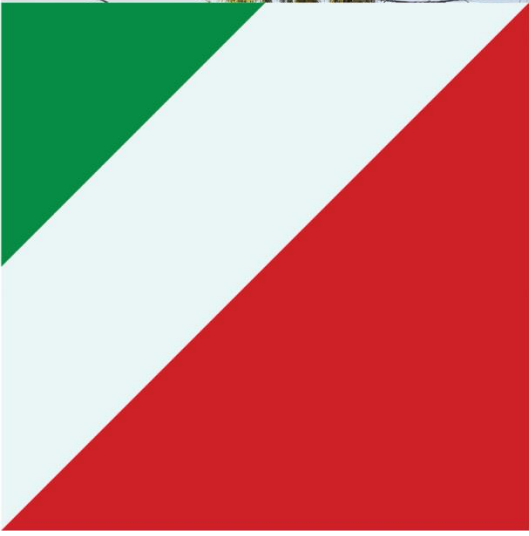
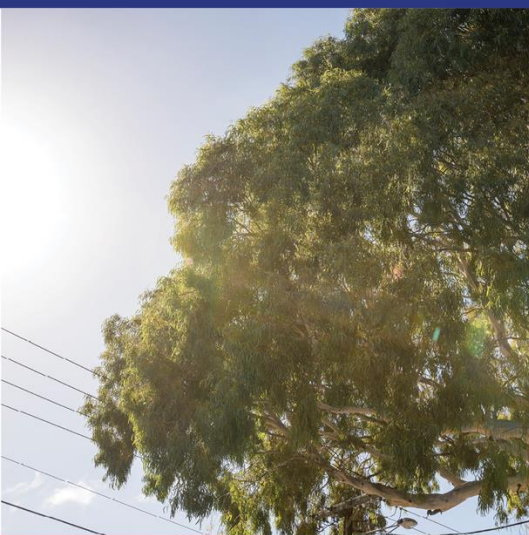


ANNUAL BUSINESS PLAN AND BUDGET 2024/25



**MEANS
THE WORLD**

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ACKNOWLEDGMENT OF COUNTRY

Niina Marni is Kurna for 'Welcome'.

Ngadlu Mikawamangka yuwanthi, Kurna yartangka. Kumartarna, Yaitya-Miyurna purrutyi ngadlurlu tampinhi.

We are standing on Mikawama, on Kurna land.

We acknowledge all Aboriginal people.

CITY OF CHARLES STURT MEANS THE WORLD

The City of Charles Sturt is one of the largest metropolitan Council areas in South Australia. Covering 5,500 hectares and home to almost 130,000 residents, our City is a hub of diversity, blending business opportunities with leisure and recreation, all within reach of beautiful beaches, Adelaide's city centre, and essential facilities like the port and airport.

Charles Sturt stands at the forefront of Adelaide's sporting and entertainment sectors, featuring national stadiums, golf courses, and the River Torrens Linear Park, among others. It's a beautiful place, offering a wide range of educational, healthcare, and community amenities, ensuring a rich, inclusive experience for everyone.

The population of Charles Sturt is older than that of metropolitan Adelaide with a higher proportion of people aged 65 and over and a lower proportion aged 14 years and under (compared to metropolitan Adelaide). While most of the occupied dwellings within the City are occupied by families, the City has a high proportion of single person households compared to metropolitan Adelaide. The City is diverse, with people from over 105 cultures living in Charles Sturt.

The City of Charles Sturt "Means the World", highlights what makes our City unique, and is the pride of everyone who calls it home.



CEO STATEMENT ON FINANCIAL SUSTAINABILITY

The City of Charles Sturt takes its commitment to our community to deliver our services in a financially sustainable way seriously. We do this by having a sound financial and asset planning framework to guide the management of over \$1.3b of assets. It also ensures we have a clear understanding of our communities' expectations of the services we deliver. This includes emerging priorities and aspirations. We balance this with sensitivity around the rates we charge and making sure that we are efficient in delivery and that each generation makes a fair contribution toward longer term asset management.



CEO Paul Sutton

Our planning framework is led from our Community Plan, which outlines the strategy and vision for our City. Its five themes shape who we are and guide how we work together as an organisation and community. This Plan also identifies the outcomes and aspirations for each theme and how we will track and measure success. Our plan creates opportunities for the City of Charles Sturt to grow, to connect, and to enhance the western region and greater Adelaide. Supporting the Community Plan is our Organisational Plan, a range of Asset Mgt Plans, and a suite of other strategies that reflect particular areas of action including our approach to environmental issues and climate change.

Our Long Term Financial Plan (LTFP) translates the cost of these plans to ensure they can be realised. This ensures their viable delivery and demonstrates not only short but long term financial sustainability. The LTFP has a variety of inputs, forecasts and assumptions of the future economic climate. Given the future nature of these there will always be some variability in these to what actually occurs, hence we do our best and use the most up to date information available. Through this we seek to deliver all we have planned and avoid economic shocks being transferred to our ratepayers.

Council applies the 3 key financial indicators used across our sector and has set target ranges or parameters for each indicator. These indicators enable high level comparability among Councils and drives accountability, ensuring we "continue to meet long-term service and infrastructure levels and standards, without substantial increases in rates or cuts to services".

They are:

- The Operating surplus ratio is > 0% and <10% and
- Asset Renewal funding ratio is > 80% and
- Net Financial liability ratio is less than 100% over the forecast period.

Our current LTFP shows Council to be financially sustainable across all three financial indicators over the 10 year horizon.

Council also ensures ongoing financial sustainability by budgeting for an Operating Surplus ratio between 2.5% and 5% over the 10 years and a Net Financial Liabilities ratio in year 10 being no greater than 25% of revenue. This ensures we are positioned to respond to future opportunities or challenges while ensuring repayment program for capital works infrastructure borrowings.

Each year the LTFP is updated to remain contemporary. This updates any changes to assumptions and updates to the economic outlook as well as internal factors and adds a new year to the long term horizon. Changes also occur to asset management plans which impact the LTFP as they are refreshed, as well as new strategies and initiatives adopted by Council are also incorporated.

The volatility of the recent economic climate including increases in the cost of delivery of infrastructure and services has had an influence on the rates increases required for 2024/25. Council has also actively supported initiatives to increase tree canopy by planting an additional 3,000 trees (total of 6,000 trees) per annum. This long term strategy has been funded via an additional 2% rate rise in 2024/25 and has been included in our forecast projections. The endorsed LTFP and assumptions result in a forecast rate rise of 6.25% plus new property growth in 2024/25.

The current December Adelaide CPI is 4.8% and there is an assumption that the CPI will reduce over 2024/25 and that is the basis on which the LTFP has been developed. Deloitte Access Economics are used as an independent source of CPI projections and are currently forecasting a CPI of 2.75% over the 2024/25.

Council is mindful of the current economic uncertainty and given there is some risk of variability we continue to look for cost efficiencies within our service delivery to ensure our projected rates increases align with the forecasts and as best as possible community expectations.

In the immediate term there are several challenges and opportunities facing the City today and into the future.

- Infrastructure demands with ongoing maintenance with escalating costs and replenishment responsibilities of existing infrastructure and the provision of new infrastructure to meet community demands and expectations.
- Managing the cost of waste and the processing of organic materials and increasing the use of recyclables as we move toward a circular economy, including the operation of our Materials Recovery Facility.
- Addressing our Climate Change emergency declaration and delivering a reduction in carbon emissions across a range of initiatives.
- Continuing to support the economy via implementation of our Economic Development Plans across the Western Region to create a prosperous community.
- Digital transformation of business processes for modern IT systems with the customer as the core.
- Encouraging and supporting greater participation and active engagement by the community in facilitating outcomes.
- The uncertainty in the current economic climate.

In responding to these challenges, Year 1 of the LTFP lays the foundation for development of the Annual Budget to ensure alignment with the longer term plan, the high level parameters, and responsible rates increases.

The major budget categories are:

- Recurrent Operating Budget
- New Capex works
- Renewal Capex works
- Operating Projects

these are evaluated within the context of the LTFP and each category works within the LTFP forecast. We maintain a strong correlation across the categories and between AMPs in each budget year.

This discipline enhances confidence in the realisation of Council's operations, projects, and ongoing financial sustainability.

As stated at the outset, we take the future our community aspires to and how we manage that seriously. We do this by working together to create opportunities for the City of Charles Sturt to grow, connect and to enhance the western region and greater Adelaide in a sustainable way



Paul Sutton
Chief Executive Officer



STRATEGIC CONTEXT

This Annual Business Plan 2024/25 for the City of Charles Sturt has been developed within an overall planning framework which sets the strategic directions for the Council over the medium and long term and converts these into annual actions and outcomes.

A 10-year Long Term Financial Plan summarises the financial impacts of Council's strategic directions and provides an indication of the sustainability of these plans. By evaluating our financial strategies over a planning horizon of 10 years we can determine how decisions we make now and for the 2024/25 budget will impact on future budgets and ensure the impact of rates is spread equitably across generations of ratepayers so that Council is financially sustainable over the long term and planned service standards and infrastructure levels can be met without unplanned and disruptive increases in rates or cuts to services.

Our Community Vision 2040 – *A Place to call home, A Place where we belong*, is the lead document in council's strategic planning framework. This vision connects the aspirations of our whole community and sets the priorities for the next decade and beyond reflecting feedback, ideas and insights from our recent community consultation.

Our Organisational Plan is the next step in the delivery of that plan and will detail the actions and measures that will deliver, over the next 5 years, the first stage of our Community Plan. Progress and achievements from this Annual Business Plan will be reported each year through the Annual report.

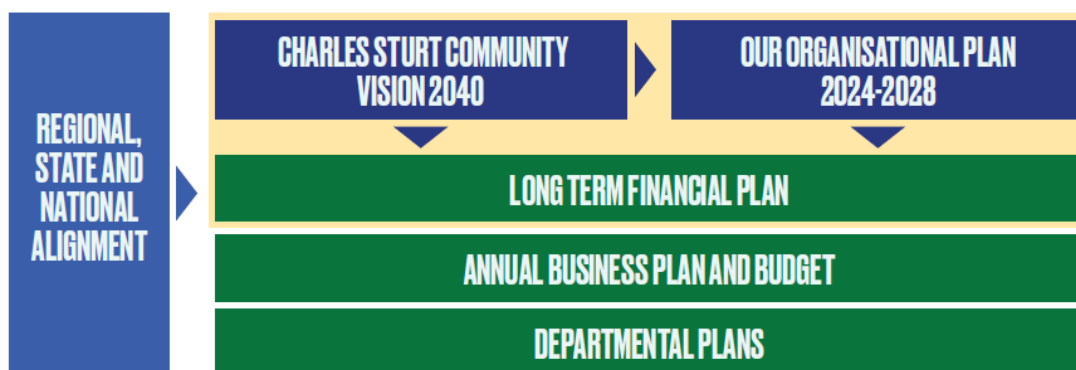
As required by the Local Government Act 1999, Our Community Plan had been developed recognising our regional alliances and State Strategic Plans.

State Strategic Targets have been cross-referenced to the applicable strategies within the City of Charles Sturt Community Plan. It is important to note that the strategies within our Community Plan will not in themselves achieve the targets of the State Strategic Plan but will contribute to their achievement.

Our Community Vision and other relevant documents are all available from council's website:

www.charlessturt.sa.gov.au

The following diagram depicts Council's strategic planning framework.



CITY OF CHARLES STURT COMMUNITY VISION 2040

The Charles Sturt Community Vision 2040 sets out our aspiration for our community and organisation.

We each have a role to play to deliver this future, from individuals to community groups, business, our private sector and different agencies that make up our three tiers of government.



Community Vision – Themes

Our Community Vision creates a clear and collective understanding for the future of our city. It is a public commitment to work together to make our shared vision a reality.



Flagship Initiatives:

To demonstrate our commitment to work together with our community, we have identified the following four flagship initiatives:

- Tree canopy strategy
- Community renewable energy program
- Central precinct - Your neighbourhood plan
- Local centre revitalisation

What is a flagship initiative:

- Is transformational to one of the community vision themes, or
- Has a significant positive impact across multiple themes
- Is generally a longer term initiative
- Triggers structured and regular reporting to Council so that we can monitor our progress

How will we achieve these initiatives?

Tree canopy strategy:

- The Tree Canopy Strategy will address these growing areas of concern and details how we will drive improvement by delivering our target of 25% canopy across the City by the year 2045.

- Partnering with our community to ensure that we are well positioned to transform our City into a green and healthy area that is full of life.

Community renewable energy program:

- We have made a significant reduction in our fuel, electricity, and gas emissions through a range of projects and initiatives.
- We have also identified a way to assist our community to access renewable energy, further reducing our emissions while continuing to maintain their lifestyles in a time where energy and living costs are increasing.

Central precinct your neighbourhood plan:

- By working with our community to identify gaps in services and propose community endorsed projects to address these gaps.
- Ensure that we have a well thought out plan to improve the liveability for areas of anticipated growth within our City, and one that can serve an increased population through enhanced neighbourhoods.

Local centre revitalisation:

- The program will plan for public realm upgrades and facade renovation to improve the amenity and functionality of our local centres.
- Will support centre owners and operators to better connect with their local communities and understand their needs, ensuring they are sustainable and add value to the people they serve.



FINANCIAL STRATEGY – LONG TERM FINANCIAL PLAN

Council uses financial modelling tools to examine the potential impact of its decisions over the long term in determining what the community can afford for a level of rates, debt and services. Council's long-term financial performance and position is considered to be financially sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

The Long Term Financial Plan (LTFP) modelling provides a high level budget framework to guide us when preparing the budget detail and ensure we understand the impact of decisions made today on our future so we can be financially sustainable over the long term.

Our current 10 year Long Term Financial Plan is prepared using a number of tabled assumptions which reflect an assessment of the economic climate and predictions on variables which will impact on Council operations. The process is iterative and assumptions are reviewed every 12 months using updated information and predictions on performance.

Given that Long Term Financial Plans are derived from a "best guess" estimate of future performance it should be appreciated that actual results are likely to vary from the information contained in the Long Term Financial Plan, and at times these variations could be material. The accuracy of predictions over the longer term decreases over time and major difficulties exist in the ability of Council to accurately predict the capital expenditure requirements for Council's extensive infrastructure and new capital.

Council Members were asked to review a number of LTFP scenarios using a standard number of base assumptions which were reviewed by the Audit and Risk committee at its meeting 20 February 2024 to forecast future financial performance over the next 10 years. Following feedback from the Audit and Risk committee, Council workshop and Corporate Services committee review, the Council at its meeting 12 March 2024 adopted the LTFP for the next 10 years based on a preferred funding scenario following an analysis of key financial indicators and assessment of its long term financial sustainability

The scenario adopted identifies the high level parameters for total rates, borrowings, level of capital expenditure, annual operating projects and recurrent budget forecasts for development of the annual budget for 2024/25. As the actual inputs are refined over the budget process a comparison to the LTFP high level parameters adopted will determine any changes required to those high level parameters and a review of the impact on future financial forecasts.

Asset Management Plans (AMP) have been produced and reviewed regularly as required for asset renewal/replacement of each major asset category and which have been presented to Council for endorsement. These are used as the basis for predicting Council's ongoing commitment to infrastructure spending on asset renewal and replacement of its existing asset infrastructure based on independent assessments of useful life and condition.

Council staff have also been gathering financial forecast information on new/upgrade capital projects derived from existing strategic managements plans such the Open Space Strategy, Council resolutions supporting new projects and major project initiatives.

The modelling assumes that Council will continue to use debt where relevant as a mechanism for funding of its new/upgrade capital program to avoid unacceptable rates increases over the short term and as a way of achieving inter-generational equity.

In summary the high level parameters for 2024/25 which were used to **guide** the development of the budget are:

- Operating surplus ratio 2.4%
- Net Financial Liabilities ratio 53.7%
- Asset renewal funding ratio 100%
- Interest cover ratio 1.3%
- Operating surplus of \$3.791m
- Proposed rates increase 6.25% **
- New property growth assumed of 1%
- Total annual operating projects \$3.814m
- Total capital (renewal) \$38.226m
- Total capital New/Upgrade \$14.05m
- Using existing CAD facilities for borrowings forecast at \$48.345m

** includes 2% to fund an increased service level to increase tree canopy to 25% by 2040

All assumptions used for the LTFP forecasts are detailed in [Schedule A](#) (located in attachment A) and are prepared on the basis of best estimates as to future events which Council expects are likely to take place.

SUMMARY TABLE OF LTFP AND KEY HIGH LEVEL PARAMETERS

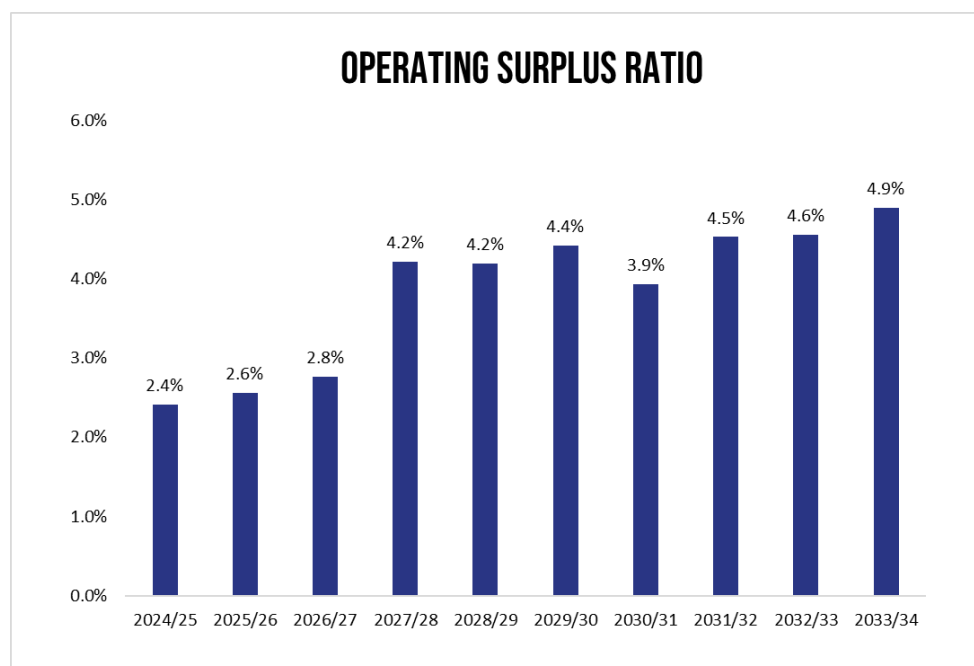
10 YEAR FINANCIAL PLAN FOR THE YEARS ENDING 30 JUNE 2034

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rates Increase	6.25%	3.30%	3.01%	2.98%	2.35%	2.25%	2.30%	2.44%	2.49%	2.48%
Rates Growth	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.00%
Rates Revenue	7.25%	4.30%	4.01%	3.98%	3.35%	3.25%	3.30%	3.44%	3.49%	2.48%
Profit and Loss Statement										
Rates	138,570	144,358	150,086	156,002	161,190	166,384	171,830	177,693	183,845	190,198
Employee Costs	58,434	60,538	62,522	64,408	66,649	68,717	71,148	73,375	75,934	78,357
Depreciation	36,950	38,060	39,205	40,375	41,527	42,668	43,863	45,152	46,502	47,888
Operating Surplus	3,791	4,176	4,692	7,415	7,610	8,271	7,590	9,037	9,408	10,433
Borrowings	48,345	70,688	66,906	66,082	59,392	58,775	51,382	40,676	32,125	10,775
KPI Ratios	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operating Surplus Ratio	2.4%	2.6%	2.8%	4.2%	4.2%	4.4%	3.9%	4.5%	4.6%	4.9%
Net Financial Liabilities Ratio	53.7%	65.2%	60.7%	58.1%	52.8%	51.2%	46.2%	39.6%	34.6%	23.8%
Asset Renewal Funding Ratio	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest Cover Ratio	1.3%	1.6%	1.8%	1.3%	1.1%	1.0%	0.9%	0.7%	0.6%	0.3%
Annual Operating Projects	2,200	2,255	2,312	2,369	2,425	2,479	2,536	2,598	2,663	2,729
Tree Canopy	1,214	1,376	1,661	1,711	2,127	2,170	2,746	2,801	3,293	3,359
LG Election (in addn to AOP)			650				675			
DFP Project	801	919								
DFP Project 50% funded outside AOP)	-401	-460								
Total AOP	3,814	4,091	4,622	4,080	4,552	4,649	5,957	5,399	5,956	6,088
Capital Program \$0,000	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Capital Renewal	38,226	41,872	28,843	31,433	30,234	32,292	28,128	30,268	32,984	30,460
Capital New & Upgrade	14,050	22,279	11,456	15,656	11,421	16,292	13,649	9,959	9,899	2,399
Total	52,276	66,308	41,861	47,089	41,655	48,584	41,777	40,227	42,883	32,859

To determine whether this financial plan achieves financial sustainability of Council operations over the long term a number of key financial indicators have been endorsed by Council. Indicators include the operating sustainability ratio, asset renewal funding ratio and net financial liabilities ratio and performance is monitored against the benchmarks established.

The Operating surplus ratio expresses the level of operating surplus/deficit as a percentage of operating Income with a negative ratio highlighting the additional revenue percentage required to ensure current ratepayers are paying for their current consumption of resources. The council to ensure long term sustainability needs to ensure it has a plan to pay off debt over time as well as position itself to respond to future impacts without a rates shock and given feedback from the Audit committee has determined an operating surplus ratio of between 2.5% and 5% is a preferable target.

This ratio for the adopted LTFP is positive over the forecast period for the adopted LTFP and is within 2.4% and 4.9% over the 10 years (Benchmark >0% and <10%)



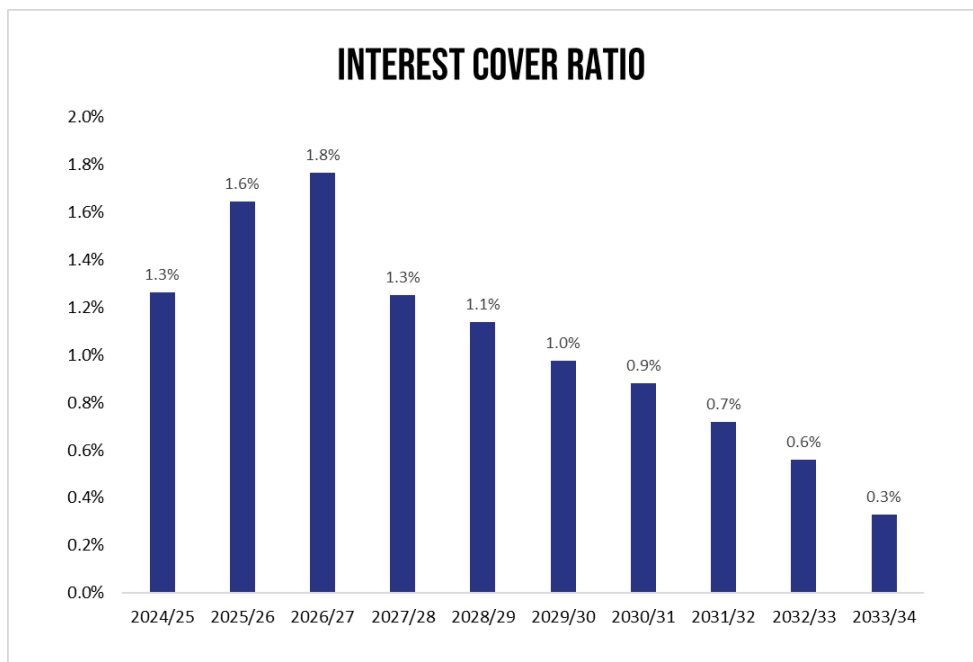
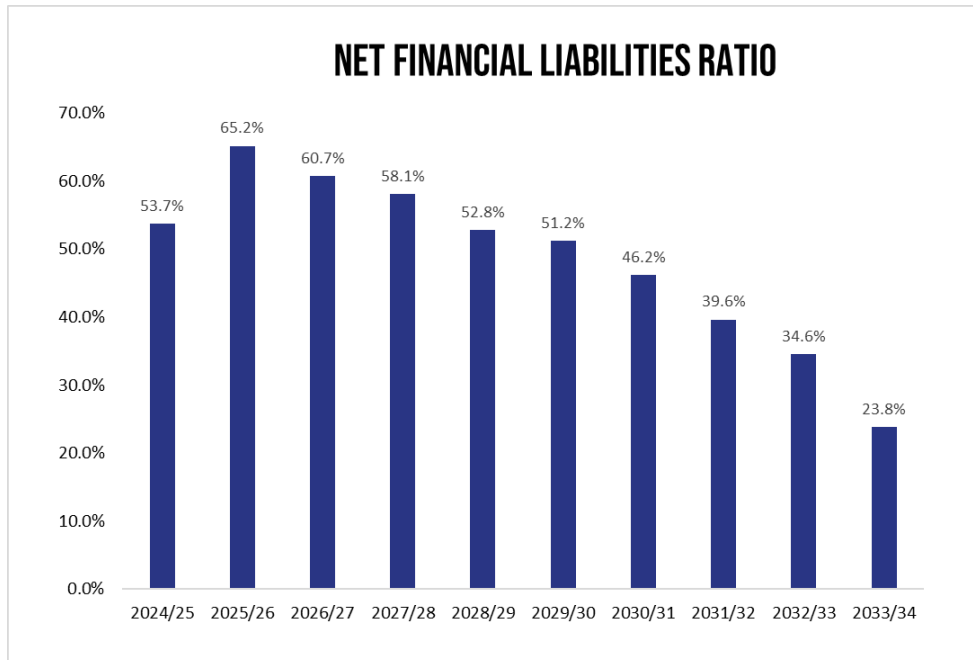
A council must also ensure its total debt does not exceed its ability to service this level of debt.

Net financial liabilities measure Council's total indebtedness and includes not only its loans but its obligations for leave entitlements and provisions.

The Local Government endorsed ratios for a council's indebtedness is for net financial liabilities as a percentage of operating revenue with acceptable limits between 0% and 100% and for an interest cover ratio with interest costs as a percentage of operating revenues within an acceptable benchmark of less than 10%.

Council in seeking to ensure it has a plan to repay its indebtedness over time seeks to ensure in year 10 its net financial liabilities ratio is <25%.

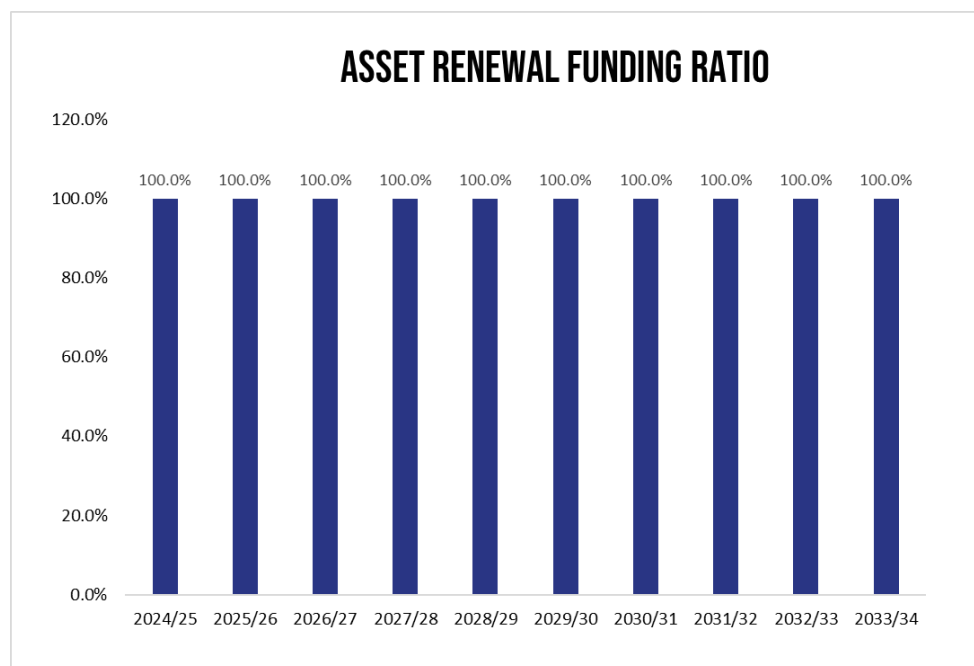
The adopted LTFP delivers a net financial liabilities ratio with a peak at 65.2% in 2025/26 reducing to 23.8% in 2033/24 and an interest cover ratio less than 1.8% over the 10-year forecast period, all well within acceptable benchmarks.



Charles Sturt is the caretaker for more than \$1.0 billion of community assets and is responsible for maintaining the value of these assets.

Asset Management Plans have now been produced for all major asset classes and these have been used to more accurately predict Council's ongoing commitment to infrastructure spending on renewal of Council's existing assets based on assessment of condition and the useful life of those assets.

The asset renewal funding ratio indicates whether a council is renewing or replacing existing infrastructure assets compared with what is needed to cost effectively maintain service levels as prescribed by its adopted Asset Management Plans. The scenario endorsed by Council shows a ratio which assumes the renewal of infrastructure equates to that identified in its adopted Asset Management Plans. However the target for this ratio for >80% having regard to the reality of the timing of delivery of budgeted renewals over time.



Overall the strategy endorsed by Council positions itself over the forecast period to be able to meet its obligations for current service levels plus future infrastructure commitments without excessive rate increases or cuts to services including an increased service level for a tree canopy program that increases the amount of shade to 25% across the City by 2045 in line with its strategy to address Climate change and reduce emissions.

An operating surplus ratio is achieved across the planning period to ensure the generation of ratepayers is paying for the consumption of resources and Councils' asset management plans are fully funded to meet planned infrastructure works that address asset renewal and new/upgrade projects within acceptable benchmarks for council's key financial targets including borrowings which are used to guide its decision making.

A full copy of the Long Term Financial Plan 2021-2031 is included as [Attachment A](#)

Please note year 1 (2024/2025) of this adopted LTFP provided the basis for development of the annual budget. The final budget 2024/2025 was adopted following consultation feedback and finalisation of actual inputs for the recurrent budget and level of capital and annual operating projects, with the final budget demonstrating a strong alignment to the high level parameters of the adopted LTFP.



SIGNIFICANT INFLUENCES ON THE DEVELOPMENT OF THE BUDGET

External Influences

In preparing the 2024/25 budget a number of external influences have been taken into account because they are likely to impact significantly on the cost of services delivered by Council in the budget period. These include:

- The Consumer Price Index (CPI) All Groups Adelaide increase on goods and services of 4.3% for the 12 months ending 31 March 2024
- Forecast CPI using predictive information from Access Economics for the year ended June 2025 of 2.75%
- Local Government Price Index for 2024/25 of 3.2%
- The impact of the economy on interest rates for the current loan portfolio and on interest earned on average cash balances
- Rising costs of waste disposal and zero waste levy
- Increase in super guarantee from 11.0% to 11.5%
- Rising costs of postage with a 25% increase from 1 January 2024
- Increase in the cost of insurance including recognition of the impact of cyber fraud.
- ESCOSA audit as mandated by legislation

- Impact of climate change
- Rising costs with supply chain and market conditions impacted by external global factors

Internal Influences

As well as the external influences there were also a number of internal influences arising from the 2023/24 year which have had a significant impact on the setting of the recurrent budget for 2024/25. These include:

- The impact on salary and wage costs of potential Enterprise Bargaining Agreements (EBAs) for staff covered by the ASU and AWU
- Council's decision to ensure maintenance of an operating break even position and ongoing financial sustainability
- Council's commitment to water business unit and water reuse strategies
- Increased IS services and Cloud migration including Digital Future SaaS strategy
- Additional staff and expenditure approved through adopted annual operating projects 2023/24 which impact recurrent budgets 2024/25.
- Increase in frequency of spring cuts for verge maintenance
- Impact of operational efficiencies including outsourcing of the jetvac
- Collaboration projects with Marion and Port Adelaide Enfield councils
- Endorsement of initiatives to reduce carbon emissions.

Council has adopted a number of *Budget Principles* which underpin the approach to the budget development process - refer [Attachment A, Schedule C](#).

Budget guidelines were also distributed to all Council officers with budget responsibilities. These guidelines set out the principles upon which the officers were to prepare the budgets. These principles include:

- existing fees and charges to be increased in line with the revised fees and charges in Council's Fees & Charges Register. Fees and charges set by regulation to be increased in line with forecast CPI
- grants to be based on confirmed funding levels only
- service levels to be maintained at 2023/24 levels with the aim of using innovation and efficiency to further reduce costs (unless separate approval granted by Council)
- all new staffing proposals to be justified through a business case and an annual operating project bid approved through the budget process
- new initiatives or projects which are not cost neutral to be justified through a business case and included as an operating project
- All items of expenditure and income requested to be justified in complete detail by each budget manager starting from a zero-base rather than using the previous year budget as a starting point
- real savings in expenditure and increases in revenue identified in 2023/24 to be preserved, and

- operating revenues and expenses arising from completed 2023/24 capital projects and annual operating projects are to be included.

BUDGET SNAPSHOT 2024/25

Following community consultation on the Draft Annual Business plan 2024/25 and having regard to the endorsed LTFP which set the high level parameters of the budget, the final adopted budget highlights for 2024/25 is :

Total Recurrent Operating Income (excluding rates levied)	\$20.1m
Total Rates levied (6.25% plus 1% forecast growth)	\$138.3m
Total Recurrent Operating expense (incl Depreciation)	\$150.7m
Operating surplus (incl share of council subsidiary CAWRA)	\$2.6m
Total Annual Operating Projects (NET)	\$3.9m
Total Capital (NET)	\$52.4m

Key Financial Ratios 2024/25 which monitor councils financial sustainability

Ratio	%	Benchmark
Operating surplus ratio	1.6%	>0% and <10%
Net financial liabilities ratio	52.7%	<100%
Asset renewal funding ratio	111.6%	>80%



WHAT SERVICES WILL WE DELIVER TO OUR COMMUNITY IN 2024/25?

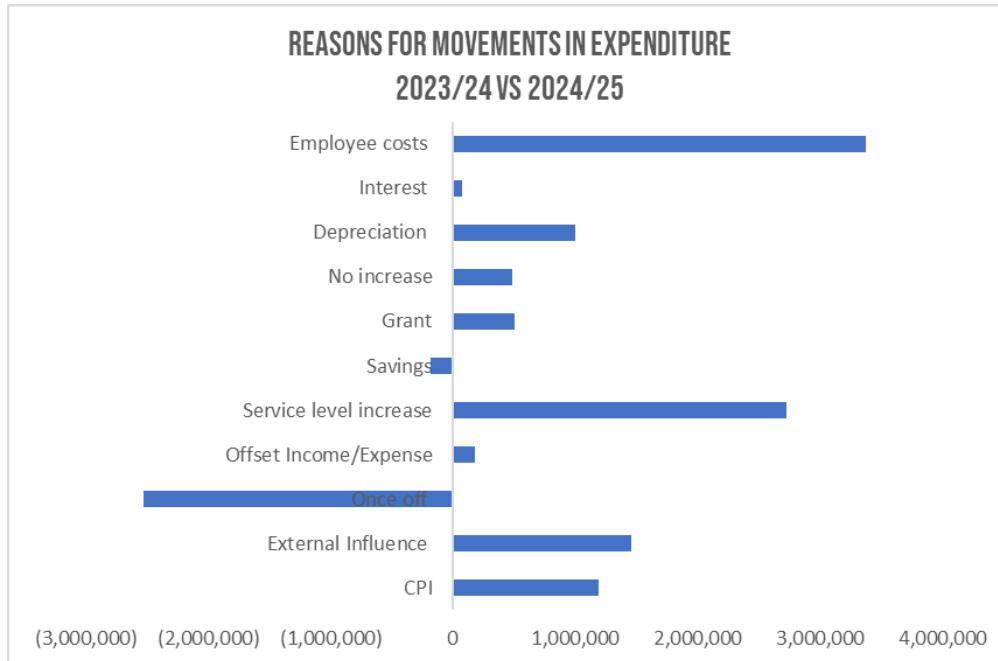
All councils have basic responsibilities under the Local Government Act 1999 and other relevant legislation. These include:

- Management of basic infrastructure include roads, footpaths, parks, public open space, street lighting and stormwater drainage
- Street cleaning and rubbish collection
- Development planning and control including safety assessment
- Various environmental health services
- Maintaining the voters roll and supporting the elected Council, and
- Setting rates, preparing an annual budget and determining longer term strategic management plans for the area.

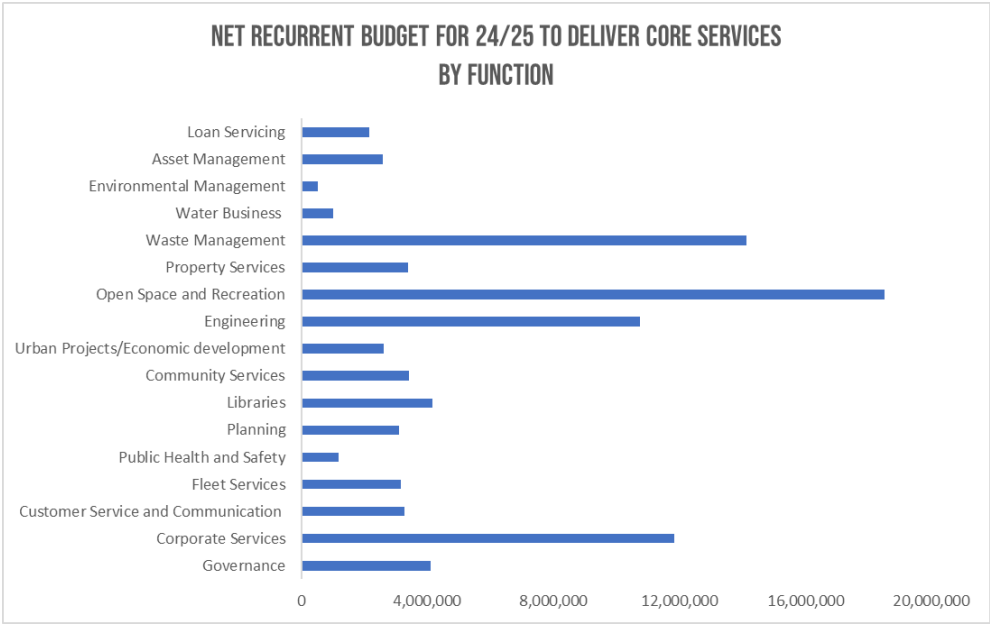
In response to community needs we also provide further services including:

- Libraries
- Community centres
- Community programs
- On street parking management
- Dog and cat management, and
- Verge mowing.

Budget managers developed their recurrent budget requirements following a zero based approach and having regard to previous years trends, noting that reductions in budgets (savings) were used to offset the cost of external influences, wage increases and service level increases to ensure the rates increase remained in line with the high level parameters for the adopted LTFP used to guide development of the annual budget.



The graph above indicates how continual cost savings and fiscally prudent budget management are supporting the funding of service level increases, employee cost increases and external factors. (please note the “one off category” includes the restructure for the Community Connections Portfolio and creation of new business units to better align with the functions of the team).



***Corporate Services includes support services such as Information Systems, Organisational Development, rates management, finance, records management, customer service and insurance.**



ANNUAL OPERATING AND CAPITAL PROJECTS

In addition to Council's "core" activities for its recurrent budget funding is put aside for annual operating projects and capital projects.

Annual Operating Projects

Annual Operating projects support the current strategic focus of Council and / or which may be short term or one off initiatives.

All annual operating projects were the subject of community consultation and review by Council Members before the final project list was determined.

In 2024/25 it is proposed to fund **\$3,903,991** in annual operating projects comprising \$278,150 in income and \$4,182,141 in expenditure.

This is in line with the annual operating projects consulted but greater than the forecast in the LTFP parameters for 2024/25 of \$3.814m by \$90k



\$1.5m in additional greening and climate initiatives of which \$1.2m is for increasing our tree canopy by 25% by 2040.

\$54k for the extension of the successful Food and Green Organics (FOGO) trial.



Over \$350K towards the thriving local businesses, arts, and events.

\$210k building our workplace with graduates and new employment opportunities.



The individual projects making up the Annual Operating projects program are listed in the table below.

Name	Budget Bid Income \$ 2024/25	Budget Bid Expenses \$ 2024/25	Net Budget Bid \$ 2024/25
Digital Capabilities resource (year 2 of 3)	\$0	\$100,000	\$100,000
Tree Canopy - Tree Maintenance Scheduler - 1.0 FTE	\$0	\$114,944	\$114,944
Tree Canopy Lead - 1.0 FTE	\$0	\$125,000	\$125,000
Tree Canopy - Tree Establishment Team Member - 2.0 FTE	\$0	\$168,997	\$168,997
Tree Canopy - Planting and Maintenance (Street and Reserve)	\$0	\$805,000	\$805,000
Discretionary Ward Allowance for Council Members	\$0	\$176,000	\$176,000
Tree Canopy - Treebate: Tree Rebate Scheme	\$0	\$20,000	\$20,000
Permanent resource to effectively manage city-wide parking controls	\$100,000	\$100,000	\$0
Arborist apprentice - replenishment program	\$0	\$50,000	\$50,000
Soft Plastics Recycling Pilot - Phase 2	\$0	\$26,000	\$26,000
Whole Street Planting 2025	\$0	\$200,000	\$200,000
Extension of weekly FOGO trial	\$0	\$54,000	\$54,000
Business Support Program	\$0	\$140,000	\$140,000
Arts and Cultural Grants Program	\$10,000	\$110,000	\$100,000
Events and Festivals Sponsorship Fund	\$0	\$125,000	\$125,000
Shop Local Improvement Grants	\$0	\$70,000	\$70,000
AdaptWest in Action 24/25 - Regional Climate Change Response for Western Adelaide	\$130,000	\$195,000	\$65,000
Pet Desexing and Microchipping Program	\$0	\$20,000	\$20,000
West Beach Road Place Making - Lighting and Art	\$0	\$17,500	\$17,500
Replenishment Program - Graduate Program	\$0	\$213,668	\$213,668
Development Officer - Building Inspector to support the inspection of Certificate of Occupancy for Class 1 dwellings	\$38,150	\$124,032	\$85,882
Transition of Technology One enterprise software (ERP) to Software as a Service (SaaS)	\$0	\$675,000	\$675,000
Cyber Security SIEM/SOC Services	\$0	\$155,000	\$155,000
CRM Consolidation 2024-2025	\$0	\$397,000	\$397,000
	\$278,150	\$4,182,141	\$3,903,991



Capital Projects

The City of Charles Sturt is responsible for a vast portfolio of assets with a carrying value in excess of a billion dollars. It is therefore critical for long term sustainability of assets that Council engages in practises that optimise the assets useful lives for the benefit of the community.

To ensure the value of our assets are maintained our long term strategy provides for us to fund a capital renewal expenditure program based on Council endorsed Asset Management Plans for each asset. The Asset Management Plans determine future funding requirements based on life and condition assessments of council's existing asset stock and which will be continually refined and updated with the best available information.

For new and upgraded infrastructure capital projects are derived from existing strategic managements plans such the Open Space Strategy, Council resolutions supporting new projects, major project initiatives plus direct requests from the community. New/Upgraded capital projects are those which increase Council's current asset stock or significantly enhance an existing asset to provide a higher level of service or extend the life beyond that which it had originally.

In 2024/25 it is proposed to fund a council contribution of **\$52,357,630** in a total capital program comprising \$5,183,310 in income and \$57,540,940 in total expenditure.

All capital projects were the subject of community consultation and review by Council Members before the final project list was determined.

External funding of \$10k was identified for the bird bath at MJ McInerny reserve following the consultation and the net project cost to council was reduced to nil.

As per confidential report CL 24/06/2024 item 11.04 and following the completion of the tender process the scope of the Power Purchase Agreement (PPA) solar panel project was changed from "Supply and installation of solar panels" to "Supply and installation of solar panels, batteries and associated energy equipment to maximise financial benefit from the PPA" with no change to the project cost. However, it was noted that Council recognise and note the annual savings generated by the PPA whilst also noting the inherent complexities and electricity usage management required to achieve these savings, and as a result endorses the creation of a dedicated role (1.0 FTE) fully funded by the savings generated to optimise Council's financial outcomes under the PPA.

The capital program adopted comprises **\$40,826,973** net in renewal capital projects with \$1,848,310 in income and \$42,675,283 in expenditure based on adopted asset management plans and **\$11,530,657** net in new/upgraded capital projects with \$3,335,000 in income and \$14,865,657 in expenditure which are listed below.



Over \$333K towards the local Flinders Park Football Club to aid in the court/lighting upgrade, plus an electronic scoreboard.

\$2.5m to install PPA solar panels, batteries and associated energy management equipment for Council buildings.



\$200k towards the community facilities and sports lighting at the popular St Clair Ovals.

\$1.2m toward the Gleneagles Reserve stormwater Detention Upgrade.



Name	Budget Bid Income \$ 2024/25	Budget Bid Expenses \$ 2024/25	Net Budget Bid \$ 2024/25	Nature of Works
Sustainable Transport Infrastructure 2024/25	\$0	\$100,000	\$100,000	New
New Traffic Control Devices 2024/25	\$0	\$650,000	\$650,000	New
Tree Canopy - Vehicle	\$0	\$50,000	\$50,000	New
New Path Program 2024/25	\$0	\$330,000	\$330,000	New
Street Light Upgrade Program 2024/25 SAPN Infill and Improvement Program	\$0	\$200,000	\$200,000	Upgrade
Chief Street Brompton - Streetscape Renewal - PLEC - Undergrounding of Powerlines	\$0	\$1,000,000	\$1,000,000	Upgrade
Tree Canopy Establishment - Spray Ute	\$0	\$66,000	\$66,000	New
Local Centre Revitalisation Upgrade Program - Royal Park & Hendon	\$0	\$100,000	\$100,000	Upgrade
Gleneagles Reserve stormwater Detention Upgrade 2024/25	\$1,225,000	\$2,500,000	\$1,275,000	Upgrade
St Clair Oval no. 2 drainage improvements	\$0	\$200,000	\$200,000	New
New Minor Open Space Infrastructure	\$0	\$30,000	\$30,000	New
Additional play equipment for older children at Wilford Reserve	\$0	\$45,000	\$45,000	New
Stormwater - Local Area Flood Mitigation 2024/2025	\$0	\$100,000	\$100,000	Upgrade
Trimmer Parade Stormwater Upgrade Stage 1	\$0	\$500,000	\$500,000	Upgrade
Stormwater - New access pits for inspection/maintenance 2024/2025	\$0	\$50,000	\$50,000	New
WSUD - Tracey Avenue Catchment Raingardens 2024/2025	\$0	\$170,000	\$170,000	New
Fawk Reserve Automated Public Toilet - Construction	\$0	\$350,000	\$350,000	Upgrade
New shade structures at playgrounds - 2024/25	\$0	\$80,000	\$80,000	New
Point Malcom Reserve - Public Toilet, Changing Places & DDA Amenities	\$0	\$610,800	\$610,800	New
Fulham Cricket Club – Southern Nets Upgrade	\$0	\$9,760	\$9,760	Upgrade
John Mitchell Reserve - Turf Wicket Upgrade	\$0	\$9,244	\$9,244	Upgrade

Henley & Grange Baseball – Home Run fence upgrade	\$0	\$5,087	\$5,087	Upgrade
Flinders Park Football Club – Electronic Scoreboard	\$0	\$33,975	\$33,975	New
Flinders Park Tennis – Court & Lighting Upgrade	\$0	\$299,362	\$299,362	Upgrade
Seaside Tennis Club – Southern Court Upgrade	\$0	\$289,194	\$289,194	Upgrade
Model T Clubroom - Loose Furniture, Fittings and Equipment	\$0	\$30,000	\$30,000	New
New shelter and seating at Semapaw Park dog park (northern section)	\$0	\$35,000	\$35,000	New
Parkway Reserve - additional landscaping	\$0	\$60,000	\$60,000	New
Security Upgrades - Beverley, St Clair, & Recycled Water Pump/Bore Stations	\$0	\$180,000	\$180,000	Upgrade
New bird bath at MJ McInerney Reserve	\$10,000	\$10,000	\$0	New
Improvements at Croydon Avenue Reserve (additional requested works to compliment 2022/23 upgrade)	\$0	\$56,000	\$56,000	New
Future improvements at Bowden Village Reserve and Kevin Taylor Reserve (potential stage 2)	\$0	\$15,000	\$15,000	New
PPA Solar Panels, batteries and associated energy equipment for Council buildings	\$0	\$2,500,000	\$2,500,000	New
Euston Terrace and Garnet Street Intersection Streetscape Upgrade	\$0	\$60,000	\$60,000	Upgrade
Future improvements at Sinclair Reserve, Grange	\$0	\$15,000	\$15,000	New
Playground improvements in Woodville Ward	\$0	\$45,000	\$45,000	New
New compliant footpath at Tatura Reserve, Fulham Gardens	\$0	\$15,000	\$15,000	New
Legislative Defibrillator Installation Council Owned Buildings	\$0	\$50,000	\$50,000	New
Purchase of high pressure cleaning trailer unit	\$0	\$40,000	\$40,000	New
Open Space Community Projects	\$0	\$50,000	\$50,000	Upgrade
Community Gardens Access and Inclusion	\$0	\$38,000	\$38,000	Upgrade
Community Rail Corridor	\$0	\$45,000	\$45,000	New

Planting				
Pennington Oval - Sports lighting Upgrade	\$0	\$100,000	\$100,000	Upgrade
St Clair Ovals No 2 Contribution Towards Community Facility and Sports Lighting	\$1,350,000	\$2,093,235	\$743,235	New
Woodville South Sports Club - Contribution Stage 1 Changeroom upgrade	\$750,000	\$1,615,000	\$865,000	Upgrade
Security upgrade at Fawk Reserve	\$0	\$35,000	\$35,000	New
	\$3,335,000	\$14,865,657	\$11,530,657	

Summary of the total capital program:

	Income	Expenditure	Net
Renewal of existing assets	0	37,006,183	37,006,183
Sale of replaced assets	1,848,310	5,669,100	3,820,790
New/Upgrade assets	3,335,000	14,865,657	11,530,657
TOTAL	5,183,310	57,540,940	52,357,630



HOW DOES COUNCIL PROPOSE TO FUND ITS PROGRAMS?

Rates

Rates is a tax levied on ratepayers and provides the main source of income for Council to fund its operations and infrastructure requirements. Refer Section 12.

Other sources of revenue include:

Statutory Charges

Statutory Charges relate mainly to fees and fines levied in accordance with legislation and include development application fees, animal registrations, health act registrations and parking fines.

User Charges

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for the use of Council facilities, library charges for photocopying, Section 7 searches and fees for the operation of Council's Waste Management Facility at Toogood Avenue, Beverley.

Grants

Grants include monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers and contributions from other parties towards property development costs.

Investment Income

Investment income includes interest on investments.

Reimbursements

This includes income from recouping specific costs of Council activities and private works.

Other Income

Other income relates to a range of unclassified items that do not fit within the main income categories.

Amounts specifically for new and upgraded assets

These amounts include grants from State, Federal and community sources for the specific purpose of funding new or upgraded assets.

Sale of replaced assets

This is income generated from the replacement of plant and equipment.

Borrowings

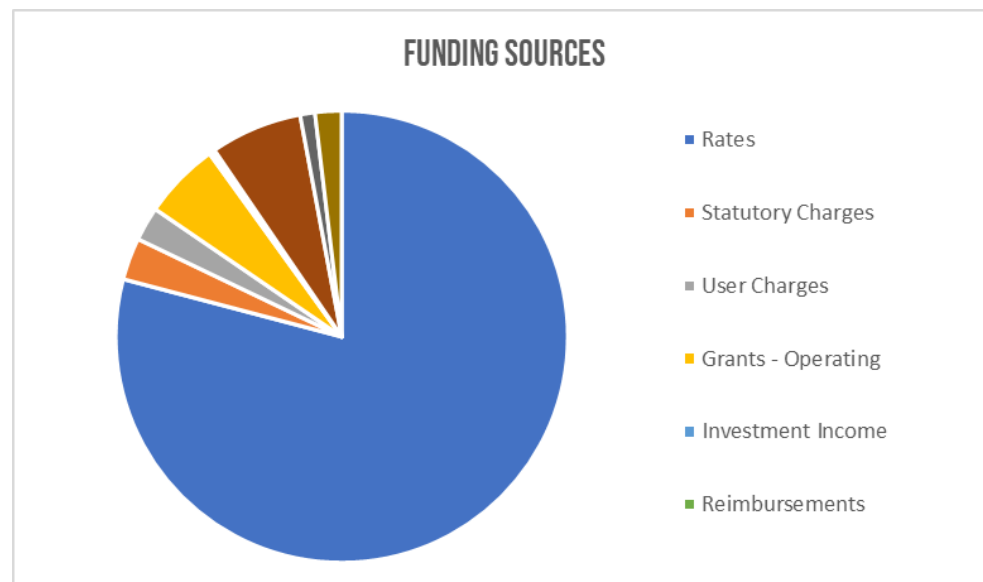
Borrowings are used to finance council's capital works and infrastructure programs especially for significant major new or upgrade projects.

Council uses cash advance debenture (CAD) facilities as per its adopted Borrowings Policy and effective treasury management strategy to fund temporary cash requirements due to delays in the timing of cash inflows.

The Cash Advance Debenture facilities allow Council to have access to funds when required and which they can repay in part or in full at any time as Council's cash position allows. No charges are incurred on these Cash Advance facilities if the funds are not drawn. As at June 2024 Council has access to \$66.5m in CAD facilities which can be drawn and repaid as required.

Total Funding sources are summarised below:

	OPERATING INCOME (RECURRENT)	OPERATING INCOME FOR ANNUAL OPERATING PROJECTS	REVENUES FOR CAPITAL PROJECTS	NET BORROWINGS (CADS)	TOTAL	% OF TOTAL FUNDING
	\$000	\$000	\$000	\$000	\$000	
Rates	138,762				138,762	79%
Statutory Charges	5,048	138			5,186	3%
User Charges	4,286				4,286	2%
Grants	9,629				9,629	5%
Investment income	182				182	0%
Reimbursements	357	140			497	0%
Other income	70				70	0%
Amounts for new /upgraded assets			3,335		3,335	2%
Sale of surplus assets			1,848		1,848	1%
Borrowings (net)				11,525	11,525	7%
Total	158,334	278	5,183	11,525	175,320	100%



COUNCIL'S OPERATING EXPENDITURE

Categories of operating expenditure are as below :

Employee expenses

Employee expenses include all labour related expenditure such as wages & salaries and on-costs such as allowances, leave entitlements, employee superannuation, rostered days off etc. Wages and salaries costs are based on the endorsed base establishment of FTE. Increases to the base establishment of staff occur through endorsed annual operating and/or capital projects or council endorsed resolutions.

Material, Contractual Services and Other

This category of expenditure includes expenditure on Materials, Contractual services and Other expenditure classifications.

"Materials" includes items such as electricity, water, fuel, library books and printing and stationary costs.

"Contractual Services" relates mainly to the provision of Council services by external providers and include items such as agency costs, waste collection, contractors, rents, leases and repairs and maintenance.

"Other Expenses" relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations, payment of the Regional Landscape levy and other miscellaneous expenditure.

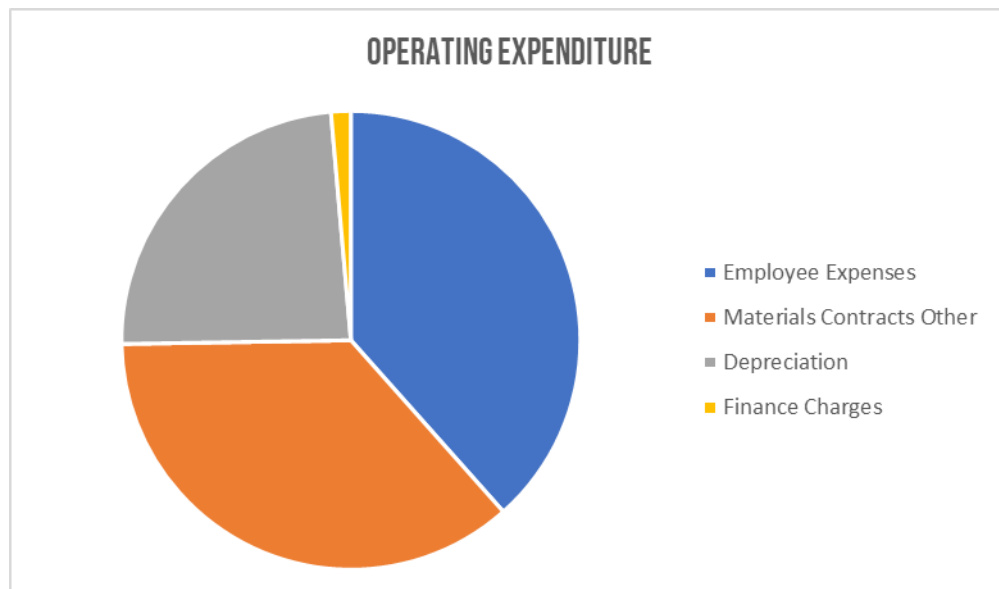
Finance Costs

Finance costs relate to interest charged by financial institutions on borrowed funds. Council as per its Borrowings Policy borrows funds through the Local Government Finance Authority (LGFA) in the first instance unless Council deem it appropriate to go to tender via a Council Resolution. Council effectively uses Cash Advance Debentures(CADs) which allow Council to have access to funds when required and which they can repay in part or in full at any time as Council's cash position allows. No charges are incurred on these Cash Advance facilities if the funds are not drawn.

Depreciation

Depreciation recognises the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains, over the life of the assets, noting Council has responsibility for in excess of \$1b in infrastructure. Depreciation accounts for approximately 25% of its operating costs.

	OPERATING EXPENSE (RECURRENT)	OPERATING INCOME FOR ANNUAL OPERATING PROJECTS	TOTAL	% OF OPERAITNG COSTS
	\$000	\$000		
Employee expenses	57,804	1,706	59,510	39%
Materials, Contractual Services, Other	53,636	2,476	56,112	36%
Finance Costs	2,158		2,158	1%
Depreciation	36,950		36,950	24%
Total	150,548	4,182	154,730	100%



WHAT DOES THIS MEAN FOR RATES?

Rates are Council's main source of income to deliver the services and maintain the infrastructure required by our community.

In the community there is always pressure to provide more services but it is important that this is balanced against the community's ability to pay today and into the future.

Rates are a form of property taxation and property values play an important part in determining how much each individual ratepayer contributes. As it is a system of taxation the rates paid may not directly relate to the services used by each ratepayer. Generally, it is assumed the higher the value of the property relative to others in the community the higher the rates paid.

Local Government rates are based on:

- The value of the property
- A rate (in the dollar).

Under the Local Government Act 1999 councils may use one of three valuation methodologies:

- **Capital value** - value of land and all improvements
- **Site value** - value of land and any improvements which permanently affect the amenity of use of the land, such as drainage works but excluding value of buildings and other improvements, or
- **Annual value** - valuation of the rental potential of the property.

The City of Charles Sturt, as with most other metropolitan councils, uses **Capital value**. This is because it is a well understood concept and most of us can relate fairly easily to the market value of our property.

In applying the principles of any taxation it is important that the 5 principles of taxation (equity, benefit, ability to pay, efficiency, simplicity) are balanced against the policy objectives of taxation, that is the need to raise revenue and the effects of the tax on the community.

Rates are a property tax that attempts to balance the 5 principles of taxation and which meets the essence of an ad valorem tax system. Property values provide an independent indication of the relative wealth of a ratepayer. The system of rate rebates, remissions and postponement is designed to enable issues of hardship and temporary incapacity to pay to be specifically targeted for special treatment amongst identified classes of ratepayer.

In determining how rates are applied and in determining the rate in the dollar Council's also have a number of options:

- **Single rate** – This is where the same rate in the dollar is applied to the value of properties from using a single rate in the dollar regardless of what the land is being used for.

- **Differential general rate** – This is where a council may charge a different rate in the dollar depending on whether the land is used for residential, commercial, primary production or other purposes.
- **A minimum amount** – This provides a mechanism by which lower valued properties pay not less than a flat (minimum) amount determined by Council. No more than 35% of properties can be on the minimum.
- **Tiered rates** – This is where Council can adopt a tiered rating scale where rates can be altered for properties within specified valuation ranges.
- **A fixed charge** – Under this system some revenue will be raised by applying a fixed charge (a flat amount) to all ratepayers to ensure everyone contributes a base equal amount. The remaining revenue is then collected from ratepayers based on the value of each ratepayers property.

At Charles Sturt we use a **differential rating system** with a **minimum** amount.

All our valuation information on land use and property values for use in determining how much each ratepayer is levied is purchased from the Valuer General. A ratepayer may object to the valuation by the Valuer General in writing setting out the reasons for the objection within 60 days of receiving the notice of the valuation.

Although property valuations are used as an independent indicator of ability to pay rates, where property valuation increases across the city are inconsistent the effect of growth in one ratepayer's property compared to others may lead that ratepayer to believe they are paying more than their fair share compared to others in the community. This can also be an issue where ratepayers are on fixed incomes and there is significant growth in the valuation of their property.

This is where rate rebates or remissions can be used. By targeting this rate relief, we endeavour to address potential inequities.

Rate Increase for 2024/25

To meet the requirements of Council's community plan, Long Term Financial Plan and Annual Business Plan and Budget for 2023/24, Council needs to levy rate income of \$138,296,031 (which equates to an increase of **6.25%** plus new property growth of 1.% = 7.25%).

This total rates increase is in alignment with the Draft Annual Business Plan 2024/25.

There are a number of issues that have been considered in developing Council's rating strategy for 2024/25:

- The latest reports from the Valuer General have indicated property valuations for residential have increased by an average of 6.05%, industrial by 10.66%, commercial 14.04% and vacant 11.93%
- As provided by the Valuer General, property growth (additional properties) is 1% and in line with our LTFP prediction of 1.0%, reflecting the continued property development throughout the City.
- The increase in CPI (All Groups Adelaide) for the twelve months to 31 March 2024 is 4.3% and for all capital cities 3.6%.
- Forecast CPI for 2024/25 of 2.75% from Access Economics.
- The increase in the Local Government Price Index (LGPI) for March 2024 is 4.1% , noting that the LGPI forecast for 2024/25 is 3.2%. The LGPI is a useful reference regarding the inflationary effect of goods and services consumed by local government and is a better reflection of the changing cost of inputs used by councils to deliver services than CPI.

In 2024/25 Council has adopted a strategy that will see Council continue to be financially sustainable over the next 10 years but mindful of expectations of low rate increases expected by the community especially with cost of living pressures.

To maintain the number of ratepayers at the legislative minimum of 35% the minimum will be increased from \$1,204 to \$1,285 (6.73% increase or \$81).

With final valuations received the overall average increase across the City is 6.19% with the average increase for residential 6.22%, commercial, industrial 6.5% and vacant land 6.6%.

For a “typical” residential ratepayer (with a median property valued at \$790,852) they will be paying approximately \$1,673 p.a. or \$4.58 per day to invest in the services and infrastructure benefits within their local community as laid down in the annual budget. This translates to an increase of approx \$2.05 cents per week or \$106.37 per annum on 2023/24 rates levied.

The following rate relief options are provided to Charles Sturt ratepayers at a cost of \$3.542m in 2024/25 (2.75% of total rates levied) are outlined below.

- **Rate capping**

Limits the amount paid in rates in 2024/25 to a 12.5% increase on rates paid (excluding Regional Landscape levy and pensioner concessions) on 2023/24 for residential land use across the community. This capping would not apply where:

- the increase is due to an increase in valuation as a result of improvements greater than \$20,000
- the increase is a result of a change in land use or
- ownership of the property has changed since July 2023

Rate capping will be automated and where Council records indicate a ratepayer is eligible for the 12.5% capping rebate the relevant amount will be automatically deducted from the rates levied.

- **Hardship**

Any ratepayer who can demonstrate specific hardship can contact Council and a tailored payment plan can be arranged. Arrangements are strictly confidential.

- **Residential Construction**

The vacant land rate in the dollar is usually three times higher than the residential rate in the dollar. For the purposes of securing the proper development of the area a rebate will be given to ratepayers who are assessed as vacant land as at 30 June 2024 but who will build their new family home on that land and can demonstrate that they will live in that home for at least 1 year.

If footings are poured prior to 31 December 2024 a full rebate will be given. If the footings are poured after 31 December 2024 a 50% rebate will be given. This rebate will effectively mean those ratepayers applicable will have their rates reassessed using the residential rate in the dollar as opposed to the vacant land rate.

This rebate is only applicable to those who intend to live in Charles Sturt as owner/occupiers and who are not building properties for investment purposes. It is the intention of this rebate to only apply to one dwelling and to the ratepayer who will reside in Charles Sturt and consequently where multiple dwellings are proposed on Land (with or without division of the land occurring) the rate rebate will apply to only one of the dwellings, on a pro-rata basis. If the principal ratepayer is a body corporate the rebate will only be applied if one of the directors or office holders will reside in the dwelling.

Residential construction rebates will be by application where eligible ratepayers will have until the 30 June 2025 to apply.

- **Postponement of Rates - Seniors**

In accordance with the new provisions of the Local Government Act 1999, persons who hold a current Seniors Card will be eligible to postpone any amount in excess of \$500 (\$125 per quarter) less any concession entitlement. Interest will accrue on postponed balances in accordance with Section 182A(12) of the Act at the Cash Advance Debenture rate with a premium of 1%.
Postponement will be by application.

Rating Policy

The rate structure and rebates offered by Council are incorporated into Council's rating policy. This document sets the policy for setting and collecting rates from its community and has been prepared in accordance with relevant sections of the Local Government Act 1999 - refer [Attachment C](#).

Rating Structure 2024/25

Rate Type	2023/24 Cents in \$	2023/24 Ave Rate	No of rateable properties	Rates Income 2023/24	2024/25 Cents in \$	2024/25 Ave Rate	2024/25 Ave % Increase	No of Rateable Props	No on Min Rate	Rate Income 2024/25
Res'l - Charles Sturt	0.198072681	1,589.13	56,787	90,242,067	0.199464489	1,688.00	6.22%	57,394	21,373	96,881,217
Comm'l - Charles Sturt	0.7083867960	8,469.81	3,306	28,001,185	0.6617788370	9,020.35	6.5%	3,344	207	30,164,055
Industrial - Charles Sturt	0.7557793060	11,661.26	472	5,504,115	0.7273714660	12,419.69	6.5%	468	4	5,812,415
Primary Prod'n - Charles Sturt	0.4530601092	2,763.67	3	8,291	0.3462941176	2,943.50	6.51%	2	0	5,887
Vacant Land - Charles Sturt	0.620629932	3,944.10	872	3,439,253	0.589482212	4,204.55	6.6%	850	78	3,573,870
Other - Charles Sturt	0.3084420330	7,211.67	243	1,752,437	0.2668587450	7,680.11	6.5%	242	20	1,858,587
Overall Average	N/A	2,090.48	61,683	\$128,947,348		2,219.84	6.19%	62,300	21,682	\$138,296,031

	2023/24	2024/25	% Change
Minimum Rate - Charles Sturt	\$1,204.00	\$1,285	6.73%
% on Minimum	34.6%	34.8%	

MEASURING ACHIEVEMENT OF THE 2024/25 BUSINESS PLAN

Community Vision

The Community Vision was endorsed by Council on 27 May. Our Community Vision creates a clear and collective understanding for the future of our city. It is a public commitment to work together to make our shared vision a reality.

The Community Vision was developed with face to face input from over 300 community members and organisations, and was verified through three rounds of consultation. The final Vision reflects all of the community's input and has as its foundation 5 key themes:

- Local Neighbourhoods
- Valuing Nature
- Vibrant Places
- Connection and Belonging
- Our Transforming City

These key themes are supported by 4 underpinning themes in relation to First Nations people, responsible governance, operational excellence and storytelling and connection.

Accompanying each of the key themes are the outcomes the council will progress on behalf of the community in relation to the given key theme. The Vision also sets out the approaches we will take to achieving these outcomes through either direct action or delivery by the Council, or through other roles the Council may take including partnering, advocacy or facilitation, in addition to the Flagship initiatives.

Themes, outcomes and actions

The outcomes and actions for each of the themes in the Community Vision are as follows:

Local Neighbourhoods

The Community expressed a desire for a greater sense of local community. Outcomes to be facilitated through means including city planning, economic development, design and placemaking are:

- Family, friends and neighbours create memories together
- Local businesses know your name
- Neighbourhoods where we can walk or ride to get what we need
- Places that appreciate and reflect their local history and culture
- Local connection within and between neighbourhoods

The Council, together with the community, its partners and state and federal government facilitate these outcomes through the following approaches:

HOW WILL WE ACHIEVE OUR VISION? WE WILL...	WHAT IS MY ROLE?			
	Community	Council	State and Federal Government	Private Sector
revitalise our local centres 				
support community to connect, gather and build relationships				
assist business to adapt, innovate and grow through capacity building and grants				
foster and celebrate diverse community activities				
connect people to their local neighbourhoods with improved infrastructure and streetscapes				
celebrate our unique history and neighbourhoods				

 Advocate
  Facilitate
  Partner
  Lead
  Flagship Initiatives

Valuing Nature

The need to manage the impacts of climate change and to increase wellbeing and conservation of our natural environment was the most valued theme by the community.

The Community Vision aspires to ensure:

- Our city is cool and green and filled with life
- Our beaches, open spaces and waterways invite reflection and wellbeing
- Council and community work together to protect our environment
- We live in harmony with our environment

The Council, together with the community, its partners and state and federal government facilitate these outcomes through the following approaches:

HOW WILL WE ACHIEVE OUR VISION? WE WILL...	WHAT IS MY ROLE?			
	Community	Council	State and Federal Government	Private Sector
retain and expand the tree canopy on both private and public land 				
deliver a community renewable energy program 				
protect our environment by being a leader in nature-based design		 		
empower our community to reduce emissions and the impact of climate change on our environment		 	 	
improve our biodiversity by maximising the opportunities for creation of wild and green spaces				
advocate and work with State Government to keep our beaches and waterways healthy		 		
work together to reduce waste to landfill and promote a circular economy				
advocate to the State Government for stronger environmental focus in planning policy				

 Advocate
  Facilitate
  Partner
  Lead
  Flagship Initiatives

Vibrant Places

Community feedback reflected a genuine desire to have great places and major events to draw people together to engage in and bring life and enjoyment to the city. The vision reflects the following outcomes as a result:

- Spaces are unique, creative, interesting and engaging
- A city that is recognised for sport, events and bringing people together
- Businesses contribute to the vibe of the destination

The Council, together with the community, its partners and state and federal government facilitate these outcomes through the following approaches:

Vibrant Places - How will we achieve our vision and what is my role?

HOW WILL WE ACHIEVE OUR VISION? WE WILL...	WHAT IS MY ROLE?			
	Community	Council	State and Federal Government	Private Sector
embrace community-led design				
activate and enhance public spaces in partnership with local traders and the creative sector		 		
attract and partner with major event organisers to ensure their success		 		
support arts and cultural groups to help shape our city				
encourage and support shop owners and traders to enhance customer and visitor experience				

 Advocate
  Facilitate
  Partner
  Lead
  Flagship Initiatives

Connecting and Belonging

A strong theme through the community engagement process for the Community Vision was a desire to live in a city and communities where good values were lived and experienced by all. Diversity, accessibility and inclusion were important to the Community. As a result the Vision orients us to the following outcomes:

- People have a voice and feel respected and valued
- Everyone has access to spaces, services and support when needed
- Opportunities are available for communities to collaborate, engage and connect
- Our city is a place where everyone is healthy and safe
- Diversity is supported and valued

The Council, together with the community, its partners and state and federal government facilitate these outcomes through the following approaches:

Connecting and Belonging - How will we achieve our vision and what is my role?

HOW WILL WE ACHIEVE OUR VISION? WE WILL...	WHAT IS MY ROLE?			
	Community	Council	State and Federal Government	Private Sector
involve, engage and listen to diverse perspectives of community		⚙️	⚙️	⚙️
be equitable with our decision making and resource allocation		⚙️	⚙️	
bring people together and accommodate their diverse needs through universal design	🔊	⚙️	⚙️	⚙️
connect and support communities community groups and sporting clubs to actively support their communities	⚙️ 🔗	💬		
promote opportunity and build capacity for volunteering		⚙️ 💬	⚙️ 💬	⚙️
advocate for and deliver equitable services and infrastructure that keep our diverse community healthy and safe		⚙️	⚙️	⚙️
actively deliver, review and refresh our Disability, Access and Inclusion Plan		🔗	🔗	
ensure our older population is provided with care, support and assistance		⚙️	🔊	⚙️
celebrate and share the diverse cultures and backgrounds of our people	🔊	⚙️		

 Advocate
  Facilitate
  Partner
  Lead
  Flagship Initiatives

Our Transforming City

Climate change, city resilience and well managed infill as population growth is accommodated in the city were strong concerns for the community, as was economic and job security. The outcomes reflected in the vision are:

- When looking forward, we respect our heritage
- Housing and infrastructure supports evolving and diverse communities
- Our city is resilient to the impacts of climate change
- Our city is prosperous with diverse employment opportunities

The Council, together with the community, its partners and state and federal government facilitate these outcomes through the following approaches:

Our Transforming City - How will we achieve our vision and what is my role?

HOW WILL WE ACHIEVE OUR VISION? WE WILL...	WHAT IS MY ROLE?			
	Community	Council	State and Federal Government	Private Sector
develop a well thought out plan to improve liveability for the anticipated growth within the central precinct of our city 				
advocate for a mixture of density and housing types to achieve housing affordability and liveability				
advocate for improved and expanded public transport services				
work to reduce the environmental impact of movement through the city		 		
protect, maintain and repurpose our heritage buildings and structures				
ensure our Asset Management Plans anticipate and respond to growth and climate change				
work with State Government and Developers to deliver high quality and sustainable development				
protect and create new job opportunities and assist people to prepare for meaningful jobs of the future				
advocate for a diverse and adequate mix of education and training opportunities				

 Advocate
  Facilitate
  Partner
  Lead
  Flagship Initiatives

Organisational Planning and Performance

Following endorsement of the Community Vision, the Council is now finalising its new 5 year Organisational Plan 2025-2030 which will further support delivery against the Community Vision.

The organisational plan will set out specific actions and timeframes to support the approaches and outcomes set out in the Community Vision. Performance against the organisational plan will be supported by quarterly and annual reporting to Council on the progress and outcomes of the specific actions set out in the organisational plan.

Organisational Objectives have been developed along with draft measures which will be refined through the organisational planning process, and which will form the manner in which the council will track its delivery against the outcomes set out in the Community Vision and Organisational Plan. Reporting against these measures is expected to be formalised in the first quarter of the 2025 calendar year.

The organisation's approach to Planning and Performance has been set out in an Integrated Planning and Performance Framework which is guiding the organisational planning process and sets out the manner in which the organisation will measure and report on its progress toward the Vision.



ATTACHMENTS

Overview to Attachments

The following attachments include voluntary and statutory disclosures of information which provide support for the analysis contained in Sections 1 to 16 of this report.

The information has not been included in the main body of the budget report in the interests of clarity and conciseness. Whilst the budget report needs to focus on the important elements of the budget, the detail upon which the annual budget is based should also be provided in the interests of open and transparent local government.

The contents of the attachments are summarised below.

Attachment	Nature of Information
Attachment A	Commentary and detail of Long Term Financial Plan Includes: - Schedule A – Assumptions for LTFP - Schedule B – Forecast Financial Statements over planning period - Schedule C – Budget Principles

Attachment B	Budgeted Financial Statements for 2024/25 - Statement of Comprehensive Income - Statement of Cash Flows - Statement of Financial Position - Statement of Changes in Equity - Summary of operating and capital investment activities – Uniform Presentation of Finances - Key Financial Indicators This section sets out the budgeted financial statements for 2024/25 as prescribed in the Local Government (Financial Management) Regulations 2011. This information is the basis of the disclosures and analysis of the annual budget in this report.
Attachment C	Rating Policy

ATTACHMENT A

COMMENTARY AND DETAIL OF THE LONG TERM FINANCIAL PLAN

Executive Summary

This document details the City of Charles Sturt's current financial position and outlook to 2024/34 as at January 2024 and was developed to guide the development of the annual budget.

The key issues arising from these Long Term Financial Plan estimates are:

- A strong alignment with Council's Community and Corporate Plan.
- Achievement of an ongoing sustainable operating surplus position.
- An ongoing commitment to asset rehabilitation and replacement to ensure the proper management of the community's infrastructure assets.
- A commitment to the long term sustainability of Council operations by ensuring all key financial indicator benchmarks are met for key ratios such as operating surplus, net financial liabilities and asset sustainability ratio.
- The use of debt as a means of funding new asset and upgrade works. Debt levels will be within the constraints of ensuring Council's net financial liabilities (Council's total indebtedness, which includes all of Council's obligations including provisions for employee entitlements and creditors) is less than 100% of Council's total operating revenue and/or council's net interest expense is less than 10% of council's total operating revenue.
- The Long Term Financial Plan estimates are predicated on achieving ongoing operational efficiencies.

The Long Term Financial Plan forecasts have been prepared using anticipated CPI movements over the outlook period based on forecasts provided by Deloitte Access Economics as at January 2024.

LTFP

The Long Term Financial Plan estimates are presented as a series of reports comprising the following:

- Estimated Statement of Comprehensive Income
- Estimated Statement of Financial Position
- Estimated Statement of Cashflows
- Estimated Statement of Changes in Equity
- Estimated Uniform Presentation of Finances

These are detailed in [Schedule B](#)

A number of assumptions have been made in constructing the LTFP estimates and these are detailed in [Schedule A](#).

Schedule A – Assumptions

The Long Term Financial Plan is forward looking information. Actual results may vary from the information presented and the variations could be material. Long Term Financial Strategy is financial forecast information; it is best estimate assumptions as to future events which Council expects are likely to take place. These estimates arise from information known as at February 2024.

Rates income to Council is a product of price and quantity. The number of rateable properties has consistently risen by an average of 1.0% in the recent past. These growth forecasts are verified by council's Planning and Development department annually and are expected to continue into the foreseeable future.

Salary and Wage forecasts for the next 10 years are based on an Enterprise Bargaining Agreement (EBA) where it exists, and a Wages Price Increase (WPI) based on Deloitte Access Economics SA average weekly earnings growth projections where it doesn't. The current EBA, still in negotiations, extends for 3 years and has been included based on information from CCS People and Culture Portfolio.

Salaries and Wages are based on the current base establishment of staff.

Superannuation increases from 9.5% to 12.0% in 0.5% increments over a 5 year period commencing 2021/22 as per Federal Legislation. In 2024/25 superannuation will be 11.5%.

Cost Price Index (CPI) Forecasts are the South Australian CPI projections. These indices are purchased from Deloitte Access Economics (DAE), experts in the field, providing a scale of increments that this LTFP model is based on.

CPI has been volatile and high in recent times (of magnitude 7-8%) but is being corrected by the Reserve Bank of Australia's Monetary Policy which has been to increase interest rates thus arresting the increasing CPI.

Council's costs have experienced this escalating CPI growth with some costs exceeding this.

A table of all uplift indices used in the LTFP is below for costs which are forecast to increase greater than the CPI forecast from Access Economics of 2.75%.

Unique Indices	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
CPI Deloitte Access Economics	2.75%	2.50%	2.51%	2.48%	2.35%	2.25%	2.30%	2.44%	2.49%	2.48%
Wages EB/WPI	5.29%	4.00%	2.98%	3.01%	3.04%	3.12%	3.14%	3.15%	3.11%	3.21%
Maintenance	5.75%	5.50%	5.51%	5.48%	5.35%	5.25%	5.30%	5.44%	5.49%	5.48%
Waste	5.25%	5.00%	5.01%	4.98%	4.85%	4.75%	4.80%	4.94%	4.99%	4.98%
Insurance	5.75%	5.50%	5.51%	5.48%	5.35%	5.25%	5.30%	5.44%	5.49%	5.48%

Where knowledge exists of a change in price or quantity of either a revenue or expense that Council incurs in the provision of services to the community, that change is factored into the LTFP.

Interest is calculated on loans outstanding. Council has one \$10m loan at fixed interest rate of 3.85% and the remainder of funding is achieved via an "overdraft" arrangements, Cash

Advance Debentures (CAD) are at a competitive variable interest rate. Council's variable funding rate is the reserve Bank of Australia (RBA) cash rate plus a modest margin which has been forecast at 6.15% for 2024/25 and decreasing over time. Council is financed through the Local Government Finance Authority (LGFA).

A Tree Canopy initiative was adopted by Council in October 2023, (CL 23/10/23 Item 6.101) with an objective to increase the amount of shade to 25% across the City by 2045. The impact of this is to increase operating expenses by \$1,213,950 in 2024/25 and rising to \$3,358,743 in 2033/24. Additional costs do extend out to 2044/45, beyond the scope of this 10 year LTFP. This initiative is funded by a 2.0% increase to rates. The Tree Canopy costs have been included in the AOP table below.

Annual Operating Projects AOP of \$2.2m are planned for 2024/25, this budgeted allocation is increased by forecast CPI each year of the plan. Last year's projects (2023/24) undertaken by council has been factored into the budget with \$359k of recurrent expenditure arising from those initiatives. AOP capacity from 2024/25 to 2025/26 will be reduced by the proposed Enterprise Resource Planning ERP project forecast at a remaining cost of \$1.72m (\$801k + \$919k) spread over two remaining years.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Annual Operating Projects	2,190	2,200	2,255	2,312	2,369	2,425	2,479	2,536	2,598	2,663	2,729
Tree Canopy		1,214	1,376	1,661	1,711	2,127	2,170	2,746	2,801	3,293	3,359
LG Election (in addn to AOP)				650				675			
DFP Project	1,428	801	919								
DFP Project 50% funded outside AOP)	-714	-401	-460								
Total AOP	2,904	3,814	4,091	4,622	4,080	4,552	4,649	5,957	5,399	5,956	6,088

Drain and stormwater unblocking has been performed by council staff and the use of a "JetVac" truck and a cameravan. It has been determined from a business case that council outsource this service. Additional ongoing contractors expense of \$245,376 in 2024/25 are offset by the redeployment of 4 FTE to other work areas, negating the need to hire new staff. Sale proceeds for the plant is estimated at \$656k and the saving in depreciation is \$79k per year.

Councils joint venture with Port Adelaide Enfield council, the Central Adelaide Waste Management Authority CAWRA is projected to have equity of \$772k, CCS 50% share is \$386k as at June 2024 from latest update provided from the September 2023 budget review. There are no further projections provided to date.

Depreciation increases as brand new infrastructure is completed and also as existing infrastructure is revalued to contemporary replacement cost. Depreciation is a non-cash-flow item that represents an allocation of historical costs over the useful lives of the assets. Depreciation isn't a proxy for future asset replacement costs, but rather the endorsed Asset Management Plans indicate future funding requirements.

Other significant items that have been included in the 2024/25 LTFP are set out in the table below:

List of significant adjustments in LTFP 2024/25

	Expenses
Software as a Service SaaS	274,368
Decoupling	10,000
Boomi	85,000
ESCOSA Audit	40,000
	409,368

Council's Budget Principles and Policy do not support the reliance on gains made from asset sales to fund core services.

Operating cash surpluses are used to fund Capital Expenditure on Renewal & Replacement and then New & Upgraded Assets. The balance of available surplus funds is used to pay down debt or offset the use of new debt.

Capital expenditure for asset renewal is determined by Council's adopted Asset Management Plan's (AMP's). They are reviewed annually and presented to Council for review and endorsement.

Capital Renewal of the Beverley Centre, previously totalled \$11m in 2024/25 has now been re-phased over two years, with \$7.1m moved from 2024/25 to 2025/26. This differs from the Capital Renewal reviewed and noted by Audit Committee.

All AMPs will be reviewed within 2 years of the LG Elections as per LG Act 1999. For 2024/25 all Infrastructure AMPs have been reviewed by Council and updated projections are included in renewal forecasts.

New and Upgrade forecasts are based on current Strategic Management Plans and Council in principle adopted projects via a Council resolution including amounts included in updated AMPs, including consideration of Councils response to addressing climate change.

Capital Renewal and New & Upgrade spends over the 10-year duration has increased by \$67.3m since the last iteration of the LTFP, impacted by the review of Infrastructure AMPs.

Capital Program \$0,000	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Capital Renewal	25,808	38,226	41,872	28,843	31,433	30,234	32,292	28,128	30,268	32,984	30,460
Capital New & Upgrade	13,264	14,050	20,123	9,894	15,656	11,421	16,292	13,649	9,959	9,899	2,399
Total	39,072	52,276	61,994	38,737	47,089	41,655	48,584	41,777	40,227	42,883	32,859

The increased level of Capital spend has required two (2) changes to the assumptions of previous LTFPs:

1. That all debt is not paid off by year 10 without significant additional increase in rates of 4% in 2024/25, and
2. That additional rates increase is required to be included to bring debt outstanding at year 10 to a modest level.

Loans outstanding are due to the increased level of new/upgrade capital expenditure. Borrowings increase as significant projects are undertaken. As with previous years' experience on project delivery a consistent amount of works in progress is assumed (20%) and reflected in level of borrowings forecast.

Key Outcomes

Importantly the current LTFP demonstrates that the Council is financially sustainable over the 10 year term of the LTFP, whilst achieving the objectives outlined in the Strategic Plan.

This includes:

- Implementation and funding of the appropriate level of maintenance and renewal of the portfolio of infrastructure assets
- Meeting the ongoing expectations of service delivery to our community
- Managing the impact of cost shifting from other levels of government
- The appropriate use of debt as a means of funding asset upgrade and renewal
- Ensuring the financial sustainability of Council's operations.

Financial sustainability has been demonstrated through adherence to the agreed target ranges in all the following three key ratios:

- Operating Surplus Ratio, target range 0% to 10%
- Net Financial Liabilities Ratio, target range 0% to 100%
- Asset sustainability Ratio, target range 80% to 110%

Significant Assumption Risks:*Interest Rate Risk*

Interest Rate Risk would be significant when Financial Liabilities of approximately \$117 Million (10-year average) such that a 1.0% interest rate rise would require approximately an additional 1% increase in rate revenue.

Wage Growth Index Forecast Risk

With employee costs comprising approximately 38% (10-year average) of total operating expenditure a 1% error in anticipated wage growth can result in a \$0.6m misstatement in the 2024/25 operating result and up to a \$0.8m misstatement in the 2033/34 year.

CPI forecast risk

The 2024/25 Operating Surplus is sensitive to the level CPI rate during the year. A 1.0% increase in CPI, after Rates have been struck, will have a \$1.34m unfavourable impact on the Operating Surplus.

Schedule B

City of Charles Sturt
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF COMPREHENSIVE INCOME

	Actuals 2022/23 \$'000	Current Year 2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Income												
Rates	119,327	129,266	138,570	144,358	150,086	156,002	161,190	166,384	171,830	177,693	183,845	190,198
Statutory Charges	4,851	4,724	5,054	5,181	5,311	5,443	5,571	5,696	5,827	5,969	6,118	6,269
User Charges	4,081	3,991	4,101	4,203	4,309	4,416	4,520	4,621	4,728	4,843	4,964	5,087
Grants, Subsidies and Contributions - operating	10,958	12,566	8,666	8,883	9,106	9,332	9,551	9,766	9,991	10,234	10,489	10,749
Grants, Subsidies and Contributions - capital	2,024	-	-	-	-	-	-	-	-	-	-	-
Investment Income	408	74	176	78	80	82	84	86	88	90	92	94
Reimbursements	3,498	607	490	502	515	528	540	552	565	579	593	608
Other Income	115	75	177	182	186	191	195	200	204	209	214	220
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	145,262	151,303	157,233	163,386	169,592	175,993	181,651	187,304	193,232	199,617	206,315	213,225
Expenses												
Employee Costs	51,271	55,498	58,434	60,538	62,522	64,408	66,649	68,717	71,148	73,375	75,934	78,357
Materials, Contracts & Other Expenses	54,278	51,988	55,900	57,850	60,102	61,514	63,713	65,736	68,840	70,528	73,222	75,751
Depreciation, Amortisation & Impairment	34,112	35,949	36,950	38,060	39,205	40,375	41,527	42,668	43,863	45,152	46,502	47,888
Finance Costs	1,513	2,081	2,158	2,762	3,070	2,281	2,152	1,912	1,791	1,524	1,248	796
Net loss - Equity Accounted Council Businesses	490	92	-	-	-	-	-	-	-	-	-	-
Total Expenses	141,664	145,608	153,442	159,210	164,899	168,578	174,041	179,033	185,642	190,580	196,907	202,792
Operating Surplus / (Deficit)	3,598	5,695	3,791	4,176	4,692	7,415	7,610	8,271	7,590	9,037	9,408	10,433
Asset Disposal & Fair Value Adjustments	(5,512)	-	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	6,288	4,039	100	100	100	100	100	100	100	100	100	100
Physical Resources Received Free of Charge	2,440	200	200	200	200	200	200	200	200	200	200	200
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	6,814	9,935	4,091	4,476	4,992	7,715	7,910	8,571	7,890	9,337	9,708	10,733
Other Comprehensive Income												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	-	9,158	9,519	16,107	9,348	14,160	8,967	7,987	11,492	8,448	8,659	10,440
Share of Other Comprehensive Income - Equity Accounted Council Businesses	207,053	-	-	-	-	-	-	-	-	-	-	-
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Revalued I,PP&E	-	-	-	-	-	-	-	-	-	-	-	-
Net assets transferred - Council restructure	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Amounts which will be reclassified subsequently to operating result												
Available-for-Sale Financial Instruments - Change in Fair Value	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Available-for-Sale Financial Instruments	-	-	-	-	-	-	-	-	-	-	-	-
Movements in Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	207,053	9,158	9,519	16,107	9,348	14,160	8,967	7,987	11,492	8,448	8,659	10,440
Total Comprehensive Income	213,867	19,093	13,610	20,583	14,341	21,875	16,877	16,558	19,382	17,785	18,367	21,174

City of Charles Sturt
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF FINANCIAL POSITION



	Actuals 2022/23 \$'000	Current Year 2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	6,773	500	500	500	500	500	500	500	500	500	500	500
Trade & Other Receivables	10,335	4,643	4,563	4,727	4,895	5,060	5,217	5,372	5,544	5,713	5,899	6,088
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	167	188	202	209	217	222	230	237	248	255	264	273
Other Current Assets	-	4,679	5,031	5,207	5,409	5,536	5,734	5,916	6,196	6,348	6,590	6,818
Non-current assets classified as "Held for Sale"	2,286	2,286	2,286	2,286	2,286	2,286	2,286	2,286	2,286	2,286	2,286	2,286
Total Current Assets	19,561	12,296	12,581	12,928	13,308	13,604	13,967	14,311	14,774	15,101	15,539	15,965
Non-Current Assets												
Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Equity Accounted Investments in Council Businesses	1,287	382	382	382	382	382	382	382	382	382	382	382
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,578,996	1,605,139	1,629,528	1,671,926	1,682,568	1,703,643	1,713,917	1,730,256	1,742,746	1,750,226	1,760,539	1,760,853
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	28,572	28,572	28,572	28,572	28,572	28,572	28,572	28,572	28,572	28,572	28,572	28,572
Total Non-Current Assets	1,608,855	1,634,093	1,658,482	1,700,880	1,711,522	1,732,597	1,742,871	1,759,210	1,771,700	1,779,180	1,789,493	1,789,807
TOTAL ASSETS	1,628,416	1,646,389	1,671,063	1,713,808	1,724,830	1,746,201	1,756,839	1,773,522	1,786,474	1,794,281	1,805,032	1,805,772
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	29,208	37,139	48,345	70,688	66,906	66,082	59,392	58,775	51,382	40,676	32,125	10,775
Trade & Other Payables	31,685	24,103	25,472	26,241	27,058	27,733	28,510	29,253	30,216	30,943	31,879	32,795
Borrowings	1,682	1,512	950	354	354	327	-	-	-	-	-	-
Provisions	11,134	10,917	10,917	10,917	10,917	10,917	10,917	10,917	10,917	10,917	10,917	10,917
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	73,709	73,671	85,685	108,200	105,235	105,059	98,819	98,944	92,514	82,536	74,921	54,487
Non-Current Liabilities												
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	4,192	2,894	1,944	1,590	1,236	909	909	909	909	909	909	909
Provisions	1,674	1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,891
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	5,866	4,785	3,835	3,481	3,127	2,800	2,800	2,800	2,800	2,800	2,800	2,800
TOTAL LIABILITIES	79,575	78,455	89,519	111,681	108,362	107,859	101,619	101,744	95,314	85,336	77,721	57,287
Net Assets	1,548,841	1,567,934	1,581,544	1,602,127	1,616,467	1,638,342	1,655,219	1,671,778	1,691,160	1,708,944	1,727,311	1,748,485
EQUITY												
Accumulated Surplus	531,761	541,696	545,787	550,263	555,255	562,970	570,880	579,451	587,341	596,678	606,386	617,119
Asset Revaluation Reserves	1,017,080	1,026,238	1,035,757	1,051,864	1,061,212	1,075,373	1,084,339	1,092,326	1,103,818	1,112,266	1,120,925	1,131,366
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,548,841	1,567,934	1,581,544	1,602,127	1,616,467	1,638,342	1,655,219	1,671,778	1,691,160	1,708,944	1,727,311	1,748,485

City of Charles Sturt
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF CASH FLOWS



	Actuals 2022/23 \$'000	Current Year 2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	Projected Years 2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	-	123,587	138,985	144,617	150,341	156,266	161,422	166,615	172,073	177,955	184,120	190,482
Statutory Charges	-	5,605	5,026	5,170	5,300	5,431	5,560	5,685	5,816	5,957	6,105	6,257
User Charges	-	4,731	4,091	4,195	4,300	4,407	4,511	4,613	4,719	4,833	4,953	5,076
Grants, Subsidies and Contributions (operating purpose)	-	14,335	8,840	8,873	9,096	9,322	9,542	9,757	9,981	10,224	10,478	10,738
Investment Receipts	408	151	174	80	80	82	84	86	88	90	92	94
Reimbursements	-	1,427	497	501	514	527	539	551	564	578	592	607
Other	147,984	30	152	181	186	190	195	199	204	209	214	219
Payments:												
Payments to Employees	-	(55,517)	(58,383)	(60,502)	(62,487)	(64,375)	(66,610)	(68,681)	(71,106)	(73,336)	(75,890)	(78,315)
Payments for Materials, Contracts & Other Expenses	(102,328)	(58,768)	(55,589)	(57,695)	(59,923)	(61,402)	(63,538)	(65,575)	(68,593)	(70,394)	(73,008)	(75,550)
Finance Payments	(1,513)	(2,081)	(2,158)	(2,762)	(3,070)	(2,281)	(2,152)	(1,912)	(1,791)	(1,524)	(1,248)	(796)
Net Cash provided (or used in) Operating Activities	44,551	33,501	41,636	42,658	44,335	48,167	49,552	51,338	51,954	54,590	56,407	58,812
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	8,312	5,236	290	100	100	100	100	100	100	100	100	100
Grants utilised for capital purposes	-	448	-	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	2,044	-	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	10	1,230	656	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Equity Accounted Council Businesses	-	813	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Expenditure on Renewal/Replacement of Assets	(30,218)	(36,687)	(38,226)	(41,872)	(28,843)	(31,433)	(30,946)	(33,778)	(30,070)	(33,095)	(36,886)	(34,819)
Expenditure on New/Upgraded Assets	(22,592)	(17,277)	(14,050)	(22,279)	(11,456)	(15,656)	(11,689)	(17,042)	(14,591)	(10,889)	(11,070)	(2,742)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Loans Made to Community Groups	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(42,444)	(46,237)	(51,330)	(64,051)	(40,199)	(46,989)	(42,535)	(50,720)	(44,561)	(43,884)	(47,856)	(37,462)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from CAD	-	7,931	11,206	22,343	-	-	-	-	-	-	-	-
Proceeds from Borrowings	3,972	-	-	-	-	-	-	-	-	-	-	-
Receipt of Funds from Leases	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Aged Care Facility Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Bonds & Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Receipts from Other Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of CAD	-	-	-	-	(3,782)	(824)	(6,690)	(618)	(7,393)	(10,705)	(8,551)	(21,350)
Repayments of Borrowings	-	(1,114)	(1,158)	(596)	-	-	-	-	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(339)	(354)	(354)	(354)	(354)	(354)	(327)	-	-	-	-	-
Repayment of Aged Care Facility Deposits	(64)	-	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds & Deposits	(22)	-	-	-	-	-	-	-	-	-	-	-
Payments of Other Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	3,547	6,463	9,695	21,393	(4,136)	(1,178)	(7,017)	(618)	(7,393)	(10,705)	(8,551)	(21,350)
Net Increase/(Decrease) in Cash & Cash Equivalents	5,654	(6,273)	-	-	-	-	-	-	-	-	-	-
plus: Cash & Cash Equivalents - beginning of year	1,119	6,773	500	500	500	500	500	500	500	500	500	500
Cash & Cash Equivalents - end of the year	6,773	500	500	500	500	500	500	500	500	500	500	500

City of Charles Sturt
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF CHANGES IN EQUITY

	Actuals 2022/23 \$'000	Current Year 2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	Projected Years		2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Opening Balance	1,334,974	1,548,841	1,567,934	1,581,544	1,602,127	1,616,467	1,638,342	1,655,219	1,671,778	1,691,160	1,708,944	1,727,311		
Net Surplus / (Deficit) for Year	6,814	9,935	4,091	4,476	4,992	7,715	7,910	8,571	7,890	9,337	9,708	10,733		
Other Comprehensive Income														
- Gain (Loss) on Revaluation of I,PP&E	207,053	9,158	9,519	16,107	9,348	14,160	8,967	7,987	11,492	8,448	8,659	10,440		
- Available for Sale Financial Instruments: change in fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer to Accumulated Surplus on Sale of I,PP&E	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer to Acc. Surplus on Sale of AFS Financial Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share of OCI - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Equity Adjustments - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Movements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	207,053	9,158	9,519	16,107	9,348	14,160	8,967	7,987	11,492	8,448	8,659	10,440		
Total Comprehensive Income	213,867	19,093	13,610	20,583	14,341	21,875	16,877	16,558	19,382	17,785	18,367	21,174		
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	1,548,841	1,567,934	1,581,544	1,602,127	1,616,467	1,638,342	1,655,219	1,671,778	1,691,160	1,708,944	1,727,311	1,748,485		

City of Charles Sturt
10 Year Financial Plan for the Years ending 30 June 2034
UNIFORM PRESENTATION OF FINANCES

	Actuals 2022/23 \$'000	Current Year 2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	Projected Years						2032/33 \$'000	2033/34 \$'000
							2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000				
Income														
Rates	119,327	129,266	138,570	144,358	150,086	156,002	161,190	166,384	171,830	177,693	183,845	190,198		
Statutory Charges	4,851	4,724	5,054	5,181	5,311	5,443	5,571	5,696	5,827	5,969	6,118	6,269		
User Charges	4,081	3,991	4,101	4,203	4,309	4,416	4,520	4,621	4,728	4,843	4,964	5,087		
Grants, Subsidies and Contributions - operating	10,958	12,566	8,666	8,883	9,106	9,332	9,551	9,766	9,991	10,234	10,489	10,749		
Grants, Subsidies and Contributions - capital	2,024	-	-	-	-	-	-	-	-	-	-	-		
Investment Income	408	74	176	78	80	82	84	86	88	90	92	94		
Reimbursements	3,498	607	490	502	515	528	540	552	565	579	593	608		
Other Income	115	75	177	182	186	191	195	200	204	209	214	220		
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-		
Total Income	145,262	151,303	157,233	163,386	169,592	175,993	181,651	187,304	193,232	199,617	206,315	213,225		
Expenses														
Employee Costs	51,271	55,498	58,434	60,538	62,522	64,408	66,649	68,717	71,148	73,375	75,934	78,357		
Materials, Contracts & Other Expenses	54,278	51,988	55,900	57,850	60,102	61,514	63,713	65,736	68,840	70,528	73,222	75,751		
Depreciation, Amortisation & Impairment	34,112	35,949	36,950	38,060	39,205	40,375	41,527	42,668	43,863	45,152	46,502	47,888		
Finance Costs	1,513	2,081	2,158	2,762	3,070	2,281	2,152	1,912	1,791	1,524	1,248	796		
Net loss - Equity Accounted Council Businesses	490	92	-	-	-	-	-	-	-	-	-	-		
Total Expenses	141,664	145,608	153,442	159,210	164,899	168,578	174,041	179,033	185,642	190,580	196,907	202,792		
Operating Surplus / (Deficit)	3,598	5,695	3,791	4,176	4,692	7,415	7,610	8,271	7,590	9,037	9,408	10,433		
Timing adjustment for grant revenue	(2,024)	-	-	-	-	-	-	-	-	-	-	-		
Adjusted Operating Surplus / (Deficit)	1,574	5,695	3,791	4,176	4,692	7,415	7,610	8,271	7,590	9,037	9,408	10,433		
Net Outlays on Existing Assets														
Capital Expenditure on Renewal and Replacement of Existing Assets	(30,218)	(36,687)	(38,226)	(41,872)	(28,843)	(31,433)	(30,946)	(33,778)	(30,070)	(33,095)	(36,886)	(34,819)		
add back: Depreciation, Amortisation and Impairment	34,112	35,949	36,950	38,060	39,205	40,375	41,527	42,668	43,863	45,152	46,502	47,888		
add back: Proceeds from Sale of Replaced Assets	2,044	-	-	-	-	-	-	-	-	-	-	-		
Total Net Outlays on Existing Assets	5,938	(738)	(1,276)	(3,812)	10,362	8,942	10,581	8,890	13,794	12,057	9,616	13,069		
Net Outlays on New and Upgraded Assets														
Capital Expenditure on New and Upgraded Assets														
(Including Investment Property & Real Estate Developments)	(22,592)	(17,277)	(14,050)	(22,279)	(11,456)	(15,656)	(11,689)	(17,042)	(14,591)	(10,889)	(11,070)	(2,742)		
add back: Amounts Received Specifically for New and Upgraded Assets	8,312	5,236	290	100	100	100	100	100	100	100	100	100		
add back: Proceeds from Sale of Surplus Assets														
(Including Investment Property, Real Estate Developments & non-current assets held for sale)	10	1,230	656	-	-	-	-	-	-	-	-	-		
Total Net Outlays on New and Upgraded Assets	(14,270)	(10,810)	(13,104)	(22,179)	(11,356)	(15,556)	(11,589)	(16,942)	(14,491)	(10,789)	(10,970)	(2,642)		
Annual Net Impact to Financing Activities (surplus / (deficit))	(6,758)	(5,853)	(10,589)	(21,815)	3,698	800	6,602	219	6,892	10,305	8,054	20,860		

NOTE : this adopted LTFP provided the basis for development of the annual budget and high level parameters, noting that the final budget for 2024/25 was adopted following consultation feedback and finalisation of actual inputs for recurrent budget and level of capital and annual operating projects having regard to the LTFP high level parameters and which will be updated in the next LTFP iteration.

Schedule C – Budget Principles**Honest and Accountable**

We will be honest and accountable in all aspects of the budget process, meeting the community's expectations of transparency and openness with a reporting framework that supports and enhances this.

Strategic Approach

We will maintain a strategic approach to the delivery of all council services and capital works programmes. All expenditure decisions will align with the City of Charles Sturt Community plan.

Forward Financial Planning

A 10 year long term financial plan will reinforce the delivery and achievement of Council's long term strategic objectives in a sustainable manner. All programmes will be regularly reviewed to ensure they fit within the Council's financial framework and key performance targets for financial sustainability.

Realistic Budgeting

All budget figures will be realistic, based on the best available information and utilise a zero based budgeting approach.

Meet Long Term Liabilities

Each budget will be fully funded and reconciled on an accrual and cash basis. Councils total indebtedness will be considered within the constraints of a net financial liabilities ratio of less than 100%. Adequate provisions will be made to meet Council's long term liabilities. Council will seek to ensure a sustainable operating surplus.

Affordable Rates

Rates will be set at an affordable level having regard to the City's strategic directions and its social and economic objectives balanced against the community's ability to pay. Sustainable rate increases are defined as total rate revenue increases without an annual increase in total rate revenue after growth for 3 or more consecutive years which is double the annual increase in CPI assuming a **no** policy change in council direction.

Avoid Cost Shifting

We will resist pressure to accept cost shifting from other levels of government.

New Initiatives

All new initiatives will be evaluated in terms of meeting Council's strategic directions and incorporate a cost benefit analysis which includes whole of life costing.

Asset Sales and Debt

The operational budget will be structured such that there is no reliance on asset sales to fund core services. Debt will be regarded as a tool to be used in a strategic perspective to achieve the provision of services to the community. Debt will be considered:

- In the context of the strategic objectives of Council
- In the context of long term financial forecasts and objectives
- As funding for long term infrastructure asset creation
- As a means of spreading the cost of infrastructure over the ratepayers who use it
- As a mechanism to fund temporary cash shortfalls.

A ratio of total debt (net financial liabilities) less than 100% of Council's operating revenue is considered an acceptable benchmark.

Financial Control

We commit to ensuring that financial and other resources under our control will be used only for approved purposes and within Council's strategic framework and that all risks to Council's finances are properly managed.

Attachment B – Budgeted Financial Statements for 2024/2025

Schedule 1: Statement of Comprehensive Income

	2025	2024
	\$'000	\$'000
Revenue		
Rates	138,762	129,266
Statutory Charges	5,186	4,724
User Charges	4,286	3,991
Grants, Subsidies and Contributions - Operating	9,629	8,566
Grants, Subsidies and Contributions - Capital		4,000
Investment Income	182	74
Reimbursements	497	607
Other revenues	70	75
Net Profit Equity Accounted Businesses	0	293
Total Revenues	158,612	151,596
Expenses		
Employee Costs	59,510	55,498
Materials, Contracts and Other	56,112	51,988
Finance Costs	2,158	2,081
Depreciation, Amortisation and Impairment	36,950	35,949
Net Loss Equity Accounted businesses	1,309	0
Total Expenses	156,039	145,516
Operating Surplus/(Deficit)	2,573	6,080
Capital Amounts		
Physical resources received free of charge	200	200
Amounts specifically for new or upgraded asset	3,335	4,039
	3,535	4,239
Net Surplus/(Deficit)	6,108	10,319
Other Comprehensive income	0	0
Total Comprehensive Income	6,108	10,319

Schedule 2: Statement of Cash flows

	2025	2024
	\$	\$
	Inflows(outflows)	Inflows(outflows)
	\$'000	\$'000
Cash Flows from Operating Activities		
Operating Receipts	158,430	151,335
Investment receipts	182	74
Operating Payments to suppliers and employees	(115,622)	(107,591)
Finance payments	(2,158)	(2,081)
Net Cash Flows provided by (used in) Operating Activities	40,832	41,737
Cash Flows from Financing Activities		
Receipts		
Proceeds from Borrowings	11,206	8,427
Proceeds from Aged care Facility deposits	500	500
Payments		
Repayments of Borrowings	(1,512)	(1,469)
Repayment of Aged care Facility Deposits	(500)	(500)
Net Cash provided for (used in) Financing Activities	9,694	6,958
Cash Flows from Investing Activities		
Receipts		
Sale of replaced assets	1,848	1,230
Grants specifically for new of upgraded assets	3,335	4,039
	5,183	5,269
Payments		
Expenditure on renewal/replacement of assets	(42,675)	(36,687)
Expenditure on new/upgraded assets	(14,865)	(17,277)
	(57,540)	(53,964)
Net Cash used in Investment Activities	(52,357)	(48,695)
Net Increase (Decrease) in Cash Held	(1,831)	0
Cash and cash equivalents at Beginning of Reporting Period	2,500	500
Cash and cash equivalents at End of Reporting Period	669	500

Schedule 3: Statement of Financial Position

	2025	2024
	\$'000	\$'000
ASSETS		
Current Assets		
Cash and Cash equivalents	669	500
Trade and Other receivables	4,563	4,387
Inventories	202	185
Total Current Assets	5,434	5,072
Non-Current Assets		
Equity accounted investments in council business	0	1,063
Infrastructure, Property, plant and equipment	1,636,280	1,602,742
Other non-current assets	28,572	24,339
Total Non-Current assets	1,664,852	1,628,144
TOTAL ASSETS	1,670,286	1,633,216
LIABILITIES		
Current Liabilities		
Trade and Other Payables	25,472	22,217
Borrowings	950	1,512
Provisions	10,917	10,242
Total Current Liabilities	37,339	33,971
Non-Current Liabilities		
Long Term Borrowings	48,345	32,654
Long Term Provisions	1,891	1,854
Liability Equity accounted council businesses	1,167	0
Total Non-Current liabilities	51,403	34,508
TOTAL LIABILITIES	88,742	68,479
Net Assets	1,581,544	1,564,737
EQUITY		
Accumulated Surplus	545,787	540,288
Reserves	1,035,757	1,024,449
TOTAL EQUITY	1,581,544	1,564,737

Schedule 4: Statement of Changes in Equity**2025**

	Accumulated Surplus \$'000	Asset revaluation reserve \$'000	Total Equity \$'000
Accumulated Surplus			
Balance at end of previous reporting period	539,679	1,035,757	1,575,436
Net Result for year	6,108		6,108
Other Comprehensive income		0	0
Balance at end of period	545,787	1,035,757	1,581,544

2024

	Accumulated Surplus \$'000	Asset revaluation reserve \$'000	Total Equity \$'000
Accumulated Surplus			
Balance at end of previous reporting period	529,969	1,024,449	1,554,418
Net Result for year	10,319		10,319
Other Comprehensive income		0	0
	540,288	1,024,449	1,564,737

Schedule 5: Summary of Operating and Capital Investment Activities – Uniform Presentation of Finances

	2024	2023
	\$	\$
Income		
Rates	138,762	129,266
Statutory Charges	5,186	4,724
User Charges	4,286	3,991
Grants ,subsidies and contributions – operating	9,629	8,566
Grants ,subsidies and contributions – capital	0	4,000
Investment Income	182	74
Reimbursements	497	607
Other income	70	75
Net gain – equity accounted council businesses		293
	158,612	151,596
Expenses		
Employee costs	59,510	55,498
Material, Contracts, Other	56,112	51,988
Depreciation, Ammortisation and Impairment	36,950	35,949
Finance costs	2,158	2,081
Net loss – equity accounted council businesses	1,309	-
	156,039	145,516
Operating Surplus/Deficit	2,573	6,080
Less Grants ,subsidies and contributions – capital	0	4,000
Adjusted Operating surplus	2,573	2,080
Less		
Net Outlays on Existing Assets		
Capital expenditure on renewal and replacement of existing assets	42,675	36,687
Less Depreciation, Amortisation and Impairment	(36,950)	(35,949)
Less Grants subsidies and contributions – renewal	0	(4,000)
Less proceeds from sale of Replaced Assets	(1,848)	(1,230)
	3,877	(4,492)
Less		
Net Outlays on new and Upgraded Assets		
Capital expenditure on New and Upgraded assets	14,865	17,277
Less amounts received specifically for New and Upgraded assets	(3,335)	(4,039)
Less proceeds from Sale of Surplus Assets	0	0
	11,530	13,238
Equals		
Annual Net Impact to Financing activities	(12,834)	(6,666)

Schedule 6: Statement of Financial Indicators

	Key Financial Indicators	
	2025	2024
Operating surplus/deficit - \$'000	2,573	6,080
Adjusted Operating surplus/deficit *	2,573	2,080
Operating surplus ratio	1.6%	4.0%
Adjusted Operating surplus ratio*	1.6%	1.4%
Net Financial Liabilities ratio	52.7%	41.9%
Interest cover ratio	1.2%	1.3%
Asset sustainability ratio (AMP)	111.6%	116.6%

*The adjusted ratio exclude capital grants

Attachment C - Rating Policy

Rating Policy

Reference Number: 4.24

Type:	Council
Category:	Finance Policy
Relevant Community Plan Outcome:	- Adaptive and sustainable management of the City's finances - Practise transparent and accountable governance
Responsible Officer(s):	Manager Financial Services
First Issued/Approved:	June 2001
Minutes Reference:	CI 24/6/2024 Item 6.54
Last Reviewed:	June 2023
Next Review Due:	June 2024
Applicable Legislation:	Local Government Act 1999 Local Government (Financial Management) Regulations 2011
Related Policies:	Nil
Related Procedures:	Nil

1. Purpose

This document sets out the policy of the City of Charles Sturt for setting and collecting rates from its community. The policy covers:

- the method used to value land
- adoption of valuations
- business impact statement
- Council's revenue raising powers
- differential general rates
- minimum rate
- Regional Landscape levy (the Council's collection role)
- pensioner concessions
- self-funded retirees concession
- payment of rates
- rebate of rates
- rate capping
- remission of rates
- postponement of rates
- late payment of rates
- sale of land for non-payment of rates
- changes to assessment record
- disclaimer

2. Scope

Strategic Focus

In setting its rates for the 2024/25 financial year Council has considered the following:

- its Community Vision 2040 – *A Place to call home, A Place where we belong*
- its Long Term Financial Plan Estimates 2024-2034;
- its Budget Principles;
- the current economic climate;
- the specific issues faced by our community;
- the Annual Business Plan and Budget for the 2024/2025 financial year;
- the impact of rates on the community;
- the impact of rates on businesses;
- the relationship between Council objectives and rating strategy;
- Council's debt strategy;
- required funding for future asset replacement;
- the impact of differential changes in property valuations across the City;
- as may be relevant, issues of consistency and comparability across Council areas in the imposition of rates on sectors of the community such as business; and
- issues of equity arising from circumstances where ratepayers provide or maintain infrastructure that might otherwise be provided or maintained by Council and whether discretionary rebates will be granted.

Copies of Council's Community Plan and Annual Business Plan and Budget are available for inspection at the Charles Sturt Civic Centre, 72 Woodville Road, Woodville or on our website at www.charlessturt.sa.gov.au

3. Policy Statement

COMMUNICATION OF THE POLICY

Section 123 of the Local Government Act 1999 requires a Council to prepare an Annual Business Plan and Budget. As per Section 123 (2) (d) the annual plan must set out the rates structure and policies for the financial year. A summary of the Annual Business Plan must be included with the first rates notice.

METHOD USED TO VALUE LAND

Councils may adopt one of three valuation methodologies to value the properties in their areas. They are:

- *Capital Value* – the value of the land and all the improvements on the land.
- *Site Value* – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but **excluding** the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property.

The City of Charles Sturt has decided to continue to use Capital Value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers because property value is considered a reasonable indicator of income and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

ADOPTION OF VALUATIONS

A Council may employ or engage a valuer to value the land in the area or it may use the valuations provided by the Valuer-General, or it may use a combination of both subject to certain restrictions. The Valuer-General is a statutory officer appointed by the Governor.

The City of Charles Sturt has adopted the most recent valuations made by the Valuer-General. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

- (a) previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- (b) previously had an objection to the valuation considered by the Valuer-General.

It is to be noted, however that regardless of the 60 day limitation period before lodging an objection to the valuation the Valuer-General may, for good reason, determine to accept an objection lodged outside this time period.

OBJECTION TO VALUATION

A person may object to a valuation of the Valuer-General by notice in writing, setting out the reasons for the objections, and the Valuer-General must consider the objection. If the person then remains dissatisfied with the valuation the person has a right to a review. Applications must be made within 21 days of receipt of the notice of the decision (in relation to the objection) from the Valuer-General. A payment of the prescribed fee for the review to be undertaken together with the review application must be lodged with the office of the Valuer-General, who will then refer the matter to an independent Valuer. If the person remains dissatisfied with the valuation then they have a right of appeal to the South Australian Civil and Administrative Tribunal (Section 24, 25A, 25B & 25C of the Valuation of Land Act 1971).

The address of the Office of the Valuer General is 101 Grenfell Street, Adelaide SA 5000 (GPO Box 1354, Adelaide SA 5001) and the telephone number is 1300 653 346 (general enquiries).

Note: Council has no role in the process of considering an objection to a valuation.

It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

NOTIONAL VALUES

Certain properties may be eligible for a notional value, where the property is the principal place of residence of a ratepayer, under the Valuation of Land Act 1971. This relates to some primary production land or where there is State/Local heritage recognition.

Any owner that believes that they are entitled to a 'notional value' must apply in writing to the office of the Valuer-General.

BUSINESS IMPACT STATEMENT

The Council has considered the impact of rates on businesses in the Council area, including primary production. In considering the impact, Council assessed the following matters:

- those elements of the Council's strategic management plans relating to business development;
- the current and forecast economic climate as identified in Council's environmental scan;
- operating and capital projects for the coming year that will principally benefit industry and business development within the City;
- movement in the Consumer Price Index (CPI) and other relevant indices such as the Local Government Price Index (LGPI) ;
- valuation changes in commercial and industrial properties across the City as compared with valuation changes in residential properties across the City;

COUNCIL'S REVENUE RAISING POWERS

All land within a Council area, except for land specifically exempt (eg Crown land, Council occupied land and other land prescribed in the Local Government Act – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Charles Sturt Civic Centre, 72 Woodville Road, Woodville or on our website at www.charlessturt.sa.gov.au. A Goods and Services Tax at a rate determined under the Goods and Services Tax Act 1999 will be charged on those fees not given exemption under the Act.

DIFFERENTIAL GENERAL RATES

At its meeting on 24 June 2024 Council decided to raise rate revenue of \$138,296,031 in a total operating revenue budget of \$158,612,037. The Council has set the following differential general rates.

- (a) 0.199464489 cents in the dollar on rateable land of category (a) residential;
- (b) 0.6617788370 cents in the dollar on rateable land of categories (b) Commercial – shop; (c) Commercial - Office and (d); Commercial – other use;
- (c) 0.7273714660 cents in the dollar on rateable land of categories (e) Industry – Light and (f); Industry – other;
- (d) 0.3462941176 cents in the dollar on rateable land of category (g) Primary Production;
- (e) 0.589482212 cents in the dollar on rateable land of category (h) Vacant Land;
- (f) 0.2668587450 cents in the dollar on rateable land of category (i) Other.

Land use is a factor to levy differential rates. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then the ratepayer may object to that land use (to the Council) within 60 days of being notified. The objection must set out the basis for the objection and details of the land use that, in the opinion of the ratepayer, should be attributed to that property. The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the South Australian Civil and Administrative Tribunal.

Objections to Council's land use decision may be lodged with the City of Charles Sturt, 72 Woodville Road, Woodville. A ratepayer may discuss the matter with one of Council's Customer Contact Officers on phone number 8408 1111 in the first instance. The Council will provide, on request, a copy of Section 156 of the Local Government Act 1999 which sets out the rights and obligations of ratepayers in respect of objections to a land use.

Note: Lodgement of an objection does not change the due date for the payment of rates.

MINIMUM RATE

A Council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. Where two or more adjoining properties have the same owner **and** are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

The Council has decided to impose a minimum rate of \$1,285. The reason for imposing a minimum rate is to ensure that all residents contribute towards the provision of basic services at a reasonable level.

REGIONAL LANDSCAPE LEVY

The City of Charles Sturt is within the area covered by the Green Adelaide Board and is required under the Landscape South Australia Act 2019 to fund the operations of the Board. It does so by imposing a separate rate against rateable properties within its area of 0.00709291 cents in the dollar, based on the Capital Value of rateable land within the City.

The City of Charles Sturt is operating as a revenue collector for the Green Adelaide Board in this regard. Revenue from this levy is not retained by the Council, nor does the Council determine how the revenue is spent.

PENSIONER CONCESSIONS

If you are an eligible pensioner you may be entitled to a cost of living concession. This concession is paid directly into the individual's bank account and can be used towards either electricity, gas, water bills or council rates.

Application forms are available by contacting the Concession Hotline on 1800 307 758 or at www.sa.gov.au/concessions.

Applications are administered by the State Government. Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates.

CONCESSIONS FOR SELF-FUNDED RETIREES

The State Government has determined that self-funded retirees meeting certain conditions may also be entitled to cost of living concession. This concession is paid directly into the individual's bank account and can be used towards either electricity, gas, water bills or council rates.

Application forms are available by contacting the Concession Hotline on 1800 307 758 or at www.sa.gov.au/concessions.

Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates.

PAYMENT OF RATES

As required by Section 181 (1) of the Local Government Act 1999, ratepayers may pay their rates in four approximately equal instalments, payable in the months of September, December, March and June of the financial year for which the rates are declared.

In cases where the initial account requiring payment of rates is not sent at least 30 days prior to this date, or an amended account is required to be sent, the Chief Executive Officer has the authority to fix the date by which rates must be paid for these assessments.

The Chief Executive Officer also has the authority to enter into agreements with principal ratepayers relating to the payment of rates in any case where he considers it necessary or desirable to do so.

Rates may be paid by cash, EFTPOS or credit card (except Diners Card and American Express):

Personally at the following Council Service Centres:

- Charles Sturt Civic Centre, 72 Woodville Road, Woodville
- Ngutungka West Lakes , 9 Charles Street West Lakes*
- Hindmarsh Library, 149 Port Road, Hindmarsh*
- Findon Library, Cnr Grange and Findon Roads*
- or at
- any **Australia Post** outlet

* **Note:** For security reasons cash payments are only accepted at the Charles Sturt Civic Centre and Australia Post outlets.

By telephone using:

- BPay and Bpay view through your participating bank
- Phone NAB 1300 609 653

By mail:

- Addressed to City of Charles Sturt, PO Box 1 Woodville SA 5011

By internet:

- Through Council's website at www.charlessturt.sa.gov.au
- or Australia Post at www.postbillpay.com.au

By Direct Debit:

- Quarterly
- Fortnightly

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Council's Rate Enquiries on 8408 1111 to discuss alternative payment arrangements. Such enquiries are treated confidentially by the Council.

Note: Late payment fines and interest may still apply.

LATE PAYMENT OF RATES / DEBT RECOVERY

The Local Government Act provides that Councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Interest charged on late payments is charged on both the amount of the rate arrears and any interest that has previously been imposed. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may incur because it has not received the rates on time.

The prescribed interest rate for the 2024/25 financial year has not yet been declared. When the interest rate is declared the Council will publish the rate on its public website.

The City of Charles Sturt imposes late payment penalties strictly in accordance with the Local Government Act. The ability to remit penalties in whole or part is a power vested in Council. At the City of Charles Sturt each case will be considered on its merit based on the information provided.

DEBT RECOVERY

The Council will apply prudent debt collection practices in the recovery of outstanding rates in compliance with the Local Government Act 1999 and following an ongoing assessment of arrears and systematic approach to debt recovery.

Rates which are not paid by the due date as specified on the council rates notice will be subject to the following recovery procedure:

1. fines and interest as provided by the Act will be added;
2. an overdue notice will be forwarded within 7 days of the imposition of a late payment penalty;
3. the debt will be placed in the hands of a debt collector if payment or arrangement for payment is not made within 10 days. A notice of intention to issue a claim will be forwarded by the debt collector; and
4. court proceedings will be instigated if the payment is still overdue after 21 days.

All fees and court costs are recoverable from the ratepayer.

When Council receives a payment in respect of overdue rates the Council applies the money received as follows:

- firstly – to satisfy any costs awarded in connection with court proceedings;
- secondly – to satisfy any interest costs;
- thirdly – in payment of any fines imposed; and
- fourthly – in payment of rates, in date order of their imposition (starting with the oldest account first).

REBATE OF RATES

Under the Act

The Local Government Act requires Council to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. These rebates vary from 25% to 100% and will be applied upon application and or verification of existing status.

Discretionary

Discretionary rebates of up to 100% may be applied by the Council under Section 166 of the Act. However as per Council's rate rebate policy it is recognised that Council has a requirement to balance the benefits of supporting community organisations, with the impact that such rebates have on our overall rating income. To promote the transparency of this process, Council has adopted a Rate Rebate Policy. A copy of this policy is available at the Charles Sturt Civic Centre or on Council's website at www.charlessturt.sa.gov.au

These rebates will be applied upon application.

Residential Construction

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a rebate of general rates for the 2024/25 financial year will be granted in respect of an Assessment classed as vacant land in the Council's Assessment Book where the land is in a Residential Zone or a Residential Historic (Conservation) Zone in the Development Plan, or any replacement zone created by the authorisation of a Plan Amendment Report applicable to the Council's area:

- (a) if the Principal Ratepayer of the Assessment applies to the Council for the rebate prior to 30 June 2025; and
- (b) a dwelling has been substantially commenced on the property by 30 June 2025, and
- (c) the Council is satisfied that the intention of the Principal Ratepayer is to reside in that dwelling upon completion for at least 1 year.

The amount of the rebate is determined based on the timing of the pouring of the footings. If the footings are poured prior to 31 December 2024 a full rebate will be given but if the footings are poured after 31 December 2024 a 50% rebate will be given with the rebate being the difference in monetary terms between the rates that would have been paid in respect of the Assessment if it had been used at the date of declaration of the rates for residential purposes and the actual amount paid after deducting any other rebate granted within the rating period.

It is the intention of this rebate to only apply to one dwelling and to the ratepayer who will reside in Charles Sturt and consequently where multiple dwellings are proposed on Land (with or without division of the land occurring) the rate rebate will apply to only one of the dwellings, on a pro-rata basis. For example, if four dwellings are being constructed on the Land, provided the above criteria is met, the owner will

be entitled to 25% of the applicable rebate (being the rebate determined according to when the footings are poured).

If the principal ratepayer is a body corporate the rebate will only be applied if one of the directors or office holders will reside in the dwelling for at least 1 year.

Rate Capping

To provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation, a rebate of general rates for the 2024/25 financial year will be granted to the Principal Ratepayer of an Assessment under Section 166 (1) (l) of the Act, either by the Council of its own initiative where the Council is in possession of sufficient information to determine the entitlement to the rebate or otherwise on application to the Council, where the amount of any increase in rates in respect of that Assessment in monetary terms between the amount of general rates payable for the 2023/24 financial year (after any rebate was applied) and the amount of general rates imposed for the 2024/25 financial year, is greater than 12.5%. The amount of the rebate will be the difference between the amount of general rates in monetary terms imposed for the 2024/25 financial year and the amount of general rates in monetary terms payable for the 2023/24 financial year (after any rebate was applied but prior to deducting any concessions) plus 12.5% of that amount.

The rebate will not apply where:

- (a) any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$20,000, or
- (b) any such increase is applicable to the use of land being the categories of commercial, industrial, primary production, vacant land and other.
- (c) any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the 2024/25 financial year than on the date the Council declared its general rates for the 2023/24 financial year, or
- (d) the ownership of the rateable property has changed since 1 July 2023

Postponement of Rates for Seniors

Under Section 182A of the Act a postponement of rates may be granted to persons meeting the requirements of Section 182A (1). A 'senior' for these purposes is a person who holds a current State Seniors Card issued by the State Government or who has the qualifications to hold such and has applied for the card but is yet to be issued with it. A postponement is available to a 'senior' (or the spouse of a senior) in respect of all rates payable on the principal place of residence that is owned only by the senior or the senior and his/her spouse. A postponement for these purposes must be applied for (to the Council) and where the above criteria are met will result in all rates over \$500 being postponed. The postponed amount will incur interest.

Applications

All applications for rebates, remissions or postponements must be in writing, addressed to the Chief Executive Officer, City of Charles Sturt, 72 Woodville Road,

Woodville SA 5011 and include sufficient details to identify the relevant property and support the application.

Application forms are available from council's website at www.charlessturt.sa.gov.au.

Further information on rebates is available from a Customer Contact Officer at the Council Offices, 72 Woodville Road, Woodville or on telephone (08) 8408 1111.

SALE OF LAND FOR NON-PAYMENT OF RATES

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month. The City of Charles Sturt enforces the sale of land for non-payment of rates after 3 years or more in accordance with the provisions of the Act.

Land which is exempted for non-payment of rates as per Section 185 of the Local Government Act 1999 Charles Sturt enforces its application as part of its policy.

CHANGES TO ASSESSMENT RECORDS

All changes to postal address or name of a ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing; letter, or email.

DISCLAIMER

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact a Customer Contact Officer at the Council Offices or on telephone 8408 1111 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, City of Charles Sturt, 72 Woodville Road, Woodville SA 5011 (email: council@charlessturt.sa.gov.au) explaining the nature of their concern.

APPENDIX A

Summary of legal position relating to the setting and collection of rates

Local Government Act 1999

A Council may impose general rates, separate rates, service rates and service charges on land in its area (Section 146). Generally, all land within a Council area is rateable unless it is specifically exempt by section 147 of the Act. Such exemptions include crown land, land used for public educational purposes and Council occupied land. A Council must adopt an annual business plan each year which amongst other things sets out the Council's objectives for the year and the broad rates structure and policy framework within which the Council rates its area. A summary of the Annual Business Plan must accompany the first rates notice.

A rate is to be based on the value of the land multiplied by a 'rate in the dollar' set each year by the Council. The basis of valuation is to be capital value, site value or annual value (Section 151). Land must be valued by either the Valuer-General or a valuer engaged or employed by the Council (Section 167). Objections may be lodged against a valuation made by a valuer engaged or employed by the Council (Section 169) or by the Valuer-General (Valuation of Land Act). Differential general rates can be declared for land according to the location or the specific use (eg residential) of the land.

As part of the general rate a fixed charge may apply which means that the same amount is payable irrespective of the value, use or location of the property. The fixed charge may only be imposed against the whole of an allotment and only one fixed charge may be imposed against two or more pieces of contiguous land owned by the same owner and occupied by the same occupier or a single farm enterprise (Sections 148 & 152).

A Council may fix a minimum amount payable by way of rates or it may alter the amount to be paid by properties within a specific range of values, but may not do so if it has imposed a fixed charge. The minimum rate may only be imposed against the whole of an allotment (which can include land under a separate lease or licence) and only one minimum rate is payable by two or more pieces of contiguous land owned by the same owner and occupied by the same occupier. The minimum rate must not be applied to supported accommodation or independent living units within the same group or complex of units. The minimum rate and altered rates must not apply to more than 35% of the properties in a Council area (Section 158).

A Council may declare either a general rate or differential general rates based on the use of the land, the locality of the land, the locality and the use of the land or (where particular circumstances apply) some other basis determined by the Council (Sections 153 & 156). A Council may declare a separate rate (or differential separate rates) on rateable land where a specific project is being undertaken to benefit the land or the occupiers of the land, which can be only a portion of the land in a Council area (Section 154). A Council may impose service rates and/or charges against land for any prescribed service it provides or makes available to the land.

A service charge is also payable in relation to non-rateable land. Prescribed services are the treatment or provision of water, the collection, treatment or disposal (including by recycling) of waste and television transmission (or retransmission) services (Section 155).

Rates are a charge against the land (Section 177). The owner of the land (unless the Council is advised otherwise) is the principal ratepayer and rates may be recovered as a debt against the principal ratepayer. In certain cases the occupier of the land may be classed as the principal ratepayer.

All ratepayers may pay rates in four quarterly instalments and a Council may grant discounts or incentives to encourage early or prompt payment of rates (Section 181). A Council may also make arrangements with ratepayers for other instalment provisions to apply (Section 181). If an instalment of rates is not paid by the due date then the Act provides for a Council to impose a fine of 2% on the unpaid instalment and, if the instalment continues to be unpaid, to charge a prescribed interest rate (set each year by a formula in the Act) on the unpaid instalment (including interest previously charged), on a monthly basis. The Council may remit such penalties in whole or in part (Section 181). Where rates become unpaid for a period of more than three years a Council may sell the land to recover the unpaid rates (Section 184).

A Council may remit or postpone the payment of rates, on the application of the ratepayer, if the payment of the rates would impose hardship on the ratepayer (Section 182).

A Council must rebate the payment of rates for land used for various purposes – health services, community services, religious purposes, public cemeteries, the Royal Zoological Society, educational institutions – as provided in Sections 159 to 165 of the Act. A Council may also provide discretionary rebates on the payment of rates (up to 100% of the rate for a period of up to ten years) on land used for a range of purposes, including for the securing the proper development of the land, for the preservation of buildings or places of historic interest, for the provision of facilities or services for children or young persons and for the provision of accommodation for the aged or disabled (Section 166).

A Council must also postpone all rates over \$500, on application by a 'senior' who satisfies the various criteria set out at Section 182A of the Act.

Note: A copy of the Local Government Act 1999 is available for inspection at the Charles Sturt Civic Centre, 72 Woodville Road, Woodville or on the SA State Government website at www.legislation.sa.gov.au

