



CITY OF
TEA TREE GULLY
Naturally Better

2024–2025

Annual Business Plan and 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.

Summary of changes from the draft plan to the final 2024–2025 Annual Business Plan

- Growth from the increase in property valuations in the draft ABP was 0.6%. The final growth figures for the year are 0.72%. This has resulted in an increase of \$110,000 to the Material, Contracts and Other expenditure. The Operating Surplus has remained the same.
- On 28 May 2024 in the report Quarter Three Budget Review for Financial Year Ending 30 June 2024 Council resolved to carry forward \$5.080m of income and \$20.823m of expenditure into the 2024-2025 Annual Business Plan as projects carried forward from the 2023-2024 year. These have been included in the program in their respective categories.

Summary of capital project changes

	Income \$'000	Expense \$'000	Net \$'000
2024–2025 Draft ABP capital projects	(9,235)	42,156	32,921
2023–2024 carried forward projects	(5,080)	20,823	15,744
2024–2025 Final ABP capital program	(14,315)	62,980	48,665

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 2025, 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

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Summer Garden Festival family fun.

Introduction

Our Annual Business Plan outlines our objectives and services for 2024–2025. It shows our strong commitment to getting the best results for our residents and enhancing their wellbeing through community programs and infrastructure.

The Council is committed to a community infrastructure program focussing on our strategic buildings and other initiatives such as the Main Roads and Gateways enhancement program. These programs alongside our Asset Renewal Program ensures Council is maintaining our assets in line with our Asset Management Plans as well as providing new infrastructure to meet the current and future expectations of our community.

The funding for the 2024-2025 Annual Business Plan includes a 4.8% general rate increase, generating an operating surplus of \$5.209m which will support the delivery of new infrastructure such as the Investment in Tea Tree Gully Township streetscape upgrade. This multi-year project includes undergrounding of power lines and a footpath upgrade program within the precinct.

Our focus on the Main Roads and Gateways enhancement program will seek to improve the quality of the public realm, provide gateways into the City, and promote our area as a place to live, work, invest and play. Along with increasing tree canopy coverage and low landscaping to assist with cooling, this program will provide more inclusive and safe access for all pedestrians and reflect the identity of the City.

The Council plays a key role in collaborating with housing projects and will design the playground at the upcoming euca precinct in Australia Reserve, Modbury.

We have several multi-year projects underway in the strategic building program. While the last twelve months has focused on design and the selection of a construction partner, the next twelve

months will see construction activity for the new Modbury Sporting Clubroom, Tea Tree Gully Gymsports Building and the Tea Tree Gully Tennis clubroom.

The Harpers Field Community Building will be a modern space designed to maximise opportunities for high-quality events, innovative programs, and endless opportunities for connection and participation for the local community. With its outdoor plaza and interactive play zone, this visionary complex redefines the social landscape in the northern reaches of our Council area, beckoning residents to come together, engage, and immerse themselves in community life.

The Council will be endorsing its new Strategic Plan in the 2024-2025 year. Founded on the principles of community wellbeing, sustainability and resilience, this Strategic Plan will represent a collective vision for the future of our City over the next five years.

The rest of our budget will largely go towards funding essential services for residents, including waste collection, verge maintenance, library services, and community centres. Enviro Care service levels have been increased with the addition of another four Sundays throughout the year.

We thank CEO Ryan McMahon, Mayor Marijka Ryan and our councillors. Their strong leadership shows their shared goal and commitment to improving our residents' lives.

We are confident that this plan shows our strong dedication to fostering a thriving community in the City of Tea Tree Gully.



City profile



9,521 ha
Total land area



578 km
Sealed roads

1,233 km
Kerbs and gutters

570 km
Sealed footpaths

99 km
Unsealed footpaths



606
Parks and reserves

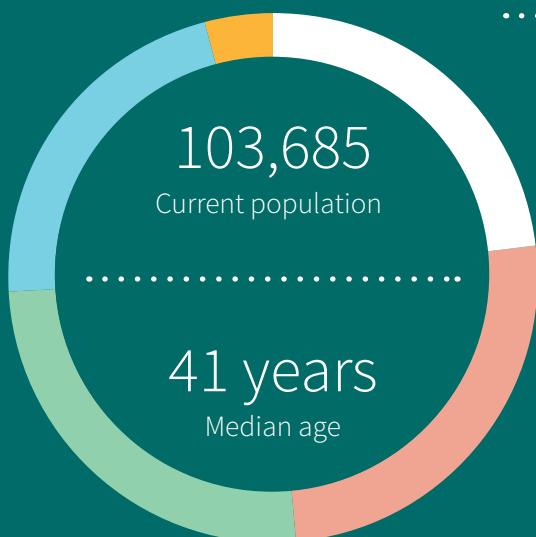
1,305 ha
Open space

500,000+
Street and reserve trees

122
Playgrounds



Swimming lessons 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



41,034*
Number of
dwellings



5,920
Registered businesses

\$4.1 B
Gross Regional
Product

*Estimated number of dwellings in the City of Tea Tree Gully region in 2023 – Remplan

Strategic direction

Council uses a suite of strategic management plans to set its priorities and guide its decision making and annual business planning, including budgeting.

The Strategic Plan 2025 is the lead document in Council's strategic planning framework. It articulates our vision and aspirations for the community – that is, everyone who lives in, works in or visits the City of Tea Tree Gully.

This plan builds on the progress we have made to improve our City, strengthen our economy, enhance our open spaces and parks, create a quality lifestyle and foster a resilient and resourceful community.

Community wellbeing is at the heart of the plan, which aims to build a healthy community that enjoys a quality lifestyle. The plan is structured around five aspirations, each with its own objectives:

- Community
- Environment
- Economy
- Places
- Leadership.

To achieve these wellbeing outcomes we will need to think differently, show strong leadership and adopt a genuinely collaborative approach to working with state and federal governments, local businesses and our communities.

Council endorsed the Strategic Plan 2025 on 24 September 2019.

To ensure that we have the flexibility to adjust to changing priorities and build our capacity, we have also developed a plan geared towards improving the way we do business. The Organisation Plan 2025 is structured around four themes:

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

In working towards this vision, the 2024–2025 Annual Business Plan and Budget identifies key projects, programs and services that will deliver the aspirations and objectives identified in these plans.

1. Community

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

Objectives

- 1.1 People feel a sense of belonging, inclusion and connection with places, spaces and the community
- 1.2 Diversity is welcome and celebrated
- 1.3 There are opportunities for people to volunteer, give back and share their skills with others in the community
- 1.4 Our services are accessible to all and respond to changing community needs
- 1.5 People can have a say in decisions that affect them and the key decisions of the Council.

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

2. 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

- 2.1 Environmentally valuable places and sites that are flourishing and well cared for
- 2.2 A community that is protected from public and environmental health risks
- 2.3 The carbon footprint of our City is reduced through the collective efforts of community and Council, including business
- 2.4 Our consumption of natural resources is minimised by reducing, reusing and recycling products and materials, and using renewable resources
- 2.5 We are resilient to climate change and equipped to manage the impact of extreme weather events
- 2.6 Our tree canopy is increasing.

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

3. Economy

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

Objectives

- 3.1 Modbury Precinct is revitalised as the City's key activity centre
- 3.2 A population profile that supports a growing economy
- 3.3 A local economy that is resilient and thrives, where businesses are supported to grow and prosper, provide local jobs and sustain our community and visitors and utilise technology to improve the liveability of our City
- 3.4 People are supported to develop their leadership and employment capabilities
- 3.5 Support the efficient use of land for valuable mineral extraction and energy resources.

Relevant community wellbeing pillars: Healthy, Safe, Connected, 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 Streets, paths, open spaces and parks are appealing, safe and accessible
- 4.2 Opportunities exist to express and experience art and culture
- 4.3 Neighbourhoods are easy to move around and are well connected with pedestrian and cycle paths that offer an alternative to cars

-
- 4.4 Buildings and places are well designed, energy efficient and display a uniqueness of character and identity
 - 4.5 Housing is well designed and affordable and responds to the changing needs of existing and future residents
 - 4.6 Infrastructure and community facilities are fit for purpose, constructed using sustainable practices and well maintained.

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

5. Leadership

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

Objectives

- 5.1 Leadership and advocacy is focused on the long-term interests of the community
- 5.2 Customer service provides a positive experience for people, is based on honesty and transparency
- 5.3 Planning considers current and future community needs
- 5.4 Delivery of services is sustainable and adaptable
- 5.5 Decision making is informed, based on evidence and is consistent
- 5.6 Major strategic decisions are made after considering the views of our community.

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



A weekly waste collection in Greenwith.

Measuring our performance

The measure of our success is driven by the achievement of the objectives outlined in our Strategic Plan and our Organisation Plan.

A series of performance indicators have been developed to measure our progress against our objectives. These are measured in our annual community survey and the results are summarised in our Annual Report.

In addition to these indicators we also use a number of financial measures to assess the achievements of our organisation, which are detailed on pages 39–40.

Full details of Council's projects and priorities for 2024–2025 are available at cttg.sa.gov.au/abp

Measures of success*

	2023–2024	2024–2025
Wellbeing indicators	Result	Target
Overall community wellbeing score	TBA	75%
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%

** 2023-2024 results will be updated once finalised in July 2024.*

	2023–2024	2024–2025
Capital works indicators	Result	Target
Capital works projects completed by 30 June 2024	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	72%	66%
Enquiry resolution at the first point of contact	87%	86%



Vinyl photography mural at Edinburgh Reserve, Modbury.

Continuing services

We provide a range of services, programs and infrastructure to meet the needs of our community and to fulfill our legislative requirements under the *Local Government Act 1999*.

Under the *Local Government Act 1999* and other relevant legislation, all councils have basic responsibilities, which include:

- Regulatory activities, including development planning and control, and fire safety
- Setting rates, preparing an annual business plan, including budgets, and developing longer-term strategic management plans, asset management plans and financial plans
- Management of infrastructure and other assets, including roads, footpaths, parks, street lighting and stormwater drainage
- Street cleaning and rubbish collection
- Environmental health services, including public health inspections, immunisation and pest control.

These services, programs and facilities provide important community benefits and generate revenue, which allows us to minimise rate increases while still providing funding for services and new initiatives that benefit our City and community.

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
- Aboriginal Elders Program
- 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.

Library and community facilities

Services include:

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

Governance, communications and administration

Services include:

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



Warm Welcomes artwork at Stevens Reserve, Ridgehaven.

2024–2025 Capital Works Program

Capital works	Expenditure \$'000
Road resealing and renovation	
Modbury Sporting Hub Car Parking, Ridgehaven	1,000
Quebec Drive (Silvermere Terrace to Mayfield Street), Modbury Heights	389
Debenham Court (Tongariro Street to Jack Lane), Greenwith	201
Akaroa Street (Target Hill Road to Tongariro Road), Greenwith	181
(CWMS) Road Asset Remediation Program	150
Hancock Road (Yatala Vale Road to Golden Grove Road), Yatala Vale	150
Golden Grove Road (North East Road to Tea Tree Plaza), Modbury	129
Sandalwood Drive (Cinnamon Avenue to Hancock Road), St Agnes	120
Cobby Drive (Hargrave Street to end), Modbury Heights	112
Claire Street (Dale Avenue to Chinner Street), Ridgehaven	97
Walnut Grove (Mahogany Avenue to Karri Drive), Dernancourt	90
Cardhu Place (Talisker Court to end), Greenwith	87
Patricia Street (Dale Avenue to Hawke Street), Ridgehaven	76
Douglas Street (Dale Avenue to Hawke Street), Ridgehaven	76
Eric Street (Hancock Road to Hawke Street), Ridgehaven	73
Teak Avenue (Sandalwood Drive to Wild Oak Grove), St Agnes	72
Talisker Court (Tongariro Street to end), Greenwith	67
Brian Street (Dale Avenue to Hawke Street), Ridgehaven	67
Almond Avenue (Mahogany Avenue to Karri Drive), Dernancourt	65
Chinner Street (North East Road to Eric Street), Ridgehaven	54
Blackwood Court (Eric Street to end), Ridgehaven	52
Tamdhu Court (Talisker Court to end), Greenwith	37
Road Design – road reconstruction/renovation	30
Jarrah Road (Lower North East Road to Karri Drive), Dernancourt	29
Hawke Street (Claire Street to Eric Street), Ridgehaven	26
Sub-arterial/collector Roads – patch and reseal	20
	3,450
Roads to Recovery	
Steventon Drive (Elizabeth Street to Haines Road (including parking bays), Banksia Park	1,200
	1,200
Re-sheeting unsealed roads	
Burg Road, Gould Creek	40
	40

Capital works	Expenditure \$'000
New footpaths	
Tea Tree Gully township footpath upgrade (Main Road and Gateways program)	400
Cassia Street (Mallett Avenue to Greenway Drive), Surrey Downs	190
Edmund Road (Elliston Avenue to 46 Edmund Road Laneway), Highbury	120
Icarus Avenue (Saturn Crescent to Armstrong Crescent), Modbury North	79
Creek View Drive (Riverside Drive to Farm Drive), Redwood Park	79
Burra Street (Rosemary Drive to Warren Road), Modbury North	70
Corroboree Road (Churchill Drive to Mia Street), Modbury Heights	65
Golden Grove Road (The Golden Way to Laburnum Drive), Greenwith	65
Christopher Street (Mahogany Avenue to Lower North East Road), Dernancourt	53
Sherwell Avenue (Burra Road to Stop 62 Kelly Road – West side), Modbury North	31
DDA kerb ramps	30
Bell Reserve (playground path connection), Highbury	22
Mitchell Reserve, Highbury	20
Ashby Avenue (Valley View Drive to Lake View Crescent), Highbury	18
Tolley Reserve (Barracks Road to Altair Avenue West Laneway), Hope Valley	18
Kingsford Smith Street (49 Kingsford Smith Street to Hargrave Reserve), Modbury Heights	5
	1,265
Unsealed footpaths	
Yatala Vale Road (Hancock Road to Seaview Road), Yatala Vale	136
Yatala Vale Road (Seaview Road to Mannara Road), Yatala Vale	54
Unsealed footpaths projects – various – to be determined	47
Kaplan Reserve (Mumford Avenue to Uthwatt Court), St Agnes	22
Kaplan Reserve (Tregrehan Court to Steinwedel Court), St Agnes	22
River Torrens Linear Park, Dernancourt	22
Derribong Road (18 Derribong Road to Milne Road), Modbury North	22
Callitris Reserve (Tranquil Place to playground area), Tea Tree Gully	22
Vine Reserve (Sylvan Crescent to Vine Reserve car park), Surrey Downs	16
Cobbler Creek West Reserve, Greenwith	16
Greenway Reserve (Greenway Drive to Golden Grove Road), Surrey Downs	11
Stevens Reserve, Redwood Park	5
McIntyre Road, Modbury North	5
Reordan Drive, Greenwith	3
Martindale Avenue (Cobbler Creek), Golden Grove	1
	404
Lighting	
Burragah Reserve, Modbury North - Lighting upgrade	419
Harpers Field, Golden Grove - LED lighting replacement	350
Greenwith Oval, Greenwith - Upgrade oval lighting to LED	100
	869

Capital works	Expenditure \$'000
Water and drainage	
Drainage upgrade – Heather Drive / Lynore Road, Ridgehaven	450
Civic Park irrigation, Modbury	300
Waste Water Treatment Plant (WWTP) – decommissioning	170
Stormwater improvements – various	150
Wynn Vale Dam filtration unit replacement	125
Various reserve irrigation renewals and automations	100
Holden Hill stormwater improvements	80
Irrigation asset renewals - Pumps and flow monitors	25
	1,400
Traffic management and signage	
Replacement of advisory and regulatory signage	270
Traffic management treatments – general various improvements	100
Signage – community and various site replacements	100
Marina Cr / Waitara Rd, Banksia Park – junction alterations	60
Pedestrian signal crossing – Milne Rd, Modbury Heights	30
Entry and exit improvements - Greenwith Community Centre, Greenwith	30
Pedestrian signal crossings – Elizabeth Street, Banksia Park	25
Pedestrian signal crossings – Cottenham Road, Banksia Park	25
Interpretive signage – various sites	20
	660
Open space – sporting, park and playground upgrades	
Australia Reserve, Modbury	850
Wynn Vale Dam open space upgrades, Wynn Vale	843
North East Hockey practice pitch, Golden Grove	800
Bentley Reserve including skate bowl lighting, Holden Hill	643
Burragah sportsfield upgrade, Modbury North	600
Coulls Reserve playground, Highbury	500
Court renewal and repairs (including fencing) – hard court audit	450
Playspace Asset Management Plan priorities	400
Court upgrades - Hard court audit (Heysen Reserve, Hope Valley, Greenwith)	379
Vista Reserve playground, Vista	338
Palomino Reserve, Wynn Vale	324
Elysium Reserve playground, Golden Grove	300
Leeds Avenue car park, Hope Valley	234
Playground small element renewal – various	200
Golden Fields adventure playspace, Golden Grove	148
Fencing projects – various	120
Pertaringa Oval cricket practice wickets, Banksia Park	96
Courtyard Reserve playground, Wynn Vale	50

Capital works	Expenditure \$'000
Open space - sporting, park and playground upgrades (continued)	
Outdoor furniture projects – various	50
Shared fencing	30
	7,354
City beautification works	
Tea Tree Gully township streetscape upgrade	1,400
Tea Tree Gully township PLEC stage 2	600
Meadowvale East, Modbury - Restoration works	561
Dewer Reserve, Ridgehaven	535
Main Roads and Gateways program – Grand Junction Road – stage 2	500
Main Roads and Gateways program	500
Dawson Reserve, Modbury	392
Golden Way (Spring Hill Drive to Martindale Avenue), Golden Grove	250
Tree screen - The Golden Way (Pinot Place to 9 Crouchen Court), Wynn Vale	234
Tree screen - Green Valley Drive (Bushmills Street to Reordan Drive), Greenwith	177
Roundabout improvements	100
Tree screen - Endeavour Drive (Cambridge Street to Wynn Vale Drive), Wynn Vale	66
Illyarrie Reserve, Surrey Downs	50
Meadowvale, Modbury - Stage 3 design	48
Golden Grove Road, stage 2 - Revegetation and beautification	40
Public toilet vinyl wrap art projects	35
	5,489
Capital buildings renewal	
Waterworld filtration replacements, Ridgehaven	500
Asset Management Plan renewals – community buildings	695
Asset Management Plan renewals – recreational building	290
Asset Management Plan renewals - operational buildings	136
Asset Management Plan renewals – sporting buildings	190
Park shelters	100
Entry statements renewal	50
	1,962
Capital buildings – new and upgrades	
Golden Grove Recreation Centre – car park, Golden Grove	700
Building future project fund	5,785
Golden Grove Recreation Centre bathroom upgrade, Golden Grove	450
Civic Centre Changing Places, Modbury	400
DDA upgrades (DAIP audit recommendations)	200
Modbury Soccer Club - Stage 2 community access pathways and landscaping	100
Jubilee Community Centre (Secondary) – automatic sliding doors, Wynn Vale	50
Sensory space in Modbury Community Hub (Library), Modbury	50

Capital works	Expenditure \$'000
Capital buildings - new and upgrades (continued)	
Civic Centre change reception area, Modbury	40
	7,775
Strategic building projects	
Tea Tree Gully Gymsports, Banksia Park	4,952
Tea Tree Gully Tennis Club, Banksia Park	2,612
Tilley Recreation Park – clubroom and changeroom	4,945
Harpers Field Community Building and sporting clubroom	2,000
Modbury Sporting Club – clubroom and changeroom	3,419
Strategic building future funds	800
Tilley Recreation Park – masterplan	933
Golden Grove Central Districts Baseball Club, Surrey Downs	374
Projects to be grant funded	4,942
Hope Valley Sporting Club – amenities improvements	1,020
	25,996
Environmental projects	
Kerbside bin renewal	300
LED street lighting upgrade - Stage 2	150
Public bin renewal and upgrade	50
	500
Information technology	
Strategic systems – P&R/Authority Decommission	600
HCM and Payroll platforms	500
Salesforce optimisation – customer experience enhancements	300
CX Strategy – mailing list digitation and automation	250
Civic Centre Chambers audio visual	220
Staff network profile (with automation)	176
ITAMP general hardware replacements	106
Outdoor digital signage	100
Content Manager upgrade and licensing	80
ITS support and vulnerability assessments	75
Authority decommission	40
	2,447
Other	
2025 plant and equipment replacement program	1,900
Elmers site management	170
Office equipment	100
	2,170
Total capital works program 2024–2025	62,980

Infrastructure asset management plans

Our infrastructure asset management plans are key components of our Long-Term Financial Plan and are used to guide the planning, construction, maintenance and operation of our assets.

We are responsible for the management, operation and maintenance of approximately \$1.93 billion of infrastructure assets on behalf of the community.

It is important that these assets are provided in a continuous and financially sustainable manner, taking into consideration our strategic priorities, legislative obligations, community expectations and available resources.

Collectively our Asset Management Strategy 2016–2026 and set of infrastructure asset management plans (IAMPs) provide a robust planning framework for short- and long-term service delivery and will ensure that we continue to effectively manage our asset portfolio.

The following IAMPs were updated in December 2020 following community consultation in mid to late 2020:

- Transport Asset Management Plan
- Buildings Asset Management Plan
- Open Space Asset Management Plan
- Stormwater Asset Management Plan.

These IAMPs include detailed information about each asset and define which services will be provided, how they will be provided and what funding is required to cost-effectively deliver them.

In line with the *Local Government Act 1999* Council is required to undertake a comprehensive review of its strategic management plans within two years after each general election of the Council, which is November 2024.

Full details of Council's IAMPs are available on our website at cttg.sa.gov.au

Review of assets

We regularly review our assets to ensure they continue to meet our strategic planning priorities. If we consider assets to be surplus to Council's or the community's needs, we will seek community feedback on their sale.

Any money received from the sale of our assets is used to fund capital or refurbishment works in line with our Land Strategy and Long-Term Financial Plan (LTFP).

In purchasing new assets, we consider:

- Our current operating surplus or deficit
- Any additional depreciation, maintenance costs and interest expense on borrowings
- The impact of purchase on our operating surplus or deficit
- Any need to increase council rates to fund the purchase and/or ongoing maintenance costs
- The age, life expectancy, suitability and service potential of any asset
- The discounted cash flow analysis, where appropriate.

The significant increases in construction costs are having a real impact on the capital works renewal program. Over the next few years measures must be taken to increase the renewal program by 30% to return the program to the actual funds required to fund the Asset Management Plans.



Waste warriors Archer and Kelly with their Mini Muncher.

Funding the Annual Business Plan

Our ability to deliver on the strategic directions included in the Strategic Plan 2025 and the projects, programs and services set out in this plan is dependent on Council having sufficient funds.



4.8%

Total rate revenue increase
in 2024–2025.

• Rates are our main source of funding and represent approximately 86% of our total revenue.

• Rates are set in line with our Financial Sustainability Policy and are impacted by our many plans, including our Strategic Plan, Organisation Plan, infrastructure asset management plans and Long-Term Financial Plan (LTFP).

• This year, the overall total rate revenue is proposed to increase by 4.8% (excluding growth).

• To remain financially sustainable, Council must ensure we continue to renew our assets in line with our asset management plans. Costs in the construction industry have risen 20% to 30% in the last few years and Council plans to increase revenue for the next three years to ensure we can continue to maintain our assets at the level our community requires.

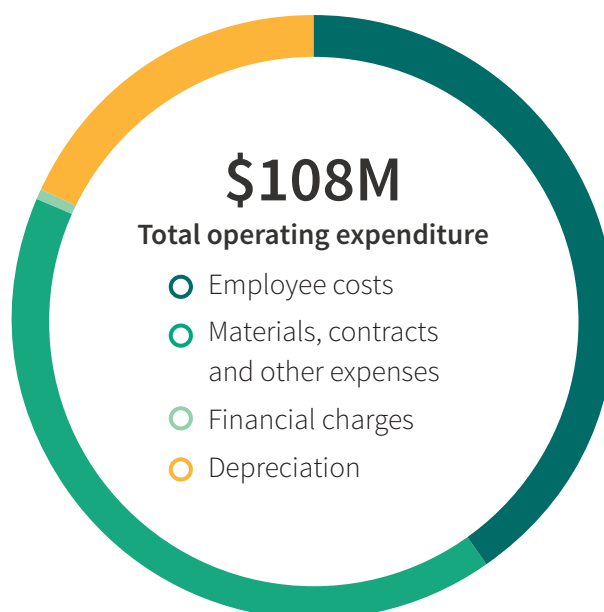
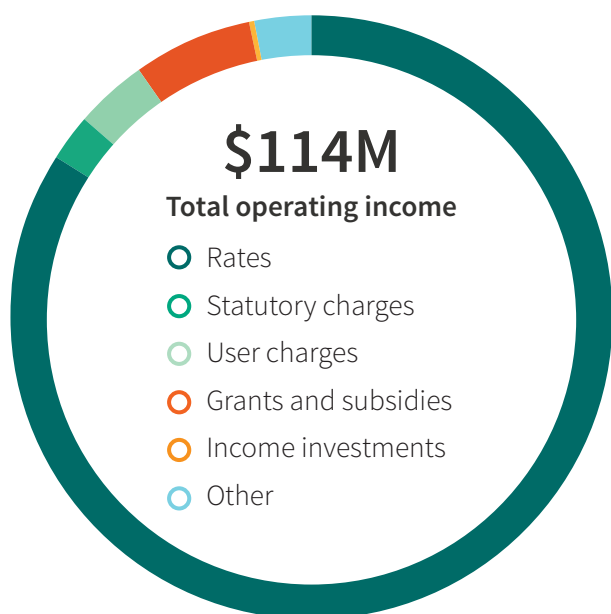
• The total expected revenue from general rates (excluding rebates) in the 2024–2025 financial year will be \$97.16 million, which is an increase of 5.53% from the 2023–2024 rates which total \$92.07 million.

• Our rate revenue will be supplemented with \$16.56 million in funding from other sources, such as fees and charges and state and federal government grants, investment income and loan borrowings.

• We are mindful that borrowing levels still need to be managed and they will remain within the target range of 25%–35% during 2024–2025. To achieve this, we have budgeted for a modest operating surplus of \$5.209 million in 2024–2025.

• This surplus will help us achieve the key principles set out in our LTFP. Set over a 10 year period, the LTFP ensures that we operate in a financially sustainable manner, controlling our debt levels, while delivering services, maintaining assets and appropriately funding new initiatives that support our strategic direction.

• In the current economic climate it is predicated that CPI will continue to remain high. Over the next few years rate increases will need to take this into consideration to ensure Council continues to remain financially sustainable and within the financial metrics set.



Significant influences and priorities

In preparing the 2024–2025 Annual Business Plan and Budget and setting the rate adjustment, we have taken into account a range of factors:

- The continued year-on-year increases in the South Australian Government’s Solid Waste Levy
- Increased costs associated with receiving and processing residential recycled waste material
- The impact of the Adelaide Consumer Price Index (CPI) of 4.8% (as at December 2023)
- Local Government Price Index (LGPI)
- The maintenance and renewal of existing assets, including roads, footpaths, stormwater drainage, lighting, council-owned properties and open space (parks and reserves)
- Our Enterprise Bargaining Agreements (EBA), and the 0.5% increase in the Superannuation Guarantee

- Transition to pay-as-you-go model for our information and software systems
- Expanding service and infrastructure needs of our community, including playground audits
- Cost associated with maintaining the renewed Modbury Precinct and other new open space assets.

Council has committed to the development of a Waste Strategy and the introduction of Waste Initiatives. The first of these initiatives include one free additional green organics bin and/or one free additional yellow recycling bin per household. This initiative plans to continue the Council’s work on the diversion of organic and recycling materials from landfill.



The Stacey family at a community tree planting event.

Financial statements

The budget was developed through an extensive process of consultation and review by Elected Members and Council staff.

This year's budget is based on the principle of financial sustainability and acknowledges the significant cost pressures faced by Council and the community with increasing CPI.

Our financial statements are set out below together with an explanation on the following pages.

Statement of comprehensive income for the 2024–2025 financial year

	2022–2023 Actuals \$'000	2023–2024 Original budget \$'000	2023–2024 Current forecast \$'000	2024–2025 Budget \$'000
Income				
Rates	85,581	92,070	92,113	97,165
Statutory charges	1,972	2,605	2,640	2,782
User charges	4,402	3,575	3,857	3,927
Grants, subsidies and contributions - capital	203	774	774	1,200
Grants, subsidies and contributions - operating	8,806	5,954	5,108	6,175
Investment income	752	20	855	20
Reimbursements	113	88	88	89
Other revenues	2,234	1,671	3,247	2,364
Total income	104,062	106,757	106,682	113,722
Expenses				
Employee costs	35,972	39,553	38,220	41,899
Materials, contracts and other expenses	41,919	43,185	48,073	46,394
Finance charges	261	550	340	950
Depreciation	16,258	17,416	19,938	19,270
Total expenses	94,410	100,704	106,511	108,513
Operating surplus or (deficit)	9,652	6,054	2,170	5,209
Net gain / (loss) on disposal or revaluation of assets	(2,530)	1,055	1,156	4,640
Capital grants	4,955	5,868	11,301	11,435
Capital contributions	161	14,474	619	1,976
Net surplus / (deficit)	12,238	27,450	15,247	23,260

Operating revenue

Rates

For 2024–2025 our total rate revenue is projected to be \$97.16 million. The increase of Council’s rate revenue is equivalent to \$5.09 million.

We propose the overall total rate revenue to increase by 4.8% (excluding growth). This is based on the cost of maintaining existing services and the projected costs included in the infrastructure asset management plans and Long-Term Financial Plan.

In addition, we expect to receive a 0.72% increase in rates revenue due to new developments, subject to confirmation from the Valuer-General.

A total of 15% of our general rate revenue will be derived from our commercial, industrial and vacant land use, with the remaining 4.3% of rate revenue to come from residential, primary production and other land use.

Statutory charges

Statutory charges are fees for regulatory services, such as permits and licences, or the regulation of an activity. They include Development Act fees, parking fines and dog registration fees.

These fees are set by the South Australian Government. Notification of these fees is provided annually in July.

User charges

User charges are fees that relate mainly to the recovery of the costs of delivering some of Council’s services. These are fees charged for the use of community facilities and recreation centres.

User charges in 2024–2025 are projected to increase by \$351,000 compared with the previous year.

Grants and subsidies

This item includes grants and subsidies from all sources, except amounts received specifically for new or upgraded assets. Total grant revenue is budgeted to increase in 2024–2025 by \$647,000.

Investment income

Council earns interest from money held with financial institutions. The interest earned on these funds is estimated to be \$20,000 in 2024–2025. This sum will be offset against borrowings.

Reimbursements

Reimbursements are payments for work Council has performed as an agent for others – for example, employee services we have provided to other councils. We estimate a reimbursement revenue of \$88,000 in 2024–2025.

Other revenues

This is revenue not classified in the six categories above. Of the estimated \$2.36 million of other revenue projected for 2024–2025, \$500,000 is for estimated workers’ compensation insurance rebate and \$490,000 is the estimated amount for sickness and income protection.

Operating expenses

Employee costs

Employee costs include all labour-related expenses, such as wages, salaries and additional costs such as allowances, leave entitlements and employer superannuation.

Employee costs are budgeted to increase by \$2.3 million. This reflects the rising costs of the Enterprise Bargaining Agreement, and a 0.5% increase in the Superannuation Guarantee rate.

In 2024–2025 we have provided for a total of 363 FTE employees in the budget. This represents an increase in the number of FTEs in comparison to the 2023–2024 financial year of 10. Staffing resources are constantly reviewed to ensure resources are redirected to meet the emerging and changing priorities of our community.

We allocate employee costs directly related to capital projects separately within the capital budget. These represent an additional sum of \$1.4 million.

Materials, contracts and other expenses

Materials are physical goods, such as consumables, water and energy. Contractual services are payments for external service providers, including labour, materials or subcontractors who are hired under contract.

Other expenses are those other than the costs of employees, materials and contractual services.

We forecast the cost of materials, contractual services and other expenses to increase by \$3.2 million for 2024–2025 in comparison to the original budget for 2023–2024.

Finance charges

Finance charges are the costs of financing our activities through borrowings or financial leases. We forecast finance charges to remain in line with the previous financial year.

Depreciation

In 2024–2025 our depreciation expense is forecast to be \$19.2 million, representing an increase of \$1.85 million from 2023–2024.

Depreciation is forecast to increase with an approximate 30% uplift in construction costs. This increase has been taken into account in the Long-Term Financial Plan with a proposal to increase rates by a further 1% each year for the next three years after the extra increase was deferred in 2024–2025. This will ensure Council remains in line with the Council's Financial Sustainability Policy targets.

Statement of financial position for the 2024–2025 financial year

	2022–2023 Actuals \$'000	2023–2024 Original budget \$'000	2023–2024 Current forecast \$'000	2024–2025 Budget \$'000
Assets				
Current assets				
Cash and cash equivalents	18,337	870	10,111	437
Trade and other receivables	5,744	4,793	5,794	6,047
Other financial assets (non-current assets held for sale)	512	-	1,310	-
Inventories	127	43	43	127
Total current assets	24,720	5,706	17,258	6,611
Non-current assets				
Financial assets	13,682	27,202	13,984	30,810
Infrastructure, property, plant and equipment	1,795,349	1,732,751	1,868,101	1,932,089
Total non-current assets	1,809,031	1,759,953	1,882,085	1,962,899
Total assets	1,833,751	1,765,659	1,899,343	1,969,510
Liabilities				
Current liabilities				
Trade and other payables	29,506	12,227	13,751	13,752
Short-term provisions	3,725	4,455	3,725	3,725
Total current liabilities	33,231	16,682	28,766	17,477
Non-current liabilities				
Long-term borrowings	-	18,491	-	19,439
Long-term provisions	685	507	507	550
Total non-current liabilities	685	18,998	507	19,989
Total liabilities	33,916	35,680	29,273	37,466
Net assets	1,799,835	1,729,979	1,870,070	1,931,044
Equity				
Accumulated surplus	414,151	430,203	426,389	441,636
Year-to-date	12,238	27,450	15,247	23,260
Asset revaluation reserves	1,373,159	1,272,038	1,428,147	1,466,861
Other reserves	287	287	287	287
Total equity	1,799,835	1,729,979	1,870,070	1,931,044

Statement of changes in equity for the 2024–2025 financial year

	2022–2023 Actuals \$'000	2023–2024 Original budget \$'000	2023–2024 Current forecast \$'000	2024–2025 Budget \$'000
Net surplus or (deficit) for year				
Balance at end of previous reporting period	414,151	430,204	426,389	441,636
Net result for year	12,238	27,450	15,247	23,260
Balance at end of period	426,389	457,653	411,636	464,896
Asset revaluation reserve				
Balance at end of previous reporting period	1,228,960	1,272,038	1,373,159	1,428,147
Gain on revaluation of infrastructure / property	144,199	-	54,988	38,714
Balance at end of period	1,373,159	1,272,038	1,428,147	1,466,861
Other reserves				
Balance at end of previous reporting period	287	287	287	287
Transfer between reserves	-	-	-	-
Balance at end of period	287	287	287	287
Total equity at end of period	1,799,835	1,729,979	1,870,070	1,932,044

Statement of cash flows for the 2024–2025 financial year

	2022–2023 Actuals \$'000	2023–2024 Original budget \$'000	2023–2024 Current forecast \$'000	2024–2025 Budget \$'000
Cash flows from operating activities				
Receipts				
Operating receipts	105,419	106,598	107,827	113,702
Investment receipts	752	20	855	20
Payments				
Operating payments to suppliers and employees	78,640	82,474	86,293	88,293
Financial payments	261	550	280	950
Net cash provided (or used in) operating activities	27,270	23,594	22,109	24,479
Cash flows from investing activities				
Receipts				
Grants specifically from new or upgraded assets	5,319	6,016	7,311	3,138
Sale of replaced assets	252	800	1,156	1,200
Sale of surplus assets	–	4,530	–	5,050
Payments				
Expenditure on renewal and replacement of assets	16,180	26,324	20,593	30,528
Expenditure on new and upgraded assets	6,683	32,982	18,209	32,452
Net cash provided by (or used in) investing activities	(17,292)	(47,960)	(30,335)	(53,592)
Cash flows from financing activities				
Receipts				
Proceeds from borrowings	–	18,491	–	19,439
Payments				
Repayment of borrowings	73	–	–	–
Net cash provided (or used in) financing activities	(73)	18,491	–	19,439
Net increase (decrease) in cash held	9,905	(5,875)	(8,226)	(9,674)
Cash and cash equivalents at beginning of reporting period	8,432	6,745	18,337	10,111
Cash and cash equivalents at end of reporting period	18,337	870	10,111	437

Uniform presentation of finances for 2024–2025 financial year

	2022–2023 Actuals \$'000	2023–2024 Original budget \$'000	2023–2024 Current forecast \$'000	2024–2025 Budget \$'000
Income				
Rates	85,581	92,070	92,113	97,165
Statutory charges	1,971	2,605	2,640	2,782
User charges	4,402	3,575	3,857	3,927
Grants, subsidies and contributions - capital	203	774	774	1,200
Grants, subsidies and contributions - operating	8,806	5,954	5,108	6,175
Investment income	752	20	855	20
Reimbursements	113	88	88	89
Other revenues	2,234	1,671	3,247	2,364
Total income	104,062	106,757	108,682	113,722
Expenses				
Employee costs	35,972	39,553	38,220	41,899
Materials, contracts and other expenses	41,919	43,185	48,073	46,394
Finance charges	261	550	280	950
Depreciation	16,258	17,416	19,938	19,270
Total expenses	94,410	100,704	106,511	108,513
Operating surplus / (deficit)	9,652	6,054	2,170	5,209
Adjusted operating surplus / (deficit)	9,652	6,054	2,170	5,209
Net outlays on existing assets				
Capital expenditure on renewal and replacement of existing assets	(16,180)	(26,324)	(20,593)	(30,528)
Add back depreciation, amortisation and impairment	16,258	17,416	19,938	19,270
Add back proceeds from sale of replaced assets	252	800	1,156	1,200
	330	(8,108)	501	(10,058)
Net outlays on new and upgraded assets				
Capital expenditure on new and upgraded assets	(6,683)	(32,982)	(18,209)	(32,452)
Amounts received specifically for new and upgraded assets	5,116	6,016	7,311	3,138
Grants, subsidies and contributions	–	14,326	4,609	10,273
Proceeds from the sale of surplus assets	–	4,530	–	5,050
	(1,567)	(8,110)	(6,289)	(13,991)
Annual net impact to financing activities (surplus / (deficit))	8,415	(10,164)	(3,617)	(18,840)

Net outlays on existing assets

We will allocate \$30.5 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 \$32.5 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 Long-Term Financial Plan.

Financing strategy

We have determined that borrowings will increase in 2024–2025 from the original 2023–2024 budget. This is in line with the Project Funding Strategy created for all the grant funded projects that have been incorporated into our Long-Term Financial Plan since 2019.



2024 Tour Down Under Stage start at Tea Tree Gully.

Rates

We seek to achieve rate stability over time, while ensuring that community services, projects and infrastructure needs are met.

As prescribed in the *Local Government Act 1999*, Council can charge rates on all land in its area except for exempt land, such as Crown land and land owned by Council.

In setting rates for 2024–2025, we have taken into account the priorities set out in our Strategic Plan 2025, the current economic climate, our debt reduction strategy, legislative changes and the need to maintain and improve community infrastructure, amenity and wellbeing.

We have also considered the impact of rate rises on our ratepayers, the need to keep rates at a reasonable level and the need to equitably share the rates burden.

Having determined the total expenditure budget and the consequent impact on revenue, we divide the portion of the budget to be raised from rates by the total of all individual property valuations to determine the ‘rate-in-the-dollar’ figure. The ‘rate-in-the-dollar’ is then applied to individual property valuations to determine the rates for each property.

This year, the overall total rate revenue is proposed to increase by 4.8% (excluding growth) which means a total of \$97.16 million will be collected in rates this year.

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 page 33 shows the valuations and rates applied to the various land use categories and also the general revenue forecast for 2024–2025 (Note: these figures do not show rebates. In 2024–2025 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 36.

Land use	General rate revenue 2023–2024 \$'000	Valuation 2023–2024 \$'000	General rate revenue 2024–2025 \$'000	Valuation 2024–2025 \$'000	General rate revenue % income 2024–2025	Average \$ change per property
Commercial office	472	80,034	538	94,945	14.1%	1,336
Commercial other	3,598	611,687	3,985	703,446	10.6%	1,101
Commercial shop	6,128	1,042,859	6,532	1,154,152	6.5%	3,223
Industrial light	376	63,950	420	74,271	11.7%	475
Industrial other	674	114,219	731	128,776	8.4%	622
Other	915	294,457	1,020	340,957	11.3%	978
Primary production	383	122,693	394	131,040	2.8%	107
Residential	77,814	24,920,848	81,986	27,251,713	5.3%	93
Vacant land	1,442	232,214	1,379	230,545	(4.3%)	18
Total	91,803	27,482,963	96,989	30,110,220	5.5%	

The figures for 2024–2025 are subject to change due to valuation data being received by the Valuer-General until 25 June 2024.

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.

On 25 June 2024, it is proposed Council will adopt the most recent valuations made by the Valuer-General.

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.

Each year, anticipated movements in valuations are estimated for each rate category. Valuations in 2024–2025 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.

Rate assessment increase	Number of residential properties
Less than zero	235
0–2%	7,954
2–5%	2,006
5–10%	28,713
Greater than 10%	742
New assessments	270
Total	39,932

Other charges related to rates

Minimum rate

We have set a minimum rate of \$1,448, which represents a 5.5% increase. The minimum rate will be applied to approximately 3,693 properties.

We consider it appropriate that all rateable properties make a contribution 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, pest animals and plants and biodiversity.

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 (taking into account 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 5.9% increase to the Regional Landscape Levy for 2024–2025. Council's contribution to Green Adelaide via the levy for the financial year will be \$2.1 million.

Payment of rates

The payment of rates can be either by full payment or by quarterly installments, 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 2024. 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.



Community defibrillator installed at Surrey Downs Community 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*.

	LGA suggested range	Council target	2022–2023 Actuals	2023–2024 Original budget	2023–2024 Current forecast	2024–2025 Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating surplus	Break even or better over 5 years	Maintain over a minimum of 3 years	9,652	6,054	2,170	5,209
Operating surplus ratio	0% – 15%	2.5% – 10%	11.3%	6.6%	2.4%	5.4%
Asset renewal funding ratio	90 to 110% over a rolling 3 year period	90 to 110% over a rolling 3 year period	62.5%	100.1%	76.2%	145.2%
Fiscal balance	–	–	8,415	41,128	12,567	44,581
Net financial liabilities ratio including non-current assets held for sale	0% – 100%	25% – 35%	9.3%	28.1%	12.3%	27.1%
Net financial liabilities including non-current assets held for sale	–	–	9,196	29,974	12,015	30,854
Net financial liabilities ratio excluding non-current assets held for sale	0% – 100%	25% – 35%	9.3%	28.1%	12.3%	27.1%
Net financial liabilities excluding non-current assets held for sale	–	–	9,708	29,974	13,325	30,854
Interest cover ratio	–	–	0.3%	0.6%	0.3%	1.0%

- **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 non-current 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 non-current assets held for sale**

Total liabilities less financial assets.

- **Net financial liabilities ratio excluding non-current 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 non-current 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.

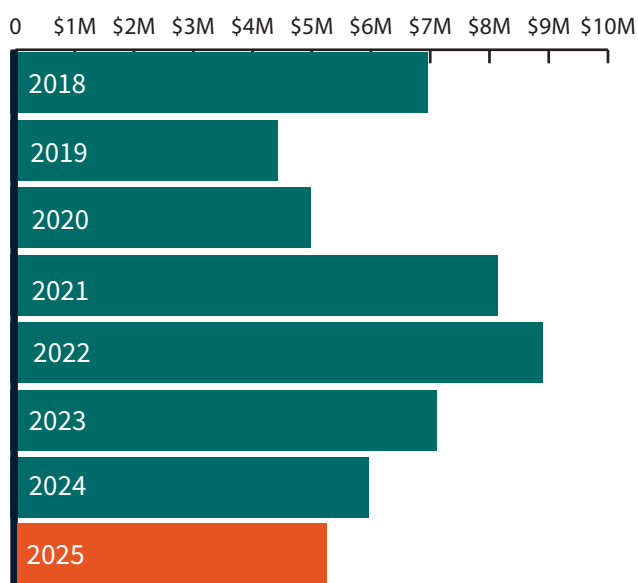
Operating surplus ratio

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 \$5.209 million. These funds are used to enhance and improve services, fund new capital works and reduce Council's debt levels.

Operating surplus 2018–2025



Asset renewal funding ratio

The asset renewal funding ratio (ARFR) represents the ratio of new capital expenditure on renewal or replacement of assets, relative to the rate of depreciation for the same period.

Our target is for the cost of renewal to be between 90% and 110%, averaged over a three-year period.

We have invested significantly in the renewal of our core infrastructure assets over the last five years to ensure they continue to meet the service level standards as outlined in the infrastructure asset management plans (IAMPs). Our 2024–2025 budget

includes capital renewal works of \$20.4 million (excludes any grant income and sale of assets).

This represents an ARFR of 145.2%, which is above the ratio range, but over the three years rolling, it will be within the ratio range. This will increase with the proposed extra rate increase for the next three years to ensure Council can fund renewals with the 20-30% increase in construction costs for these assets.

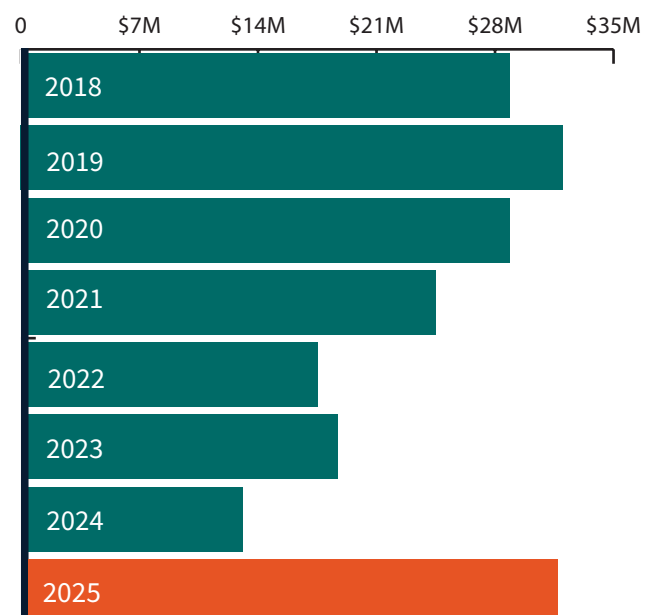
We have reviewed the IAMPs in the context of the LTFP and have considered strategies to help us maintain performance within the targeted range. We will also continue to review the ARFR target range to ensure the set targets remain appropriate.

Net financial liabilities ratio

We believe it is appropriate to operate with a certain level of debt, particularly given the extensive portfolio of assets held by Council.

The net financial liabilities ratio demonstrates the relative size of our net financial liabilities against total operating income. It is expressed as a percentage of total operating revenue, excluding water catchment and Regional Landscape Levy income.

Net financial liabilities 2018–2025





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