

DRAFT

2025-2026 ANNUAL BUSINESS PLAN + BUDGET



The City of Tea Tree Gully recognises this City's considerable natural and cultural heritage, including thousands of years of Traditional Custodianship by the Kaurna people and the more recent contributions from all who live here.

We build on this heritage today by respecting and listening to each other, being receptive to new ideas and acting wisely for the current and future well-being of our community.





*Athelstone House along
River Torrens Linear Park*

The City of Tea Tree Gully's Annual Business Plan and Budget are key documents in our overall planning framework, and set out our projects, services and programs for the financial year and how we intend to finance them.

The Annual Business Plan and Budget have been developed through an extensive process of consultation and review by Elected Members, council staff and consultation with the community.

These documents support our long-term strategic direction, which is outlined in Council's Strategic Plan 2030, as well as our Long-Term Financial Plan and asset management plans.

The Annual Business Plan is designed to meet the legislative requirements of the *Local Government Act 1999*.

For more information call 8397 7444 or visit cttg.sa.gov.au/abp



Contents

Introduction	6
City profile	8
Strategic direction	10
Measuring our performance	12
Continuing services	15
Capital works program	18
Infrastructure asset management plans	22
Funding the Annual Business Plan	25
Financial statements	28
Rates	36
Financial indicators	43
Appendix A: 2026–2035 Long Term Financial Plan	46

Introduction

The 2025–2026 financial year marks the commencement of the Council’s new Strategic Plan, establishing a clear and forward-looking vision for a thriving community that upholds the value of its people and natural environment.

Informed by extensive consultation with residents, businesses, and key stakeholders, the Strategic Plan serves as a foundational document, articulating the Council’s priorities, objectives, and strategies to achieve the community’s shared aspirations. Central to the Plan is a commitment to enhancing the wellbeing of all who live, work and visit our city. This Annual Business Plan outlines the City of Tea Tree Gully’s planned investments in infrastructure, services and programs that support wellbeing, foster economic growth and promote the development of a healthy, safe, prosperous, connected, vibrant and liveable community.

Supported by a \$42 million capital works program, this year’s budget carefully balances financial responsibility with meaningful investment in our community’s future. These projects are designed to make our City an even better place to live, create local job opportunities, boost businesses and build a stronger, more resilient community for everyone.

In the year ahead, numerous major projects will be delivered. More upgrades for parks, roads and sporting facilities are on the way, and we will support events and services that bring people together. This aligns with the themes of our Strategic Plan 2030: healthy, safe, prosperous, connected, vibrant and liveable.

Sport and recreation facilities remain a key focus. New facilities for Tea Tree Gully Gymsports, the Tea Tree Gully Tennis Club and Modbury Sporting Club are on track for completion by the end of 2025, supporting active lifestyles for years to come.

More than \$6 million will be invested in improving open spaces. This includes \$1.6 million for the Holden Hill Precinct, a new playground at Maxlay Reserve, further enhancements to Illyarrie reserves, and court resurfacing at Modbury Tennis Club. The plan also includes the renewal and enhancement of Pinewood and Whinnen Reserves.

Investment in better roads and entry points into our City is also planned, with a further \$3.1 million allocated to main roads and gateways as well as works planned for Golden Way in Modbury Heights and Elysium Drive in Golden Grove.

Our much-loved community events, such as Civic Park Carols and Touch a Truck, will continue to bring people together and contribute to the strong sense of connection that defines our City.

Alongside these new initiatives, we will fund day-to-day services like waste collection, verge maintenance, libraries and community centres. Internal crews will also continue to deliver works, new plantings, mulching and surface treatment as part of a new approach to consistently uplift our open spaces across the City.

To fund these priorities, rates will increase by 3.0% (excluding growth) – about an extra \$1.18 a week for a median residential property.

The strategic acquisition of land in the Civic Precinct, including Sfera's, will make a positive contribution to our financial performance and expand future opportunities for development in consultation with the community.

A city masterplan will take shape in 2025–2026, also with input from the community. This plan will guide spatial development of the City for the next 30 years, with implementation of growth targets and identify timing for local infrastructure and services.

We are grateful to CEO Ryan McMahon, Mayor Marijka Ryan and our councillors for their leadership, and our community for its support.

We hope this document gives you a clear understanding of our commitment to making our City an even better place to live, work and play.





City profile



9,521 ha
Total land area



579 km
Sealed roads

1,234 km
Kerbs and gutters

584 km
Sealed footpaths

98 km
Unsealed footpaths



606
Parks and reserves

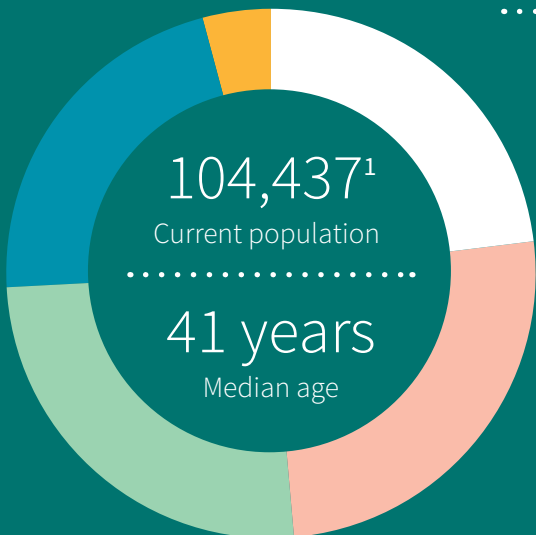
1,305 ha
Open space

500,000+
Street and reserve trees

124
Playgrounds



Birthday party fun at
Waterworld Aquatic Centre



- 0–19 years (23.1%)
- 20–39 years (30.5%)
- 40–59 years (25.8%)
- 60–79 years (21.3%)
- 80+ (5.1%)



27.3%
of residents
born overseas

15.11%
undertaking
voluntary work

49.5%
with tertiary
qualifications



42,017²
Number of
dwellings



6,296
Registered businesses

\$4.2B
Gross Regional
Product

1. Estimated Residential Population in 2025 – Remplan
2. Estimated number of dwellings in the CTTG region in 2025 – Remplan

Strategic direction

Council employs a suite of strategic management plans to establish priorities, guide decision-making, and inform annual business planning and budgeting.

Central to this framework is the Strategic Plan 2030, the Council's key guiding document. It sets out our vision and goals for the City of Tea Tree Gully community, including residents, workers, and visitors. The plan builds upon our previous successes in improving the city, boosting the economy, enhancing public spaces, and fostering a high quality of life in a resilient and connected community.

The wellbeing of our community is central to the plan. It focuses on fostering a healthy, vibrant and fulfilling lifestyle for all. The plan is organised around five key aspirations, each supported by specific objectives:

- Community
- Economy
- Environment
- Places
- Leadership

To achieve these goals, we recognise the need to adopt innovative thinking, demonstrate strong leadership, and collaborate meaningfully with state and federal governments, local businesses and our communities.

Council formally adopted the Strategic Plan 2030 on 8 October 2024, building on the foundations laid by the 2025 plan.

To support ongoing improvement and adaptability, we've also developed the Organisation Plan 2025. This internal plan focuses on enhancing how we operate and is structured around four core themes:

- Customer care
- Learning and growth
- Future capability
- Sustainable operations

As we work towards our long-term vision, the 2025–2026 Annual Business Plan and Budget outlines the key projects, programs and services that will bring these strategic objectives to life.

1. Community

We create opportunities for people to connect with one another and to their local community.

Objectives

- 1.1 Our programs, events and services are accessible, inclusive and adaptable to meet community needs
- 1.2 Diversity is welcome and celebrated
- 1.3 People feel a sense of belonging, inclusion and connection
- 1.4 The safety and wellbeing of our community is a priority.

Relevant community wellbeing pillars: Healthy, Safe, Prosperous, Connected, Vibrant, Liveable.

2. Economy

We support a thriving local economy where businesses are successful and people have access to a range of employment and education opportunities.

Objectives

- 2.1 Our centres are vibrant with Modbury Precinct as the region's key activity centre
- 2.2 Our economy is innovative, prosperous and diverse and is underpinned by sustainable population growth
- 2.3 Our community has leadership and employment capabilities.

Relevant community wellbeing pillars: Prosperous, Connected, Vibrant, Liveable.

3. Environment

We are leaders in how we manage and care for our environment, we minimise the impacts of climate change, protect our community from public and environmental health risks, and actively promote sustainable and healthy living.

Objectives

- 3.1 Biodiversity, green spaces and tree canopy are valued, enhanced and protected

- 3.2 We practice the responsible and sustainable use of resources

- 3.3 We are resilient to extreme weather events, bushfires and environmental risks.

Relevant community wellbeing pillars: Healthy, Safe, Prosperous, Vibrant, Liveable.

4. Places

We create places where people enjoy living and spending time because they are appealing, safe, accessible and interesting.

Objectives

- 4.1 Our public places are attractive, adaptable and fit for purpose
- 4.2 Our City has a diversity of housing
- 4.3 Our neighbourhoods are well planned, safe, connected and accessible with a focus on active methods of travel.

Relevant community wellbeing pillars: Healthy, Safe, Prosperous, Connected, Vibrant, Liveable.

5. Leadership

We are trusted to make good decisions that are in the best interests of our community.

Objectives

- 5.1 Our service provision is sustainable and adaptable
- 5.2 We have an innovative approach to customer service that provides a positive customer experience and adapts to changing needs
- 5.3 Our engagement is meaningful and we keep our community informed about Council initiatives
- 5.4 Our planning and decision making is evidence based, consistent and focused on outcomes for the future.

Relevant community wellbeing pillars: Safe, Connected, Prosperous, Liveable.

Measuring our performance

Our success is determined by how effectively we meet the objectives outlined in both our Strategic Plan and Organisation Plan.

To monitor our progress, we use a range of performance indicators aligned with our strategic goals. These indicators are evaluated through our annual community survey, with outcomes reported in our Annual Report.

Alongside these indicators, we also use a range of financial metrics to assess organisational performance. Details of these measures can be found on pages 43–45.

Christina in her home vegetable garden in Fairview Park



Measures of success

Wellbeing indicators	2024–2025 Result	2025–2026 Target
Overall community wellbeing score	TBA	75.0
Resident satisfaction with their life as a whole	TBA	65%
Resident satisfaction with how safe they feel	TBA	71%
Resident satisfaction with feeling part of the community	TBA	46%
Resident satisfaction with opportunities to have their say	TBA	57%
Diversity is welcomed and celebrated in the City of Tea Tree Gully	TBA	75%
The City of Tea Tree Gully is a good place to raise a family	TBA	95%
The City of Tea Tree Gully is a good place to grow old	TBA	88%
The City of Tea Tree Gully is a place of growth and prosperity	TBA	86%

Capital works indicators

Capital works projects completed by 30 June each financial year	TBA	90%
I feel safe being out in parks and public spaces in my local community	TBA	86%

Customer service indicators

Overall resident satisfaction with Council communications	TBA	66%
Enquiry resolution at the first point of contact	TBA	86%



Continuing services

We continue to deliver a broad range of services, programs and infrastructure to meet community needs and comply with our obligations under the *Local Government Act 1999*.

In accordance with the Act and other applicable legislation, councils are responsible for delivering a number of essential services, including:

- Regulatory functions such as development planning, building control and fire safety
- Setting rates and preparing business and financial plans, including long-term strategic and asset management plans
- Managing public infrastructure, including roads, footpaths, open spaces, lighting and stormwater systems
- Providing waste collection and street cleaning services
- Delivering environmental health services, including inspections, immunisations and pest control.

These core services contribute to community wellbeing and also support Council's financial sustainability. The revenue they generate helps reduce the pressure on rates while allowing us to invest in new projects and initiatives that benefit our City and its residents.

Infrastructure management

Services include:

- Roads, footpaths and shared-use paths
- Streetscape maintenance
- Public lighting
- Stormwater management
- Traffic management and street signage
- Community halls and buildings
- Playgrounds
- Cycling and walking trails
- Cemeteries
- Works depot administration
- Graffiti removal (provided by our volunteers).

Waste and recycling

Services include:

- Kerbside collection of household waste, recyclables and green organics
- Hard waste collections on call
- Enviro Care green waste drop-off events
- Public litter bins
- Illegal dumping.

Trees, parks, sport and recreation

Services include:

- Reserve maintenance, planning and planting
- Sports and recreational facilities
- Street tree planting and maintenance
- Weed control
- Verge maintenance
- Waterworld Aquatic Centre.

Community, health, aged and youth services

Services include:

- Community support and development
- Community programs
- Home care assistance
- Respite and Carer Support Program
- Youth services
- Reconciliation activities
- Immunisation
- Community engagement
- Justice of the Peace (provided by our volunteers)
- Awards, sponsorships and grants.

Economic development, regulatory services, environment and planning

Services include:

- City planning
- Building approvals and inspections
- Urban design and planning advice
- Business support and advisory
- Investment attraction
- Health services
- Food premises inspections
- By-laws, permits and access control
- Traffic management and street signage
- Parking management
- Animal and pest control
- Fire prevention
- Creek management.

Community events, arts and heritage

Services include:

- Community events and celebrations
- Performing and visual arts
- Placemaking
- Citizenship ceremonies.

Community facilities

Services include:

- Library services
- Lifelong learning programs
- Facility hire (casual and long term)
- Road and Cycle Safety Centre
- Conferences, events and accommodation.

Governance, communications and administration

Services include:

- Corporate governance
- Policy development and review
- Financial management and services
- Information management and services
- Customer services
- People and capability
- Volunteer services
- Internal and external communications
- Media liaison and marketing
- Procurement and contract management.



2025–2026

Capital works program

Capital works	Expenditure
Road resealing and renovation	
Tasman Avenue (Wandana Avenue to North East Road), Gilles Plains	\$613,000
Tatiara Drive (Marsha Drive to end), Banksia Park	\$503,000
Keystone Avenue (Anders Avenue to Grand Junction Road), Hope Valley	\$409,000
Beckman Avenue (Valley Road to Xavier Street), Highbury	\$355,000
Road renovation and resealing – CWMS	\$200,000
Bowen Road (end [West] to Perseverance Road), Tea Tree Gully	\$180,000
Niemeyer Crescent (Lutyens Avenue [North] to Lutyens Avenue [South]), St Agnes	\$154,000
Tenison Place (The Golden Way to end), Golden Grove	\$113,000
Hausmann Avenue (Whitlam Street to Fraser Avenue), St Agnes	\$103,000
Road design for 2026–27	\$100,000
Corroboree Road (Mia Street to end), Modbury North	\$78,000
Roebing Street (Brunel Drive to De Sassenay Crescent), Modbury Heights	\$74,000
Tresauget Street (Brunel Drive to De Sassenay Crescent), Modbury Heights	\$70,000
Macadam Street (De Sassenay Crescent to Ladywood Road), Modbury Heights	\$65,000
Esk Street (Tatiara Drive to Launceston Avenue), Banksia Park	\$63,000
First Fleet Court (Keithcot Farm Drive to end), Wynn Vale	\$59,000
Churchill Drive (Deborah Grove to Exhibition Drive), Modbury North	\$53,000
Lewis Avenue (Bowen Road to White Avenue), Tea Tree Gully	\$50,000
Owen Court (Niemeyer Crescent to end), St Agnes	\$47,000
Kean Avenue (Heysen Avenue to Keystone Avenue), Hope Valley	\$33,000
Gaybas Court (Beckman Avenue to end), Highbury	\$27,000
Xavier Street (Alister Street to Dordoy Street), Highbury	\$25,000
Claudius Street (De Sassenay Crescent to Maxlay Road), Modbury Heights	\$25,000
Dordoy Street (Lower North East Road to Xavier Street [West]), Highbury	\$23,000
York Place (Somerset Avenue to end), Redwood Park	\$23,000
Mata Court (Hausmann Avenue to end), St Agnes	\$20,000
Ashton Place (Drummond Street to end), Wynn Vale	\$18,000
Fishburn Court (First Fleet Court to end), Wynn Vale	\$17,000
Emilie Street (Keystone Avenue to end), Hope Valley	\$15,000
Drummond Street (Ridgway Court to Ashton Place), Wynn Vale	\$15,000
	\$3,530,000
Roads to Recovery	
Surrey Farm Drive (The Golden Way to Erudite Court), Golden Grove	\$1,200,000
Grenfell Road (Golden Grove Road to Hancock Road), Golden Grove	\$700,000
	\$1,900,000

Capital works	Expenditure
Re-sheeting unsealed roads	
Unsealed roads resheeting – various	\$40,000
	\$40,000
Footpath and DDA upgrades	
Main roads and gateways	\$400,000
Immanuel Drive (Target Hill Road to Council boundary), Greenwith	\$300,000
New footpaths – to be determined	\$200,000
DDA upgrades and connections	\$100,000
Raphael Avenue (Lower North East Road to Lyons Road), Dernancourt	\$90,000
Mulberry Crescent (Torrens Road to Aqueduct Land Track), Highbury	\$86,000
Stanley Way (Padbury Road to Newcombe Drive), Gilles Plains	\$85,000
Metcalf Avenue (Telford Crescent to Augustus Street), Modbury Heights	\$67,000
Graham Drive (The Driveway to The Parade), Holden Hill	\$67,000
Ladywood Reserve (Derribong Road to Ladywood Road), Modbury North	\$55,000
Carman Street (Catherine Drive to Sunhaven Road), Redwood Park	\$50,000
Nicholas Drive (Neale Street to Perseverance Road), Tea Tree Gully	\$50,000
McIntyre Road (North East Road to Wright Road), Modbury	\$50,000
Warne Street (Allchurch Avenue to laneway between 20 and 22), Redwood Park	\$49,000
Stafford Street (Sherwood Drive to Somerset Avenue), Redwood Park	\$48,000
Melveen Street (Connie Street to Vinall Street), Modbury	\$47,000
Mistletoe Terrace (Hancock Road to Grandview Drive), Tea Tree Gully	\$45,000
Somerset Avenue (16 Somerset Avenue to Harris Road), Redwood Park	\$44,000
Avoca Street (Lyons Road to Scot Road), Dernancourt	\$42,000
Mahogany Avenue (Christopher Street to Walnut Grove), Dernancourt	\$28,000
Bethel Avenue (Apalie Drive to Meadowvale Road), Modbury	\$25,000
Hopeland Court (Medlands Close to Hopeland Reserve), Wynn Vale	\$12,000
Catharina Plantation (Catharina Court to Ladywood Road), Modbury Heights	\$5,000
	\$1,945,000
Unsealed footpaths	
Kingfisher Reserve (pedestrian bridge [central] to Grenfell Road), Modbury Heights	\$94,000
Smart Road (Tolley Road to Elmers Entrance), Modbury	\$55,000
Jubilee Reserve (Brunswick Terrace to Golden Grove Road), Wynn Vale	\$53,000
Barracks Road (John Ramsay Circuit to 76 Barracks Road), Hope Valley	\$50,000
Fairview Park Reserve (Anona Way to Yatala Vale and Pangari Drive), Fairview Park	\$50,000
Golden Grove Road (John Road to Greenwith Road), Golden Grove	\$33,000
Golden Grove Road (Bus Stop 79 [East side] to Harpers Field Car Park), Golden Grove	\$33,000
Huppatz Plantation (Surrey Farm Drive to Ashton Place), Wynn Vale	\$27,000
Hedgerow Reserve (Hedgerow Court to Bloomfield Avenue), Greenwith	\$5,000
	\$400,000

Capital works**Expenditure****Lighting**

Lighting projects – various	\$250,000
	\$250,000

Water and drainage

Citywide irrigation rectification works – various	\$500,000
Pumping station for recycled water for Grenfell Road, Wynn Vale	\$250,000
Holden Hill Precinct – drainage upgrades, Holden Hill	\$200,000
Hyde Park Reserve – irrigation system renewal, Wynn Vale	\$150,000
Cronulla Reserve – irrigation system renewal, Redwood Park	\$100,000
Spring Crescent – irrigation system renewal, Banksia Park	\$100,000
Pedare Reserve/Tolley Court – creek redesign, Hope Valley	\$100,000
Tasman Avenue, Giles Plains – drainage upgrade, Gilles Plains	\$80,000
Pedare Village Park (Sherry Court) – irrigation system renewal, Wynn Vale	\$70,000
Modbury Sports Area (Ashley Avenue to creek) – drainage upgrade, Ridgehaven	\$70,000
WWTP – decommissioning	\$60,000
Aspen Reserve – irrigation system renewal, Golden Grove	\$55,000
Hutt Reserve – irrigation system renewal, Modbury Heights	\$25,000
	\$1,760,000

Traffic management and signage

Signage – community and various site replacements	\$370,000
Installation traffic control devices – various	\$150,000
	\$520,000

Open space – sporting, park and playground upgrades

Holden Hill Precinct, Holden Hill	\$1,600,000
Burragah Reserve – stage 1, Modbury North	\$850,000
Maxlay Reserve upgrade – stage 1, Modbury Heights	\$600,000
Pinewood Reserve, Golden Grove	\$570,000
Modbury Tennis (Ashley Avenue) – court reconstruction, Ridgehaven	\$500,000
Whinnen Reserve, St Agnes	\$480,000
Illyarrie Reserve, Surrey Downs	\$458,000
Marsha Reserve, Banksia Park	\$420,000
Kimberley Reserve and surrounding area, Modbury North	\$315,000
St Agnes Recreation Park, St Agnes	\$200,000
Silverlake Reserve, Highbury	\$200,000
Fencing projects – various	\$120,000
Outdoor furniture projects – various	\$100,000
Palomino Playground – shade sail, Wynn Vale	\$65,000
Observation Reserve, Highbury	\$30,000
Shared fencing projects – various	\$30,000
Tea Tree Gully BMX starting shelter remediation, St Agnes	\$25,000
	\$6,563,000

Capital works	Expenditure
City beautification works	
Main roads and gateways	\$2,600,000
The Golden Way (McIntyre Road to Palmyra Street), Modbury Heights	\$370,000
Elysium Drive (The Golden Way to Helicon Drive), Golden Grove	\$180,000
	\$3,150,000
Capital buildings renewal	
Asset Management Plan renewals – recreational buildings	\$545,000
Asset Management Plan renewals – community buildings	\$385,000
Asset Management Plan renewals – operational buildings	\$225,000
Braeburn Reserve – boardwalk, Golden Grove	\$100,000
Asset Management Plan renewals – sporting buildings	\$80,000
Entrance statements – renewal	\$80,000
	\$1,415,000
Capital buildings – new and upgrades	
Golden Grove Recreation and Arts Centre – courts 2 and 3 toilets	\$700,000
Golden Grove Recreation and Arts Centre – stage 2 entry	\$450,000
DAIP building upgrades	\$200,000
	\$1,350,000
Strategic building projects	
Tea Tree Gully Gymsports, Banksia Park	\$4,000,000
Modbury Sporting Club – clubroom and changeroom	\$3,670,000
Tea Tree Gully Tennis Club, Banksia Park	\$2,500,000
Projects to be grant funded	\$2,000,000
Tea Tree Gully Gymsports car park	\$1,750,000
Tilley Recreation Park – clubroom and changeroom	\$1,500,000
Building Future Project Fund	\$1,000,000
Strategic buildings	\$405,000
Harpers Field Community Building and amenities initiatives	\$217,000
	\$17,042,000
Environmental projects	
Public bin renewal and upgrade	\$75,000
Environmental projects – various	\$75,000
	\$150,000
Information technology	
Civic Centre audio visual replacements for meeting rooms	\$250,000
Salesforce Optimisation Program	\$200,000
ITS – ITAMP – Infrastructure	\$150,000
	\$600,000
Other	
Plant and Equipment Replacement Program	\$2,150,000
	\$2,150,000
Total Capital Works Program 2025–2026	\$42,765,000

Infrastructure Asset Management Plans

Our Infrastructure Asset Management Plans are essential components of our Long Term Financial Plan. They guide how we plan, build, maintain and operate the assets that serve our community.

We manage approximately \$2 billion worth of infrastructure on behalf of our community. To ensure these assets continue to meet service standards, we take into account our strategic goals, legal responsibilities, community expectations and available funding to manage them sustainably.

Together, our Asset Management Strategy and the suite of Infrastructure Asset Management Plans (IAMPs) provide a clear framework for delivering services both now and into the future.

Following community consultation, we updated the following IAMPs in late November 2024:

- Transport Asset Management Plan
- Buildings Asset Management Plan
- Open Space Asset Management Plan
- IT Asset Management Plan
- Plant and Fleet Asset Management Plan
- Water Asset Management Plan.

Each plan contains detailed information about the assets, outlines the services provided, and identifies the level of funding required to maintain these assets efficiently and cost-effectively.

Full copies of Council's IAMPs are available at **cttg.sa.gov.au**

Asset review and renewal

We conduct regular reviews of our asset portfolio to ensure alignment with our strategic goals. When assets are identified as surplus to Council or community needs, we seek community input before considering their sale. Proceeds from asset sales are reinvested into capital projects or upgrades in line with our Land Strategy and Long Term Financial Plan (LTFP).

When acquiring new assets, we evaluate:

- Our current budget position and any surplus or deficit
- Added costs such as depreciation, ongoing maintenance or loan interest
- The potential impact on our operating result
- Whether additional rates revenue would be required to support the purchase or upkeep
- The asset's age, expected lifespan and ability to meet service needs
- Discounted cash flow analysis, where relevant.

The sharp increase in construction costs has placed pressure on our asset renewal program. Over the coming years, we must expand our renewal investment by 30% to bring funding levels in line with the needs identified in our IAMPs.

Tea Tree Gully City Soccer Club members with their new clubroom at Tilley Recreation Park, Surrey Downs





Creative demonstration at the Harpers Field Community Building Open Day

Funding the Annual Business Plan

Delivering on the priorities outlined in our Strategic Plan 2030, as well as the projects and services detailed in this Annual Business Plan, depends on securing sufficient funding.



3.6%

Total rate revenue
increase in 2025–2026

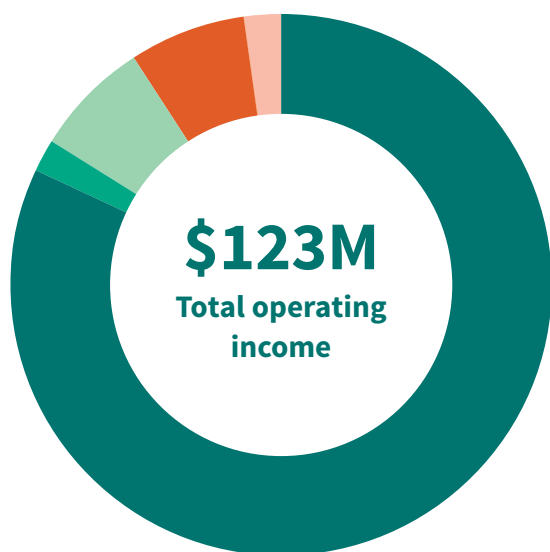
Rates remain our primary source of income, accounting for around 86% of total revenue. These rates are set in accordance with our Financial Sustainability Policy and shaped by our Strategic Plan, Organisation Plan, IAMPs and LTFP.

For 2025–2026, a 3.0% increase in rate revenue (excluding growth) is proposed. While this is adequate to sustain asset renewal efforts for the year, it presents a risk to future planned investments in new assets. To uphold our commitment to financial sustainability and ensure asset renewal remains aligned with our IAMPs, Council will need to increase revenue over the next three years to maintain infrastructure at the required standards.

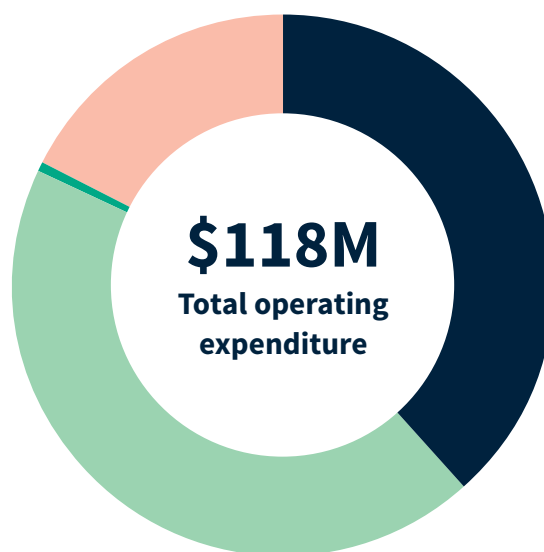
We expect to collect \$100.67 million in general rate revenue, an increase of 3.6% from the 2024–2025 figure of \$97.16 million. This will be supplemented by \$22.32 million from other income sources including user fees, government grants, investment earnings and borrowings.

While we remain committed to maintaining debt at sustainable levels, borrowing will continue to play a role in funding infrastructure investment and service delivery. In 2025–2026, debt is projected to sit at the upper end of our target range – 25% to 35% of operating income.

We have budgeted for an operating surplus of \$5.386 million; however, ongoing rate increases will be necessary to respond to economic conditions and support long-term financial sustainability. This will enable us to meet the objectives outlined in our 10-year LTFP, which balances responsible debt management with the continued delivery of services, infrastructure maintenance and strategic growth initiatives.



- Rates
- Statutory charges
- User charges
- Grants and subsidies
- Investment income
- Other



- Employee costs
- Materials, contracts and other expenses
- Financial charges
- Depreciation

Significant influences and priorities

In developing the 2025–2026 Annual Business Plan and Budget, we carefully considered a range of economic and operational factors that influence our ability to deliver services and maintain infrastructure.

Key influences include:

- Ongoing annual increases in the State Government's Solid Waste Levy
- Rising costs of processing kerbside recycling and waste materials
- Adelaide Consumer Price Index (CPI)
- Local Government Price Index (LGPI) impacts
- The need to maintain and renew infrastructure such as roads, footpaths, stormwater systems, lighting, council buildings and public spaces
- Enterprise Bargaining Agreement (EBA) provisions, including the 0.5% rise in the Superannuation Guarantee

- Transitioning to a pay-as-you-go model for our digital and software systems
- Growing service and infrastructure demands, such as playground upgrades and community facility audits
- Maintenance of revitalised areas, including the Modbury Precinct and newly developed open spaces.

In response to community expectations and environmental imperatives, Council has committed to advancing our Waste Strategy. As part of our waste diversion efforts, we are continuing waste initiatives – each household will be eligible for one additional green organics bin and/or one additional yellow recycling bin at no cost.

These initiatives reflect our ongoing commitment to sustainability, service quality and responsible financial planning.

*Backyards for Wildlife event in
collaboration with the City of
Salisbury and the City of Playford*



Financial statements

The 2025–2026 budget has been developed through a thorough process involving detailed analysis and input from both Elected Members and Council staff.

The budget reflects our commitment to financial sustainability, while acknowledging the increasing cost pressures affecting both Council operations and our community.

Our full financial statements are outlined below, with further explanations provided in the following pages.

Statement of comprehensive income for the year ending 30 June 2026

	FY2024 Actuals	FY2025 Original budget	FY2025 Forecast budget	FY2026 Budget
Income	\$'000	\$'000	\$'000	\$'000
Rates	92,024	97,165	97,265	100,670
Statutory charges	2,818	2,782	2,798	2,710
User charges	4,470	3,927	3,942	8,542
Grants, subsidies and contributions – capital	256	1,200	1,200	1,210
Grants, subsidies and contributions – operating	4,051	6,175	9,689	7,132
Investment income	1,056	20	270	20
Reimbursements	123	89	89	104
Other revenues	2,557	2,364	2,728	2,603
Total income	107,355	113,722	117,981	122,990
Expenses				
Employee costs	37,047	41,899	40,646	45,104
Materials, contracts and other expenses	49,586	46,394	46,073	51,326
Finance charges	250	950	250	910
Depreciation	19,258	19,270	19,770	20,264
Total expenses	106,141	108,513	106,739	117,604
Operating surplus or (deficit)	1,214	5,209	11,242	5,386
Net gain/(loss) on disposal or revaluation of assets	310	4,640	5,379	900
Capital grants	4,697	11,435	19,632	5,250
Capital contributions	16	1,976	750	1,000
Net surplus/(deficit)	6,238	23,260	37,004	12,536

Operating revenue

Rates

For 2025–2026, we forecast total rate revenue of \$100.67 million – an increase of \$3.50 million from the previous year. This proposed 3.0% increase (excluding growth) aligns with the rising costs of maintaining current services and the requirements outlined in our IAMPs and LTFF. A further 0.6% growth in rate revenue is anticipated due to new developments, pending confirmation from the Valuer-General. Of the total general rate revenue, 85% will come from residential properties, 14% from commercial, industrial and vacant land, and 1% from primary production and other land uses.

Statutory charges

Statutory charges include regulatory fees for services such as development applications, parking fines and dog registrations. These charges are set annually by the South Australian Government and published each July.

User charges

User charges relate to the delivery of specific Council services, such as use of community and recreational facilities. In 2025–2026, user charges are expected to increase by \$4.62 million, primarily due to the acquisition and operational costs of Sfera's Park Suites and Convention Centre.

Grants and subsidies

This includes operating grants and subsidies not tied to capital works. For 2025–2026, we expect an increase in grant revenue of \$966,000 across various programs.

Investment income

Council earns interest from funds held with financial institutions. In 2025–2026, investment income is projected at \$20,000, which will be used to offset borrowing costs.

Reimbursements

These are payments received for services Council provides on behalf of others, such as staffing support to other councils. We expect to receive \$104,000 in reimbursements during 2025–2026.

Other revenues

Other revenues cover income not included in the above categories. For 2025–2026, this is forecast at \$2.60 million, including \$600,000 from workers' compensation rebates and \$570,000 from income protection reimbursements.



Operating expenses

Employee costs

Employee-related expenses include wages, salaries, superannuation, leave entitlements and other labour-related costs. For 2025–2026, employee costs are expected to rise by \$3.2 million. This increase reflects Enterprise Bargaining Agreement obligations, a 0.5% rise in the Superannuation Guarantee, and additional staffing required to support the operations of Sfera’s Park Suites and Convention Centre.

The budget allows for a workforce of 385 full-time equivalent (FTE) employees – an increase of 11 FTEs compared to the 2024–2025 financial year. Staffing levels are reviewed regularly to ensure resources are aligned with evolving community priorities and service demands. Employee costs associated with capital projects are accounted for separately in the capital works budget.

Materials, contracts and other expenses

This category includes the cost of physical materials such as utilities, consumables and supplies, as well as payments to external providers for contracted services. These services may include labour, maintenance and specialised expertise delivered under formal agreements. Other expenses cover items that do not fall into employee, material or contractual cost categories.

For 2025–2026, we anticipate an increase of \$4.9 million in this expenditure area compared to the original 2024–2025 budget. This rise reflects both cost escalations and the increased demand for services across our growing community.

Finance charges

Finance charges are the costs of financing our activities through borrowings or financial leases. We forecast finance charges to reduce by \$40,000 compared to the previous financial year.

Depreciation

Depreciation expense is projected to reach \$20.26 million in 2025–2026, reflecting a \$0.99 million increase from 2024–2025.

This rise is mainly attributed to the addition of new strategic buildings.

**Statement of financial position
for the year ending 30 June 2026**

	FY2024 Actuals	FY2025 Original budget	FY2025 Forecast budget	FY2026 Budget
	\$'000	\$'000	\$'000	\$'000
Assets				
Current assets				
Cash and cash equivalents	11,879	437	1,879	1,879
Trade and other receivables	4,826	6,047	4,827	4,827
Inventories	86	127	86	86
Non-current assets held for sale	1,476	0	0	0
Total current assets	18,267	6,611	6,792	6,792
Non-current assets				
Other non-current assets	25,676	30,810	25,676	25,676
Infrastructure, property, plant and equipment	1,896,652	1,932,089	1,991,589	2,037,077
Total non-current assets	1,922,328	1,962,899	2,017,265	2,062,753
Total assets	1,940,595	1,969,510	2,024,057	2,069,545
Liabilities				
Current liabilities				
Trade and other payables	28,119	13,752	14,463	9,213
Short-term provisions	3,513	3,725	3,513	3,513
Total current liabilities	31,632	17,477	17,976	12,726
Non-current liabilities				
Long-term borrowings	0	19,439	21,400	36,616
Long-term provisions	680	550	680	680
Total non-current liabilities	680	19,989	22,080	37,296
Total liabilities	32,312	37,466	40,056	50,022
Net assets	1,908,283	1,932,044	1,984,001	2,019,523
Equity				
Accumulated surplus	426,389	441,636	432,627	469,631
Year-to-date	6,238	23,260	37,004	12,536
Asset revaluation reserves	1,475,369	1,466,861	1,514,083	1,537,069
Other reserves	287	287	287	287
Total equity	1,908,283	1,932,044	1,984,001	2,019,523

Statement of changes in equity for the year ending 30 June 2026

	FY2024 Actuals	FY2025 Original budget	FY2025 Forecast budget	FY2026 Budget
Net surplus/(deficit) for year	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	426,389	441,636	432,627	469,631
Net result for year	6,238	23,260	37,004	12,536
Balance at end of period	432,627	464,896	469,631	482,167
Asset revaluation reserve				
Balance at end of previous reporting period	1,373,159	1,428,147	1,475,369	1,514,083
Gain on revaluation of non-current assets	102,210	38,714	38,714	22,986
Balance at end of period	1,475,369	1,466,861	1,514,083	1,537,069
Other reserves				
Balance at end of previous reporting period	287	287	287	287
Net result for year	-	-	-	-
Balance at end of period	287	287	287	287
Total equity	1,908,283	1,932,044	1,984,001	2,019,523



**Statement of cash flows for
the year ending 30 June 2026**

	FY2024 Actuals	FY2025 Original budget	FY2025 Forecast budget	FY2026 Budget
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Receipts				
Operating receipts	105,032	113,702	117,711	122,969
Investment receipts	1,056	20	270	20
Payments				
Operating payments to suppliers and employees	86,200	88,293	86,719	96,430
Finance charges	250	950	250	910
Net cash provided by (or used in) operating activities	19,638	24,479	31,012	25,649
Cash flows from investing activities				
Receipts				
Grants specifically for new or upgraded assets	4,988	3,138	6,726	1,000
Sale of replaced assets	482	1,200	1,805	900
Sale of surplus assets	800	5,050	5,050	-
Payments				
Expenditure on renewal/replacement of assets	16,495	30,528	27,738	19,915
Expenditure on new/upgraded assets	15,804	32,452	48,255	22,851
Net cash provided by (or used in) investing activities	(26,829)	(53,592)	(62,412)	(40,866)
Cash flows from financing activities				
Receipts				
Proceeds from borrowings/deposits	-	19,439	21,400	15,216
Payments				
Repayment of borrowings	67	-	-	-
Net cash provided by (or used in) financing activities	(67)	19,439	21,400	15,216
Net increase (decrease) in cash held	(6,458)	(9,674)	(10,000)	(1)
Cash and cash equivalents at beginning of reporting period	18,337	10,111	11,879	1,879
Cash and cash equivalents at end of reporting period	11,879	437	1,879	1,879

**Uniform presentation of finances
for the year ending 30 June 2026**

	FY2024 Actuals	FY2025 Original budget	FY2025 Forecast budget	FY2026 Budget
Income	\$'000	\$'000	\$'000	\$'000
Rates	92,024	97,165	97,265	100,670
Statutory charges	2,818	2,782	2,798	2,710
User charges	4,470	3,927	3,942	8,542
Grants, subsidies and contributions – capital	256	1,200	1,200	1,210
Grants, subsidies and contributions – operating	4,051	6,175	9,689	7,132
Investment income	1,056	20	270	20
Reimbursements	123	89	89	104
Other revenues	2,557	2,364	2,728	2,603
Total income	107,355	113,722	117,981	122,990
Expenses				
Employee costs	37,047	41,899	40,646	45,104
Materials, contracts and other expenses	49,586	46,394	46,073	51,326
Finance charges	250	950	250	910
Depreciation	19,258	19,270	19,770	20,264
Total expenses	106,141	108,513	106,739	117,604
Operating surplus/(deficit)	1,214	5,209	11,242	5,386
Less: grants, subsidies and contributions – capital	(256)	0	(1,200)	(1,210)
Adjusted operating surplus/(deficit)	958	5,209	10,042	4,176
Net outlays on existing assets				
Capital expenditure on renewal and replacement of existing assets	(16,495)	(30,528)	(27,738)	(19,915)
Add depreciation, amortisation and impairment	19,258	19,270	19,770	20,264
Add proceeds from sale of replaced assets	482	1,200	1,805	900
	3,245	(10,058)	(6,163)	1,249
Net outlays on new and upgraded assets				
Capital expenditure on new and upgraded assets	(15,804)	(32,452)	(48,255)	(22,851)
Add back grants, subsidies and contributions – capital	256	1,200	1,200	1,210
Add amounts received specifically for new and upgraded assets	4,732	13,411	20,382	1,000
Add proceeds from sale of surplus assets	800	3,251	5,050	0
	(10,016)	(14,590)	(21,623)	(20,641)
Annual net impact to financing activities (surplus/(deficit))	(5,813)	(19,439)	(17,744)	(15,216)

Net outlays on existing assets

We will allocate \$20.9 million for the renewal of existing assets. We aim to keep our level of spending in line with the infrastructure asset management plan forecasts.

Net outlays on new and upgraded assets

We will allocate \$22.7 million to new and upgraded assets. We will factor the ongoing maintenance and depreciation expenses associated with capital expenditure on new and upgraded assets into our future budgets and updates of the LTFP.

Financing strategy

We have determined that borrowings will increase in 2025–2026 from the original 2024–2025 budget. This is in line with the Project Funding Strategy created for all the grant funded projects that have been incorporated into our LTFP since 2019.



A budding young builder at the 2025 Touch a Truck event

Rates

We aim to maintain rate stability over the long term, ensuring that the community’s services, projects and infrastructure needs are consistently met.

In accordance with the *Local Government Act 1999*, the Council is authorised to levy rates on all land within its jurisdiction, excluding exempt properties such as Crown land and land owned by the Council. In setting the rates for 2025–2026, we have taken into account the priorities outlined in our Strategic Plan 2030, the prevailing economic conditions, our strategy for reducing debt, legislative changes, and the ongoing need to maintain and enhance community infrastructure, amenities and overall wellbeing.

We have also carefully considered the impact of rate increases on our residents, the importance of keeping rates fair and ensuring that the rates burden is shared equitably.

Once the total expenditure budget and its impact on revenue are established, we calculate the portion of the budget to be raised through rates by dividing this by the total value of all individual property assessments. This results in the ‘rate-in-the-dollar’ figure, which is then applied to individual property valuations to determine each property’s rates.

For the upcoming year, we propose a 3.0% increase in total rate revenue (excluding growth), which will bring in \$100.67 million in rates.

Differential rates

Following community consultation, it was decided in February 2012 to adopt differential rates as of 1 July 2012. We continue to apply differential rates on the basis of land use, to allow for the equitable distribution of the rate burden and to accommodate variations in the community’s capacity to pay.

A differential rating strategy means that different classes of land use attract different rates. The definitions of land use are prescribed by regulation and are categorised for rating purposes. Having a differential rating strategy provides us with increased flexibility to accommodate movements in valuations that regularly occur in the market, to recognise the value of a specific aspect of land use and to better reflect the consumption of our services.

This method also allows us to increase rates at different levels to ensure commercial and industrial properties contribute appropriately, despite category-specific fluctuations in property market valuations.

The table on the next page shows the valuations and rates applied to the various land use categories and also the general revenue forecast for 2025–2026. (Note: these figures do not show rebates. In 2025–2026 we estimate we will provide \$2.1 million in rebates.)

The majority of these rebates are mandatory, as required under the *Local Government Act 1999*. Further details of our rebates are given on page 40.

	General rate revenue 2024–2025	Valuation 2024–2025	General rate revenue 2025–2026	Valuation 2025–2026	General rate revenue % income 2024–2025	Average \$ change per property
Land use	\$'000	\$'000	\$'000	\$'000		
Commercial office	538	94,945	549	TBA	TBA	TBA
Commercial other	3,985	703,446	4,067	TBA	TBA	TBA
Commercial shop	6,532	1,154,152	6,666	TBA	TBA	TBA
Industrial light	420	74,271	429	TBA	TBA	TBA
Industrial other	731	128,776	746	TBA	TBA	TBA
Other	1,020	340,957	1,060	TBA	TBA	TBA
Primary production	394	131,040	409	TBA	TBA	TBA
Residential	81,986	27,251,713	85,146	TBA	TBA	TBA
Vacant land	1,379	230,545	1,406	TBA	TBA	TBA
Total	96,985	30,109,845	100,476	TBA	TBA	TBA

The figures for 2025–2026 are subject to change due to valuation data being received by the Valuer-General until 25 June 2025.

Method used to value land

We use capital value as the basis for valuing land within our council area. It is considered that this provides the fairest and most equitable method of distributing the rate burden across all ratepayers. The South Australian Valuer-General establishes the value of land in our City for rating purposes. The basis for valuation is the capital value of the land, including all improvements such as buildings and sheds. In June 2025, it is proposed Council will adopt the most recent valuations made by the Valuer-General.

Each year, anticipated movements in valuations are estimated for each rate category. Valuations in 2025–2026 are anticipated to remain fairly steady. We have been advised by the Valuer-General that the estimated average increase in valuation for residential properties is currently 9.4%; for commercial and industrial properties it is 14.6%; for primary production it is 6.8%; and for vacant land is 0%.

The following table shows the impact on residential properties and the number of properties that fall within selected percentage changes.

Variation of valuations

If a ratepayer is dissatisfied with their valuation, they can object to the Valuer-General in writing, within 60 days from the date of their rates notice.

Trends in valuations and rate modelling

We have undertaken comprehensive rate modelling to assess the likely impact within each land category based on anticipated valuation movements prior to the adoption of the final Annual Business Plan.

Rate assessment increase	Number of residential properties
Less than zero	TBA
0–2%	TBA
2–5%	TBA
5–10%	TBA
Greater than 10%	TBA
New assessments	TBA
Total	TBA

Other charges related to rates

Minimum rate

We have set a minimum rate of \$1,500, which represents a 3.6% increase. This minimum rate will be applied to TBA properties.

We consider it appropriate that all rateable properties contribute to the cost of delivering Council's services and maintaining community infrastructure.

In determining the minimum rate, Council is ensuring that all rateable properties make a base level contribution to the costs of:

- Services provided that are available for use by all ratepayers (e.g. library and parks and gardens)
- Provision of the physical infrastructure that supports each property and is available for use by all ratepayers
- Administering council activities.

Regional Landscape Levy (RLL)

From 1 July 2020, the *Landscape South Australia Act 2019* replaced the *Natural Resources Management Act 2004* as the new framework for managing the state's land, water, biodiversity and pest species of animals and plants.

Under the *Landscape South Australia Act 2019* there is no provision for exemptions. All properties are subject to a Regional Landscape Levy.

Council is required to make a specified contribution to the Landscape Administration Fund and then collect this contribution from property owners through a separate rate based on capital value. Such a rate must be fixed and calculated so as to raise the same amount as Council's contribution (considering any rebates/remissions under section 159–166 of the Act).

Council does not keep this money and does not determine how it is spent. The Regional Landscape Levy Board advises us what the amount will be at the end of each financial year.

We have been advised of a 4.9% increase to the Regional Landscape Levy for 2025–2026. Council's contribution to Green Adelaide via the levy for the financial year will be \$2.2 million.



Payment of rates

The payment of rates can be either by full payment or by quarterly instalments, due and payable on the first Monday of September, December, March and June.

Council has the authority to enter into special payment arrangements with ratepayers as required.

If you are having difficulty paying your rates, please contact us to discuss payment options.

Postponement of rates

Ratepayers who have a state Seniors Card, or those who are experiencing hardship, can apply to Council to postpone payment of rates on their principal place of residence.

The amount and timeframe for postponement is at the discretion of the Chief Executive Officer.

- Under section 182A of the *Local Government Act 1999*, those who hold a South Australian Government Seniors Card can apply to postpone their Council rates on a long-term basis. The deferred amount will still incur a monthly interest charge, and the accrued debt will become payable when your property is sold or disposed of. In this way, postponement is similar to a reverse mortgage.

- Under section 182 of the *Local Government Act 1999*, you can apply to postpone your rates if payment would cause you hardship. You will need to meet set criteria.

Applications must be from the principal ratepayer, in writing, on Council's approved form. The application should identify the relevant property and include sufficient detail to support the request. It should be addressed to the Chief Executive Officer, City of Tea Tree Gully, 571 Montague Road, Modbury SA 5092. All information provided will be kept confidential.

For more information or to ask for an application form, please call 8397 7444.

Rebate of rates

Mandatory rebates

Under sections 159–165 of the *Local Government Act 1999*, we are required to grant rebates of between 75% and 100% to certain properties, including those that meet the Act’s requirements for land used for religious or educational purposes, or for community uses, as specified in the Act.

Discretionary rebates

Section 166 of the *Local Government Act 1999* sets out the circumstances in which we can grant discretionary rebates of up to 100%. We have the option to grant a rebate of rates or service charges and to determine the rebate amount we take into account the following factors:

- The rebate will support some desirable development of the area
- The rebate will assist or support a local business
- The rebate relates to common property or land vested in a community corporation under the *Community Titles Act 1996* within which the public must have unrestricted right of access and enjoyment.

A rebate may also be judged appropriate in circumstances where a ratepayer would otherwise face a substantial rise in rates due to:

- A redistribution of the rates burden within the community arising from a change to the basis or structure of the Council’s rates
- A change to the basis on which land is valued for the purpose of rating, rapid changes in valuations or anomalies in valuations.

Referring to section 159(5) of the Act, we examine the land the rebate is sought for and consider:

- The type and number of services we provide on the land compared with similar services we provide elsewhere in the community
- Whether a community need is met by the activities on the land
- Whether activities on the land provide assistance or relief to disadvantaged people.

We may also take into account other factors, such as:

- Why the applicant needs financial assistance in the form of a rebate
- How much rebate is sought, as a percentage and dollar amount, and why it is appropriate
- How much financial assistance is being given to that applicant by federal or state agencies and whether it applies to that land
- Whether the applicant has applied or will apply to another council
- Whether the applicant is or will be providing a service in our area and the extent of that service
- Whether the applicant is a public sector body, a private not-for-profit body or a private for-profit body
- Whether the applicant is gaining a financial profit for the members of the body, or is engaging in trade or commerce and therefore has the ability to distribute profit to its members
- Whether there are any historical considerations that may be relevant for all or any part of the current Council term

- The financial consequences for Council of granting the rebate
- The date the application is received
- The availability of any community grant to the person or body making the application
- Whether the applicant has received a community grant.

If you or your organisation wishes to apply for a rebate for the current rating period, you must do so by 1 September 2025. We reserve the right to not consider late applications. However, if you are eligible for a mandatory rebate, this can be granted at any time during the current rating period. If you or your organisation's eligibility for a rebate no longer applies, we can recover rates proportionately to the end of the current financial year.

When considering applications for rates rebates, we are mindful of the contribution ratepayers make to our City, and that profitable organisations who receive government funding may still need additional help to achieve their goals. However, we need to balance the desire to support community organisations with the impact that rebates have on our revenue.

We provide a discretionary rebate of 100% for community sporting and social groups that occupy council-owned properties, including the University of the Third Age. This supports the strategic directions (set out in our Strategic Plan) to provide and maintain a high standard of recreation and leisure opportunities for all sections of the community.

If you believe that your not-for-profit organisation is impacted adversely by our rating strategy for commercial and industrial land uses, we encourage you to apply for a discretionary rebate. We will assess each application on its own merits. If you are a not-for-profit land owner you may apply for a discretionary rebate on your Council rates by 1 September of each year. A report summarising Council's consideration of requests for rebates will be completed, as specified under section 166 of the *Local Government Act 1999* in October of each year.

The discretionary rebate for not-for-profit organisations will only be available to organisations that are not already receiving a rebate under section 161.





*Strength for Life participants at
Turramurra Recreation Centre*

Financial indicators

To ensure we deliver on our financial goals, we have committed to achieving a number of specific outcomes. The indicators detailed below are required under the *Local Government Act 1999*.

Ratio	LGA suggested range	Council targets	FY2024 Actuals \$'000	FY2025 Original budget \$'000	FY2025 Forecast budget \$'000	FY2026 Budget \$'000
Operating surplus	Break even or better over 5 years	Maintain over a minimum of 3 years	1,214	5,209	11,242	5,386
Operating surplus ratio (OSR)	0 to 15%	2.5 to 10%	1.1%	4.6%	9.5%	4.4%
Asset renewal funding ratio (ARFR)	90 to 110% over a rolling 3 year period	90 to 110% over a rolling 3 year period	95.1%	145.2%	128.4%	100.0%
Fiscal balance			(5,813)	(19,439)	(17,744)	(15,216)
Net financial liabilities ratio including non current assets held for sale	0 to 100%	25% to 35%	14.5%	27.1%	28.2%	35.1%
Net financial liabilities including non current assets held for sale			14,045	30,855	33,264	43,230
Net financial liabilities ratio excluding non current assets held for sale			14.5%	27.1%	28.2%	35.1%
Net financial liabilities excluding non current assets held for sale			15,521	30,855	33,264	43,230
Interest cover ratio			0.3%	1.0%	0.3%	0.9%

- **Operating surplus**
Operating income less operating expenses.
- **Operating surplus ratio (OSR)**
Operating surplus as a percentage of general and other rates, net of Regional Landscape Levy.
- **Asset renewal funding ratio (ARFR)**
Expenditure on renewal and replacement of assets less disposal proceeds from replaced assets divided by depreciation expense.
- **Fiscal balance**
Net lending position or net borrowing requirement in the Uniform Presentation of Finances Table.
- **Adjusted fiscal balance**
Net lending position or net borrowing requirement in the Uniform Presentation of Finances Table, adjusted for grants in advance.
- **Net financial liabilities ratio including noncurrent assets held for sale**
Total liabilities less financial assets as a percentage of total operating revenue, net of Regional Landscape Levy.
- **Net financial liabilities including noncurrent assets held for sale**
Total liabilities less financial assets.
- **Net financial liabilities ratio excluding noncurrent assets held for sale**
Total liabilities less financial assets as a percentage of total operating revenue, net of Regional Landscape Levy.
- **Net financial liabilities excluding noncurrent assets held for sale**
Total liabilities less financial assets.
- **Interest cover ratio**
Total finance charges expressed as a percentage of rates revenue, net of Regional Landscape Levy.



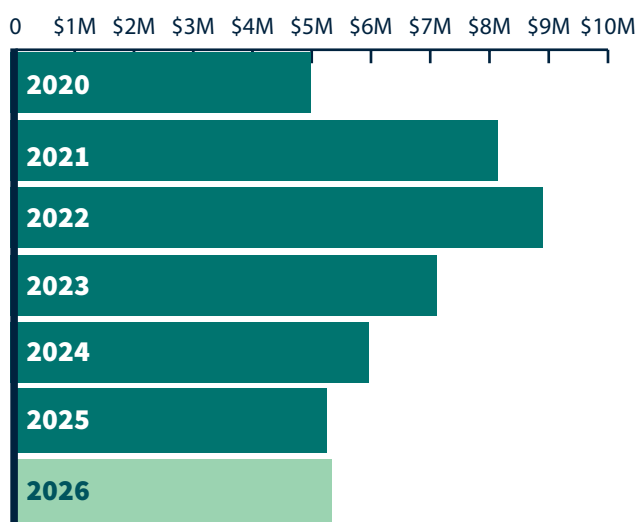
Operating surplus ratio

The operating surplus ratio (OSR) is a key measure of financial stability. It highlights the operating result as a percentage of total rate revenue, excluding revenue from the Regional Landscape Levy. The Council's target range is between 0% and 10%.

An operating surplus occurs when the operating revenue is more than the operating expenses for the period.

This year, we expect to deliver a modest surplus of \$5.386 million. These funds are used to enhance and improve services, fund new capital works and reduce Council's debt levels.

Operating surplus 2020–2026



Asset renewal funding ratio

The asset renewal funding ratio (ARFR) measures the proportion of capital expenditure allocated to the renewal or replacement of assets compared to the ideal renewal level, as outlined in the IAMPs and LTFP.

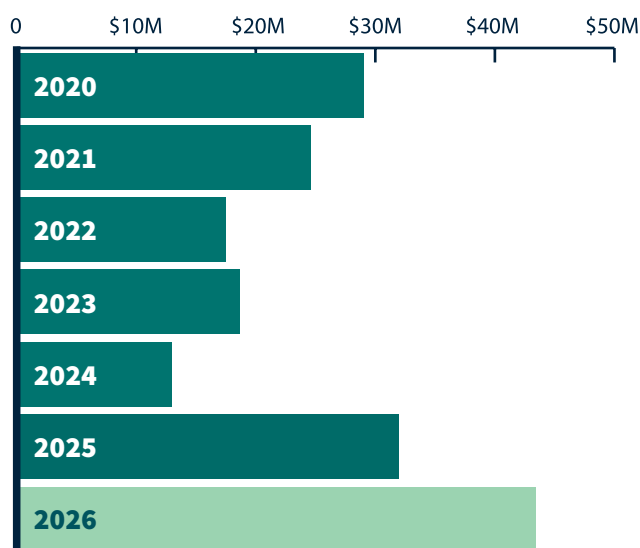
Our goal is to maintain renewal costs between 90% and 110%, averaged over a three-year period. Over the past five years, we have made significant investments in renewing our core infrastructure assets to ensure they align with the service standards specified in the IAMPs. For the 2025–2026 budget, we have allocated \$19.9 million for capital renewal works (excluding any income from grants or asset sales). This equates to an ARFR of 100.0%, which is within our target range.

We have assessed the IAMPs in the context of the LTFP and have developed strategies to maintain performance within the targeted range. We will continue to review the ARFR target to ensure it remains relevant and appropriate.

Net financial liabilities ratio

We consider it appropriate to maintain a certain level of debt, especially given the extensive asset portfolio managed by the Council. The net financial liabilities ratio reflects the proportion of our net financial liabilities relative to total operating income. This ratio is expressed as a percentage of total operating revenue, excluding income from water catchment and the Regional Landscape Levy.

Net financial liabilities 2020–2026





2026-2035
LONG TERM
FINANCIAL
PLAN

Contents

Chief Executive Officer's Report on Financial Sustainability

Background

Long Term Financial Plan Framework FYE 2026-2035

Risks Associated with the Long Term Financial Plan

Funding Plan

Ratios

- Operating surplus ratio
- Net financial liabilities ratio
- Asset renewal funding ratio

Key assumptions

- Key revenue assumptions
- Key expenditure assumptions

Key capital works program expenditure

Appendices

1. Long Term Financial Plan FYE 2026–2035
Financial Statements

Chief Executive Officer's Report on Financial Sustainability

The Long Term Financial Plan (LTFP) demonstrates that the Council is financially sustainable over the 10 year term of the LTFP, while achieving the objectives outlined in the Strategic Plan. This includes:

- Implementation and funding of the appropriate level of maintenance and renewal of the portfolio of infrastructure assets
- Meeting the ongoing expectations of service delivery to our community
- Managing the impact of cost shifting from other levels of government
- Enabling the delivery of strategies identified within the Strategic Plan as well as other endorsed functional strategies
- The appropriate use of debt as a means of funding new capital expenditure
- Ensuring the financial sustainability of Council's operations.

Key financial indicators used to assess the Council's long-term financial sustainability, as set out in the LTFP, are as follows:

1. **Operating surplus ratio, target range 2.5% to 10%**
2. **Net financial liabilities ratio, target range 25% to 35%**
3. **Asset renewal funding ratio, target range 90% to 110%**

These are in line with the Council's established benchmarks over the medium to long term to ensure the sustainability of the Council's long-term financial performance and position, and therefore there is a level of certainty provided that financial sustainability will be maintained.

Continuously improving our Infrastructure Asset Management Plans to ensure that we are appropriately maintaining our City's infrastructure and facilities, using debt where appropriate and applying rate revenue increases that are reflective of the service levels provided to the community, will ensure that the Council has the financial capacity to meet the needs of our community in a financially sustainable way into the future.

While the Council is financially sustainable, there is significant risk in the future if the proposed rate increase within the LTFP is not adopted as these increases will be required to support the future investment in projects such as the Main Roads and Gateways uplift program, new strategic buildings, enhancement to the renewal of playgrounds and other new works.

Background

The *Local Government Act 1999* requires Council to prepare a Long Term Financial Plan (LTFP) as part of its strategic management plans. Council considers that its LTFP is a fundamental instrument of accountability for financial sustainability and provides projections for Council's planned activities over a 10 year timeframe.

As per Council's Financial Sustainability Policy, financial sustainability is achieved when service and infrastructure levels and standards are delivered according to a long-term plan without the need to significantly increase rates or significantly reduce services.

Long-term financial sustainability is important if Council is to deliver the services and programs expected by the community. It is also important that community assets are maintained so that the cost does not become a burden for future ratepayers and for Council to remain financially viable.

It ensures that financial resources are deployed in areas that align with Council's strategic management plans, are affordable and supported within the Council's LTFP.

The LTFP provides Council with a decision-making tool that ensures there is an understanding of the impact of decisions made today on future sustainability. This means ensuring the cost-effective delivery of works and services, and the appropriate maintenance and renewal of our asset base in a financially sustainable manner.

The purpose of a council's LTFP is to express, in financial terms, the activities it proposes to undertake over the medium-to-longer term to achieve its stated objectives. It is similar to, but usually less detailed than, the annual budget. Just like the budget, it is a guide for future action, except that its preparation requires the council to consider the longer-term impact of revenue and expenditure proposals rather than for just a single year. The aggregation of future strategic plans and business initiatives, together with their intended outlays and anticipated reviews, enables the overall financial and economic implications of the projects to be readily identified and, if warranted, proposed future activities to be revised.

The LTFP should specify and take account of:

- Expected expenses and capital outlays for each year of the plan
- Expected revenues for each year and the source of their funding
- Any variations in net debt required as a result of expected cash flow needs
- Performance measures to enable assessment of the Council's financial sustainability over the period of the plan.

The LTFP includes:

- Funding Plan/Uniform Presentation of Finances
- Income statement
- Financial position
- Cash flow statement
- Statement of changes in equity.

This version of the LTFP is an update to the plan adopted by Council in December 2024.

Long Term Financial Plan Framework FYE 2026–2035

The LTFP will continue to be guided by a series of principles.

1. Maintaining existing assets at their existing service levels

The LTFP has been updated to include funding to meet the requirements of the asset management plans. Council will apply this principle by ensuring that funding for the renewal and maintenance of assets is in line with the adopted asset management plans, where possible.

While the needs of the asset management plans will continue to guide the funding allocation for renewal and upgrade works for the annual budget, specific funding allocations for renewal works will also be informed by Council's precinct plans.

2. Continuing to review assets for possible sale, with any proceeds being reinvested, in keeping with Council's Disposal of Land and Assets and Acquisition of Land Policy adopted in March 2023

The LTFP does not make allowances for any future divestment of non-operational assets. An assessment of the impact on any future divestment will be incorporated into a review of the LTFP.

3. Maintaining debt within the targeted range of 25%–35% over the life of the plan

Council has had a target to maintain the net financial liabilities ratio to between 25% and 35% over the period of the LTFP.

The funding of the Strategic Buildings program will continue into 2025 and 2026 with expenditure being incurred over these years. There has also been funding included for strategic land purchases. These expenditures will not increase the net financial liabilities to increase above the target range.

Council will continue to invest in the renewal and enhancement of infrastructure for the community. The LTFP will make provisions for these investments over the forward estimates while maintaining the net financial liabilities within the target range.

4. Retaining tight constraints on operating expenditure

In formulating the increase many factors including our Strategic Plan, current economic climate, debt reduction strategy, the cost of maintaining existing services, increasing waste management expenses and the projected costs included in the various infrastructure asset management plans were taken into consideration.

The budget provides for a number of key known cost pressures. These cost pressures have been able to be absorbed through adopting a tighter spending approach across all expenditure categories.

Key strategies deployed to retain tight constraints on operating expenditure include:

- Zero base budgeting approach to development of the Operating Budget
- Introducing technology that enables services and functions to be performed with greater efficiency
- Reducing employee costs by managing vacancies and working within a capped number of FTEs
- Carrying out service reviews to ensure that our services are delivered to the community promptly, sustainably and effectively and continuing to complete many other complementary continuous improvement activities
- Making procurement savings through collective buying arrangements.

5. Ensuring that the capital works program retains a level of funding for new works (e.g. new footpaths)

In assessing proposals for new capital works, Council will consider:

- Alignment with the Strategic Plan
- Precinct plans, including Modbury and Tea Tree Gully
- Master plan implementation
- Main roads and gateways
- Current state of operating surplus or deficit

- Any additional costs for depreciation, maintenance or interest on borrowings
- Impact on overall operating surplus or deficit
- Any need to increase Council rates to fund new work
- The age, life expectancy, suitability and service potential of any asset to be replaced
- The discounted cash flow analysis, where appropriate.

To ensure Council is in a position to partner with the State Government to deliver on master plan objectives in the future, capacity has been incorporated in the revised LTFP in the later years. This capacity will be achieved through an annual uplift in planned expenditure on new assets.

Risks associated with the Long Term Financial Plan

The LTFP has been developed based on the best information and assumptions available at the time. However, users of this information should be aware that there are risks associated with using estimated increases to Consumer Price Index (CPI), other economic indices and predictions in finance costs and interest rates.

Council has a significant infrastructure asset base comprised of complex assets including a large transportation and stormwater network where condition assessment is not always readily determinable and other assets such as building and related facilities where service level requirements have changed significantly over time.

However, there is still an inherent risk even with regularly updated asset management plans that estimated construction cost increases, useful lives and condition assessments can change over time and adversely impact on asset values and depreciation as calculated in this LTFP.

As a result, Council looks to mitigate this risk and help maintain rates stability by:

- Ensuring that its asset management planning systems and processes support good knowledge of the assets and their condition for effective decision-making and renewal operations
- Ensuring these plans address maintenance, renewal and replacement regimes in place to optimise asset life and minimise costs over the life of the asset
- Ensuring independent engineering and valuation expertise is received regularly in order to keep up to date with significant emerging asset management and valuation issues.
- Ensuring any identified backlog of asset renewal is funded in the short to medium term to ensure effective asset management over the long-term
- Undertaking asset valuations at least every four years and using annual indexation of asset values, where relevant.

In addition, the LTFP may be impacted by events such as new legislation, legal disputes or disasters that could materially affect the projected outcomes and results of the LTFP. While Council has factored in the known impacts of prior events, it is important to acknowledge that significant future events will necessitate ongoing review. The projected increase in the operating surplus ratio will assist in mitigating this risk.

In order to reduce risk, the plan is reviewed and updated annually to incorporate the best available information. In addition, the LTFP and its assumptions are reviewed by Council's Audit & Risk Committee.

Funding Plan

In accordance with Section 122(1a)(a) of the *Local Government Act 1999*, Council's LTFP is to include a Funding Plan which outlines the projected income and other funding sources including asset sales and borrowings that will be used to fund its services and infrastructure.

This funding information is presented in the Uniform Presentation of Finances showing the funding of Council's proposed operating and capital investment activities, broken into the following key elements:

- A summary of all operating income and expenditure by category to highlight the operating surplus/(deficit)
- Net outlays on existing assets after providing for depreciation and proceeds from any replacement asset sales
- Net outlays on new and upgraded assets after providing for grants received and proceeds from any surplus asset sales
- Details of the financial transactions relating to Council's net lending/borrowing position to highlight Council's approach to funding services and infrastructure.

Council's Uniform Presentation of Finances is included at the end of this document.

Across the life of the LTFP, nearly 87% of Council's operating income will be sourced from rates. All other operating income sources account for the remaining 13%.

Ratios

Operating surplus ratio

The operating surplus ratio indicates whether operating revenue is sufficient to meet all operating expenses and whether current ratepayers are paying for their consumption of resources.

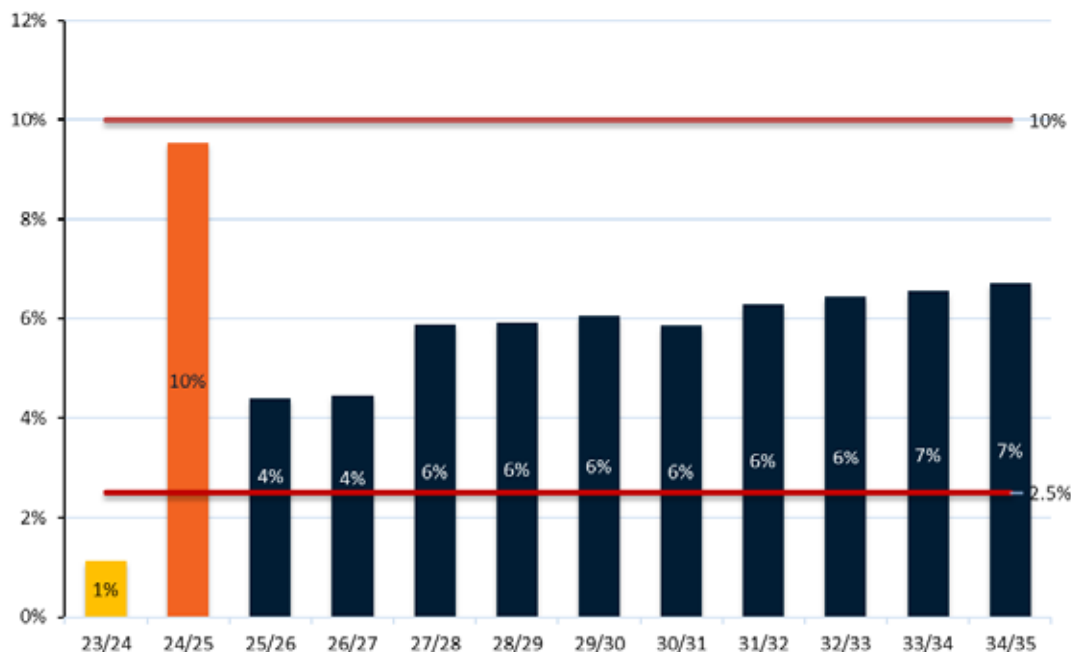
The operating surplus ratio expresses the operating surplus as a percentage of total operating income. A negative ratio indicates the percentage that the operating expenses outweigh the operating income. A positive ratio indicates the percentage that the operating revenue exceeds the operating expenses.

Target range: 2.5% – 10%

10 year result range: 4% – 7%

The ratio above indicates that the cost of services provided to ratepayers is being met from operating revenues with surpluses being used to fund an appropriate amount of new/upgraded infrastructure works in accordance with our LTFP projections.

Operating Surplus Ratio



Net financial liabilities ratio

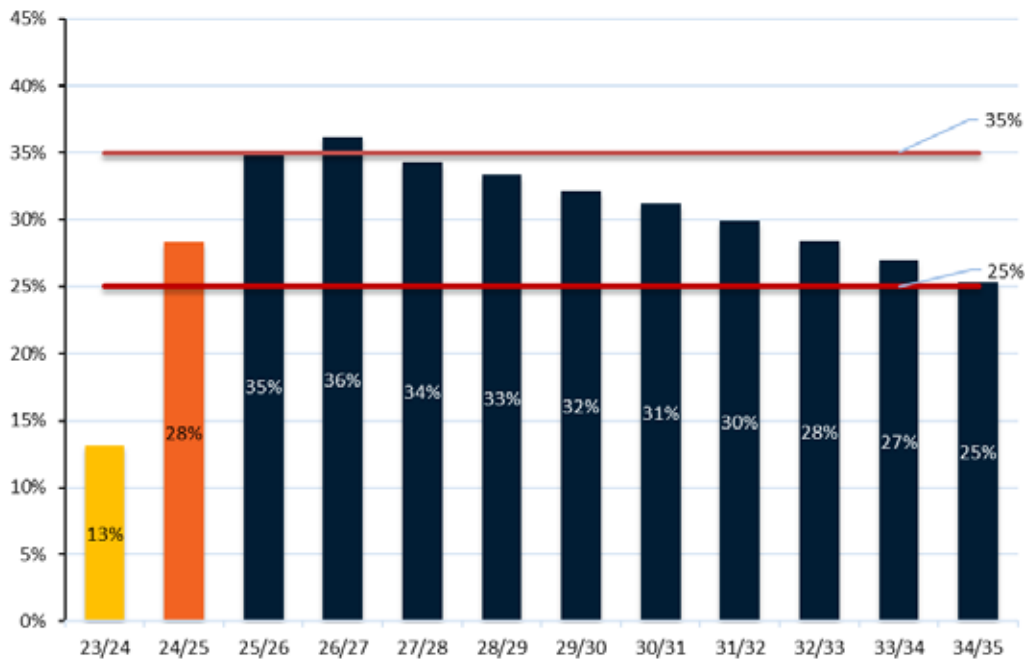
Net financial liabilities is an indicator of Council's total indebtedness and includes all Council's obligations including provisions for employee entitlements and creditors.

This ratio indicates whether the net financial liabilities of the Council can be met by the Council's total operating revenue. Where the ratio is falling, it indicates that the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing, it indicates that a greater amount of Council's operating revenues is required to service its financial obligations.

Target range: 25% – 35%

10 year result range: 25% – 36%

Net Financial Liabilities



Asset renewal funding ratio

This ratio indicates whether Council is renewing or replacing existing infrastructure assets at the same rate that its asset management plan requires.

The target for this ratio is to be between 90% and 110% for a rolling 3 year period to smooth out the asset management plan outcomes in any given year. This would mean that Council is replacing 100% (or close to all) of the assets that require renewal. Carry forwards are not taken into account in this calculation given that this indicator needs to be compared to required renewal expenditure emanating from asset management plans and not a reflection of capital delivery.

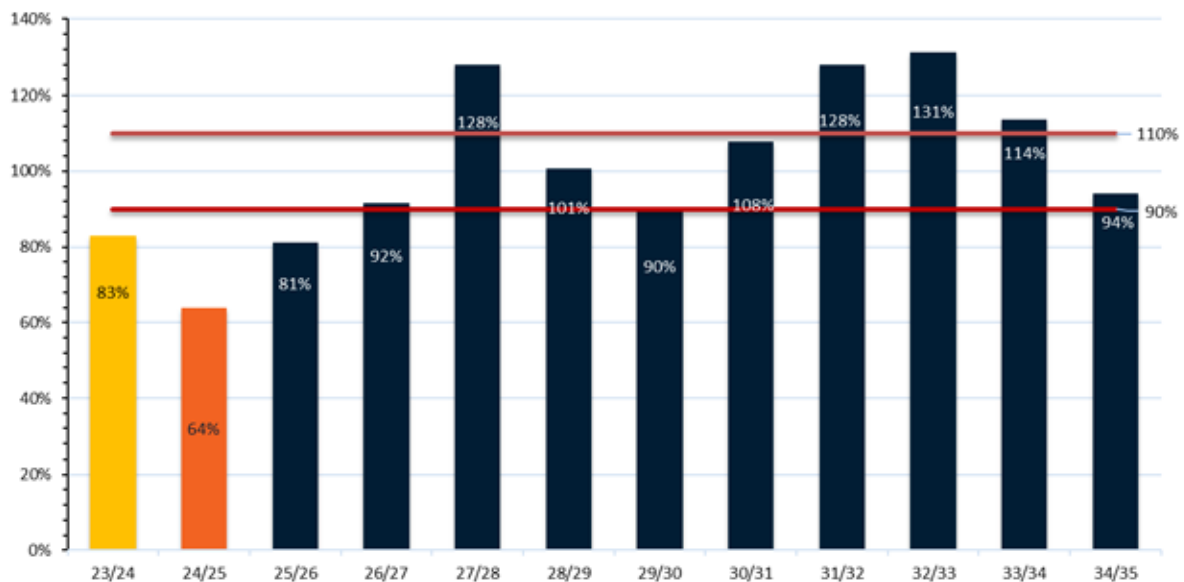
The asset management plans have been revised and updated in 2024. The reviewed plans represent a factual state of affairs in terms of asset condition and age, and provide a model for predicted remaining life and the estimated renewal costs for defined service levels.

The significant back log of asset renewal funding identified in 2025 is predominately Council's road assets. The renewal program for these assets will be smoothed out over the 10 year period after analysis has been completed from the road condition assessment which was undertaken recently. Being a long-life asset the risk to Council is minimised but will be assessed along with the conditions.

Target range: 90% – 110%

10 year result range: 81% – 131%

Rolling 3 Year Asset Renewal Funding Ratio



Key assumptions

In addition to the guiding principles, Council has considered other factors in the updated LTFF. These include:

- The impact of current economic conditions such as CPI, utility costs and a tightening within labour market
- Price increase across the construction sector in the range of 25%, impacting the current and future capital works program
- Changing community expectations and trends
- Other legislative changes.

As the impact of these factors is unknown at this stage, the LTFF will be updated as information becomes available.

Key revenue assumptions

Rate increase assumptions

General Council rate income is forecast to increase by 3.6% (including growth) in the 2025–2026 year. Growth is forecast to be 0.6% per annum for this financial year.

	Year	CPI Used in LTFF +	Growth (new development) +	Renewal Backlog Catch up =	LTFF Rate Revenue Increase
Budget	2024–25	4.80	0.7	0.00	5.5 *
Year 1	2025–26	3.00	0.6	0.00	3.6 *
Year 2	2026–27	3.00	0.6	1.00	4.6
Year 3	2027–28	3.00	0.6	1.00	4.6
Year 4	2028–29	2.50	0.6	0.00	3.1
Year 5	2029–30	2.50	0.6	0.00	3.1
Year 6	2030–31	2.50	0.6	0.00	3.1
Year 7	2031–32	2.50	0.6	0.00	3.1
Year 8	2032–33	2.50	0.6	0.00	3.1
Year 9	2033–34	2.50	0.6	0.00	3.1
Year 10	2034–35	2.50	0.6	0.00	3.1

*= Calculated rate revenue varies slightly to these projections due to the changes to rate rebates and the Regional Landscape Levy included in rates revenue where the increase is set independently of Council

The year 2 and 3 rate rise are in line with the forecasted CPI increase plus 1%. The extra 1% is required to increase rates revenue to ensure the operating surplus remains in line with the Council's Financial Sustainability policy targeted range after the affect of the increasing construction costs and increased depreciation are factored in.

It is proposed that any additional rate revenue from growth or rates increases be directed towards the increases in expenditure due to current levels of inflation, increases in utilities and contracts.

The impact from the Golden Grove Code Amendment had not been factored into the future years as there is still uncertainty as to timing and amounts.

As the building construction is completed for the facilities in the Strategic Building Program, there has been assumed no change to operating income and expenditure as the clubs are responsible for the outgoings, with the only impact on Council being depreciation, which has been factored in.

Other income assumptions

The income within the 2026 budget has been built in line with forecast income during the budget build process.

In March 2025, Council acquired Sfera's Park Suites and Convention Centre. The 2026 budget forecasts a projected operating surplus of \$1m in 2025–2026, with \$500k allocated to interest expenses and the remaining \$500k directed toward debt reduction. Ongoing the assumption around this would be a CPI increase to the income and expenditure for Sfera's.

Future year assumptions are based on figures aligning to CPI while taking into account known factors for revenue types.

Key expenditure assumptions

Employee costs assumptions

The enterprise agreements were due for renewal in the 2023–2024 year. Negotiations with unions and employee representatives were constructive with the indoor agreement with a 4.3% EB increase in Year 1 agreed, in line with the March 2024 CPI figure. Year 2 and 3 were agreed at 3% with a cap at 4% if CPI was greater. The outdoor staff agreement was agreed at 5.3% EB increase in Year 1 with Year 2 and 3 agreed at 3% with a cap at 4% if CPI was greater.

From 2027 onwards, the employee cost assumptions are in line with forecast CPI, as new EBAs will be negotiated before certain increases will be known.

With the Sfera's acquisition there has been an increase in employee costs and the FTE count.

Through the introduction of technology to promote efficiency, the growth in employee costs will be limited to genuine labour market increases. Initiatives will be progressed that focus on promoting efficiency in delivering value to community.

Material, contracts and other assumptions

There has been an easing of inflation, CPI at December 2024 for Adelaide was 2.4%. Underlying inflation, the trimmed mean rate of inflation, was 3.3% in December 2024.

Other expenses are forecast to increase in line with CPI and changed service delivery models. Unforeseen increases may be absorbed through our continuation of tight restraint on operating expenditure.

Financing and Depreciation assumptions

Financing expenses will continue to increase on the previous years based on the current borrowing expectations and interest rates. This will need to be monitored throughout the year depending on the interest rate increases. Currently an average interest rate of 5% over the medium term has been used for finance expense projections.

Depreciation is forecast to increase from \$19.2m to \$25.3m over the 10-year life of the plan. This is significantly higher than the 2023 depreciation of \$16.2m and is reflective of increased construction costs experienced on assets and reflected in the valuation which occurred in FYEs 2023 and 2024.

Key capital works program expenditure

Renewal expenditure

Council's Infrastructure Asset Management Plans (IAMPs) inform the planned expenditure on the renewal of assets.

The combined spend identified in the asset management plans for the 10-year period is \$255m. The LTFP provides for expenditure of \$241m over the 10 years. This gap of \$3.89m is minor in the scheme of the \$2.17b of assets Council manages.

	AMP Funding	LTFP Funding	Variance
2025	51,109	27,738	(23,371)
2026	10,534	19,915	9,381
2027	12,532	20,305	7,774
2028	23,494	19,290	(4,204)
2029	23,472	20,322	(3,150)
2030	20,151	20,868	717
2031	14,384	21,427	7,043
2032	15,714	22,000	6,286
2033	20,167	22,588	2,421
2034	23,787	23,190	(597)
2035	30,000	23,807	(6,193)
Total	245,344	241,451	(3,892)

The significant back log of asset renewal funding identified in 2025 is predominately Council's road assets. The renewal program for these assets will be smoothed out over the 10 year period after analysis has been completed from the road condition assessment which was undertaken recently. Being a long-life asset the risk to Council is minimised but will be assessed along with the conditions.

To reduce the impact on borrowings, the increase in renewal to line up with depreciation has been phased in over the two years to align with the forecasted extra 1% rate increase over CPI.

New assets

Planned expenditure on new assets has been increased in line with the funding required. This results in the total new asset allocation being \$22.8m in 2025–2026. This includes the last of the strategic project funding for projects such as Modbury Sporting Club and Tilley Recreation Park.

The table below outlines the new and renewal expenditure required over the next three years and is aligned to the asset management plans with the funding smoothed out.

The premise of investment of new and upgraded assets is underpinned by the rate revenue generated within this plan.

2026-28 LTFP Capital Works Program - Forward Estimates

Category Code	Category Description	FY2026 New Budget	FY2026 Renewal Budget	FY2026 Net Budget	FY2027 New Budget	FY2027 Renewal Budget	FY2027 Net Budget	FY2028 New Budget	FY2028 Renewal Budget	FY2028 Net Budget
PP001	Road Reconstruction / Renovation	-	3,530	3,530	-	3,100	3,100	-	3,300	3,300
PP003	Roads to Recovery	-	1,900	1,900	-	1,200	1,200	-	1,200	1,200
PP004	Re-Sheeting Unsealed Roads	-	40	40	-	40	40	-	40	40
PP005	New Footpath and DDA Upgrades	1,945	-	1,945	1,230	-	1,230	1,230	-	1,230
PP007	Unsealed Footpaths	268	132	400	-	400	400	-	400	400
PP010	Lighting	-	250	250	-	500	500	500	-	500
PP011	Water and Drainage	600	1,160	1,760	-	1,450	1,450	-	1,550	1,550
PP014	Traffic Management and Signage	370	150	520	100	420	520	100	420	520
PP016	Open Space - Sporting, Park and Playground Upgrades	3,313	3,250	6,563	1,982	1,450	3,432	2,372	1,550	3,922
PP018	City Beautification Works	2,600	550	3,150	2,485	3,300	5,785	2,136	2,800	4,936
PP019	Capital Buildings Renewal	-	1,415	1,415	-	1,465	1,465	-	1,550	1,550
PP020	Capital Buildings New/Upgrades	1,350	-	1,350	1,600	1,000	2,600	1,600	1,000	2,600
PP021	Strategic Building Projects	12,292	4,750	17,042	2,000	2,980	4,980	2,000	2,980	4,980
PP022	Environmental Projects	112	38	150	150	-	150	150	-	150
PP025	Information Technology	-	600	600	-	2,000	2,000	-	1,500	1,500
PP026	Other	-	2,150	2,150	-	1,000	1,000	-	1,000	1,000
Total Capital Works Program 2026-28		22,850	19,915	42,765	9,547	20,305	29,852	10,088	19,290	29,378

City of Tea Tree Gully
ESTIMATED INCOME STATEMENT
Date modified: 30 April 2025

Year Ended 30 June:	2024 Actual Audit \$('000)	2025 Forecast Budget \$('000)		2026 Plan Year 1 \$('000)		2027 Plan Year 2 \$('000)		2028 Plan Year 3 \$('000)		2029 Plan Year 4 \$('000)		2030 Plan Year 5 \$('000)		2031 Plan Year 6 \$('000)		2032 Plan Year 7 \$('000)		2033 Plan Year 8 \$('000)		2034 Plan Year 9 \$('000)		2035 Plan Year 10 \$('000)	
INCOME																							
Rates	92,024	97,265	5.7%	100,670	3.5%	105,301	4.6%	110,145	4.6%	113,559	3.1%	117,079	3.1%	120,708	3.1%	124,450	3.1%	128,308	3.1%	132,286	3.1%	136,387	3.1%
Statutory Charges	2,818	2,798	-0.7%	2,710	-3.1%	2,791	3.0%	2,875	3.0%	2,927	3.0%	2,991	2.2%	3,057	2.2%	3,124	2.2%	3,193	2.2%	3,257	2.0%	3,328	2.2%
User Charges	4,470	3,942	-11.8%	8,542	116.7%	8,773	2.7%	9,009	2.7%	9,253	2.7%	9,503	2.7%	9,759	2.7%	10,023	2.7%	10,293	2.7%	10,571	2.7%	10,857	2.7%
Grants, Subsidies and Contributions - Capital	256	1,200	368.8%	1,210	0.8%	200	83.5%	202	1.1%	204	1.1%	207	1.1%	209	1.1%	211	1.1%	214	1.1%	216	1.1%	218	1.1%
Grants, Subsidies and Contributions - Operating	4,051	9,689	139.2%	7,132	-26.4%	7,210	1.1%	7,290	1.1%	7,166	1.1%	7,244	1.1%	7,324	1.1%	7,405	1.1%	7,486	1.1%	7,568	1.1%	7,652	1.1%
Investment Income	1,056	270	-74.4%	20	-92.6%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%
Reimbursements/Other Revenue	2,680	2,817	5.1%	2,707	-3.9%	2,780	2.7%	2,855	2.7%	2,932	2.7%	3,011	2.7%	3,093	2.7%	3,176	2.7%	3,262	2.7%	3,350	2.7%	3,441	2.7%
Total Revenues	107,355	117,981	9.9%	122,991	4.2%	127,075	3.3%	132,397	4.2%	136,061	2.8%	140,055	2.8%	144,170	2.9%	148,409	2.9%	152,776	2.9%	157,268	2.9%	161,903	2.9%
EXPENSES																							
Employee Costs	37,047	40,646	9.7%	45,104	11.0%	47,134	4.5%	48,548	3.0%	49,762	2.5%	51,006	2.5%	52,281	2.5%	53,588	2.5%	54,928	2.5%	56,301	2.5%	57,708	2.5%
Materials, Contracts & Other Expenses	49,586	46,073	-7.1%	51,326	11.4%	52,553	2.4%	53,467	1.7%	55,104	3.1%	56,982	3.4%	59,307	4.1%	60,890	2.7%	62,912	3.3%	64,985	3.3%	67,110	3.3%
Depreciation, Amortisation & Impairment	19,258	19,770	2.7%	20,264	2.5%	20,771	2.5%	21,290	2.5%	21,822	2.5%	22,368	2.5%	22,927	2.5%	23,500	2.5%	24,088	2.5%	24,690	2.5%	25,307	2.5%
Finance Costs	250	250	0.0%	910	264.0%	950	4.4%	1,300	36.8%	1,300	0.0%	1,200	-7.7%	1,200	0.0%	1,100	-8.3%	1,000	-9.1%	1,000	0.0%	900	-10.0%
Total Expenses	106,141	106,739	0.6%	117,604	10.2%	121,408	3.2%	124,605	2.6%	127,988	2.7%	131,536	2.8%	135,715	3.2%	139,078	2.5%	142,927	2.8%	146,976	2.8%	151,026	2.8%
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	1,214	11,242		5,387		5,668		7,792		8,073		8,499		8,455		9,331		9,848		10,293		10,877	
Net Gain/(Loss) on Disposal or Revaluation of Assets	310	5,379		900		0		0		0		0		0		0		0		0		0	
Amounts specifically for New or Upgraded Assets	4,714	20,382		6,250		0		0		0		0		0		0		0		0		0	
Physical Resources Receive Free of Charge	0	0		0		0		0		0		0		0		0		0		0		0	
NET SURPLUS/(DEFICIT)	6,238	37,003	0	12,537		5,668		7,792		8,073		8,499		8,455		9,331		9,848		10,293		10,877	

City of Tea Tree Gully
Date modified: 30 April 2025
ESTIMATED CASH FLOW STATEMENT

Year Ended 30 June:	2024 Actual Audit \$('000)	2025 Revised Budget \$('000)	2026 Plan Year 1 \$('000)	2027 Plan Year 2 \$('000)	2028 Plan Year 3 \$('000)	2029 Plan Year 4 \$('000)	2030 Plan Year 5 \$('000)	2031 Plan Year 6 \$('000)	2032 Plan Year 7 \$('000)	2033 Plan Year 8 \$('000)	2034 Plan Year 9 \$('000)	2035 Plan Year 10 \$('000)
CASH FLOWS FROM OPERATING ACTIVITIES												
<u>Receipts</u>												
Operating and Investment Receipts	106,088	117,981	122,990	127,075	132,397	136,061	140,055	144,170	148,409	152,776	157,268	161,903
<u>Payments</u>												
Operating Payments to Suppliers and Employees	86,200	86,719	96,430	99,687	102,015	104,866	107,988	111,588	114,478	117,840	121,286	124,818
Finance Costs	250	250	910	950	1,300	1,300	1,200	1,200	1,100	1,000	1,000	900
Net Cash provided by (or used in) Operating Activities	19,638	31,012	25,650	26,438	29,082	29,895	30,867	31,382	32,831	33,936	34,983	36,184
CASH FLOWS FROM INVESTING ACTIVITIES												
<u>Receipts</u>												
Grants utilised for capital purposes	256	6,726	1,000	0	0	0	0	0	0	0	0	0
Amounts Specifically for New/Upgraded Assets	4,732	6,726	1,000	0	0	0	0	0	0	0	0	0
Sale of Renewed/Replaced Assets	482	1,805	900	800	800	800	800	800	800	800	800	800
Sale of Surplus Assets	800	5,050	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>												
Expenditure on Renewal/Replacement of Assets	(16,495)	(27,738)	(19,915)	(20,305)	(19,290)	(20,322)	(20,868)	(21,427)	(22,000)	(22,588)	(23,190)	(23,807)
Expenditure on New/Upgraded Assets	(15,804)	(48,255)	(22,851)	(9,547)	(10,088)	(10,290)	(10,496)	(10,706)	(10,973)	(11,248)	(11,529)	(11,817)
Net Cash Provided by (or used in) Investing Activities	(26,029)	(62,412)	(40,866)	(29,053)	(28,578)	(29,812)	(30,564)	(31,333)	(32,174)	(33,036)	(33,919)	(34,824)
CASH FLOWS FROM FINANCING ACTIVITIES												
<u>Receipts</u>												
Proceeds from Borrowings	0	21,400	15,215	2,614	0	0	0	0	0	0	0	0
Proceeds from Deposits												
<u>Payments</u>												
Repayments of Borrowings		0	0	0	(503)	(83)	(304)	(49)	(657)	(901)	(1,064)	(1,360)
Repayment of Bonds & Deposits	(67)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Financing Activities	(67)	21,400	15,215	2,614	(503)	(83)	(304)	(49)	(657)	(901)	(1,064)	(1,360)
Net Increase/(Decrease) in cash held	(6,458)	(10,000)	(1)	(0)	(0)	0	0	0	0	0	0	(0)
Opening cash, cash equivalents or (bank overdraft)	18,337	11,879	1,879	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878
Closing cash, cash equivalents or (bank overdraft)	11,879	1,879	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878

City of Tea Tree Gully
Date modified: 30 April 2025
ESTIMATED STATEMENT OF FINANCIAL POSITION

Year Ended 30 June:	2024 Actual Audit \$('000)	2025 Revised Budget \$('000)	2026 Plan Year 1 \$('000)	2027 Plan Year 2 \$('000)	2028 Plan Year 3 \$('000)	2029 Plan Year 4 \$('000)	2030 Plan Year 5 \$('000)	2031 Plan Year 6 \$('000)	2032 Plan Year 7 \$('000)	2033 Plan Year 8 \$('000)	2034 Plan Year 9 \$('000)	2035 Plan Year 10 \$('000)
ASSETS												
Current Assets												
Cash & Equivalent Assets	11,879	1,879	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878
Trade & Other Receivables	4,826	4,826	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827
Investments & Other Financial Assets	0	0	0	0	0	0	0	0	0	0	0	0
Inventories	86	86	86	86	86	86	86	86	86	86	86	86
Sub-total	16,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791
Non-current assets held for sale	1,476	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	18,267	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791
Non-Current Assets												
Infrastructure, Property, Plant & Equipment	1,896,652	1,991,589	2,037,077	2,116,471	2,171,254	2,228,165	2,286,748	2,347,054	2,409,183	2,473,191	2,539,132	2,607,063
Financial Assets	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-Current Assets (Work in Progress)	25,676	25,676	25,676	676	676	676	676	676	676	676	676	676
Total Non-Current Assets	1,922,328	2,017,265	2,062,753	2,117,147	2,171,930	2,228,841	2,287,424	2,347,730	2,409,859	2,473,867	2,539,808	2,607,739
Total Assets	1,940,595	2,024,056	2,069,544	2,123,938	2,178,721	2,235,632	2,294,215	2,354,521	2,416,650	2,480,658	2,546,599	2,614,530
LIABILITIES												
Current Liabilities												
Trade & Other Payables	28,119	14,463	9,213	9,213	9,213	9,213	9,213	9,213	9,213	9,213	9,213	9,213
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513
Sub-total	31,632	17,976	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726
Liabilities Relating to Non-Current Assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	31,632	17,976	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726
Non-Current Liabilities												
Borrowings	0	21,400	36,615	39,229	38,726	38,643	38,339	38,290	37,633	36,732	35,669	34,309
Provisions	680	680	680	680	680	680	680	680	680	680	680	680
Total Non-Current Liabilities	680	22,080	37,295	39,909	39,406	39,323	39,019	38,970	38,313	37,412	36,349	34,989
Total Liabilities	32,312	40,056	50,021	52,635	52,132	52,049	51,745	51,696	51,039	50,138	49,075	47,715
NET ASSETS	1,908,283	1,984,000	2,019,523	2,071,303	2,126,590	2,183,583	2,242,470	2,302,824	2,365,612	2,430,520	2,497,525	2,566,815
EQUITY												
Accumulated Surplus	432,627	469,630	482,167	487,835	495,626	503,699	512,198	520,653	529,984	539,832	550,125	561,002
Asset Revaluation Reserve	1,475,369	1,514,083	1,537,069	1,583,181	1,630,677	1,679,597	1,729,985	1,781,884	1,835,341	1,890,401	1,947,113	2,005,526
Other Reserves	287	287	287	287	287	287	287	287	287	287	287	287
TOTAL EQUITY	1,908,283	1,984,000	2,019,523	2,071,303	2,126,590	2,183,583	2,242,470	2,302,824	2,365,612	2,430,520	2,497,525	2,566,815

City of Tea Tree Gully
Date modified: 30 April 2025
ESTIMATED STATEMENT OF CHANGES IN EQUITY

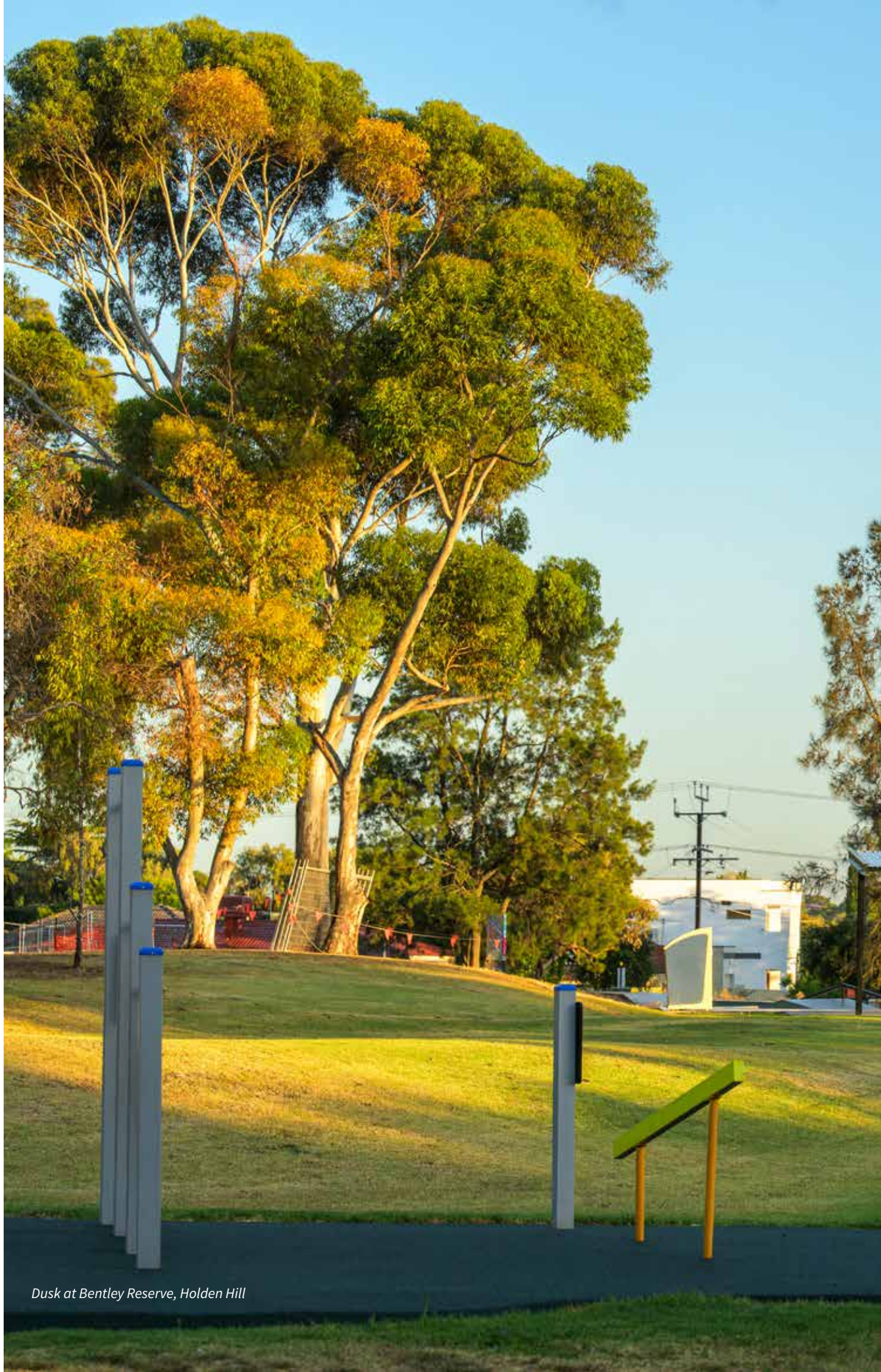
Year Ended 30 June:	2024 Actual Audit \$('000)	2025 Revised Budget \$('000)	2026 Plan Year 1 \$('000)	2027 Plan Year 2 \$('000)	2028 Plan Year 3 \$('000)	2029 Plan Year 4 \$('000)	2030 Plan Year 5 \$('000)	2031 Plan Year 6 \$('000)	2032 Plan Year 7 \$('000)	2033 Plan Year 8 \$('000)	2034 Plan Year 9 \$('000)	2035 Plan Year 10 \$('000)
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	426,389	432,627	469,630	482,167	487,835	495,626	503,699	512,198	520,653	529,984	539,832	550,125
Net Result for Year	6,238	37,003	12,537	5,668	7,792	8,073	8,499	8,455	9,331	9,848	10,293	10,877
Transfers from Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	432,627	469,630	482,167	487,835	495,626	503,699	512,198	520,653	529,984	539,832	550,125	561,002
ASSET REVALUATION RESERVE												
Balance at end of previous reporting period	1,373,159	1,475,369	1,514,083	1,537,069	1,583,181	1,630,677	1,679,597	1,729,985	1,781,884	1,835,341	1,890,401	1,947,113
Gain on Revaluation of Non-Current Assets	102,210	38,714	22,986	46,112	47,495	48,920	50,388	51,900	53,457	55,060	56,712	58,413
Balance at end of period	1,475,369	1,514,083	1,537,069	1,583,181	1,630,677	1,679,597	1,729,985	1,781,884	1,835,341	1,890,401	1,947,113	2,005,526
OTHER RESERVES												
Balance at end of previous reporting period	287	287	287	287	287	287	287	287	287	287	287	287
Transfers from Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	287	287	287	287	287	287	287	287	287	287	287	287
TOTAL EQUITY AT END OF REPORTING PERIOD	1,908,283	1,984,000	2,019,523	2,071,303	2,126,590	2,183,583	2,242,470	2,302,824	2,365,612	2,430,520	2,497,525	2,566,815

City of Tea Tree Gully
FUNDING PLAN/ UNIFORM PRESENTATION OF FINANCES
Date modified: 30 April 2025

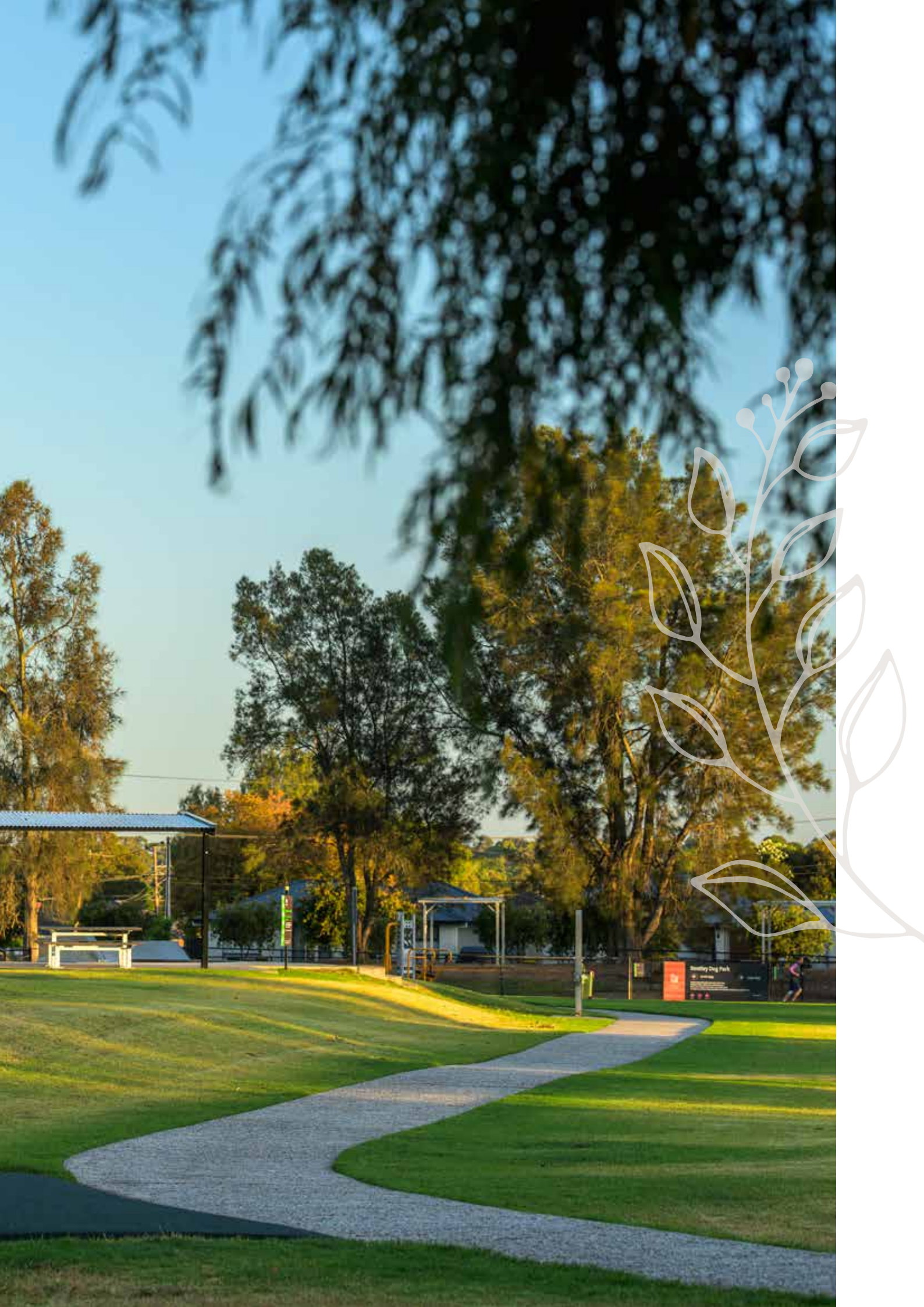
Year Ended 30 June:	2024 Actual Audit \$(‘000)	2025 Revised Budget \$(‘000)	2026 Plan Year 1 \$(‘000)	2027 Plan Year 2 \$(‘000)	2028 Plan Year 3 \$(‘000)	2029 Plan Year 4 \$(‘000)	2030 Plan Year 5 \$(‘000)	2031 Plan Year 6 \$(‘000)	2032 Plan Year 7 \$(‘000)	2033 Plan Year 8 \$(‘000)	2034 Plan Year 9 \$(‘000)	2035 Plan Year 10 \$(‘000)
INCOME												
Rates	92,024	97,265	100,670	105,301	110,145	113,559	117,079	120,708	124,450	128,308	132,286	136,387
Statutory Charges	2,818	2,798	2,710	2,791	2,875	2,927	2,991	3,057	3,124	3,193	3,257	3,328
User Charges	4,470	3,942	8,542	8,773	9,009	9,253	9,503	9,759	10,023	10,293	10,571	10,857
Grants, Subsidies and Contributions - Capital	256	1,200	1,210	200	202	204	207	209	211	214	216	218
Grants, Subsidies and Contributions - Operating	4,051	9,689	7,132	7,210	7,290	7,166	7,244	7,324	7,405	7,486	7,568	7,652
Investment Income	1,056	270	20	20	20	20	20	20	20	20	20	20
Reimbursements/Other Revenue	2,680	2,817	2,707	2,780	2,855	2,932	3,011	3,093	3,176	3,262	3,350	3,441
Total Revenues	107,355	117,981	122,991	127,075	132,397	136,061	140,055	144,170	148,409	152,776	157,268	161,903
EXPENSES												
Employee Costs	37,047	40,646	45,104	47,134	48,548	49,762	51,006	52,281	53,588	54,928	56,301	57,708
Materials, Contracts & Other Expenses	49,586	46,073	51,326	52,553	53,467	55,104	56,982	59,307	60,890	62,912	64,985	67,110
Depreciation, Amortisation & Impairment	19,258	19,770	20,264	20,771	21,290	21,822	22,368	22,927	23,500	24,088	24,690	25,307
Finance Costs	250	250	910	950	1,300	1,300	1,200	1,200	1,100	1,000	1,000	900
Total Expenses	106,141	106,739	117,604	121,408	124,605	127,988	131,556	135,715	139,078	142,927	146,976	151,026
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	1,214	11,242	5,387	5,668	7,792	8,073	8,499	8,455	9,331	9,848	10,293	10,877
Net Outlays on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(16,495)	(27,738)	(19,915)	(20,305)	(19,290)	(20,322)	(20,868)	(21,427)	(22,000)	(22,588)	(23,190)	(23,807)
Depreciation, Amortisation and Impairment	19,258	19,770	20,264	20,771	21,290	21,822	22,368	22,927	23,500	24,088	24,690	25,307
Proceeds from Sale of Replaced Assets	482	1,805	900	800	800	800	800	800	800	800	800	800
Net Outlays on Existing Assets	3,245	(6,163)	1,249	1,265	2,800	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets	(15,804)	(48,255)	(22,851)	(9,547)	(10,088)	(10,290)	(10,496)	(10,706)	(10,973)	(11,248)	(11,529)	(11,817)
Amounts Received Specifically for New and Upgraded Assets	5,532	6,726	1,000	0	0	0	0	0	0	0	0	0
Proceeds from Sale of Surplus Assets	0	5,050	0	0	0	0	0	0	0	0	0	0
Net Outlays on New and Upgraded Assets	(10,272)	(36,479)	(21,851)	(9,547)	(10,088)	(10,290)	(10,496)	(10,706)	(10,973)	(11,248)	(11,529)	(11,817)
Net Lending / (Borrowing) For Financial Year	(5,813)	(31,400)	(15,215)	(2,614)	503	83	304	49	657	901	1,064	1,360
Financing Transactions												
New Borrowings	0	21,400	15,215	2,614	0	0	0	0	0	0	0	0
Repayment of Borrowings	0	0	0	0	(503)	(83)	(304)	(49)	(657)	(901)	(1,064)	(1,360)
(Increase)/Decrease in Cash & Drawdown	(6,458)	10,000	0	(0)	(0)	0	0	0	0	0	0	(0)
(Increase)/Decrease in Working Capital	645	0	0	0	0	0	0	0	0	0	0	0
How the Net Borrowings/Lending Result is accommodated/applied	(5,813)	31,400	15,215	2,614	(503)	(83)	(304)	(49)	(657)	(901)	(1,064)	(1,360)

City of Tea Tree Gully
Key Financial Indicators
Date modified: 30 April 2025

Year Ended 30 June:	2024 Actual Audit \$(‘000)	2025 Revised Budget \$(‘000)	2026 Plan Year 1 \$(‘000)	2027 Plan Year 2 \$(‘000)	2028 Plan Year 3 \$(‘000)	2029 Plan Year 4 \$(‘000)	2030 Plan Year 5 \$(‘000)	2031 Plan Year 6 \$(‘000)	2032 Plan Year 7 \$(‘000)	2033 Plan Year 8 \$(‘000)	2034 Plan Year 9 \$(‘000)	2035 Plan Year 10 \$(‘000)
Net Financial Liabilities including non current assets held for sale	14,131	33,351	43,316	45,930	45,427	45,344	45,040	44,991	44,334	43,433	42,370	41,010
Net Financial Liabilities excluding non current assets held for sale	15,607	33,351	43,316	45,930	45,427	45,344	45,040	44,991	44,334	43,433	42,370	41,010
Net Financial Liabilities Ratio including non current assets held for sale	13%	28%	35%	36%	34%	33%	32%	31%	30%	28%	27%	25%
Net Financial Liabilities Ratio excluding non current assets held for sale	15%	28%	35%	36%	34%	33%	32%	31%	30%	28%	27%	25%
Asset Renewal Funding Ratio (Rolling 3 Year)	83%	64%	81%	92%	128%	101%	90%	108%	128%	131%	114%	94%
Operating Surplus Ratio	1%	10%	4%	4%	6%	6%	6%	6%	6%	6%	7%	7%
Fiscal Balance Ratio	-5%	-29%	-13%	-2%	0%	0%	0%	0%	0%	1%	1%	1%



Dusk at Bentley Reserve, Holden Hill





CITY OF
TEA TREE GULLY
Naturally Better

571 Montague Road
Modbury SA 5092
8397 7444
cttg.sa.gov.au

