



CITY OF
TEA TREE GULLY
Naturally Better



2022–2023 Draft Annual Business Plan and Budget

The City of Tea Tree Gully's Annual Business Plan and Budget are key documents in our overall planning framework, and sets 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

We acknowledge the Kurna people as the Aboriginal traditional owners and custodians of the lands and waters in the area now known as the City of Tea Tree Gully.

We respect the spiritual relationships with country and stories here that have developed over tens of thousands of years.

We recognise that this rich cultural heritage is a living culture and remains important to Kurna people, other Aboriginal people and our non-Aboriginal communities today.

The wellbeing and prosperity of Kurna and other Aboriginal people is important to the strong, vibrant communities we strive for.

Contents

Introduction	1
City profile	2–3
Strategic direction	4–6
Measuring performance	8–9
Continuing services	11–12
Capital works program	14–18
Infrastructure asset management plans	20
Funding the Annual Business Plan and Budget	22–23
Financial statements	25–32
Rates	33–39
Financial indicators	41–43



Richardson Reserve (Wynn Vale) following a significant upgrade.

Introduction

Tea Tree Gully Council will deliver more than \$36 million in community infrastructure in 2022–2023 in a bid to boost the local economy, improve health and wellbeing outcomes and increase safety and accessibility across our City.

A \$12 million community building and sporting clubroom at Harpers Field (Golden Grove) and upgrades for Modbury Sporting Complex (Ridgehaven) and Tilley Recreation Park (Surrey Downs) are included. Costs will be offset through State Government funding partnerships.

These major projects will create much-needed jobs during construction. They will also enable clubs to grow and help improve community health and wellbeing.

Investment in roads, footpaths and open spaces, such as playgrounds, continues this year, with about \$6.8 million to be spent on improving their safety and accessibility across the City.

At the same time, we will fund key environmental projects, such as public lighting improvements and planting of thousands more trees.

We will also transfer ownership of the Community Wastewater Management System (CWMS) to SA Water.

This means that all property owners in the City of Tea Tree Gully will pay the same rate to dispose of their wastewater.

It also means that Council can set aside funds that would have been used to subsidise the CWMS to take advantage of any additional funding commitments made by the State and Federal Governments.

The future of the Waterworld Aquatic Centre (Ridgehaven) will be considered further, with a master plan to be developed for community consultation.

Our major events program is set to evolve further this year, but our highly successful Civic Park Carols and Summer Garden Festival will still continue.

Much of the rest of our budget will fund key services, such as waste collection, verge mowing, library services and community centres.

Waste education will remain a priority as we work to decrease the amount of household waste going to landfill.

A 3.0% rate increase (excluding any increases due to growth) is proposed to fund the draft Annual Business Plan and Budget, which will provide \$85.5 million in operating income.

In setting this rate increase, we have been mindful of inflationary pressures, the current economic climate and the need to balance community needs against the long-term requirement to develop and maintain infrastructure.

We will also continue to innovate and improve our organisation and the value we provide our community as we move through a substantial period of change.

This year, we will review our operations and the services we provide.

We will also see a change in CEO, ahead of a general Council election in November 2022.

We look forward to delivering what we have promised and working with our community to achieve our vision for the City as detailed in our Strategic Plan 2025.



City profile



9,521 ha
Total land area



562 km
Sealed roads

1,229 km
Kerbs and gutters

560 km
Sealed footpaths

97 km
Unsealed footpaths



606
Parks and reserves

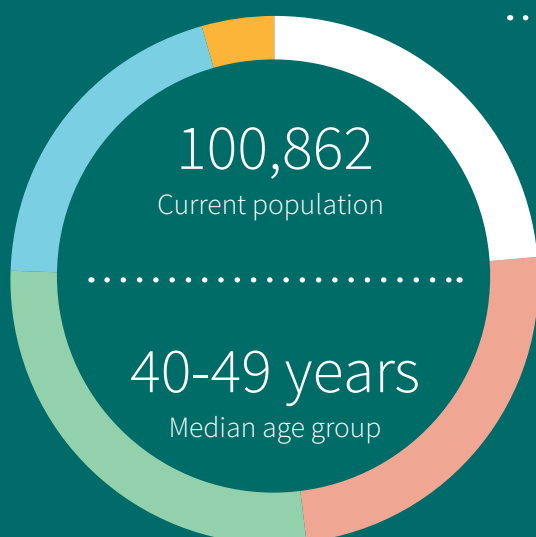
1,305 ha
Open space

500,000+
Street and reserve trees

122
Playgrounds



Football practice at the Hope Valley Football Club (Hope Valley).



- 0-19 years (23.8%)
- 20-39 years (24.5%)
- 40-59 years (27.4%)
- 60-79 years (20.1%)
- 80+ (4.2%)



27.7%
of residents
born overseas

19.5%
undertaking
voluntary work

50.3%
with tertiary
qualifications



41,944*
Number of
dwellings



5,499
Registered businesses

\$3.4 B
Gross Regional
Product

*Estimated number of dwellings in the City of Tea Tree Gully region in 2021 — 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 2022–2023 Annual Business Plan and Budget identifies key projects, programs and services that will deliver the aspirations and objectives identified in these plans.

The chart below illustrates how we are tracking against the KPIs for each theme outlined in our Strategic Plan.

Strategic Plan 2025: Summary progress report to Q2 2021–2022

Community	80%
Environment	100%
Economy	100%
Places	100%
Leadership	75%
Overall	91%

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.



Streetscape upgrade works at Ladywood Road (Modbury).

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 41–43.

Full details of Council's projects and priorities for 2022–2032 are available at cttg.sa.gov.au/abp

Measures of success

	2021–2022	2022–2023
Wellbeing indicators	Result	Target
Overall community wellbeing score	TBA	TBA
Resident satisfaction with their life as a whole	TBA	TBA
Resident satisfaction with how safe they feel	TBA	TBA
Resident satisfaction with feeling part of the community	TBA	TBA
Resident satisfaction with opportunities to have their say	TBA	TBA
Resident satisfaction with the provision of community centres, services and programs	TBA	TBA
Resident satisfaction with the provision of arts and cultural performances and activities	TBA	TBA
Resident satisfaction with Council-run major events	TBA	TBA
Resident satisfaction with library services	TBA	TBA

	2021–2022	2022–2023
Capital works indicators	Result	Target
Capital works projects completed by 30 June 2021	TBA	TBA
Resident satisfaction with the provision of footpaths (local)	TBA	TBA
Resident satisfaction with the maintenance of footpaths	TBA	TBA
Resident satisfaction with the appearance of roadside verges	TBA	TBA
Resident satisfaction with the maintenance of street trees	TBA	TBA
Resident satisfaction with waste and collection services	TBA	TBA
Resident satisfaction with the control of litter and rubbish	TBA	TBA
Customer service indicators		
Overall resident satisfaction with customer experience	TBA	TBA
Overall resident satisfaction with Council communications	TBA	TBA
Enquiry resolution at the first point of contact	TBA	TBA



Residents walk in a local tree-lined street.

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
- 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 organisational development
- Volunteer services
- Internal and external communications
- Media liaison and marketing.



Fun in the sun at Waterworld Aquatic Centre (Ridgehaven).

2022–2023

Capital Works Program

Capital works	Expenditure \$'000
Road reconstruction/renovation	
Road reconstruction funding – to be allocated	1,900
Road design – Steventon Drive, Banksia Park	20
	1,920
Road resealing	
Barns Avenue (Edmund Street to Rogers Street), Highbury	75
Burman Avenue (Mary Avenue to End), Gilles Plains	23
Colton Avenue (Lang Street to Valerie Avenue), Highbury	42
Duncan Crescent (Mitchell Avenue to Beckman Avenue), Highbury	47
Elliston Avenue (Lower North East Road to Edmund Avenue), Highbury	46
Jacaranda Grove (driveway link to end), Golden Grove	43
Kooline Crescent (Padbury Road to Morawa Avenue), Gilles Plains	34
Lang Street (Elliston Avenue to end), Highbury	53
Morawa Avenue (Newcombe Drive to Tasman Avenue), Gilles Plains	81
Petworth Parade (Lake Fortesque Avenue to Balford Avenue), Greenwith	21
Rex Avenue (Padbury Road to Morawa Avenue), Gilles Plains	46
Stanley Way (Padbury Road to Newcombe Drive), Gilles Plains	43
Tamala Crescent (Padbury Road to Morawa Avenue), Gilles Plains	41
Underwood Close (Reiby Place to end), Golden Grove	54
Weebo Street (Kooline Crescent to Tasman Avenue), Gilles Plains	22
Zara Court (Zealand Street to end), Surrey Downs	22
Rega Avenue (Aries Avenue to Canopus Avenue), Hope Valley	20
Canopus Avenue (Rega Avenue to Aries Avenue), Hope Valley	53
Sirius Avenue (Tolley Road to Canopus Avenue), Hope Valley	37
Aries Avenue (Sirius Avenue to end), Hope Valley	24
Iliad Grove (Fairleigh Avenue to end), Modbury North	30
Fairleigh Avenue (Montague Road to end), Modbury North	44
Alawa Avenue (Beltana Avenue to Fairleigh Avenue), Modbury North	43
Beltana Avenue (Fairleigh Avenue to end), Modbury North	71
Ruse Court (Bennelong Court to end), Golden Grove	26
Road reseal – contingency funds	155
	1,196

Capital works**Expenditure \$'000****Roads to Recovery**

Target Hill Road (Green Valley Drive to Halcyon Avenue), Greenwith	340
Golden Grove Road (Tongariro Road to Target Hill Road), Greenwith	200
Milne Road (Kelly Road to McIntyre Road), Modbury North	120
Surrey Farm Drive (The Golden Way to school entrance), Wynn Vale	370
	1,030

Re-sheeting unsealed roads

Brightlands Road (Milne Road extension), Banksia Park	17
Castress Road, Upper Hermitage	23
	40

New footpaths and bus stop Disability Discrimination Act upgrades

Otama Road, Fairview Park	26
Altair Avenue West (in front of no. 10, no. 9 to no. 23 to laneway), Highbury	37
Baldwin Court, Wynn Vale	31
Dillon Street (Gaylard Crescent to Gaylard Crescent), Redwood Park	74
Gloucester Avenue (Stafford Street to Argyll Crescent), Redwood Park	59
Hartly Court (adjacent reserve footpath connection), Surrey Downs	15
Hillcott Avenue (no. 6 to no. 16 & no. 31 to no. 41), Wynn Vale	50
Hobart Crescent (Grenfell Road to Derwent Crescent), Banksia Park	18
Keeble Street, St Agnes	34
Knightsbridge Avenue (no. 27 to no. 2 Salisbury Avenue), Valley View	63
Knightsbridge Avenue (Wycombe Way to opposite no. 65 Salisbury Avenue), Valley View	116
O'Leary Place (Fergusson Court to council boundary), Wynn Vale	7
O'Leary Place (Maidment Court to Fergusson Court), Wynn Vale	31
Ronald Road, Redwood Park	88
Observation Drive (Daryl Place to Gallery Road), Highbury	15
Sassafras Drive (Rosewood Road to stairs at no. 88 Sassafras Drive), Highbury	33
Silverlake Crescent (Lavinia Grove to Dernancourt Kindergarten), Highbury	36
Sue Street (Pringle Avenue to Baxter Avenue), Surrey Downs	16
Washington Court, Golden Grove	21
Whitford Drive (Ellwood Avenue to Chapel Road), Modbury North	39
Whitford Drive (no. 1 to no. 7 Whitford), Modbury North	16
Zara Court (Zealand Street to end), Surrey Downs	18
DDA kerb ramp upgrades, all suburbs	75
Green Valley Drive, Leedham Drive to Harvey Crescent), Greenwith	108
	1,026

Unsealed footpaths

Tuscan Reserve, Golden Grove	9
Crouch Road, Golden Grove	22
Hallett Reserve, Golden Grove	33
Shannon Reserve, Banksia Park	7

Capital works	Expenditure \$'000
Unsealed footpaths (continued)	
Capulet Reserve, Modbury	11
Balmoral Reserve, Dernancourt	31
Reordan Drive, Greenwith	15
Awoonga Avenue, Hope Valley	18
Heysen Avenue, Hope Valley	7
Morawa Reserve, Gilles Plains	19
Modbury Sporting Club, Ridgehaven	3
Gunda Reserve, Banksia Park	10
Lyons Reserve, Dernancourt	22
Gifford Reserve, St Agnes	19
St Agnes Reserve, St Agnes	87
O-Bahn Linear Park, Highbury	51
Michigan Reserve, Highbury	14
	378
Lighting	
SADNA and Golden Grove Tennis Club – lighting upgrade	330
Sportsfield floodlighting – to be determined TBA	374
Greenwith Oval – upgrade oval lighting to LED	150
	854
Water and drainage	
Dry Creek – expansion of recycled water network	180
Recycled water asset renewal – Wastewater Treatment Plant aerators, Tilley distribution pump	120
Irrigation central controller stage 2 (Rainbird IQ central control system)	100
Irrigation asset renewal – Tilley and Greenwith groundwater bores and Pertaringa irrigation pump	175
Irrigation controllers – (Rainbird IQ) changeover from 3G to 4G communication cards	65
Drainage renewal program – Asset Management Plan	450
Creek rehabilitation	200
	1,290
Traffic management and signage	
Signage – community and various site replacements	100
Traffic management treatments – general various improvements	250
Replacement of advisory and regulatory signage	270
The Heights School, Modbury Heights – traffic study stage 1 works	100
	720
Open space – sporting, park and playground upgrades	
Tango Netball Club – Heysen Reserve court resurfacing	275
Fairleigh Reserve upgrade, Modbury North	70
BMX track upgrade – Gunda Reserve, Banksia Park	120
Fencing projects – various – to be determined	150

Capital works	Expenditure \$'000
Open space – sporting, park and playground upgrades (continued)	
Outdoor furniture projects – various – to be determined	50
Playgrounds – contingency funds	120
Doxiadis Reserve playground, St Agnes	140
Cobbler Creek West Reserve playground, Golden Grove	140
Palomino Reserve playground, Wynn Vale – design	40
John Clarke Memorial playground (Tolley Road), Hope Valley	50
Lumsden Reserve playground, Ridgehaven	50
Endurance Reserve, Vista – concept plan	20
	1,225
City beautification works	
Edinburgh Reserve, Modbury – includes play space	260
Meadowvale East restoration work	900
Golden Grove Road trees – Greener Adelaide	400
CWMS transition revegetation project	400
Dernancourt memorial	40
Grand Junction Road streetscape upgrade, Hope Valley (between Awoonga Road and Valley Road)	500
Tree screens – contingency funds	178
The Golden Way (20 Neuville Court to 4/3 Crestview Place), Wynn Vale	105
Ladywood Road (8 Hovea Court to 1 Orchid Court), Modbury North	95
Tree screen – Linwood Plantation (Wynn Vale Drive – Keithcot Farm Drive), Wynn Vale	122
	3,000
Capital buildings renewal	
Turrumurra Recreation Centre – Strength for Life floor replacement	10
Asset Management Plan renewals – recreational buildings	580
Asset Management Plan renewals – sporting buildings	220
Asset Management Plan renewals – operational buildings	60
Asset Management Plan renewals – amenities buildings	170
Asset Management Plan renewals – community buildings	125
	1,165
Capital buildings – new and upgrades	
Building future project fund	1,000
Harpers Field Community Building and sporting clubroom	7,400
Modbury Sporting Club – building and sportsfield lighting	2,950
Tilley Recreation Park – clubroom and changeroom	1,750
Golden Grove Recreation & Arts Centre – courts 2 and 3 stadium seating replacement, Golden Grove	30
Disability Access and Inclusion Plan building upgrades	150
Keyless building access	100
Golden Grove Recreation & Arts Centre – emergency lighting upgrade, Golden Grove	32

Capital works	Expenditure \$'000
Capital buildings – new and upgrades (continued)	
Golden Grove Recreation & Arts Centre – building management system, Golden Grove	50
Tea Tree Gully Memorial Hall – storage, Tea Tree Gully	30
Library shelf replacement – phase one	100
Golden Grove Recreation & Arts Centre – theatre PA system and audio control system replacement, Golden Grove	140
Cobbler Creek West Reserve toilet	190
Accessible adult change table facility, Civic Park, Modbury	155
Hope Valley Sporting Club – amenities improvements	1,200
	15,277
Environmental projects	
LED street lighting changeover stage two	500
	500
Information technology	
ERP system (rating, property, Salesforce integration, works and assets, compliance)	1,050
IT Asset Management Plan – hardware	285
IT Asset Management Plan – desktop software	54
IT Asset Management Plan – enterprise applications	160
Other IT – business process automation, Sustainable Cities, DocuSign	281
	1,830
Other	
Projects to be grant funded (to be determined)	3,281
Plant and equipment replacement program	1,501
	4,782
Total capital works program 2022–2023	36,213



Local artist Irene Arvidson whose works were part of a Gallery 1855 exhibition.

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 \$1.59 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.

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 newly upgraded Bentley Reserve skate bowl (Holden Hill).

Funding the Annual Business Plan

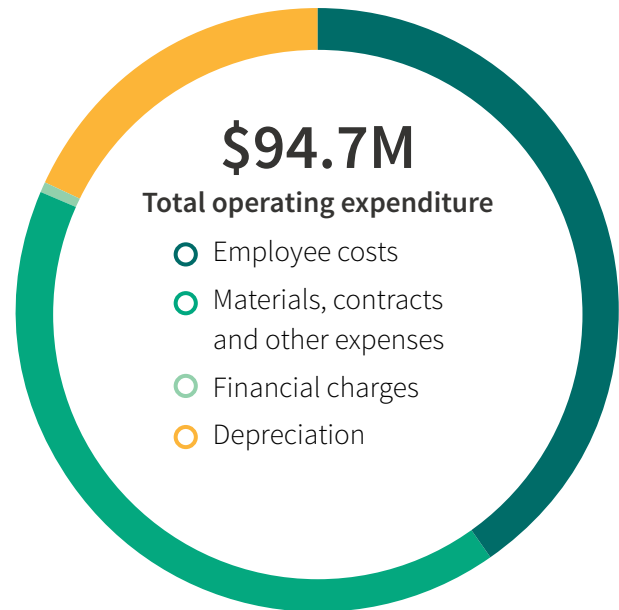
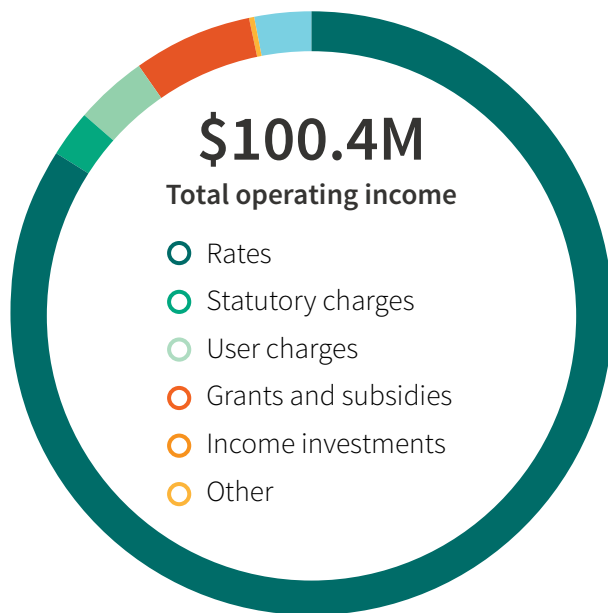
Our ability to deliver on the strategic directions included in the Strategic Plan 2025 and the projects, programs and services set out in this plan is dependent on Council having sufficient funds.



3.0%

Average rate increase
in 2022–2032.

- Rates are our main source of funding and represent approximately 85% 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 average general rate will increase by 3.0% (apart from any increases due to growth), which means a total of \$85.5 million will be collected in rates this year.
- The total expected revenue from general rates (excluding rebates) in the 2022–2023 financial year will be \$83.353 million, which is an increase of 3.6% from the 2021–2022 rates which total \$83.517 million.
- Our rate revenue will be supplemented with \$14.9 million in funding from other sources, such as fees and charges and state and federal government grants, investment income and loan borrowings.
- The collected funds will help pay for essential services such as waste collection, management of infrastructure, public health and safety, as well as major capital projects and the provision of community programs and events.
- We are mindful that borrowing levels still need to be managed and they will remain within the target range of 25%–35% during 2022–2023. To achieve this, we have budgeted for a modest operating surplus of \$5.778 million in 2022–2023.
- This surplus (i.e. the difference between operating revenue and expenses for the financial year) will help us to achieve the key principles set out in our LTFP.
- Set over a ten-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.



Significant influences and priorities

In preparing the 2022–2023 Annual Business Plan and Budget and setting the rate adjustment, we have taken into account a range of factors:

- The impact of COVID-19 on Council’s operations and financial position
- The continued year-on-year increases in the State 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 3.5% (as at December 2021)
- 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), which provide for employee wage and salary increases of 2.5% in 2022–2023, due to increased CPI
- Transition to ‘pay as you go’ model for our ICT systems
- Expanding service and infrastructure needs of our community, including playground audits
- Cost associated with maintaining the renewed Modbury Precinct.



Youth mentors Mia and Renae Damiani help at a youth 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 aims to ensure that emerging and continuing priorities are appropriately resourced.

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

Statement of comprehensive income for the 2022–2023 financial year

	2020–2021 Actuals \$'000	2021–2022 Original budget \$'000	2021–2022 Current forecast \$'000	2022–2023 Budget \$'000
Income				
Rates	82,900	85,890	85,890	85,513
Statutory charges	2,733	2,874	2,869	2,729
User charges	2,688	3,754	3,756	3,875
Grants and subsidies	7,588	6,523	6,707	6,760
Investment income	57	20	43	20
Reimbursements	68	83	83	83
Other revenue	2,408	1,710	2,113	1,469
Total income	98,442	100,854	101,461	100,451
Expenses				
Employee costs	36,066	37,648	37,549	38,117
Materials, contracts and other expenses	37,004	39,570	39,899	38,875
Finance charges	495	550	550	550
Depreciation	16,790	17,096	17,096	17,071
Total expenses	90,355	94,864	95,094	94,673
Operating surplus or (deficit)	8,087	5,990	6,367	5,778
Net gain / (loss) on disposal or revaluation of assets	297	912	955	501
Capital grants	2,252	7,862	10,252	10,097
Capital contributions	353	406	590	15
Physical resources received free of charge	181	232	231	-
Net surplus / (deficit) resulting from operations	11,170	15,402	18,395	16,391

Operating revenue

Rates

For 2022–2023 our total rate revenue is projected to be \$85.5 million. In total, Council's rate revenue will decrease by \$377,000 in 2022–2023 in comparison to 2021–2022 due to the removal of the Community Wastewater Management System (CWMS) service fees. Excluding the CWMS comparison, the increase of Council's rate revenue is equivalent to \$3.07 million.

We propose a general rate revenue increase of 3.0% for 2022–2023. This is based on the cost of maintaining existing services and the projected costs included in the infrastructure asset management plans and the Long-Term Financial Plan.

In addition, we expect to receive a 0.6% increase in rates revenue due to new developments, subject to confirmation from the Valuer-General.

A total of TBA% of our general rate revenue will be derived from our commercial, industrial and vacant land use, with the remaining TBA% 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 State 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 2022–2023 are projected to increase by \$111,000 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 2022–2023 by \$311,000.

Investment income

Council earns interest from money held with financial institutions. The interest earned on these funds is estimated to be \$83,000 in 2022–2023. 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 \$83,000 in 2022–2023.

Other revenues

This is revenue not classified in the six categories above. Of the estimated \$1.7 million of other revenue projected for 2022–2023, \$500,000 is for estimated workers' compensation insurance rebate and \$470,000 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 \$529,000. This reflects the rising costs of a 2.5% (\$938,734) increase in the Enterprise Bargaining Agreement, which has been off-set by identified savings to ensure the Long-Term Financial Plan efficiency dividend of \$500,000 is achieved. There is also a reduction of employee costs due to an approximate \$700,000 reduction in the CWMS employee expenditure.

In 2022–2023 we have provided for a total of 362 FTE employees in the budget. This represents a decrease in the number of FTEs in comparison to 2020–2021 financial year of 4. This reduction has been achieved through vacancy management and efficiency reviews throughout the organisation without impacting frontline services to the community. There has also been a reduction in CWMS direct FTEs.

We allocate employee costs directly related to capital projects separately within the capital budget. These represent an additional sum of \$1.6 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 decrease by \$695,000 for 2022–2023 in comparison to the original budget for 2021–2022. The primary reason for the reduction is due to the removal of the CWMS Materials, Contracts and Other expenditure of \$2.3 million. The result of this is an increase in MCO for FYE 2023 of \$1.6 million.

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 2022–2023 our depreciation expense is forecast to be \$17 million, representing an increase of \$25,000 from 2021–2022. The removal of \$425,000 of depreciation due to the CWMS has been taken into account, thus the increase for the remaining assets is estimated at \$427,000.

Uniform presentation of finances for 2022–2023 financial year

	2020–2021 Actuals \$'000	2021–2022 Original budget \$'000	2021–2022 Current forecast \$'000	2022–2023 Budget \$'000
Operating				
Operating revenue	98,442	100,855	101,461	100,451
Less operating expenses	(90,355)	(94,864)	(95,095)	(94,673)
Operating surplus / (deficit) before capital amounts	8,087	5,991	6,366	5,778
Less net outlays on existing assets				
Capital expenditure on renewal and replacement of existing assets	16,771	19,450	21,842	20,678
Less depreciation, amortisation and impairment	(16,790)	(17,096)	(17,096)	(17,071)
Less proceeds from sale of replacement assets	(447)	(912)	(955)	(501)
Net outlay on existing assets	(466)	1,442	3,791	3,106
Less net outlays on new and upgraded assets				
Capital expenditure on new and upgraded assets	6,871	20,764	20,570	15,535
Less amounts received specifically for new and upgraded assets	(2,605)	(8,268)	(10,842)	(10,112)
Net outlay on new and upgraded assets	4,266	12,496	9,728	5,423
Net lending / (borrowing) for financial year	4,287	(7,947)	(7,153)	(2,751)

Net outlays on existing assets

We will allocate \$20.7 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 \$15.5 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 2022–2023 by \$2.2 million. This is in line with the Project Funding Strategy created for all the grant funded projects.

Statement of cash flows for the 2022–2023 financial year

	2020–2021 Actuals \$'000	2021–2022 Original budget \$'000	2021–2022 Current forecast \$'000	2022–2023 Budget \$'000
Cash flows from operating activities				
Receipts				
Operating receipts	105,738	100,835	101,418	100,431
Investment receipts	57	20	43	20
Payments				
Operating payments to suppliers and employees	79,528	77,218	77,449	77,052
Financial payments	495	550	550	550
Net cash provided (or used in) operating activities	25,772	23,087	23,462	22,849
Cash flows from investing activities				
Receipts				
Grants specifically from new or upgraded assets	2,605	7,862	10,252	10,097
Contributions specifically from new or upgraded assets	447	406	590	15
Sale of replaced assets	-	912	955	501
Payments				
Expenditure on renewal and replacement of assets	16,771	19,450	21,842	20,678
Expenditure on new and upgraded assets	6,871	20,764	20,570	15,535
Net cash provided by (or used in) investing activities	(20,590)	(31,034)	(30,615)	(25,600)
Cash flows from financing activities				
Receipts				
Proceeds from borrowings			4,153	2,253
Proceeds from bonds and deposits	53			
New borrowings required		7,396		
Payments				
Repayment of borrowings	4,000			
Repayment of finance lease liabilities	-	-	-	-
Net cash provided (or used in) financing activities	(4,000)	7,396	4,153	2,253
Net increase (decrease) in cash held	1,182	(551)	(3,000)	(498)
Cash and cash equivalents at beginning of reporting period	2,673	673	3,908	908
Cash and cash equivalents at end of reporting period	3,855	122	908	410

Balance sheet for the 2022–2023 financial year

	2020–2021 Actuals \$'000	2021–2022 Original budget \$'000	2021–2022 Current forecast \$'000	2022–2023 Budget \$'000
Assets				
Current assets				
Cash and cash equivalents	3,908	122	908	410
Trade and other receivables	4,476	4,432	4,476	4,476
Other financial assets (non-current assets held for sale)	33	511	33	33
Inventories	512	116	512	512
Total current assets	8,929	5,181	5,929	5,431
Non-current assets				
Financial assets	7,986	1,571,062	1,590,061	1,595,212
Infrastructure, property, plant and equipment	1,559,519	2,394	2,986	14,286
Total non-current assets	1,567,505	1,573,456	1,593,047	1,609,498
Total assets	1,576,434	1,578,637	1,598,976	1,614,929
Liabilities				
Current liabilities				
Trade and other payables	12,932	12,212	12,932	12,932
Short-term borrowings	4,420	4,158	4,420	4,420
Total current liabilities	17,352	16,370	17,352	17,352
Non-current liabilities				
Long-term borrowings	15,000	22,710	19,143	21,396
Long-term provisions	511	583	511	511
Total non-current liabilities	15,511	23,294	19,654	21,907
Total liabilities	32,863	39,664	37,006	39,259
Net assets	1,543,571	1,538,973	1,561,970	1,575,670
Equity				
Accumulated surplus	403,505	403,194	403,507	418,889
Year-to-date	-	15,402	18,394	16,391
Asset revaluation reserves	1,118,346	1,118,346	1,138,210	1,140,103
Other reserves	1,859	2,031	1,859	287
Net surplus or (deficit) resulting from operations	1,523,710	1,538,973	1,561,970	1,575,670

Statement of changes in equity for the 2022–2023 financial year

	2020–2021 Actuals \$'000	2021–2022 Original budget \$'000	2021–2022 Current forecast \$'000	2022–2023 Budget \$'000
Net surplus or deficit for year				
Balance at end of previous reporting period	392,163	403,194	403,508	418,889
Net result for year	11,342	15,402	18,394	16,391
Balance at end of period	403,505	418,596	421,903	435,280
Asset revaluation reserve				
Balance at end of previous reporting period	1,118,346	1,118,346	1,138,210	1,097,025
Gain or revaluation of infrastructure / property	19,861	-	-	43,078
Balance at end of period	1,138,207	1,118,346	1,138,210	1,140,103
Other reserves				
Balance at end of previous reporting period	2,031	2,031	1,859	287
Transfer between reserves	172	-	-	-
Balance at end of period	1,859	2,031	1,859	287
Total equity at end of period	1,543,571	1,538,973	1,561,971	1,575,670



Council horticulturalist Mick Medic on the job.

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 2022–2023, 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 average general rate will increase by 3.0% (excluding any increases due to growth), which means a total of \$85.5 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 34 shows the valuations and rates applied to the various land use categories and also the general revenue forecast for 2022–2023 (Note: these figures do not show rebates. In 2022–2023 we estimate we will provide \$1.6 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 38.

Land use	General rate revenue 2021–2022 \$'000	Valuation 2021–2022 \$'000	Estimated General rate revenue 2022–2023 \$'000	Valuation 2022–2023 \$'000	General rate revenue % income 2022–2023	Estimated Average \$ change per property
Commercial office	0.38	61	0.40	TBA	TBA	252
Commercial other	2.65	438	2.75	TBA	TBA	393
Commercial shop	5.51	921	5.77	TBA	TBA	1,457
Industrial light	0.26	39	0.26	TBA	TBA	153
Industrial other	0.57	91	0.58	TBA	TBA	192
Other	0.86	206	0.87	TBA	TBA	284
Primary production	0.39	92	0.40	TBA	TBA	111
Residential	69.89	17,295	72.54	TBA	TBA	67
Vacant land	1.52	206	1.57	TBA	TBA	86
Total	82.03	19,394	85.14	TBA	TBA	

The figures for 2022–2023 are subject to change due to valuation data being received by the Valuer General until 28 June 2022.

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 28 June 2022, it is proposed Council will adopted 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 2022–2023 are anticipated to remain fairly steady.

We have been advised by the Valuer-General that the average increase in valuation for residential properties is currently TBA%; for commercial and industrial properties it is TBA%; for primary production it is TBA%; and for vacant land is TBA%.

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

Rate assessment increase	Number of residential properties
Less than zero	TBA
0–0.4%	TBA
0.4–0.5%	TBA
0.5–1%	TBA
1–2%	TBA
2–6%	TBA
6–10%	TBA
Greater than 10%	TBA
New assessments	TBA
Total	TBA

Other charges related to rates

Minimum rate

We have set a minimum rate of \$TBA, which represents a TBA% increase. The minimum rate will be applied to approximately TBA 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.

Independent living units in a retirement village are exempt from paying the minimum rate under section 158 of the *Local Government Act 1999*.

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 1.0% increase to the Regional Landscape Levy for 2022–2023. Council's contribution to Green Adelaide via the levy for the financial year will be \$1.8 million.

Payment of rates

The payment of rates can be either by full payment or by quarterly installments, due and payable on the first business day 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 State 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.

Community Wastewater Management System

With the State Election now past us and the Labor Party forming government in South Australia, our focus is working with the State Government in delivering its election commitment that from 1 July 2022 the Community Wastewater Management System (CWMS) will be transferred to SA Water's billing system. This includes the transferral of all City of Tea Tree Gully CWMS customers as SA Water customers from 1 July 2022. The result of this is that the service fees received for the CWMS will cease to be chargeable by the City of Tea Tree Gully. The total of these fees has been removed from the 2022–2023 operating budget along with the equivalent CWMS expenditure resulting from Council no longer providing the service.

While Council will be doing everything to ensure this transfer occurs, the below is the proposed cost structure to be included in the 2022–2023 budget should the service still need to be provided to CWMS customers after 1 July 2022 by Council.

The Council will still need to aim for full cost recovery with the proposed cost of the service for customers increasing to \$795, an increase of \$50 from the 2021–2022 charge of \$745, an increase of 6.71% to ensure the Council is still working towards full cost recovery.

Community Wastewater Management System budget forecast

Operating surplus	\$'000
Income	
Rates	3,688
Statutory charges	-
User charges	-
Grants, subsidies, contributions	-
Investment income	-
Reimbursements/Other revenue	314
Total income	4,002
Expenditure	
Employee costs	710
Materials, contracts and other expenses	2,456
Depreciation	452
Finance charges	-
Total expenditure	3,618
Operating surplus	384
Capital expenditure	
Capital expenditure	200
Infrastructure income from owners capital	184
Capital works expenditure	384

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 2022. 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.

The maximum rebate granted will be capped at the difference between the residential rate and the industrial/commercial vacant land rate.

Council has resolved to include a discretionary rebate of 10% for any properties categorised as Retirement Villages or Independent Living Units by the Valuer General in the draft 2022–2023 Annual Business Plan and Budget. These applications will be considered on application and are subject to confirmation from the owner that the reduction in the rates will be provided directly to the residents.

Maximum rate increase – rate capping

In considering the maximum rate increase, any substantial rate increases can be considered and remedial action can be taken in the form of a rebate or remission of residential rates.



Mini Muncher kitchen caddies are issued free to residents to encourage organic waste recycling and diversion from landfill.

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	2020–2021 Actuals	2021–2022 Original budget	2021–2022 Current forecast	2022–2023 Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating surplus	Break even or better over 5 years	Break even or better over 3 years	8,091	5,991	6,367	5,778
Operating surplus ratio	0% – 15%	0% – 15%	8.2%	6.97%	7.41%	6.76%
Asset sustainability ratio	90% – 110% over a rolling 3-year period	90% – 110% over a rolling 3-year period	104.5%	108%	122%	118%
Fiscal balance	-	-	4,291	(7,947)	(7,153)	(2,751)
Adjusted fiscal balance	-	-	4,291	(7,947)	(7,153)	(2,751)
Net financial liabilities ratio including non-current assets held for sale	0% – 100%	0% – 100%	24.3%	34%	31%	34%
Net financial liabilities including non-current assets held for sale	-	-	23,968	34,483	31,077	34,340
Net financial liabilities ratio excluding non-current assets held for sale	-	-	24.9%	35%	31%	35%
Net financial liabilities excluding non-current assets held for sale	-	-	24,479	34,994	31,589	34,852
Interest cover ratio	-	-	0.4%	0.64%	0.6%	0.6%

- **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 sustainability ratio (ASR)**

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.

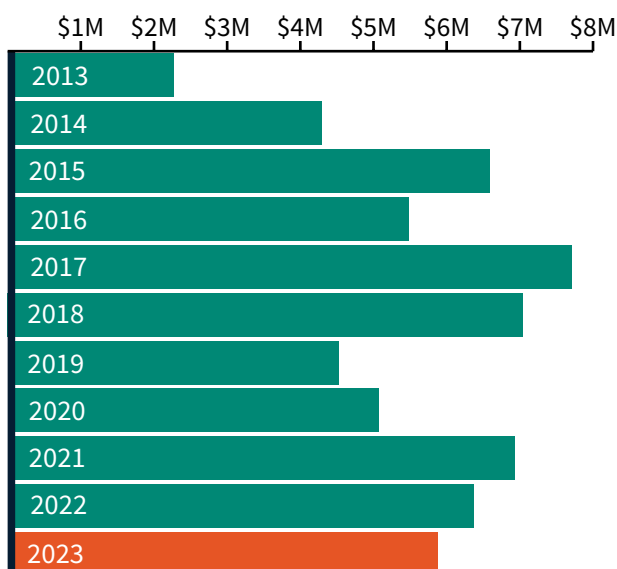
Operating surplus ratio

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 \$5,778 million. These funds are used to enhance and improve services, fund new capital works and reduce Council's debt levels.

Operating surplus 2013–2023



Assets sustainability ratio

The asset sustainability ratio (ASR) 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 2021–2022 budget

includes capital renewal works of \$20.7 million (excludes any grant income and sale of assets). This represents an ASR of 118%, which is in the target range specified in the Long-Term Financial Plan (LTFP).

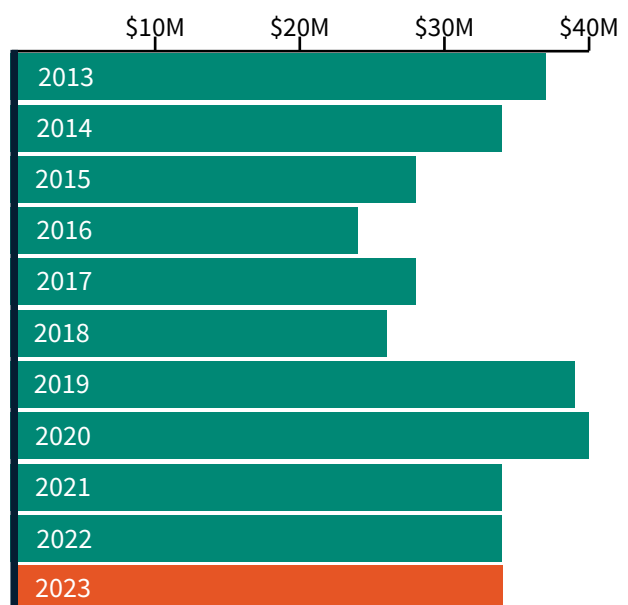
We have reviewed the infrastructure asset management plans in the context of the LTFP and have considered strategies to help us maintain performance within the targeted range. We will also continue to review the ASR target range to ensure the set targets remain appropriate.

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 (NFLR) 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 2013–2023





CITY OF
TEA TREE GULLY
Naturally Better

571 Montague Road, Modbury 5092
PO Box 571, Modbury 5092
cttg.sa.gov.au