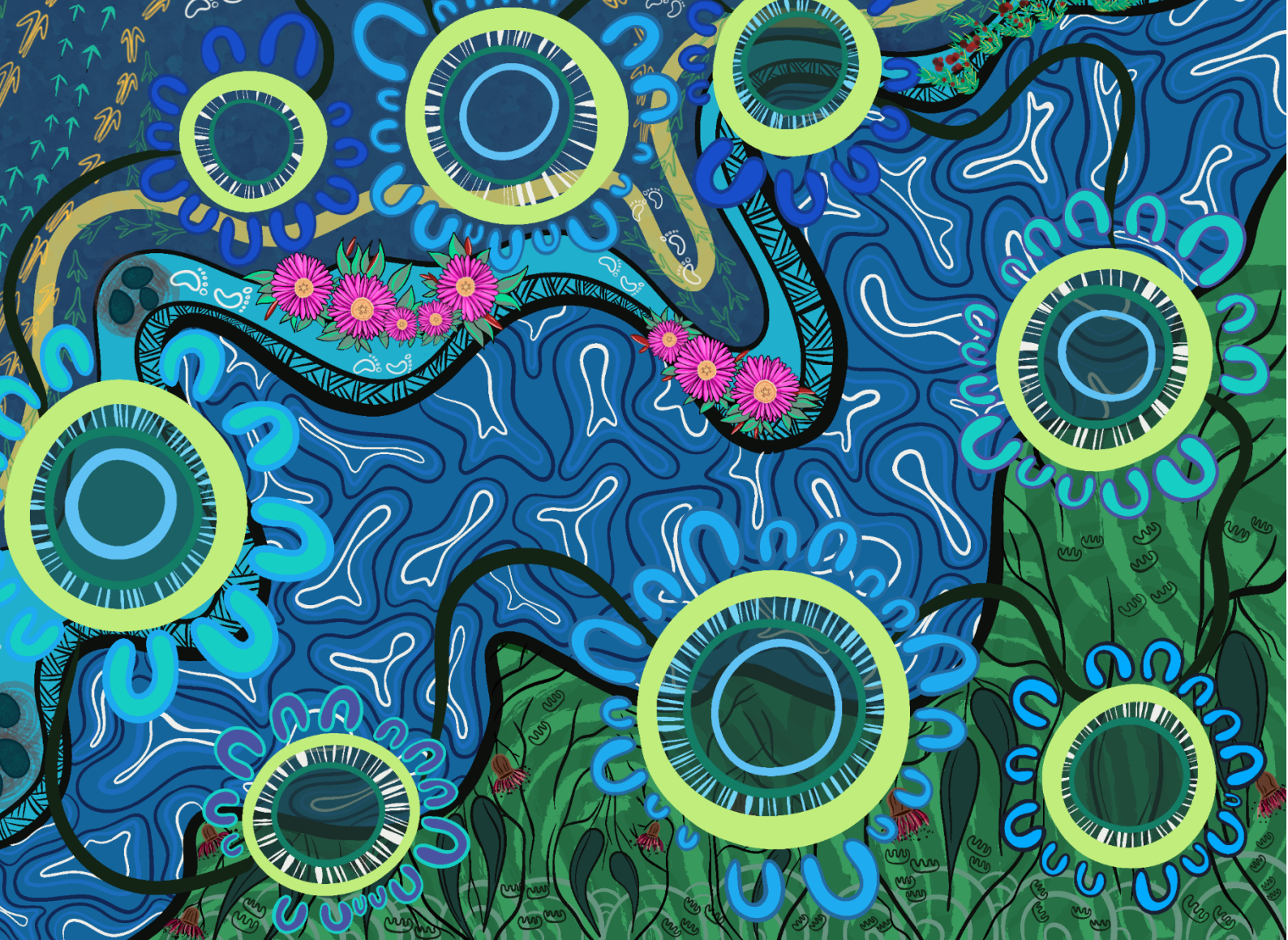


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ACKNOWLEDGMENT OF COUNTRY

The City of Charles Sturt acknowledges and pays respect to the traditional custodians of the land, the Kurna people of the Adelaide plains. We acknowledge Elders past and present. We respect their spiritual beliefs and connections to land which are of continuing importance to the Kurna people of today. We acknowledge the contributions and important role that Aboriginal people continue to play within our community in Charles Sturt. We also respect the cultures of Aboriginal people visiting from other areas of South Australia and Australia.

LEGISLATIVE CONTEXT

Under Section 123 of the Local Government Act 1999 (SA), councils must adopt an Annual Business Plan and Budget each financial year. This must align with the Council's Strategic Management Plans and be adopted after 31 May but before 31 August.

Annual Business Plan Requirements

The Draft Annual Business Plan must:

- Summarise the Council's long-term objectives.
- Outline the objectives, planned activities, and performance measures for the financial year.
- Assess the financial requirements, providing a summary of operating expenditure, capital expenditure, and revenue sources.
- Detail the rates structure and policies and assess their impact on the community.
- Align with the Long-Term Financial Plan and infrastructure needs.
- The community must be provided a consultation opportunity on the Draft.

Community Consultation

Before adoption, the Draft Annual Business Plan is released for public consultation:

- **Consultation opens:** Tuesday, 15 April 2025
- **Consultation closes:** Thursday, 8 May 2025, 5:00 PM

Ways to provide feedback:

- **Online:** Share your thoughts at Your Say Charles Sturt from 15 April to 8 May 2025.
- **Speak to Council:** Provide a verbal submission via deputation at the Council meeting on Monday, 28 April 2025, 7:15 PM – 8:15 PM.
- **Drop-in session:** Speak with the team in person on Tuesday, 6 May 2025, between 4:00 PM – 5:30 PM.

During this period, copies of the Draft Annual Business Plan will be available for public review at the Council's principal office.

Final Adoption

Following consultation, the Annual Business Plan and Budget will be presented for Council adoption before 31 August 2025, in line with the Local Government Act 1999. Once adopted, copies will be available for inspection or purchase, and a summary will be included with the first rates notice.

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 130,000 diverse residents, our City combines cultural richness, opportunity, healthy living and recreation within the reach of beautiful beaches, the Adelaide CBD and essential facilities including the airport.

Our City stands at the forefront of Adelaide's sporting and entertainment sectors, featuring national sporting facilities, golf courses, and the River Torrens Linear Park among many other attractions. It's a beautiful place which offers a wide range of educational, healthcare, and community amenities to ensure a rich and inclusive experience for everyone.

Our population has a proportion of ageing residents, and fewer children aged 14 and under. While many households are family-occupied, we also have a relatively high proportion of people living alone. Our community is proudly diverse, with residents representing more than 105 cultures and speaking over 130 languages other than English.

Our City is also evolving, driven by steady population growth, major transport infrastructure upgrades and the goals of the 30-Year Plan for Greater Adelaide, which forecasts continuing population growth, particularly along key transport corridors.



STRATEGIC CONTEXT

The Draft Annual Business Plan 2025/26 for the City of Charles Sturt has been developed within an integrated planning framework, ensuring our strategic direction is translated into annual actions and outcomes.

As we look ahead to delivering this plan, we've reflected feedback from our community, as well as insights from the Essential Services Commission of South Australia (ESCOSA) - an independent body that provides independent advice regarding council financial sustainability across the state.

In its latest report, ESCOSA acknowledged that the City of Charles Sturt is in a sustainable financial position, with a successful track record of operating surpluses and careful budgeting. Importantly, our service levels have remained consistent as we continue to invest in renewing ageing infrastructure and deliver new initiatives for our community.

ESCOSA also recognised something we're proud of: we listen. ESCOSA highlighted our ongoing consultation with residents to better understand what matters most; whether it's services providing safe streets, upgraded parks, connection services, or focusing on the environment and sustainability.

While our rates remain broadly in line with other metropolitan councils, we know many households are feeling the pressure of rising costs. That's why we're proud to be in a position to deliver meaningful projects and services while maintaining financial stability. It's a balance we don't take for granted, and it continues to guide the decisions behind this Annual Business Plan.

Our Community Vision

The Community Vision provides the long-term direction for the City of Charles Sturt and is shaped by extensive community consultation. It reflects the aspirations of our residents and focuses on five key themes and four underpinning foundations:



To ensure we meet the strategic focus of our Community Vision, our Organisational Plan brings together the outcomes to be delivered by the organisation to meet this vision. Our Organisational Plan defines our objectives for the next 5 years where we will measure performance, prioritise initiatives and actions to sustainably progress the Community Vision.

Financial Sustainability & Long-Term Planning

Our 10-Year Long Term Financial Plan (LTFP) ensures we deliver on our Vision while remaining financially sustainable. It enables us to:

- Plan for future investment without disruption.
- Spread the cost of infrastructure and services fairly across generations.
- Make sound decisions about rates, services, and growth, informed by the community.

Strategic Review & Consultation

As required under the Local Government Act 1999, Council's Strategic Management Plans are reviewed within two years of a Council election. The Community Vision 2040 was endorsed by Council following an extensive consultation process in May 2024.

Progress and achievements from this Annual Business Plan will be reported through our Annual Report that can be found on our website.

STRATEGIC PRIORITIES AND MEASUREMENT OF PERFORMANCE

Community Vision – Themes, Outcomes and Commitments

The Community Vision outlines our community’s collective aspirations for our City, and our Organisational Plan details the program of work for the next 5 years to support our Community Vision, which will be reviewed on an annual basis with the aim to maintain or improve performance reflecting our continuous improvement approach.

Measurement of Performance

We have a comprehensive set of outcomes, objectives and associated measures to ensure the organisation is progressing against the Community Vision outcomes, delivering on its commitments, and meeting broader obligations as a local government organisation in a sustainable way.

Our role as Council is vast with more than 300 measurable functions. A range of key metrics related to the Community Vision outcomes are outlined below.

In addition, an annual Community Survey is undertaken to ensure the outcomes achieved by the organisation are meeting the needs of the community in an evolving world, and commenced in March 2025.

Strategic Priorities 2025/26

The Community Vision outlines 4 key strategic priorities, our flagship initiatives, and are designed to address our community’s focus on addressing climate risk, building community connection, and wellbeing within neighbourhoods, and maintaining quality of life as our population increases and urban infill continues.

The flagship initiatives of **Tree Canopy**, **Local Centre Revitalisation**, **Your Neighbourhood Plan and Community Renewables** projects were initiated in 2024/25 and actions continue to be delivered on in 2025/26 as outlined below.

Other key priorities for 2025/26 reflected in the Annual Business Plan and Budget include:

- Development of the **City Plan** which will involve structured and integrated analysis of climate risk, infill impacts and equitable distribution of services across the City with a forward outlook of 30years.
- Addressing shortfalls in quality **open space in Hindmarsh and Beverley** to meet the needs of these growing communities.
- Development of design guidelines for the private and public realm to ensure that development undertaken by and/or within the City supports the needs of the community as set out in our Community Vision in relation to climate, inclusion, connection and community-led design. **The Urban Design and Infrastructure Guideline** will supersede our previous Infrastructure Guidelines.
- Investigating **Mobility as a Service (MaaS)** - a tech-driven solution that integrates public transport, carpooling, rideshare, and other transport options into one digital platform to let users plan, book, and pay for trips in one place.

Key actions for 2025/2026 reflecting the Community Vision, outcomes and commitments and key measures by which we will assess our performance are outlined in the following pages.

Local Neighbourhoods:

Improving neighbourhood facilities, amenities, and public spaces so residents have easy access to services, feel connected, and take pride in their local areas.

Outcomes	Key Measures
Our families, friends and neighbours create memories together	<p>Engagement with community events and programs - number of events and participation.</p> <p>Local business success – number of businesses (% growth)</p> <p>Access to services – number and % of residences that have access to key services (supermarket, convenience, post office etc) within specified distances.</p>
Our local businesses know your name	
Our neighbourhoods enable us to walk or ride to get what we need	
Our places appreciate and reflect their local history and culture	
We create local connection within and between neighbourhoods	

Commitments	25/26 Focus
Revitalise our local centres	Design of the revitalisation of Tapleys Hill Road at Royal Park and Hendon has progressed in 2024/25 with construction to commence in 2025/26.
Support community to connect, gather and build relationships	<p>We will continue to build connection in the community via our programs offered through our Ngutungka Hubs, community centres and libraries.</p> <p>We will support our community to hold events through our Street Meets program, Events and Festivals Sponsorship funding and Arts and Culture Grants programs.</p> <p>We will undertake improvements at Sinclair Reserve at Grange Bowden Village and investigate a BMX track in Grange.</p>
Assist business to adapt, innovate and grow through capaCity building and grants	<p>We will support businesses to activate their local areas through our Shop Local – Façade Improvement Grant program.</p> <p>We will support our businesses to grow and adapt through the Business Support Program and business advisory services.</p>
Foster and celebrate diverse community activities	We will provide grant funding programs for community events and street meets.

<p>Connect people to their local neighbourhoods with improved infrastructure and streetscapes</p>	<p>Significant streetscape projects will be undertaken in Gibson Street and Hawker Street in Brompton and Bowden, as part of our road renewals program.</p> <p>Undergrounding of powerlines in Chief Street will continue in anticipation of future streetscape upgrades.</p> <p>We will further improve the usability and connectivity of our walking and cycling network through the New Path Program, Sustainable Transport Infrastructure Program and the Grange Lakes Shared Use Path Upgrade Program.</p>
<p>Celebrate our unique history and neighbourhoods</p>	<p>Geotagging and wayfinding solutions will be explored along with a review of Community Transport to better connect our community across our City.</p>

Valuing Nature:

Enhancing our natural environment, reducing our ecological footprint, and creating a greener, more sustainable City for future generations.

Outcomes	Key Measures
<p>Our City is cool and green and filled with life</p>	<p>Open space per capita across the City, households within 300m or usable open space.</p> <p>Number of trees planted.</p>
<p>Our beaches, open spaces and waterways invite reflection and wellbeing</p>	<p>% of tree canopy coverage.</p> <p>Number of significant and regulated trees (public and private land) removed.</p> <p>Plantable verge areas planted and cared for by the community.</p>
<p>We work together with our community to protect the environment</p>	<p>Carbon emissions associated with Council operations.</p> <p>Engagement with and impact of Community Renewables initiatives.</p> <p>% of households with solar / renewable energy in the Council area.</p> <p>Participation in community programs supporting the environment and managing climate risk.</p>

Commitments	25/26 Focus
<p>Retain and expand the tree canopy on both private and public land</p>	<p>The tree canopy program commenced in 2024/25 and will continue into 2025/26.</p>
<p>Increase the availability and equitable distribution of usable space across the City</p>	<p>Pursue the purchase of open space at William Street Beverley via the State Government (DIT).</p> <p>Develop Wallman Reserve in Hindmarsh.</p>

	<p>Work with the developers (C&G) and the community to improve access and develop open space at Football Park and its surrounds.</p> <p>Review the distribution of open space and active participation across the City through the analysis and development of the City Plan.</p> <p>Progress a range of alternative water projects to increase water farming and water security across the City.</p>
Deliver a community renewable energy program	<p>Continue Community Renewals Program and VPP to offer community as well as sporting and community club access to affordable solar and battery solutions.</p> <p>Increase Council's solar and battery panel fleet on community buildings, reducing cost and increasing the availability of renewable energy to the community.</p>
Protect our environment by being a leader in nature based design	<p>Improve tools and practices to support nature-based design and incorporate it into our Urban Design and Infrastructure Guidelines.</p> <p>We will construct raingardens in the Tracey Avenue Catchment area to support water and flood management.</p>
Empower our community to reduce emissions and the impact of climate change on our environment	<p>Undertake a range of community led programs to support education on environmental management in the community.</p> <p>Grants and support programs like Treebate and Verges Alive will support community-enabled greening of the City.</p> <p>We will support climate readiness initiatives for the community through our AdaptWest partnership with the Cities of Port Adelaide Enfield and West Torrens.</p>
Develop on councils emissions reduction performance	<p>We will create the systems to align with Australian Sustainability Reporting Standard (ASRS) achieving 100% compliance by 2030.</p>
Improve our biodiversity by maximising the opportunities for the creation of wild and green spaces	<p>Undertake phase two of City-wide Biodiversity monitoring with the community and develop tools to capture biodiversity markers throughout the City.</p> <p>Biodiversity improvements and dune stability initiatives to enhance our coastal biodiversity.</p>
Advocate and work with the State Government to keep our beaches and waterways healthy	<p>Develop and maintain relationships with State Government and neighbouring councils to protect and enhance our coastline.</p> <p>Partner with State Government to undertake Stage 2 of Coast Park.</p> <p>Work with State Government on the River Torrens Linear Park management strategy.</p>
Work together to reduce waste to landfill and promote a circular economy	<p>Advocate for a sustainable State Government policy to support City-wide roll out of FOGO.</p> <p>Provide education to businesses on sustainable waste practices through our Business Support Program.</p>

Advocate to the State Government for stronger sustainability focus in planning policy	Advocate for more significant penalties for non-compliance with sustainable building requirements and climate friendly planning policy.
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Vibrant Places:

Creating lively, attractive spaces that encourage community interaction, celebrate our diversity, and foster economic activity and cultural expression.

Outcomes	Key Measures
Our spaces are unique, creative, interesting and engaging	Number of Public Art Assets across the City. Number and attendance at community arts and culture programs and events across the City.
Our City is recognised as a centre for sport, events and for bringing people together	Number and attendance at events, and festivals across the City (council / partner led). Number and % of initiatives incorporating community-led design.
Our businesses contribute to the vibe of the destination	Events and Festivals Sponsorship Funding (\$ and number). Arts and Cultural Grants Program Engagement. Woodville Townhall events numbers and attendance. Engagement with Shop Local Improvement Grants. Number of outdoor dining seats.

Commitments	25/26 Focus
Embrace community led design	Extending the involvement of community and community groups in initiative design stages of consultation.
Activate and enhance public spaces in partnership with local traders and the creative sector	Commence a structured placemaking and activation program. Enhance Woodville Town Hall including improved lighting and ongoing support of the Fringe and Community Events programs.
Attract and partner with major event organisers to ensure their success	Events and Festivals Sponsorship Policy and Program supports partners to conduct events in the City. Support / create materials for event holders that improves accessibility and inclusion.
Support arts and cultural groups to help shape our City	Our Arts and Culture Grants Program will support artists and performers. Develop a plan of cultural events and celebrations across Community Centres and Libraries.
Encourage and support shop owners and traders to enhance customer and visitor experience	Shop Local Grants will support businesses to improve the streetscape, their façade and surrounds as well as customer experience offerings.

Improve support available and reduce red tape to local businesses to take up outdoor dining in key precincts.

Our Transforming City:

Investing in essential infrastructure and innovative projects that shape the future of our City, driving growth, connectivity, and accessibility.

Outcomes	Key Measures
We respect our heritage as we transform	<p>Number and value of heritage grants issued.</p> <p>Housing diversity mix indicator - freestanding, terrace, unit, multi storey.</p> <p>Anticipated growth in dwelling numbers.</p>
We support diverse housing and infrastructure for our evolving communities	<p>Investment in climate mitigation initiatives.</p> <p>Climate risk mitigation actions undertaken.</p> <p>Dwelling density.</p> <p>Affordable Housing Stock %.</p>
Our City is resilient to the impacts of climate change	<p>Public Transport Patronage.</p> <p>Number and % of dwellings with usable public transport within 400m.</p> <p>Vehicles per household / resident.</p> <p>Number and % of dwellings using non-car modes in journey to work.</p> <p>Increase in property values (relative to growth in Greater Adelaide Average Property Increases).</p> <p>% employment / unemployment rates.</p> <p>% local employed people working locally.</p>
Our City is prosperous, diverse and supported by innovative businesses with a variety of employment opportunities	<p>Number of Local Businesses.</p> <p>Local business new and closure rates.</p> <p>Engagements with Local Business.</p>

Commitments	25/26 Focus
Develop a plan to improve liveability for the anticipated growth within the central precinct of our City	<p>Neighbourhood Plan guides future initiatives through the City Planning process.</p> <p>Development of River Park Reserve, Wallman reserve and the continued investigation of open space options in West Hindmarsh.</p> <p>Partner with the State Government to undertake a structure plan for the key Hindmarsh employment precinct.</p>

Advocate for a mixture of density and housing types to achieve housing affordability and liveability	Partner with State Government on a code amendment to address housing diversity. Review council land and building initiatives in the context of the housing crisis including assessing options arising from the imminent renewal of the Beverley Depot.
Advocate for improved and expanded public transport services	Work with the State Government to increase public transport services throughout the City alongside reviewing our approach to Community Transport and traffic management.
Work to reduce the environmental impact of movement through the City	Improve transport connectivity and minimise the impacts of urban infill on parking and traffic congestion.
Protect, maintain and repurpose heritage buildings and structures	Continue to work with the State Government on the Planning Heritage overlay.
Ensure our Asset Management Plans anticipate and respond to growth and climate change	Support City resilience including Flood Mitigation activities like Trimmer Parade and Florence Street and the detention basin at Gleneagles Reserve. Regularly review our Asset Management Plans and how they mitigate the impacts of climate change.
Work with State Government and Developers to deliver high quality and sustainable development	Work with developers and the State Government on major developments to enhance sustainability. Harmonise Urban Design and Infrastructure Guidelines and Engineering Guidelines and apply to Private Realm developments.
Protect and create new job opportunities and assist people to prepare for meaningful jobs of the future	Action the Invest in the West Strategy and engage with industry to promote investment.
Advocate for a diverse and adequate mix of education and training opportunities	Develop employment pathways including engagement with schools and the Findon Technical College, conduct the annual Skills Expo in partnership with neighbouring councils and create opportunities for employment in local government.

Connecting & Belonging:

Supporting inclusive initiatives that build stronger community connections, enhance well-being, and ensure everyone feels welcome, safe, and valued.

Outcomes	Key Measures
Our communities have a voice and feel respected and valued	Number and % of community facing projects where consultation is undertaken.

<p>Our community has access to spaces, services and support when needed</p>	<p>Number and % of households that have access to key services within defined distances.</p> <p>Number and % of projects delivered that adopt universal design principles.</p> <p>Volunteer numbers and hours.</p> <p>Number of and engagement with ageing well programs.</p> <p>Attendance numbers at libraries and community centres.</p>
<p>We create opportunities for communities to collaborate, engage and connect</p>	<p>Number and % of sporting and community facilities providing open utilisation and receiving full social inclusion discounts.</p> <p>Sporting and Community Club Membership Numbers.</p> <p>Number and % of residents with community facilities within 1,000m of the household.</p>
<p>Our City is a place where everyone can be healthy and safe</p>	<p>Crime rates in CCS.</p> <p>Dog attacks /1000 residents</p> <p>Street lighting coverage across the City.</p>
<p>We support and value diversity</p>	<p>Number of and engagement with programs / events delivered which support active living, health and wellbeing.</p> <p>Number and % of employees trained in Cultural Awareness in the past 24 months.</p> <p>Number and % of Disability, Access and Inclusion Plan (DAIP) outcomes delivered against plan.</p> <p>Number and engagement with programs and events that support cultural diversity in the community.</p>

Commitments	25/26 Focus
<p>Involve, encourage and listen to diverse perspectives of community</p>	<p>Further enhance consultation techniques to lift engagement in council initiatives.</p> <p>Facilitate community education programs, events and activities in response to community need and trends.</p>
<p>Be equitable with our decision making and resource allocation</p>	<p>Using the City Plan process to support equitable distribution of resources and services across our diverse community</p>
<p>Bring people together and accommodate their diverse needs through universal design</p>	<p>Apply universal design and nature-based design principles to our project planning and design.</p> <p>Develop an inclusive and accessible viewing platform at Mirani Court Semaphore Park in conjunction with Stage 2 development of Coast Park.</p>
<p>Connect and support communities, community</p>	<p>Continue upgrade program for sporting clubs including major upgrades of Woodville South Sports Club Changerooms, Sam</p>

<p>groups and sporting clubs to actively support their communities</p>	<p>Johnson Reserve Clubrooms and undertake a Masterplan of the St Clair precinct including development of additional parking.</p> <p>Social inclusion discounts to sporting and community clubs who support open utilisation.</p> <p>Ancillary Sporting and Infrastructure Fund for clubs to support them to maintain and improve their facilities.</p> <p>Implement Community Connections Infrastructure Strategic Review actions.</p>
<p>Promote opportunity and build capaCity for volunteering</p>	<p>Review volunteering opportunities within council and community to increase capacity for connection.</p>
<p>Advocate for and deliver equitable services and infrastructure that keep our diverse community healthy and safe</p>	<p>Public Lighting and Traffic Control Device programs support an improved sense of safety in the community.</p> <p>Deliver programs focused on active living, health and wellbeing across our community centres and libraries.</p> <p>Installation of shade structures across our playgrounds and reserves.</p>
<p>Fulfil our commitments under the Public Health Act and Dog and Cat Management Act</p>	<p>Public Health Plan inclusion in the Organisational Plan.</p> <p>Provision of dog safety education programs and community events including; Responsible Pet Owner information sessions, dog safety in schools and Doggy Days.</p> <p>Provide Pet Desexing and microchipping programs.</p> <p>Provision of immunisation programs, food safety and environmental health programs.</p>
<p>Actively deliver, review and refresh our Disability, Access and Inclusion Plan (DAIP)</p>	<p>Undertake DAIP Disability Access & Inclusion Plan review.</p> <p>Establish a DAIP reference group.</p> <p>Develop programs for the community and staff based on sharing stories of lived experience with disability.</p> <p>Include inclusive and accessible design in the Urban Design and Infrastructure guidelines.</p> <p>Design Inlet Reserve Inclusive Playspace in readiness for delivery in 2027.</p>
<p>Ensure our older population is provided with care support and assistance</p>	<p>AVOID Frailty Project undertaken.</p> <p>Dementia Friendly Design Principles built into council building programs and projects.</p> <p>Dementia Friendly Communities created through community centre and library-based activities, outreach services programs and information sessions.</p> <p>Inter-generational activities and programs offered across our City.</p>

Celebrate and share the diverse cultures and backgrounds of our people	<p>Cultural themes are woven into programs, events and festivals held across the City of Charles Sturt including offering a cultural awareness program to foster respect and understanding of diverse communities.</p> <p>Community-led programs such as multi-cultural Story Time delivered from libraries, hubs and community centres.</p>
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Underpinning Theme - First Nations

Commitments	25/26 Focus	Measures
We will acknowledge and embrace our Kaurua and First Nations history and communities working towards reconciliation	<p>In 2024/25 council established our First Nations Reference group.</p> <p>In 2025/26 we will work with the reference group to share the stories of our First Nations people and the First Nations history and heritage of our City.</p> <p>We will provide First Nations Cultural Awareness training to employees.</p>	<p>Reference Group Meetings and outcomes.</p> <p>Number and % of projects incorporating First Nations input.</p> <p>% of staff completing cultural awareness training in the past 2 years.</p>

Underpinning Theme - Responsible Governance

Commitments	25/26 Focus	Measures
We will manage our City in a sustainable and affordable way with responsible governance	<p>We will manage our assets in alignment with our Asset Management Plans.</p> <p>We will continue our good financial governance practice including managing the organisation within budget</p> <p>We will deliver on our committed projects and programs.</p> <p>We will undertake a business improvement program including reviewing service levels and value to the community</p> <p>We will undertake a major migration of our ERP to the next generation of Technology One SaaS applications.</p> <p>We will redesign and update our approach to records and workflow management to optimise them ahead of system replacement.</p> <p>We will leverage technology to increase grant funding available to the City.</p>	<p>Asset Renewal Funding Ratio.</p> <p>% Asset Management Plans Updated in accordance with Asset Management Policy.</p> <p>Actual Performance to Budget – Operating Surplus.</p> <p>Operating Surplus Ratio.</p> <p>Interest Cover Ratio.</p> <p>Net Financial Liabilities Ratio.</p> <p>Number and % of organisational initiatives delivered within budget.</p> <p>Number and % of organisational initiatives delivered on or before planned timeframes (within control).</p>

	<p>We will explore AI opportunities that deliver community value.</p> <p>We will continue to progress our performance in Environmental, Social and Governance outcomes</p> <p>We will continue to review and implement measures to support mitigation of risks associated with cyber security.</p> <p>We will review Public Interest Disclosure Act process for reporting of suspected breaches under the Act.</p>	<p>Planned and realised benefits.</p> <p>Report on risks outside of tolerance.</p> <p>Number of FOI requests.</p>
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Underpinning Theme - Excellence in Customer Experience and Service Provision

Commitments	25/26 Focus	Measures
<p>We will foster an organisational culture focussed on continuous improvement and delivering excellence in customer experience and service provision.</p>	<p>We will continue to develop our leaders and take a structured approach to ongoing improvement in employee engagement outcomes.</p> <p>We will continue to improve safety outcomes for our people and our community.</p> <p>We will seek partner/s to accelerate the organisation's ability to benefit from technological advancement in the areas of Artificial Intelligence and Machine Learning.</p> <p>We will leverage our Human Resource Information Systems capability to streamline and update our organisational people management processes.</p> <p>We will develop our data management capability and data governance practices to support improved organisational performance.</p> <p>We will continue to employ graduates to support diversity in the workplace and development of capability in the sector.</p> <p>We will undertake a number of self-funding process improvement initiatives including implementing online timesheets, increasing automation in relation to grants management and increasing system integrations to remove repetitive workload.</p>	<p>Employee Engagement</p> <p>Lost Time Injury Frequency Rate</p> <p>Compliments received</p> <p>Complaints received</p> <p>Grade of Service</p> <p>First contact resolution</p> <p>% service levels met</p> <p>Operating Costs per Rate Payer (normalised for existing service levels)</p>

Underpinning Theme - Storytelling and Connection

Commitments	25/26 Focus	
<p>We will connect with our community, telling stories, sharing knowledge, increasing awareness, creating opportunity, strengthening partnerships and promoting achievements.</p>	<p>We will continue to share information, knowledge and tell stories in person when we connect with our community, via our digital communication platforms and through our written communications.</p>	<p>Monthly eNewsletters sent to our CCS database</p> <p>Quarterly Kaleidoscope magazine delivered across our City.</p> <p>Daily information on services, projects and two way connection opportunities are shared on our digital platforms.</p>

LONG TERM FINANCIAL PLAN

The Long-Term Financial Plan (LTFP) is Council's tool for responsible budgeting and future planning. It helps us ensure that today's decisions won't come at the cost of tomorrow's services or community needs.

The LTFP outlines Council's high-level financial approach for the next 10 years. It was:

- Reviewed by the Audit and Risk Committee on 26 February 2025
- Reviewed by the Corporate Services Committee on 3 March 2025
- Workshopped and adopted by Council on 11 March 2025
- Informed by updated Asset Management Plans (AMPs) and Strategic Plans

It helps guide how we:

- Set rates
- Invest in capital works
- Manage borrowings
- Deliver services to the community

It ensures Council can meet current and future community expectations while maintaining financial stability.

How is the LTFP built?

The Long-Term Financial Plan (LTFP) is developed using forecasts based on current economic conditions, expert advice, and strategies already endorsed by Council. It is reviewed and updated every year to reflect changes.

It considers the following key factors:

- Population and development growth (rateable property growth) – anticipated at around 1.30% per year
- Consumer Price Index (CPI) and wage forecasts – to estimate future costs and salaries
- Infrastructure renewal schedules – when assets like roads and footpaths need replacing
- Enterprise Bargaining (EB) wage agreements – to account for confirmed staff cost increases
- Service demands and cost drivers – including things like waste collection, utilities, and insurance

Why it matters?

The LTFP sets out the key financial building blocks, enabling Council to maintain services, invest in essential infrastructure, and proactively respond to future community needs in a financially sustainable way. It includes forecasts across four main areas:

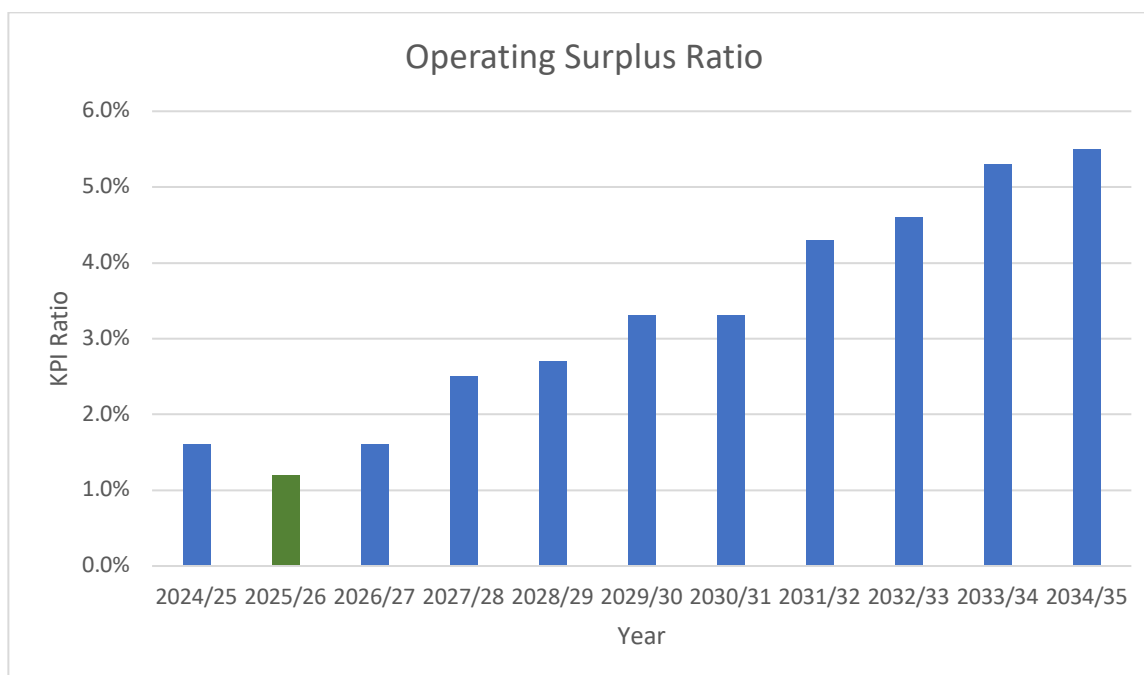
- **Operating performance** – How we manage day-to-day income and expenses.
- **Capital investment** – How we fund renewal of existing assets and deliver new infrastructure.
- **Rates and revenue** – How we raise funds to support services and strategic priorities.
- **Borrowings** – How we responsibly manage debt to spread the cost of large projects.

Financial sustainability Indicators

The LTFP helps us manage community assets responsibly, fund infrastructure, and maintain service levels without large rate increases or service cuts. To track this, we use the following financial indicators:

Ratio	Target Ranges	Endorsed LTFP 25/26 Ratio	Comments
Operating Surplus Ratio	>0% and <10%	1.2%	Ensures intergenerational equity.
Net Financial Liabilities Ratio	<100%	51.7%	Ensures we have capacity to meet our total liabilities.
Asset Renewal Funding Ratio	>80%	100%	Ensures our Assets are being renewed cost effectively and meets service levels.
Interest Cover Ratio	<10%	1.8%	Our capacity to meet our borrowings.

Operating Surplus Ratio

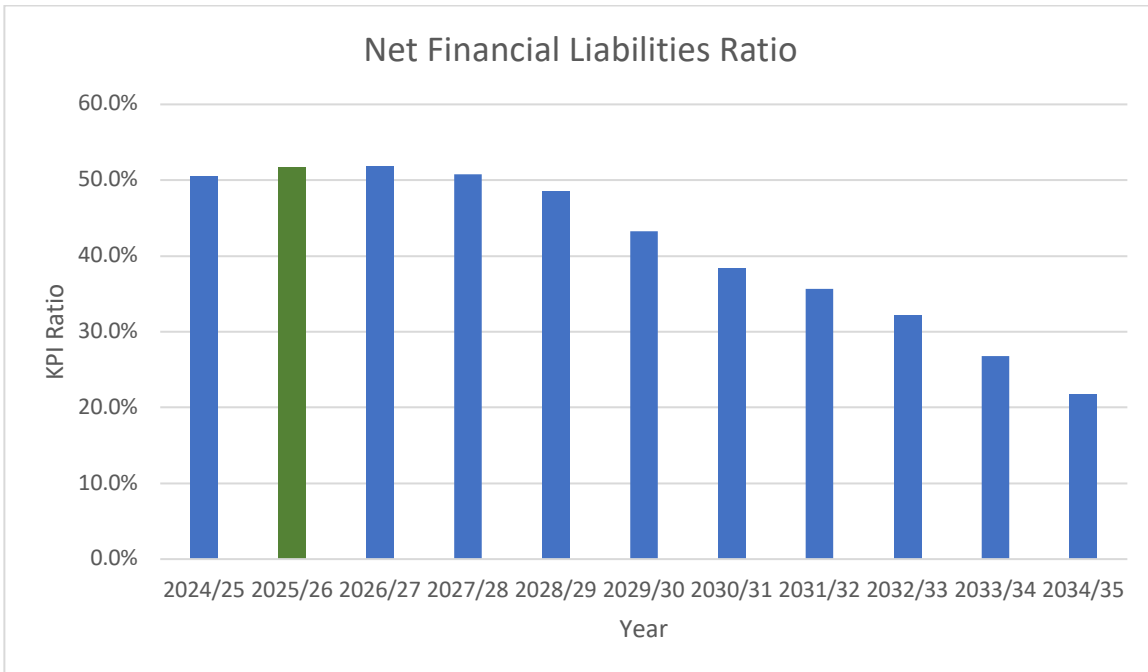


Graph 1: Operating Surplus Ratio

Council is forecasting a positive operating surplus ratio across all years of the 10-year period, with an average of 3.4% over the 10-year period, helping to maintain service levels and avoid

sudden rate increases. For the FY 2025/26, we are projecting an operating surplus of 1.2% which is very low, climbing to a peak of 5.5% in FY 2034/35. While a few years fall just below our preferred minimum target of 2.5%, Council has endorsed this financial profile in recognition of the plan’s overall strength and long-term sustainability.

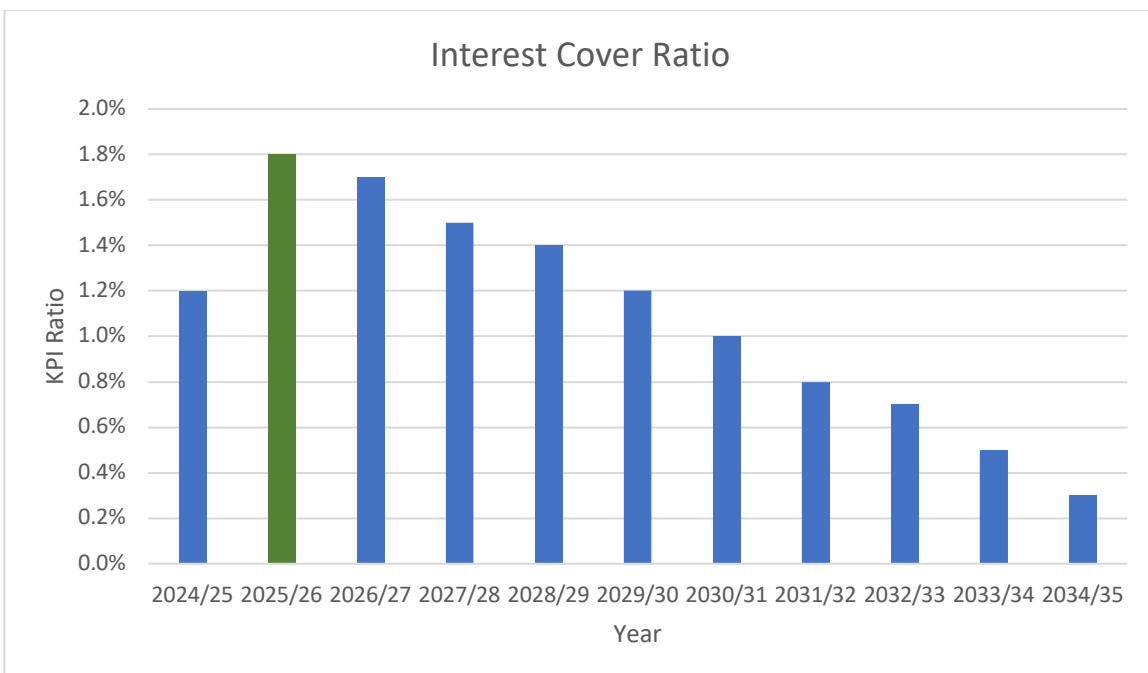
Net Financial Liabilities Ratio



Graph 2: Net Financial Liabilities Ratio

Council’s debt remains within benchmarks and is forecast to reduce to at 21.8% by 2034/35. As years progress certainty of projects diminishes and this is also reflected in the out years of graphs 2 and 3.

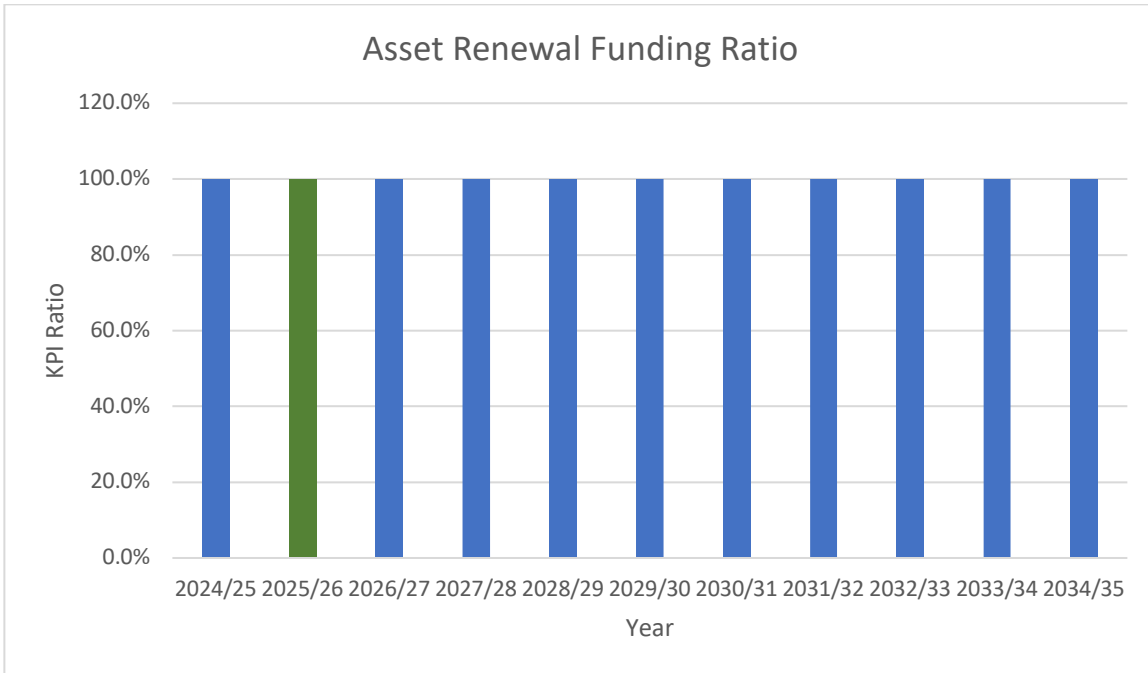
Interest Cover Ratio



Graph 3: Interest Cover Ratio

Interest costs remain manageable, staying well below the 10% benchmark.

Asset Renewal Funding Ratio



Graph 4: Asset Renewal Funding Ratio

Council is meeting its asset renewal targets, maintaining infrastructure in line with adopted Asset Management Plans.

Long Term Financial Plan Summary Snapshot

Below is a high-level summary of key financial forecasts for the year 25/26 of the LTFP.

Long Term Financial Plan Summary Snapshot 25/26

Key Forecast	Budget (\$'M)	Percentage (%)
Total Rates Increase (FY 25/26 vs FY 24/25 Budget)	\$8.4M	4.85% plus 1.30% growth
Operating Surplus	\$2.0M	1.21%
Total Annual Operating Projects	\$2.5M	NA
Capital Renewal Works	\$36.4M	NA
New/Upgrade Capital	\$17.5M	NA
Forecast Borrowings	\$52.0M	NA

Key Influences and Strategic Decisions

The Long-Term Financial Plan highlights our commitment to careful financial management, balancing essential service delivery, asset renewal, and responsible investment. We understand many households are facing cost-of-living pressures and are working hard to deliver services and projects while keeping rate increases as low as possible. Regular reviews ensure our financial approach stays responsive to changing community needs.

Recently, the Essential Services Commission of South Australia (ESCOSA) independently reviewed Charles Sturt (tranche #3). ESCOSA recognised Councils consistent financial management and our ability to maintain operating surpluses, even as community services and infrastructure demands grow. This confirms we are on track financially and that we continue listening carefully to our residents about what matters most.

A detailed copy of the Long Term Financial Plan 2025–2035 and the ESCOSA report findings can be found in Appendix A & C.

WHAT SERVICES WE WILL DELIVER TO OUR COMMUNITY

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 assessments.
- Various environmental health services.
- Maintaining the voters roll and supporting the elected Council.
- Setting rates, preparing an annual budget and determining longer term strategic management plans for the City.

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

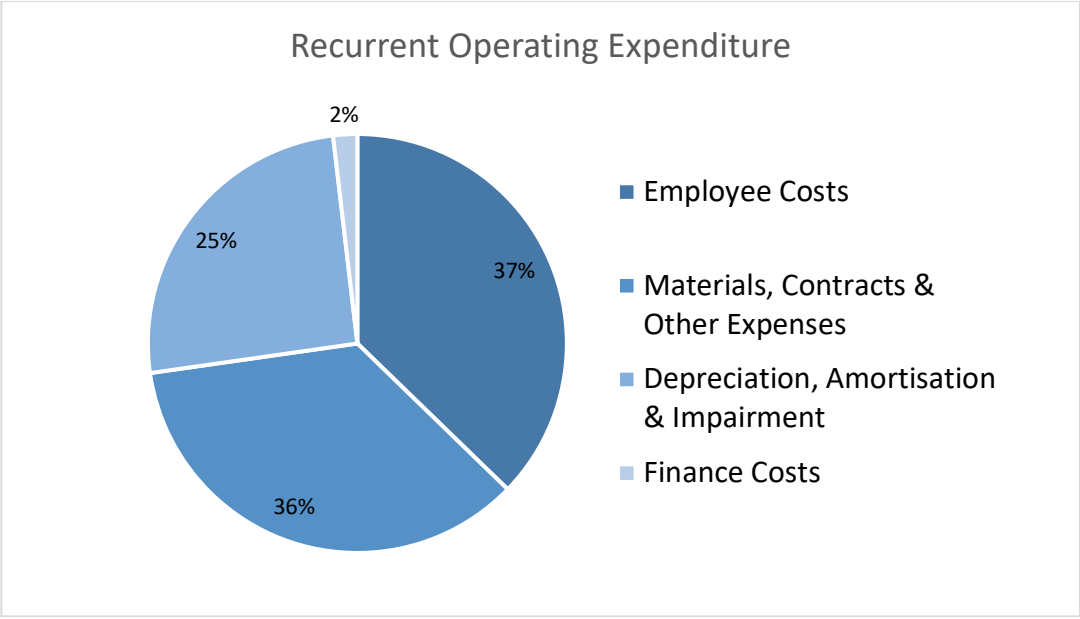
- Libraries
- Community centres
- Community programs
- On street parking management
- Dog and cat management
- Verge mowing

Each year, our budget managers take a zero-based budgeting approach, starting from scratch and building up based on actual needs. This process, informed by past trends, helps us identify savings to offset rising costs, wage increases and service improvements. It also ensures any rates increase stays in line with the financial parameters set in our Long Term Financial Plan.

Annual Recurrent Budget

The cost of delivering these essential and valued services is reflected in our Annual Recurrent Budget. This includes not just the day-to-day running of the City, but also the people, resources and programs that keep things moving. From waste collection and planning approvals to library programs and verge maintenance.

The graph below shows how our recurrent operating budget for 2025/26 is allocated across different service areas:



Graph 5: Recurrent Operating Expenditure

ANNUAL OPERATING PROJECTS

Our Key Projects

Each year, alongside our essential day-to-day services, we invest in projects that respond to what matters most to our community right now. These Annual Operating Projects allow us to respond to emerging needs, deliver targeted improvements, and support the delivery of long-term strategies.

In 2025/26, we're proposing a series of initiatives that reflect our shared priorities. These projects are from listening to our community and focusing on delivering meaningful outcomes across the City.

Detailed AOP Bid Descriptions

The following tables outline the full list of proposed Annual Operating Projects for 2025/26, including budget allocations and how they align within our vision:

Valuing Nature:

Name: AdaptWest			
BID ID: 00002198	Net Budget: 50,000	Income: 100,000	Expenditure: 150,000
To implement the refreshed strategic directions for the Adapt West Regional Climate Partnership with the SA Government, Cities of Charles Sturt, Port Adelaide Enfield and West Torrens and program delivery partners to deliver collaborative climate change responses across western Adelaide.			

Name: City Wide Biodiversity Monitoring			
BID ID: 00002199	Net Budget: 35,000	Income:	Expenditure: 35,000
Undertake second phase of City-Wide Biodiversity Monitoring and train staff to do ongoing monitoring and future survey work. This initiative supports our commitment to the Community through the Vision to improve our biodiversity across the City.			

Name: Gilbert Street Ovingham – Tree Canopy and Traffic Calming			
BID ID: 00002230	Net Budget: 5,000	Income:	Expenditure: 5,000
Undertake detailed investigations, collection of additional data (where required) and consultation with the local community and users of Gilbert Street on possible options to improve tree canopy/amenity and calm traffic in response to resident concerns.			

Vibrant Places:

Name: Events and Festivals Sponsorship Fund

BID ID: 00002207	Net Budget: 50,000	Income:	Expenditure: 50,000
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Support an array of community and strategic events. The fund is currently under review, and it is proposed that the fund is split into separate budgets. With an overall increase to funding in response to the high demand for grants and an emphasis on festivals and events through Community Vision engagement.

Name: Arts and Cultural Grants Program

BID ID: 00002208	Net Budget: 120,000	Income:	Expenditure: 120,000
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The Arts and Cultural Program is provided to the arts, culture and music sectors and aimed at inspiring and supporting new projects, ideas and energy within our City. These projects collectively extend the creative and cultural landscape for arts and culture practitioners, businesses and residents of the City of Charles Sturt as well as our City's reputation as progressive, diverse and creative community. In addition, the program will support collaborative creative initiatives that deliver positive cultural, social, health, wellbeing and economic outcomes for communities, visitors and businesses in Charles Sturt.

Name: Community Rail Corridor Planting

BID ID: 00002210	Net Budget: 20,000	Income:	Expenditure: 20,000
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Community Planting to be undertaken along the Rail Corridor to connect the many sites currently developed and maintained by our community.

Name: Shop Local Improvement Grants

BID ID: 00002202	Net Budget: 70,000	Income:	Expenditure: 70,000
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This grant program offers two components. Facade Improvement Funding: Provides a 50% match, with a maximum contribution of \$5,000, to assist property owners and/or tenants in making improvements that enhance their building's exterior. The second component is community engagement.

Name: Open Space Community Projects

BID ID: 00002212	Net Budget: 50,000	Income:	Expenditure: 50,000
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New and ongoing community space projects including Songbird Society, Dixon St Royal Park, Doon/Branwhite Reserve Woodville Sth, River Way Kidman Park, Henley Greening Group, Colin Sellars Reserve, Ovingham Greening, Woodville Greening, Rescued Wildlife Fodder area, West Lakes Greening including new developments at Harbour Court and McDonald Ave entrances, Somerset Reserve Fulham and Grange Primary School.

Name: Community Gardening Access and Inclusion

BID ID: 00002213	Net Budget: 19,000	Income:	Expenditure: 19,000
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Ongoing efforts to reduce barriers for marginalised community members by improving access and inclusion of community gardens and other open community spaces.

Our Transforming City:**Name: City Plan 2025**

BID ID: 00002190	Net Budget: 100,000	Income:	Expenditure: 100,000
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Develop City Plan to meet City wide liveability and infrastructure needs - review against historic principles in the Strategic Directions Review 2014 and GARP directions. Plan to be provided to government by March 2025.

Name: Cyber Security Roadmap Development and Delivery

BID ID: 00002192	Net Budget: 387,000	Income:	Expenditure: 387,000
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This project continues the delivery of key cybersecurity initiatives under Council's Cyber Security Roadmap, ensuring ongoing protection of our community's data and compliance with security best practices.

Name: Digital Capabilities Resource (Year 3 of 3)

BID ID: 00002152	Net Budget: 100,000	Income:	Expenditure: 100,000
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This project provides continued funding for a fixed term employee to uplift the digital capabilities of field-based staff and facilitate on-site IT support for staff based at the Beverley Centre.

Name: Maintain Graduate Program Round 1

BID ID: 00002153	Net Budget: 427,336	Income:	Expenditure: 427,336
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This bid supports the continuation of the graduate program and proposes increasing the number of graduates from two to four, with the aim of attracting high-performing university graduates to CCS and the local government sector.

Name: Records and Workflow Systems Modernisation

BID ID: 00002148	Net Budget: 595,000	Income:	Expenditure: 595,000
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Replacement of Council's records and workflow management system, the end-of-life of Content Manager, with a modern, future-proof solution that supports Council's increasingly digital information needs.

Name: TechnologyOne CiAnywhere Migration – Finance and Supply Chain

BID ID: 00002147	Net Budget: 429,489	Income:	Expenditure: 429,489
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Migration of Technology One’s ERP software modules from the legacy Ci platform to modern Ci Anywhere (CiA) for Financials, Supply Chain, Inventory, ECR, and the reimplementation of the Contracts module. This transition ensures Council remains on a fully supported, sustainable, cloud-based platform with access to future vendor enhancements. The migration will streamline purchasing functions, enhance purchase order processing, and optimise contract management, ensuring a more effective and responsive financial and supply chain management system.

Local Neighbourhoods:**Name: Mural – Fawk Reserve Community Hall**

BID ID: 00002080	Net Budget: 45,000	Income:	Expenditure: 45,000
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This budget bid proposes artwork to three walls of the community hall building located on Fawk Reserve in Athol Park. The purpose of this budget bid is to enrich the neighbourhood by introducing artwork to the area. Athol Park is located within the central area of the Your Neighbourhood Plan, and this project will offer a valuable opportunity to engage with the community which has been challenging in the past.

Name: Discretionary Ward Allowance for Council Members

BID ID: 00002236	Net Budget: 176,000	Income:	Expenditure: 176,000
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To provide Council with discretionary funds to assist eligible, not-for-profit individuals, groups and organisations within the community who are seeking financial support for programs, projects and activities.

Name: Business Support Program

BID ID: 00002158	Net Budget: 143,500	Income:	Expenditure: 143,500
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Business Support program with 3 key streams to:

1. Provide support for sustainability initiatives,
2. Provide support for high-growth strategies that generate knowledge intensive jobs and increased productivity, and
3. Assist small business to adapt, innovate and grow.

Connecting & Belonging:**Name: Woodville West Traffic Management and Parking – Investigations and Consultation**

BID ID: 00002237	Net Budget: 5,000	Income:	Expenditure: 5,000
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Investigations and community consultation to identify potential options to manage community concerns about on-street parking and traffic management in the Woodville West urban renewal area.

Name: Contribution to Refurbishment of Privately Owned Toilet – Plant 4

BID ID: 00002133	Net Budget: 15,000	Income:	Expenditure: 15,000
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Refurbishment of privately owned toilet amenities at Plant 4, Bowden to improve accessibility of toilet provisions for visitors to Bowden Village.

Scope includes installation of automated entry system and replacement of fixtures. Existing toilet dimensions are compliant.

Total AOP Projects:

Theme Alignment	Net Budget (\$)	Income (\$)	Expenditure (\$)
Valuing Nature	90,000	100,000	190,000
Vibrant Places	329,000	0	329,000
Our Transforming City	2,038,825		2,038,825
Local Neighbourhoods	364,500	0	364,500
Connecting & belonging	20,000	0	20,000
Total	2,842,325	100,000	2,942,835

	Net Budget (\$)	Income (\$)	Expenditure (\$)
LTFP total	2,515,093	0	2,515,093

For the 2025/26 financial year the LTFP proposes the funding of approximately \$2.5m in Annual Operating Projects.

At the Council meeting on 14 April 2025 (refer CL 14/4/25, item 2.2.1) a total of \$2.8m Annual Operating Projects were endorsed for community consultation. This list is greater than the adopted LTFP framework by \$0.3m.

CAPITAL PROJECTS

We look after more than \$2.7 billion worth of community assets, from roads and footpaths to parks, stormwater systems, and community buildings. Each year, we invest in maintaining and upgrading this infrastructure, so it continues to meet the needs of our transforming City.

Our Capital Projects for 2025/26 are shaped by our Asset Management Plans, which assess the condition and lifecycle of every asset to help us prioritise what needs to be renewed, and when. These plans are updated regularly and provide a basis to ensure we're making responsible, long-term decisions.

There are two main types of capital projects in our program:

- **Renewal Projects** – These focus on replacing or rehabilitating existing infrastructure based on age, condition, and performance in accordance with existing Council endorsed Asset Management Plans (AMP’s). A full listing of the planned Capital Renewal projects can be found at Appendix B.
- **New and Upgrade Projects** – These involve building new assets or improving existing ones to deliver better services, respond to growth, or support strategic initiatives.

In 2025/26, our proposed capital program totals \$54.9 million, including:

- \$36.4 million for asset renewals
- \$18.5 million for new and upgraded assets

These projects are informed by long-term strategies such as our Your Neighbourhood Plans. They reflect what our community values most. Below is a full list of the Capital Projects for 2025/26, including budget allocations and project categories:

New and Upgrade Budget Bids

Vibrant Places:

Name: Woodville South Sports Club - Stage 2 - Changeroom upgrade				
BID ID: 00002085	Net Budget: 1,221,600	Income:	Expenditure: 1,221,600	Work Type: Upgrade
Woodville South Sports and Community Club - Stage 2 Unisex changeroom upgrade. State government funding has been received as a contribution to undertake stage 1 of the unisex changeroom upgrade in 2024/2025. This work is currently underway with construction of two new stand-alone changerooms. Stage 2 includes the complete refurbishment of the 2 existing changerooms within the existing clubrooms.				

Name: Seaside Tennis Club – 12 Court upgrade				
BID ID: 00002224	Net Budget: 210,806	Income:	Expenditure: 210,806	Work Type: Upgrade
Seaside Tennis Club tennis court upgrade.				

Name: West Lakes Sports Club – Netting Project

BID ID: 00002103	Net Budget: 24,000	Income:	Expenditure: 24,000	Work Type: New
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West Lakes Sports Club (WLSC) to install safety netting for both their baseball and football (AFL) clubs, to improve safety for players, spectators, and passive users at West Lakes Shore Oval. Includes replacing the existing baseball chain mesh structure with modern safety netting to provide enhanced protection and to align with the recent clubhouse redevelopment. Project will also install new netting behind the football goals to safeguard spectators and reserve users from stray balls.

Name: Woodville West Torrens FC - Electronic Scoreboard

BID ID: 00002105	Net Budget: 78,552	Income:	Expenditure: 78,552	Work Type: Upgrade
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Woodville West Torrens Football Club (WWTFC) to upgrade their outdated scoreboard with a new LED electronic scoreboard (within the existing scoreboard structure) at Woodville Oval. The broader project will also contribute to the enhancement of coaches benches (\$6K) and an accessible weather shelter (\$15K) at Woodville Oval. The club's proposal requests a \$78,552 funding contribution from Council (\$57,552 scoreboard, and \$21K for the additional infrastructure) towards the \$89,321 total project cost, with the remaining cost (\$10,769) funded by WWTFC.

Name: Mick Harley Reserve upgrades

BID ID: PBB- 00002117	Net Budget: 170,000	Income:	Expenditure: 170,000	Work Type: New
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Mick Harley Reserve upgrades, including tennis lighting, playground shade, shelter, seating, paths, fencing and associated landscaping at Mick Harley Reserve (formerly Don Klæbe Reserve), Findon.

Name: Carnegie North Reserve - New drinking fountain

BID ID: 00002120	Net Budget: 20,000	Income:	Expenditure: 20,000	Work Type: New
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Carnegie North Reserve - New drinking fountain.

Name: Community Gardening Access and Inclusion

BID ID: 00002214	Net Budget: 19,000	Income:	Expenditure: 19,000	Work Type: Upgrade
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Ongoing efforts to reduce barriers for marginalised community members by improving access and inclusion of community gardens and other open community spaces.

Name: Gordon Reserve dog park – consultation, design and construction

BID ID: 00002119	Net Budget: 30,000	Income:	Expenditure: 30,000	Work Type: New
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Gordon Reserve dog park – design and consultation.

Name: Rowley Park improvements

BID ID: 00002123	Net Budget: 20,000	Income:	Expenditure: 20,000	Work Type: New
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Rowley Reserve improvements including seating, tree planting and landscaping.

Name: Smith Reserve - New drinking fountain

BID ID: 00002122	Net Budget: 20,000	Income:	Expenditure: 20,000	Work Type: New
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Smith Reserve - New drinking fountain.

Name: Upgrades at Ray Street Reserve, Findon

BID ID: 00002115	Net Budget: 70,000	Income:	Expenditure: 70,000	Work Type: New
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Upgrades at the southern end of Ray Street Reserve, including new shelter, seating, BBQ, drinking fountain and landscaping.

Name: WTH Lighting Upgrade

BID ID: 00002205	Net Budget: 25,000	Income:	Expenditure: 25,000	Work Type: Upgrade
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Upgrade lighting in Murree Smith Hall to make it more energy efficient, improve the overall aesthetic appeal, and increase engagement and usage of the space.

Name: St Clair Oval no. 3 - New drinking fountain

BID ID: 00002121	Net Budget: 20,000	Income:	Expenditure: 20,000	Work Type: New
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St Clair oval no. 3 - New drinking fountain.

Name: Western Strikers FC – Sports Lighting Project

BID ID: 00002108	Net Budget: 32,928	Income:	Expenditure: 32,928	Work Type: New
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Western Strikers Soccer Club (WSSC) is seeking council support for the installation of two new light poles and lighting systems at Carnegie Reserve North. WSSC is requesting a \$32,928 funding contribution (50%) from Council towards the \$65,856 total project cost, matched by the clubs own 50% contributions \$32,928.

Name: Flinders Park Football Club - Clubroom Concept Plan

BID ID: 00002110	Net Budget: 20,000	Income:	Expenditure: 20,000	Work Type: Upgrade
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Preparation of concept design plans for a new clubroom at the Flinders Park Football Club. Process to include consultation with the FPFC committee.

Name: Community Rail Corridor Planting

BID ID: 00002211	Net Budget: 20,000	Income:	Expenditure: 20,000	Work Type: Upgrade
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Community Planting to be undertaken along the Rail Corridor to connect the many sites currently developed and maintained by our community. Significant Community Landscaping and ongoing maintenance has been carried out by Woodville Greening, Rosetta Street Greening, Ovingham Greening, Westside Bug, Kilkenny RailCare Group, Tewkesbury Group, Day Tce Group, the Railway Tce Group and individual residents. Council has been approached by groups of residents to extend and infill these community planting works along the rail corridor as community members see others work and the resulting improvements in amenity and the increased sense of Community wellbeing, belonging and Community pride.

Name: Fulham Cricket Club – Northern Nets Upgrade

BID ID: 00002101	Net Budget: 50,000	Income:	Expenditure: 50,000	Work Type: Upgrade
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Fulham Cricket Club (FCC) is seeking to upgrade their Northern Cricket training nets at Collins Reserve. The club currently has two sets of cricket nets (northern and southern). With the increasing number of players, teams have designated nets for training to ensure their safety. This proposal is requesting a \$50k funding contribution from Council towards the \$180K total cost of upgrading these nets (28% of the total project cost) with other funding projected from SACA (\$36K) ORSR (\$80K) and FCC (14K).

Local Neighbourhoods:

Name: BMX track in Grange - Investigation

BID ID: 00002218	Net Budget: 10,000	Income:	Expenditure: 10,000	Work Type: New
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Investigate a potential BMX track in the Grange area.

Name: Chief Street Streetscape Upgrade

BID ID: 00002159	Net Budget: 500,000	Income:	Expenditure: 500,000	Work Type: Upgrade
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Preliminary work in preparation for major streetscape works, including service modifications, finalisation of detailed design and documentation of the streetscape upgrade and preparation of tender documents.

Name: Consultation and planning for open space in Woodville West

BID ID: 00002127	Net Budget: 10,000	Income:	Expenditure: 10,000	Work Type: New
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Consultation and planning for open space in Woodville West

Name: Fawk Reserve Hall - New Veranda Area

BID ID: 00002112	Net Budget: 98,500	Income:	Expenditure: 98,500	Work Type: New
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Installation of a new veranda and associated amenities at the front of Fawk Reserve Community Hall to facilitate outdoor activities and social gatherings.

Name: Gibson Street Streetscape - Undergrounding of isolated stobie poles

BID ID: 00002160	Net Budget: 550,000	Income:	Expenditure: 550,000	Work Type: Upgrade
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Undergrounding of powerlines and removal of isolated stobie poles on the eastern side of Gibson Street between Eighth Street, and Hawker Street. Undergrounding and removal of stobie poles on northern side of Tenth Street between Gibson Street and Trembath Street.

Name: Local Centre Revitalisation - Tapleys Hill Road - Royal Park & Hendon

BID ID: 00002156	Net Budget: 1,000,000	Income:	Expenditure: 1,000,000	Work Type: Upgrade
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This project is one of a series of strategic Local Activity Centre upgrades identified to:

- Address gaps in local walkable centres across the City; and

- Leverage from major private investment nearby; and
- Respond to upcoming Code Amendments in the City
- Be a shovel ready project for grant consideration

Name: Kilkenny Community Hall - Amenities Upgrade

BID ID: 00002111	Net Budget: 64,900	Income:	Expenditure: 64,900	Work Type: Upgrade
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Range of items to improve functionality by community users including:

- Upgrade to the existing kitchen facilities, including provision of energy efficient appliances and adequate tools for cooking.
- Provision of new tables and chairs, including an increase in the amount available to better support size of the hall.
- Installation of mirrors for use by dance groups.
- Inclusion of a street facing community notice board.

Name: New Minor Open Space Infrastructure

BID ID: 00002168	Net Budget: 30,000	Income:	Expenditure: 30,000	Work Type: New
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Provision of new minor open space infrastructure including items such as outdoor furniture, barbecues and drink fountains, in response to approved community requests.

Name: New Path Program

BID ID: 00002164	Net Budget: 500,000	Income:	Expenditure: 500,000	Work Type: New
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Design and construction of new paths on streets and reserves for the 2025/2026 financial year and design of new paths for future financial years that have been assessed by staff as being consistent with current Path Policy and providing strategic benefit to the community.

Name: New Viewing Platform in Mirani Court

BID ID: 00002165	Net Budget: 400,000	Income:	Expenditure: 400,000	Work Type: New
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Construction of a new viewing platform and associated landscaping and car parking facilities at the western end of Mirani Court in Semaphore Park/West Lakes Shore adjacent the new Coast Park path.

Name: Pedestrian Crossing - Seaview Road West Beach

BID ID: 00002124	Net Budget: 20,000	Income:	Expenditure: 20,000	Work Type: New
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Design and consultation to inform future construction of a new pedestrian crossing (likely a zebra crossing) on Seaview Road at the West Beach Surf Lifesaving Club in West Beach in 2026/27.

Name: Wallman Reserve upgrade - design & consultation

BID ID: 00002226	Net Budget: 20,000	Income:	Expenditure: 20,000	Work Type: Upgrade
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Preparation of a design to upgrade Wallman Reserve, West Hindmarsh.

Name: Structured placemaking and activation program

BID ID: 00002155	Net Budget: 75,000	Income:	Expenditure: 75,000	Work Type: New
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Structured placemaking and activation program in alignment with YNP and local precinct priority areas. Opportunity to have a budget to implement place making activities alongside the YNP project. Note the spend is the support to deliver 5 key public art / neighbourhood projects a year in line with the resultant programming to support the overall capital program for up to 5 years.

Name: Woodville Oval – design and consultation for a new playground

BID ID: 00002118	Net Budget: 20,000	Income:	Expenditure: 20,000	Work Type: New
Woodville Oval – design and consultation for a new playground.				

Name: Bowden Open Space Improvements

BID ID: 00002231	Net Budget: 40,000	Income:	Expenditure: 40,000	Work Type: New
Open space improvements at Bowden Village Reserve following community consultation in 24/25.				

Connecting & Belonging:

Name: Adelaide Lions Cricket Club - Cricket Nets Upgrade

BID ID: 00002102	Net Budget: 71,414	Income:	Expenditure: 71,414	Work Type: Upgrade
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Adelaide Lions Cricket Club (ALCC) is seeking to upgrade the Cricket training nets at Pedlar Reserve. The reserve currently has an outdated two-lane concrete cricket net facility onsite. With the increasing number of players, teams have designated nets for training to ensure their safety. This proposal is requesting a \$71,414 funding contribution from Council towards the \$142,828 total cost of upgrading these nets (50% of the total project cost) with other funding already secured from Cricket Australia (\$40K) and proposed by ALCC (\$31,414).

Name: Devonshire Reserve - New playground shade structure

BID ID: 00002116	Net Budget: 50,000	Income:	Expenditure: 50,000	Work Type: New
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New playground shade structure at Devonshire Reserve, Fulham Gardens.

Name: Grange Lakes Shared Use Path Upgrade Program

BID ID: 00002138	Net Budget: 500,000	Income: 400,000	Expenditure: 900,000	Work Type: New
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Construction of Stage 7 of the Grange Lakes Corridor Path (Marlborough Street to North Street) and includes refining design of stage 8 ready for future construction.

Name: Mitton Avenue, Henley Beach - Pedestrian and Traffic Improvements

BID ID: 00002129	Net Budget: 15,000	Income:	Expenditure: 15,000	Work Type: Upgrade
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To obtain data (traffic and pedestrian movements) and community/stakeholder feedback of the use of the area and develop a concept plan to fully realise the potential of this area, balanced with the needs of local residents and businesses. The plan would incorporate traffic and pedestrian improvements and increased landscaping. There is also an opportunity for outdoor dining and public art.

Name: Point Malcolm Reserve - Changing Places and DDA Amenities

BID ID: 00002239	Net Budget: 529,000	Income:	Expenditure: 529,000	Work Type: New
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Construction - Pt Malcolm Reserve - New Public toilet facilities including Changing Places, DDA Amenities, and minor works of the existing public toilet facilities adjoining the Semaphore SLSC - Year 2 funding OPS Committee 17/02/2025 Item 4.03.

Name: West Lakes Bowling Club - New Green Keepers Shed & Workshop

BID ID: 00002104	Net Budget: 116,000	Income:	Expenditure: 116,000	Work Type: Upgrade
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New shed and workshop with associated amenities for access and functionality at the West Lakes Bowling Club. The current shed is insufficient in size and there are WHS concerns.

Name: Woodville South Cricket Club – Cricket Nets Project

BID ID: 00002109	Net Budget: 112,000	Income:	Expenditure: 112,000	Work Type: New
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Woodville South Cricket Club (WSCC) is seeking a \$112K funding contribution (40.24%) from Council towards the redevelopment of their declining clubs cricket practice nets at Ledger Reserve (\$278,363 total project cost). WSCC will also seek to secure \$40K from Cricket Australia (14.37%) \$12,363 from the ORSR (40.37%) with \$14K (club in-kind).

Valuing Nature:**Name: Playground shade structures - 2025/26**

BID ID: 00002130	Net Budget: 100,000	Income: 0	Expenditure: 100,000	Work Type: New
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New playground shade structures at The Avenue Reserve and Grange Recreation Reserve.

Name: Football Park - Capital Improvements

BID ID: 00002196	Net Budget: 800,000	Income: 0	Expenditure: 800,000	Work Type: New
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Implement various capital improvements to Football Park and its surroundings to accommodate both new and existing users of the open space.

Name: Cable Station Reserve Improvements

BID ID: 00002233	Net Budget: 80,000	Income: 0	Expenditure: 80,000	Work Type: Upgrade
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Improvements at Cable Station Reserve, Tennyson, to complement Coast Park 2 construction.

Name: Sinclair Reserve improvements

BID ID: 00002126	Net Budget: 60,000	Income: 0	Expenditure: 60,000	Work Type: New
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Improvements at Sinclair Reserve, Grange, following community consultation in 2024/25, including a new rubbish bin, irrigation, natural play elements and greening initiatives.

Name: Open-Space Acquisiton William Street Beverley				
BID ID: 00002194	Net Budget: 1,500,000	Income: 0	Expenditure: 1,500,000	Work Type: New
Acquisition of State Government land of William Street, Beverley to expand existing open space and ensure the community has access to open space that meets required standards.				

Name: West Hindmarsh Open Space Investigation and Design				
BID ID: 00002170	Net Budget: 50,000	Income: 0	Expenditure: 50,000	Work Type: New
Prepare designs and costing for a new local park including the Barrpowell Street Welland turnaround and adjoining areas of the River Torrens Linear Park area, addressing RTLP narrow shared path area west of McDonnell Avenue near pedestrian bridge.				

Name: Irrigation Design Insource.				
BID ID: 00002193	Net Budget: 50,000	Income: 0	Expenditure: 50,000	Work Type: New
Work together with the City of PAE and City of Marion to establish an inhouse irrigation designer to reduce supply risk to CCS, to increase the supply in the market and to ensure design quality. This bid supports the acquisition of the required vehicle and equipment to support the inhouse designer. The cost of the designer resource will be funded by capital costs across the three councils.				

Name: Grange Rail Corridor landscape improvements design and consultation year.				
BID ID: 00002232	Net Budget: 20,000	Income: 0	Expenditure: 20,000	Work Type: New
Design and consultation for landscape improvements along the Grange rail corridor between Albert Park and Seaton stations (west side).				

Name: Florence TCE GPT...Design and Construct.. Contribution to PAE				
BID ID: 00002178	Net Budget: 200,000	Income: 0	Expenditure: 200,000	Work Type: Upgrade
Contribution to PAE Council for the installation of a Gross Pollutant Trap at Florence Tce/Jenkins St within PAE. The GPT captures stormwater from the CCS Council area and the contribution has been identified as a required action under the TRDA stormwater management plan.				

Name: Water Sensitive Urban Design Initiatives				
BID ID: 00002180	Net Budget: 118,600	Income: 0	Expenditure: 118,600	Work Type: Upgrade
Construction of Water Sensitive Urban Design (WSUD) infrastructure in conjunction with other capital projects to improve water quality and reduce risk of localised flooding. Planned works for 25/26 is in Aberfeldy Avenue, Woodville where road rehabilitation works are occurring and WSUD opportunities have been identified.				

Name: Sustainable – Transport Infrastructure Program.				
BID ID: 00002139	Net Budget: 100,000	Income: 0	Expenditure: 100,000	Work Type: New
Pedestrian and cyclist facilities to support uptake of alternative modes of transport.				

Name: West Lakes SMP – Upgrade Gleneagles Reserve.				
BID ID: 00002173	Net Budget: 550,000	Income: 0	Expenditure: 550,000	Work Type: Upgrade
Year 2 bid to fund open space improvements associated with the Gleneagles Reserve stormwater detention project.				

Name: s Reserve irrigation				
BID ID: 00002234	Net Budget: 90,000	Income: 0	Expenditure: 90,000	Work Type: New
Extension of irrigation system at Parkway Reserve, Fulham Gardens.				

Name: Tracey Ave Catchment Raingardens.				
BID ID: 00002179	Net Budget: 118,600	Income: 0	Expenditure: 118,600	Work Type: New
Building on the success of prior works, this project supports continued design and construction of raingardens as part of the Water Sensitive Urban Design water quality improvement strategy in the Tracey Avenue Catchment area.				

Name: Alternative Water New/Upgrade Capacity and Efficiency.				
BID ID: 00002228	Net Budget: 150,000	Income: 0	Expenditure: 150,000	Work Type: Upgrade
To keep up with the increasing demand for water including optimising pump performance, upgrading infrastructure, and implementing energy-efficient solutions to improve reliability and reduce operational costs. Simultaneously, it will assess and facilitate the expansion of groundwater entitlements to ensure long-term resource availability, balancing efficiency with increased water access.				

Name: Tre Canopy Additional Planting Trailer 25/26				
BID ID: 00002220	Net Budget: 30,000	Income: 0	Expenditure: 30,000	Work Type: New
As per the endorsed Tree Canopy Improvement Strategy delivery plan an additional planting trailer is needed to plant the required tree volumes.				

Name: Bulahdelah Reserve Deign and Consultation for a biodiversity reserve (Year 1)				
BID ID: 00002125	Net Budget: 15,000	Income: 0	Expenditure: 15,000	Work Type: New
Design and Consultation for a biodiversity reserve at Bulahdelah Reserve, West Lakes Shore (year 1), to inform future planting in year 2.				

Name: Alternative Water New / Upgrade Capital Works and Development Support				
BID ID: 00002183	Net Budget: 400,000	Income: 0	Expenditure: 400,000	Work Type: Upgrade
Capital Works and Development Support budget for Alternative Water Assets related to council capital works such as roads and parks and public infrastructure for residential development projects across the city.				

Our Transforming City:

Name: New Traffic Control Devices 2025/26				
BID ID: 00002140	Net Budget: 550,000	Income:	Expenditure: 550,000	Work Type: New

Design and construction of new traffic control devices that meet requirements in accordance with the endorsed CCS road safety assessment procedure.

Name: New Public Lighting 2025/26				
BID ID: 00002137	Net Budget: 310,000	Income:	Expenditure: 310,000	Work Type: New

Design and construction of new lighting along strategic networks and key destinations and to support the delivery of other capital projects.

Name: Relocatable Speed Capture Devices				
BID ID: 00002235	Net Budget: 35,000	Income:	Expenditure: 35,000	Work Type: New

Purchase of up to 3 new relocatable speed capture devices/signs for use on local streets in response to customer requests about high vehicle speeds.

Name: Local Area Flood Mitigation Management.				
BID ID: 00002227	Net Budget: 107,500	Income:	Expenditure: 107,500	Work Type: Upgrade

Investigation, design and construction of localised flood protection works associated with the Local Area Flood Mitigation program. Construction works for 25/26 are located Bedford St, Croydon.

Name: Trimmer Parade Stormwater Upgrade Stage 1				
BID ID: 00002176	Net Budget: 2,000,000	Income:	Expenditure: 2,000,000	Work Type: Upgrade

Finalise detailed design and commence construction of Stage 1 of the Trimmer Parade Stormwater Upgrade - Between Greenview Drive and Frederick Road, Grange. This is stage 1 of 5 and is identified as a high priority flood mitigation project in the West Lakes Stormwater Management Plan.

Name: St Clair Precinct Car Parking

BID ID: 00002169	Net Budget: 725,000	Income:	Expenditure: 725,000	Work Type: New
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This budget bid addresses the car parking item raised through the consultation process for the St Clair Recreation Precinct - Proposed Community Facility. The recommendations by Council were to undertake a Master Plan process to support addressing issues raised through the consultation including car parking.

Name: Coast Park Stage 2

BID ID: 00002195	Net Budget: 2,250,000	Income:	Expenditure: 2,250,000	Work Type: Upgrade
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Contribution to the State Government to implement Coast Park Stage 2, between Terminus Street Grange & Bournemouth St Tennyson.

Name: Parkway Reserve - Perimeter post and rails

BID ID: 00002090	Net Budget: 40,000	Income:	Expenditure: 40,000	Work Type: New
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Supply and Install reserve perimeter posts and rails at Parkway Reserve, Fulham Gardens in accordance with the Council Resolution AMC 16 September 2024 Item 4.50.

Name: River Park Reserve Upgrade (developer funded)

BID ID: 00002172	Net Budget:	Income: 314,940	Expenditure: 314,940	Work Type: Upgrade
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Upgrades to River Park Reserve, Allenby Gardens, using funding (income) from adjacent residential development for playground upgrade, fencing, furniture and landscaping.

Name: Water Conveyance Assets New and Upgrade

BID ID: 00002174	Net Budget: 1,200,000	Income: 0	Expenditure: 1,200,000	Work Type: Upgrade
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Design and construction of new/upgraded stormwater assets to be delivered in conjunction with road projects and new development activity.

Total Capital Projects:

Theme Alignment	Net Budget (\$)	Income (\$)	Expenditure (\$)
Valuing Nature	4,432,200		4,432,200
Vibrant Places	2,051,886		2,051,886
Our Transforming City	7,217,500	314,940	7,532,440
Local Neighbourhoods	3,338,400		3,338,400
Connecting & belonging	1,393,414	400,000	1,793,414
Total	18,433,400	714,940	19,148,340

	Net Budget (\$)	Income (\$)	Expenditure (\$)
LTFP total	17,552,000	0	17,552,000

For the 2025/26 financial year the LTFP proposes the funding of approximately \$17.5m in Capital New and Upgrade Projects, with a total Capital Program of \$53.9m.

At the Council meeting on 14 April 2025 (refer CL 14/4/25, item 2.2.1) a total net expenditure of \$18.4m Capital New and Upgrade Projects were endorsed for community consultation. This list is greater than the adopted LTFP framework by \$0.9m.

HOW WILL WE FUND OUR PROGRAM?

Council generates revenue through several different sources to fund essential community services, projects, and infrastructure improvements. These include:

Main Source

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

Other sources of revenue include:

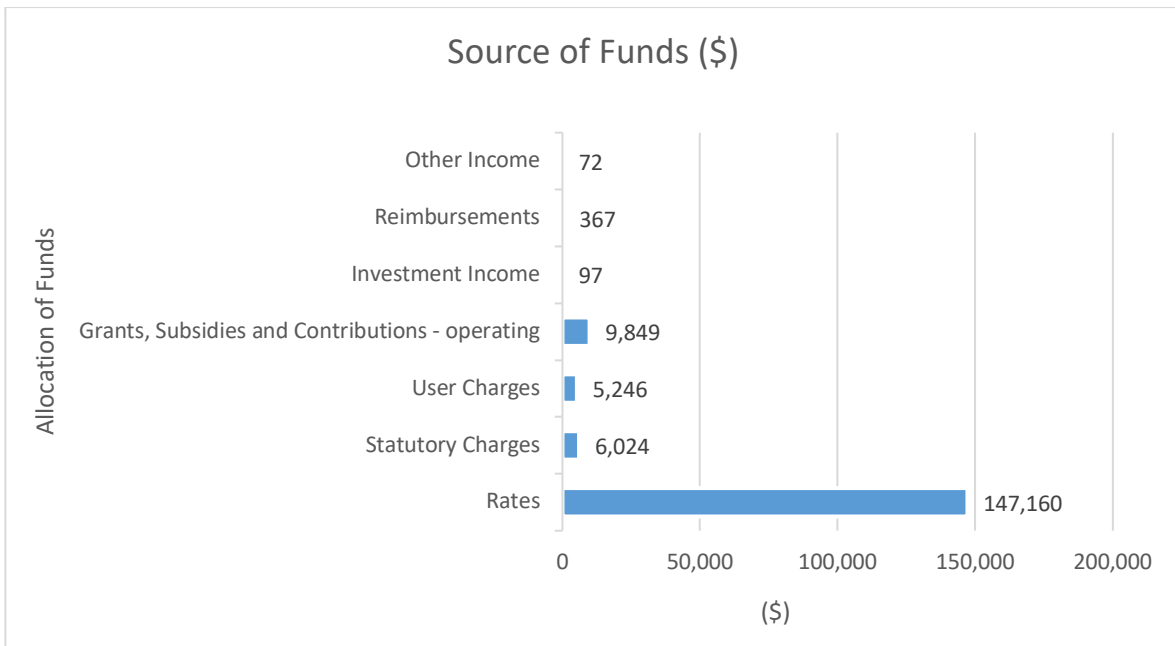
- **Statutory Charges:** Fees and fines set by legislation, like parking fines, animal registrations, and development fees.
- **User Charges:** Fees collected directly from users of Council facilities and services, such as hall hire, library services, and waste management.
- **Grants:** Funds provided by State and Federal Governments to support specific Council projects and services.
- **Investment Income:** Investment income includes interest on investments.
- **Reimbursements:** This includes income from recouping specific costs of Council activities and private works.
- **Other Income:** Relates to a range of unclassified items that do not fit within the main income categories.
- **Amounts received 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 our 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 CAD facility allows 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 this facility 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.



Graph 6: Source of Funds

This graph illustrates how Council responsibly manages its finances across diverse sources, with Rates as the core stable income stream.

WHAT DOES THIS MEAN FOR RATES?

Rates and Your Property

Rates are the main way Council funds essential local services and maintains important infrastructure, like roads, parks, libraries, and waste collection.

Because rates are a form of property tax, each property contributes based on its value. Generally, the higher the value of your property, the more you pay in rates. This helps ensure everyone contributes fairly, in line with their capacity.

How Rates are Calculated

HOW ARE YOUR RATES CALCULATED?

1



Your property's market value (land and improvements) is independently assessed by the Valuer-General.

2



Council determines a rate per dollar of property value, based on the budget needed to deliver community services

3



Different property types pay different rates. Residential, commercial, and industrial properties each have distinct rates.

4



A minimum rate ensures every property owner contributes a fair base amount.

5



Rate relief is available for eligible ratepayers, including seniors, new homeowners building on vacant land, and those experiencing financial hardship.

Under the *Local Government Act 1999*, councils can choose from different ways to apply rates. At Charles Sturt, we use:

- A **differential rate**: this means properties used for different purposes (like residential or commercial) are charged different rates.
- A **minimum rate**: this ensures that all properties contribute at least a base level toward services and facilities.

If you think your property valuation is too high, you can lodge an objection with the Valuer-General within 60 days of receiving your notice.

Why This System?

Using property values provides a fair way to distribute the cost of services. It also reflects general principles of taxation, like fairness, simplicity, and ability to pay.

But we know property values don't always tell the full story. That's why we have a range of rate relief options for those who may need support.

Proposed Rates Relief

We're committed to supporting residents, especially during times of financial pressure. This year's proposed relief options include:

Rate Capping

If your rates have increased by more than **12.5%** compared to last year, you may be eligible for a cap in order to keep your increase within this limit.

This doesn't apply if:

- Your property value increased due to major improvements (over \$20,000)
- The land use changed
- The property changed ownership since July 2024
- You're receiving another rebate under Sections 159–166 of the Act

Residential Construction Rebate

Building a new home on vacant land? You could get:

- 100% rebate if footings are poured by 31 December 2025
 - 50% rebate if poured after that
- You must live in the home for at least one year. This offer is not available for investment properties.

Postponing Rates for Seniors

If you hold a Seniors Card, you can postpone part of your rates above \$500 per year. Interest will apply to the postponed amount, but this option can help with cash flow.

Hardship Support

If you're facing financial hardship, you can speak with us confidentially about a tailored payment plan. We're here to help.

Understanding This Year's Rate Increase

Note: This is subject to change throughout the consultation period



We understand many in our community are feeling the pressure of rising living costs, and we've taken that into account when setting the proposed rates for 2025/26.

This year, in accordance with our Long Term Financial Plan, the proposed average rate increase is 4.85%, plus 1.30% growth from new developments. This is lower than last year's increase of 6.25% (+growth). Council has worked diligently to keep this increase as modest as possible, while still funding the services, infrastructure, and programs our community depends on.

Our Long Term Financial Plan plays a key role in managing costs over time. It helps us reduce pressure on future rates by planning responsibly now. We aim to strike a sustainable balance in delivering what's needed today while safeguarding our financial standing for tomorrow.

SUMMARY

A Message From the CEO

At the City of Charles Sturt, we have a strong focus on our Community Vision: to create a place to call home, a place where we belong. We value nature, strengthen local neighbourhoods, build vibrant places, foster connection and belonging, and shape an evolving and transforming City.

This Draft Annual Business Plan reflects this vision. It's our commitment to deliver the services, infrastructure and projects our community relies on now and into the future, whilst keeping rates at a sustainable level.

We understand the cost-of-living pressures many households are facing across our City. We've worked to minimise the financial impact on our community to deliver a proposed average rate increase of 4.85. While this is lower than last year's increase, it still enables Council to continue to provide the services and amenities that you expect.

Behind the scenes, this takes long-term planning, considered financial management, and collaboration across the organisation. Our approach is guided by a sound Long Term Financial Plan, supported by updated Asset Management Plans. The approach is endorsed by our Audit and Risk Committee. It's also been independently reviewed by ESCOSA, who confirmed the strength of our financial management and our ability to sustain services over time.

This plan focuses on delivering the essentials, supporting growth, and investing in our future, without placing an unfair burden on ratepayers.

We value your input. I encourage you to share your feedback on this plan and help shape the future of our City.

We remain committed to building a strong, sustainable and inclusive City and that starts with listening to you – our community.



Paul Sutton
Chief Executive Officer

APPENDICES

Appendix A – Long Term Financial Plan (LTFP)

Executive Summary

This document details the City of Charles Sturt’s current financial position and outlook to 2025/35 as at March 2025 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 Vision 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 financial 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 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

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

This Long Term Financial Plan and the associated assumptions were endorsed by Council on 11 March 2025 (CL 3/3/ 2025, item 4.04).

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](#)

Schedule A – Long Term Financial Plan Assumptions

Long Term Financial Plan – Assumptions 2025/26

The Long Term Financial Plan is the financial forecast information, which includes a set of best estimate assumptions as to future events which Council expects are likely to take place. These assumptions include the percentage of rateable properties, salaries and wages increases, CPI and interest changes to name a few. This document describes these assumptions and associated risks derived with information known as at February 2025.

Assumptions:

Rateable properties:

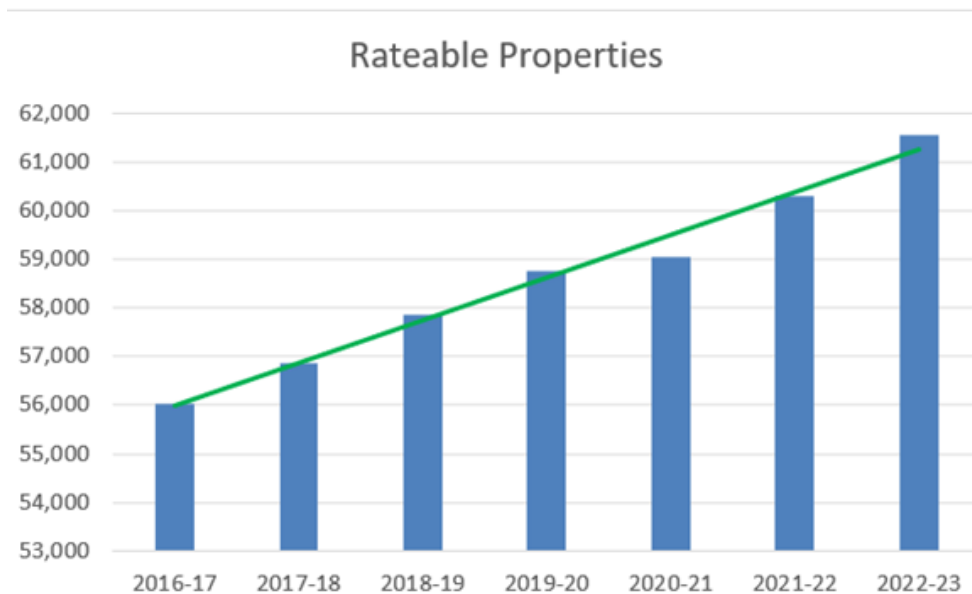
Rates income to Council is a product of price and quantity. The number of rateable properties has risen by an average of 1.55% over the past 7 financial years. Rather than use 1.0% growth as done in previous years, this has been increased to 1.30%. Table 1 shows the Rateable Property growth rate over the past 7 years.

Table 1 – Rateable Property Growth Rate

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Rateable properties	56,035	56,852	57,861	58,746	59,048	60,287	61,545
Increase %	1.39%	1.46%	1.77%	1.53%	0.51%	2.10%	2.09%

1.55% 7 Year Average

*This data was sourced from the ESCOSA Report.



Salaries and wages:

The Salary and Wages 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 extends for 3 years (2025/26 is the second of three years) and has been included based on these signed agreements.

The 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 2025/26 superannuation will be 12.0%.

Cost Price Index (CPI):

Cost Price Index (CPI) Forecasts used 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 previous years (of magnitude 7-8%) but has been corrected by the Reserve Bank of Australia’s Monetary Policy which has been to increase interest rates thus arresting the increasing CPI.

A table of all uplift indices used in the LTFP is provided below for costs which are forecast to increase other than by the CPI forecast from DAE of 2.80%.

Unique Indices	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	2034/ 35
CPI Deloitte Access Economics	2.80%	2.52%	2.59%	2.43%	2.34%	2.38%	2.74%	2.78%	2.76%	2.75%
Wages EB/WPI	3.20%	3.20%	3.24%	3.43%	3.32%	3.37%	3.37%	3.36%	3.30%	3.39%
Maintenance	4.80%	4.52%	4.59%	4.43%	4.34%	4.38%	4.74%	4.78%	4.76%	4.75%
Waste	4.85%	4.57%	4.64%	4.48%	4.39%	4.43%	4.79%	4.83%	4.81%	4.80%
Insurance	4.30%	4.02%	4.09%	3.93%	3.84%	3.88%	4.24%	4.28%	4.26%	4.25%

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:

Interest is calculated on the outstanding balance of the loans. Council has one \$10m loan at fixed interest rate of 3.85% and the remainder of funding is achieved via “overdraft” arrangements. The Local Government Financing Authority (LGFA) provide Cash Advance Debentures (CAD) which 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 5.50% for 2025/26 and decreasing over time. This is compared to 6.15% for 2024/25.

Annual Operating Projects (AOP):

Annual Operating Projects (AOP) of \$2.25m are planned for 2025/26. This budgeted allocation is increased by forecast CPI each year of the plan. Last year’s projects (2024/25) undertaken by council has been factored into the budget with \$366k of recurrent expenditure arising from those initiatives.

Depreciation:

Depreciation increases as new infrastructure is completed and as existing infrastructure is revalued to contemporary replacement costs. 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, however the endorsed Asset Management Plans indicate future funding requirements.

Asset sales:

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

Operating Cash Surplus:

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

Capital Expenditure:

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

All AMPs will be reviewed within 2 years of the Local Government Elections as per LG Act 1999. These reviews will include a more comprehensive response and updated projections to the delivery of Council's Climate Change Response Strategy.

New and Upgrade forecasts are based on current Strategic Management Plans and Council in principle adopted projects via a Council resolution.

Capital Renewal, New and Upgrade expenditure over the 10-year duration has increased by \$72.2m since the last iteration of the LTFP. This increase is due to additional New and Upgrade projects identified, which is supported by the Capital Renewal program remaining relatively constant.

Loans outstanding are due to the increased level of new and 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 (WIP) is assumed (20%) and reflected in level of borrowings forecast.

Capital Write Backs:

An annual exercise of identifying costs that are unable to be capitalised so expensed into operating expenditure. Reasons for this could be that the project did not go ahead, or the costs are not capable of being capitalised under AASB 116 *Property, Plant and Equipment* (para 19) such as advertising, promotional, training, administration and general overhead costs, including consultation.

An amount of \$1.2m in 2025/26 (and indexed by CPI annually) has been included in the LTFP to represent those amounts recorded as capital but written off to the Profit and Loss Statement.

Risks relating to Assumptions

Interest Rate Risk:

The Interest Rate Risk would be significant with Total Financial Liabilities of approximately \$85.0m (10-year average) such that a 1.0% interest rate rise would require approximately an additional 0.39% increase in rate revenue.

Wage Growth Index Forecast Risk:

With employee costs comprising approximately 37% (10-year average) of total operating expenditure a 1.0% error in anticipated wage growth can result in a \$0.62m misstatement in the 2025/26 operating result and up to a \$0.85m misstatement in the 2034/35 year.

CPI forecast risk:

The 2025/26 Operating Surplus is sensitive to the level of CPI rate used during the year. A 1.0% increase in CPI, after Rates have been struck, will have a \$0.682m unfavourable impact on the Operating Surplus.

Schedule B: Long Term Financial Plan

City of Charles Sturt

10 Year Financial Plan for the Years ending 30 June 2035

STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND



	Actuals	Estimated	Projected Years									
	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	2034/35 \$'000
Income												
Rates	129,829	138,762	147,160	153,435	160,089	166,007	171,983	178,257	185,398	192,894	200,668	208,739
Statutory Charges	5,865	5,689	6,024	6,169	6,091	6,239	6,385	6,537	6,716	6,903	7,094	7,289
User Charges	4,729	4,668	5,246	5,369	5,128	5,253	5,375	5,504	5,654	5,811	5,972	6,137
Grants, Subsidies and Contributions - operating	5,729	10,644	9,849	10,129	9,967	10,153	10,390	10,638	10,929	11,233	11,544	11,862
Grants, Subsidies and Contributions - capital	2,704	2,544	-	-	-	-	-	-	-	-	-	-
Investment Income	659	368	97	100	102	105	107	110	113	116	119	122
Reimbursements	3,349	847	367	376	386	395	405	414	426	437	449	462
Other Income	74	70	72	74	76	78	79	81	83	86	88	91
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	152,938	163,592	168,815	175,651	181,839	188,230	194,725	201,540	209,320	217,480	225,934	234,701
Expenses												
Employee Costs	53,423	59,791	62,132	64,428	66,509	69,059	71,335	74,015	76,497	79,343	81,948	84,992
Materials, Contracts & Other Expenses	57,640	56,947	59,181	61,726	63,004	65,041	66,887	69,777	71,407	74,015	76,441	79,848
Depreciation, Amortisation & Impairment	35,035	41,185	42,360	43,605	44,973	46,306	47,630	48,995	50,626	52,367	54,157	55,978
Finance Costs	2,068	2,156	3,094	3,054	2,838	2,803	2,448	2,109	1,883	1,699	1,352	910
Net loss - Equity Accounted Council Businesses	1,872	1,309	-	-	-	-	-	-	-	-	-	-
Total Expenses	150,038	161,388	166,767	172,813	177,324	183,209	188,300	194,897	200,413	207,424	213,898	221,728
Operating Surplus / (Deficit)	2,900	2,204	2,048	2,838	4,515	5,021	6,425	6,644	8,907	10,056	12,036	12,973
Asset Disposal & Fair Value Adjustments	(11,935)	-	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	1,416	3,335	100	100	100	100	100	100	100	100	100	100
Physical Resources Received Free of Charge	12,645	200	200	200	200	200	200	200	200	200	200	200
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	5,026	5,739	2,348	3,138	4,815	5,321	6,725	6,944	9,207	10,356	12,336	13,273
Other Comprehensive Income												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	1,123,642	6,108	16,107	9,348	14,160	8,967	7,987	11,492	8,448	8,659	10,440	30,542
Share of Other Comprehensive Income - Equity Accounted Council Businesses	4,718	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	1,128,360		16,107	9,348	14,160	8,967	7,987	11,492	8,448	8,659	10,440	30,542
Total Comprehensive Income	1,133,386	5,739	18,454	12,487	18,975	14,288	14,712	18,436	17,655	19,015	22,777	43,814

City of Charles Sturt
 10 Year Financial Plan for the Years ending 30 June 2035
 STATEMENT OF FINANCIAL POSITION - GENERAL FUND



	Actuals	Current Year	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	3,940	315	500	500	500	500	500	500	500	500	500	500
Trade & Other Receivables	8,259	4,785	4,979	5,163	5,262	5,430	5,599	5,787	5,984	6,200	6,420	6,658
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	189	204	215	224	229	236	243	253	259	269	278	290
Other Current Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	10,790	10,790	10,790	10,790	10,790	10,790	10,790	10,790	10,790	10,790	10,790	10,790
Total Current Assets	23,178	16,093	16,484	16,678	16,781	16,956	17,132	17,330	17,533	17,759	17,988	18,238
Non-Current Assets												
Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Equity Accounted Investments in Council Businesses	4,133	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584	2,584
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	2,717,094	2,742,538	2,768,182	2,784,358	2,804,627	2,817,928	2,825,662	2,836,830	2,852,106	2,866,398	2,879,699	2,914,017
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	18,441	18,441	18,441	18,441	18,441	18,441	18,441	18,441	18,441	18,441	18,441	18,441
Total Non-Current Assets	2,739,668	2,763,563	2,789,207	2,805,383	2,825,652	2,838,953	2,846,687	2,857,855	2,873,131	2,887,423	2,900,724	2,935,042
TOTAL ASSETS	2,762,846	2,779,657	2,805,691	2,822,061	2,842,434	2,855,910	2,863,819	2,875,185	2,890,664	2,905,182	2,918,712	2,953,280
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	36,285	45,070	52,018	54,934	55,563	53,897	46,273	38,169	35,119	29,540	19,228	8,713
Trade & Other Payables	28,281	21,863	23,090	24,057	24,826	25,680	26,500	27,535	28,409	29,490	30,556	31,825
Borrowings	2,513	596	-	-	-	-	-	-	-	-	-	-
Provisions	10,826	10,519	10,519	10,519	10,519	10,519	10,519	10,519	10,519	10,519	10,519	10,519
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	77,905	78,047	85,627	89,510	90,907	90,096	83,292	76,223	74,047	69,549	60,302	51,057
Non-Current Liabilities												
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	-	5,572	5,572	5,572	5,572	5,572	5,572	5,572	5,572	5,572	5,572	5,572
Borrowings	1,428	-	-	-	-	-	-	-	-	-	-	-
Provisions	1,286	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	2,714	7,165	7,165	7,165	7,165	7,165	7,165	7,165	7,165	7,165	7,165	7,165
TOTAL LIABILITIES	80,619	85,212	92,792	96,675	98,073	97,261	90,457	83,388	81,212	76,714	67,468	58,222
Net Assets	2,682,227	2,694,444	2,712,899	2,725,386	2,744,361	2,758,649	2,773,361	2,791,797	2,809,452	2,828,467	2,851,244	2,895,058
EQUITY												
Accumulated Surplus	536,787	542,896	545,244	548,382	553,197	558,518	565,244	572,187	581,394	591,751	604,087	617,360
Asset Revaluation Reserves	2,145,440	2,151,548	2,167,655	2,177,003	2,191,164	2,200,130	2,208,118	2,219,610	2,228,058	2,236,717	2,247,157	2,277,699
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	2,682,227	2,694,444	2,712,899	2,725,386	2,744,361	2,758,649	2,773,361	2,791,797	2,809,452	2,828,467	2,851,244	2,895,058
	-	0	-	-	-	-	-	-	-	-	-	-

City of Charles Sturt
10 Year Financial Plan for the Years ending 30 June 2035
STATEMENT OF CASH FLOWS - GENERAL FUND



	Actuals 2023/24 \$'000	Current Year 2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	Projected Years					
							2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	-	136,615	147,645	153,797	160,474	166,349	172,329	178,619	185,811	193,327	201,118	209,205
Statutory Charges	-	6,060	5,944	6,156	6,099	6,225	6,371	6,523	6,699	6,885	7,075	7,270
User Charges	-	4,981	5,154	5,357	5,151	5,241	5,364	5,491	5,640	5,796	5,957	6,121
Grants, Subsidies and Contributions (operating purpose)	-	10,162	9,838	10,115	9,975	10,144	10,378	10,625	10,915	11,217	11,528	11,845
Investment Receipts	659	264	99	99	102	105	107	110	113	116	119	122
Reimbursements	-	1,084	376	376	385	395	404	414	425	437	449	461
Other	151,635	53	58	74	76	77	79	81	83	86	88	90
Payments:												
Payments to Employees	-	(59,580)	(62,088)	(64,390)	(66,474)	(69,017)	(71,297)	(73,970)	(76,456)	(79,295)	(81,904)	(84,941)
Payments for Materials, Contracts & Other Expenses	(114,946)	(54,632)	(58,683)	(61,312)	(62,796)	(64,710)	(66,587)	(69,308)	(71,142)	(73,591)	(76,047)	(79,294)
Finance Payments	(2,068)	(2,156)	(3,094)	(3,054)	(2,838)	(2,803)	(2,448)	(2,109)	(1,883)	(1,699)	(1,352)	(910)
Net Cash provided (or used in) Operating Activities	35,280	42,852	45,250	47,217	50,153	52,006	54,700	56,475	60,204	63,278	67,030	69,970
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	517	3,418	279	100	100	100	100	100	100	100	100	100
Grants utilised for capital purposes	2,704	512	-	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	1,122	-	1,547	1,920	1,920	2,020	1,686	1,423	1,787	2,376	1,074	1,707
Sale of Surplus Assets	-	656	-	-	-	-	-	-	-	-	-	-
Distributions Received from Equity Accounted Council Businesses	-	240	-	-	-	-	-	-	-	-	-	-
Payments:												
Expenditure on Renewal/Replacement of Assets	(30,224)	(42,693)	(32,251)	(28,733)	(29,507)	(29,999)	(31,629)	(29,502)	(33,483)	(33,938)	(32,762)	(32,424)
Expenditure on New/Upgraded Assets	(18,052)	(14,050)	(20,994)	(23,421)	(23,295)	(22,460)	(17,233)	(20,392)	(25,557)	(26,238)	(25,129)	(28,839)
Net Cash provided (or used in) Investing Activities	(43,933)	(51,916)	(51,418)	(50,133)	(50,782)	(50,340)	(47,076)	(48,371)	(57,154)	(57,699)	(56,717)	(59,455)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from CAD	-	8,784	6,949	2,916	629	-	-	-	-	-	-	-
Proceeds from Borrowings	5,963	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Aged Care Facility Deposits	437	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Bonds & Deposits	239	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of CAD	-	-	-	-	-	(1,666)	(7,624)	(8,104)	(3,050)	(5,579)	(10,312)	(10,515)
Repayments of Borrowings	-	(1,158)	(596)	-	-	-	-	-	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(819)	(2,187)	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	5,820	5,439	6,353	2,916	629	(1,666)	(7,624)	(8,104)	(3,050)	(5,579)	(10,312)	(10,515)
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,833)	(3,625)	185	-	-	-	-	-	-	-	-	-
plus: Cash & Cash Equivalents - beginning of year	6,773	3,940	315	500	500	500	500	500	500	500	500	500
Cash & Cash Equivalents - end of the year	3,940	315	500	500	500	500	500	500	500	500	500	500

City of Charles Sturt
 10 Year Financial Plan for the Years ending 30 June 2035
 STATEMENT OF CHANGES IN EQUITY - GENERAL FUND



	Actuals 2023/24 \$'000	Current Year 2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	Projected Years					
							2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'000
Opening Balance	1,548,841	2,682,227	2,694,444	2,712,899	2,725,386	2,744,361	2,758,649	2,773,361	2,791,797	2,809,452	2,828,467	2,851,244
Net Surplus / (Deficit) for Year	5,026	6,109	2,348	3,138	4,815	5,321	6,725	6,944	9,207	10,356	12,336	13,273
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	1,123,642	6,108	16,107	9,348	14,160	8,967	7,987	11,492	8,448	8,659	10,440	30,542
- 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	4,718	-	-	-	-	-	-	-	-	-	-	-
- Other Equity Adjustments - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
- Other Movements	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	1,128,360	6,108	16,107	9,348	14,160	8,967	7,987	11,492	8,448	8,659	10,440	30,542
Total Comprehensive Income	1,133,386	12,217	18,454	12,487	18,975	14,288	14,712	18,436	17,655	19,015	22,777	43,814
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	2,682,227	2,694,444	2,712,899	2,725,386	2,744,361	2,758,649	2,773,361	2,791,797	2,809,452	2,828,467	2,851,244	2,895,058

City of Charles Sturt
10 Year Financial Plan for the Years ending 30 June 2035
UNIFORM PRESENTATION OF FINANCES - GENERAL FUND



	Actuals	Current Year	Projected Years									
	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	2034/35 \$'000
Income												
Rates	129,829	138,762	147,160	153,435	160,089	166,007	171,983	178,257	185,398	192,894	200,668	203,739
Statutory Charges	5,865	5,186	6,024	6,169	6,091	6,239	6,385	6,537	6,716	6,903	7,094	7,289
User Charges	4,729	4,286	5,246	5,369	5,128	5,253	5,375	5,504	5,654	5,811	5,972	6,137
Grants, Subsidies and Contributions - operating	5,729	9,629	9,849	10,129	9,967	10,153	10,390	10,638	10,929	11,233	11,544	11,862
Grants, Subsidies and Contributions - capital	2,704	-	-	-	-	-	-	-	-	-	-	-
Investment Income	659	182	97	100	102	105	107	110	113	116	119	122
Reimbursements	3,349	497	367	376	386	395	405	414	426	437	449	462
Other Income	74	70	72	74	76	78	79	81	83	86	88	91
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	152,938	158,612	168,815	175,651	181,839	188,230	194,725	201,540	209,320	217,480	225,934	234,701
Expenses												
Employee Costs	53,423	59,510	62,132	64,428	66,509	69,059	71,335	74,015	76,497	79,343	81,948	84,992
Materials, Contracts & Other Expenses	57,640	56,113	59,181	61,726	63,004	65,041	66,887	69,777	71,407	74,015	76,441	79,848
Depreciation, Amortisation & Impairment	35,035	36,950	42,360	43,605	44,973	46,306	47,630	48,995	50,626	52,367	54,157	55,978
Finance Costs	2,068	2,156	3,094	3,054	2,838	2,803	2,448	2,109	1,883	1,699	1,352	910
Net loss - Equity Accounted Council Businesses	1,872	1,309	-	-	-	-	-	-	-	-	-	-
Total Expenses	150,038	156,038	166,767	172,813	177,324	183,209	188,300	194,897	200,413	207,424	213,898	221,728
Operating Surplus / (Deficit)	2,900	2,574	2,048	2,838	4,515	5,021	6,425	6,644	8,907	10,056	12,036	12,973
Timing adjustment for grant revenue	4,690	-	-	-	-	-	-	-	-	-	-	-
Less: Grants, subsidies and contributions – Capital	(2,704)	-	-	-	-	-	-	-	-	-	-	-
Adjusted Operating Surplus / (Deficit)	4,886	2,574	2,048	2,838	4,515	5,021	6,425	6,644	8,907	10,056	12,036	12,973
Net Outlays on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(30,224)	(42,693)	(32,251)	(28,733)	(29,507)	(29,999)	(31,629)	(29,502)	(33,483)	(33,938)	(32,762)	(32,424)
Finance Lease payments for Right of Use Assets	-	(2,413)	(203)	(183)	(165)	(148)	-	-	-	-	-	-
add back Depreciation, Amortisation and Impairment	35,035	36,950	42,360	43,605	44,973	46,306	47,630	48,995	50,626	52,367	54,157	55,978
add back Grants, subsidies and contributions – Capital Renewal	-	-	-	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Replaced Assets	1,122	-	1,547	1,920	1,920	2,020	1,686	1,423	1,787	2,376	1,074	1,707
Total Net Outlays on Existing Assets	5,933	(8,156)	11,453	16,610	17,222	18,178	17,687	20,916	18,929	20,805	22,469	25,262
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(18,052)	(14,050)	(20,994)	(23,421)	(23,295)	(22,460)	(17,233)	(20,392)	(25,557)	(26,238)	(25,129)	(23,839)
Finance lease payments for Right of Use Assets	-	-	-	-	-	-	-	-	-	-	-	-
add back Grants, subsidies and contributions – Capital New/Upgraded	2,704	-	-	-	-	-	-	-	-	-	-	-
add back Amounts Received Specifically for New and Upgraded Assets	517	3,418	279	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)	-	656	-	-	-	-	-	-	-	-	-	-
Total Net Outlays on New and Upgraded Assets	(14,831)	(9,975)	(20,715)	(23,321)	(23,195)	(22,360)	(17,133)	(20,292)	(25,457)	(26,138)	(25,029)	(23,739)
Annual Net Impact to Financing Activities (surplus / (deficit))	(4,012)	(15,557)	(7,214)	(3,873)	(1,459)	839	6,979	7,267	2,379	4,723	9,476	9,496

Appendix B: Capital Renewal Projects

Budget Bid	Budget Bid Name	Net Budget	Income	Expenditure
PBB-00002072	Desktop and Laptop Fleet Replacement	515,000	0	515,000
PBB-00002073	Replacement of Mobile Work Devices for Field Staff	352,000	0	352,000
PBB-00002074	Replacement of the Sign Shop Printer	25,000	0	25,000
PBB-00002075	Replacement of Community Safety Mobile Infringement Devices	27,100	0	27,100
PBB-00002077	Traffic Control Renewals 25/26	60,000	0	60,000
PBB-00002078	Bus Stop Renewals 25/26	100,000	0	100,000
PBB-00002081	Bridge Renewal - Seaview Road Underpass RTLP	1,030,000	0	1,030,000
PBB-00002082	Road Rehabilitation Program of Works 2025/26	5,000,000	0	5,000,000
PBB-00002084	Road Reconstruction Program of Works 2025/26	6,100,000	0	6,100,000
PBB-00002086	Sam Johnson Reserve Clubrooms - Whole of building renewal	3,563,000	0	3,563,000
PBB-00002087	Path and Access Ramp Renewal Program 2025/26	4,700,000	0	4,700,000
PBB-00002088	Public Lighting Renewal Program 2025/26	660,000	0	660,000
PBB-00002089	Hawker St Road Reconstruction & Streetscape	1,900,000	0	1,900,000
PBB-00002091	Heavy Fleet Replacement Program 25/26 Financial Year	2,519,750	855,250	3,375,000
PBB-00002092	Stormwater Drain Renewal Program 25/26	1,443,750	0	1,443,750
PBB-00002093	2025/26 AMP Council Building Renewals	2,018,555	0	2,018,555
PBB-00002094	Light Fleet Replacement Program 25/26 Financial Year	1,038,500	761,500	1,800,000
PBB-00002095	Minor Plant Replacement Program 25/26 Financial year	293,530	33,670	327,200
PBB-00002096	AMP Playground Renewals - 2025/26	906,022	0	906,022

DRAFT FOR PUBLIC CONSULTATION

PBB-00002097	AMP Sports Accessories Renewals - 2025/26	487,220	0	487,220
PBB-00002098	AMP Fences, Walls and Bollard Renewals - 2025/26	329,824	0	329,824
PBB-00002099	AMP Reserve Furniture Renewals - 2025/26	163,777	0	163,777
PBB-00002100	AMP Irrigation Renewals - 2025/26	989,077	0	989,077
PBB-00002107	Kerb and Gutter and Path Major Defect Rectification 2025-26	1,000,000	0	1,000,000
PBB-00002113	Asset Breakdown - Contingency Fund 2025/26	203,600	0	203,600
PBB-00002114	Office Fit Out and Modifications	45,810	0	45,810
PBB-00002132	Inlet Reserve - Design & Consultation for renewal of public toilet, playground and fitness equipment	60,000	0	60,000
PBB-00002171	River Park Reserve Playground Renewal	215,000	0	215,000
PBB-00002177	Alternative Water - Renewal - Irrigation Well and Pump	300,000	0	300,000
PBB-00002181	Alternative Water - Renewal - Pumps & Motors	30,000	0	30,000
PBB-00002186	Faith Montesorri Roof Restoration	200,000	0	200,000
PBB-00002229	New Engineering Survey Total Station	80,000	0	80,000
PBB-00002238	Beach Access Staircase Renewal - 171 Esplanade Henley Beach	50,000	200,000	250,000
TOTAL		36,406,515	1,850,420	38,256,935

Appendix C: ESCOSA Report



Advice

Local Government Advice

City of Charles Sturt

February 2025

Enquiries concerning this advice should be addressed to:

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City of Charles Sturt AT A GLANCE

OVERVIEW

The Essential Services Commission finds the City of Charles Sturt's current and projected financial performance **mostly sustainable**, noting that annual Long-Term Financial Plans do not fully reflect current asset values and the Council forecasts average growth in operating expenses per property of 2.1 percent per annum over the next 10 years, without showing how it will achieve cost growth below inflation. Rectification of these issues will improve transparency and confidence in the long-term sustainability of this well-managed council.

FINANCIAL PERFORMANCE



Past 10 years
Sustainable



Current
Sustainable



Projected
Mostly Sustainable

RISKS IMPACTING SUSTAINABILITY

- ⚠ Not appropriately sequencing the asset management plan updates to ensure that the long-term financial plan is informed by current values (including for updated asset valuations and depreciation projections).
- ⚠ The outcomes of planned cost savings targets and productivity improvements not being reported and possibly not achieved.
- ⚠ The expansion or acceleration of new services and the development of new assets, which may increase affordability risk for ratepayers.

KEY FACTS

- ▶ Population in 2023 was 127,440 ⁽¹⁾ residents
- ▶ Council covers 54.8 square kilometres ⁽¹⁾
- ▶ 61,545 rateable properties in 2022-23 ⁽²⁾
- ▶ \$119.3 million of rates income in 2022-23 ⁽²⁾
- ▶ Value of assets held in 2022-23 equals \$1,579.0 million ⁽²⁾

Source: (1) Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/> (2) The Council's Financial Reporting Template provided to the Commission.

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1 Executive summary

1.1 Summary of observations

In general, the Essential Services Commission of South Australia finds the City of Charles Sturt's current financial performance and position sustainable. Over the last 10 years, the City of Charles Sturt has consistently run operating surpluses, indicating that the operating income it collects generally exceeds its operating expenses by a moderate margin.

The City of Charles Sturt has demonstrated some constraint in its budgeting, with a target operating surplus ratio of between 2.5 percent and 5.0 percent per annum over the next 10 years, and it is not considered to be accumulating excessive surpluses. At the same time, it is budgeting off a higher cost base but is aiming to maintain average rate levels consistent with long-term inflation expectations.¹ To assist in achieving this, the Essential Services Commission considers that the City of Charles Sturt should improve the disclosure (and quantification) of its cost savings or outcomes of productivity targets. Further, its average residential rates are broadly consistent with similar councils, and the socio-economic ranking for the community is also considered average among South Australian councils, suggesting that the community's capacity to pay for higher rates might be more limited than in other communities.

Community service levels appear to have been maintained, largely through the City of Charles Sturt's focus on renewing its asset base, while it has also been adding to its asset base, with an accompanied expansion of service levels through investment in new projects and initiatives.

The City of Charles Sturt's strategic planning processes appear robust and well developed. There is, however, potential risk to the Council's sustainability (compared to the projections presented in the Essential Service Commission's Advice) as several updates to the infrastructure and asset management plan and material asset revaluations were carried out after the Council's long-term financial plan was reviewed in February 2024. This may necessitate material changes to subsequent long-term financial plans that result in higher rate increases, in the absence of cost reductions and/or slowing the provision of new assets or asset upgrades.²

The Essential Services Commission notes the City of Charles Sturt's current good practice of consulting with stakeholders and its community on its strategic management plans and recommends that it continues to understand the community's preferences on service provision, service levels and funding appetite. A summary of the Commission's recommendations is provided below.

¹ The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

² For example, if significant asset revaluations are needed to accurately reflect forward looking asset costs, the Council's LTFP may be unsustainable, based upon the Council seeking to keep the same asset stock and provide the same services. This is because the depreciation charge will increase, placing more pressure on the operating surplus ratio, and the Council will have less capacity to build cash reserves or finance additional borrowings.

1.2 Summary of Recommendations

The Commission recommends that the City of Charles Sturt:

1. **Continue** the good practice of annually updating and developing its strategic management plans, in consultation with stakeholders and the community.
2. **Update** its asset valuation assumptions to accurately reflect the current and long-term asset values (and associated depreciation) in its long-term financial plans each year.
3. **Improve** the disclosure of cost savings targets or productivity improvements in its long-term financial plans and annual business plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.
4. **Consider** its pace of repayment of debt, balancing financial costs, the program of development of new assets and intergenerational equity.
5. **Adhere** to the principles underpinning its long-term financial plan projections, to appropriately allocate funding to the renewal of its assets, relative to prioritising initiatives for new or upgraded infrastructure.
6. **Continue** to review its long-term asset base assumptions, including asset valuations, and asset lives, as necessary, informing its forecast rate of asset consumption and depreciation expenses and asset renewal needs in its long-term financial plan and asset management plans.
7. **Continue** the good practice of consulting with the community on its strategic management plans and on proposed rate increases.

2 About the advice

2.1 Background

The State Parliament has tasked the Essential Services Commission of South Australia (**Commission**), South Australia's independent economic regulator and advisory body, to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (**SMPs**), and on the proposed revenue sources, including rates, which underpin those plans.³

A primary purpose of the Local Government Advice Scheme (**Advice** or **the Scheme**) is to support councils to make financially sustainable strategic decisions in their Annual Business Plans (**ABP**) and budgets, in the context of their Long-Term Financial Plans (**LTFP**) and Infrastructure and Asset Management Plans (**IAMP**). IAMPs are commonly referred to as Asset Management Plans (**AMP**). The LTFP and the IAMP are both required as part of a council's SMP.⁴ Financial sustainability encompasses intergenerational equity,⁵ program (service level) and rates stability in this context.⁶ The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.⁷ In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.⁸

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 17 councils for advice in the third year (2024-25) of the Scheme, including the City of Charles Sturt (**Council**).

This report provides the Local Government Advice for the Council in 2024-25.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2025-26 ABP (including any draft ABP) and in subsequent plans until the next cycle of the Scheme.⁹ The Council is not compelled under the LG Act to follow the advice.

The Commission thanks the Council for meeting with Commission staff and for providing information to assist the Commission in preparing this advice.

2.2 The Commission's approach

In providing its Advice for the Council, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (**F&A**).¹⁰

The Commission has considered the Council's SMP documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating Surplus Ratio (**OSR**), the Net Financial Liabilities Ratio (**NFLR**) and the Asset Renewal Funding Ratio (**ARFR**).¹¹

³ Amendments to the *Local Government Act 1999* (**LG Act**) (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

⁴ The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.

⁵ 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

⁶ Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

⁷ LG Act s122(1f)(a) and (1g)(a)(ii).

⁸ LG Act s122(1f)(b) and (1g)(b).

⁹ LG Act s122(1h).

¹⁰ Commission, *Framework and Approach – Final Report*, August 2022, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

¹¹ The indicators are specified in the Local Government (Financial Management) Regulations 2011. Since 2011, each council has been required to refer to these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. The councils can adopt their own target range for each ratio, but the Commission has adopted the previously suggested Local Government Association (**LGA**) target ranges as a

Analysis of these three indicators captures financial and service sustainability, in addition to cost control and affordability risk.¹²

City of Charles Sturt – Strategic Management Plan Documents

- ▶ Draft Water Infrastructure, Asset Management Plan, 2024-2034 (July 2024)
- ▶ Annual Business Plan and Budget 2024/25, including CEO Statement on Financial Sustainability; and LTFP Assumptions and Forecasts 2024-2034 (June 2024)
- ▶ Fleet, Plant and Equipment, Asset Management Plan, 2024-2034 (May 2024)
- ▶ Transport Assets, Asset Management Plan, 2024-2034 (April 2024)
- ▶ Public Lighting, Asset Management Plan, 2024-2034 (April 2024)
- ▶ Council Buildings, Asset Management Plan, 2024-2034 (April 2024)
- ▶ Open Space and Recreation Infrastructure, Asset Management Plan (April 2024)
- ▶ Audit and Risk Committee Meeting (Agenda and Minutes), Item 4.03 - Review of LTFP Assumptions and Framework for Development of the Annual Budget 2024/25 (February 2024)
- ▶ Annual Business Plan and Budget 2023/24, including CEO Statement on Financial Sustainability; and LTFP 2023-2033 (June 2023)
- ▶ Water Infrastructure, Asset Management Plan, 2021 (November 2021)
- ▶ Information Technology, Asset Management Plan (January 2019)

The Commission notes that most of the Council's infrastructure asset base is covered by its existing AMPs. Some of the recent updates to its AMPs are not fully reflected in the Council's current LTFP (as presented in this Advice), as they were completed after the LTFP was adopted. Additionally, the Council advised that some of its assets were revalued in 2023-24 and this uplift is not reflected in its current LTFP.

Given that the Commission must, in providing advice, have regard to the objective of councils maintaining and implementing their IAMPs and LTFPs,¹³ it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,¹⁴ are discussed in section 5.

The Commission has also reviewed the Council's template data which contains its 2024-25 LTFP forecasts for 2024-25 to 2033-34, as well as its 2023-24 LTFP forecasts, historical financial data, the number of rateable properties and Council staff (Full Time Equivalent or **FTE**) numbers from 2013-14 onwards.¹⁵ ¹⁶ The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's Audit and Risk Committee reports, and other public information, as appropriate.

The Commission has reported estimates in nominal terms, for consistency with the Council's plans and actual rate levels, but it has compared estimated inflation impacts to these trends as a guide to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (**CPI**) line shows the

basis for its analysis, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

¹² The F&A listed 29 analytical questions that the Commission has answered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

¹³ LG Act s122(1g)(a)(i).

¹⁴ As required under s122(1b) of the LG Act.

¹⁵ The Council's estimates for the 2023-24 financial year, relied on at the time of preparing this advice, were unaudited.

¹⁶ Sourced from the Local Government Grants Commission (including data reported by the Office of the Valuer General) and the Council's data.

cumulative growth in the CPI (Adelaide) series from 2013-14, and then projections of this series from 2024-25 based on the Reserve Bank of Australia (RBA) (Australia-wide) inflation forecasts (to the December quarter 2026), and the midpoint of the RBA target range (2.5 percent) thereafter.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including the face-to-face onsite meeting at the Council's offices and the following individual circumstances of the Council, consisting of:

- ▶ its location as an urban council
- ▶ its income level (a total of \$145.3 million in 2022-23), and
- ▶ the size of its rates base (61,545 rateable properties as at 2022-23¹⁷).

Throughout this paper the Commission has identified key points and assigned the following risk category to those points:

Legend:  Low-risk  Moderate-risk  High-risk

¹⁷ Based on the estimated number of property assessments in 2022-23.

3 Council profile

The City of Charles Sturt is classified by the Commission as an 'Urban Development and Urban City Centre' council, and is one of 16 in this category in South Australia.¹⁸ The Council is located in the Western suburbs of Adelaide between the Adelaide CBD and the coast, comprising 54.8 square kilometres and 12 kilometres of coastline.¹⁹ It has an estimated resident population of 127,440 (at 30 June 2023),²⁰ and 61,545 rateable properties (2022-23).²¹

The Council was proclaimed on 1 January 1997, joining together the former City of Hindmarsh Woodville and the City of Henley and Grange.²²



The Council region also has the following attributes:

- ▶ stable rateable property growth of approximately 1.0 percent per annum²³
- ▶ population density of 2,326 persons per square kilometre (at 30 June 2023)²⁴
- ▶ 593 kilometres of sealed roads and laneways, with minimal unsealed roads (at 30 June 2023)²⁵
- ▶ largest employment sectors are in health care and social assistance (15.7 percent), retail trade (9.7 percent), education and training (8.9 percent), and construction (8.4 percent) (at 30 June 2021),²⁶ and
- ▶ a median population age of 40.3 years.²⁷

¹⁸ Commission, *Fact Sheet - Local Government Advice Scheme – Schedule of Councils*, May 2023, available at <https://www.escosa.sa.gov.au/ArticleDocuments/21947/20240731-Advice-ScheduleOfCouncils-FactSheet.pdf.aspx?Embed=Y>.

¹⁹ Department of Infrastructure and Transport, *Councils in Focus*, available at https://councilsinfocus.sa.gov.au/councils/city_of_charles_sturt.

²⁰ Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lqr=lga&rqn=41060>.

²¹ Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, *2022-23 Database Reports*, available at: <https://www.dit.sa.gov.au/local-government/grants-commission/publications#database>.

²² Refer to City of Charles Sturt website available at <https://www.charlessturt.sa.gov.au/council/about-our-city>.

²³ Based on the Council's Financial Reporting template provided to the Commission.

²⁴ Footnote 20 applies.

²⁵ Footnote 21 applies.

²⁶ Footnote 20 applies.

²⁷ Footnote 20 applies.

4 Material plan amendments in 2024-25

The Council has made various amendments to its 2024-25 budget and forward projections, partly for inflation and partly for other revenue and spending initiatives. The material amendments to some of its main financial forecasts are listed in the table below (in nominal terms).²⁸ To ensure a comparable analysis of estimates between the 2023-24 and 2024-25 LTFP projections (included in the Council's Annual Business Plans (ABPs)), the Commission has reviewed the nine overlapping years' statistics: 2024-25 to 2032-33 and identified material amendments accordingly.²⁹

4.1 Key points




-  Good practise of annually updating and developing its strategic management plans in consultation with its stakeholders and community.
-  Current long-term financial plan may not accurately reflect current and projected asset valuation assumptions.
-  Increased forecast capital expenditure by 25.6 percent (or \$88.3 million) in its 2024-25 LTFP estimates.

Table 1: Summary of Plan Amendments

Selected Financial Item	Sum of 2024-25 to 2032-33 estimates in 2023-24 LTFP (\$ million)	Sum of 2024-25 to 2032-33 estimates in 2024-25 LTFP (\$ million)	Change in 2024-25 estimates (\$ million)	Change in 2024-25 estimates (percent)
Rates income*	1,396.7	1,450.0	+53.3	+3.8
Statutory charges	46.7	50.2	+3.5	+7.5
User charges	36.0	40.7	+4.7	+13.2
Reimbursements	5.6	4.9	-0.7	-12.5
Total operating income*	1,570.6	1,634.3	+63.7	+4.1
Employee costs*	578.3	601.7	+23.4	+4.1
Depreciation, amortisation and impairment*	390.6	374.3	-16.3	-4.2
Capital expenditure on renewal of assets ³⁰	256.4	305.1	+48.7	+19.0
Capital expenditure on new and upgraded assets ³¹	89.1	128.7	+39.6	+44.4

* These items may not indicate a material amendment.

²⁸ This table shows only selected financial items to demonstrate the material amendments made by the Council in its 2024-25 estimates. It excludes various financial items, and individual items may not sum to totals.

²⁹ The Council's updated LTFP projections are contained in its ABPs.

³⁰ The capital expenditure estimates are based on the 2024-25 LTFP projections provided by the Council to the Commission (in an Excel template).

³¹ Footnote 30 applies.

4.2 General observations on the LTFP, ABP and IAMP

Through early discussions with the City of Charles Sturt, the Commission has observed that the Council has a structured and consultative process when developing its strategic management plans and budgets. Each year in January, the Council undertakes a review and update of its LTFP, which is considered by the Council's Audit and Risk Committee, with recommendations further considered by the Corporate Services Committee and Council.³² The first year of the adopted LTFP provides the high-level framework for the development of the Council's annual budget. Both the LTFP and Annual Business Plan (and Budget) are developed within the Council's overall planning framework, which includes the 20-year Community Plan and Corporate Plan. The Corporate Plan details the strategies and actions that will align to the first 4 years of the Community Plan.

From July to October each year, the Council's AMPs are reviewed and updated, having regard to any forecast expenditure changes resulting from changed circumstances. The Council advises that all major AMPs have had a major revision in 2023-24, in line with legislative requirements to review these within two years of council elections.³³ The Council has established a rolling schedule for asset condition assessment and asset revaluations for all major asset classes; and has allocated a recurrent budget to ensure adequate funding for this rolling program.

In October 2024, the Council advised the Commission that it had undertaken significant asset revaluations, with land representing the largest increase by \$867 million on 30 June 2024, and some assets had not been revalued since 2018.³⁴ This is discussed further in section 5.3 below. Overall, the Commission considers that the Council's approach to updating and developing its SMPs, and annual business plans and budgets represents good practice. However, there is scope to improve the sequencing of updates to asset valuation assumptions (and resulting depreciation) included in its LTFP. Accordingly, the Commission recommends that the Council:

1. **Continue** the good practice of annually updating and developing its SMPs, in consultation with stakeholders and the community.
2. **Update** its asset valuation assumptions to accurately reflect the current and long-term asset values (and associated depreciation) in its LTFPs each year.

4.3 Changes to operating performance

The Council has projected in its 2024-25 LTFP (also included in its 2024-25 ABP) an increase in total operating income of \$63.7 million (or 4.1 percent) across the nine-year comparative period to 2032-33 compared to the 2023-24 LTFP (also included in its 2023-24 ABP and as shown in Table 1 above).³⁵ This reflects a range of changes to its income forecasts, notably:³⁶

- ▶ The rates revenue increase reflects the rate increase of 2.0 percent in 2024-25 to fund its Tree Canopy project, costing \$51.1 million over 20 years (commencing from 2024-25). The Council proposes to increase rates by a further 2.5 percent, phased between 2024-25 and 2027-28, to address increased capital expenditure for asset renewals and new assets of \$67 million.³⁷

³² Under s.122(4)(a)(i) of the LG Act the Council must undertake a review of its long-term financial plan on an annual basis.

³³ LG Act s122(4)(a) and (b). General elections were last held for SA councils on 11 November 2022.

³⁴ City of Charles Sturt, *Email to the Commission*, 8 October 2024.

³⁵ This is generally consistent with the Adelaide (All groups) CPI increase of 4.3 percent in the year to March 2024 quarter. Available at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release#data-downloads>. The Council uses a range of indexation assumptions, and for its baseline rates projections applies the Deloitte Access Economics South Australian CPI forecasts (which for the year to June 2025, was 2.75 percent).

³⁶ Based on the Council's Financial Reporting template (including its reasons for material amendments) provided to the Commission.

³⁷ These increases are in nominal terms and are inclusive of CPI increases.

- ▶ Statutory charges reflect an increase in parking expiations by \$0.2 million in 2024-25 due to an increase in resourcing, which results in a \$2.2 million increase over 10 years. In addition, increases in planning and development fees, dog fees and permits will contribute to a \$3.5 million increase over 10 years.
- ▶ User charges reflect increased revenue associated with the Woodville Town Hall and Climate Adaption reimbursement from collaborating councils (City of West Torrens and Port Adelaide Enfield). The impact of these changes is an additional \$4.7 million over nine years.

For operating expenses, the Council has provided some explanations to the Commission, summarised below:

- ▶ Employee costs reflect an increase of \$2.5 million per annum due to indexation, and an increase of \$1.4 million associated with annual operating projects in 2024-25 (Tree Canopy project salaries are \$0.8 million in 2024-25). In total these impacts contribute to an increase of \$23.4 million (or 4.1 percent) across the nine-year comparative period.
- ▶ Depreciation expenses reflect the changes in the Council's LTFP assumptions (most recently updated in February 2024), which projects that depreciation will decrease by \$16.2 million (or 4.2 percent) across the nine-year comparative period. The Council states this is due to the:
 - sale of the 'JetVac' truck and 'cameravan' used for unblocking drains and stormwater pipes, which reduces depreciation by approximately \$0.08 million per annum (or \$0.8 million over 10 years), and
 - reduction in the projected rate of depreciation in the LTFP to better align with the rate of depreciation in the asset register, which reduces average depreciation by 1.7 percent over 10 years (or a decrease of \$6.6 million over 10 years).

Additionally, the Council has foreshadowed that it expects depreciation expenses to increase by \$3 - \$5 million in 2024-25 following a 30 June 2024 internal revaluation of its infrastructure assets (stormwater, roads, footpaths and bridges). These revaluations were undertaken after the Council's current LTFP was finalised and adopted; and could present a material risk to the Council's operating performance and a potential burden on ratepayers. This is because the asset revaluation and associated depreciation changes are not fully reflected in the Council's current LTFP, which projects operating surpluses across its forecast horizon to 2033-34. The Commission assessment of how this issue relates to the Council's financial sustainability is discussed in section 5.

4.4 Changes to capital expenditure estimates

The Council's 2023-24 LTFP projections (included in its ABP) indicate a material increase in capital expenditure for asset renewals (by \$48.7 million or 19.0 percent) and for new and upgraded assets (by \$39.6 million or 44.4 percent), compared to the previous years' LTFP projections (for the period from 2024-25 to 2032-33). The Council advises that the proposed spend on both renewals and new and upgraded assets is projected to be higher due to:

- ▶ higher procurement costs on asset renewals, which comprise an additional \$30.7 million
- ▶ increases in the pricing and scope for new assets, which comprises an additional \$36.6 million, and
- ▶ higher indexation applied from 2028-29 onwards (the Council uses Deloitte Access Economics projections), which comprises an additional \$19.6 million in capital expenditure.

The Council's transport assets (that is roads, footpaths, and bridges), and stormwater represent its largest asset classes and are a major focus of its renewal, investment and operating and maintenance budgets. The Council's capital expenditure outlook is discussed further (in the context of its asset renewal funding) in section 5.3.

5 Financial sustainability

5.1 Operating performance

5.1.1 Key points

- ✔ Operating surpluses were consistently achieved between 2013-14 and 2022-23, with the operating surplus ratio averaging 5.6 percent over this period.
- ✔ In its forward projections, the operating surplus ratio is forecast to average 3.8 percent per annum from 2024-25 to 2033-34.
- ⚠ From 2013-14 to 2022-23, there were average annual increases of 4.3 percent in employee costs and 3.6 percent in 'materials, contracts and other' expenses, above CPI.
- ✔ Expenses per property are projected to increase by 2.1 percent per annum over the period from 2024-25 to 2033-34, below current inflation projections.

5.1.2 Operating Surplus Ratio

Figure 1: Operating surplus ratio – historical and forecast

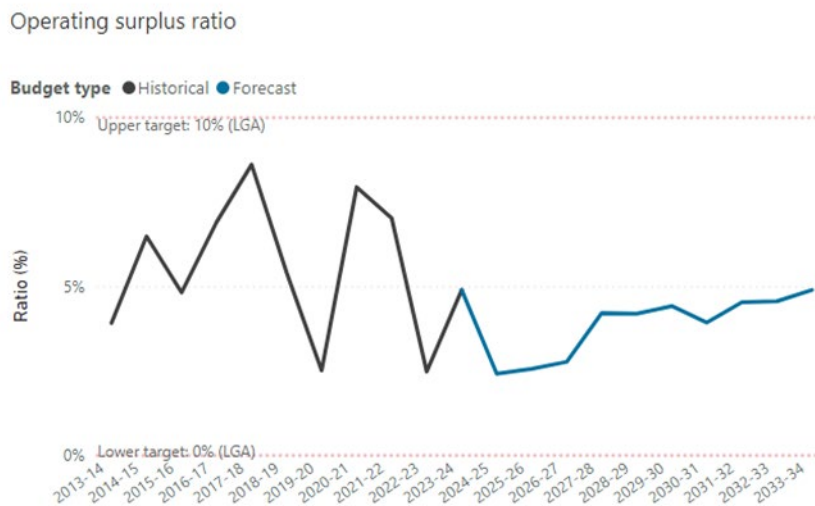
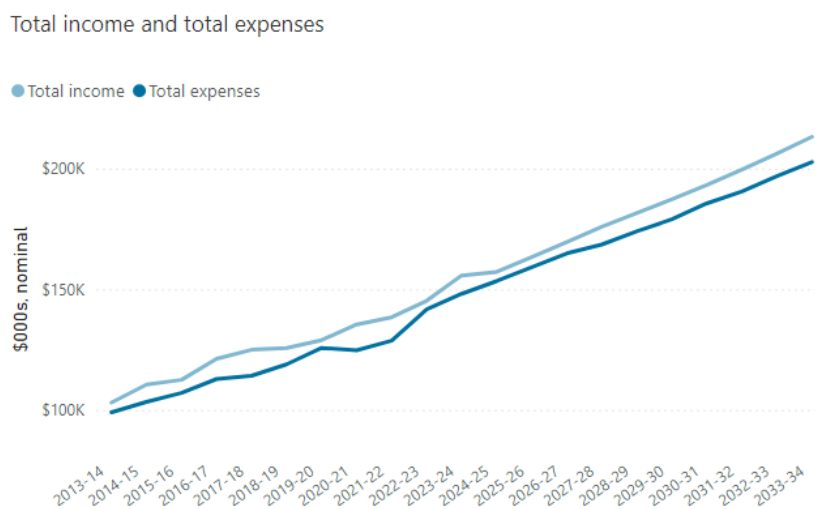


Figure 2: Total income and expenses – historical and forecast



The Council has consistently achieved annual operating surpluses ranging from \$3.2 million to \$10.8 million. Over the last 10 years, the Council’s operating surplus ratio³⁸ has averaged 5.6 percent, around the mid-point of the suggested Local Government Association of South Australia (LGA) target range of between zero and 10.0 percent.

The Council has maintained annual operating surpluses, with growth in operating income averaging 3.9 percent per annum from 2013-14 to 2022-23, and growth in operating expenses averaging 4.1 percent per annum.³⁹ Both operating revenue and operating expenses have increased at a rate higher than historical CPI, however these increases should be viewed in the context of the Council’s growth in rateable properties, which has been 1.0 percent average annual growth over the same period (this is discussed further below).

Over the forecast period, the Council’s operating surplus ratio is projected to increase progressively from a budgeted 2.4 percent (2024-25) to 4.9 percent (2033-34), which is consistent with the Council’s target ratio between 2.5 percent and 5.0 percent over 10 years (see Figure 1). This appears to be a reasonable target since it appears to provide the Council funding for new mandates or initiatives (as well as allow for contingency). However, the Commission’s view is that achievement of this target should come from Council efficiency or productivity improvements rather than increases in rates above inflation.

5.1.3 Operating Income

The Council’s primary source of income over the period from 2013-14 to 2022-23 was from rates, which on average accounted for 84 percent of total operating income. Rates revenue has increased on average by 3.3 percent per annum from 2013-14 to 2022-23 (when growth in the number of rateable properties was averaging 1.0 percent and CPI growth averaged 2.6 percent). Over the same period, ‘user charges’ (accounting for 2.6 percent of total operating income) increased by an average of 5.6 percent per annum, and ‘grants, subsidies and contributions’ (accounting for 8.2 percent of total operating income) increased by an average of 7.6 percent per annum.

³⁸ The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 (LGA SA Financial Indicators Paper), p. 6).

³⁹ Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission’s advice).

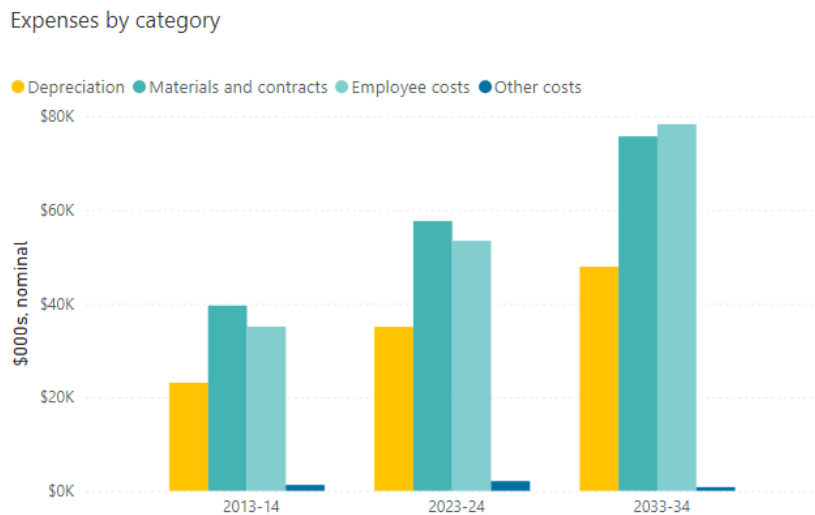
Grants income has been 'lumpy' from year to year.⁴⁰ The three-year average of \$148 per ratepayer in 2015-16 is compared with the three-year average of \$202 per ratepayer in 2022-23, reflecting an increase in value in real terms (or 4.6 percent increase per annum in nominal terms).

The Council is projecting average annual rates revenue growth of 3.6 percent to 2033-34, which is above the projected long-term inflation rate,⁴¹ a real increase in rates revenue. The Council's projected average annual growth in the number of rateable properties is 1.0 percent per annum, so its growth in rate revenue (on a per rateable property basis) is projected to average 2.6 percent per annum, which is consistent with projected long-term inflation. Rates are discussed in more detail in section 6.

5.1.4 Expenditure

From 2013-14 to 2022-23, the Council's operating expense growth was primarily due to an average annual increase of 4.3 percent in employee costs⁴², 4.4 percent in 'depreciation, amortisation and impairment' expenses, and 3.6 percent in 'materials, contracts and other' expenses (see the changes by expense type in Figures 3 and 4).

Figure 3: Expenses by category – historical and forecast

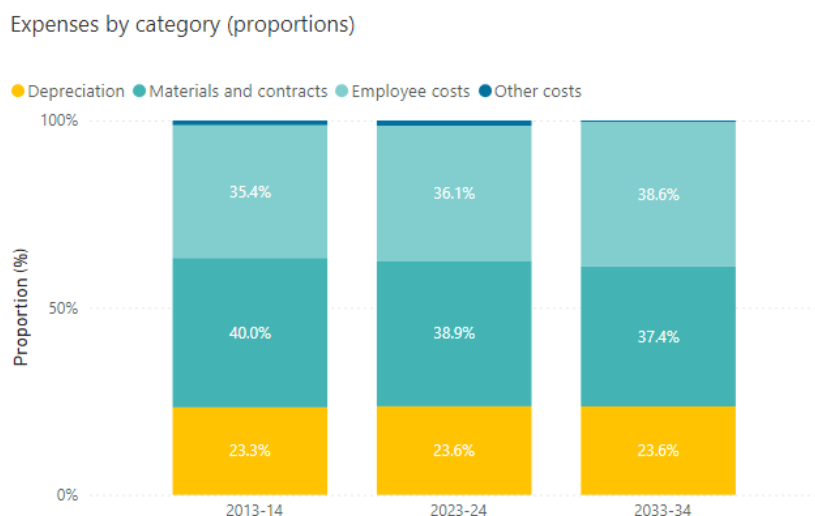


⁴⁰ Due to the timing of different grants and sometimes advance grant payments (as for the 2023-24 grant allocation, which was received and accounted for in 2022-23).

⁴¹ The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

⁴² The Council's template data shows that employee numbers increased by 9 FTEs over this period. In 2023-24 the Council's unaudited data shows a material increase in FTEs to 496 (an increase of 25 FTEs). Long term planning projections assumes it will remain constant at current levels of 496 FTEs.

Figure 4: Expenses by category - proportions



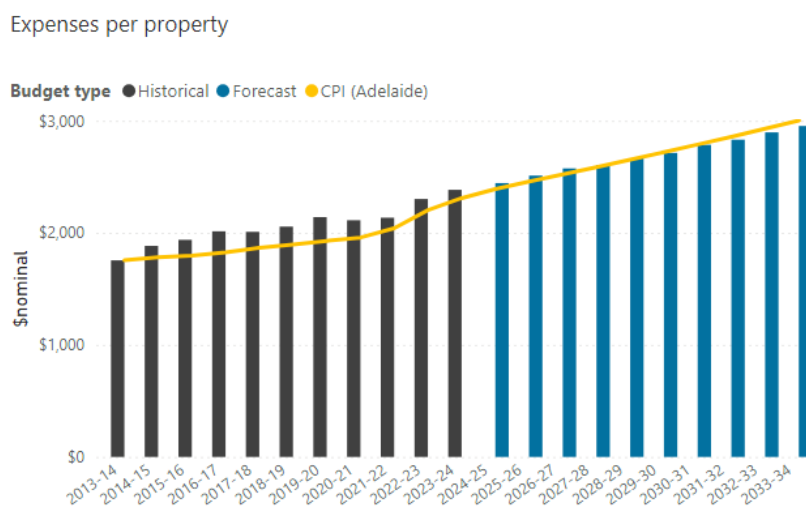
For the forecast period (from 2024-25 to 2033-34), the Council projects a 3.1 percent average expense growth, which is lower than the annual average growth of 4.1 percent for the nine years to 2022-23, and is higher than the RBA-based forecast inflation growth.⁴³ It is noted that the Council reported higher year-on-year increases in 2022-23 across most of its cost categories by approximately 10.0 percent (compared to the previous year),⁴⁴ however long-term forecast operating cost trends remain consistent with its historical growth rates.⁴⁵ The expenses per property metric, which takes account of growth, is expected to increase by an average of 2.1 percent per annum (from 2024-25 to 2033-34), which is below inflation projections (see Figure 5).

⁴³ Footnote 41 applies.

⁴⁴ The notable percentage increases in the Council's operating costs were attributable to Employee leave expense (by 63 percent), Contractors (by 24 percent), Energy (by 25 percent), and Levies paid to Government (inc. Regional Landscape Levy) (by 16 percent). See City of Charles Sturt, *General Purpose Financial Statements for the year ended 30 June 2023*, Note 3(a) and 3(b), p. 20, available at <https://www.charlessturt.sa.gov.au/council/council-documents/annualreport>.

⁴⁵ The Council states that changes in 'materials, contracts, and other' expenses and employee costs also reflect insourcing activities subject to a business case, for example related to irrigation construction and public litter bins.

Figure 5: Expense by rated property - historical and forecast



The Commission's analysis of the Council's financial information shows that it has incurred higher operating costs, particularly in the last two years from 2022-23 to 2023-24 (compared to 2021-22), and that it has maintained financial sustainability largely through higher rates, statutory charges, and user charges. While the Council has considered cost savings in its budgets and forecasts (notably in 'materials, contracts and other' expenses), there is a risk that this higher cost trend continues. For example, over a cumulative 3-year period to 2026-27, the Commission observes:

- ▶ 17.0 percent cumulative increase in employee costs (accounting for 37.9 percent of total operating expenses), and
- ▶ 11.9 percent cumulative increase in 'depreciation, amortisation and impairment' expenses (accounting for 23.8 percent of total operating expenses).

The increase in employee costs represents an expansion of employee numbers to 496 FTEs (from 471 FTEs in 2022-23), with some of this attributable to the Council's proposed Tree Canopy project. Higher costs associated with enterprise bargaining agreements are also contributing to these increases. The depreciation expense increase appears logical due to revaluation of assets, however there is some uncertainty around the proposed changes on account of recent revaluation of assets to be reflected in subsequent LTFPs (this is discussed in Section 5.3).

5.1.5 Commission's recommendations on operating performance




The Commission has observed the Council's current good practice of regularly updating its strategic planning documents and presenting a range of long-term financial planning scenarios that are supported by a range of assumptions.⁴⁶ However, in reviewing the Council's LTFP and ABP (applicable from 2024-25 and onwards), the Commission found little evidence of cost savings or productivity targets that could assist the Council to reduce its cost growth and exposure to inflationary pressures. A focus on savings and productivity targets would also assist the Council to minimise rates increases for its community or avoid a reduction in service levels. Therefore, the Commission recommends that the Council:

⁴⁶ City of Charles Sturt, *Corporate Services Committee, Agenda and Reports – 4 March 2024, Item 4.07 Long Term Financial Plan and Framework for the 2024/25 Budget*, p. 5, available at https://www.charlessturt.sa.gov.au/_data/assets/pdf_file/0023/1553360/AGENDA-Corporate-Services-Committee-Meeting-4-March-2024.pdf.

3. **Improve** the disclosure of cost savings targets or productivity improvements in its long-term financial plans and annual business plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

5.2 Net financial liabilities

5.2.1 Key points

-  Net cash flows after operating and investing (that is, capital-related) activities has averaged negative \$1.8 million per annum between 2013-14 and 2022-23.
-  Between 2013-14 and 2022-23 the net financial liabilities ratio averaged 41.1 percent; and is projected to be within the LGA target range from 2024-25 to 2033-34.
-  Total borrowings are forecast to peak in 2025-26 (to \$72.6 million) and then fall towards the end of the Council's planning horizon in 2033-34 (to \$11.7 million), materially increasing debt servicing costs in the latter half of its LTFP.

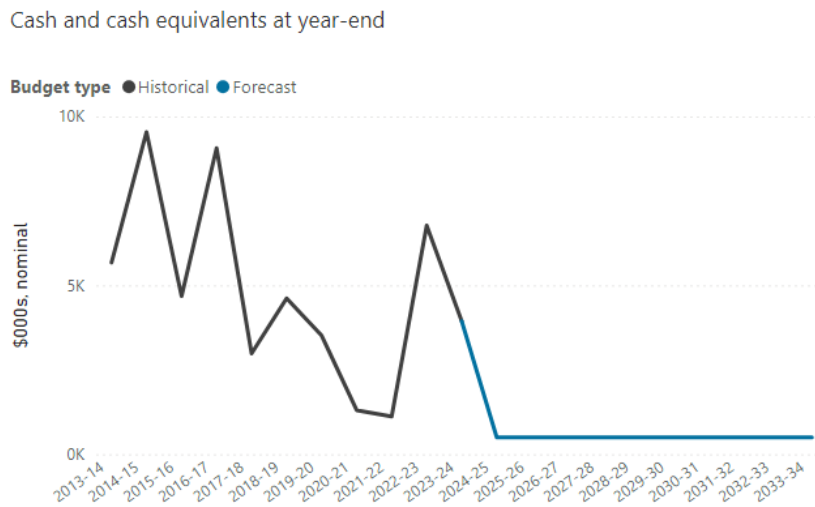
Despite the Council's frequent operating surpluses over the last 10 years, its net cash flows after operating and investing (that is, capital-related) activities have averaged negative \$1.8 million annually between 2013-14 and 2022-23.⁴⁷ These are the cash flows generally available for debt repayments (and are after interest payments) and indicate the Council has been effectively utilising its cash reserves to repay borrowings. This indicator is different to Figure 6, which shows cash held by the Council at the end of each year, including financing activities, which has averaged \$4.9 million per annum over the same period.

The Council has predominantly used borrowings from the Local Government Finance Authority of South Australia (**LGFA**) to finance new and upgraded assets, consistent with its commitment to avoid unacceptable rates increases over the short-term and as a way of achieving inter-generational equity.⁴⁸ In its 2024-25 LTFP, the Council is forecasting an increase in borrowings to \$51.2 million (in 2024-25) and to \$72.6 million (in 2025-26), representing forecast (net) proceeds from borrowings of \$31.8 million.

⁴⁷ This figure provides a general indication on whether the Council has a capacity to repay borrowings or has an emerging cash flow sustainability issue. A negative or relatively small figure should be viewed in the context of the Council's revenue base and existing cash balances, and it may be able to service cash flow deficits for a long period of time.

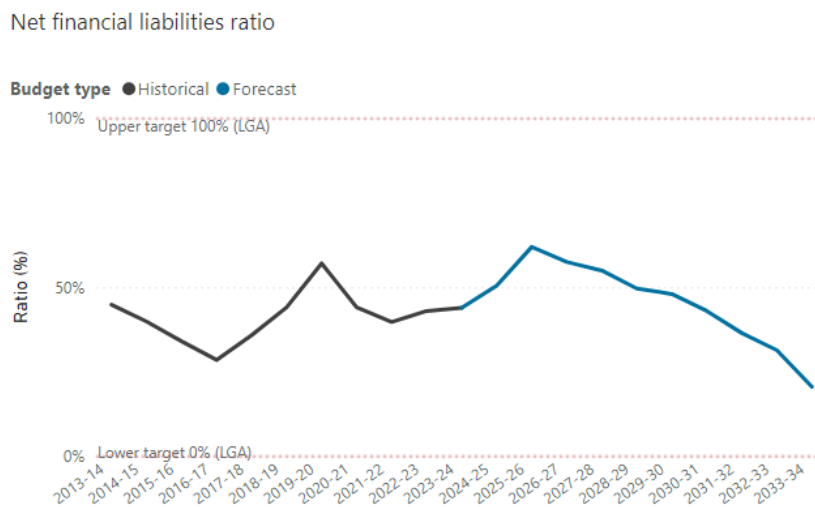
⁴⁸ City of Charles Sturt, *Annual Business Plan and Budget 2024/25*, June 2024, p.14.

Figure 6: Cash and cash equivalents at year end – historical and forecast



The Council’s net financial liabilities ratio has been relatively consistent and has averaged 41.1 percent over the 10-year period from 2013-14 to 2022-23 (see Figure 7). This is within the suggested LGA target range for the indicator of between zero and 100 percent and is at a level which demonstrates that the Council is only accumulating liabilities that its operating income can reasonably service (see Figure 8).⁴⁹

Figure 7: Net financial liabilities ratio – historical and forecast

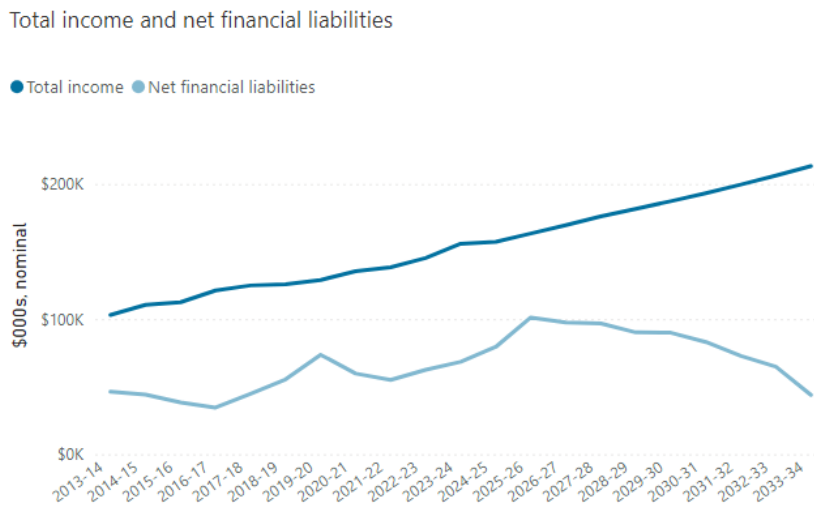


The Council has estimated that the NFLR will peak at 62.0 percent in 2025-26,⁵⁰ with borrowings forecast to peak at \$72.6 million in 2025-26. Over the remaining period of the LTFP, the Council is projecting net borrowing repayments totalling \$60.9 million, and the net financial liabilities ratio is projected to decline to 20.6 percent in 2033-34 (when borrowings are projected to total \$11.7 million).

⁴⁹ The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council’s total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

⁵⁰ Based on the Council’s Excel template provided to the Commission.

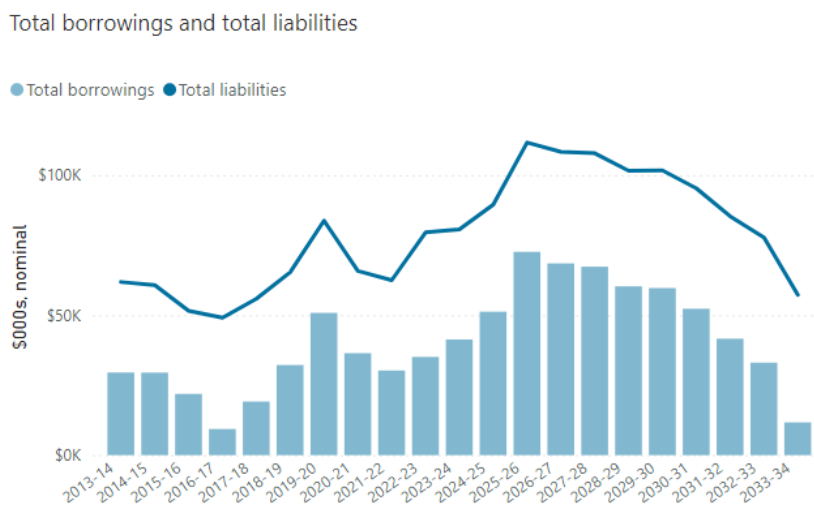
Figure 8: Total income and net financial liabilities – historical and forecast



The Council has a relatively conservative attitude towards debt, and its strategic use. It has endorsed the suggested LGA measure being the net financial liabilities ratio of between 0 percent and 100 percent. The Council also uses the interest cover ratio, which measures the serviceability of the Council’s net interest expense (as a percentage of operating revenues), with a target range being less than 10 percent. These ratios remain comfortably within the Council’s upper policy limits.⁵¹

In addition to these metrics, the Council targets a long-term net financial liabilities ratio (in year 10) of no greater than 25 percent of revenue, which the Council believes will ensure that it is positioned to respond to future opportunities or challenges, while ensuring it can deliver its repayment program for capital work infrastructure borrowings. The Council’s debt amortisation profile (depicted in Figure 9), shows that its debt servicing increases materially in the latter half of its LTFP.⁵²

Figure 9: Total borrowings and total liabilities – historical and forecast



⁵¹ City of Charles Sturt, *Annual Business Plan and Budget 2024/25*, June 2024, p.14.

⁵² The Council’s projections shows that it will achieve its 25 percent net financial liabilities ratio through a relatively large borrowing repayment of \$21.4 million in year 10 (2033-34) of its LTFP.

5.2.2 The Commission’s recommendations on financial liabilities

As noted previously, the Commission observes that the Council is generally conservative in its use of debt and manages its financial risks through the use and reporting of several metrics (among other things). This is a favourable management approach, however, given the Council’s proposed increase in borrowings (in 2024-25 and 2025-26) along with its interest rate exposure, it may be appropriate for it to spread the repayment of borrowings (and debt servicing) across a longer timeframe, consistent with the principle of intergenerational equity.⁵³ Accordingly, the Commission recommends that Council:

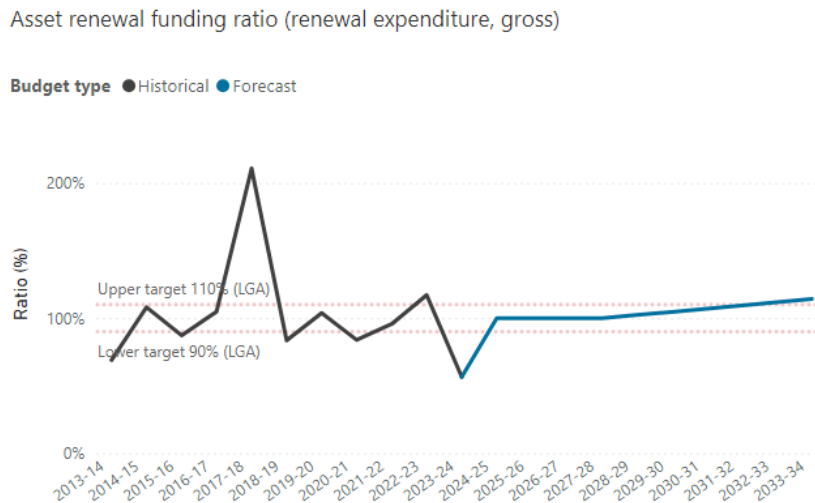
4. **Consider** its pace of repayment of debt, balancing financial costs, the program of development of new assets and intergenerational equity.

5.3 Asset renewals expenditure

5.3.1 Key points

- ✔ Between 2013-14 and 2022-23, the asset renewal funding ratio averaged 106.4 percent, with an average renewal expenditure of \$26.4 million per annum.
- ⚠ The forecast asset renewal funding ratio over the next 10 years is projected to align with its previous AMPs; however recently adopted AMP projections are not reflected in the Council’s LTFP and present a risk to its sustainability.
- ⚠ Over the last five years, spending on new or upgraded assets accounted for approximately half of total capital expenditure.
- Recent asset revaluations indicate that the projected asset base and depreciation do not reflect the current values, increasing financial and asset sustainability risks.

Figure 10: Asset renewal funding ratio (renewal expenditure gross) – historical and projected



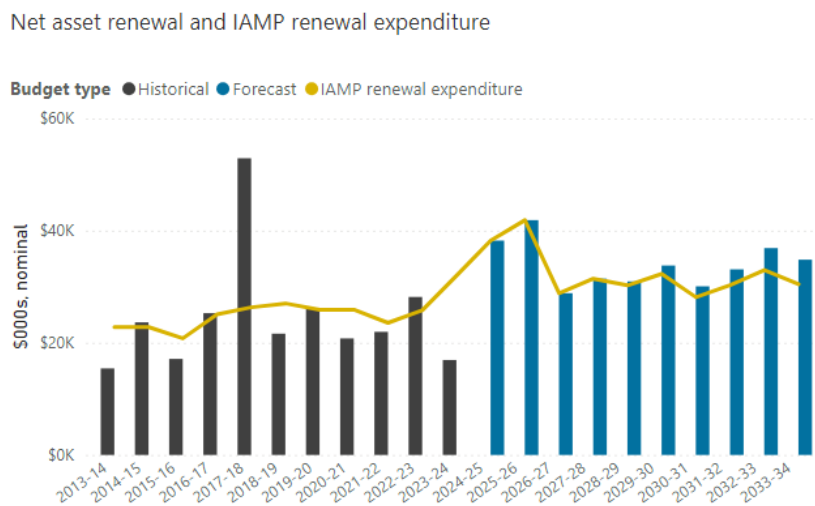
⁵³ 'Intergenerational equity' relates to fairly sharing of services and the revenue generated to fund the services between current and future ratepayers.

Historically, the Council has generally met the suggested LGA target range for its asset renewal funding ratio⁵⁴ between 2013-14 and 2022-23, achieving an average of 106.4 percent over this period,⁵⁵ albeit with some volatility in the period between 2016-17 and 2018-19 (see Figure 10). Overall, this suggests that the Council has generally met the renewal and rehabilitation needs of its asset stock and on average its renewal capital expenditure was \$26.4 million per annum over this period.⁵⁶

The Council’s updated projections in its 2024-25 ABP indicate it will continue to focus on its asset renewal spending priorities over the longer term (see also Figure 11). From 2024-25 to 2033-34, the ratio is forecast to average 104.9 percent, reflecting the Council’s intention to align to AMP projections. Average annual spending on renewal or replacement of assets is projected to increase to \$34.8 million (in nominal terms) (See Figure 12).

In April 2024, the Council reviewed and updated several of its AMPs, which were adopted after its current LTFFP was adopted, and therefore these are not fully reflected in its LTFFP projections (or the financial information presented in this Advice). At this stage, the Commission is unable to fully assess the implications of this change (or its materiality) and whether there is an accurate picture of asset renewal needs.

Figure 11: Net asset renewal and IAMP renewal expenditure – historical and projected



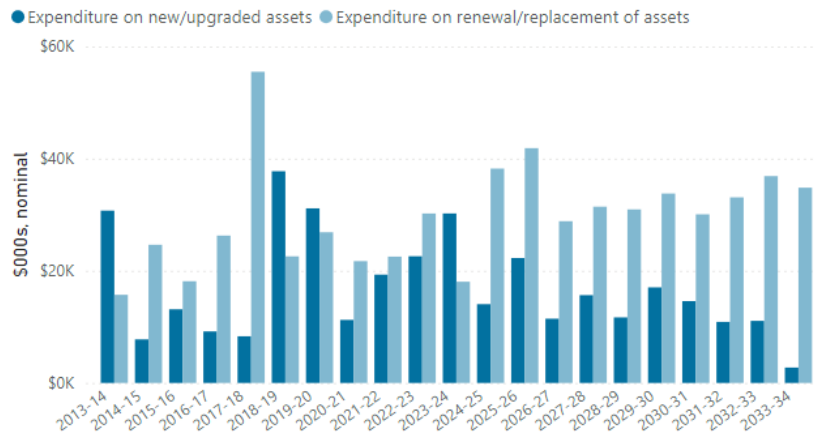
⁵⁴ The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council’s renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90.0 to 110.0 percent (LGA SA Financial Indicators Paper, p. 9).

⁵⁵ The quoted averages for the ratio are based on ‘gross asset renewal expenditure’ (before the sale of replaced assets) rather than ‘net asset renewal expenditure’.

⁵⁶ The Council targets greater than 80.0 percent for its asset renewal funding ratio. City of Charles Sturt, *Annual Business Plan and Budget 2024/25*, June 2024, p.5.

Figure 12: Total capital expenditure by category – historical and projected

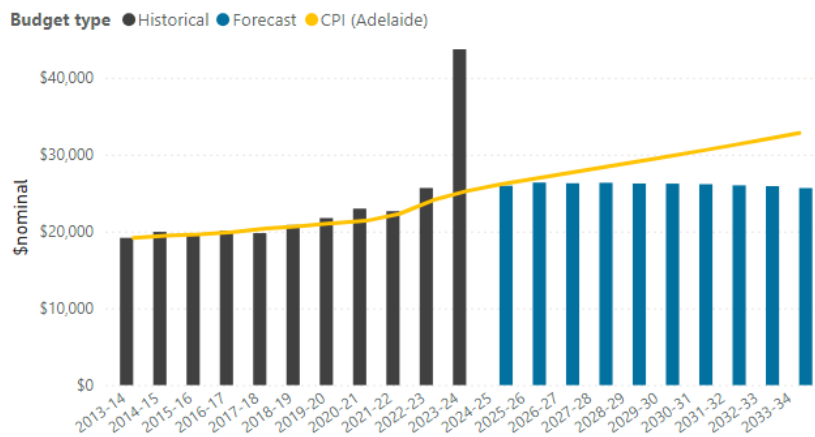
Total capital expenditure by category



The Council has grown its asset base, particularly over the last five years (from 2018-19 to 2022-23), with total capital expenditure averaging \$49.2 million per annum, of which approximately half is allocated to new or upgraded asset expenditure. Over the 10-year historical period (from 2013-14 to 2022-23), this had led to an average increase in the value of asset stock per property of \$721 or 3.3 percent for each year over this period to 2022-23 (see Figure 13). This indicates the Council’s asset stock has been growing in real terms at 0.7 percent per annum.⁵⁷ On average, the Council has allocated 42.0 percent of its capital expenditure budget on new and upgraded assets over the last 10 years to 2022-23. It is observed that this allocation reduces to 27.9 percent over the 10 years to 2033-34.

Figure 13: Value of asset stock per rateable property – historical and projected

Value of asset stock per rateable property



Going forward, the value of asset stock is forecast to decrease in real terms and potentially indicates the Council’s projections of asset valuations (and associated depreciation) are unreliable or require further updates (as foreshadowed by the Council). It is also unclear whether the increase in the Council’s capital expenditure over the 10 years to 2033-34 is accurately factored into its asset base.

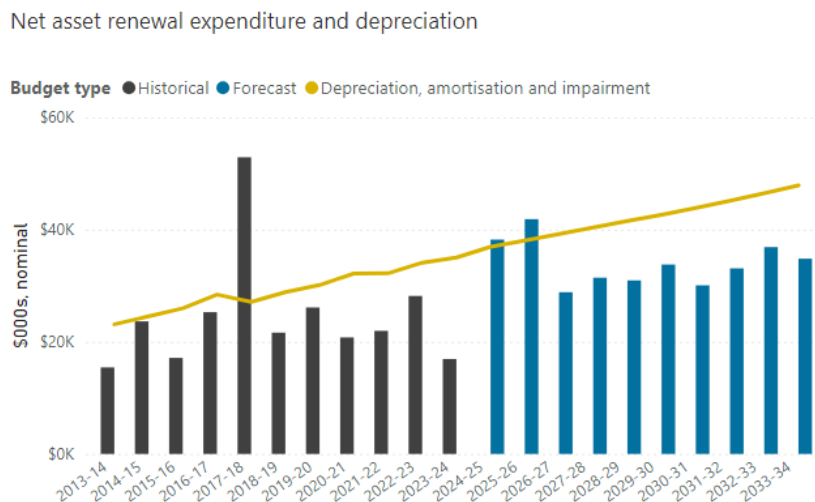
⁵⁷ The value of Council land (last valued at 1 July 2018) is included in this calculation which represents 20.0 percent of the total value of 'Infrastructure, Property, Plant and Equipment' as of 30 June 2023. City of Charles Sturt, *General Purpose Financial Statements for the year ended 30 June 2023* (included in its 2022-23 Annual Report), Note 7 Infrastructure, Property, Plant and Equipment, p.23.

This uncertainty presents a risk to the Council’s financial and asset sustainability as it is not clear whether the asset base is being maintained or if the rate of asset consumption is at an appropriate level.

Based on email correspondence with the Council in October 2024, it has advised that a recent revaluation exercise (on 30 June 2024) has increased the value of its infrastructure asset base by approximately \$1.1 billion (or 72.0 percent), with approximately \$0.9 billion of this increase attributable to land revaluation (a non-depreciable asset). The Council states that stormwater, road and footpaths were internally revalued using the Australian Bureau of Statistics (ABS) indices for construction, and that some of its assets had not been revalued since 2018. Further, as the revaluation was undertaken after its current LTFP was finalised, the impacts of this revaluation will only be shown in the next iteration of its LTFP. The Council has advised the Commission that its 2025-26 LTFP will incorporate its recently adopted AMPs.

Asset renewals can also be evaluated by the depreciation-based asset renewal funding ratio,⁵⁸ which is projected to be below the recommended minimum level (for the IAMP-based ratio) of 90.0 percent, and is projected to average 81.2 percent per annum in the 10 years to 2033-34 (see Figures 14 and 15). This ratio shows that depreciation expenses outpace renewal capital expenditure. Based on previous council advices prepared by the Commission, some variables that can impact on the appropriateness of depreciation levels (relative to renewal expenditure) include the extent and timing of asset revaluations, understating of recorded assets lives (thereby overstating depreciation), the scale of new and upgraded assets, and whether appropriate estimates are being made within Council’s AMPs.

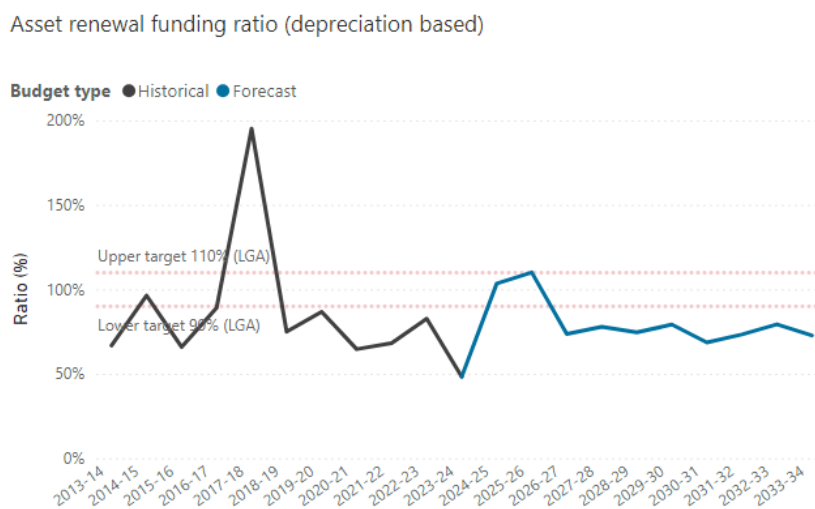
Figure 14: Net asset renewal expenditure and depreciation – historical and projected



Figures 14 and 15 could indicate that a potential shortfall exists in renewal expenditure (relative to depreciation), with the risk being that Council may not be able to adequately maintain its infrastructure asset base and associated service levels to the community may reduce.

⁵⁸ The Council’s asset renewal funding ratio by the depreciation-based method (where asset renewal/replacement expenditure is divided by depreciation expenses). This ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the estimated rate at which these assets are used or consumed. Prior to 2013, the calculation of the ratio in the sector was based on the ‘depreciation method’ and was known as the asset sustainability ratio until 2018.

Figure 15: Asset renewal funding ratio (depreciation based) – historical and projected



The Council currently has AMPs for all major asset classes and has implemented a rolling schedule to update its plans in line with legislative commitments.⁵⁹ The Council advises that, following the community consultation phase, most of its AMPs were reviewed and updated, and were endorsed by its Asset Management Committee and the Council during calendar year 2024.⁶⁰

The Council has a rolling schedule for condition assessment and revaluation (in subsequent years) for all major asset classes. The Council has allocated a recurrent budget to ensure adequate funding for this rolling program. Its current schedule includes:

- ▶ buildings and land revaluation completed on 1 July 2024
- ▶ footpath revaluation to be completed in 2024-25 (following the condition audit in 2023-24), and
- ▶ road asset revaluation to be completed in 2025-26 (following the condition audit in 2024-25).

The Council advises that as part of its asset management planning (and end of year financial reporting) processes, it annually reviews the useful life of its assets, and that these lives are additionally reviewed when major asset revaluations occur (normally every five years for major asset classes).

5.3.2 The Commission's advice on asset renewals funding

Against this background, the Commission considers that the Council could be better positioned from a financial and asset sustainability perspective if it were more focused on the renewal of its existing asset stock, rather than increasing investment in new and upgraded assets, particularly until the Council better integrates the asset values, asset conditions, and implications of the revised AMPs into its overall strategic planning. It is also considered that some restraint in expenditure on new and upgraded assets will contribute towards lower increases in rates for its community.

For this reason, the Commission recommends that the Council:

5. **Adhere** to the principles underpinning its long-term financial plan projections, to appropriately allocate funding to the renewal of its assets, relative to prioritising initiatives for new or upgraded infrastructure.

⁵⁹ Under s.122(1a)(b) of the LG Act the Council must in effect develop and adopt an IAMP, relating to the management and development of infrastructure and other major asset classes for a period of at least 10 years.

⁶⁰ These include individual AMPs cover transport assets, public lighting, open space and recreation infrastructure, council buildings, fleet, plant and equipment, information technology, and water infrastructure.

The Commission believes there is also a need for the Council to review its depreciation and its long-term asset base assumptions and modelling, to ensure that the current cost of assets is reflected in its strategic management plans. As previously discussed, the Commission has also observed that the Council effectively projects a real-term decline in its asset base per rateable property (see Figure 13) and suggests an update is needed to minimise the risk to its financial forecasts, and an incorrect assessment of its operating performance, asset renewal needs and financial position. Accordingly, the Commission recommends that the Council:

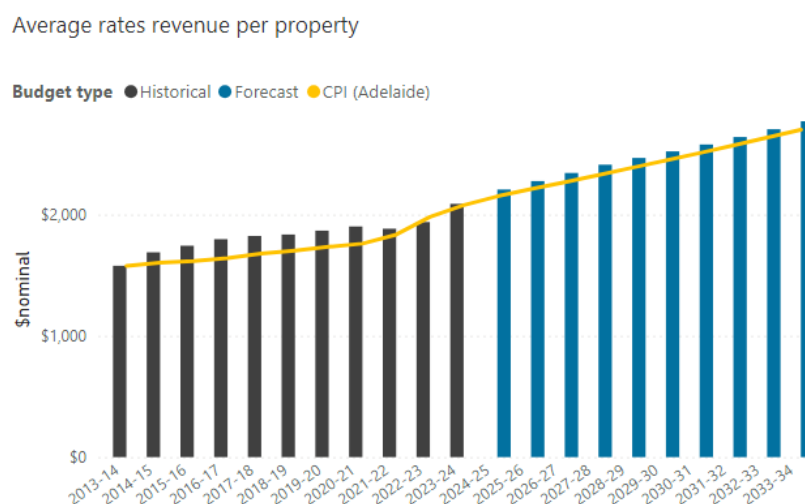
6. **Continue** to review its long-term asset base assumptions, including asset valuations, and asset lives, as necessary, informing its forecast rate of asset consumption and depreciation expenses and asset renewal needs in its LTFP and AMPs.

6 Advice on current and projected rate levels

6.1 Key points

- ✓ Growth in rate revenue per property averaged 2.3 percent or \$40 per annum for each property between 2013-14 and 2022-23, which is 0.3 percent below average CPI for the same period.
- ⚠ The forecast rate increase for 2024-25 is 6.25 percent per property, which is higher than it anticipated charging in previous forecasts.
- ✓ The forecast rate increases per property from 2024-25 to 2033-34 are projected to be an average of 2.6 percent per annum or a cumulative increase of \$563 over this period, which is consistent with the RBA-based inflation forecast of an average of 2.6 percent per annum.
- ⚠ Affordability risk among the community for the further rate increases appears to be moderate, based on a range of factors, including an assessment of the economic resources available to the community, and community feedback.

Figure 16: Average rates revenue per property – historical and projected



6.2 Historical rates growth

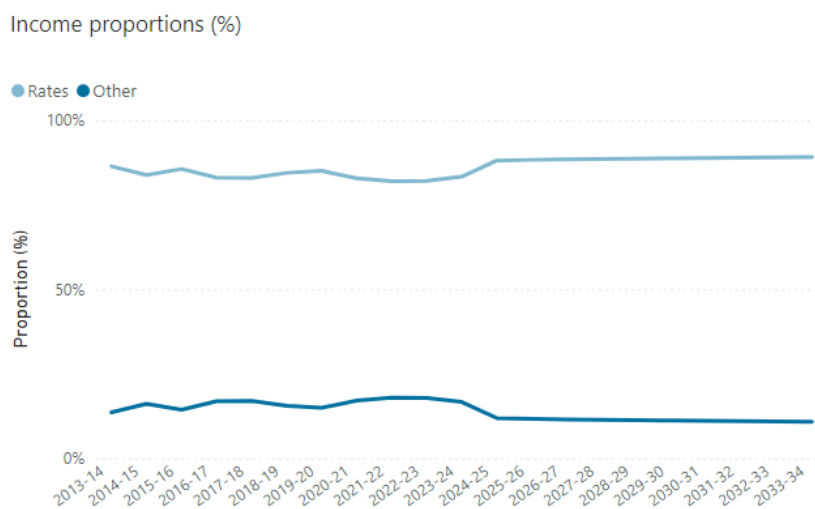
Over the past 10 years,⁶¹ the Council's rate revenue per property has increased at an average annual rate of 2.3 percent, equating to \$40 per property per year, reaching an estimated \$1,939 per property in 2022-23 (see Figure 16). This growth rate was less than the average CPI increase of 2.6 percent annually during the same period,⁶². The increase in rate revenue per property reflects both the increase in rates and growth in rateable properties of 1.0 per annum over the same period.

Current rate levels generally reflect the Council's ongoing costs of service provision and spending growth in operating and capital expenditure (particularly in employee costs, and depreciation charges, which have increased in real terms).

⁶¹ From 2013-14 to 2022-23.

⁶² CPI Adelaide (all groups) increased by 2.6 percent per annum on average over the period from 2013-14 to 2023-24, based on historical ABS statistics. Available at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/>.

Figure 17: Income proportions (%)



The majority of the Council's income comes from ratepayers (approximately 83.8 percent on average over the period 2013-14 to 2022-23, see Figure 17), and therefore the Council predominantly remains reliant on its rate base for its operating sustainability. Income from grants is the second largest funding source for the Council, accounting for approximately 8.2 percent on average over the same historical period.

The Council has relatively average 'general rates' compared to similar councils; however, this also reflects its relatively low rate-levels for residential ratepayers, and higher average rates for non-residential ratepayers.⁶³

6.3 Projected rate increases for 2024-25

The Council has budgeted for an average rate increase of 6.25 percent or \$99 per residential property, and \$551 per commercial property in 2024-25,⁶⁴ including 2.0 percent to expand the Council's tree canopy coverage. These proposed rate increases are higher than the Council anticipated charging for the year 2024-25 in its 2023-24 ABP projections of 2.9 percent.⁶⁵

The rates increase (and forecast variations) are based on revisions to Deloitte Access Economics CPI forecasts (for Adelaide) as well as the additional rates imposts levied by the Council (which incorporate funding for specific projects and cost pressures).⁶⁶ The Commission also notes that the macroeconomic environment has tempered somewhat compared to the previous 12 months, and while these were not generally unexpected at the time, CPI has been above the RBA's long-term target range (of 2.0 – 3.0 percent per annum).⁶⁷

⁶³ Refer to Councils in Focus rates data for 2021-22 available at: https://councilsinfocus.sa.gov.au/councils/city_of_charles_sturt. The Commission is not relying on these rate comparisons for its advice; the data source provides one indicator, among many, which has informed its advice on the appropriateness of the rate levels. Other rate charges such as for waste management and the regional landscape levy do not form part of this comparison.

⁶⁴ City of Charles Sturt, *Annual Business Plan 2024-25*, June 2024, pp. 41 and 44. Individual rate level changes may be higher or lower depending on the rates category and property value.

⁶⁵ City of Charles Sturt, *Annual Business Plan 2023-24*, June 2023, p. 23.

⁶⁶ Based on the Council's 2024-25 Draft ABP and previous 2023-24 ABP, and comparing the anticipated rate increases for 2024-25. The Council's final 2024-25 ABP has the same rate increases proposed in its draft ABP.

⁶⁷ CPI Adelaide (All groups) increased by 4.8 percent and 4.3 percent in the year to December 2023 and year to March 2024 quarter, respectively. Available at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release#data-downloads>.

The Council's rates increase in 2024-25 of 6.25 percent reflects the following:⁶⁸

- ▶ the Deloitte Access Economics CPI forecast of 2.75 percent
- ▶ a 0.5 percent rates impost for the previously adopted Digital Futures project
- ▶ a 1.0 percent rates impost for rising technology and infrastructure costs, and
- ▶ a 2.0 percent increase to fund the 'Tree Canopy' initiative adopted by the Council in October 2023.⁶⁹

The Council has also assumed 1.0 percent growth in rateable properties (consistent with its historical average and Valuer-General estimates) for the purposes of its current planning period (and its required rates revenue). The Council states these growth forecasts are verified by its planning and development department annually and are expected to continue into the foreseeable future.⁷⁰

Different (or differential) rate categories apply to ratepayers based on the land use category of rateable property;⁷¹ with the Council seeking to ensure that the rate burden (or increases from year-to-year) remains relatively constant between classes of properties. As such, most ratepayers' categories are expected to experience the same or similar average increases in 2024-25 (of 6.25 percent).⁷²

On a proportional revenue basis, residential ratepayers account for around 70.0 percent of 2024-25 budgeted rates revenue, followed by commercial (21.8 percent), and industrial (4.2 percent). The Council regularly updates its rating structure (and rating policy) to account for changes in capital valuations (through changes in the 'rate in the dollar').⁷³ This policy appears to ensure the Council maintains the relative rates revenue contributions from each category. However, the reasons (or bases) for the Council's current differential rating policy are not clear, and the Commission considers there might be some benefit in setting out for ratepayers the principles it has adopted for its rating structure.

Other than 'general rates' revenue (which represents around 96.9 percent of total rates revenue in 2022-23),⁷⁴ the Council collects income from the Regional Landscape Levy (around 2.7 percent of total rates revenue respectively), though it does not retain these funds.

6.4 Projected further rate increases

Over the forward years of its LTFP, the Council has projected average rates increases for its existing ratepayers of approximately 2.6 percent per annum from 2024-25 to 2033-34,⁷⁵ slightly higher than its average historical increases (of 2.3 percent per annum), but in line with projected CPI increases of 2.6 percent per annum. Council has considered several long-term planning assumptions as part of its annual review. The Council appears to incorporate appropriate indexation forecasts, which influence the Council's costs projections and rates revenue projections. As previously indicated, the Council has not projected any operating deficits over the period to 2033-34.⁷⁶

The Council's 2024-25 LTFP effectively projects a cumulative increase of \$563 per existing ratepayer (to \$2,770 per annum) by 2033-34, which is consistent with the RBA-based inflation forecast of an average

⁶⁸ City of Charles Sturt, *Draft Annual Business Plan 2024-25*, April 2024, p. 68. Available at <https://www.yoursaycharlessturt.com.au/annual-business-plan-202425>.

⁶⁹ The Council has an objective to increase the amount of shade to 25 percent across the City by 2045 with an additional 3,000 trees in 2024-25 being funded by a 2.0 percent rate increase in 2024-25. See City of Charles Sturt, *Annual Business Plan 2024-25*, April 2024, pp. 6 and 18.

⁷⁰ City of Charles Sturt, *Annual Business Plan 2024-25*, June 2024, p. 53.

⁷¹ 'Land use' categories consist of residential, commercial, industry, primary production, vacant land, and other.

⁷² The Commission notes a council can use a range of charging structures, however our advice generally relates to all financial contributions made by ratepayers.

⁷³ Section 152(1) of the LG Act provides that a general rate may be a rate based on the value of the land subject to the rate (commonly referred to as the 'rate in the dollar').

⁷⁴ Before discretionary rebates.

⁷⁵ Based on the Council's Financial Reporting template provided to the Commission. This appears in line with the Council's forecast rate increase assumptions published in its 2024-25 ABP (including its LTFP), indicating annual rate increases ranging from 3.3 percent (in 2025-26) to 2.5 percent (in 2033-34).

⁷⁶ City of Charles Sturt, *Annual Business Plan and Budget 2024-25*, June 2024, p. 15.

of 2.6 percent per annum⁷⁷ (refer to Figure 16).⁷⁸ As a result of further rate increases, the percentage of the Council's total income contributions from ratepayers is projected to average around 88.8 percent, which is marginally higher than its historical average of around 83.8 percent, indicating there is not a material shift in funding required from ratepayers relative to the Council's other sources of income (such as grants, subsidies and contributions, statutory charges, and user charges).

6.5 Affordability risk

Affordability risk among the community for these further rates increases appears to be moderate, on balance, when considering:

- ▶ the Council's relative average socio-economic indexes for areas (SEIFA) economic resources ranking for the Council area⁷⁹
- ▶ the effect of cumulative increases in rates per existing ratepayer of approximately 2.6 percent per annum to the period 2033-34, which is in line with the forecast rate of inflation, and
- ▶ a number of community concerns, with various written submissions received during the 2024-25 budget process; some expressing concerns about the 2024-25 rate rise of 6.25 percent and suggesting that the funding for the Tree Canopy initiative be spread across multiple years.⁸⁰

Affordability risk can also be viewed in the context of the Council's asset sustainability risks, evident from uncertainty around the valuation of its assets and any further updates to its asset management planning and LTFP projections. The associated implications for depreciation, renewals expenditure and the relevant ratios could mean that the community is exposed to further rate increases.

6.5.1 The Commission's advice on affordability risk

The Council's community consultation processes appear comprehensive and transparent, and it regularly seeks community feedback on proposed projects and initiatives.⁸¹ The Council has used a range of approaches and media channels to inform its community on its proposed plans and, as a result, receives a high level of engagement.⁸² In general, the written responses showed that a significant proportion of respondents are supportive of the Council's budget bids (such as the Flinders Park Tennis Club Court and Lighting Upgrade; and St. Clair Oval No 2 – Contribution towards Community Facility and Sports Lighting), but also raised concern for the suggested rate increase and seeking more savings.

⁷⁷ The forecast average annual growth in the CPI from 2025-26 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

⁷⁸ The CPI forecasts in the chart are based on RBA forecasts and then a return to long term averages (2.5 percent per annum), and this can be different to Council's own inflation and rate increase assumptions.

⁷⁹ The City of Charles Sturt area is ranked 32 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (e.g., 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021>.

⁸⁰ See City of Charles Sturt, *Corporate Services Committee Agenda and Reports – 3 June 2024, Item 4.20 Corporate Services Committee Agenda and Reports*, p. 8, available at https://www.charlessturt.sa.gov.au/_data/assets/pdf_file/0025/1611961/Corporate-Services-Committee-Meeting-3-June-2024-UPDATE.pdf.

⁸¹ See City of Charles Sturt, *Public Consultation Policy*, available at https://www.charlessturt.sa.gov.au/_data/assets/pdf_file/0018/162306/Public-Consultation-Policy.pdf.

⁸² The Council sought community engagement through online and written submissions; community drop-in event; and through verbal submissions at Council meetings (in total 110 submissions were received by the Council). Further details are available at <https://www.yoursaycharlessturt.com.au/annual-business-plan-202425>.

Overall, the Commission recommends that the Council:

7. **Continue** the good practice of consulting with the community on its SMPs and on proposed rate increases.

7 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

- ▶ ongoing performance against its LTFP estimates and how it has incorporated updates to asset valuations and depreciation, including the sequencing of the plan updates to ensure that the LTFP is informed by current values
- ▶ the identification and reporting of cost savings and operating efficiencies
- ▶ capital expenditure programs, including how it has continued to provide funding to the renewal of its assets, and
- ▶ updates to its asset management plans, and associated updates to its capital expenditure projections and asset condition assessments.

8 Appendix: Glossary of terms

Item	Explanation
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	Asset Renewal Funding Ratio Since 2013, the asset renewal funding ratio has been defined as: $\text{Asset Renewal Expenditure} \div \text{IAMP Renewal Expenditure}$ Where IAMP Renewal Expenditure is that required according to the IAMP.
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	City of Charles Sturt
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
NFLR	Net Financial Liabilities Ratio Net Financial Liabilities are defined as: Total Liabilities LESS Current Assets (Cash and Cash Equivalents) LESS Current Assets (Trade and Other Receivables) LESS Current Assets (Other Financial Assets) LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in council businesses) The net financial liabilities ratio is: $\text{Net financial liabilities} \div \text{Total Operating Income}$
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: $\text{Total Operating Income} \text{ LESS } \text{Total Operating Expenses}$

Item	Explanation
	The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
RBA	Reserve Bank of Australia
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
The scheme or advice	Local Government Advice Scheme

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