Subject: **DRAFT 2024-25 ANNUAL BUSINESS PLAN**

Summary

The Draft 2024-25 Annual Business Plan is presented for noting ahead of its release for community engagement. It has been developed having regard to the *Our Holdfast 2050+* Strategic Plan, Asset Management Plans, Long Term Financial Plan and directions provided by Council.

The draft budget has been developed with a general rate increase of 7.1% and satisfies Council's financial sustainability and performance measures. The Draft 2024-25 Annual Business Plan and consultation results are due for review by the Audit and Risk Committee on 12 June 2024.

Recommendation

That the Audit and Risk Committee notes the Draft 2023-24 Annual Business Plan and supports its presentation to Council for community consultation

Background

The Draft 2024-25 Annual Business Plan has not been previously considered by Council although its development has been the subject of workshops with Elected Members.

Report

Development of the Draft 2024-25 Annual Business Plan and Budget

The Draft 2024-25 Annual Business Plan is provided to members as Attachment 1.

Refer Attachment 1

The Draft 2024-25 Annual Business Plan is Council's statement of its intended program of activities and outcomes for the coming financial year. It is developed concurrently with the budget, which outlines proposed revenue sources and resources allocated to implement the Annual Business Plan.

The 2024-25 Annual Business Plan and consultation results will be reviewed by Council's Audit and Risk Committee on 12 June 2024.

Key Parameters

- Target of an operating surplus.
- 7.1% general rate revenue increase (excluding separate rates and Regional Landscape Levy). This is made up of 4.8% in line with CPI and 2.3% to fund the Transforming

Jetty Road, Glenelg project.

- 0.5% rate revenue increase for new development growth.
- Alwyndor and Jetty Road Mainstreet budgets to be self-funding.

Other considerations

Depreciation is based on existing asset valuations and has increased by 7.1% (\$774,000). The major asset classes that have increased are office equipment (IT assets) and open spaces.

Fees and charges have been reviewed and assessed in accordance with a user pays principle, taking LGPI into account.

Major Projects

The centrepiece of the Draft 2024-25 Annual Business Plan is the Transforming Jetty Road, Glenelg project. This multi-million dollar project will start in spring this year and continue for three years.

The project will be undertaken in three zones – City, Transition and Coast – to minimise disruption to traders, residents and visitors. Plans for each of the zones are based on feedback received from the community consultation on the *Jetty Road Masterplan* in 2017–18.

To fund the \$40m Transforming Jetty Road project will require increased borrowings over the next three years, but this will enable the costs of the project to be shared fairly between current and future users. Council has secured \$10 million from the Australian Government to help deliver the Coast zone of the project with the remaining \$30 million to be funded by council. As this is a significant amount it will have an impact on council's total borrowings, however, the cost associated with borrowing an initial \$10m for the first stage has been taken into consideration when preparing the draft 2024-25 budget. This has resulted in the requirement for an additional 2.3% increase in rate revenue, with similar increases expected over the following two years for the remaining stages of the project.

To enable the Transforming Jetty Road, Glenelg project, there is a more limited number of other new projects. These include:

- Sport and Recreation Infrastructure Planning – \$40,000
- Cricket Club chairlift – \$17,398
- *Movement and Transport Plan* Implementation – \$40,000
- Wayfinding at Kingston Park – \$8,000
- Sharing the National Collection public art installation - \$7,250
- Biodiversity assessment – \$30,000
- Wheatland Street pocket park – \$20,000
- Street light conversion plan – \$20,000
- Patawalonga Frontage irrigation upgrade – \$500,000
- EV charging infrastructure for council's vehicle fleet - \$20,000.
- Resilient South funding - \$20,000
- Review of Stormwater Management Plan - \$50,000
- Technology and Innovation Projects – Various ICT Improvements - \$800,000.

Commercial Activities

Brighton Beachfront Holiday Park is budgeting for net earnings of \$1.461 million for the 2024-25 year which is a slight decrease on the \$1.50 million predicted for 2023-24. This is in part due to the loss of three sites with the development of the Kingston Park Kiosk and the delay in the Caravan Park redevelopment. In addition, 2023-24 saw additional business due to the Riverland floods and an increase in demand as a consequence.

Alwyndor draft 2024-25 budget

The draft Alwyndor budget was presented to the Alwyndor Management Committee in March 2024. The draft budget is included in this draft 2024-25 Annual Business Plan.

Rate Revenue and Valuations

The major variable determining the ability to meet the draft budget program of services, works and financial targets is rate revenue. This is budgeted to increase by 7.1% excluding separate rates, development growth (estimated at 0.5%) and the Regional Landscape Levy.

The 7.1% increase in rates comprises 4.8% which aligns with the Adelaide Consumer Price Index (as at December 2023) to fund the full range of council services along with a 2.3% increase for the Transforming Jetty Road, Glenelg project.

The Differential Rate premium applied to industrial, commercial properties and vacant land will be determined once land valuations are received by the Valuer-General. The premium applied to industrial, commercial properties and vacant land in the 2023-24 financial year was 63%.

The Jetty Road, Glenelg separate rate is budgeted to increase by 7.1% (\$46,870). This funds the operation of the Jetty Road Mainstreet Committee and this is cost neutral.

The Patawalonga Marina separate rate of \$86,400 has been increased by 4.8%. It provides for basic annual maintenance cost and includes a 50% discount to account for the general public's use of the lock.

Draft Budget Financial Performance and Position

The draft budget (excluding Alwyndor) features:

- Operating surplus of \$975,677 for Council's municipal activities;
- Capital expenditure of \$21.95 million comprising \$8.47 million on renewal and replacement of existing assets and \$12.41 million for new and upgraded assets (including \$10m for Transforming Jetty Road, Glenelg) and \$1.07 million for employee costs capitalised;
- Council's current ceiling for the net financial liabilities ratio is 75%. However, it is acceptable to exceed this ceiling from time to time, particularly when low interest rates offer the opportunity to develop infrastructure and facilities that will provide long-term benefit to the community. In 2024-25, the net financial liabilities ratio is forecast to increase from 74% to 90% (excluding Alwyndor).

An additional, and arguably more relevant, indicator of council's ability to manage and service debt is its interest cover ratio which is measured by calculating our net financial interest as a percentage of the overall operating revenue. Council has set a ceiling of 5% for this ratio. In 2024-25, our interest cover ratio is forecast to be 2.9 % (excluding Alwyndor). Our net financial liabilities and interest cover ratio indicate that council remains in a strong and sustainable financial position to manage its debt levels.

Community Engagement

The *Local Government Act 1999* under the *Statutes Amendment (Local Government Review) Act 2021*, requires the Annual Business Plan to conform with our community consultation policy. Copies of the Draft 2022-23 Annual Business Plan will be made available at the commencement of a 21 day community engagement period, commencing Wednesday 24 April and concluding on Friday 17 May.

The consultation will include an opportunity for constituents to address Council at its meeting on Tuesday 14 May 2023.

An interactive web page to facilitate community comments and questions will be established.

Additional copies of the Draft 2024-25 Annual Business Plan will be available from Wednesday 24 April:

- on council's engagement website, yourholdfast.com/DABP24-25; and
- from the Brighton Civic Centre, 24 Jetty Road, Brighton.

Feedback must be received by 5pm Friday 17 May to be considered by Council. Comments can be made by:

- visiting yourholdfast.com/DABP24-25;
- writing to the Corporate and Service Planning Lead, PO Box 19, Brighton SA 5048;
- emailing the Corporate and Service Planning Lead at mail@holdfast.sa.gov.au;
- telephoning council on 8229 9999 during office hours; or
- making a deputation to Council at its meeting on Tuesday 14 May 2024.

Details of how the community may participate in the consultation process or gain copies of the Draft 2024-25 Annual Business Plan will be advertised via the yourholdfast database and social media pages.

Budget

The cost for the development of the Annual Business Plan is accommodated in existing budgets.

Life Cycle Costs

Not Applicable

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

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

Written By: Corporate and Service Planning Lead

General Manager: Strategy and Corporate, Sharon Wachtel

Attachment 1

DRAFT

2024–25 **Annual Business Plan**



About this Draft 2024–25 Annual Business Plan

The City of Holdfast Bay's *Annual Business Plan* outlines council's priorities and program of works for the next 12 months. It allocates funding for key projects and services and shows how your rates are invested.

We welcome your feedback on this draft version, which Council will consider before the 2024–25 *Annual Business Plan* is finalised in June 2024.

You can access additional copies of the *Draft 2024–25 Annual Business Plan* from Wednesday 24 April at:

- › yourholdfast.com/DABP24-25
- › Brighton Civic Centre, 24 Jetty Road, Brighton.

Feedback must be received by 5pm Friday 17 May to be considered by Council.

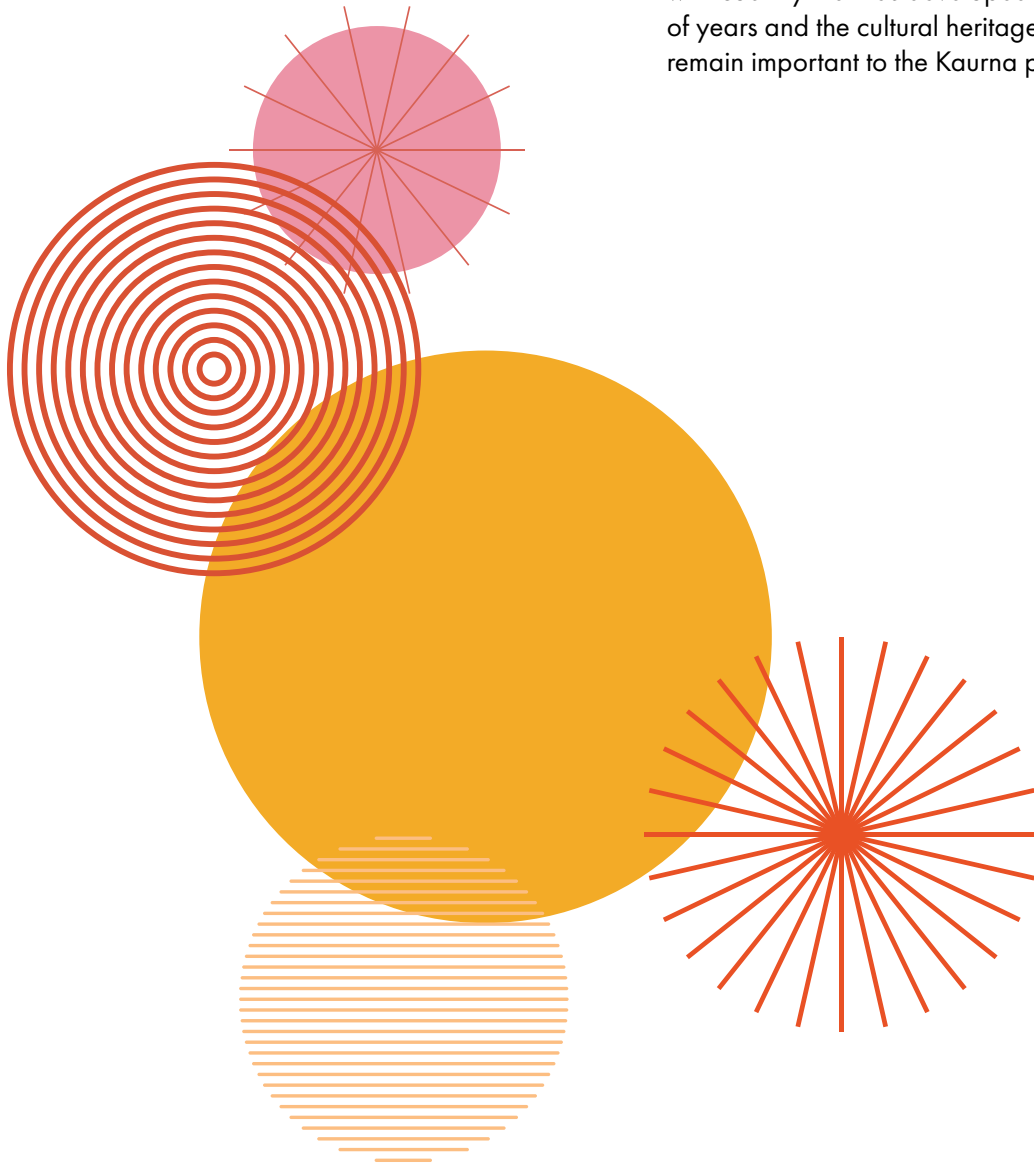
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- › visiting yourholdfast.com/DABP24-25
- › writing to the Corporate and Service Planning Lead, PO Box 19, Brighton SA 5048
- › emailing the Corporate and Service Planning Lead at mail@holdfast.sa.gov.au
- › telephoning council on 8229 9999 during office hours
- › making a deputation to Council at its meeting on Tuesday 14 May 2024 (commences 7pm, Glenelg Town Hall, Moseley Square, Glenelg). Please provide notice via mail@holdfast.sa.gov.au, or drop written notice into the Brighton Civic Centre by 5pm Tuesday 7 May 2024 if you wish to make a deputation.

For more information, please visit yourholdfast.com/DABP24-25 or call council on 8229 9999.

Traditional Custodians

The City of Holdfast Bay acknowledges the Kaurna People as the traditional owners and custodians of the land. We respect their spiritual relationship with country that has developed over thousands of years and the cultural heritage and beliefs that remain important to the Kaurna people today.



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Mayor's Welcome

On behalf of the City of Holdfast Bay, I'm pleased to present the *Draft 2024–25 Annual Business Plan*, outlining our program of works and budget for the upcoming financial year.

As Mayor, I am immensely proud to call Holdfast Bay my home and place of business. And I know it's a sentiment shared by many in our community.

Although we are privileged to experience this amazing part of the world daily, we are also the destination of choice for a million visitors each year. In particular, Glenelg is the premier coastal spot in metropolitan Adelaide, with the tram playing an important role in delivering tourists right to our sandy shores.

To cement ourselves as a must-visit location, we have made a commitment to deliver one of the biggest projects our council has ever undertaken – the multi-stage, \$40 million transformation of Jetty Road, Glenelg.

We have listened to our community who have for many years called for a revamp of our flagship shopping, dining and entertainment precinct, which supports more than 330 local businesses.

And over the next three years, we will transform the one kilometre stretch of road into a modern, five-star, vibrant, safe and accessible world-class destination.

We have \$10 million in funds already secured from the Australian Government and Council is committing another \$30 million to this once-in-a-generation project.

However, it's not just an investment into Glenelg. It's an investment into the future economic growth and prosperity of the entire Holdfast Bay area and will have far reaching benefits for the city, from the boundaries at Glenelg North to Kingston Park and everywhere in between.

Renewal works will kick off in spring this year within the City zone which starts at the Brighton Road intersection and extends west to the Partridge Street/Gordon Street intersection.

Our priority will be ensuring the community can still easily access local services and shops while the work is undertaken.

The real magic will take place over the coming two years, in particular with the Coast zone which includes the Moseley Street junction with Jetty Road, Colley Terrace and the fringes of Moseley Square.

As this is predominantly our tourism precinct, we want this area to have flexible spaces, widened footpaths and the creation of a plaza that can be closed to traffic for events and activations particularly during the summer months.

While the Transforming Jetty Road Glenelg project will be our major focus for the next three years, we have also prioritised and allocated funds to other projects and initiatives which are of great importance to our community – the environment, city assets and infrastructure, sport, recreation, wellbeing, tourism and events.

Our focus on protecting our environment is unwavering. We were the first coastal council in South Australia to recognise that the world is in a climate emergency and have a constant view to adapting to and mitigating climate change.

Our involvement in the Resilient South initiative – which is a joint venture between Holdfast Bay, the cities of Marion, Mitcham and Onkaparinga and the South Australian Government – will continue in 2024–25.

We have allocated \$20,000 towards the Regional Coordinator role to ensure the *Regional Climate Action Plan (ReCAP) 2024–2029* is delivered. The ReCAP will assist in achieving carbon neutral/net zero emissions targets that we, and our Resilient South partners, endorsed and adopted.

Our partnership with the City of Marion extends to a review of the *Stormwater Management Plan (SMP)*, towards which we have allocated \$50,000 in the 2024–25 budget.



The SMP review will inform our own stormwater implementation plan and capital works upgrades across the city, which is important in reducing the risk of flooding and improving water quality.

Other projects that will be funded out of the \$1.31 million allocated for Environmental Services, include:

- › Biodiversity assessment – \$30,000
- › Wheatland Street pocket park – \$20,000
- › Street light conversion plan – \$20,000
- › Patawalonga Frontage irrigation upgrade – \$500,000
- › EV charging infrastructure for Council’s vehicle fleet – \$20,000

Council is committed to a high level of service and safety with our street, footpath and kerb renewal and maintenance program.

In 2024–25, \$8.92 million is allocated for Field Services – which covers all maintenance and repairs of footpaths, kerbs and roads along all public amenities including beach access points, showers, barbecues, playgrounds and picnic furniture.

The team is also responsible for street trees, lawn mowing, graffiti removal and stormwater drains.

Other projects and services listed in the *Draft Annual Business Plan* include:

- › Library Services – \$1.98 million
- › Tourism and Events – \$1.63 million
- › Sport and Recreation Infrastructure Planning – \$40,000
- › Cricket Club chairlift – \$17,398
- › *Movement and Transport Plan* Implementation – \$40,000

- › Wayfinding at Kingston Park – \$8,000
- › Sharing the National Collection public art installation – \$7,250

As part of the upcoming budget and for the purposes of this *Draft Annual Business Plan*, rates have been provisionally raised by 7.1% – or \$126 for the coming year (based on the average residential property value in Holdfast Bay).

The 7.1% increase in rates comprises 4.8% which aligns with Adelaide CPI (as at December 2023) to fund the full range of council services along with a 2.3% increase for the Transforming Jetty Road project.

This 2.3% equates to an increase of \$41 for the average household next year, and we anticipate an increase at this similar level for two further years for the Transforming Jetty Road project, which will be completed by the end of 2027.

Our commitment to the transformation of Jetty Road at Glenelg will allow us to keep up with the growth that is taking place around the state while also ensuring Glenelg – and by extension Holdfast Bay – remains relevant and front of mind as Adelaide’s best coastal shopping, dining, entertainment and tourism precinct.

We have exhausted all other funding options for this significant project, but this needed investment will result in a great return for our residents and boosted economic prosperity for the City of Holdfast Bay.

I look forward to your feedback on our draft plan.



Amanda Wilson
Mayor
City of Holdfast Bay

Our City

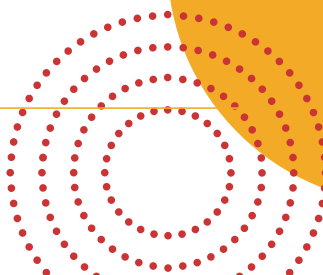
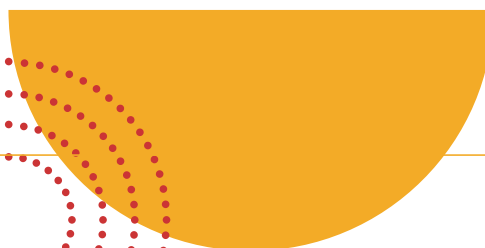
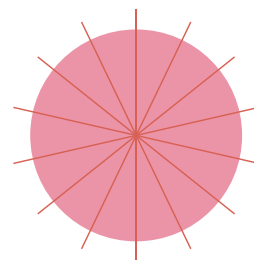
Kaurna people lived sustainably and nurtured the land and waters for some 60,000 years as one of the world's longest living cultures.

The coastal environment with its fresh water lagoons and abundant food sources was used for millennia as a meeting place for cultural celebrations, ceremony and trade by Kaurna people, and continues to be a place of significant Kaurna cultural heritage.

In 1836, Colonel William Light arrived on the Rapid to survey the South Australian coast in search of a place for settlement. While the Rapid stood off-shore near the mouth of the Patawalonga, a storm blew in and the anchor held. Colonel Light consequently named the bay 'Holdfast Bay'.

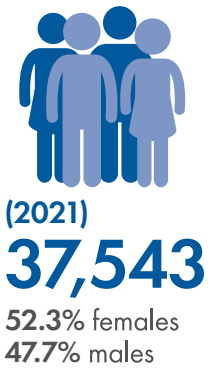
The Province of South Australia was proclaimed at Pathawilyangga in 1836, which became the municipality of Glenelg in 1855. Wituwaringga became the municipality of Brighton in 1858.

The City of Holdfast Bay was formed in 1997 through the amalgamation of the City Councils of Glenelg and Brighton. Located just 11 kilometres from the Adelaide city centre and five minutes from Adelaide Airport, our City is now home to close to 38,000 people and one of the most celebrated places to live, work and visit in the Adelaide metropolitan area. It boasts a beautiful natural environment, high quality recreation and community facilities, superior health and education, health options, a vibrant tourism sector, thriving retail precincts and a small light industrial area.



Our Community

TOTAL POPULATION

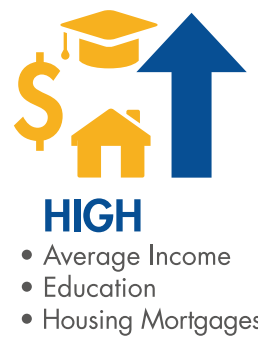


VEHICLE USAGE

Private car is the most common travel method for journeys to work (80%). Public transport accounts for 8.5% and active travel (walking and cycling) 5%



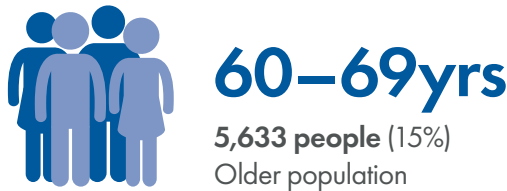
SNAPSHOT



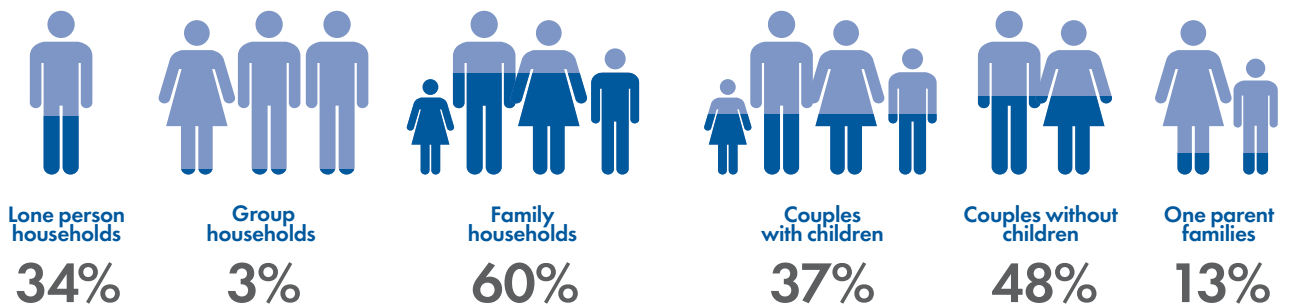
MEDIAN AGE



MOST COMMON AGE GROUP



HOUSEHOLD TYPES



OF THE 60% FAMILY HOUSEHOLDS

Source: ABS 2021

A Day in the Life

Did you know that on a normal day in the City of Holdfast Bay:

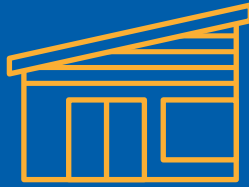
Nearly
1,508

items are borrowed from our libraries at Glenelg and Brighton



More than
322

people attend our four Community Centres



Maintenance and other works are carried out at Glenelg Oval and other reserves by our Open Spaces team



511

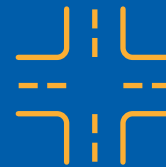
people visit the libraries

7,200

bins lifts for residential and business waste collection



30 trips on the Community Wellbeing bus



25 linear metres

of roads resealed



60

separate cleaning services are conducted at council buildings



Each of our **31** public toilet facilities are serviced and cleaned

18 linear metres

of kerb replaced



Our two Jetty Roads at Glenelg and Brighton are serviced by street sweepers



24sq metres

of footpaths repaired



174 phone calls and **95** emails are responded to by our Customer Experience team



3,242

page views on our website



3 trees planted



4 Development Applications processed



33 requests completed by our Field Services team

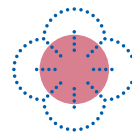


Our Vision

In November 2021 Council adopted a new Strategic Plan titled *Our Holdfast 2050+*. This Plan came into effect on 1 January 2022. The vision in this Plan is:

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

To achieve this Vision, we have identified three focus areas:



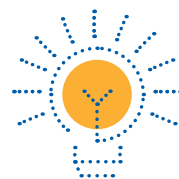
Wellbeing

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



Sustainability

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



Innovation

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

This Annual Business Plan is designed to help deliver *Our Holdfast 2050+* within these focus areas.

Highlights



Jetty Road, Glenelg

Jetty Road, Glenelg will be transformed into a modern, vibrant and world-class destination as part of a multi-million dollar project that will start in spring this year and continue for three years.

The project will be undertaken in three zones – City, Transition and Coast – to minimise disruption to traders, residents and visitors.

Plans for each of the zones are based on feedback received from the community consultation on the *Jetty Road Masterplan* in 2017–18.

Spanning one kilometre in length and supporting 19 side streets and laneways, Jetty Road, Glenelg is our flagship destination for shopping, local services, dining, entertainment and events.

It is home to more than 330 local business and welcomes a million visitors annually.

Renewal works will start in spring 2024 in the City zone, which begins at the Brighton Road intersection and extends west to the Partridge Street/Gordon Street intersection.

City zone plans include:

- › A new entry statement at the Brighton Road corner to create a sense of arrival
- › Installation of new continuous paved footpaths
- › Enhanced pedestrian safety with *Disability Discrimination Act* compliant and improved pedestrian areas
- › Improved stormwater to reduce ponding on the footpaths, parking bays and the road
- › Increased greenery and use of water sensitive urban design elements to reduce urban heat
- › Beautifying the existing street amenities and retaining its current function

Renewal and construction works will start in 2027 in the Transition zone, which runs from Nile Street up to and including the Partridge Street/Gordon Road intersection.

Within this zone are Chapel Plaza and Bouchee Walk, which were upgraded in 2021 as the first stage of the Transforming Jetty Road, Glenelg project.

Chapel Plaza was converted from a small, one-way road into a spacious public plaza with seating, new lighting, public art, more trees and greened resting spots.

The upgrade of Hindmarsh Lane, which then became Bouchee Walk, helped strengthen pedestrian connections within the precinct, along with new public toilets, a parent room and a fully accessible Changing Places toilet.

Other plans for the Transition zone include:

- › Replacement of footpaths with stone pavers and improving accessibility for the whole community
- › Raised multi-use areas that suit both on street parking, activation activities and outdoor dining
- › Improved accessibility with upgraded infrastructure that is socially inclusive and compliant with the *Disability Discrimination Act*
- › Better connection between laneways and side streets off Jetty Road with continuous footpath treatments that extend into these streets and laneways
- › Increased pedestrian safety throughout the street
- › Improved stormwater management that makes use of water sensitive urban design features to reuse stormwater and reduce ponding on the road, parking bays and footpaths
- › Increased greenery, low level planting to decrease urban heat and increase a sense of wellbeing
- › New creative and functional street lighting and furniture to enhance how people experience Jetty Road

Council has secured \$10 million from the Australian Government for the Coast zone which extends west of Nile Street along Jetty Road and includes

the Moseley Street junction with Jetty Road, Colley Terrace and the fringes of Moseley Square.

Construction will start in 2026 and will result in a flexible space, with footpaths extending seamlessly to merge with Moseley Square to create a plaza, when the road can be closed to vehicles for events and activations.

Other plans for the Coast zone include:

- › Raised multi-use areas to allow vehicle access and on street parking that can be transformed for outdoor dining and events
- › Improved accessibility and socially-inclusive infrastructure to meet *Disability Discrimination Act* compliance
- › Better connection between laneway and side streets off Jetty Road with continuous footpath treatments that extend into these spaces
- › Integration of public art into functional infrastructure to enhance the aesthetic and cultural value of the precinct
- › Better use and removal of stormwater through upgraded systems and the use of water sensitive urban design
- › Returning hardscape surfaces back to greened spaces to create comfortable resting spots along the street

The community will have the chance to provide feedback once the final concept plans for the Coast and Transition zones are confirmed.

Council will allocate \$30 million to the project over three years.

Follow the project at transformingjettyroad.com

Quality of Life Survey Results (2023)

How you rated your council out of 10:



COMMUNITY



8.6

Providing library services



8.3

Providing sporting facilities



7.5

Delivering services for the elderly and people with a disability



8.1

Providing programs and services that encourage a healthy and active lifestyle



7.8

Providing arts and cultural experiences



PLACEMAKING



7.1

Maintaining roads and kerbing



7.55

Maintaining cycle networks

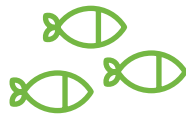


8.7

Access to shops, services and open space



ENVIRONMENT



8.1

Maintaining beaches and coastal areas



8.2

Providing adequate waste management services

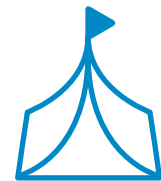


ECONOMY



7.8

Encouraging a diverse range of businesses and services in the area



7.85

Supporting and promoting tourism and events



Overall rating of Holdfast Bay as a place to live



CULTURE



6.95

Council provides good financial management and value for rates



7.2

Overall satisfaction with the quality of service and performance of the council



8.3

Maintaining well laid out parks and reserves



7.6

Providing programs that foster social interaction and community wellbeing



8.0

Providing a sense of safety in neighbourhoods



Highlights

Major Projects

In addition to the redevelopment of Jetty Road, Glenelg, council will undertake several major projects to support the vision and objectives in its strategic plan, *Our Holdfast 2050+*. These include:

Stormwater upgrades – Tarlton Street \$1.0 million

This continuing stormwater infrastructure upgrade will decrease the likelihood of flooding in a high-risk flood zone. It was identified as a priority from the *Stormwater Management Plan* and *Stormwater Implementation Plan* and is part funded by the Federal Government.

Sport and Recreation Infrastructure Planning \$40,000

In recent research and community engagement we have consistently found a need for informal sport and recreation infrastructure, often coupled with upgrades to playspaces.

This planning will help to deliver more accessible and versatile facilities that cater to a wide range of recreational interests. This is in line with the *Playspace Action Plan 2019–2029* that aims to enhance playspaces for diverse community needs.

Cricket Club Chairlift \$17,398

The Glenelg District Cricket Club (GDCC) is in a two-storey clubroom building in the north-western corner of the Glenelg Oval precinct. Up to date, there were no means by which a mobility impaired person could access the first floor, as there was no ramp to the first floor nor was there a lift in the building. This restricted the ability of the Club to hire the venue for various functions and was restrictive on who could visit the clubrooms to spectate cricket.

Council has contributed toward a stair chairlift, mounted to the balustrade and hand rails of the internal stairwell. This enables patrons with restricted mobility access to the first floor. The new installation of the stair chairlift delivers on some of Council's *Disability Access and Inclusion Plan (DAIP) (2020–24)* actions, including improving accessibility to council buildings, services and facilities.



Highlights

Wheatland Street Pocket Park \$20,000

There is a small piece of land on the corner of Wheatland Street and Kauri Parade at Seacliff, which is currently covered in part by shrubs and in part by dolomite. The part that is covered by dolomite is used for unsanctioned car parking. Given Council's desire to increase greening, and the challenges of doing so in Seacliff due to the geography and dense infrastructure, this location provides a rare site to create some public green space. This project would be delivered using internal resources from the Depot, thereby maximising the value of the budget.

Review of Stormwater Management Plan (joint with City of Marion) \$50,000

The existing *Stormwater Management Plan: Coastal Catchments Between Glenelg and Marino (SMP) 2014* is a coordinated approach to the management of stormwater with the City of Marion. This SMP is 10 years old and due for renewal. The City of Marion have agreed to request \$50,000 in 2024–25, along with matched funding from City of Holdfast Bay and the Stormwater Management Authority, to undertake a review and refresh of the SMP.

This will inform our stormwater implementation plan and capital works upgrades across the city to reduce flooding risk and improve water quality.

Biodiversity Assessment \$30,000

The *Environment Strategy 2020–2025* includes a target to increase the average biodiversity score from 12.8 in 2018 to 14 by 2025.

Since 2018 council has engaged an Urban Greening Officer, as well as undertaking large-scale weed control and revegetation projects in the dunes, gullies, and along the Sturt Creek. With this and other biodiversity work during this period we anticipate the score to have increased, thereby demonstrating the value of this work.

The desired outcome of this project is to know the current state of our biodiversity, compared to 2018 and whether we have reached, not reached, or exceeded our 2018 biodiversity score.

Resilient South Funding \$20,000

Resilient South (RS) is an award-winning regional climate partnership between the Cities of Holdfast Bay, Marion, Mitcham and Onkaparinga, and the state government. It was formed in 2011 and is one of four such partnerships in the Adelaide and Fleurieu region. Council's contribution will ensure that the Regional Coordinator role continues for the duration of the *Regional Climate Action Plan 2024–2029*. In turn this will help to ensure that many of the actions in the plan will be delivered.

Street Light Conversion Plan \$20,000

In 2018–19 the City of Holdfast Bay converted around 2,300 of its 3,400 streetlights over to LED. There has been a 259 tonne decrease in council's CO₂ greenhouse emissions through changing streetlights to LED. We will develop a plan for the conversion/transition to LED of our remaining streetlights, which will include:

- › prioritised delivery schedule
- › highlight our compliance or deficiency risks
- › budget forecasts
- › any return-on-investment, in the form of energy savings.

Movement and Transport Plan Implementation \$40,000

The *Movement and Transport Plan* is currently under development. This is an indicative allocation to fund initiatives in this Plan. Allocation of funding this financial year will enable prompt implementation of actions and outcomes from the *Movement and Transport Plan* in an agile way.

Patawalonga Frontage Irrigation Upgrade \$500,000

The current irrigation mainline that delivers quality water to the coastal reserves in Glenelg, is an ageing infrastructure that is approximately 20–25 years old. This project will create an irrigation system that is not only fit-for-purpose but also cost-effective and environmentally sustainable. The outcome will be a new resilient and sustainable irrigation system designed for the future, operating on recycled water with mains back up in strategic locations.

EV Charging Infrastructure for Council Fleet \$20,000

Council's *Carbon Neutral Plan* includes an action to electrify our fleet and a *Fleet Transition Plan (FTP)* was developed and endorsed by council in 2023. To facilitate the electric vehicles, charging infrastructure will be required at Brighton, Glenelg and Depot offices. This project establishes two electric vehicle charging stations, one at Glenelg and one at the Depot.

Wayfinding at Kingston Park \$8,000

An assessment was made of signage at the entry of the access road, to indicate the key attractions within the precinct, being the Holiday Park, Kiosk and Tjilbruke Spring.

It is recommended that a precinct sign, similar to other precincts within the City, such as Brighton Oval, would be appropriate for the location. The sign would include the various attractions within the precinct.

Sharing the National Collection \$7,250

Council have applied to take part in the National Gallery of Australia's Sharing the National Collection initiative. Negotiations are under way to finalise the loan of appropriate artworks.

The program is fully funded by NGA, this important partnership will enable City of Holdfast Bay to display a high calibre of artwork that would be otherwise out of reach as an individual council.

The allocation of funds from City of Holdfast Bay will be to upgrade lighting to showcase the public artwork at night and to increase safety and security of the installation location in the Glenelg area.

Technology and Innovation Capital Projects – Various ICT Improvements \$800,000

A range of technology projects aimed at improving efficiency and effectiveness in core business functions, including asset management and corporate planning. These projects will assist in planning and managing the work of council and essential in ensuring security of information and data.

Financial Overview

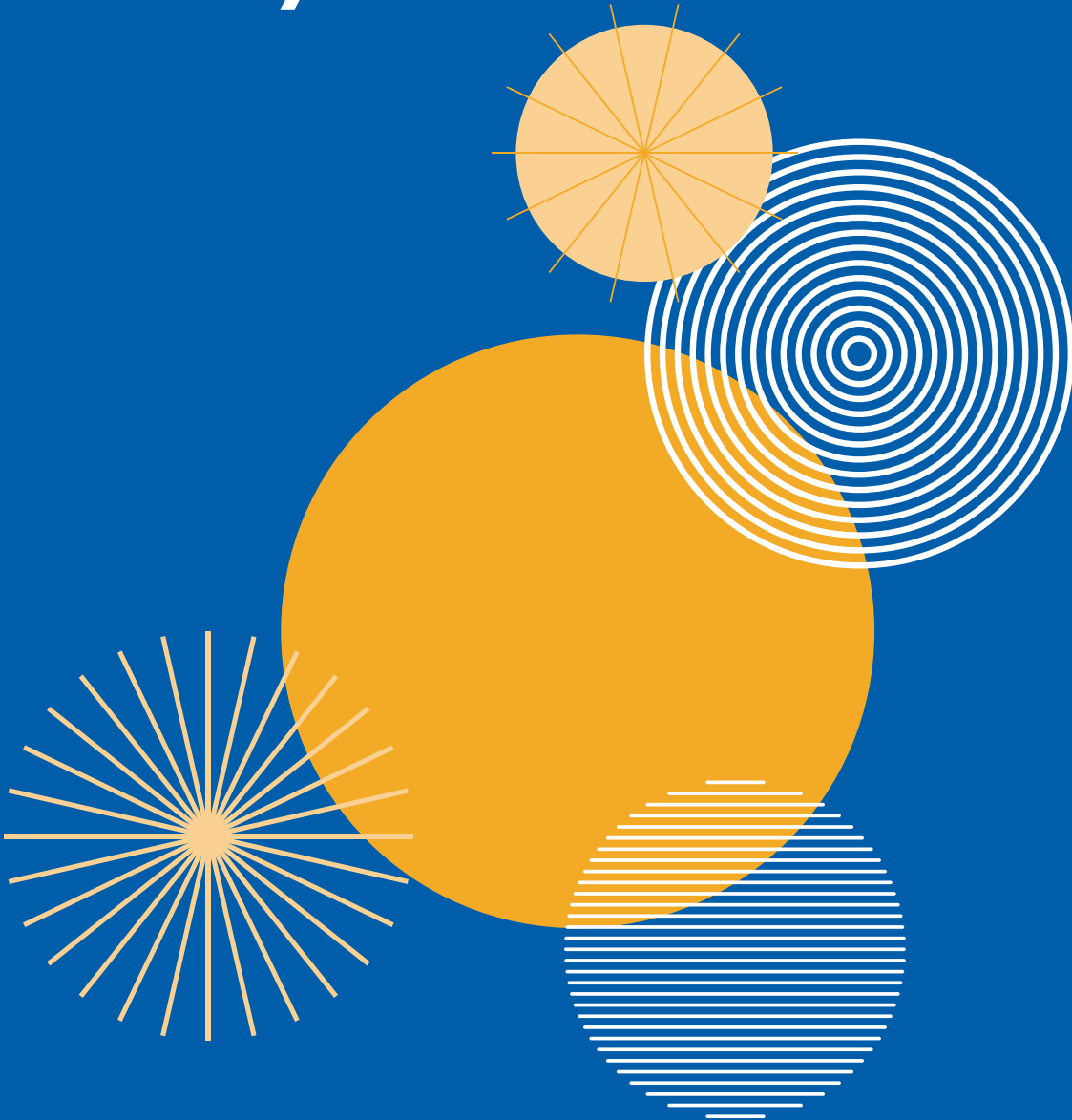
Projections for the 2024–25 financial year indicate that council will be working with a municipal operating surplus of \$958,677. For the same period Alwyndor is projected to work with an operating surplus of \$617,490.

In the 2024–25 financial year we will invest \$65.75 million in municipal operations (excluding Alwyndor) to provide services, implement programs and build and maintain essential assets. Our main areas of investment include:

- › \$43.64 million to provide services to our community.
- › \$9.54 million to upgrade and maintain community assets.
- › \$12.57 million for new capital infrastructure and service improvements.



Municipal Financial Summary

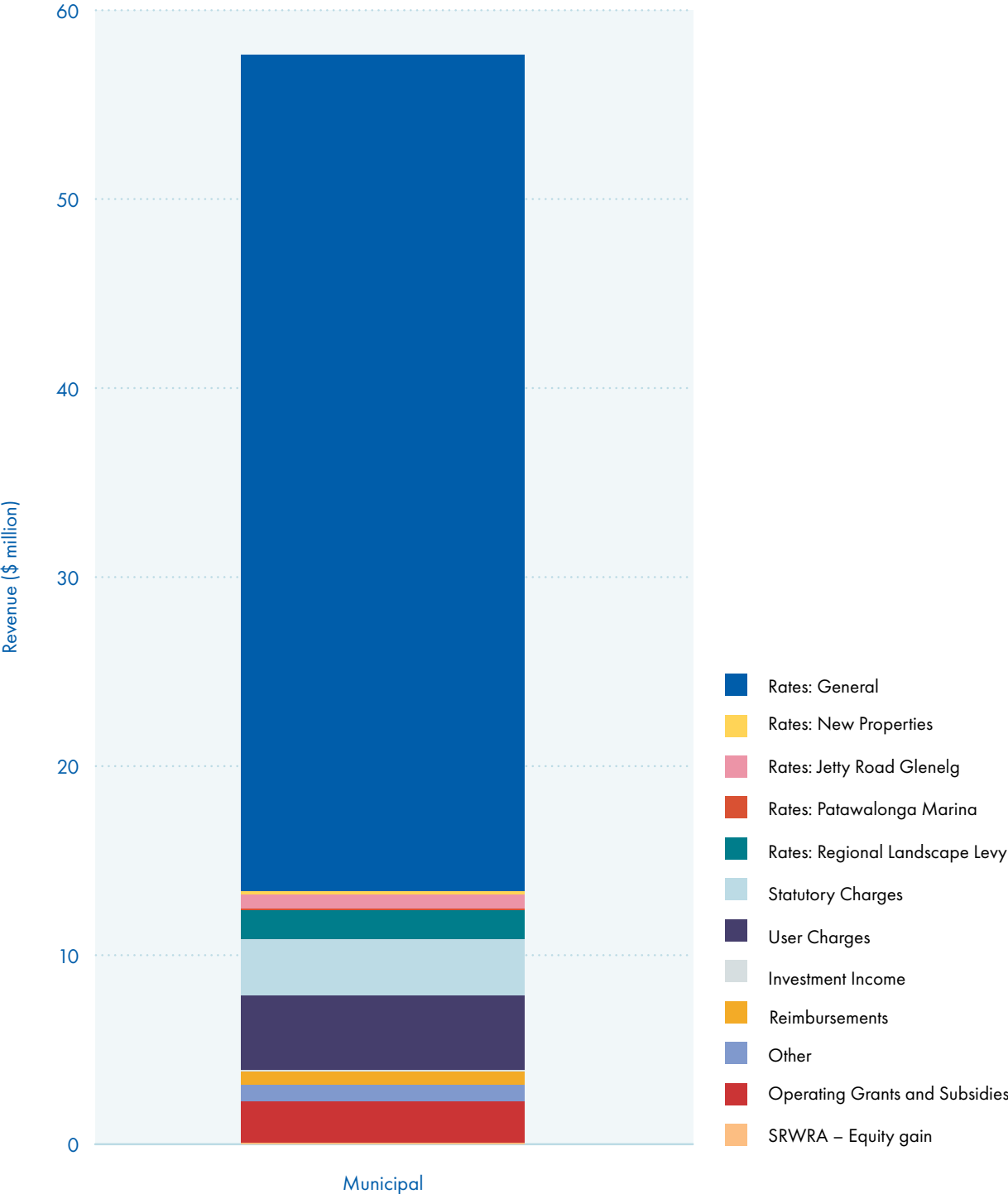


2024–25 Municipal Operating Revenue: \$57.63 million

Council receives \$57.63 million (excluding Alwyndor) to provide services and infrastructure to the community.

Rate Revenue	Million
Rates: General	\$44.21
Rates: New Properties	\$0.21
Rates: Jetty Road Glenelg	\$0.71
Rates: Patawalonga Marina	\$0.09
Rates: Regional Landscape Levy	\$1.54
Total Rate Revenue	\$46.76
Operational Revenue	
Statutory Charges	\$2.98
User Charges (including but not limited to revenue from commercial operations)	\$3.94
Investment Income	\$0.07
Reimbursements	\$0.73
Other	\$0.87
Total Operational Revenue	\$8.59
External Revenue	
Operating Grants and Subsidies	\$2.18
SRWRA – Equity gain	\$0.10
Total External Revenue	\$2.28
Total Municipal Revenue	\$57.63

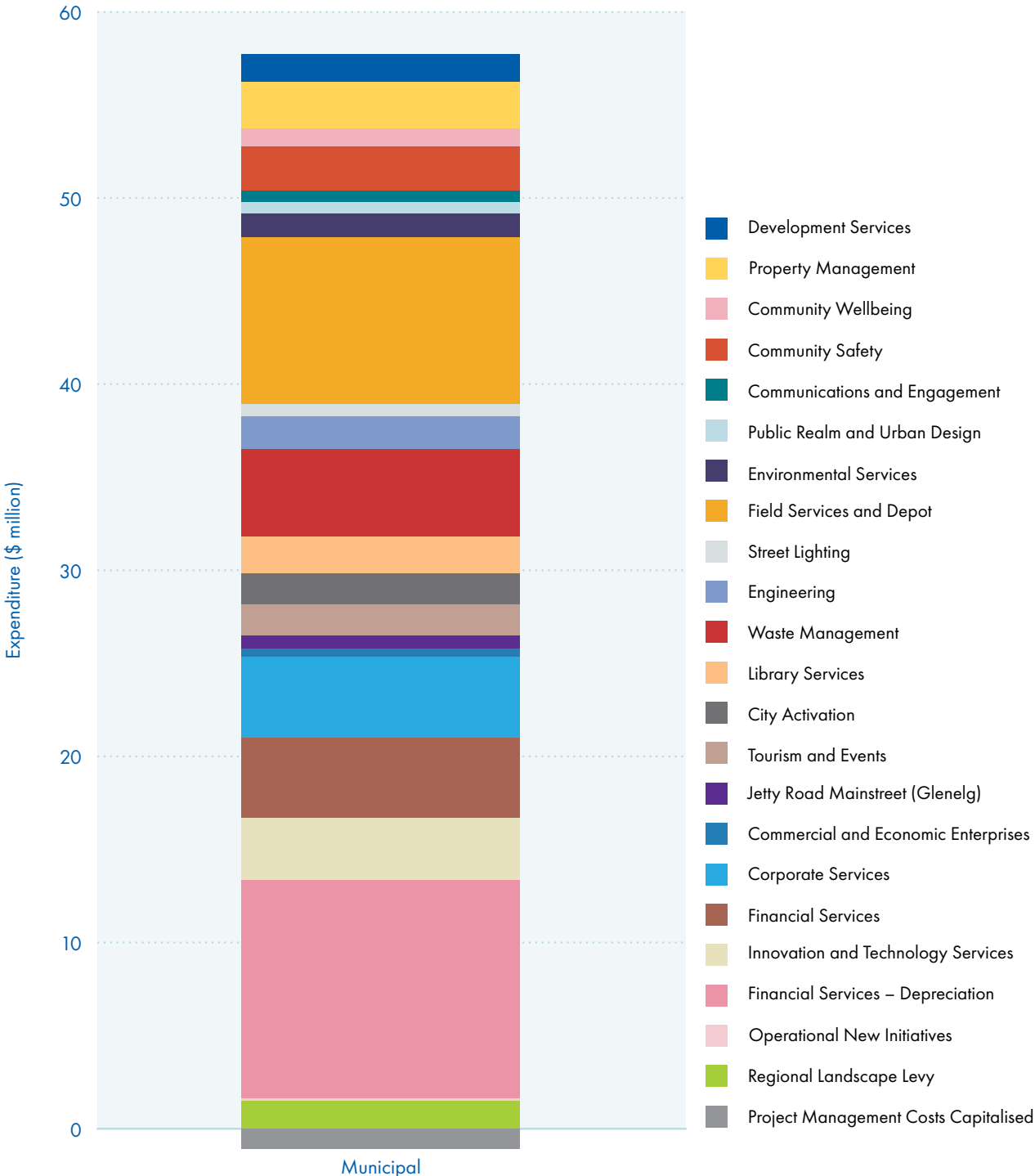
Municipal Operational Revenue



2024–25 Municipal Operating Expenditure: \$56.66 million

Services	Million
Development Services	\$1.48
Property Management	\$2.49
Community Wellbeing	\$0.98
Community Safety	\$2.37
Communications and Engagement	\$0.63
Public Realm and Urban Design	\$0.59
Environmental Services	\$1.31
Field Services and Depot	\$8.92
Street Lighting	\$0.70
Engineering	\$1.75
Waste Management	\$4.68
Library Services	\$1.98
City Activation	\$1.69
Tourism and Events	\$1.63
Jetty Road Mainstreet (Glenelg)	\$0.73
Commercial and Economic Enterprises	\$0.44
Corporate Services	\$4.34
Financial Services	\$4.32
Innovation and Technology Services	\$3.34
Total Expenditure on Services	\$44.37
Other Operational Expenditure	
Financial Services – Depreciation	\$11.69
Operational New Initiatives	\$0.16
Regional Landscape Levy	\$1.51
Project Management Costs Capitalised	-\$1.07
Total Expenditure on Other Operational	\$12.29
Total Municipal Operational Expenditure	\$56.66

Municipal Operational Expenditure

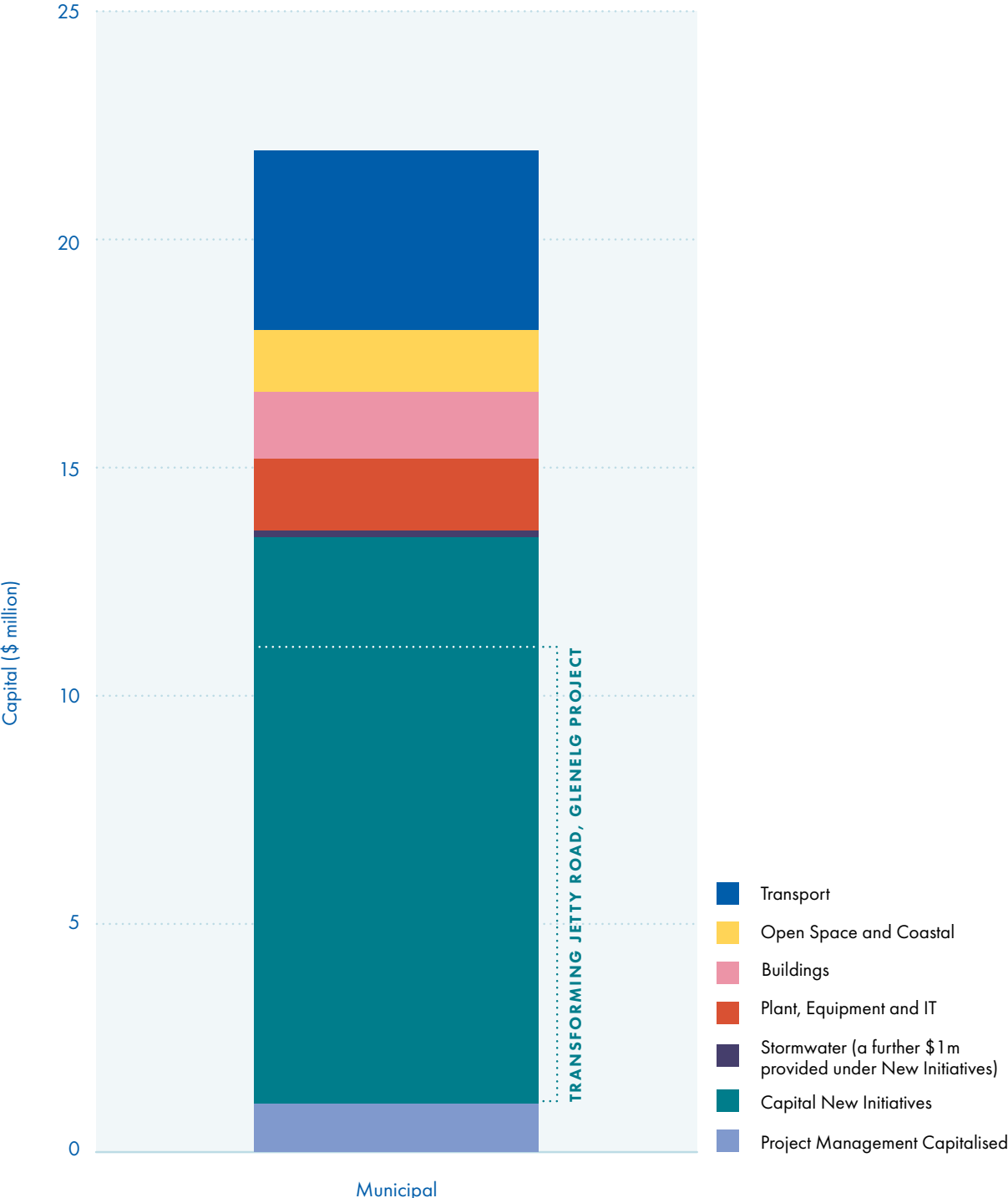


2024–25 Municipal Capital Program: \$21.92 million

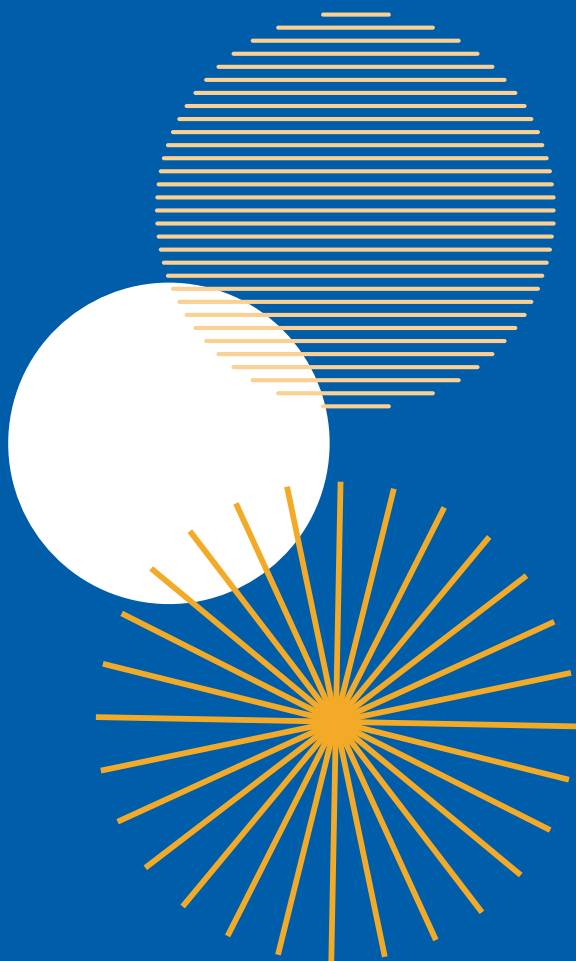
Council will spend \$21.92 million (excluding Alwyndor) on a capital program to update and maintain community assets in 2023–24.

Municipal Capital Program	Million
Transport	\$3.92
Open Space and Coastal	\$1.36
Buildings	\$1.47
Plant, Equipment & IT	\$1.58
Stormwater (a further \$1m provided under New Initiatives)	\$0.14
Capital New Initiatives (includes \$10 million for the Transforming Jetty Road, Glenelg project)	\$12.41
Project Management Capitalised	\$1.07
Total Municipal Capital Expenditure	\$21.95

Municipal Capital Program



Our Financial Governance



Council's long-term financial performance and position are sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Ensuring Financial Sustainability

Policies and practices

As in previous years, Council adopts prudent financial governance policies and practices to enable the consistent delivery of cost-effective services to our community. Our policies and practices are based on three goals:

- 1. Program sustainability**
To ensure the maintenance of our high-priority programs including the renewal and replacement of infrastructure
- 2. Rate stability**
To ensure a reasonable degree of stability and predictability in the overall rates
- 3. Intergenerational equity**
To ensure a fair sharing of the distribution of resources and their attendant financial burden between current and future users of services and infrastructure.

Financial Principles

The following key financial principles were adopted in the preparation of this Plan:

- › **Presenting a balanced budget**
We aim to fully fund the cost of services, including the depreciation of infrastructure and assets (i.e., wear and tear), in order to share the costs of services fairly between current and future users. Insufficient funding would shift the costs burden of today's assets and services on to future users in the form of higher rates or reduced services.
- › **Maintaining infrastructure and managing assets**
We aim to maintain infrastructure (e.g., buildings and bridges) and assets (e.g., roads, kerbs, paving, machinery, trees, irrigation systems and playground equipment) to high standards. This involves developing and using long-term infrastructure and asset management plans to manage our asset portfolio efficiently and continuing to invest in renewing and replacing our assets as they wear out.
- › **Providing predictable rates**
We aim to provide our community with a reasonable degree of predictability for rates. We will keep ratepayers fully informed about future rates and the corresponding services provided.
- › **Prudent debt management**
We aim to keep our debt as low as practicable. We borrow funds to invest in new long-term assets or to replace and renew existing assets and thereby spread that cost over the longer term, consistent with the typical long lives of assets.

Significant Influences

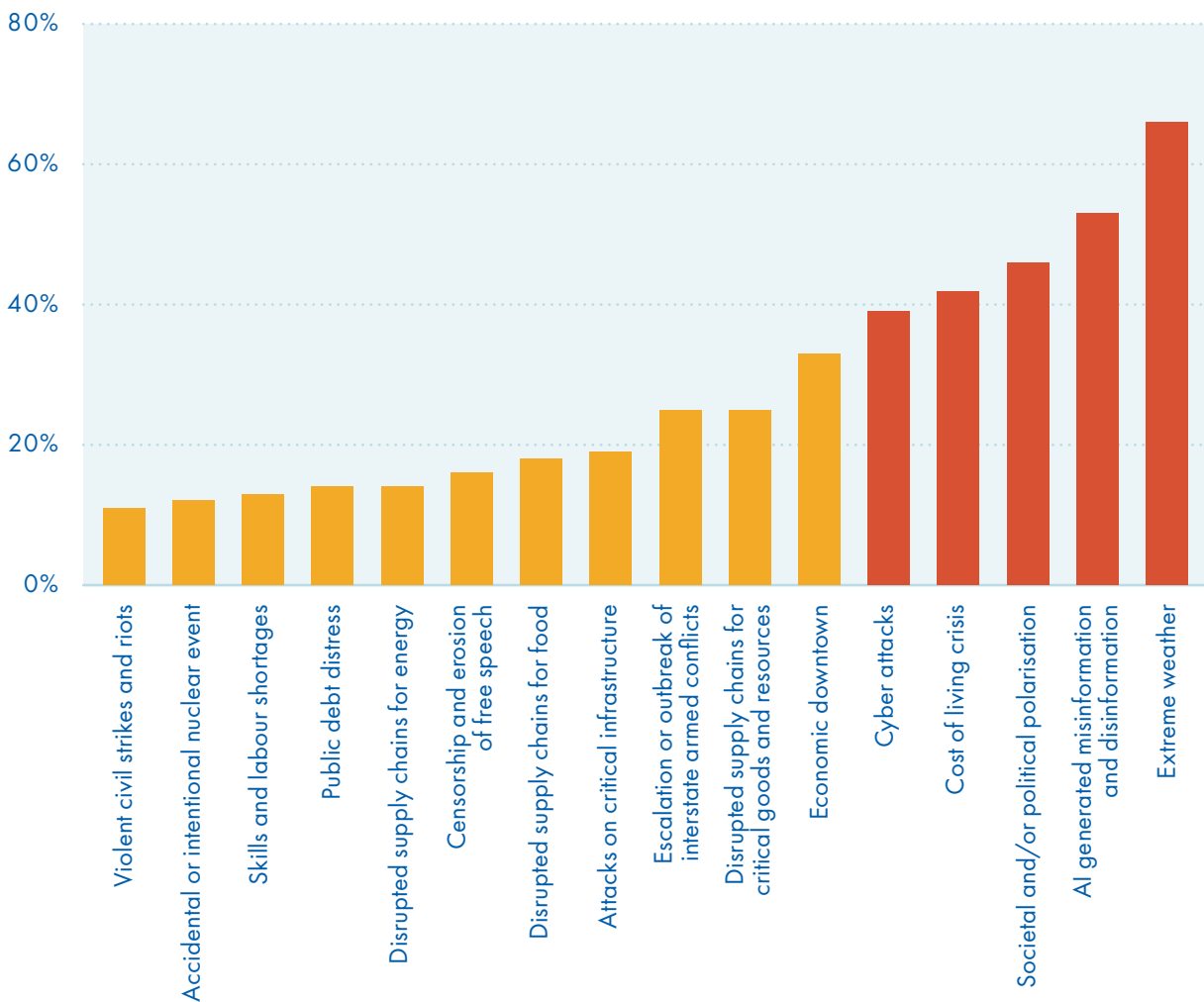
National and Global Trends and Emerging Issues

Many bodies seek to understand the things that are influencing change into the foreseeable future. There is some consensus amongst these groups on significant trends that are expected to continue and accelerate. This section puts these trends into perspective and begins to draw conclusions about what they may mean for the City of Holdfast Bay.

The World Economic Forum conducts a survey of its members on the risk landscape. The table below provides the results of this survey.

The following sections unpack the main risks presented by this study and responses to these.

WORLD ECONOMIC FORUM CURRENT RISK LANDSCAPE 2024



(Adapted from World Economic Forum, 2024, p. 13)

Adapting to Climate Change and Achieving Sustainability

The risk of extreme weather is seen as the highest risk by the World Economic Forum over the coming years. This aligns closely with what other bodies see as the most concerning trend which is climate change and its impact on many facets of life (CEDA Committee for Economic Development of Australia, 2024; Environment Protection Authority, 2023; KPMG, 2024; BBC News, 2023; CSIRO, 2022).

There are two general responses to Climate Change. First, is to mitigate further harmful change by reducing greenhouse gas emissions. A major element of this is described as reaching net zero emission targets. Second, is to adapt to the changing weather that, despite mitigation, is already occurring and will accelerate.

In 2019 the City of Holdfast Bay became the first South Australian coastal council to recognise a Climate Emergency. Internationally, 2,349 jurisdictions in 40 countries have made a Climate Emergency Declaration and in 2022, South Australia was the first state in Australia to make this declaration. (Environment Protection Authority, 2023, p. 12).

In 2022 the Department for Environment and Water said that by 2090, Adelaide could experience 121% more extreme rainfall days, 79% more days of extreme heat (35°C+), 64% more severe fire danger days, and 61cm of sea level rise. (Cited in City of Holdfast Bay, 2023)

Sea levels along the South Australian coast have risen by an average rate of 2mm per year from 1966 to 2022. The rate of sea level rise is increasing and from 1993 to 2022 was between 3mm and 5mm per year in some locations. The rate of rise is projected to increase in the future under plausible scenarios. (Environment Protection Authority, 2023, p. 38)

The South Australian Government now has state-wide goals of:

- › reducing net greenhouse gas emissions by more than 50% from 2005 levels by 2030;
- › achieving net zero emissions by 2050;
- › achieving 100% renewable energy generation by 2030.

Progress toward these targets shows that:

- › approximately 70% of South Australia's energy is now generated via renewable energy sources;
- › South Australia's carbon dioxide equivalent emissions (MtCO₂-e) have reduced by 42% since 2005. (Environment Protection Authority, 2023, p. 32)

There are economic uncertainties created by extreme weather events. The Committee for Economic Development (CEDA) reminds us that energy transition and climate resilience remain policy priorities and will 'have an impact on economic growth for some time.' (CEDA Committee for Economic Development of Australia, 2024, p. 7)

South Australia faces unique challenges related to climate change, including extreme weather events, water scarcity, and biodiversity loss. In response local governments are increasingly implementing sustainability initiatives and as described later in this Plan, the City of Holdfast Bay is at the forefront of these efforts.

Significant Influences

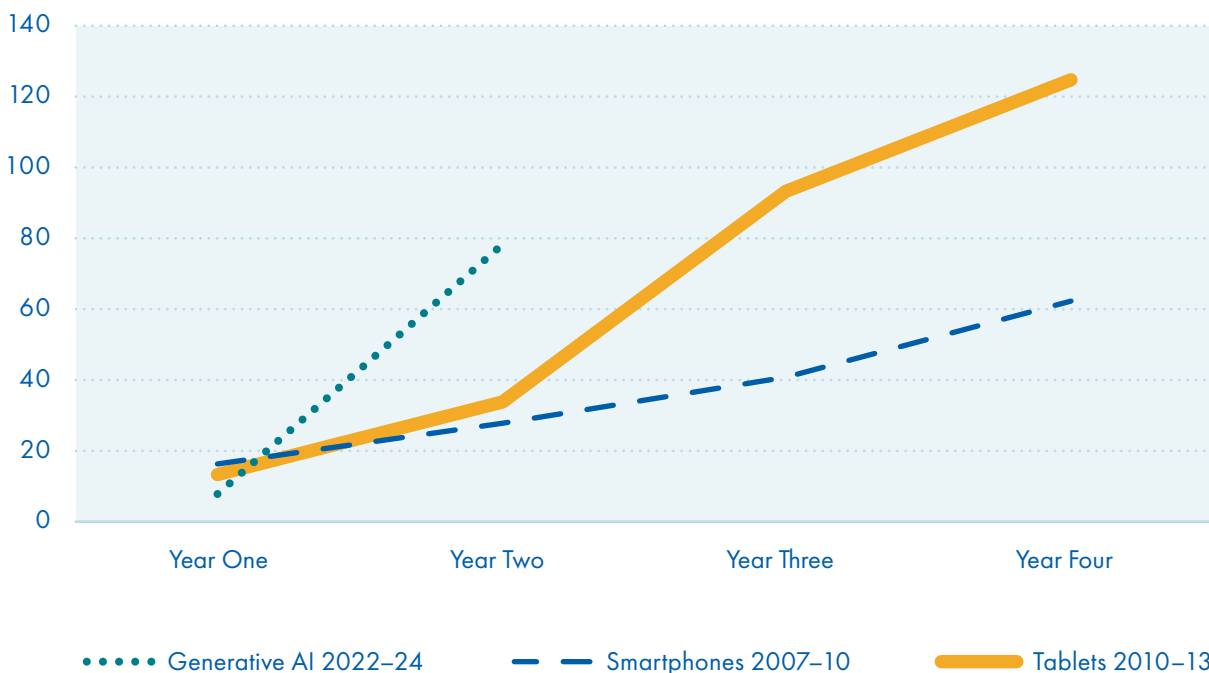
Digital Transformation

From the World Economic Forum, issues related to Artificial Intelligence (AI) and Cyber Security were seen as medium to long term risks.

Generative AI has seen extraordinary growth in use. In the United States 77.8 million people are expected to use ChatGPT in the first two years after its release in November 2022. This is more than double the adoption rate of both tablets and smartphones. (Insider Intelligence , 2023, p. 8)

Businesses have been quick to take up AI. According to one survey more than one-third of organisations in the United States are using AI regularly in at least one business function. (McKinsey and Company, 2023). Many industries will be impacted by AI, however 'those relying most heavily on knowledge work are likely to see more disruption—and potentially reap more value'. (McKinsey and Company, 2023)

**GENERATIVE AI ADOPTION COMPARED TO SMART PHONES AND TABLETS
MILLIONS OF USERS IN THE UNITED STATES**



(Adapted from Insider Intelligence , 2023)

It is expected that AI will impact on the labour market. Concerns about new technology replacing workers have already been voiced, however 'emerging international evidence suggests that AI tools in the short-term will primarily be used to complement rather than replace employees'. (CEDA Committee for Economic Development of Australia, 2024, p. 21)

Council has adopted a Generative AI Use Policy in recognition of its benefits and associated risks. It is believed that this is one of the first such policies for Local Government in South Australia and is perhaps nation leading.

There are concerns being raised that emerging technologies such as AI, may create new opportunities and challenges for cyber security. (Australian Government, 2023)

Cybercrime is a significant issue. In 2022–23, the 'cost of cybercrime for Australian businesses rose by 14%. The average cost of cybercrime for small businesses is now \$46,000; \$97,200 for medium businesses; and \$71,600 for large businesses.' (Australian Government, 2023, p. 20)

Australian small businesses consistently express concern over their lack of time, resources and expertise to address cyber security. Therefore, small and medium businesses can take longer to recover from a cyber incident and face higher costs compared to larger businesses. (Australian Government, 2023, p. 18) Locally businesses report that they 'will continue to invest in information technology and cyber security mostly at their current levels.' (Intuito Market Research, 2024, p. 12)

Emerging technologies are delivering significant benefits across the economy and our society. As technological change accelerates, innovations are near impossible to predict, especially in the long term. Extraordinarily rapid growth in the functionality and scale of digital tools – including expansion in the capabilities of large language models like ChatGPT make it difficult to plan for the future. (Australian Government, 2023, p. 32)

Council is increasingly required to adapt its business practices to safeguard against cyber related incidents. This level of vigilance is needed to protect sensitive information and ensure the day-to-day functions of council are not disrupted. Council continues to invest significantly in information and technology to take advantage of new technologies while addressing cyber security risks.

Significant Influences

Economic Conditions – Cost of Living

In line with the World Economic Forum risks described earlier, the cost of living for many households and organisations is at a critical level. Alongside this, South Australia's broader economy is performing very strongly.

According to CommSec for the first time in 14 years South Australia has climbed to the top spot in the State of the States' economic performance rankings. Notably South Australia ranked first on four of the eight indicators, being 'relative economic growth, relative unemployment, construction work done and dwelling starts.' (CommSec, 2024, p. 3)

Australia's economy will encounter significant challenges over the coming decades 'including population ageing, expanded use of digital and data technology, climate change and the net zero transformation, rising demand for care and support services, and increased geopolitical risk and fragmentation.' (Australian Government, 2023, p. vii) Major impacts are sometimes not as foreseeable as these. The COVID-19 pandemic showed that change can be abrupt and significant and linger for some time.

Since the COVID -19 pandemic declaration was ceased, inflation 'has resulted in significant economic and social disruption in Australia.' (Fels, 2024, p. 18). The leading role in this inflation are largely caused by supply issues. These include a breakdown in supply chains, shortages of many essential commodities, chaos in logistics and transportation networks and then a global energy price shock. Put together, these multiple crises 'imposed a sharp and lasting blow to productive capacity in many parts of the economy.' (Fels, 2024, p. 18)

Nationally, over the twelve months to the December 2023 quarter, the Consumer Price Index (CPI) rose 4.1%. In Adelaide the rate was higher at 4.8%. (Australian Bureau of Statistics, 2024). It is expected that national CPI inflation will fall to 4% by the June quarter 2024, while Adelaide's rate is expected to be higher. (South Australian Centre for Economic Studies, 2023, p. vi)

The real disposable per capita incomes of South Australian households fell by about seven % in 2022/23. This is the largest deterioration in purchasing power ever recorded by the State Accounts. (South Australian Centre for Economic Studies, 2023, p. vi) Against this there is an expectation that wages growth will accelerate during this financial year. (South Australian Centre for Economic Studies, 2023, p. vi) This will be coupled with the Stage Three tax cuts which take effect on 1 July 2024. Together these measures should have the effect of improving household budgets.

Council is not immune from these cost of living pressures. There have been significant increases in insurance, materials and consumable items impacting on Council's budget.

Wellbeing and Social Cohesion

The World Economic Forum noted social and political polarisation as a significant risk. This has been well recognised in Australia and South Australia.

For the first time the Australian Government has developed a framework for a 'wellbeing'. This framework is designed to help measure 'progress towards a more healthy, secure, sustainable, cohesive and prosperous Australia.' (Australian Government, 2023)

There is concern that the benefits of a successful society will not be evenly spread. If they are not high inequality and entrenched disadvantage will affect social cohesion and may hinder economic growth. (Australian Government, 2023, p. 14)

The 'social, economic and political environment places strain on Australia's social cohesion.' Cost-of-living pressures, weaker trust in government and other people, greater pessimism and a weaker sense of social inclusion and justice are all factors. While 'growing doubts about economic fairness in Australia are strongly associated with a declining sense of national pride and belonging and growing distrust in government.' (O'Donnell, 2023, p. 6)

This is reflected in other research describing 'a collision of trust, innovation, and politics.' The 2024 Edelman Trust Barometer describes that rapid change creates 'a new paradox at the heart of society. Rapid innovation offers the promise of a new era of prosperity, but instead risks exacerbating trust issues, leading to further societal instability and political polarization.' (Edelman, 2024)

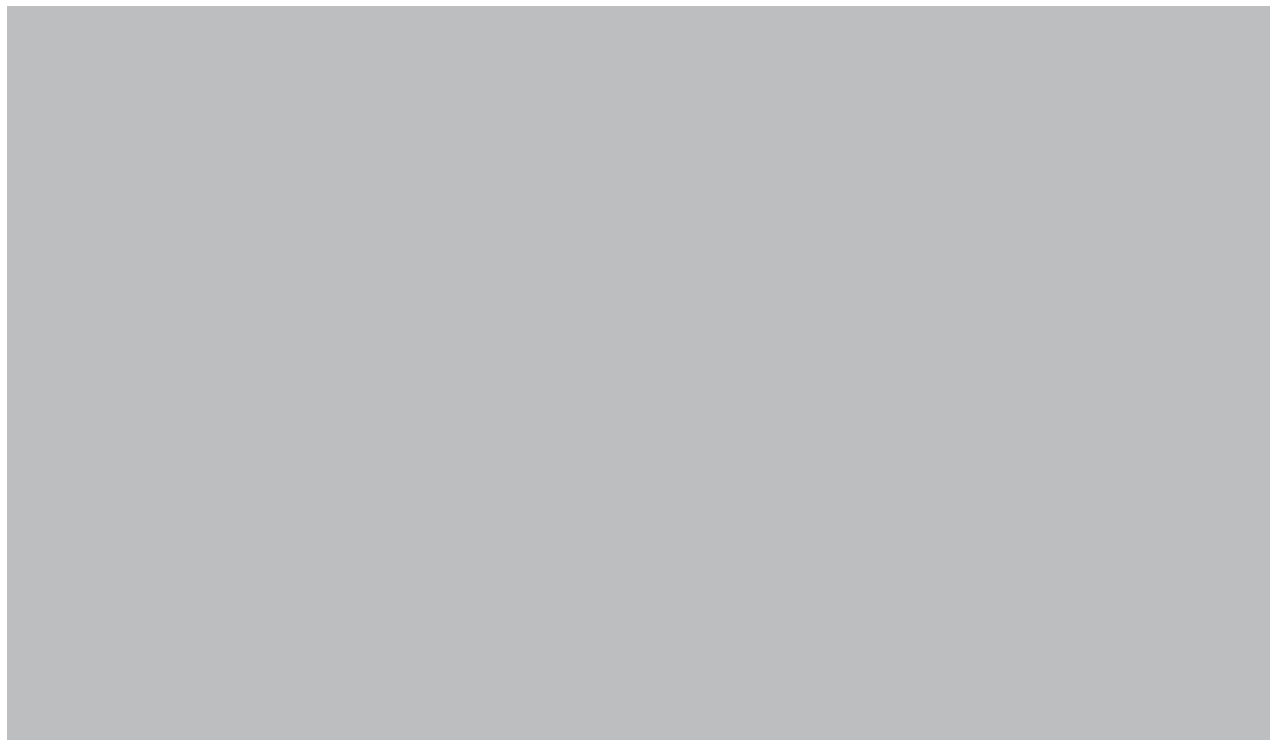
In contrast to this, state or territory governments and local councils are "more likely to be viewed as reflecting community needs and interests than federal government." (Williams & Hammerle, 2024, p. 12)

This can assist in building "the strong connections we have in our neighbourhoods and communities and the way we increasingly embrace our differences and diversity" that will "strengthen our social cohesion." (Williams & Hammerle, 2024, p. 7)

Consistently people say that wellbeing should "guide government decisions, above other considerations." The main purpose of government is described as "ensuring all people are treated fairly and equally, including the most vulnerable." (Williams & Hammerle, 2024, p. 6)

In our Strategic Plan *Our Holdfast 2050+*, Council's Wellbeing focus area aims to promote good health and economic success in an environment and a community that supports wellbeing. Council has many programs and activities that seek to draw people together and improve social interactions and cohesiveness.

Significant Influences



Housing and Homelessness

Housing has been one of the main cost increases for households. This includes those on mortgages with 13 interest rate increases. Those renting are finding that rental costs have risen significantly, and this is placing great stress on many households.

This is in part due to housing supply not keeping up with demand and 'housing construction activity is not at the level it needs to be.' This is not expected to improve in the short term, 'although price growth may soften as the impact of interest rate rises reduces borrowing capacity.' (CEDA Committee for Economic Development of Australia, 2024, p. 11)

There are also growing concerns that housing shortages and escalating costs, will fuel

'intergenerational inequality and wealth distribution.' This can have the effect of isolating people from being 'part of our economic future'. (CEDA Committee for Economic Development of Australia, 2024, p. 13)

The supply shortage on housing extends to the social housing sector. The number of households on the waiting lists for social housing across Australia is at 224,326. (Mission Australia, 2024) The households waiting for social housing are those most at risk of homelessness. In 2022–23, "of the low-income households renting private homes in Australia, 42.9% were in rental stress and at risk of being pushed into homelessness in 2022–23". (Mission Australia, 2024)

While Local Government does not generally have a direct role in housing or homeless service provision, there is a community expectation that councils will seek to address such issues. It is recognised that the roles local governments can play include:

- › 'Advocacy on behalf of vulnerable groups within the community;
- › Raising awareness amongst elected councillors and the general population about the nature, causes and consequences of homelessness;
- › Facilitating networks and building connections with the human services sector.' (Beer & Prance, 2013)

Council works with local organisations to improve the prospects for those experiencing housing difficulties and homelessness. We positively engage with people experiencing homelessness who frequent our public areas and seek to link them to appropriate services.

Aged Care Reform

The Federal Government Aged Care Reform Agenda, delivered through the Aged Care Quality and Safety Commission (ACQSC) will continue to be implemented by Alwyndor throughout 2024–25. The reform is an integral part of our strategic and business planning for all residential and support at home services.

New Aged Care standards come into effect from 1 July 2024 and the adoption of a new Aged Care Act will be considered by the Federal Government during the year. This means increased Governance effort to ensure our regulatory requirements and obligations are met, monitored and documented.

This will include increased and mandated reporting and revision of all policies and work practices. We will develop new systems to respond to the emerging service delivery models and these increasingly complex reporting regimes across all services.

In Residential Care our focus will be on the continued improvement of quality care, ensuring we provide the hours of care and nursing as mandated by the ACQSC. We will enable great lifestyle choices and create the very best food and dining experience for our residents.

The first stage of Alwyndor's Support at Home reform has been completed. We have revised and capped our fees and charges and introduced new service delivery guidelines in line with the reporting requirements of the ACQSC. Stage 2 of Support at Home reform will be introduced from 1 July 2024.

Our newly established Residential and Community Advisory Groups will continue to offer valuable feedback for our services. The Quality Care Advisory Group will assist in ensuring our services across the entire business are of the best possible standard and meet all of our mandated requirements. Each of these groups will provide regular reports to the Alwyndor Management Committee.

We will continue to respond to the Government's Reform agenda as a part of our commitment to providing care and services to older people in our communities to support the way they choose to live. Alwyndor continues to be proud preferred provider of these services within the City of Holdfast Bay and surrounding areas.

The 2024–25 Operating Environment

Cost of Living and Inflation

As described earlier, the cost of living and inflation have a direct bearing on council operations. Local Government purchases a unique range of goods and services such as fuel and construction trades to deliver renewal and maintenance works, and inflation for these is measured separately from general inflation. The general CPI for Adelaide for the year to December 2023 was 4.8%. CPI is a good measure to base Council decisions on. It has long term historical trends and has forecast data available. (The South Australian Centre for Economic Studies (SACES), 2024)

There is a strong expectation that the Reserve Bank of Australia (RBA) will cease interest rate rises. It is more likely that interest rates will decline in 2024. On average many economists expect the RBA to reduce the key interest rate of 4.35% and make two rate cuts to 3.85% by the end of 2024. (Reuters, 2024)

The borrowing capacity of council is also impacted by the interest rates. This expected easing of interest rates makes a major project like Jetty Road, Glenelg redevelopment more viable. This Annual Business Plan keeps the rate rise to a minimum whilst undertaking the very significant Jetty Road, Glenelg redevelopment project.

To enable the redevelopment of Jetty Road, Glenelg, we have limited the number of other new capital projects and are focussed on completing existing projects and renewals. We are also focused on meeting all legislative requirements and continuing to provide the high level of service our community expects.

Local Business Confidence

Council conducts regular surveys of local businesses to assess the views on local business conditions. In the 2023 survey, local businesses were asked about their expectations for economic performance in the next 12 months.

Confidence in economic conditions has declined significantly since 2021 and are back to the pre-COVID levels of 2019. More businesses expect the economy to be weaker, '43% think the national economy will be weaker, 34% think the State economy will be weaker and 33% think the local economy will be weaker.' (Intuito Market Research, 2024, p. 8)

In Australia 'the immediate challenges include inflation and cost-of-living concerns and relatively high interest rates.' (CEDA Committee for Economic Development of Australia, 2024, p. 6)

This reflects the general sentiment in South Australia where 'business confidence weakened through 2022 and has remained moderately below its long run average during 2023.' It is interesting to note that there is a 'divergence between reported business conditions and confidence.' This may show a concern about whether current positive 'conditions can be sustained as the economy continues to adjust to cost-of-living pressures and the labour market cools off.' (South Australian Centre for Economic Studies, 2023, p. 10)

In the local economy, major factors impacting on profitability include cost of living (mentioned by 54% of businesses), cost of labour (47%), cost of rent (41%) and the local economy (36%). Like the broader South Australian experience, there is some disparity between current conditions and the outlook for the next 12 months.

For example, business ‘vacancy on Jetty Road, Glenelg has halved over the last 12 months, reaching 4.8% in quarter 3 2023’ which is one of the lowest rates on record. Additionally, ‘with inbound tourists into Australia increasing by 248% on a rolling annual basis, Glenelg is likely to attract a disproportionate number of visitors visiting South Australia which will support consumer spending.’ (JLL, 2024) Most local businesses are ‘either fairly confident or confident about the next 12 months (perhaps seeing that the worst of increasing costs is over?).’ (Intuito Market Research, 2024, p. 12)

The trend for businesses interaction with council is good. ‘Most notably the ratings for experience with the delivery of food safety and health inspections and interaction with Business Development have significantly improved and now rank highly for the top council responsibilities.’ (Intuito Market Research, 2024, pp. 12–13)

The 30 Year Plan for Greater Adelaide

In 2023 the State Government released its *Greater Adelaide Regional Plan Discussion Paper*. This Paper described that ‘projections show Greater Adelaide’s population could grow by up to 670,000 people over the next 30 years. That would be a 46% increase on today’s population.’ (State Planning Commission, 2023, p. 14)

The Discussion Paper will inform a 30 year vision for the Greater Adelaide region. The Greater Adelaide Regional Plan ‘will identify where people will live and work, how they will move around, and where they will access services.’ (State Planning Commission, 2023, p. 32)

In responding to the Discussion Paper, Council proposed four growth objectives that establish a framework for development that is compatible with the existing nature of our suburbs.

Objective 1:

To protect/maintain and improve the character and heritage of the City.

Objective 2:

To encourage an increase in housing supply and diversity in suitable locations.

Objective 3:

To direct housing growth to locations which can accommodate change.

Objective 4:

To build environmental resilience and reduced carbon footprint in the pursuit of urban growth. (City of Holdfast Bay, 2023)

The 2024–25 Operating Environment

The map on the following page details the patterns of growth Council has put forward as a possible way to achieve these Objectives.

It is expected that a draft Greater Adelaide Regional Plan will be released in mid-2024 for consultation. Council will consider this draft and make a response to help inform the final *Greater Adelaide Regional Plan* which is due late in 2024.

Environmental Stewardship

The City of Holdfast Bay continues to be a leader in environmental stewardship. We have achieved 100% renewable electricity use and with our community have 70% of waste diverted from landfill.

The City of Holdfast Bay partners with the Cities of Marion, Mitcham and Onkaparinga and the South Australian Government in an award-winning partnership called Resilient South. Together we aim to increase action to adapt to the changing climate and to reduce emissions in the southern Adelaide region. Resilient South has developed a *Regional Climate Action Plan* that has been adopted by each of the partners in 2024. This Plan will assist in achieving carbon neutral/net zero emissions targets that the partners have endorsed.

Council's *Environment Strategy* continues to drive many important initiatives for our environment and community to thrive. Our continuing reduction on fossil fuel reliance will see ongoing replacement of council vehicles with electric vehicles where possible.

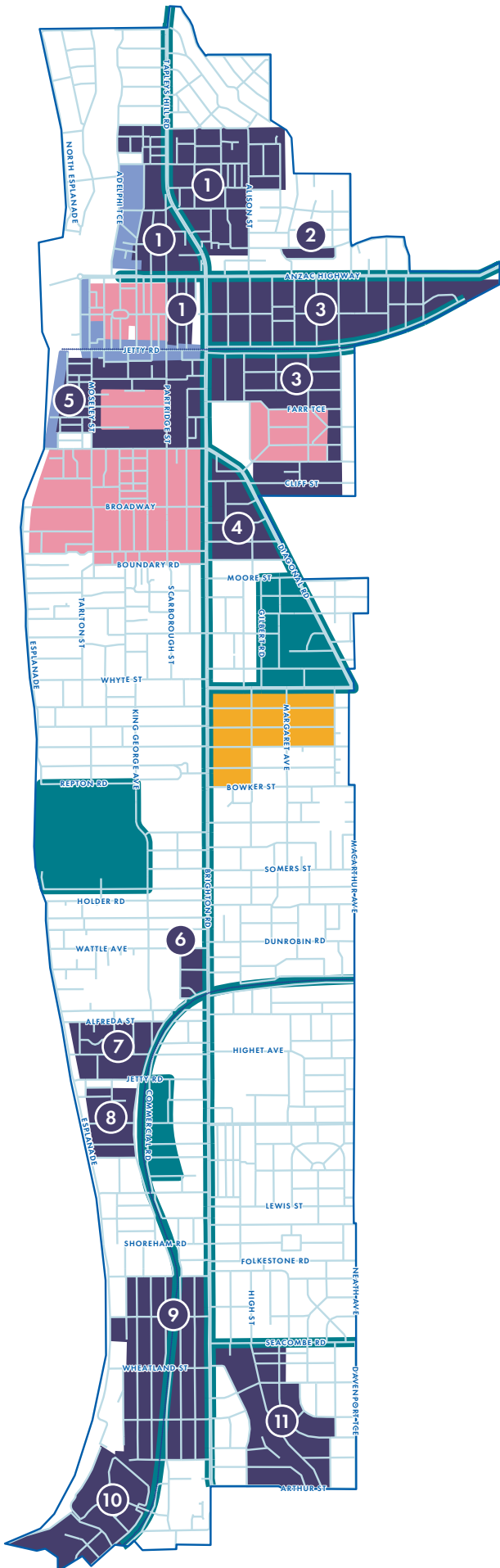
Council is taking steps to protect the natural environment, focusing on biodiversity and protecting our unique coastal environs. We are working towards a biodiversity target to increase our average biodiversity score from 12.8 to 14 by 2025. This acknowledges that the more biodiversity we can encourage, the better for our climate and the more we can reduce greenhouse gases the better for our native plants and animals, and the ecosystems they inhabit.

In finalising its inaugural *Urban Forest Plan*, council seeks to increase tree canopy cover in the City of Holdfast Bay. This Plan will consider the pressures of further private development and the resultant loss of trees. Council recognises the importance of more trees to improve wellbeing and amenity while reducing the impacts of climate change.

Council is continuing major water sensitive urban design projects, remediating our three gullies and maintaining the City's dunes and prized beaches.

Several new items have been added to the Green Living Rebates, including insulation and double glazing. Council also wants to encourage more active transport in our community, which is healthier for everyone and reduces greenhouse gas emissions. In a first for a mainland Council, we have also added rebates for cargo bikes and electric bicycles.

There is growing momentum around re-connecting with nature to build a strong desire for its protection and enhance the community wellbeing. Holdfast Bay contributes to this in many ways including via our Holdfast Habitat Heroes, through plant giveaways, community planting and beach cleaning days, hosting sustainable living workshops and nature-based events. Council will continue to explore novel ways to increase people's connection with nature.



CONSTRAINTS & OPPORTUNITIES FOR GROWTH

AREAS TO BE PROTECTED FROM FURTHER GROWTH:

- Historic Areas
- Character Areas (existing/proposed)
 - 1 Glenelg and Glenelg North
 - 2 Sandison Terrace
 - 3 Glenelg East
 - 4 Melton East
 - 5 Glenelg South
 - 6 Hove Character
 - 7 Dunluce
 - 8 Brighton
 - 9 Seacliff Policy
 - 10 Kingston Park
 - 11 Seacliff Park
- Employment Area

AREAS OF FUTURE GROWTH POTENTIAL:

- Existing Growth Areas
- New Potential Growth Areas*

* Underpinned by strong design guidelines to be developed through community consultation.

Achievements, Projects and Service Delivery



Alwyndor

Alwyndor and the City of Holdfast Bay

Alwyndor, originally the family home of Dorothy and Stephen Cheater began as a convalescent and rest home for returning World War II servicemen. Dorothy created the Dorothy Cheater Trust which binds the council (or others) to the ongoing provision of residential aged care and services in perpetuity on the parcel of land. Alwyndor is widely regarded as an important part of the City of Holdfast Bay as it continues to thrive and provide services to the residents of the city and communities in surrounding areas.

Achievements

In 2023–24, Alwyndor’s achievements and initiatives included:

- › Alwyndor is now a tenant of the Holdfast Bay Community Centre where we have expanded our Therapy and Wellness Service offerings. New classes include Reformer Pilates, Dance Fusion and Mindfulness Meditation.
- › Dining options for Alwyndor residents continued to be refined with residents choosing menus through taste testings and through regular surveys which consistently score a satisfaction rating of more than 90%.
- › We have established Residential and Community Advisory Groups to offer valuable feedback for our services as well as a Quality Care Advisory Group. These will assist in ensuring our services across the entire business are of the best possible standard and meet all our mandated requirements.
- › Support at Home Services expanded with Home Care Packages exceeding our growth targets to work with more than 500 clients.
- › We expanded our home gardening and maintenance services further in the southern area, including accepting additional Federal funding for the Mitcham communities. Alwyndor now provides these services to more than 3,000 clients.

- › A Mobile Allied Health Service commenced with two customised vehicles purchased through Federal grant funds. They provide therapy and wellness services to clients in their homes. This service includes Occupational Therapy, Physiotherapy, Exercise Physiology, Speech Therapy and Podiatry and is welcomed by many clients.
- › Tots at Dots, Alwyndor's intergenerational playgroup, continues to be extremely popular offering a valuable opportunity for children and our residents to spend time in a safe, engaging, enjoyable, and fun environment.
- › Alwyndor curated and hosted a SALA event 'Sculptures in the Gardens' where artists were invited to display sculptural works in our beautiful gardens. The exhibition was very popular with our residents and clients as well as the broader community. It was a fun and welcome exhibition with two sculptures remaining in the gardens, one purchased by Alwyndor and one generously donated by Kim Cheater and Louise Miller-Frost. Another exhibition will be arranged as a part of the 2024 SALA.

Service Delivery

Alwyndor provides integrated services for older people in our communities. A continuum of care is provided through our services, enabling our clients to live in their own homes how they choose for as long as they wish. We offer domestic and garden services as well as home modifications through to end-of-life care to enable this choice. We receive funding for these services from a variety of sources which include:

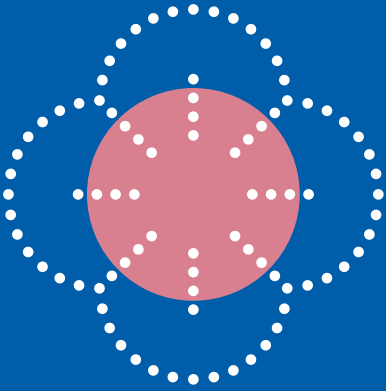
- › Commonwealth Home Support Program.
- › Home Care Packages (Federal Government funding).
- › Department of Veterans Affairs.
- › Private health refunds and private client payments.
- › Medicare (via GP referral for service packages).
- › National Disability Insurance Scheme.

At Dunrobin Road in Hove, Alwyndor provides 144 residential care beds for permanent, respite and transitional care. There is a café, hairdresser and gym, as well as podiatry, speech therapy, physiotherapy, occupational therapy and dental services. A busy day respite service for carers is provided Monday to Friday each week.

Alwyndor offers a range of one-on-one therapies including physiotherapy, occupational therapy, podiatry, and speech pathology services and an extensive range of group wellness programs to assist clients maintain independence and wellbeing.

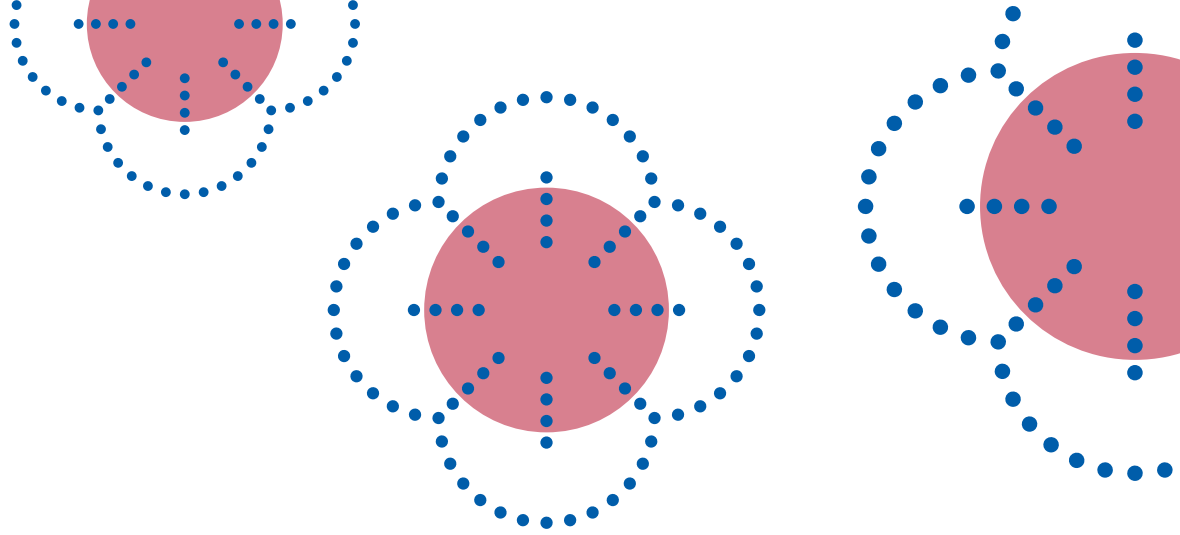
In 2024–25, Alwyndor will continue to promote and enable independence, active health and wellbeing for older people in the City of Holdfast Bay and surrounding areas.





Wellbeing

In 2024–25, Council will allocate \$8 million to good health and economic success in an environment and a community that supports wellbeing.



Objectives: 2020–2030

Measures

Apply the principles of universal design and social inclusion to all council activities

All project plans and policies address universal design and social inclusion

Assist the city’s mainstreet precincts in becoming dementia-friendly

The number of businesses recognised as dementia-friendly increases year on year

Increase participation rates in community engagements across all age groups, particularly under-represented demographics such as children and young people by using methods that are appealing and appropriate

The number of participants in formal engagements increases year on year

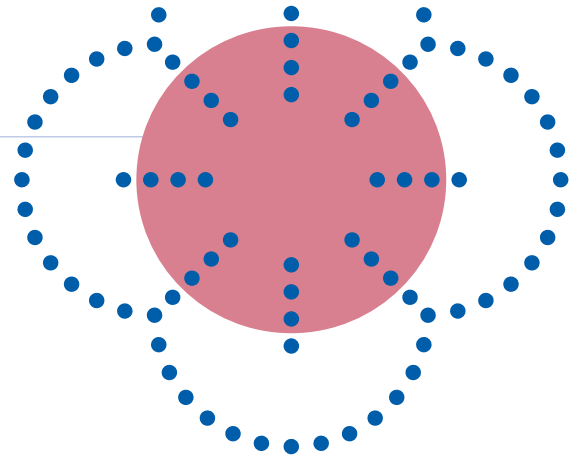
Support businesses to operate in mixed use neighbourhoods to improve local access to goods and services and reduce supply transport distances

The proportion of mixed-use developments increases

Establish community hubs that integrate community support, recreational, and commercial services in multi-purposes spaces that include frequently excluded demographics such as children and young people, people with disabilities, Aboriginal and Torres Strait Island people and people from culturally and linguistically diverse backgrounds

Utilisation of council owned buildings increases

Wellbeing



2023–24 Achievements

In 2023–24, we delivered many projects that build good health and economic success in an environment and a community that supports wellbeing. Some of these include:

Glenelg Oval upgrade Stages 3 and 4

Continuing the upgrade of this important community asset, the work for 2023–24 included upgrades to the spectator mound including playspace, elevated *Disability Discrimination Act* (DDA) viewing area and tiered seating. Other improvements included rebuilding of cricket practice pitches and netting, as well as upgrading the caretaker's building and adjoining public toilet block.

DDA Pram Ramps and bus stop improvement

New pedestrian DDA compliant ramps were installed to improve access and inclusion throughout the city.

Glenelg Community Centre Painting entrance statement

An inviting and vibrant new entrance statement for the Community Centre.

Brighton North Community Garden upgrades

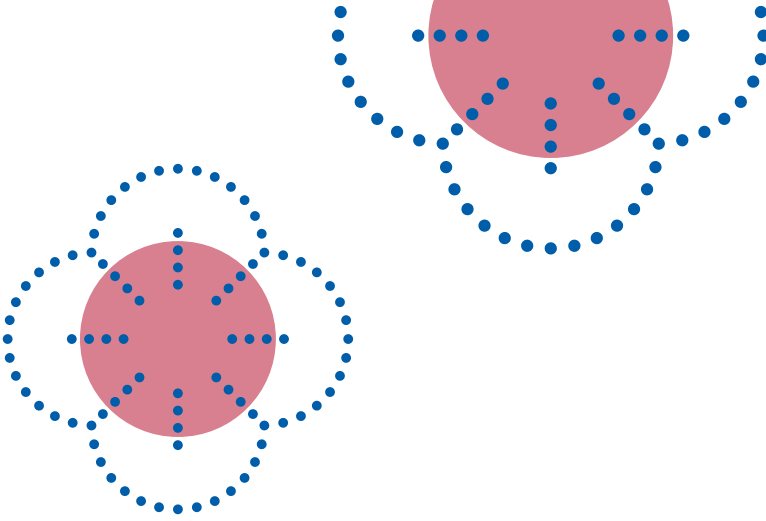
Improvements to the Brighton North Community Garden including a new irrigation system, solar security cameras and hoseslink retractable reels.

2024–25 Capital Projects: \$40,000

Sport and Recreation Infrastructure Planning – \$40,000

In recent research and community engagement we have consistently found a need for informal sport and recreation infrastructure, often coupled with upgrades to playspaces.

This planning will help to deliver more accessible and versatile facilities that cater to a wide range of recreational interests. This is in line with the *Playspace Action Plan 2019–2029* that aims to enhance playspaces for diverse community needs.



2024–25 New Projects: \$17,398

Cricket Club Chairlift – \$17,398

The Glenelg District Cricket Club (GDCC) is in a two-storey clubroom building in the north-western corner of the Glenelg Oval precinct. Up to date, there were no means by which a mobility impaired person could access the first floor, as there was no ramp to the first floor nor was there a lift in the building. This restricted the ability of the Club to hire the venue for various functions and was restrictive on who could visit the clubrooms to spectate cricket.

Council has contributed toward a stair chairlift, mounted to the balustrade and hand rails of the internal stairwell. This enables patrons with restricted mobility access to the first floor. The new installation of the stair chairlift delivers on some of Council's *Disability Access and Inclusion Plan (DAIP) (2020–24)* actions, including improving accessibility to council buildings, services and facilities.

2024–25 Service Delivery: \$7.95 million (excluding Alwyndor)

Development Services – \$1.48 million

Council's development assessment, development advice and building compliance services work to recognise opportunities while protecting the character and amenity of our suburbs. In 2023–24 (up to 15 March 2024), we have processed 694 development applications and approved 125 new dwellings with a construction value of \$89.3 million.

Council will continue with a grant scheme to support the conservation of our City's heritage premises and the character of our retail precincts. Aimed at encouraging people who own heritage listed and retail precinct properties to invest in maintaining, restoring, and preserving them, the grants replaced a previous rates rebate for heritage listed properties.

Property Management – \$2.49 million

We will manage and maintain community assets and infrastructure in an environmentally and financially sustainable way. This includes maintaining and upgrading our buildings and public facilities that are used by a variety of community groups. Street light upgrades are also a part of the work of this area of council.

Wellbeing

Community Wellbeing – \$0.98 million

In addition to the services delivered by Alwyndor's Community Connections team, council provides activities that promote wellbeing and resilience and enable people to remain at home with an enhanced quality of life, including social support and a kerb-to-kerb community transport service.

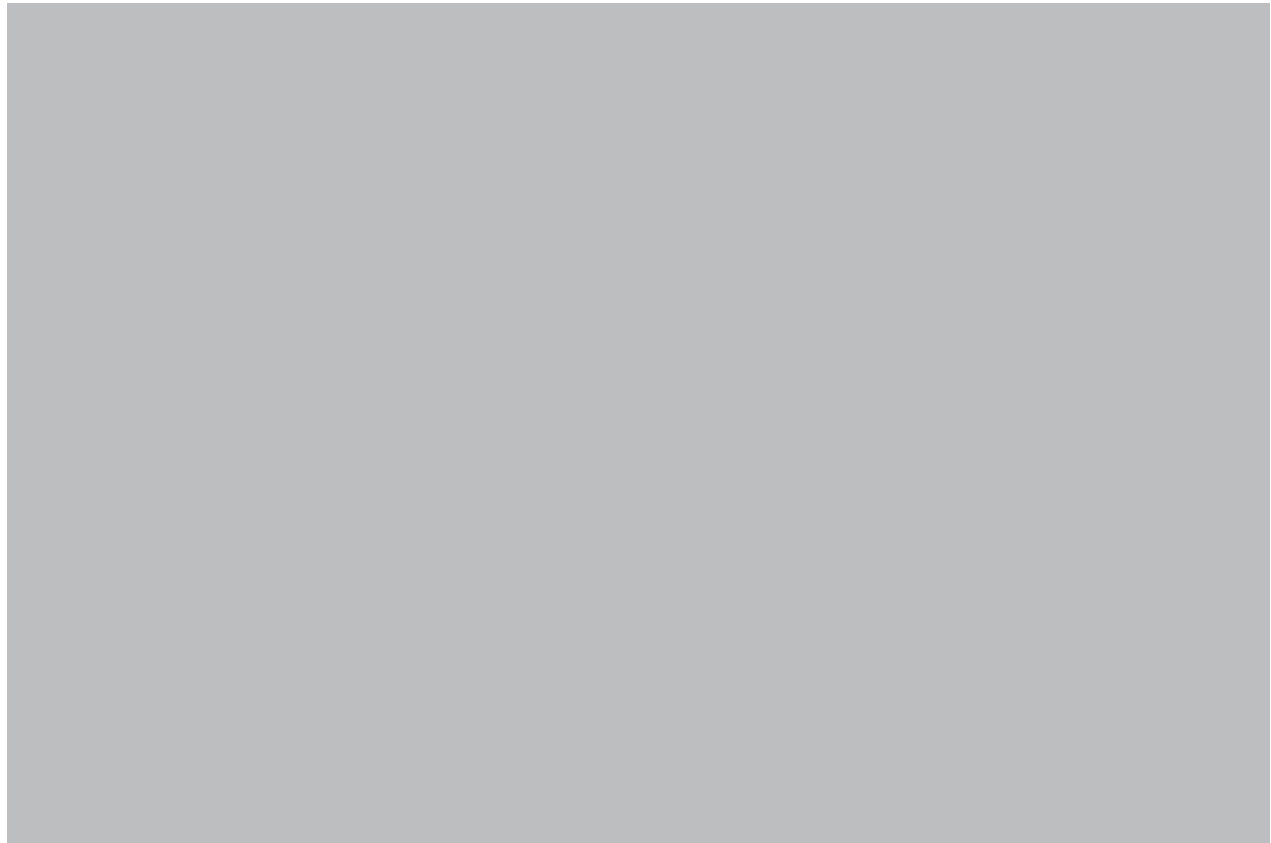
Our community development programs, services and events aim to promote interaction and minimise social isolation and disadvantage. This includes providing places, infrastructure and funding for people of all ages and abilities to meet, mix and build constructive connections by participating in a wide range of sporting, recreational and cultural activities. This year, council will continue to support:

- › Sports and recreation, including local sporting clubs and recreational and open space planning and development.
- › Community development programs, including community gardens and community and youth sponsorship grants.
- › Volunteer services.
- › Community centres, including the Holdfast Bay Community Centre, Glenelg Community Centre, Glenelg North Community Centre, Brighton Community Centre and Partridge House.
- › Aboriginal reconciliation through consultation and engagement.

Community Safety – \$2.37 million

Council recognises that the community's health and safety are affected by many fields of regulatory activity. We will use contemporary approaches to respond to public health and safety threats to deal with a range of existing and emerging issues, including:

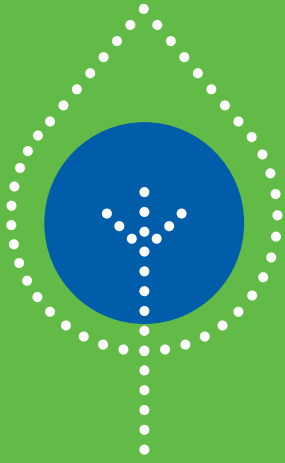
- › Supporting our community to minimise their environmental and local nuisance impacts.
- › Encouraging responsible dog and cat ownership.
- › Supporting food businesses to achieve high standards of food safety and hygiene.
- › Working collaboratively with supported residential care facilities to ensure that they meet the required standards of care and accommodation and that residents' rights are protected.
- › Effective delivery of an immunisation program.
- › Responding to and mitigating public health risks.
- › Delivering education and compliance activities and responding to customer requests.
- › Encouraging and supporting businesses to provide outdoor dining and display goods to support the economy and improve the ambience of our streetscapes.
- › Monitoring public safety and security to ensure that our community can safely move around the city's public places and spaces.
- › Improving road safety and access to adequate parking for residents and visitors.



**Communications and Engagement
– \$0.63 million**

We are committed to clear and open communication with our community. We provide many ways for people to get in contact, including telephone, mail, email, social media and via our website. People can directly engage with Council staff at the Brighton Civic Centre and in our libraries. Information is provided on our website (holdfast.sa.gov.au) and through a range of council publications.

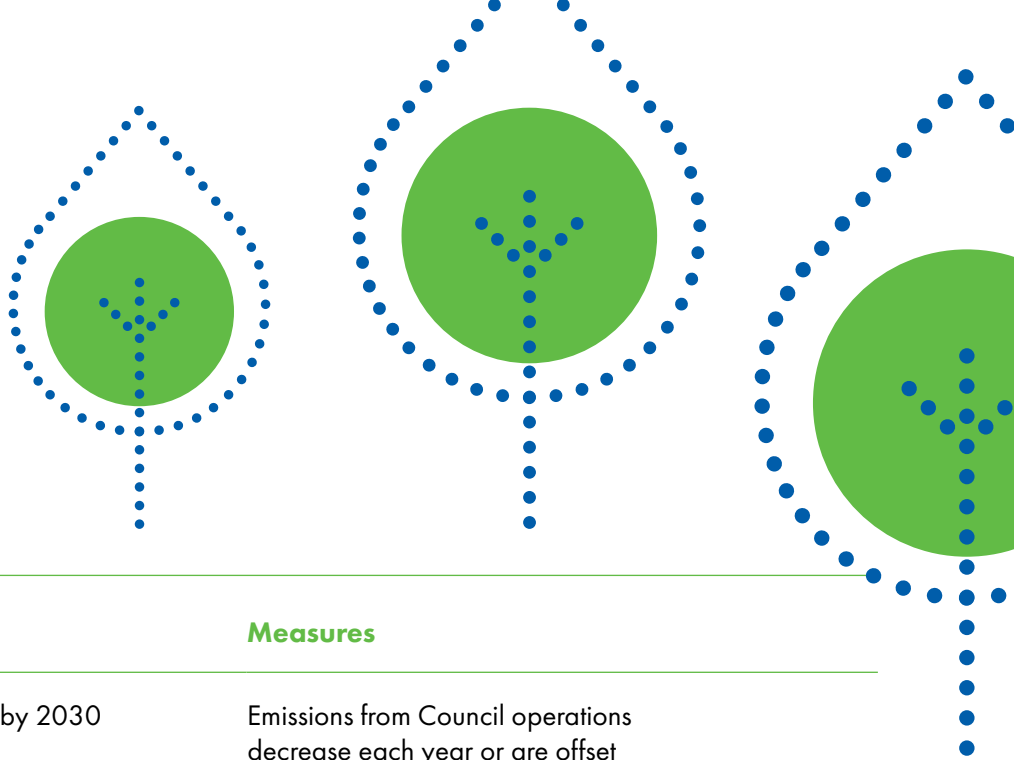
Holdfast News was launched in July 2020. It features the latest Council news, project updates and upcoming events. Council’s quarterly, printed magazine, *Our Place*, is distributed to all ratepayers with a digital copy shared via social media and emailed to 1,920 subscribers.



Sustainability

In 2024–25, council will allocate \$18.7 million to developing a city, economy and community that is resilient and sustainable.





Objectives: 2020–2030

Measures

Become a carbon-neutral council by 2030

Emissions from Council operations decrease each year or are offset

Prioritise sustainable and active transport (such as walking and cycling) across the city, including by reclaiming streets for play and nature and improving walkability to support healthy ageing

Number of kilometres of street prioritised for active transport increases, measured every five years

Support the creation of safer places by improving the public realm and collaborating with transport providers to increase transport options

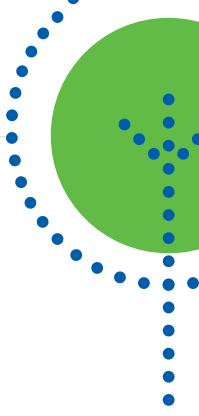
Programs supporting community safety are developed and implemented

Support mixed use neighbourhood development while honouring heritage values to encourage walking and cycling and support healthy ageing

Walkability score increases in all Holdfast Bay suburbs, measured using a 'citizen science' approach every three years

Encourage more community gardening, including biodiversity sensitive urban design, in public spaces, applying the long-held knowledge of Kurna people as well as innovation

Number of community gardening spaces increases each year



Sustainability

2023–24 Achievements

In 2023–24, Council delivered projects and services that supported the goal of developing a city, economy and community that is resilient and sustainable.

Activities included:

Former Buffalo Site – Amenity Improvements

Detailed planning for important site remediation work and amenity improvements has been undertaken at the former Buffalo site. This will ultimately include a rock revetment wall and fill to ground level. Fencing at the water's edge and improvements to walking paths and landscaping is included in this project. Construction commenced in 2023–24. The project will be completed in 2024–25.

Sturt Creek Biodiversity Corridor – Shannon Avenue

As one of the highest priorities in our *Environment Strategy*, this project transformed a small portion of this reserve into biodiverse corridors to improve biodiversity both in Glenelg North (where it is very low) and along the Sturt Creek.

Traffic Management Improvements

Several improvements to traffic management on council roads in high priority areas were completed.

Support for Visitor Information at Glenelg Town Hall

Additional staffing to ensure there is coverage of the Bay Discovery Centre and Visitor Information outlet across all hours of opening, especially in a time of post COVID-19 restrictions.

Stormwater Data Collection (pit and pipe survey) Year 2 of 3

This project was identified in the Stormwater internal audit and is important to ensure data on stormwater assets is current.

Arborist Support

This additional position supports the Senior Arborist in building capacity and risk mitigation through the monitoring, assessment and actioning of works to council's trees.

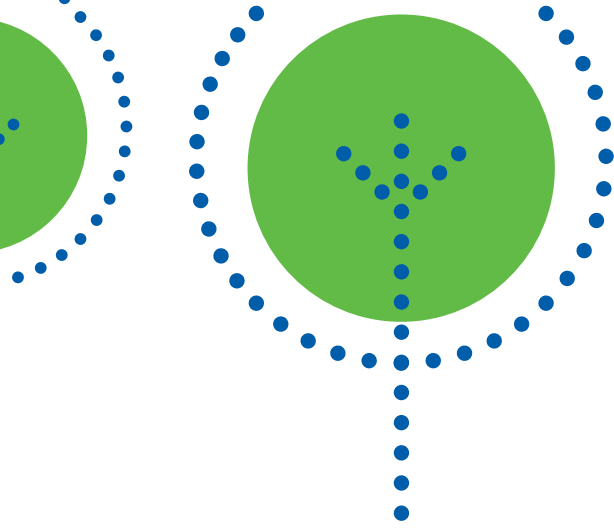
2024–25 Capital Projects: \$540,000

Stormwater upgrades – Tarlton Street – \$1.0 million

This continuing stormwater infrastructure upgrade will decrease the likelihood of flooding in a high-risk flood zone. It was identified as a priority from the *Stormwater Management Plan* and *Stormwater Implementation Plan* and is part funded by the Federal Government.

Wheatland Street Pocket Park – \$20,000

There is a small piece of land on the corner of Wheatland Street and Kauri Parade at Seacliff, which is currently covered in part by shrubs and in part by dolomite. The part that is covered by dolomite is used for unsanctioned car parking. Given Council's desire to increase greening, and the challenges of doing so in Seacliff due to the geography and dense infrastructure, this location provides a rare site to create some public green space. This project would be delivered using internal resources from the Depot, thereby maximising the value of the budget.



Street Light Conversion Plan – \$20,000

In 2018–19 the City of Holdfast Bay converted around 2,300 of its 3,400 streetlights over to LED. There has been a 259 tonne decrease in council's CO² greenhouse emissions through changing streetlights to LED. We will develop a plan for the conversion/ transition to LED of our remaining streetlights, which will include:

- › prioritised delivery schedule
- › highlight our compliance or deficiency risks
- › budget forecasts
- › any return-on-investment, in the form of energy savings.

Patawalonga Frontage Irrigation Upgrade – \$500,000

The current irrigation mainline that delivers quality water to the coastal reserves in Glenelg, is an ageing infrastructure that is approximately 20–25 years old. This project will create an irrigation system that is not only fit-for-purpose but also cost-effective and environmentally sustainable. The outcome will be a new resilient and sustainable irrigation system designed for the future, operating on recycled water with mains back up in strategic locations.

2024–25 New Projects: \$140,000

Review of Stormwater Management Plan (joint with City of Marion) \$50,000

The existing *Stormwater Management Plan: Coastal Catchments Between Glenelg and Marino (SMP) 2014* is a coordinated approach to the management of stormwater with the City of Marion. This SMP is 10 years old and due for renewal. The City of Marion has agreed to request \$50,000 in 2024–25, along with matched funding from City of Holdfast Bay and the Stormwater Management Authority, to undertake a review and refresh of the SMP.

This will inform our stormwater implementation plan and capital works upgrades across the city to reduce flooding risk and improve water quality.

Biodiversity Assessment – \$30,000

The *Environment Strategy 2020–2025* includes a target to increase the average biodiversity score from 12.8 in 2018 to 14 by 2025.

Since 2018 council has engaged an Urban Greening Officer, as well as undertaking large-scale weed control and revegetation projects in the dunes, gullies, and along the Sturt Creek. With this and other biodiversity work during this period we anticipate the score to have increased, thereby demonstrating the value of this work.

The desired outcome of this project is to know the current state of our biodiversity, compared to 2018 and whether we have reached, not reached, or exceeded our 2018 biodiversity score.

Sustainability

Resilient South Funding – \$20,000

Resilient South (RS) is an award-winning regional climate partnership between the Cities of Holdfast Bay, Marion, Mitcham and Onkaparinga, and the state government. It was formed in 2011 and is one of four such partnerships in the Adelaide and Fleurieu region. Council's contribution will ensure that the Regional Coordinator role continues for the duration of the *Regional Climate Action Plan 2024–2029*. In turn this will help to ensure that many of the actions in the plan will be delivered.

Movement and Transport Plan Implementation – \$40,000

The *Movement and Transport Plan* is currently under development. This is an indicative allocation to fund initiatives in this Plan. Allocation of funding this financial year will enable prompt implementation of actions and outcomes from the Movement and Transport Plan in an agile way.

2024–25 Service Delivery: \$18 million

Public Realm and Urban Design – \$0.59 million

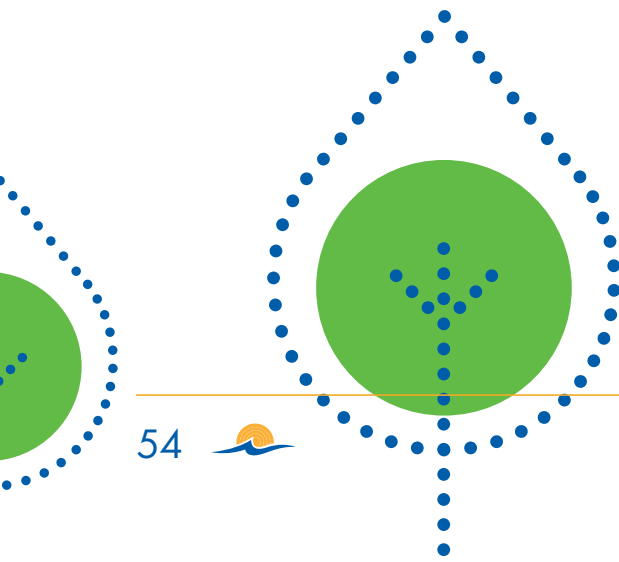
Council is committed to developing and maintaining high quality urban and open spaces through public realm and open space master planning, project management and delivery including:

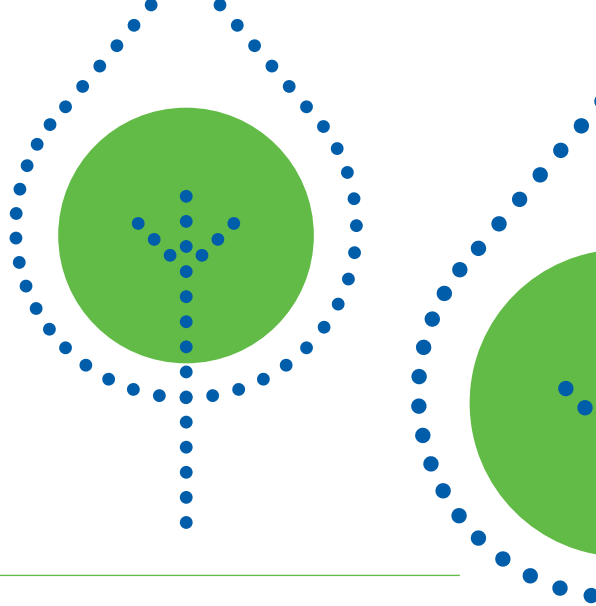
- › Sports and recreation facility planning and activation
- › Playspace renewals and redevelopments including planning and consultation
- › Urban design projects such as main street master planning and project delivery
- › Securing grant funding for major projects through State and Federal Government grant programs
- › Sport and Recreation club development

Environmental Services – \$1.31 million

Council is pursuing an *Environment Strategy (2020–25)*, a detailed roadmap of initiatives, which will guide our decision making until 2025 and beyond. The strategy incorporates five themes:

- › Climate change resilience and working towards a carbon-neutral community
- › Managing our coastal ecosystem
- › Managing and improving biodiversity
- › Waste and resource management
- › Working together as a community.





A number of projects and initiatives from the *Environment Strategy* are included in this *Annual Business Plan*.

Field Services & Depot – \$8.92 million

Council will manage and maintain the community's natural assets in an environmentally and financially sustainable manner for the benefit of residents and the wider community.

We will achieve this by:

- › Maintaining our many high profile and highly used open spaces and reserves.
- › Planning and implementing environmental management programs.
- › Planting and caring for trees in our streets and reserves.
- › Cleaning our streets and foreshore.
- › Maintaining the North Brighton and St Jude's cemeteries.
- › Managing and maintaining our coastal zones and foreshore.
- › Removing graffiti.
- › Maintaining gross pollutant traps to ensure that pollutants do not enter our waterways.
- › Maintaining our roads, kerbs and footpaths.

Street Lighting – \$0.70 million

Council partners with SA Power Networks (SAPN) to deliver street lighting for our community. Over the past 3 years Council has been replacing the 2,550 street lights with energy efficient LED lights across the City of Holdfast Bay.

The new lights being installed are up to 82% more energy efficient than existing mercury vapour lamps, require less maintenance and generate a warm to white light similar to existing lighting (around 4000 Kelvin).

LED lighting is a much improved light than the old technology and the changeover will lower councils' greenhouse gas emissions by approximately 517 tonnes a year.

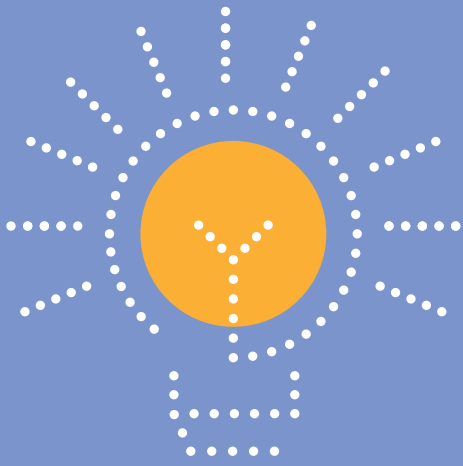
The removed old street lights will be recycled responsibly to prevent heavy metals (i.e. mercury) and other hazardous substances entering landfill.

Engineering and Traffic – \$1.75 million

The Council is committed to a high level of amenity and safety with our street, footpath and kerb renewal and maintenance program. We continue to work with the stormwater management authority in the development and implementation of a storm water management plan. Our team monitors and assesses and treats the evolving traffic management issues in our city.

Waste management – \$4.68 million

Council partners with the City of Marion and Onkaparinga to provide waste management services through the Southern Region Waste Resource Authority. In addition to these services, council supplies food organics and garden organics kitchen caddies, including biodegradable bags to residents. Council also provides free presentations and workshops to promote recycling and ethical waste management practices for residents, community groups and schools.



Innovation

In 2024–2025, council will allocate \$19.35 million to developing a thriving economy and community that values life-long education, research, creativity and entrepreneurialism.

Objectives: 2020–2030

Measures

Facilitate growth in the number of home-based businesses where practical to reduce transit distances

The number of home-based businesses increases as reported via Census data

Maximise the value of public buildings, including libraries, to support innovation by creating co-working spaces and technology/prototyping/maker spaces and hubs

Utilisation of Council buildings increases

Partner to establish an innovator/entrepreneur in residence program that includes local schools and encourages life-long learning across the population

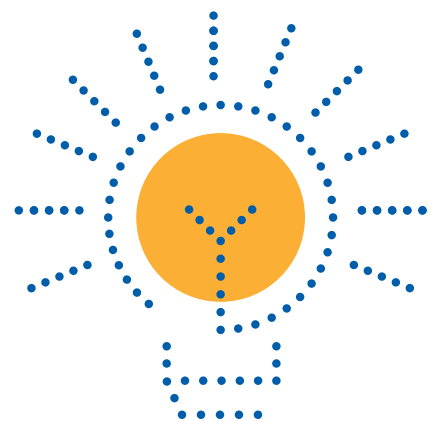
Program participation rates trend upwards

Partner to develop a centre of excellence in hospice care and dying well

Amount of support attracted is sufficient to establish a centre

Partner to facilitate the provision of technology infrastructure to support creative and emerging industries, including mobility as a service, startups and other entrepreneurial activities

Number of start-ups, creative and technology-related businesses in the city increases



Innovation

2023–24 Achievements

In 2023–24, council delivered projects and services that supported the goal of developing a thriving economy and community that values life-long education, research, creativity and entrepreneurialism. Activities included:

Innovation Projects – Various Information Technology Management improvements

This range of business improvement projects impacts across all of council operations. These improve efficiency and result in better service delivery.

Glenelg Library Upgrade

Refresh the workspaces for staff at the Glenelg Library. Upgrade to office areas and meeting spaces.

2024–25 Capital Projects: \$815,250

Wayfinding at Kingston Park – \$8,000

An assessment was made of signage at the entry of the access road, to indicate the key attractions within the precinct, being the Holiday Park, Kiosk and Tjilbruke Spring. It is recommended that a precinct sign, similar to other precincts within the City, such as Brighton Oval, would be appropriate for the location. The sign would include the various attractions within the precinct.

Sharing the National Collection – \$7,250

Council have applied to take part in the National Gallery of Australia's Sharing the National Collection initiative. Negotiations are under way to finalise the loan of appropriate artworks.

The program is fully funded by NGA, this important partnership will enable City of Holdfast Bay to display a high calibre of artwork that would be otherwise out of reach as an individual council.

The allocation of funds from City of Holdfast Bay will be to upgrade lighting to showcase the public artwork at night and to increase safety and security of the installation location in the Glenelg area.

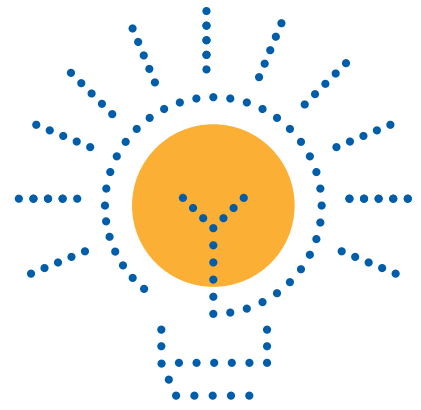
Technology and Innovation Capital Projects – Various ICT Improvements – \$800,000

A range of technology projects aimed at improving efficiency and effectiveness in core business functions, including asset management and corporate planning. These projects will assist in planning and managing the work of council and ensuring security of information and data.

2024–25 Service Delivery: \$18.5 million

Library Services – \$1.98 million

The City of Holdfast Bay provides accessible and progressive library services that meet our community's informational and recreational reading needs while fostering a love of lifelong learning. In 2024–25, we will continue to deliver events, programs, digital literacy and services through our two libraries at Brighton and Glenelg.



City Activation – \$1.69 million

Council's *Economic Activation Plan*, focuses on five strategic directions. These strategic directions form the basis of a five-year action plan for the delivery of collaborative economic development programs and initiatives, resulting in ongoing economic prosperity for the city:

- › Business capacity building.
- › Investment attraction and growth.
- › Innovation and digital evolution.
- › Regional collaboration.
- › Adelaide's premier seaside destination.

Council will continue to develop an environment that assists the future viability of local businesses and creates opportunities to attract innovative industries.

Tourism and Events – \$1.63 million

Our visitor and business services include:

- › Planning, implementing and supporting a wide range of community events to increase visitation and length of stay.
- › Consulting and communicating with our community through our community engagement program.
- › Preserving and stabilising the Holdfast history collection while developing opportunities to make it more accessible to the community.
- › Providing targeted tourism and marketing services aligned with the community's desires and needs.
- › Providing a voice for business and property owners in the Glenelg precinct through the Jetty Road Mainstreet Committee.

Commercial and Economic Enterprises – \$0.44 million

We ensure that our commercial activities, commercial leases, Partridge House and the Brighton Beachfront Holiday Park provide the best possible return on the community's investment.

Corporate Services – \$4.34 million

Council delivers services to the community in a responsible, transparent way that meets legislative requirements and provides the best value for money. The broad business areas providing corporate services include:

- › Customer Experience
- › Strategy and Governance
- › People and Culture
- › Risk management
- › Work health and safety
- › Elected member and CEO support
- › Records management.

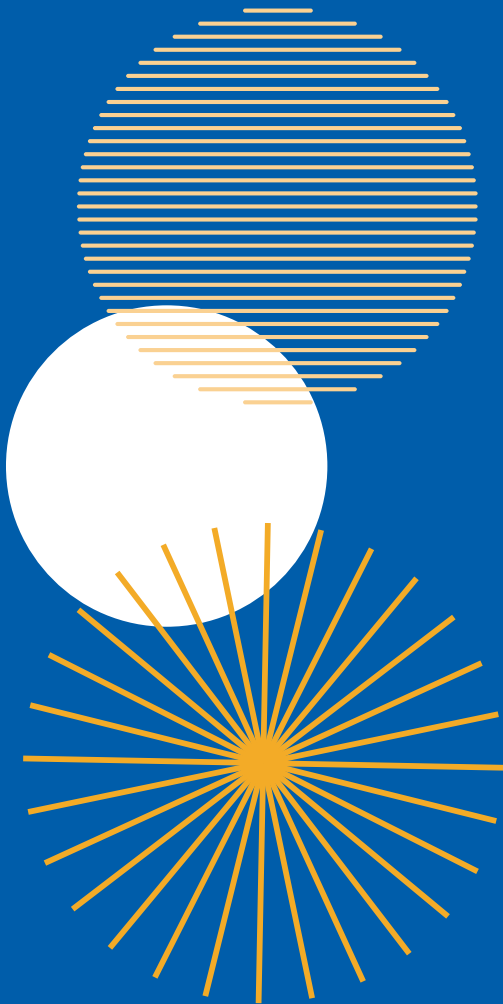
Financial Services – \$3.32 million

We ensure council remains financially sustainable and accountable by providing sound financial management, including rating, investment and treasury management, grants administration and auditing services.

Information and Technology Services – \$3.34 million

Up-to-date information and technology services enable the delivery of effective and efficient services to the community and provide a range of easy options for customers to contact and do business with council.

Developing Our Organisation



We will serve the community through services and programs that meet and exceed its needs by doing things right the first time and doing them well; by having the right people with the right skills; and by managing our resources to meet the expectations of our community.

City of Holdfast Bay Long-Term Financial Plan

ARISE

We will serve the community through services and programs that meet and exceed its needs by doing things right the first time and doing them well; by having the right people with the right skills; and managing our resources to meet our community's expectations.

Council is committed to a set of core values (ARISE):

- › **A**chievement
- › **R**espect
- › **I**nnovation
- › **S**implicity
- › **E**ngagement

The objectives for each area of our business aim to provide the best value to the community.

Finance

We will develop and maintain a long-term financial position that ensures our financial health and sustainability.

Assets

We will drive a systematic approach to the development, maintenance and replacement of our assets and ensure that these assets meet the needs of our community.

People

We will attract and maintain the right mix of people with the skills and experience to deliver our services and achieve our goals.

Systems and Processes

We will ensure that our organisation is appropriately governed, operates in a planned environment and continually works to improve services and programs.

Service Delivery

We will maintain and improve our service delivery, quality, efficiency and cost-effectiveness.

Council is subject to many external processes which test its corporate capability. In 2023–24, these included:

- › The 2022–23 Financial Audit
- › Completion of Internal Audits
- › WorkCover Scheme assessment – 100% rebate achieved
- › Cyber security assessment
- › Organisational culture survey.

Funding Our City

Operating Result

In 2024–25, council is proposing an extensive program of services and projects. To achieve this, we expect to raise \$57.6 million in operating income and spend \$56.7 million in operating expenditure (excluding Alwyndor). The funds come from a variety of sources. While our income is predominantly from rates, it also includes grants from the State and Commonwealth governments and income from statutory and user charges. In 2024–25, 81% of the revenue to fund municipal operations will come from rates.

The municipal operating surplus for 2024–25 is projected to be \$958,677. For 2024–25, Alwyndor is projected to have an operating surplus of \$617,490. The consolidated surplus for 2024–25 is budgeted to be \$1,576,167.

Our Financial Statements

We have included a summary of our projected financial statements for the municipal and Alwyndor operating budgets for the 2024–25 financial year in this document.

A net sum of \$45 million (excluding the Landscape Levy) will be raised from rates in 2024–25.

Council owns infrastructure and assets (such as roads, drains, footpaths and buildings) with a current value of approximately \$364 million (excluding land). These assets deteriorate over time through wear and tear and must be replaced or renewed at appropriate intervals to prolong their useful lives and continue delivering services to the community. We are mindful of the impact on ratepayers and committed to developing options that ease the rate burden. We also improve our systems to increase other revenue sources, manage expenditure and increase productivity.

Financial Management

Council's financial principles include a commitment to prudent debt management. Our treasury policy recognises the use of borrowings to spread the investment in community assets over time, supporting the principle of intergenerational equity. Any funds that are not immediately required to meet approved expenditure or minimum liquidity are applied to reduce existing borrowings or defer the timing of new borrowings, or are invested in interest-bearing deposits. We regularly consider the financial environment, prevailing interest rates and the life of community assets, to ascertain a treasury position that provides an optimum balance of long and short-term loans, and fixed and floating interest rates.

To fund the \$40 million Transforming Jetty Road project will require increased borrowings over the next three years, but this will enable the costs of the project to be shared fairly between current and future users. Council has secured \$10 million from the Australian Government to help deliver the project with the remaining \$30 million to be funded by Council. As this is a significant amount it will have an impact on Council's total borrowings, however, the cost associated with borrowing an initial \$10 million for the first stage has been taken into consideration when preparing the draft 2024–25 budget. This has resulted in the requirement for an additional 2.3% increase in rate revenue, with similar increases expected over the following two years for the remaining stages of the project.

The Holdfast Bay community has high service expectations due in part to its coastal proximity and tourism focus. The *2024–25 Annual Business Plan* forecasts a total projected borrowing requirement of \$11 million to fund the proposed program of capital works and projects, including the Transforming Jetty Road, Glenelg project. We believe it is prudent to borrow to renew and replace infrastructure and assets for the community's benefit. As outlined in our *Long-Term Financial Plan* and *Asset Management Plan*, council aims to deliver high service levels at low overall life-cycle cost. Running down the value of

assets or not replacing them is short-sighted and can lead to a lack of community and business confidence and increased expenditure in future years.

Council’s risk management framework and independent Audit and Risk Committee provide strategic and operational risk management guidance. This is done holistically, having regard for all aspects of financial and risk management.

Guided by our *Long-Term Financial Plan*, our financial management takes a long-term view that ensures we maintain a sustainable financial and asset management position.

Rate Comparisons

Comparing our rates with those of other councils is a complex issue. Each council has different characteristics (such as size, demographics, residential base and growth) and provides either different services or similar services at different standards. Councils provide a broad range and level of services to the community. Although some of these are statutory requirements, the

majority are determined by the expectations of local ratepayers. The cost of providing and maintaining services is spread across the community in the form of rates. Council determines a rate in the dollar based on the amount of revenue required to meet the ongoing cost of providing services to the community for the coming year.

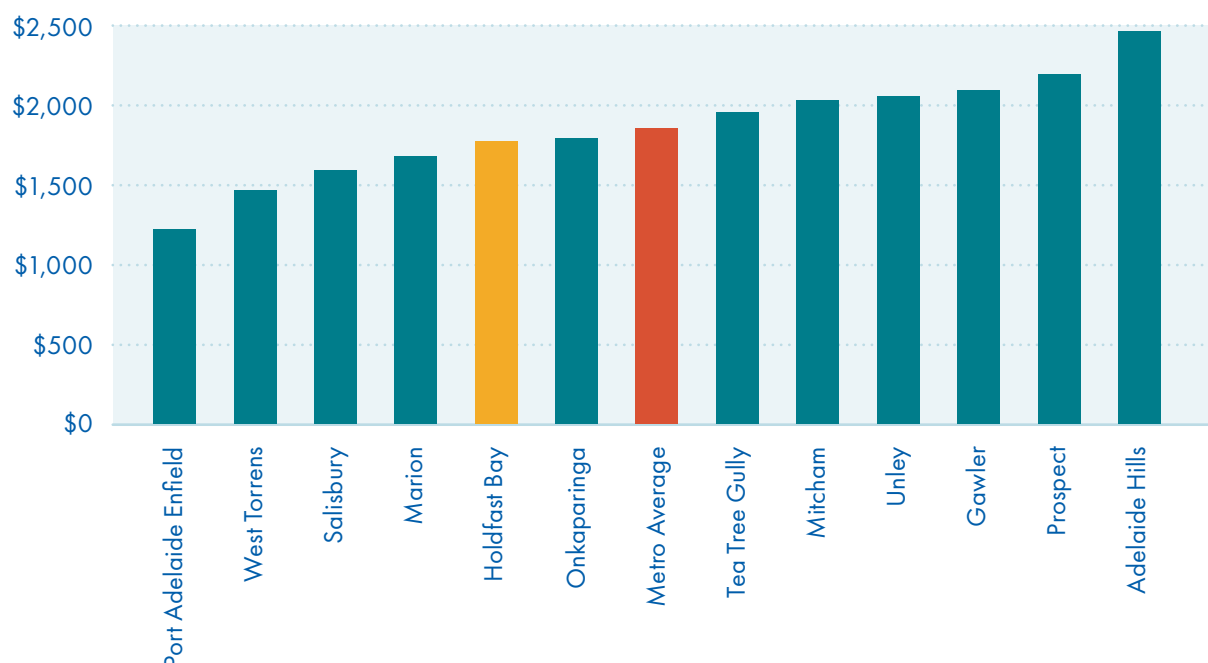
The charts below and on the following pages show a comparison of the average residential rate for Adelaide metropolitan councils for 2023–24.

The average (mean) residential rate for the City of Holdfast Bay in 2023–24 was \$1,772.

This represented a rate of 0.001931 cents in the dollar. This residential rate compares favourably to other South Australian councils, as shown in the graph below.

The amount of rates that property owners pay is determined by multiplying a property’s value by the rate in the dollar. For example, if the property value is \$500,000, and the rate in the dollar is 0.00193, the rates payable will be \$965.00.

2023–24 AVERAGE (MEAN) RESIDENTIAL RATE COMPARISON (\$)



Funding Our City

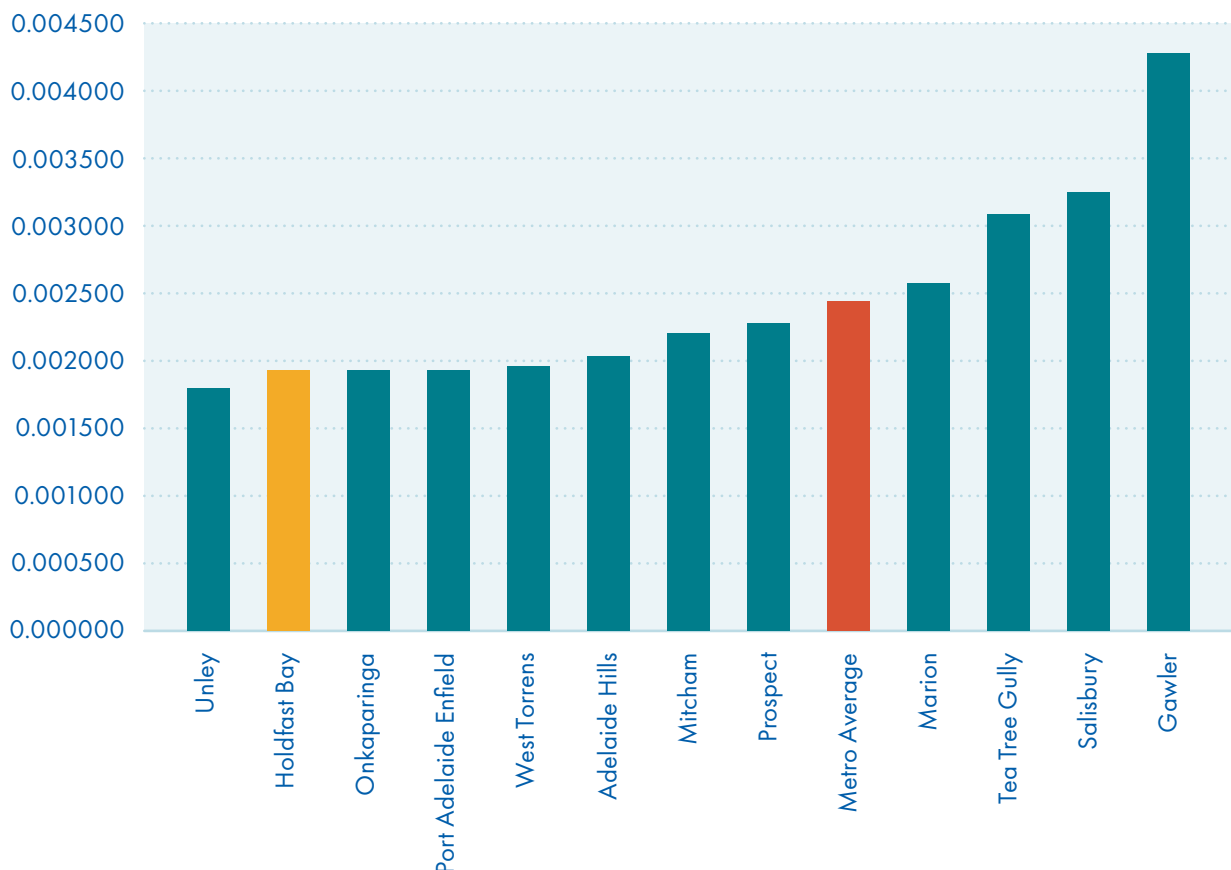
In 2023–24 the average (mean) residential property valuation in the City of Holdfast Bay was \$917,365. The following table compares rates in the dollar with other council areas.

For 2024–25 the proposed revenue from general rates is \$44,563,000 compared to \$41,428,000 for 2023–24. This is a 7.6% change in total proposed revenue from general rates compared to previous year. This comprises the increase in rates plus new development, estimated to be 0.5%.

The average (mean) increase for land use categories is outlined in this table.

Land Use Category	2024–25 Increase
Commercial – Shop	\$236
Commercial – Office	\$169
Commercial – Other	\$275
Industry – Light	\$168
Industry – Other	\$255
Vacant Land	\$183
Residential	\$126
Other	\$164

2023–24 COMPARISON RATE IN THE DOLLAR – RESIDENTIAL



What Will You Pay in Rates?

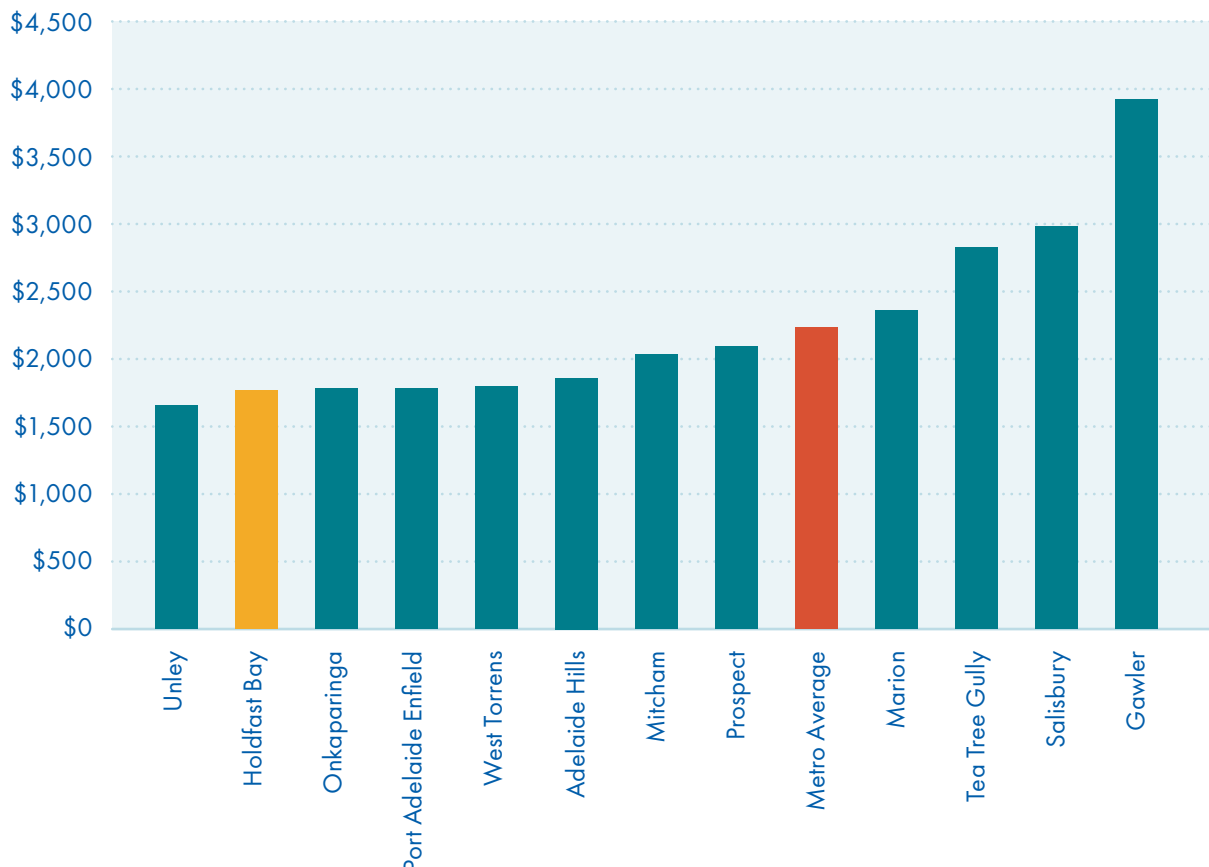
The amount you pay is determined by your property's valuation and how we apportion rates across the community. We endeavour to apportion rates across the community in an equitable fashion. Property valuation modelling has yet to be provided. However, based on the average (mean) for 2023–24 residential property value, the rate increase for the average (mean) residential premises will be approximately \$126 or \$31 per quarter. This is \$2.42 per week.

By way of comparison, the table below shows the amount of rates paid by council area. It uses the average house valuation in Holdfast Bay (\$917,365) to calculate what a ratepayer would pay for the same value property in different councils.

Rating Policy

Section 147 of the *Local Government Act 1999* provides council with the power to rate all land within the City of Holdfast Bay – except for land specifically exempted, such as Crown land and land occupied by council. We continually review our rating policy to ensure that it is fair and equitable. Our current rating policy, adopted in June 2023, is available at the Brighton Civic Centre and can be downloaded at holdfast.sa.gov.au.

**2023–24 COMPARISON OF RATES ON
HOLDFAST BAY MEDIAN RESIDENTIAL VALUATION (\$917,365)**



Funding Our City

Land Valuation Method

Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates, as we feel this method provides the fairest and most efficient method of distributing the rate burden across all ratepayers. If you are dissatisfied with your valuation, you can object to the State Valuation Office in writing within 60 days of receiving the notice of valuation, explaining why you object. The Valuer General may extend the 60-day objection period where it is shown there is reasonable cause to do so.

Residential Rates

The residential rate for 2024–25 has yet to be determined. Our *Draft 2024–25 Annual Business Plan* and financial statements are based on a rate revenue increase of 7.1%, excluding new building construction and separate rates. The average (mean) value of properties in the City of Holdfast Bay in 2023–24 was \$917,000 with an average (mean) rate of \$1,772.

Industrial, Commercial Property and Vacant Land Rates

Council applies a differential rate to industrial, commercial properties and vacant land. This applies a premium based on the principle that industrial and commercial properties place a greater burden on infrastructure and achieve direct benefits from council parking and health regulations, events, tourism, etc. For vacant land, the differential rate provides an incentive to encourage property development.

In 2023–24 a differential premium of 63% above the residential rate was applied, equating to 13% of total rate revenue (\$5.2 million) being paid by this sector. This premium compares favourably with the 2023–24 metropolitan average of 112%, as shown in the graph on the following page.

Separate Rate

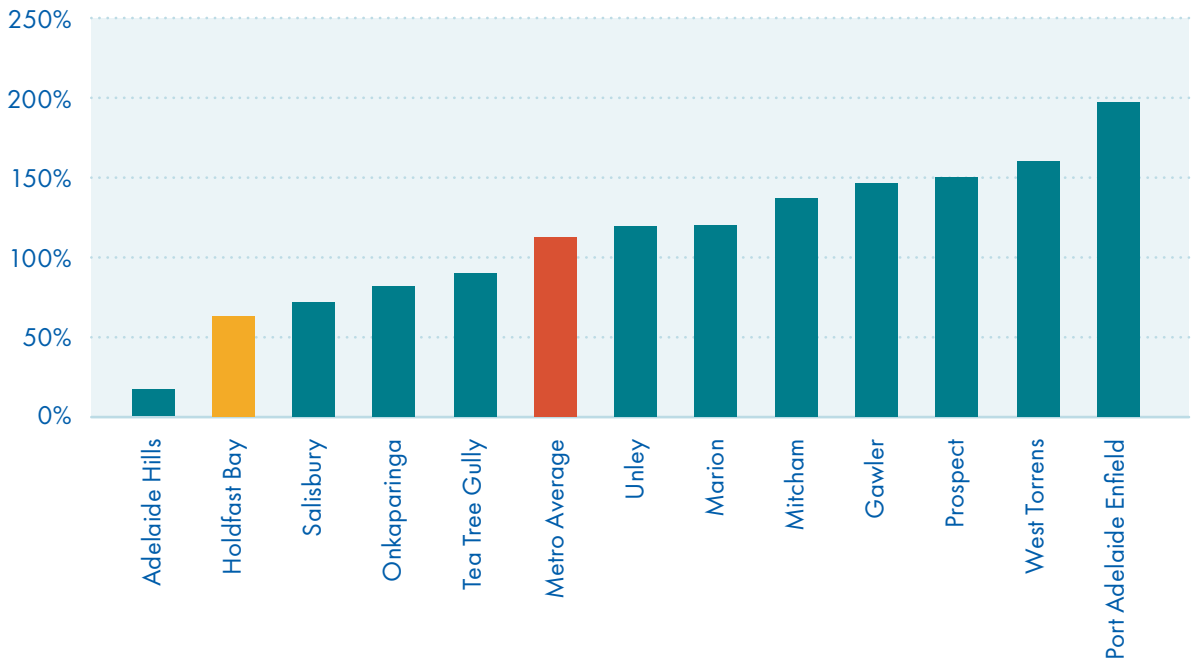
Council levies two separate rates on specific ratepayers to provide funding for activities and services related to those ratepayers. They are as follows:

1. The Jetty Road Mainstreet Separate Rate is applied to properties within the Jetty Road Mainstreet precinct to promote and enhance business viability and trade. Revenue from this separate rate is expected to raise \$707,115 in 2024–25, representing an increase of 7.1% on the rate levied in 2023–24.
2. The Patawalonga Marina Separate Rate is applied to properties within the basin of the Patawalonga, bounded by the high-water mark and comprised of marina berths. This separate rate provides funding for the ongoing maintenance of the Patawalonga lock. Because the lock is also widely used by the general public, this rate is adjusted by 50%. The Patawalonga Marina Separate Rate for 2024–25 is expected to raise \$86,400.

Landscape Levy

Formerly called the Natural Resource Management (NRM) Levy, councils are required under the *Landscape South Australia Act 2019* to collect the Landscape Levy on behalf of the state government. For 2024–25 the Landscape Levy for properties in the City of Holdfast Bay will increase by \$84,000 to \$1.54 million.

**2023–24 METROPOLITAN DIFFERENTIAL RATE PREMIUM COMPARISON
(APPLIED TO COMMERCIAL & VACANT LAND)**



Funding Our City

Rebates

Council is required to provide mandatory rebates under sections 160 to 165 of the *Local Government Act 1999* for properties:

- › Predominantly used for service delivery or administration by a hospital or health centre (section 160).
- › Predominantly used for service delivery or administration by a community service organisation (section 161).
- › Containing a church or other building used for public worship or used solely for religious purposes (section 162).
- › Being used for the purpose of a public cemetery (section 163).
- › Occupied by a government school under a lease or licence or a non-government school being used for educational purposes (section 165).

In addition, council may provide discretionary rebates under section 166 where:

- › The rebate is desirable for the purpose of securing the proper development of the area or assisting or supporting a business.
- › The land is being used for educational purposes, agricultural, horticultural or floricultural exhibitions, a hospital or health centre, to provide facilities or services for children or young people, to provide accommodation for the aged or disabled, for a residential aged care facility or a day therapy centre, or by an organisation which, in the opinion of council, provides a benefit or service to the local community.

- › The rebate relates to common property or land vested in a community corporation over which the public has a free and unrestricted right of access and enjoyment.
- › The rebate is considered by council to be appropriate to provide relief against what would otherwise amount to a substantial charge in rates payable due to a change in the basis of valuation.

Minimum rate

We impose a minimum amount payable by way of rates. In 2023–24 this rate was set at \$1,153. The minimum rate for 2023–24 has not been set at this time.

Rate relief

Support is available for people experiencing difficulty in paying their rates. A residential rate cap may be applied to provide relief to ratepayers who own properties that have been subject to increases in valuations that are deemed excessive. In 2023–24, Council determined that residential ratepayers could apply for a reduction in their rates where they could demonstrate an increase in their annual rate bill in excess of 10%. This will continue into 2024–25. Council offers a range of hardship provisions. Visit holdfast.sa.gov.au/council/council-rates/hardship-application or contact us on 8229 9999 to find out more.



Financial Targets

1. To achieve an operating ratio of 0–10% over a five-year period.
2. To achieve a net financial liabilities ratio of less than 100%.
3. To improve council's asset sustainability ratio to be within the range of 90–110% over a five-year period.

1. To achieve an operating ratio of 0–10% over a five-year period

In 2024–25, Council will raise \$45.2 million in rate revenue (including separate rates but excluding the Landscape Levy), and this will yield an operating surplus ratio of 1.7%. Currently, our operating ratio measure over the five years from 2018–2019 to 2022–2023 is 3.7%. The operating ratio is the operating result expressed as a percentage of total operating revenue. The operating result is the difference between recurrent income and recurrent operating expenditure.

Recurrent income is made up of revenue received each year in the ordinary course of activities, such as rate revenue, user and statutory charges and operating grants, but excluding capital grants. Recurrent operating expenditure is incurred in the ordinary course of providing services, including a charge for depreciation of infrastructure and assets. Depreciation can be regarded as the cost of wear and tear. The operating result is expressed as a surplus (where income exceeds expenditure) or a deficit (where expenditure exceeds income).

While we strive to maintain a balanced budget or small surplus each year, we recognise that current cost movements, particularly in areas where we have little control, will increase the possibility of an operational deficit being forecast in future years. An operating deficit indicates that the cost of services provided is not being adequately funded, and current users are not paying enough for the use of services and infrastructure. Continued operational deficits would indicate that we were not able to maintain a financially sustainable outcome into the future. As a result, we continue to review our revenue and expenditure to supply services that are efficient and effective in meeting the needs of the community.

Council is committed to a balanced budget or modest operating surplus. To achieve this, we continuously review the services provided to the community and our business processes to provide the most cost-effective and efficient service delivery. In 2024–25, we will continue to monitor and review council's operations to ensure that we can continue to meet the community's expectations in a financially sustainable way.

2. To achieve a net financial liabilities ratio of less than 100%

Council's current ceiling for the net financial liabilities ratio is 100%. The net liabilities ratio is a measure of the size of our net financial liabilities (which is what we owe others, minus what others owe us) as a percentage of total operating revenue.

However, it is acceptable to exceed this ceiling from time to time, particularly when low interest rates offer the opportunity to develop infrastructure and facilities that will provide

long-term benefit to the community. In 2024–25, the net financial liabilities ratio is forecast to increase from 74% to 90% (excluding Alwyndor).

An additional, and arguably more relevant, indicator of council's ability to manage and service debt is its interest cover ratio which is measured by calculating our net financial interest as a percentage of the overall operating revenue. Council has set a ceiling of 5% for this ratio. A ratio of 5% indicates that, for every \$100 of revenue, \$5 is spent on net interest payments. In 2024–25, our interest cover ratio is forecast to be 2.9% (excluding Alwyndor). Our net financial liabilities and interest cover ratio indicate that council remains in a strong and sustainable financial position to manage its debt levels.

3. To improve council's asset sustainability ratio to be within the range of 90–110% over a five-year period

The asset sustainability ratio measures the level of capital expenditure on the renewal and replacement of existing infrastructure and assets. It is measured against the level proposed in the *Asset Management Plan*. For 2024–25 this is forecast to be 114%. This is a result of additional required asset renewals that have been identified for this year and is manageable over the five year period.

Measuring Our Performance



Council appoints an Audit and Risk Committee, which includes three independent members with relevant qualifications and experience, to provide advice and recommendations on financial and governance matters.

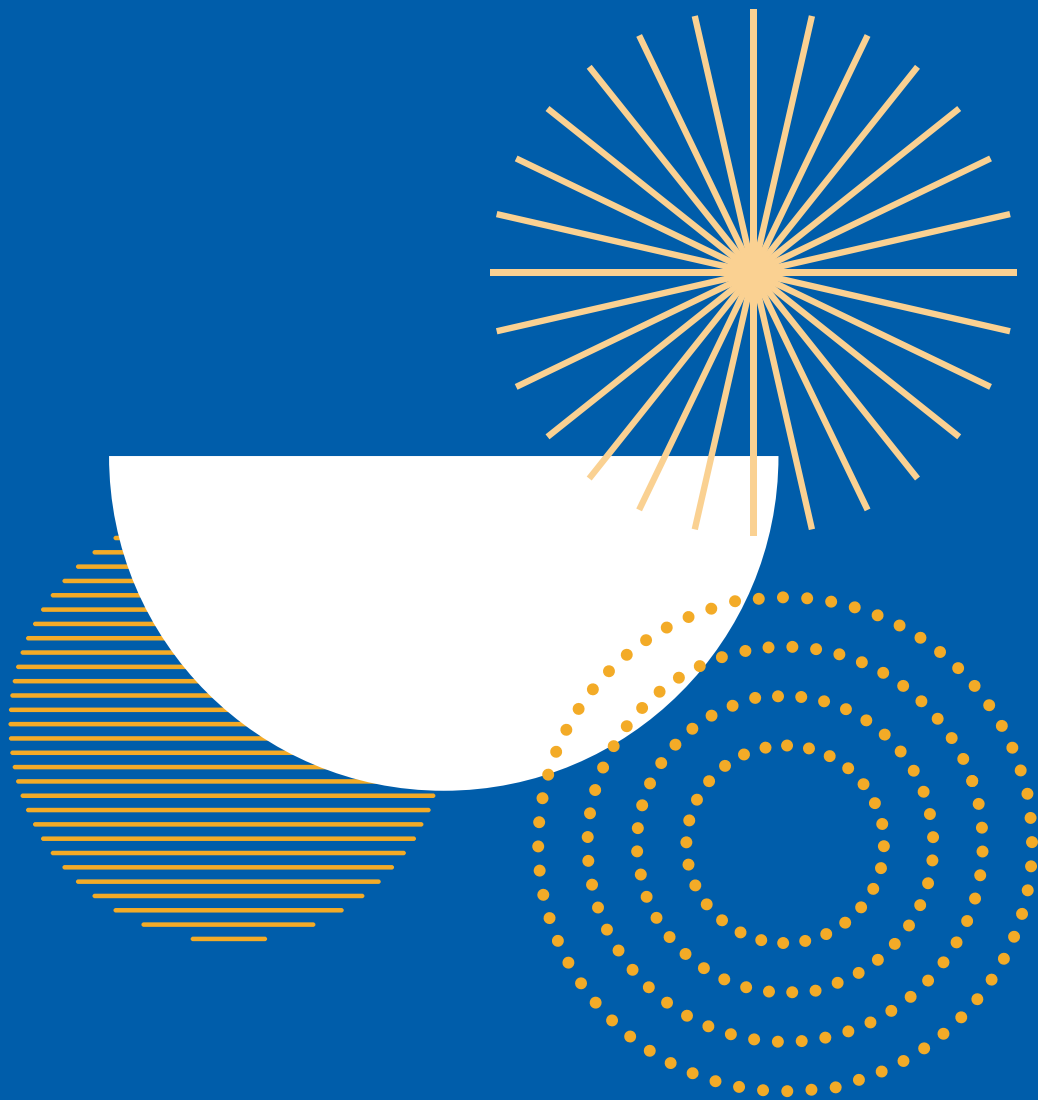
Performance is measured using:

- › A range of financial reports, including monthly financial statements, budget updates, four annual comprehensive budget reviews and the presentation of audited financial statements as required under the *Local Government Act 1999*.
- › Strategic plan measures, which gauge how we are working towards achieving the strategic objectives outlined in *Our Holdfast 2050+*.
- › Corporate measures, which track internal operations that aim to improve the way we deliver services.

To this end, on a quarterly basis Council receives reports that track the health of the organisation and its fitness and ability to deliver the objectives expressed in *Our Holdfast 2050+*. These include:

- › Capital and operating projects – progress on each of these projects as expressed in the *Annual Business Plan*.
- › Financial management – reviewing the budget position and *Long-Term Financial Plan*.
- › Workplace health and safety – reviewing health and safety compliance and key performance indicators.
- › Human resources – reviewing internal resources and training.
- › External grants – reviewing the position of current grants.

Financial Statements – Municipal



CITY OF HOLDFAST BAY
BUDGET FUNDING STATEMENT - MUNICIPAL FUNDS

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u>		<u>Municipal</u> <u>Draft 24/25</u> <u>BUDGET</u>
\$		\$
41,281,000	Rates - General	44,212,000
	Rates - New Properties	206,000
660,245	Rates - Jetty Road Glenelg	707,115
82,460	Rates - Patawalonga Marina	86,400
1,452,167	Rates - Regional Landscape Levy	1,535,968
2,641,300	Statutory Charges	2,979,077
3,498,000	User Charges	3,937,787
2,045,863	Operating Grants & Subsidies	2,183,563
72,000	Investment Income	72,000
711,264	Reimbursements	734,264
843,743	Other	871,925
90,600	Net Equity Gain - Joint Ventures	98,000
53,378,642	Operating Revenue	57,624,099
20,244,443	Employee Costs	21,635,095
21,301,562	Materials, contracts and other expenses	22,506,379
992,692	Finance Charges	1,752,948
10,911,000	Depreciation	11,685,000
(999,000)	Less full cost attribution - % admin costs capitalised	(1,074,000)
542,000	New Initiatives - Operating	160,000
52,992,697	Less Operating Expenditure	56,665,422
385,945	= Operating Surplus/(Deficit)	958,677
10,911,000	Depreciation	11,685,000
189,852	Other non-cash provisions	193,671
11,100,852	Plus Non-Cash items in Operating Surplus/Deficit	11,878,671
11,486,797	= Funds Generated from Operating Activities	12,837,348
483,500	Capital (External Contributions)	
201,000	Proceeds from disposal of assets	26,000
684,500	Plus funds sourced from Capital Activities	26,000
(7,081,166)	Capital Expenditure-Asset Renewal and Replacement	(8,463,070)
(999,000)	Capital Expenditure-Full Cost Attribution	(1,074,000)
(7,649,944)	New Initiatives - Capital (Gross Expenditure)	(12,412,648)
(15,730,110)	Less total capital expenditure	(21,949,718)
217,000	Plus: Repayments of loan principal by sporting groups	21,120
217,000	Plus/(less) funds provided (used) by Investing Activities	21,120
(3,341,813)	= FUNDING SURPLUS/(REQUIREMENT)	(9,065,250)
	Funded by:	
(4,737,575)	Less: Proceeds from new borrowings	(11,094,611)
1,395,762	Plus: Principal repayments of borrowings	2,029,361
(3,341,813)		(9,065,250)

CITY OF HOLDFAST BAY
PROJECTED INCOME STATEMENT- MUNICIPAL FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u>		<u>Municipal</u> <u>Draft 24/25</u> <u>BUDGET</u>
\$	REVENUES	\$
41,281,000	Rates - General	44,212,000
	Rates - New Properties	206,000
660,245	Rates - Jetty Road Glenelg	707,115
82,460	Rates - Patawalonga Marina	86,400
1,452,167	Rates - Regional Landscape Levy	1,535,968
2,641,300	Statutory Charges	2,979,077
3,498,000	User Charges	3,937,787
2,045,863	Operating Grants & Subsidies	2,183,563
72,000	Investment Income	72,000
711,264	Reimbursements	734,264
843,743	Other	871,925
90,600	Net Equity Gain - Joint Ventures	98,000
<u>53,378,642</u>	TOTAL REVENUES	<u>57,624,099</u>
	EXPENSES	
20,244,443	Employee Costs	21,635,095
21,301,562	Materials, contracts and other expenses	22,506,379
992,692	Finance Charges	1,752,948
10,911,000	Depreciation	11,685,000
(999,000)	Less full cost attribution	(1,074,000)
542,000	New Initiatives - Operating	160,000
<u>52,992,697</u>	TOTAL EXPENSES	<u>56,665,422</u>
<u>385,945</u>	Operating Surplus/(Deficit) - Before Capital Revenue	<u>958,677</u>
483,500	Amounts specifically for new or upgraded assets	-
<u>869,445</u>	NET SURPLUS/(DEFICIT)	<u>958,677</u>

CITY OF HOLDFAST BAY
PROJECTED BALANCE SHEET - MUNICIPAL FUNDS
AS AT 30TH JUNE 2024

<u>Municipal</u>		<u>Municipal</u>
<u>23/24 Original</u>		<u>Draft 24/25</u>
<u>BUDGET</u>		<u>BUDGET</u>
\$		\$
	CURRENT ASSETS	
842,279	Cash and cash equivalents	-
2,964,725	Trade and Other Receivables	1,872,899
<u>3,807,004</u>	TOTAL CURRENT ASSETS	<u>1,872,899</u>
	NON-CURRENT ASSETS	
643,769	Financial Assets	584,000
4,119,600	Equity accounted investments-Council businesses	4,440,000
879,354,217	Land, Infrastructure, Property, Plant & Equipment	904,833,406
<u>884,117,586</u>	TOTAL NON-CURRENT ASSETS	<u>909,857,406</u>
<u>887,924,590</u>	TOTAL ASSETS	<u>911,730,304</u>
	CURRENT LIABILITIES	
8,794,848	Trade and Other Payables	9,458,854
1,395,762	Borrowings	2,539,201
3,859,081	Short-term Provisions	3,958,273
<u>14,049,691</u>	TOTAL CURRENT LIABILITIES	<u>15,956,328</u>
	NON-CURRENT LIABILITIES	
29,565,924	Long-term Borrowings	38,163,844
281,897	Long-term Provisions	364,727
<u>29,847,821</u>	TOTAL NON-CURRENT LIABILITIES	<u>38,528,571</u>
<u>43,897,512</u>	TOTAL LIABILITIES	<u>54,484,899</u>
<u>844,027,078</u>	NET ASSETS	<u>857,245,405</u>
	EQUITY	
188,972,671	Accumulated Surplus	186,676,000
655,054,407	Asset Revaluation Reserve	670,569,405
<u>844,027,078</u>	TOTAL EQUITY	<u>857,245,405</u>

CITY OF HOLDFAST BAY
PROJECTED STATEMENT OF CHANGES IN EQUITY - MUNICIPAL FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u>		<u>Municipal</u>
<u>23/24 Original</u>		<u>Draft 24/25</u>
<u>BUDGET</u>		<u>BUDGET</u>
\$		\$
	ACCUMULATED SURPLUS	
188,103,226	Balance at beginning of period	185,717,323
869,445	Net Surplus/(Deficit)	958,677
<u>188,972,671</u>	Balance at end of period	<u>186,676,000</u>
655,054,407	ASSET REVALUATION RESERVE	670,569,405
<u>655,054,407</u>	TOTAL RESERVES CLOSING BALANCE	<u>670,569,405</u>
<u>844,027,078</u>	TOTAL EQUITY	<u>857,245,405</u>

CITY OF HOLDFAST BAY
PROJECTED BUDGETED STATEMENT OF CASH FLOWS - MUNICIPAL FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u> \$ (OUTFLOWS)		<u>Municipal</u> <u>Draft 24/25</u> <u>BUDGET</u> \$ (OUTFLOWS)
	CASH FLOWS FROM OPERATING ACTIVITIES	
	<u>Receipts</u>	
53,288,042	Operating Receipts	57,526,099
	<u>Payments</u>	
(40,808,553)	Operating payments to suppliers and employees	(42,935,803)
(992,692)	Finance Payments	(1,752,948)
11,486,797	NET CASH PROVIDED BY OPERATING ACTIVITIES	12,837,348
	CASH FLOWS FROM INVESTING ACTIVITIES	
	<u>Receipts</u>	
483,500	Grants specifically for new or upgraded assets	-
201,000	Sale of replaced assets	26,000
217,000	Repayments of loans (principal) by community groups	21,120
	<u>Payments</u>	
(8,080,166)	Expenditure on renewal/replacement of assets	(9,537,070)
(7,649,944)	Expenditure on new/upgraded assets	(12,412,648)
(14,828,610)	NET CASH (USED IN) INVESTING ACTIVITIES	(21,902,598)
	CASH FLOWS FROM FINANCING ACTIVITIES	
	<u>Receipts</u>	
4,737,575	Proceeds from Borrowings - External	11,094,611
	<u>Payments</u>	
(1,395,762)	Repayments of Borrowings - External	(2,029,361)
3,341,813	NET CASH PROVIDED BY FINANCING ACTIVITIES	9,065,250
-	NET INCREASE (DECREASE) IN CASH HELD	-
	CASH AND CASH EQUIVALENTS AT BEGINNING OF	
842,279	REPORTING PERIOD	-
	CASH AND CASH EQUIVALENTS AT END OF	
842,279	REPORTING PERIOD	-

RECONCILIATION OF INCOME STATEMENT TO BUDGETED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2024

869,445	SURPLUS FROM INCOME STATEMENT	958,677
	NON-CASH ITEMS IN INCOME STATEMENT	
10,911,000	Depreciation	11,685,000
189,852	Movements in provisions	193,671
11,100,852	TOTAL NON-CASH ITEMS	11,878,671
	CASH ITEMS NOT IN INCOME STATEMENT	
(15,730,110)	Capital Expenditure	(21,949,718)
(1,395,762)	Loan Repayments - External	(2,029,361)
4,737,575	Proceeds from Borrowings - External	11,094,611
217,000	Repayments of loans (principal) by community groups	21,120
201,000	Proceeds from Disposal of Assets	26,000
(11,970,297)	TOTAL CASH ITEMS	(12,837,348)
	NET INCREASE/(DECREASE)	
-	IN CASH AND CASH EQUIVALENTS	-

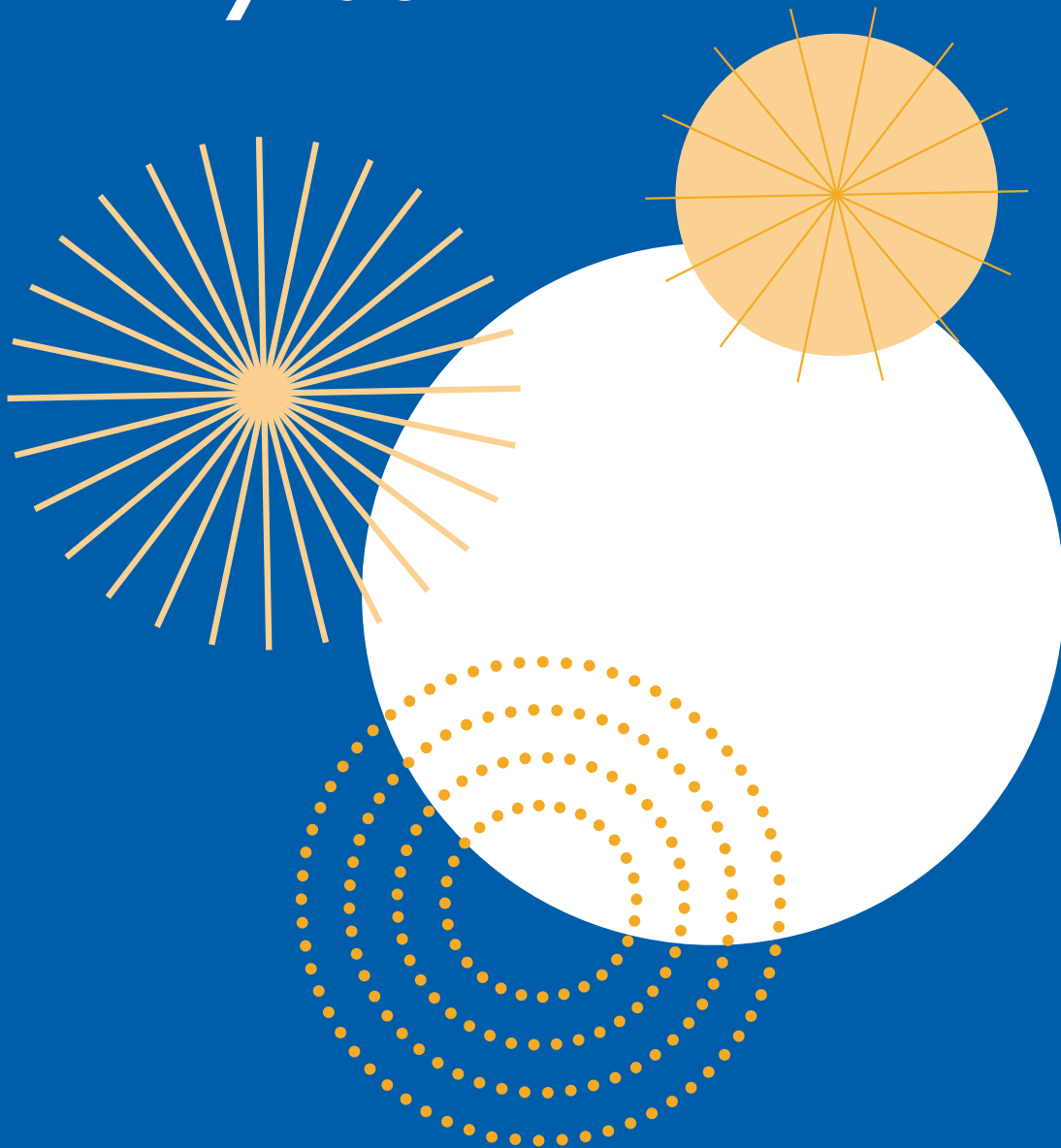
CITY OF HOLDFAST BAY
PROJECTED SUMMARY OF OPERATING AND CAPITAL INVESTMENT ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u>	<u>Municipal</u> <u>Draft 24/25</u> <u>BUDGET</u>
\$	\$
53,378,642 Operating Revenues	57,624,099
(52,992,697) less Operating Expenses	(56,665,422)
385,945 Operating Surplus/(Deficit) before Capital Amounts	958,677
Less net outlays on Existing Assets	
8,080,166 Capital Expenditure on renewal & replacement of existing assets	9,537,070
(10,911,000) Less Depreciation	(11,685,000)
(2,830,834)	(2,147,930)
Less outlays on New and Upgraded Assets	
7,649,944 Capital Expenditure on new & upgraded assets	12,412,648
(483,500) Less amounts received for new & upgraded assets	-
7,166,444	12,412,648
(3,949,665) Net lending/(borrowing) for financial year	(9,306,041)

PROJECTED FINANCIAL INDICATORS - MUNICIPAL FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Municipal</u> <u>23/24 Original</u> <u>BUDGET</u>	<u>Municipal</u> <u>Draft 24/25</u> <u>BUDGET</u>
\$	\$
OPERATING SURPLUS/(DEFICIT) - BEFORE CAPITAL AMOUNTS	
\$385,945	\$958,677
OPERATING SURPLUS RATIO	
(Operating surplus/(deficit) before capital amounts as % of total operating revenue)	
0.7%	1.7%
NET FINANCIAL LIABILITIES - (Total liabilities less financial assets)	
\$39,446,739	\$52,028,000
NET FINANCIAL LIABILITIES RATIO	
(Total liabilities less financial assets as % of total operating revenue)	
74%	90%
INTEREST COVER RATIO	
(Net interest expense as % of total operating revenue less investment income)	
1.7%	2.9%
ASSET SUSTAINABILITY RATIO	
(Capital expenditure on renewal/replacement of existing assets, excluding new capital expenditure as % of asset management plan)	
100%	114%

Financial Statements – Alwyndor



CITY OF HOLDFAST BAY
PROJECTED FINANCIAL STATEMENTS
BUDGET FUNDING STATEMENT - ALWYNDOR FUNDS

<u>Alwyndor</u>		<u>Alwyndor</u>
<u>23/24</u>		<u>24/25</u>
<u>BUDGET</u>		<u>BUDGET</u>
\$		\$
8,637,532	User Charges	9,830,134
15,909,148	Operating Grants & Subsidies	19,045,147
856,797	Investment Income	1,234,200
8,028,770	Reimbursements	8,604,668
7,361,163	Other	8,654,358
40,793,410	Operating Revenue	47,368,507
28,240,823	Employee Costs - Salaries & Wages	33,699,954
10,282,689	Materials, contracts and other expenses	11,135,062
142,800	Finance Charges	104,400
1,617,981	Depreciation	1,811,602
40,284,293	Less Operating Expenditure	46,751,018
509,117	= Operating Surplus/(Deficit)	617,490
1,617,981	Depreciation	1,811,602
580,558	Other non-cash provisions	651,950
2,198,539	Plus Non-Cash items in Operating Surplus/Deficit	2,463,552
2,707,656	= Funds Generated from Operating Activities	3,081,042
(1,902,620)	Capital Expenditure-Asset Renewal and Replacement	(1,809,500)
(1,902,620)	Less total capital expenditure	(1,809,500)
805,036	= FUNDING SURPLUS	1,271,542
	Funded by:	
805,036	Increase/(Decrease) in cash and cash equivalents	1,271,542
805,036		1,271,542

CITY OF HOLDFAST BAY
PROJECTED INCOME STATEMENT - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u>		<u>Alwyndor</u>
<u>23/24</u>		<u>24/25</u>
<u>BUDGET</u>		<u>BUDGET</u>
\$		\$
8,637,532	REVENUES User Charges	9,830,134
15,909,148	Operating Grants & Subsidies	19,045,147
856,797	Investment Income	1,234,200
8,028,770	Reimbursements	8,604,668
7,361,163	Other	8,654,358
40,793,410	TOTAL REVENUES	47,368,507
28,240,823	EXPENSES Employee Costs	33,699,954
10,282,689	Materials, contracts and other expenses	11,135,062
142,800	Finance Charges	104,400
1,617,981	Depreciation	1,811,602
40,284,293	TOTAL EXPENSES	46,751,018
509,117	Operating Surplus/(Deficit) - Before Capital Revenue	617,490
509,117	NET SURPLUS/(DEFICIT)	617,490

CITY OF HOLDFAST BAY
PROJECTED BALANCE SHEET - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u> \$		<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u> \$
	CURRENT ASSETS	
3,500,000	Cash and cash equivalents	4,437,037
3,515,403	Trade and Other Receivables	3,990,985
<u>7,015,403</u>	TOTAL CURRENT ASSETS	<u>8,428,022</u>
	NON-CURRENT ASSETS	
14,057,240	Financial Assets	13,593,509
40,278,004	Land, Infrastructure, Property, Plant & Equipment	42,844,316
<u>54,335,244</u>	TOTAL NON-CURRENT ASSETS	<u>56,437,825</u>
<u>61,350,647</u>	TOTAL ASSETS	<u>64,865,847</u>
	CURRENT LIABILITIES	
33,886,533	Trade and Other Payables	35,927,999
2,783,426	Short-term Provisions	3,089,999
<u>36,669,959</u>	TOTAL CURRENT LIABILITIES	<u>39,017,998</u>
	NON-CURRENT LIABILITIES	
280,873	Long-term Provisions	669,594
<u>280,873</u>	TOTAL NON-CURRENT LIABILITIES	<u>669,594</u>
<u>36,950,832</u>	TOTAL LIABILITIES	<u>39,687,592</u>
<u>24,399,815</u>	NET ASSETS	<u>25,178,255</u>
	EQUITY	
5,562,172	Accumulated Surplus	6,340,612
12,423,289	Asset Revaluation Reserve	12,423,289
6,414,354	Other Reserves	6,414,354
<u>24,399,815</u>	TOTAL EQUITY	<u>25,178,255</u>

CITY OF HOLDFAST BAY
PROJECTED STATEMENT OF CHANGES IN EQUITY - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u> \$		<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u> \$
	ACCUMULATED SURPLUS	
5,053,055	Balance at beginning of period	5,562,172
509,117	Net Surplus/(Deficit)	617,490
<u>5,562,172</u>	Balance at end of period	<u>6,179,662</u>
12,423,289	ASSET REVALUATION RESERVE	12,423,289
6,414,354	ALWYNDOR RESERVES	6,414,354
<u>18,837,643</u>	TOTAL RESERVES CLOSING BALANCE	<u>18,837,643</u>
<u>24,399,815</u>	TOTAL EQUITY	<u>25,017,305</u>

CITY OF HOLDFAST BAY
PROJECTED BUDGETED STATEMENT OF CASH FLOWS - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u> \$ (OUTFLOWS)		<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u> \$ (OUTFLOWS)
	CASH FLOWS FROM OPERATING ACTIVITIES	
	<u>Receipts</u>	
40,573,904	Operating Receipts	46,624,124
	<u>Payments</u>	
(38,199,159)	Operating payments to suppliers and employees	(43,411,926)
(142,800)	Finance Payments	(131,156)
<u>2,231,945</u>	NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,081,042</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
	<u>Receipts</u>	
(1,218,330)	Net Purchase of Investment Securities	-
	<u>Payments</u>	
(1,378,199)	Expenditure on renewal/replacement of assets	(1,296,878)
(524,421)	Expenditure on new/upgraded assets	(512,622)
<u>(3,120,950)</u>	NET CASH (USED IN) INVESTING ACTIVITIES	<u>(1,809,500)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES	
	<u>Receipts</u>	
889,005	Proceeds from Aged Care Facility Deposits	-
<u>889,005</u>	NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>
-	NET INCREASE (DECREASE) IN CASH HELD	1,271,542
	CASH AND CASH EQUIVALENTS AT BEGINNING OF	
3,500,000	REPORTING PERIOD	3,165,495
	CASH AND CASH EQUIVALENTS AT END OF	
<u>3,165,495</u>	REPORTING PERIOD	<u>4,437,037</u>

RECONCILIATION OF INCOME STATEMENT TO BUDGETED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2024

509,117	SURPLUS/(DEFICIT) FROM INCOME STATEMENT	617,490
	NON-CASH ITEMS IN INCOME STATEMENT	
1,617,981	Depreciation	1,811,602
104,847	Increase (decrease) in provisions - nett	651,950
<u>1,722,828</u>	TOTAL NON-CASH ITEMS	<u>2,463,552</u>
	CASH ITEMS NOT IN INCOME STATEMENT	
(1,902,620)	Capital Expenditure	(1,809,500)
-	Loan Repayments - External	-
889,005	Proceeds from Aged Care Facility Deposits	-
(1,218,330)	Net Purchase of Investment Securities	-
<u>(2,231,945)</u>	TOTAL CASH ITEMS	<u>(1,809,500)</u>
	NET INCREASE/(DECREASE)	
-	IN CASH AND CASH EQUIVALENTS	<u>1,271,542</u>

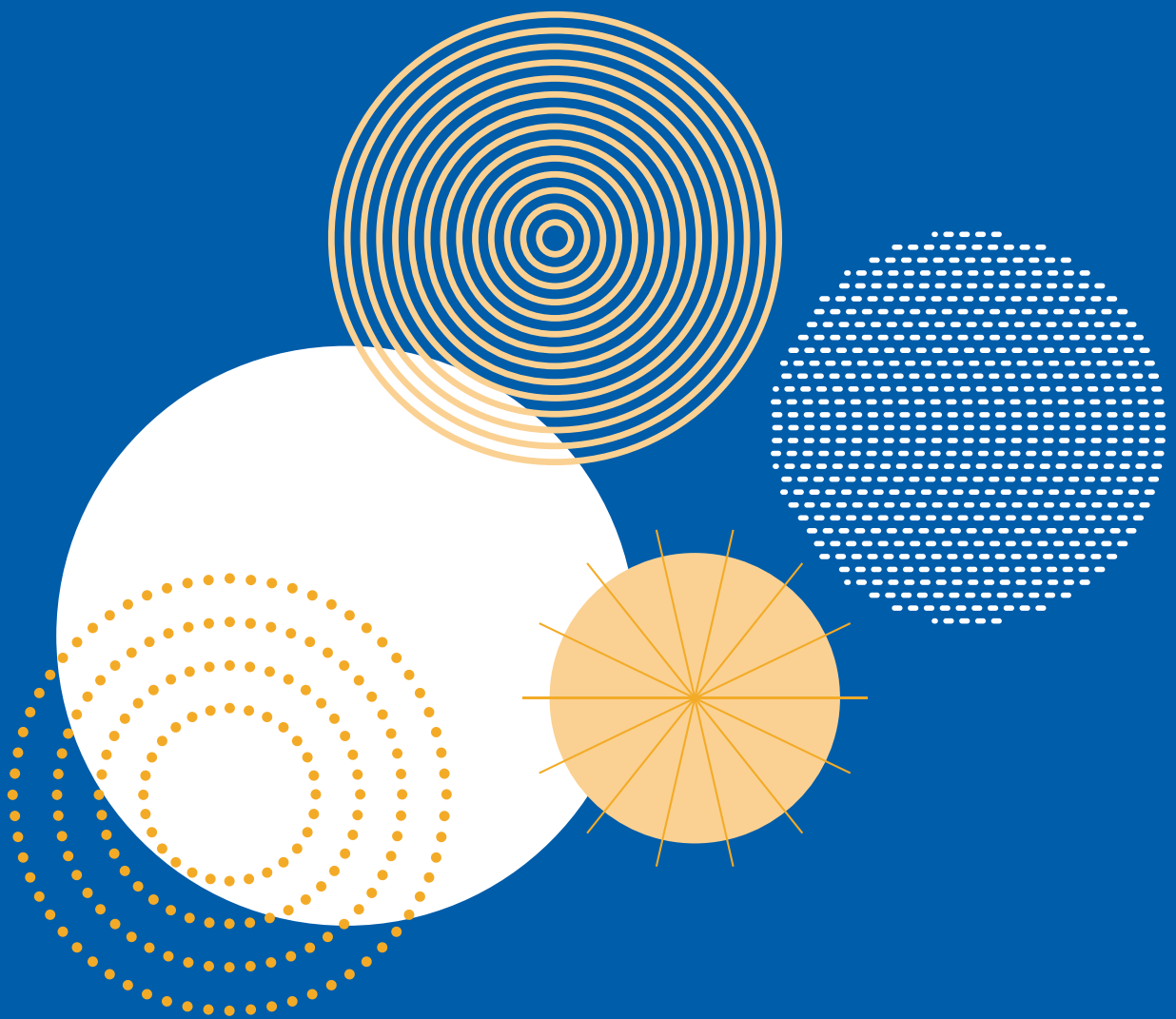
CITY OF HOLDFAST BAY
PROJECTED SUMMARY OF OPERATING AND CAPITAL INVESTMENT ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u> \$	<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u> \$
40,793,410 Operating Revenues	47,368,507
(40,284,293) less Operating Expenses	(46,751,018)
509,117 Operating Surplus/(Deficit) before Capital Amounts	617,490
 Less net outlays on Existing Assets	
1,378,199 Capital Expenditure on renewal & replacement of existing assets	1,296,878
(1,617,981) Less Depreciation	(1,811,602)
(239,782)	(514,724)
 Less outlays on New and Upgraded Assets	
524,421 Capital Expenditure on new & upgraded assets	512,622
224,478 Net lending/(borrowing) for financial year	619,592

PROJECTED FINANCIAL INDICATORS - ALWYNDOR FUNDS
FOR THE YEAR ENDED 30TH JUNE 2024

<u>Alwyndor</u> <u>23/24</u> <u>BUDGET</u> \$	<u>Alwyndor</u> <u>24/25</u> <u>BUDGET</u> \$
 OPERATING SURPLUS/(DEFICIT) - BEFORE CAPITAL AMOUNTS	
\$509,117	\$617,490
 OPERATING SURPLUS RATIO	
(Operating surplus/(deficit) before capital amounts as % of general revenue)	
1.2%	1.3%
 NET FINANCIAL LIABILITIES - (Total liabilities less financial assets)	
\$15,878,189	\$17,666,061
 NET FINANCIAL LIABILITIES RATIO	
(Total liabilities less financial assets as % of total operating revenue)	
39%	37%
 INTEREST COVER RATIO	
(Net interest expense as % of total operating revenue less investment income)	
0.3%	0.2%
 ASSET SUSTAINABILITY RATIO	
(Capital expenditure on renewal/replacement of existing assets, excluding new capital expenditure as % of depreciation expense)	
85%	72%

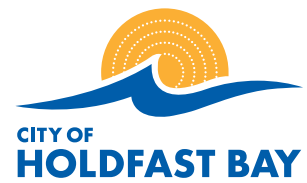
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