



CITY OF
TEA TREE GULLY
Naturally Better



2023–2024

Annual Business Plan and Budget

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

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

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

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

Summary of changes from the draft plan to the final 2023–2024 Annual Business Plan

- Growth was predicted in the draft ABP was 1.0%. The final growth figures for the year are 0.71%. This has resulted in a reduction of \$247,000 to the Material, Contracts and Other expenditure. The Operating Surplus has remained the same.
- On 23 May 2023 in the report Quarter Three Budget Review for Financial Year Ending 30 June 2023 Council resolved to carry forward \$1.703m of income and \$6.861m of expenditure into the 2023-2024 Annual Business Plan as projects carried forward from the 2022-2023 year. These have been included in the program in their respective categories.
- On 23 May 2023 in the report Community Recreation and Sport Facilities Program 2022-2023 – Grant Funding Offer – Burragah Reserve Lighting Upgrade Council resolved to accept the grant funding of \$282k from the Office for Recreation, Sport and Racing and include a total expenditure of \$564k in the 2023-2024 Capital Works program. This included reallocating \$282k from the ‘Sports lighting renewal projects to address non-compliant’ to the Burragah Reserve lighting project.

Summary of capital project changes

	Income \$'000	Expense \$'000	Net \$'000
2023–2024 Draft ABP capital projects	(19,411)	52,163	32,752
2023–2024 carried forward projects	(1,703)	6,861	5,158
Burragah Reserve lighting	(282)	282	–
2023–2024 Final ABP changes	(1,986)	7,144	5,158
Capital project changes	–	–	–
2023–2024 Final ABP capital program	(21,397)	59,307	37,910

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

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

These documents support our long-term strategic direction, which is outlined in Council's Strategic Plan 2025, as well as our Long-Term Financial Plan and asset management plans.

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

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

Contents

Introduction	1
City profile	2–3
Strategic direction	4–6
Measuring performance	8–9
Continuing services	11–12
Capital works program	14–18
Infrastructure asset management plans	19
Funding the Annual Business Plan and Budget	21–22
Financial statements	24–30
Rates	32–37
Financial indicators	39–41



Summer Garden Festival fun for resident Ben and his son Bowie.

Introduction

Our draft Annual Business Plan for the 2023–2024 financial year underscores our unwavering commitment to enhancing the health and wellbeing of our residents by investing in key community infrastructure and services.

Despite the economic climate, we have delivered a strong plan for the coming year that will improve safety, aesthetics and wellbeing across our City.

Like our community, we also face significant cost pressures due to external factors outside of our control. These factors include increasing electricity costs, contract prices in line with CPI, high interest rates and State Government fees and charges that have increased by CPI or more.

Through careful financial management and planning – and mindful of current rising costs to our community – we propose a rate rise slightly lower than CPI. This equates to approximately \$1.95 per average residential ratepayer per week (excluding growth). In addition to the external factors listed above, this increase is also due to rising community expectations, such as the desire for more verge-cutting cycles. Extra rounds of verge cutting account for 15-cents per ratepayer per week of the proposed increase. We have been careful not to increase Council debt. This puts us in a sound position so we can better navigate the current uncertain economic conditions.

About \$59 million has been allocated towards community infrastructure projects in our budget, including upgrading sporting facilities, roads, footpaths, playgrounds and other amenities.

Some of our multi-year significant initiatives include the Harpers Field community building and sporting clubrooms (\$12 million), the Modbury Sporting Club's new building and sports lighting upgrade (\$5 million) and the Tilley Recreation Park clubroom and changeroom project (\$4.3 million). We are also completing designs for the Tea Tree Gully Gym Sports Club (\$7.1 million) and Tea Tree Gully Tennis Club (\$5.5 million) upgrades. All of the significant initiatives will be progressed during

2023-2024 with the assistance of State Government funding. To reduce the financial impact, the future planning for these significant initiatives have been incorporated into our Long-Term Financial Plan since 2019.

Additionally, we plan to undertake other projects that meet the evolving needs of our community. For example, we will upgrade Australia Reserve (Modbury), following a partnership with private industry to provide contemporary housing options and the development of a park. We will also enhance playgrounds in various reserves, and improve the streetscape of more of North East Road with further tree planting, better footpaths and improved lighting.

Regarding the environment, we will continue with our ongoing LED street lighting conversion program to save energy and improve lighting. The LED program will provide long-term savings for our community and has played an integral role in maintaining rates below CPI for households. A waste strategy is also being developed.

The rest of our budget will largely fund key services for residents, such as waste collection, verge mowing, library services and community centres.

Finally, we acknowledge our new leadership. Ryan McMahon became our CEO in September 2022 following John Moyle's retirement. In November 2022, the council elections resulted in a new mayor, Marijka Ryan, and several other new councillors to represent our community. We express our gratitude to our previous CEO and our previous elected body for their service.

We hope this plan has provided you with a clear understanding of our commitment to making our City an even better place for all.



City profile



9,521 ha
Total land area



578 km
Sealed roads

1,233 km
Kerbs and gutters

570 km
Sealed footpaths

99 km
Unsealed footpaths



606
Parks and reserves

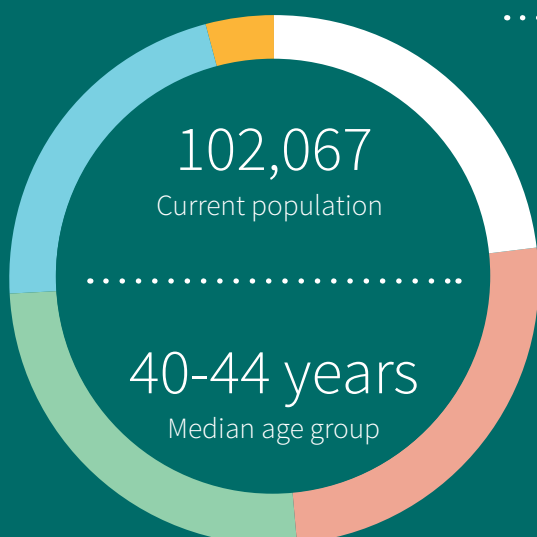
1,305 ha
Open space

500,000+
Street and reserve trees

122
Playgrounds



Swimming lessons at Waterworld Aquatic Centre.



- 0-19 years (23.3%)
- 20-39 years (25.5%)
- 40-59 years (25.5%)
- 60-79 years (21.8%)
- 80+ (3.9%)



27.3%
of residents
born overseas

15.11%
undertaking
voluntary work

49.5%
with tertiary
qualifications



41,034*
Number of
dwellings



5,499
Registered businesses

\$3.4 B
Gross Regional
Product

*Estimated number of dwellings in the City of Tea Tree Gully region in 2022 – Remplan

Strategic direction

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

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

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

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

- Community
- Environment
- Economy
- Places
- Leadership.

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

Council endorsed the Strategic Plan 2025 on 24 September 2019.

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

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

In working towards this vision, the 2023–2024 Annual Business Plan and Budget identifies key projects, programs and services that will deliver the aspirations and objectives identified in these plans.

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

Strategic Plan 2025: Summary progress report to Q2 2022–2023

Community	95%
Environment	100%
Economy	100%
Places	100%
Leadership	100%
Overall	99%

1. Community

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

Objectives

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

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

2. Environment

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

Objectives

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

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

3. Economy

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

Objectives

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

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

4. Places

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

Objectives

- 4.1 Streets, paths, open spaces and parks are appealing, safe and accessible
- 4.2 Opportunities exist to express and experience art and culture
- 4.3 Neighbourhoods are easy to move around and are well connected with pedestrian and cycle paths that offer an alternative to cars

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

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

5. Leadership

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

Objectives

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

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



A waste collection driver on the job in St Agnes.

Measuring our performance

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

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

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

Full details of Council's projects and priorities for 2023–2024 are available at cttg.sa.gov.au/abp

Measures of success

	2022–2023	2023–2024
Wellbeing indicators	Result	Target
Overall community wellbeing score	75.5	75
Resident satisfaction with their life as a whole	62%	65%
Resident satisfaction with how safe they feel	77%	71%
Resident satisfaction with feeling part of the community	43%	46%
Resident satisfaction with opportunities to have their say	55%	57%
Diversity is welcomed and celebrated in the City of Tea Tree Gully	75%	75%
The City of Tea Tree Gully is a good place to raise a family	95%	95%
The City of Tea Tree Gully is a good place to grow old	88%	88%
The City of Tea Tree Gully is a place of growth and prosperity	86%	86%

	2022–2023	2023–2024
Capital works indicators	Result	Target
Capital works projects completed by 30 June 2023	79%	90%
I feel safe being out in parks and public spaces in my local community	86%	86%
Customer service indicators		
Overall resident satisfaction with Council communications	63%	66%
Enquiry resolution at the first point of contact	86%	86%



Montague Road following a recent streetscape upgrade.

Continuing services

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

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

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

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

Infrastructure management

Services include:

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

Waste and recycling

Services include:

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

Trees, parks, sport and recreation

Services include:

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

Community, health, aged and youth services

Services include:

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

Economic development, regulatory services, environment and planning

Services include:

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

Community events, arts and heritage

Services include:

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

Library and community facilities

Services include:

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

Governance, communications and administration

Services include:

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



A First Nations student participating in a cultural art project to foster reconciliation.

2023–2024

Capital Works Program

Capital works	Expenditure \$'000
Road resealing and renovation	
Majestic Grove (Mulberry Drive to The Promenade), Highbury	96
Nursery Way (Majestic Grove to end), Highbury	78
Wandana Avenue (North East Road to Grand Junction Road), Gilles Plains	550
Karingal Road (6 to 46), Dernancourt	930
Kanangra Road (Lutana Grove to Bickham Court), Dernancourt	290
Kimberley Ave (Jaycee Street to 10 Kimberley Avenue), Modbury North	135
Jaycee Street (Kimberley Avenue to boundary between 24 and 26), Modbury North	340
Dawson Crescent (North East Road to North East Road), Modbury	200
Angas Court (Dawson Drive to end), Modbury	40
Coulls Road (Steventon Drive to Haines Road), Banksia Park	280
Vizma Court (Coulls Road to end), Banksia Park	75
Hancock Road design (Yatala Vale Road to Golden Grove Road), Surrey Downs	150
Road design works for 2024–2025 program	86
Road reseal contingency	100
CWMS upgrade contingency	200
	3,550
Roads to Recovery	
Milne Road (Kelly Road to McIntyre Road), Modbury North	200
Surrey Farm Drive (The Golden Way to school entrance), Wynn Vale	589
	789
Re-sheeting unsealed roads	
Hannaford Hump Road, Gould Creek	68
Churchett Road, Paracombe	14
Grenfell Road extension, Fairview Park	29
	111
New footpaths and bus stop <i>Disability Discrimination Act</i> upgrades	
Haines Road (Musgrave Road to Milne Road), Banksia Park	44
Crampton Street (Soutchak Street to ramp crossing opposite 4 Crampton Street), Fairview Park	55
Kanangra Road (Talgara Avenue to Karingal Road), Dernancourt	88
Jenny Street (Brookvale Drive to Scot Road), Dernancourt	53
Brenda Avenue (Tasman Avenue to laneway 25–27 Brenda Avenue), Gilles Plains	72
Einstein Drive (Golden Grove Road to Mobius Crescent), Golden Grove	55
Mobius Crescent (Einstein Drive to Bicentennial Drive), Golden Grove	113
Gordini Crescent (Bentley Drive to Bentley Reserve), Holden Hill	93

Capital works	Expenditure \$'000
New footpaths and bus stop <i>Disability Discrimination Act</i> upgrades (continued)	
Cobbler Creek East Reserve – stairs (Citronelle Place to Persimmon Grove), Golden Grove	80
Garra Avenue (Barbara Street to Connie Street), Modbury	30
Stevens Reserve (Mulkarra Street to Milne Road), Ridgehaven	44
Bayvue Crescent (Karyn Place to Mattinson Road), Ridgehaven	17
Callitris Avenue (Wongabeena Drive to Casuarina Avenue), Surrey Downs	65
Hopeland Court (Hopeland Court to end), Wynn Vale	35
Dillon Street (Gaylard Crescent to Gaylard Crescent), Redwood Park	87
Reynolds Avenue (Lyons Road to Payton Avenue), Dernancourt	49
Knightsbridge Avenue (27 to 2 Salisbury Avenue), Valley View	74
Knightsbridge Avenue (Wycombe Way to opposite 65 Salisbury Avenue, Valley View	137
O'Leary Place (Fergusson Court to council boundary), Wynn Vale	8
O'Leary Place (Maidment Court to Fergusson Court), Wynn Vale	37
Sassafras Drive (Rosewood Road to stairs at 88 Sassafras Drive), Highbury	39
Whitford Drive (Ellwood Avenue to Chapel Road), Modbury North	46
Whitford Drive (1 to 7), Modbury North	19
Green Valley Drive (Leedham Drive to Harvey Crescent), Greenwith	141
Bus stop connection and kerb ramps, various	156
DDA upgrades	30
Richard Street (North East Road to May Avenue), Modbury West	50
Dalaston Avenue (Gorman Street to reserve opposite 5), Modbury	30
Weebo Street (Kooline Crescent to Tasman Drive), Gilles Plains	34
Kaplan Reserve (Kaplan Court to base of stairs), St Agnes	50
Citrine Street (Payne Street to laneway between 16 and 18), Gilles Plains	35
Morrow Court (Davies Court to reserve), Hope Valley	11
Kooline Street and Morawa Avenue (Padbury Road to Tasman Drive), Gilles Plains	60
	1,937
Unsealed footpaths	
Huppatz Plantation, Wynn Vale	20
Spring Crescent, Banksia Park	20
Marsha Reserve, Banksia Park	26
Martindale Avenue Cobbler Creek, Golden Grove	34
Tilley Recreation Park, Surrey Downs	26
Oakdale Place to bus stop, Wynn Vale	19
Perseverance Road, Tea Tree Gully	34
Observation Drive (near reserve), Highbury	7
Hamilton Road (behind golf course), Fairview Park	37
Eastleigh Avenue to Wallsall Lane, Golden Grove	20
Target Hill Road, Greenwith	20
Mulkarra Street, Ridgehaven	27
Kingfisher Reserve, Modbury Heights	34

Capital works	Expenditure \$'000
Unsealed footpaths (continued)	
Unsealed footpaths projects – various – to be determined	76
	400
Lighting	
Greenwith Oval – upgrade oval lighting to LED	136
Burrarah Reserve, Modbury North - lighting upgrade	565
Sports lighting renewal projects to address non-compliant lighting on Council reserves	218
	918
Water and drainage	
Golden Fields irrigation system renewal	100
Dry Creek – expansion of recycled water network	53
Irrigation central controller stage 2 (Rainbird IQ central control system)	96
Irrigation asset renewals – pumps, flow monitors	100
Irrigation controller (renewal/upgrade)	200
Irrigation asset renewal – Tilley and Greenwith ground water bores and Pertaringa irrigation pump	70
Recycled water system	50
Drainage renewal program – AMP	450
Creek rehabilitation	300
	1,419
Traffic management and signage	
The Heights School, Modbury Heights – traffic study stage 1 works	34
TTG BMX – track improvements – state titles	16
One Tree Hill Road, Golden Grove – guardrail replacement	120
Signage – community and various site replacements	100
Replacement of advisory and regulatory signage	270
Install new Koala crossing – Brunel Drive, Modbury Heights	120
Traffic management – installation traffic control devices – various	100
Road junction widening – Hillendale Drive, Wynn Vale	30
Grenfell Road/Zuleika Road median modifications	20
Traffic management treatments – General various improvements	130
	940
Open space – sporting, park and playground upgrades	
Wynn Vale Dam open space upgrades	1,098
Australia Reserve, Modbury	150
Cobbler Creek West Reserve Playground, Golden Grove	127
Pertaringa Oval, Banksia Park – cricket practice wickets	100
Playgrounds projects – various – to be determined	50
Court upgrades – hard court audit (Tango, Hope Valley, Greenwith)	470
Fencing projects – various	250
Playground – Vista Reserve, Vista	500
Outdoor furniture projects – various	50

Capital works	Expenditure \$'000
Open space – sporting, park and playground upgrades (continued)	
Bentley Reserve, Holden Hill – including skate bowl lighting	680
Palomino Reserve, Wynn Vale	500
Greenwith Campus, Greenwith (includes shade)	143
Golden Fields adventure playspace	358
Gunda Reserve, Banksia Park – BMX track upgrade	95
Doxiadis Reserve, St Agnes	128
Leeds Avenue, Hope Valley – car park	400
	5,100
City beautification works	
Dawson Reserve, Modbury	663
Main road and gateway median strip beautification – design	2
Meadowvale East, Modbury – restoration work	620
Tree screen – Green Valley Drive (Bushmills Street to Reordan Drive), Greenwith	185
Tree screen – Endeavour Drive (Cambridge Street to Wynn Vale Drive), Wynn Vale	70
Tree screen – The Golden Way (Pinot Place to 9 Crouchen Court), Wynn Vale	245
City beautification projects – contingency	500
Main road and gateway median strip beautification – design	300
Meadowvale, Modbury – stage 3 design	50
Dewer Reserve, Ridgehaven	750
Golden Grove Road stage 2 – revegetation and beautification	300
Grand Junction Road streetscape upgrade (Awoonga Road to Valley Road), Hope Valley	400
CWMS transition revegetation project	300
	4,385
Capital buildings renewal	
Sherry Court (x2), Lemongum Reserve, Hyde Park-GAZ	61
Building stormwater upgrades	42
Asset Management Plan renewals – community buildings	284
Asset Management Plan renewals – recreational buildings	86
Asset Management Plan renewals – sporting buildings	185
Asset Management Plan renewals – operational buildings	639
Asset Management Plan renewals – amenities buildings	73
	1,368
Capital buildings – new and upgrades	
Building future project fund	1,000
Cobbler Creek West Reserve toilet	176
Community building defibrillator project	39
Golden Grove Recreation and Arts Centre theatre side lighting	50
Golden Grove Recreation and Arts Centre theatre follow spot lighting	180
Acoustic panels for Holden Hill and Surrey Downs Community Centres	20
Road and Cycle Safety Centre, Ridgehaven – traffic light timers for community use	5

Capital works	Expenditure \$'000
Capital buildings – new and upgrades (continued)	
Modbury Soccer Club, Ridgehaven – stage 2 – community access pathways and landscaping	300
Civic Centre IT server room electrical upgrade	50
Civic Centre, Modbury – library storage cupboards	20
Civic Centre, Modbury – new furniture on library floor – phase 2	121
Whinnen Reserve, St Agnes – air conditioner	20
Greenwith Community Centre – emergency exit	50
Accessible adult change table facility – Civic Park, Modbury	149
Keyless entry program	100
	2,280
Strategic building projects	
Harpers Field community building and sporting clubroom	10,431
Modbury Sporting Club – clubroom and changeroom	4,785
Tilley Recreation Park – clubroom and changeroom	5,600
Tea Tree Gully Gymsports, Banksia Park	2,930
Tea Tree Gully Tennis Club, Banksia Park	2,290
Hope Valley Sporting Club – amenities improvements	1,174
Banksia Park Sports Area master plan	–
Golden Grove Central Districts Baseball Club, Surrey Downs	360
Projects to be grant funded (to be determined)	2,570
	30,140
Environmental projects	
LED streetlights upgrade stage 3	200
	200
Information technology	
Staff network profile with automation	176
ERP system – property and rating – stage 2	1,150
ITAMP – hardware replacement program	380
Human capital management and payroll platform – stage 1	500
ITAMP – eServices	180
Current ERP system – Authority – decommissioning	70
Data registers program	275
Outdoor digital signage	150
	2,881
Other	
Plant and equipment replacement program	2,889
	2,889
Total capital works program 2023–2024	59,307

Infrastructure asset management plans

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

We are responsible for the management, operation and maintenance of approximately \$1.73 billion of infrastructure assets on behalf of the community.

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

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

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

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

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

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

Review of assets

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

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

In purchasing new assets, we consider:

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

The significant increases in construction costs are having a real impact on the capital works renewal program. Over the next few years measures must be taken to increase the renewal program by 30% to return the program to the actual funds required to fund the Asset Management Plans. This increase is not factored into the proposed 2023-2024 rate increase and will need to be considered in future rate rises.



St Luke's Mobile Food Bank ready to serve those in need in our community.

Funding the Annual Business Plan

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



6.5%

Average residential rate increase in 2023–2024.

7.0%

Total rate increase in 2023–2024.

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

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

This year, the average residential rate will increase by 6.5% (apart from any increases due to growth) with overall the total rate revenue to increase by 7.0% (excluding growth), the average commercial rate will increase by 11%.

The total expected revenue from general rates (excluding rebates) in the 2023–2024 financial year will be \$92.07 million, which is an increase of 7.7% from the 2022–2023 rates which total \$85.461 million.

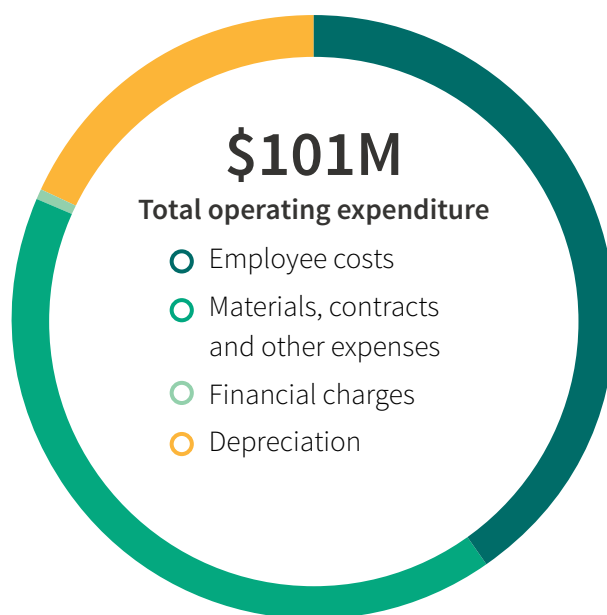
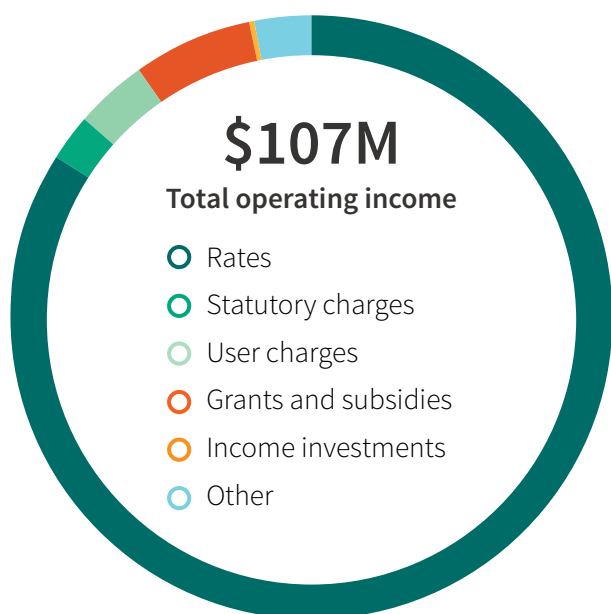
Our rate revenue will be supplemented with \$14.6 million in funding from other sources, such as fees and charges and state and federal government grants, investment income and loan borrowings.

We are mindful that borrowing levels still need to be managed and they will remain within the target range of 25%–35% during 2023–2024. To achieve this, we have budgeted for a modest operating surplus of \$6.054 million in 2023–2024.

This surplus (i.e. the difference between operating revenue and expenses for the financial year) will help us to achieve the key principles set out in our LTFP.

Set over a ten-year period, the LTFP ensures that we operate in a financially sustainable manner, controlling our debt levels, while delivering services, maintaining assets and appropriately funding new initiatives that support our strategic direction.

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



Significant influences and priorities

In preparing the 2023–2024 Annual Business Plan and Budget and setting the rate adjustment, we have taken into account a range of factors:

- Electricity price increases of an estimated \$1m. The LED streetlight conversion program will continue to be rolled out to save energy and reduce future cost increase
- The continued year-on-year increases in the State Government's Solid Waste Levy
- Increased costs associated with receiving and processing residential recycled waste material
- The impact of the Adelaide Consumer Price Index (CPI) of 8.6% (as at December 2022)
- Local Government Price Index (LGPI)
- The maintenance and renewal of existing assets, including roads, footpaths, stormwater drainage, lighting, council-owned properties and open space (parks and reserves)

- Our Enterprise Bargaining Agreements (EBA), which provide for employee wage and salary increases of 2.5% in 2023–2024, and the 0.5% increase in the Superannuation Guarantee
- Transition to pay-as-you-go model for our information and software systems
- Expanding service and infrastructure needs of our community, including playground audits
- Cost associated with maintaining the renewed Modbury Precinct and other new open space assets.

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



Local child Jayden at one of our community tree planting events.

Financial statements

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

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

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

Statement of comprehensive income for the 2023–2024 financial year

	2021–2022 Actuals \$'000	2022–2023 Original budget \$'000	2022–2023 Current forecast \$'000	2023–2024 Budget \$'000
Income				
Rates	85,972	85,461	85,461	92,070
Statutory charges	2,290	2,729	2,707	2,605
User charges	3,451	4,040	4,458	3,575
Grants and subsidies	8,832	5,803	5,875	6,728
Investment income	52	20	660	20
Reimbursements	93	83	88	88
Other revenue	1,978	1,709	2,238	1,671
Total income	102,668	99,846	101,496	106,757
Expenses				
Employee costs	35,712	37,689	35,403	39,553
Materials, contracts and other expenses	40,378	40,167	41,615	43,185
Finance charges	372	550	290	550
Depreciation	17,221	16,991	16,991	17,416
Total expenses	93,683	95,398	94,299	100,704
Operating surplus or (deficit)	8,985	4,448	7,197	6,054
Net gain / (loss) on disposal or revaluation of assets	(4,393)	504	87	1,055
Capital grants	4,277	17,018	8,344	5,868
Capital contributions	134	90	424	14,474
Physical resources received free of charge	157	–	–	–
Net surplus / (deficit)	9,160	22,060	16,052	27,450

Operating revenue

Rates

For 2023–2024 our total rate revenue is projected to be \$92.07 million. The increase of Council’s rate revenue is equivalent to \$6.609 million.

We propose a residential rate increase of 6.5% with a total of 7.0% (excluding growth) for 2023–2024. The average commercial rate will increase by 11%. This is based on the cost of maintaining existing services and the projected costs included in the infrastructure asset management plans and the Long-Term Financial Plan.

In addition, we expect to receive a 0.71% increase in rates revenue due to new developments, subject to confirmation from the Valuer-General.

A total of 14% of our general rate revenue will be derived from our commercial, industrial and vacant land use, with the remaining 86% of rate revenue to come from residential, primary production and other land use.

Statutory charges

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

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

User charges

User charges are fees that relate mainly to the recovery of the costs of delivering some of

Council’s services. These are fees charged for the use of community facilities and recreation centres.

User charges in 2023–2024 are projected to decrease by \$465,000 compared with the previous year.

Grants and subsidies

This item includes grants and subsidies from all sources, except amounts received specifically for new or upgraded assets. Total grant revenue is budgeted to increase in 2023–2024 by \$925,000.

Investment income

Council earns interest from money held with financial institutions. The interest earned on these funds is estimated to be \$20,000 in 2023–2024. This sum will be offset against borrowings.

Reimbursements

Reimbursements are payments for work Council has performed as an agent for others – for example, employee services we have provided to other councils. We estimate a reimbursement revenue of \$88,000 in 2023–2024.

Other revenues

This is revenue not classified in the six categories above. Of the estimated \$1.617 million of other revenue projected for 2023–2024, \$500,000 is for estimated workers’ compensation insurance rebate and \$490,000 is the estimated amount for sickness and income protection.

Operating expenses

Employee costs

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

Employee costs are budgeted to increase by \$1.9 million. This reflects the rising costs of a 2.5% increase in the Enterprise Bargaining Agreement, and a 0.5% increase in the Superannuation Guarantee rate.

In 2023–2024 we have provided for a total of 361 FTE employees in the budget. This represents a decrease in the number of FTEs in comparison to the 2023-2024 financial year of 1. Staffing resources are constantly reviewed to ensure resources are redirected to meet the emerging and changing priorities of our community.

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

Materials, contracts and other expenses

Materials are physical goods, such as consumables, water and energy. Contractual services are

payments for external service providers, including labour, materials or subcontractors who are hired under contract.

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

We forecast the cost of materials, contractual services and other expenses to increase by \$3.0 million for 2023–2024 in comparison to the original budget for 2022-2023.

Finance charges

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

Depreciation

In 2023–2024 our depreciation expense is forecast to be \$17.4 million, representing an increase of \$425,000 from 2022–2023.

Depreciation is forecast to increase with an approximate 30% uplift in construction costs. This increase will be phased in over future budgets.

Balance sheet for the 2023–2024 financial year

	2021–2022 Actuals \$'000	2022–2023 Original budget \$'000	2022–2023 Current forecast \$'000	2023–2024 Budget \$'000
Assets				
Current assets				
Cash and cash equivalents	8,432	410	6,745	870
Trade and other receivables	4,690	4,476	4,653	4,793
Other financial assets (non-current assets held for sale)	512	512	1,138	–
Inventories	43	33	43	43
Total current assets	13,677	5,431	12,579	5,706
Non-current assets				
Other non-current assets	8,598	2,986	13,560	27,202
Infrastructure, property, plant and equipment	1,652,411	1,607,166	1,707,640	1,732,751
Total non-current assets	1,661,009	1,610,152	1,721,200	1,759,953
Total assets	1,674,686	1,615,583	1,733,780	1,765,659
Liabilities				
Current liabilities				
Trade and other payables	26,326	12,932	26,289	12,227
Short-term provisions	4,456	4,420	4,456	4,455
Total current liabilities	30,781	17,352	30,744	16,682
Non-current liabilities				
Long-term borrowings	–	21,253	–	18,491
Long-term provisions	507	511	507	507
Total non-current liabilities	507	21,764	507	18,998
Total liabilities	31,288	39,116	31,251	35,680
Net assets	1,643,398	1,576,467	1,702,529	1,729,979
Equity				
Accumulated surplus	404,991	414,896	414,151	430,204
Year-to-date	9,160	22,060	16,052	27,450
Asset revaluation reserves	1,228,960	1,139,223	1,272,038	1,272,038
Other reserves	287	287	287	287
Total equity	1,643,398	1,576,467	1,702,529	1,729,979

Statement of changes in equity for the 2023–2024 financial year

	2021–2022 Actuals \$'000	2022–2023 Original budget \$'000	2022–2023 Current forecast \$'000	2023–2024 Budget \$'000
Net surplus or (deficit) for year				
Balance at end of previous reporting period	403,419	414,896	414,151	430,204
Transfers between reserves	1,571	–	–	–
Net result for year	9,160	22,060	16,052	27,450
Balance at end of period	414,151	436,957	430,204	457,654
Asset revaluation reserve				
Balance at end of previous reporting period	1,137,327	1,096,145	1,228,960	1,272,038
Gain or revaluation of infrastructure / property	91,633	43,078	43,078	–
Balance at end of period	1,228,960	1,139,223	1,272,038	1,272,038
Other reserves				
Balance at end of previous reporting period	1,849	287	287	287
Transfer between reserves	(1,572)	–	–	–
Balance at end of period	287	287	287	287
Total equity at end of period	1,643,398	1,576,467	1,702,529	1,729,979

Statement of cash flows for the 2023–2024 financial year

	2021–2022 Actuals \$'000	2022–2023 Original budget \$'000	2022–2023 Current forecast \$'000	2023–2024 Budget \$'000
Cash flows from operating activities				
Receipts				
Operating receipts	114,679	99,826	100,836	106,598
Investment receipts	52	20	660	20
Payments				
Operating payments to suppliers and employees	75,049	77,857	77,018	82,474
Financial payments	372	550	290	550
Net cash provided (or used in) operating activities	39,310	21,439	24,188	23,594
Cash flows from investing activities				
Receipts				
Grants specifically from new or upgraded assets	4,411	17,108	8,767	6,016
Sale of replaced assets	857	504	87	800
Sale of surplus assets	–	–	–	4,530
Payments				
Expenditure on renewal and replacement of assets	16,283	18,209	18,183	26,324
Expenditure on new and upgraded assets	8,868	32,870	16,547	32,982
Net cash provided by (or used in) investing activities	(19,883)	(33,466)	(25,875)	(47,960)
Cash flows from financing activities				
Receipts				
Proceeds from borrowings	97	11,529	–	18,491
Payments				
Repayment of borrowings	15,000	–	–	–
Net cash provided (or used in) financing activities	(14,903)	11,529	–	18,491
Net increase (decrease) in cash held	4,524	(498)	(1,687)	(5,876)
Cash and cash equivalents at beginning of reporting period	3,908	908	8,432	6,745
Cash and cash equivalents at end of reporting period	8,432	410	6,745	870

Uniform presentation of finances for 2023–2024 financial year

	2021–2022 Actuals \$'000	2022–2023 Original budget \$'000	2022–2023 Current forecast \$'000	2023–2024 Budget \$'000
Operating				
Operating revenue	102,668	99,848	101,496	106,757
Less operating expenses	(93,683)	(95,398)	(94,299)	(100,704)
Operating surplus / (deficit) before capital amounts	8,985	4,448	7,197	6,054
Less net outlays on existing assets				
Capital expenditure on renewal and replacement of existing assets	16,283	18,209	18,183	26,324
Less depreciation, amortisation and impairment	(17,221)	(16,991)	(16,991)	(17,416)
Less proceeds from sale of replacement assets	(857)	(504)	(87)	(800)
Net outlay on existing assets	(1,795)	714	1,105	8,108
Less net outlays on new and upgraded assets				
Capital expenditure on new and upgraded assets	8,868	32,870	16,547	32,982
Less amounts received specifically for new and upgraded assets	(4,411)	(17,108)	(8,767)	(6,016)
Net outlay on new and upgraded assets	4,457	15,762	7,780	29,966
Net lending / (borrowing) for financial year	6,324	(12,027)	(1,687)	(29,021)

Net outlays on existing assets

We will allocate \$26.324 million for the renewal of existing assets. We aim to keep our level of spending in line with the infrastructure asset management plan forecasts.

Net outlays on new and upgraded assets

We will allocate \$32.982 million to new and upgraded assets.

We will factor the ongoing maintenance and depreciation expenses associated with capital expenditure on new and upgraded assets into our future budgets and updates of the Long-Term Financial Plan.

Financing strategy

We have determined that borrowings will increase in 2023–2024 by \$24.491 million. This is in line with the Project Funding Strategy created for all the grant funded projects that have been incorporated into our Long-Term Financial Plan since 2019.



A worker clearing tree damage following a storm.

Rates

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

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

In setting rates for 2023–2024, we have taken into account the priorities set out in our Strategic Plan 2025, the current economic climate, our debt reduction strategy, legislative changes and the need to maintain and improve community infrastructure, amenity and wellbeing.

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

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

This year, the average residential rate increase will increase by 6.5% with the general rate increasing by 7.0% (excluding any increases due to growth), which means a total of \$92.07 million will be collected in rates this year.

Differential rates

Following community consultation, it was decided in February 2012 to adopt differential rates as of 1 July 2012.

We continue to apply differential rates on the basis of land use, to allow for the equitable distribution of the rate burden and to accommodate variations in the community’s capacity to pay.

A differential rating strategy means that different classes of land use attract different rates. The definitions of land use are prescribed by regulation and are categorised for rating purposes.

Having a differential rating strategy provides us with increased flexibility to accommodate movements in valuations that regularly occur in the market, to recognise the value of a specific aspect of land use, and to better reflect the consumption of our services.

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

The table on page 33 shows the valuations and rates applied to the various land use categories and also the general revenue forecast for 2023–2024 (Note: these figures do not show rebates. In 2023–2024 we estimate we will provide \$1.6 million in rebates).

The majority of these rebates are mandatory, as required under the *Local Government Act 1999*. Further details of our rebates are given on page 36.

Land use	General rate revenue 2022–2023 \$'000	Valuation 2022–2023 \$'000	Estimated General rate revenue 2023–2024 \$'000	Valuation 2023–2024 \$'000	General rate revenue % income 2023–2024	Estimated Average \$ change per property
Commercial office	409	67,660	472	80,034	15.39%	1,103
Commercial other	3,085	513,309	3,598	611,687	16.64%	1,866
Commercial shop	5,857	975,826	6,128	1,042,859	4.64%	1,969
Industrial light	296	49,208	376	63,950	27.06%	1,197
Industrial other	566	93,918	674	114,219	18.97%	1,097
Other	811	241,729	915	294,457	12.88%	908
Primary production	352	104,049	383	122,201	8.92%	243
Residential	72,653	21,611,240	77,821	24,920,838	7.11%	121
Vacant land	1,219	181,936	1,435	230,969	17.69%	410
Total	85,248	23,838,875	91,803	27,481,216	7.71%	

The figures for 2023–2024 are subject to change due to valuation data being received by the Valuer-General until 26 June 2023.

Method used to value land

We use capital value as the basis for valuing land within our council area. It is considered that this provides the fairest and most equitable method of distributing the rate burden across all ratepayers.

The South Australian Valuer-General establishes the value of land in our City for rating purposes. The basis for valuation is the capital value of the land, including all improvements such as buildings and sheds.

On 27 June 2023, it is proposed Council will adopted the most recent valuations made by the Valuer-General.

Variation of valuations

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

Trends in valuations and rate modelling

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

Each year, anticipated movements in valuations are estimated for each rate category. Valuations in 2023–2024 are anticipated to remain fairly steady.

We have been advised by the Valuer-General that the average increase in valuation for residential properties is currently 15.3%; for commercial and industrial properties it is 19.2%; for primary production it is 17.4%; and for vacant land is 15.3%.

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

Rate assessment increase	Number of residential properties
Less than zero	294
0–2%	1,640
2–5%	7,172
5–10%	23,530
Greater than 10%	6,783
New assessments	315
Total	39,734

Other charges related to rates

Minimum rate

We have set a minimum rate of \$1,372, which represents a 7.2% increase. The minimum rate will be applied to approximately 3,468 properties.

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

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

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

Regional Landscape Levy (RLL)

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

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

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

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

We have been advised of a 8.7% increase to the Regional Landscape Levy for 2023–2024. Council's contribution to Green Adelaide via the levy for the financial year will be \$1.99 million.

Payment of rates

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

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

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

Postponement of rates

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

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

- Under section 182A of the *Local Government Act 1999*, those who hold a State Government Seniors Card can apply to postpone their

council rates on a long-term basis. The deferred amount will still incur a monthly interest charge, and the accrued debt will become payable when your property is sold or disposed of. In this way, postponement is similar to a reverse mortgage.

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

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

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

Rebate of rates

Mandatory rebates

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

Discretionary rebates

Section 166 of the *Local Government Act 1999* sets out the circumstances in which we can grant discretionary rebates of up to 100%.

We have the option to grant a rebate of rates or service charges and to determine the rebate amount we take into account the following factors:

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

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

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

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

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

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

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

person or body making the application

- Whether the applicant has received a community grant.

If you or your organisation wishes to apply for a rebate for the current rating period, you must do so by 1 September 2023. We reserve the right to not consider late applications. However, if you are eligible for a mandatory rebate, this can be granted at any time during the current rating period.

If you or your organisation's eligibility for a rebate no longer applies, we can recover rates proportionately to the end of the current financial year.

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

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

If you believe that your not-for-profit organisation is impacted adversely by our rating strategy for commercial and industrial land uses, we encourage you to apply for a discretionary rebate. We will assess each application on its own merits.

If you are a not-for-profit land owner you may apply for a discretionary rebate on your council rates by 1 September of each year. A report summarising Council's consideration of requests for rebates will be completed, as specified under section 166 of the *Local Government Act 1999* in October of each year.

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

Council has resolved to include a discretionary rebate of 10% for any properties categorised as Retirement Villages or Independent Living Units by the Valuer-General in the draft 2023–2024 Annual Business Plan and Budget. These applications will be considered on application and are subject to confirmation from the owner that the reduction in the rates will be provided directly to the residents.

Maximum rate increase – rate capping

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



A roadworks crew in action in a local street.

Financial indicators

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

	LGA suggested range	Council target	2021–2022 Actuals	2022–2023 Original budget	2022–2023 Current forecast	2023–2024 Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating surplus	Break even or better over 5 years	Maintain over a minimum of 3 years	8,985	4,448	7,197	6,054
Operating surplus ratio	0% – 15%	2.5% – 10%	8.8%	5.2%	8.4%	6.6%
Asset renewal funding ratio			104.2%	104.2%	71.0%	100.1%
Fiscal balance	–	–	6,323	(12,028)	(1,687)	(29,021)
Adjusted fiscal balance	–	–	4,291	(12,028)	(1,687)	(29,021)
Net financial liabilities ratio including non-current assets held for sale	0% – 100%	25% – 35%	17.1%	34.2%	19.5%	28.1%
Net financial liabilities including non-current assets held for sale	–	–	17,521	34,197	18,672	29,974
Net financial liabilities ratio excluding non-current assets held for sale	–	–	17.7%	34.8%	19.5%	28.1%
Net financial liabilities excluding non-current assets held for sale	–	–	18,123	34,709	19,809	29,974
Interest cover ratio	–	–	0.3%	0.6%	0.3%	0.6%

- **Operating surplus**

Operating income less operating expenses.

- **Operating surplus ratio (OSR)**

Operating surplus as a percentage of general and other rates, net of Regional Landscape Levy.

- **Asset sustainability ratio (ASR)**

Expenditure on renewal and replacement of assets less disposal proceeds from replaced assets divided by depreciation expense.

- **Fiscal balance**

Net lending position or net borrowing requirement in the Uniform Presentation of Finances Table.

- **Adjusted fiscal balance**

Net lending position or net borrowing requirement in the Uniform Presentation of Finances Table, adjusted for grants in advance.

- **Net financial liabilities ratio including non-current assets held for sale**

Total liabilities less financial assets as a percentage of total operating revenue, net of Regional Landscape Levy.

- **Net financial liabilities including non-current assets held for sale**

Total liabilities less financial assets.

- **Net financial liabilities ratio excluding non-current assets held for sale**

Total liabilities less financial assets as a percentage of total operating revenue, net of Regional Landscape Levy.

- **Net financial liabilities excluding non-current assets held for sale**

Total liabilities less financial assets.

- **Interest cover ratio**

Total finance charges expressed as a percentage of rates revenue, net of Regional Landscape Levy.

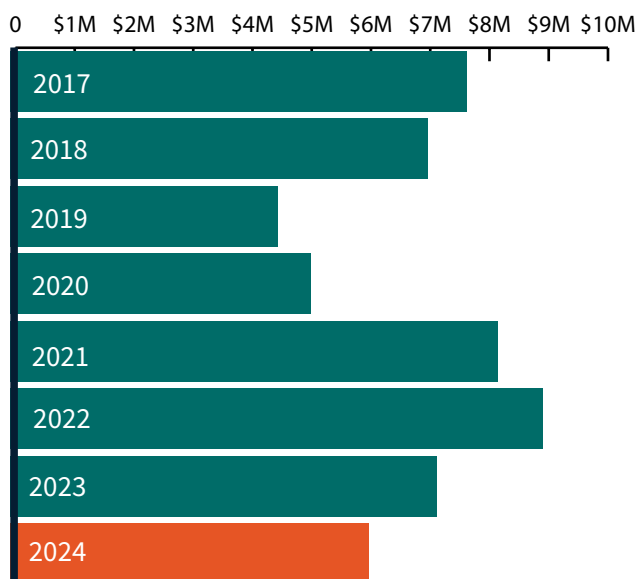
Operating surplus ratio

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

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

This year, we expect to deliver a modest surplus of \$6.054 million. These funds are used to enhance and improve services, fund new capital works and reduce Council's debt levels.

Operating surplus 2017–2024



Assets sustainability ratio

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

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

We have invested significantly in the renewal of our core infrastructure assets over the last five years to ensure they continue to meet the service level standards as outlined in the infrastructure asset management plans (IAMPs). Our 2023–2024 budget

includes capital renewal works of \$26.324 million (excludes any grant income and sale of assets).

This represents an ASR of 100.1%, which is in the target range specified in the Long-Term Financial Plan (LTFP).

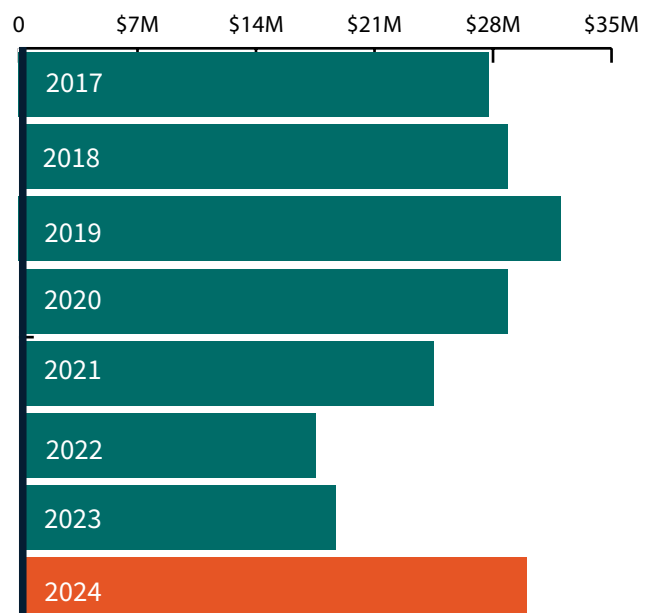
We have reviewed the IAMPs in the context of the LTFP and have considered strategies to help us maintain performance within the targeted range. We will also continue to review the ASR target range to ensure the set targets remain appropriate.

Net financial liabilities ratio

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

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

Net financial liabilities 2017–2024





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