Draft Annual Business Plan, Budget and Long-Term Financial Plan
2026-27

Best place to live, work and enjoy life.

City of West Torrens

Statement of Acknowledgement (Kaurna - Adelaide)

West Torrens is located on the Traditional Homelands of the Kaurna Nation of People, the first Traditional Owners and Custodians of the Adelaide Region.

Council pays respect to Elders past and present.

We recognise and respect their cultural heritage, beliefs and spiritual relationship with the land, sea, waterways and sky.

We acknowledge that they are of continuing importance to the Kaurna people living today.

We have built a beautiful city. However, we further recognise that the process of settlement resulted in the dispossession and dislocation of the Kaurna people and that we are always mindful of this.

Access to document

This document has been prepared by the City of West Torrens and is available on council's website, westtorrens.sa.gov.au. Printed copies are available for viewing from the West Torrens Library, 1 Brooker Terrace, Hilton and council's Civic Centre, 165 Sir Donald Bradman Drive, Hilton.

Document history

Version	Date	Details
V1	March 2026	Draft to Committee.
V2	May 2026	Draft for community consultation.

Photographs: John Kruger and iStock.

Kaurna artwork at Breakout Creek along the River Torrens / Karrawirra Parri.

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Outdoor cinema - Golflands Reserve 2026.

Welcome

Message from the Mayor and CEO

Welcome to the City of West Torrens 2026-27 Annual Business Plan, Budget and Long-Term Financial Plan.

This document serves as our primary roadmap for the coming financial year, detailing how we will allocate resources to deliver essential services and strategic projects for our community.

Guided by our Community Plan 2034, we remain focused on our 5 key delivery areas: enhancing community life, managing our built environment, fostering prosperity, championing environment and sustainability, and maintaining organisational strength.

As we move into 2026-27, we are committed to balancing prudent financial management with the ambitious infrastructure needs of our growing city.

Our focus remains on creating a city where people enjoy living and working, which is why we continue to invest significantly in our $1.5 billion asset portfolio, from essential road and stormwater upgrades to the revitalisation of our parks, sporting facilities, and iconic cultural venues.

By working together with our residents and partners, we ensure that West Torrens remains a vibrant, inclusive, and resilient community for generations to come.

In preparing our budget, we have kept cost of living pressures top of mind. We understand many households are doing it tough, and we are committed to careful planning that maintains essential services, supports liveable neighbourhoods, and delivers value to the community.

As previously mentioned, a key priority for our council is financial sustainability. Like any household budget, our budget must plan not only for what is needed now, but also what will be needed in the years ahead. This includes forecasting future costs, planning for renewal and maintenance, and setting clear priorities about how community needs will be funded over the long term.

Our approach to this is supported by an independent assessment.

In 2023, the Essential Services Commission of South Australia (ESCOSA) handed down findings that showed our council as being in a sustainable financial position, and that our projected operating surpluses will help underpin strong financial performance. We are also proud that our council has been in an enviable position for many years as one of the lowest rated councils in metropolitan Adelaide. With this budget, we are confident we can continue that trend while managing and maintaining more than $1.5 billion in community assets.

This year's major project investments are designed to enhance community life in West Torrens by fostering inclusion and connection. They focus on improving the quality and efficiency of the services we provide, delivering exceptional customer experiences and value-for-money services for our community.

West Torrens is a growing city, and this growth brings increased demand for the services and amenities our community relies on, including roads and footpaths, as well as library, sports and recreation, and arts programs. Our business plan and budget help prepare for this growth by continuing to invest in the maintenance and improvement of our infrastructure and facilities, and by supporting local services that strengthen our communities and neighbourhoods.

Detailed plans for investment in our community for the 2026-27 financial year are outlined in the following pages, but here we are pleased to share a few highlights.

This year we are budgeting for a total rate revenue increase of 4.35%. This will help us continue to provide much needed services and amenities to our community. We are fortunate to have received grant monies from both the State and Australian governments to help fund some of our major projects, which will provide newer and more accessible facilities for all.

The long-awaited redevelopment of Kings Reserve will take shape with a brand-new space that will be more user-friendly for our community and visitors, and with the expected completion of the new Adelaide Football Club facility next door, this precinct will become even more open and accessible.

The continuation of routine capital works will ensure that our roads, footpaths and stormwater systems remain safe for our community, and we'll seek to foster innovation and continuous improvement initiatives to achieve better outcomes for all.

As we move into 2026-27 with a clear vision and a sound path forward, we look forward to continuing this work with our community and sharing in the enthusiasm for a bright future for West Torrens.

Michael S. Coxon
Mayor

Angelo Catinari
Chief Executive Officer

Our city

West Torrens is an appealing metropolitan location as it is close to the Adelaide Central Business District (CBD) and the South Australian coastline.

Our city is a popular choice for people to live, with a population of around 65,700 residents. Properties in our city are highly sought after, and new developments are always occurring. Evidence of this is that infill housing in our area is around 10% higher than the Greater Adelaide average. While this presents challenges for us as a council to manage, it also provides stability for our future as we celebrate a thriving community.

We are a very multicultural city, with 32% of our residents being born overseas. In our not-so-distant past, we were an attractive location for migrants from Italy and Greece, and while many who live here have these cultural ancestries, we are now attracting people from India, the United Kingdom, China and Nepal.

We have a range of retail, industrial and service opportunities that contribute to a vibrant employment sector. We are the international gateway into South Australia, being home to the Adelaide Airport, and the national rail terminal is in our suburb of Keswick. Adelaide Airport is a major employment hub for West Torrens and is the state's largest single-site employment precinct, employing around 10,000 people. The airport handles over 250 arrivals/departures per day on average, with roughly 25,000 passengers passing through the terminals daily.

Our city is well-known for its larger shopping precincts which attract visitors from further afield and, as such, inject money into our local economy. Ikea, Harbour Town, the Brickworks Marketplace and HomeCo. at Mile End all help keep the local economy flourishing. On a different scale, Henley Beach Road is a great drawcard for West Torrens as it offers many cafes, restaurants and eateries which provide an eclectic mix of cuisines.

West Beach Parks, a world-class tourism, sport and recreation precinct, is also located on our coastline at West Beach. The West Beach Trust Board comprises representatives from its 3 neighbouring councils, including our council, and the park covers 135 hectares of beachfront land. While the tourism park injects money into our local economy, it is also quite unique in that it is home to many local sports and recreation clubs which our community can join including sailing, tennis, golf and dance.

West Torrens is experiencing a time of change, with several large-scale developments underway. The State Government's Torrens to Darlington (T2D) project is currently one of the largest occurring in South Australia and a proportion of project works are being undertaken in our city. Our council is working together with the State Government to support this project, which will provide commuters with a non-stop, traffic light-free motorway between the north and south of our state.

We are also working with Renewal SA on the revitalisation of the former Lion (West End) brewery site, now known as Southwark Grounds. This new development is expected to see around 1,300 new dwellings built on the site as well as a residential care facility, childcare centre and supermarket.

The Adelaide Football Club (AFC), one of 2 Australian Football League clubs in South Australia, is building its new $100 million home ground facility at Thebarton Oval, which is owned by council. The facility is expected to open in late 2026 and will provide greater opportunities for our growing community to utilise the space. While on the subject of sport, a multi-million-dollar sporting institute (South Australian Sports Institute) at Mile End continues to support athletes from all over Australia to develop their sporting potential. The Institute is a key player in our state in finding the best potential athletes and training them in state-of-the-art facilities using innovative techniques. Many athletes who train at the Institute compete on both national and international stages in a variety of sports, including beach volleyball, cycling, hockey, diving, netball, rowing, shooting and swimming.

Metropolitan location map

Our West Torrens

Council manages and provides

$1.5 billion
in community assets

71 playgrounds and outdoor fitness sites

298 km roads

176 ha open space

108 public buildings

173 km stormwater infrastructure

571 km footpaths

14 community facilities

2 library facilities (building and mobile)

Our community

65,700+ residents

32% born overseas

26% couples with children

30% live on their own

15% volunteer

32% aged 20 - 39

60% employed

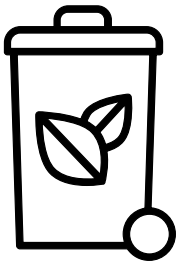
23% live and work here

Data: Council's Asset Management Plans and Australian Bureau Statistics.

Your rates at a glance

How $100 of council expenditure will be spent

The following provides a breakdown of how each $100 of council funds are spent in providing services and assets to our community. Note: some areas also receive grant funding, thereby reducing the amount of ratepayer funding needed.

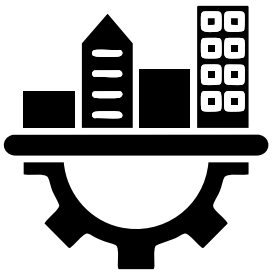


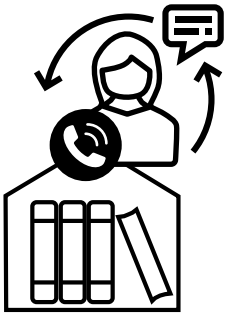
Waste & recycling services

$7.69

Infrastructure management

$21.34



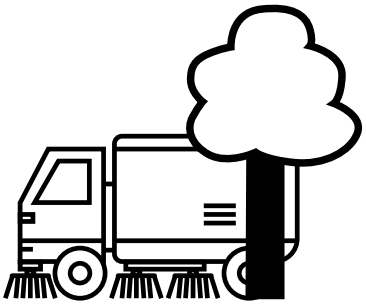


Libraries & customer service

$5.68

City operations & tree management

$19.96

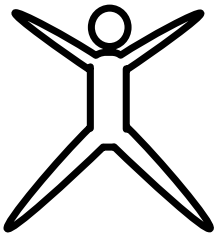


Governance, communication & administration

$15.03

Regulatory services, environment & planning

$8.41

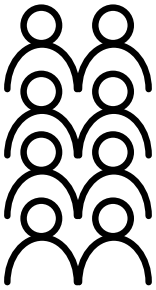


Community, health, aged & youth services

$3.52

Recreation, sports & community facilities

$11.57



Elected members

$0.89

State Government levies & charges

$5.91

Our council

Elected Members 2026

Mayor Michael Coxon

Cr Kym McKay

Cr Daniel Huggett

Cr Graham Nitschke

Cr Zoi Papafilopoulos

Cr Cindy O'Rielley

Cr George Vlahos

Cr Sara Comrie

Cr Jassmine Wood

Cr John Woodward

Cr Elisabeth Papanikolaou

Cr Surender Pal

Cr Lana Gelonese

Cr George Demetriou

Cr Anne McKay

The budget in brief

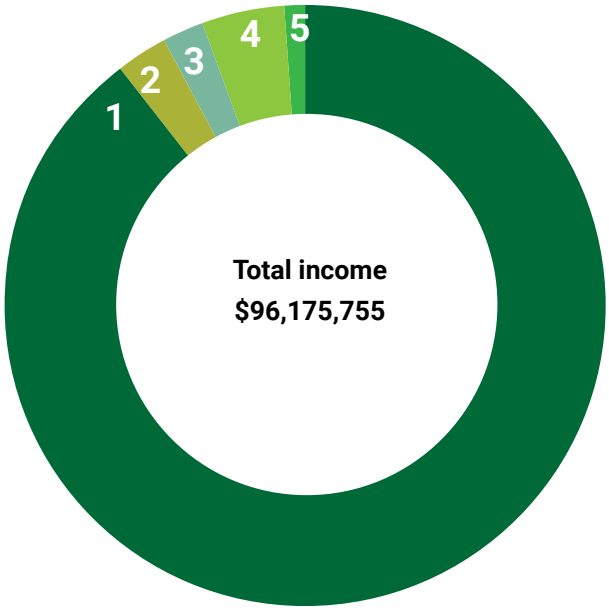
Key highlights

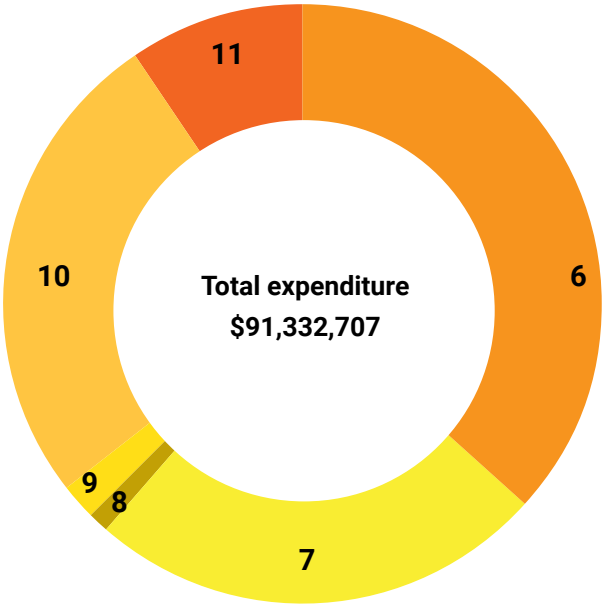
The 2026-27 Annual Business Plan, Budget and Long-Term Financial Plan was prepared in accordance with the priorities of our Community Plan, our Long-Term Financial Plan and our Asset Management Plans.

The key financial highlights of the 2026-27 Annual Business Plan are:

- a rate revenue increase of 4.35%
- an operating surplus of $4.84 million
- capital expenditure of $51.45 million
- loan funding of $16.1 million.

Operational profit and loss for 2026-27





Income	$
1 - Rates and rate equivalents	86,095,561
2 - Statutory charges	2,848,800
3 - User charges	2,026,313
4 - Grants and subsidies	4,281,471
5 - Sundry income	923.610
Total income	96,175,755

Expenditure	$
6 - Employee and related	33,554,800
7 - Material and contract	22,748,650
8 - Finance costs	902,242
9 - Regional Landscape Levy	1,860,188
10 - Depreciation	23,669,175
11 - Other *	8,597,652
Total expenditure	91,332,707
Operating surplus	**4,843,049**

* Other expenditure includes electricity and gas charges, water rates, street lighting, insurance, election expenses, elected member training and allowances, property costs, telephone, internet, printing and stationery.

Strategic context

Strategic planning framework

Council's Community Plan is the lead document in our suite of strategic plans and is an aspirational document that guides our actions over the coming years. Developed in consultation with the community, it reflects the priorities of all who live, work, study, visit and play in West Torrens.

Our Community Plan is supported by several strategic and corporate plans, while operational plans provide the steps to achieving the aims of our strategic and corporate plans and, ultimately, our Community Plan.

The operational plans drive the Annual Business Plan, Budget and Long-Term Financial Plan and, as such, progress is monitored and reported to council regularly.

In 2024 we reviewed our Community Plan by consulting with our community to ensure that our focus areas and objectives are still relevant today. More than 1,100 people gave us feedback, providing us with a clear picture of where we are headed for the next decade. We were pleased that our 5 focus areas - Community Life, Built Environment, Prosperity, Environment and Sustainability and Organisational Strength - are all still relevant. The plan is a statement of what the City of West Torrens will do to help achieve the vision of '… the best place to live, work and enjoy life'.

Climate Impact Statement

How we are tackling climate change

Climate change is one of the most important issues for all of us - our communities, environment, economy, businesses and industries. On a local level, climate change presents many challenges for our infrastructure, services, economy, environment and the lifestyles of our diverse community.

The City of West Torrens is leading by example by building a community that is resilient to the impacts of climate change.

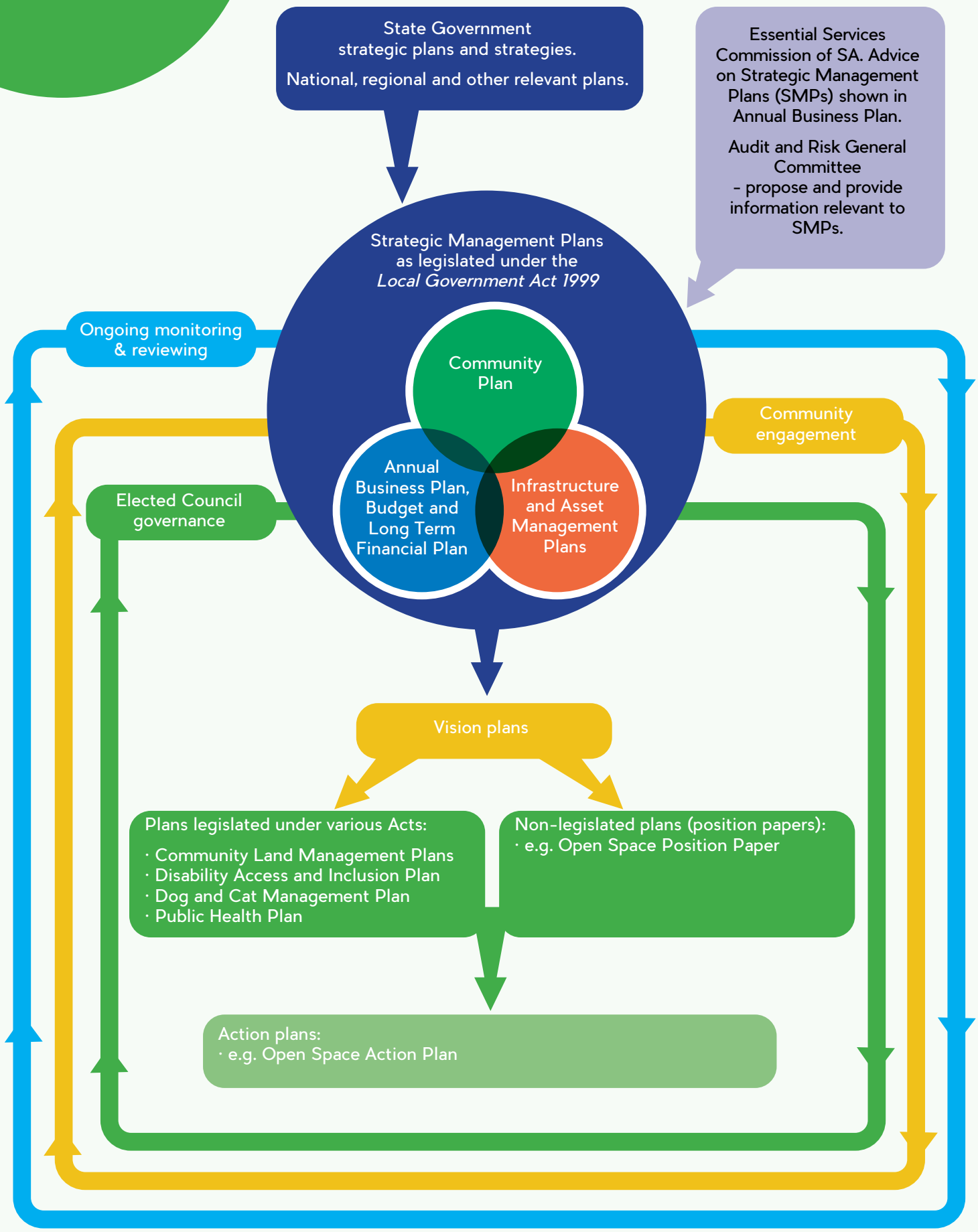
We are doing this with a range of important initiatives including:

- Implementing council's Climate Mitigation and Adaptation Strategy.
- Embedding climate adaptation in strategic planning and decision-making processes.
- Regularly reviewing and responding to risks associated with climate change.
- Participating with partner councils in the Western Adelaide region's AdaptWest Climate Adaptation Program.
- Participating in the Western Adelaide Zone Emergency Management Committee.
- Reducing our carbon footprint by decreasing emissions, transitioning to renewables, and choosing more sustainable options.
- Enhancing greening and cooling across West Torrens.
- Managing water resources to optimise sustainability, enhance water use efficiencies, improve stormwater management, and use water to reduce urban heat.

We are helping to build our community's resilience by:

- Offering rebates and grants that support environmentally sustainable outcomes.
- Delivering programs that help our community adapt to climate change, such as coping with severe weather events.
- Tree planting and greening programs to increase shading and cooling across West Torrens.
- Encouraging active transport and healthy lifestyles.
- Enhancing access to quality green open spaces.
- Keeping our community informed through education and awareness campaigns.

Corporate planning framework



Updated November 2025

Strategic and corporate suite

Strategic and Corporate Plans and their alignment to our Community Plan 2034

Community Plan

- Community Life
- Built Environment
- Prosperity
- Environment & Sustainability
- Organisational Strength

Strategic Plans

- **Annual Business Plan**
- **Budget and Long-Term Financial Plan**
- **Infrastructure and asset management plans**

Corporate Plans

Public Health Plan	Community land management plans	Economic Development Plan	Tree Strategy	Strategic WHS and IM Improvement Plan
Dog and Cat Management Plan	Transport and Movement Strategy		Open Space Plan	Internal Audit Plan
Disability Access and Inclusion Plan	Stormwater Management Plan		Climate Mitigation and Adaptation Strategy	
Public Art Framework			Waste and Resource Recovery Strategy	

Operational Plans

Action Plans

Technical and Master Plans

Annual Plans

Budget and Annual Business Plan

Annual Service Plans

Annual Capital Works Program

Annual Asset Maintenance Plans

Updated November 2025

Our vision, mission and Community Plan themes

Our Vision

Committed to being the best place to live, work and enjoy life.

Our Mission

To strive for excellence in serving our diverse community.

The 5 focus areas for the delivery of our vision are:

Community Life
We support diversity, health and wellbeing, community cohesion and connections, and create opportunities to learn and enjoy the local area.

Built Environment
We support housing, urban development and infrastructure that contributes to attractive and safe neighbourhoods, and how we travel in and beyond our area.

Prosperity
We support jobs, businesses and industries to generate local economic growth and activity.

Environment and Sustainability
We protect and conserve the natural environment, reuse and recycle resources, support biodiversity and respond to climate change.

Organisational Strength
Council ensures its services lead to quality outcomes and exceptional experiences for our community.

Community Plan focus areas

#1 - Community Life

We support diversity, health and wellbeing, community cohesion and connections, and create opportunities to learn and enjoy the local area.

West Torrens has an eclectic mix of cultures which make up our social fabric. As such, not all services we provide are suited to everyone, so it's important that we are aware of what our community needs as well as wants.

We offer a diverse array of services, programs, and events, encompassing everything from library resources to lifestyle and inclusion initiatives, as well as health and wellbeing programs. Our range of community facilities offer spaces for people to meet and socialise, and our community gardens provide people with an opportunity to grow their own produce and share knowledge and friendships.

To help accommodate the diverse needs of our community, we are always exploring new ways we can communicate and provide information. Both our library and contact centre facilities are recognised as 'communication accessible' by Two Way Street, who are the only South Australian approved assessment organisation for communication access. We are also a supporter of the Hidden Disabilities Sunflower program, a global initiative which provides individuals with non-visible disabilities with a sunflower-branded lanyard, pin or wristband to help others be aware that they may need extra support and understanding.

Our annual Summer Festival continues to attract thousands of visitors each year, with 14,000 people attending our festival at the beginning of 2026, while our school holiday programs are so popular that many events are booked out within days of being publicised.

Arts are a valuable component of a healthy community and for the past 10 years we have hosted the West Torrens Art Prize, encouraging South Australian artists to submit works around various themes. The competition offers substantial prize money to the winner and gives artists the opportunity to showcase their talents.

Our Westside Stories project has seen several miniature art galleries established around West Torrens where 'small' art, created by local artists, is exhibited. Our Stobie Pole Art continues to add colour and creativity to our neighbourhoods as we partner with the Helpmann Academy and SA Power Networks for this program. Likewise, our Westside Fringe program encourages activation of our many community facilities, and provides cost-effective spaces for exhibitions, seminars and performances.

In 2025, and in partnership with Preventive Health SA, we created a new wellbeing hub at Mellor Park Community Hall (formerly Lockleys Community Room) to provide a range of programs focussed on supporting social connections, learning, sharing and health and wellbeing. The success of this project has been overwhelming and will continue into the new financial year.

2025 West Torrens Art Prize.

Community Plan focus areas

#2 - Built Environment

We support housing, urban development and infrastructure that contributes to attractive and safe neighbourhoods, and how we travel in and beyond our area.

Medium to high density housing in West Torrens is higher than the Greater Adelaide average at 37% (compared to 27%). As such, it's important that the infrastructure and assets we provide are fit for purpose and sustainable for future generations.

Our built environment comprises roads, footpaths, buildings, parks, open spaces and stormwater infrastructure and much more. We manage 298 kilometres of roads, 571 kilometres of footpaths, plus 173 kilometres of stormwater infrastructure. We also have 176 hectares of public open space and manage 108 public buildings on behalf of our community.

Maintaining and developing our built environment is where most of our money is allocated in any given year. In total, we manage more than $1.5 billion worth of assets on behalf of our community.

These assets provide a wide variety of uses and benefits, ensuring our infrastructure continues to meet the needs of our growing and changing city and people. In addition to community needs and desires, sustainability, access and inclusion are all key factors taken into consideration when determining proposed capital investments for West Torrens.

We continue to work with numerous external stakeholders on large-scale projects which affect our residents and visitors; these projects are important for our state as well as our local area. This past year we have provided advice and support to the Department for Infrastructure and Transport (DIT) on the T2D project and Renewal SA on the Southwark Grounds development. We have also been kept informed about the new Adelaide Football Club home-ground works at Torrensville, which are set to be completed in the first half of the new financial year.

Development enquiry counter.

Community Plan focus areas

#3 - Prosperity

We support jobs, businesses and industries to generate local economic growth and activity.

We have a variety of programs designed to support jobs, businesses and industries and help generate local economic growth and stimulate activity. There are also several initiatives to assist and create education and learning opportunities.

We work with our neighbouring councils to help promote the reputation of Western Adelaide as being a great tourism destination and we also work closely with the SA Business Chamber to provide low or no cost training for business operators to tap into.

This year we were an active participant in the Western Adelaide Jobs Expo, a free event which brought together job seekers, students and career changers with local employers, training providers and industry specialists. An initiative aimed at boosting employment opportunities in western Adelaide, we worked alongside the Cities of Charles Sturt, Port Adelaide Enfield and Workforce Australia Local Jobs Program - North Adelaide.

It was fitting to partner in this expo as a recent investigation undertaken by council into employment lands found that in West Torrens we have 1.5 jobs for every employed resident. Employment lands are areas where development is focussed primarily on the creation of places for people to work across a wide variety of industries, thereby supporting the local economy. Adelaide Airport, the largest employment hub outside of the Adelaide Central Business District, is also continuing to identify opportunities for job growth. If it achieves its forecast, this ratio is likely to rise above 1.5 which will further support our goal to grow local jobs.

We continued to provide financial support via our community and junior grants, and our Neighbourhood Projects Grants were open to anyone interested in investing in a local neighbourhood project, festival or event to boost activity in West Torrens. We also continued our relationship with Grant Guru, an online platform encouraging businesses and community groups to find funding from external bodies which may be able to offer financial assistance.

In October 2025, we officially re-opened the iconic Thebarton Theatre, marking the end of stage one of an upgrade to this much-loved music venue. The theatre, which will celebrate its 100th anniversary in 2028, is a highly sought after performance space, hosting many local, national and international acts which all bring valued tourism dollars to our city.

Thinking about our future, the year ahead will be an exciting time, with the Adelaide Football Club set to open its new $100m state-of-the-art training facility at Thebarton Oval, major events in our city include LIV Golf and work continues at the Southwark Grounds development site in our new suburb of Southwark.

Western Adelaide Jobs Expo.

Community Plan focus areas

#4 - Environment and Sustainability

We protect and conserve the natural environment, reuse and recycle resources, support biodiversity and respond to climate change.

Our commitment to the environment and sustainable practices is evident through a range of projects and programs, not just those we provide for our community but those that we undertake as an organisation.

Early in 2026 we released our Sustainability Report Card for 2024-25, which provides an update on key achievements and performance in the sustainability space. This report can be viewed on our website, where you will see that we're continuing to reduce our greenhouse gas emissions, include more low emission vehicles in our fleet and install solar on council owned buildings.

We have also been working with the State Government to deliver a community battery in our area as part of the emPowering SA program and have identified a section of community land in Richmond to house the battery and associated infrastructure. When complete, the battery will store excess energy from the grid and make it available at night, during periods of high demand.

Trees and increased canopy cover are very important in West Torrens. We strive to plant more street trees each year, manage our very popular tree and native plant giveaway programs and provide rebates for residents to encourage them to be part of our greening West Torrens program. We are also ever-expanding our Water Sensitive Urban Design (WSUD) principles by increasing the number of raingardens in West Torrens which help clean harmful pollutants from rain runoff.

We have also reinvigorated the AdaptWest program, which is a collaboration with 2 of our neighbouring councils, the Cities of Charles Sturt and Port Adelaide Enfield, focussing on building our resilience to climate change in the western region of Adelaide.

Our community is passionate about climate change, and we respond to this by undertaking projects and initiatives which help reduce climate strain. We actively provide incentives to help our residents reduce, reuse and recycle more, along with financial incentives to look at alternative methods for green waste reuse.

Plant Along the Coast community event.

Community Plan focus areas

#5 - Organisational Strength

Council ensures services lead to quality outcomes and exceptional experiences for our community.

Keeping in touch with our community, listening to them and helping to deliver on their needs gives our organisation strength as we continue to build robust relationships.

We engage with our community using a variety of consultation techniques, including face to face and online feedback opportunities and information distribution. We encourage feedback using channels such as phone, email, SMS, online chat and social media. Our quarterly community magazine provides updates on projects, services, and initiatives and our website continues to help keep our community informed.

Our social media channels give people the chance to engage with us and to be kept up to date on timely information. As our community's need for real-time information continues to increase, so too does the pressure on us to provide this.

The advent of Artificial Intelligence (AI) has helped us streamline internal processes and improve work efficiencies, while keeping corporate risk in mind. We use an internal AI tool that supports staff in their day-to-day work as it works alongside them, leaving people to make the decisions and always stay in control.

We continue to explore AI and other new technologies which will benefit both us and our residents and, longer term, increase efficiencies and reduce costs.

We are committed to developing strong partnerships and working relationships with external parties to help us provide the best services and experiences for our customers. We have a Customer Service Charter which outlines what people can expect when interacting with us and, likewise, we have some behavioural expectations that we ask of our community. For experiences to be exceptional, both parties need to be respectful, courteous and helpful.

As a resilient organisation, we are always reviewing our threats and opportunities to ensure that risks can be mitigated or, in the event they occur, handled appropriately. We have 8 strategic risks which are reviewed by our organisation a minimum of every 6 months, more frequently if required. These include workforce management, cyber and IT management, financial sustainability and emergency management and resilience.

Customer Contact Centre.

Significant influences

Each year as we develop our Annual Business Plan and Budget, we consider the possible impact of significant external and internal influences on our city, community and our organisation.

These influences are also considered when creating our Long-Term Financial Plan, which helps us forecast our community's needs for the next decade.

External influences:

- Consumer Price Index (CPI) movement and Local Government Price Index (LGPI).
- Interest rates and loan repayments.
- Changes to the cost of utilities - i.e. fuel, water, electricity and gas.
- Changes to superannuation guarantee.
- General increases in expenditure.
- Infill development and population growth and the need for more/improved infrastructure.
- Grant opportunities - i.e. leveraging state and federal government grants for the benefit of our community.
- Waste costs, including collection, disposal and reuse of waste.
- Increases to insurance costs.
- Legislative changes - i.e. as a result of the Local Government Reform.
- Transfer of assets to/from other levels of government.
- Valuer General capital valuations.
- Policy changes by other tiers of government.
- Impact of climate change - i.e. expenditure for disaster recovery.
- Rates and levies imposed by external stakeholders.
- Cyber security.

Internal influences:

- The ability to maintain service expectations with regards to community works and programs.
- Sufficient resourcing to meet community expectations and needs.
- Collaboration with other councils on the Brown Hill Keswick Creek Stormwater Project.
- Treasury (Debt Management) Policy.
- Employment costs
- Asset revaluations.
- Depreciation of assets.

Strategic Risk Framework

Strategic risks for council

The council has a robust and comprehensive enterprise risk management program which incorporates both strategic and operational risks.

Strategic risks arise in pursuit of our objectives, strategy and/or work activity. We have identified a number of strategic risks aligned to our Community Plan focus areas, which are reviewed by the organisation on a regular basis. Each risk has a number of controls to ensure it is managed effectively and these controls are also reviewed regularly.

Our strategic risks cover the following areas:

- Business performance.
- Workplace management.
- Cyber and IT Management.
- Emergency management and resilience.
- Asset and infrastructure management.
- Financial sustainability.
- Climate adaptation and sustainability.
- Strategic future.

The annual budget process considers all the strategic risks of council.

Summary of ESCOSA advice

In 2022 a new 'strategic management plan advice scheme' was established as a result of changes to section 122 of the *Local Government Act 1999* (the Local Government Act).

This scheme required the designated authority, the Essential Services Commission of SA (ESCOSA), on a 4 yearly rotating schedule, to review a range of council strategic management planning documents and provide advice to the council. The councils to be reviewed in each year of the cycle are determined by ESCOSA.

In 2023 the Essential Services Commission of South Australia (ESCOSA) undertook a review of council's strategic management plans and on proposed revenue sources, including rates, which underpin those plans.

A key finding of the 2023 advice is that the Commission considers:

'...the City of West Torrens to be in a sustainable financial position with projected operating surpluses and the forecast renewal of its infrastructure assets to continue to underpin its strong financial performance, without the need for further significant rate increases.'

The full version of the advice and council's response is in the appendices.

Cyber and IT Management is a strategic risk.

Annual Business Plan

Continuing and improving service delivery

Council's diverse administrative and operational functions provide services to our community under 4 divisions.

City Management

Office of the Mayor and Chief Executive Officer

- Organisational Performance and Improvement
- Community Partnerships.

Elected Members

Natural & Built Environments

City Operations

- Civil Works and Services
- Fleet
- Parks and Gardens.

City Assets

- Asset Management
- Engineering Services
- Traffic and Integrated Transport
- Capital Works.

City Development

- Development Compliance
- Planning
- Building.

City Property

- Property and Facilities
- Building Maintenance
- Strategic Projects.

Communities

Community Services

- Community Connections
- Community Facilities
- Library
- Events.

Strategy and Sustainability

- Strategic Planning
- Sustainability
- Resource Recovery and Circular Economy.

Governance and Risk

- Organisational Resilience
- Governance.

Customer and Engagement

- Creative Services
- Customer Contact.

Corporate & Compliance

Financial Services

- Accounting
- Budgeting and Financial Reporting
- Payroll
- Rates.

Information Services

- Information Management
- Information Technology.

Compliance

- Community Safety
- Environmental Health.

People, Procurement and Safety

- Industrial Relations
- Work, Health and Safety
- Organisational Development
- Wellbeing
- Procurement.

Service delivery

All councils have responsibilities under the *Local Government Act 1999* and other relevant legislation to deliver services for the community. Council is committed to maintaining all services including, but not limited to:

Community and council services
Street infrastructure such as roads, footpaths and kerbing.
Reserves, parks and gardens.
Public spaces including playgrounds, skate parks, walking and cycling networks.
Street lighting and storm water drainage.
Waste, recycling and street cleaning.
Development and building assessments.
Land use and development planning.
Animal management and community safety.
Sporting grounds/facilities and club support.
Parking and traffic management.
Libraries and community centres.
Community development, grants and partnerships.
Citizenship ceremonies.
Emergency planning and response.
Arts, cultural activities and events.
Economic and tourism development and business support services.
Maintaining the voters roll and supporting Elected Council.
Environmental health such as food safety, litter and nuisance requirements.

Enabling services
Financial management.
Governance, risk and audit functions.
Strategic planning and asset management.
Information and communication technology.
Continuous improvement and innovation.
Communications and media.
People management and safety.
Strategic procurement.
Customer experience and community engagement.

Reserve maintenance at Weigall Oval.

Continuous Improvement Program

To help us prepare for the future and ensure that we are meeting our community's needs, continuous improvement is at the heart of everything we do.

We have a long-standing 'Lean Thinking' program that empowers our staff to deliver more value, improve the quality of our services and to streamline our ways of working to enhance customer experiences.

Our commitment to continuous improvement is vital to ensure that we are well positioned to fulfill our responsibilities and keep up with our growing city. We focus our efforts on how we can apply innovation to meet current and future community expectations and, as such, we have a range of reporting mechanisms in place to track and continuously measure our performance against our strategic pillars, including:

- Monthly financial reports to council and bi-monthly reports to council's Audit and Risk General Committee.
- Monthly departmental activity reports to respective council committees.
- Quarterly progress reports on our organisational service plans.
- Quarterly internal operational performance reporting.

A core principle of our approach is creating opportunities for the people closest to the work to lead improvements. Staff who deliver and support services every day are best placed to identify pain points, reduce rework, and streamline steps that do not add value for our customers. Through workshops, process mapping and the use of practical improvement tools, teams can test changes, measure results, and embed improved processes to ensure improvements are sustained.

We also use customer feedback to guide improvement priorities and decisions. We manage customer and community survey platforms to capture our customers' sentiments, and this feedback is reviewed and translated into actionable improvements.

Cost savings and efficiency gains

Continuous improvement initiatives delivered measurable efficiency gains across the organisation by standardising and simplifying reporting, automating workflows, and tightening end to end processes. Key improvements include:

- Standardised Council and committee reporting templates (delivering an estimated 1,200+ hours per year through reduced manual preparation and improving consistency for decision making).
- Streamlined temporary road closure requests (basic requests ~7 days, down from ~1 month).
- Simplified facility bookings (including invoicing, bonds, refunds, cancellations) and enabled a modern booking system to strengthen process control, reduce handling time, and improve the customer experience.
- Improved Environmental Health expiation workflows to reduce corrections and follow-ups, improving accuracy and timeliness.
- Improved access to major road project mapping to speed up internal and external enquiries and improve information assurance.
- Improved capital project visibility through monthly capture plus maps and dashboard updates to strengthen oversight of delivery, risks and reporting timeliness.
- Centralised the T2D impact tracking register in the records system to improve auditability, support consistent reporting, and enable efficient future adjustments.
- Trialled QR-linked onsite signage with subscription updates (faster, targeted works updates).
- Expanded internal AI capability to templates and letters for common enquiries (faster, consistent responses and improved customer experience).

The reviews and subsequent actions have reduced rework, strengthened accountability and enabled staff to access clearer, more reliable information. This allows staff to have greater capacity to do higher-value work and supporting more efficient service delivery for the community.

The draft 2026-27 budget has identified almost $1.112m in savings opportunities (indicative and subject to final budget confirmation), arising from targeted efficiency and cost-control reviews, including:

- Asset Protection Program: completed more than 230 inspections, with estimated savings of $215,000 to date (as of March 2026).
- Workforce controls: $100,000 in savings through vacancy management and workforce controls, plus $31,000 from a reduction in overtime.
- Non-essential expenditure deferrals and contract scope reductions: $236,000 from deferring non-essential IT software expenditure, $75,000 from deferring non-essential consulting activities, and $60,000 from street lighting contract scope reductions.
- Other savings measures: $300,000 through mandatory rebates, $45,000 through minor reductions in other expenses, and $50,000 from deferring Climate Resilient Rebates.

Project priorities and ongoing initiatives

Throughout the coming financial year, our focus will continue to be on new and ongoing projects and initiatives that respond to the needs of our community and align with our Community Plan.

These range from developing new buildings and infrastructure, maintaining and upgrading our assets, to delivering community-facing programs, and improving the quality and efficiency of how we go about the daily business.

This year's budget has focussed on ensuring sufficient funding to deliver those services expected and valued by our community while continuing to invest responsibly into our future. The following activities represent a few highlights of what our local community can expect to see and be part of in the 2026-27 financial year. These projects are part of on-going initiatives which have previously been planned and budgeted for.

Major projects

The following major projects are earmarked for the 2026-27 financial year.

New recreation centre, Cowandilla - total project cost $15 million

Plans to redevelop the Western Youth Centre are one step closer to realisation, with on-ground works expected to begin early in the new financial year.

Co-funded to the tune of $7.5 million through the Federal Government's Thriving Suburbs Program, this project will see the replacement an ageing facility with a contemporary, 2-storey community and recreation centre that meets current and future needs.

Recent community feedback helped us revise our masterplan, which will see a state-of-the art facility built along with green space for information recreation and passive use. Concept image: JPE.

Centre of Remembrance at Karkungka - total project cost $7.4 million

Works on a new Centre of Remembrance at Karkungka, which will provide a new home for the National Serviceman's Association and Hilton RSL Sub-branch, are expected to start in the latter half of the new financial year. The existing CAFHS building will also be renovated to provide a new community facility.

Total project cost $7.4 million, includes $3.69 million through the Federal Government Thriving Suburbs Program. Concept image: JPE.

Upgrade to Kings Reserve - total project cost $8.5 million

Earlier this year we turned sod at Kings Reserve, marking the start of this long-awaited project.

Kings Reserve has been a much-loved and well-utilised community space within West Torrens and when complete, the upgraded facility will provide a more user-friendly space, with a mix of nature-based and traditional play areas, a skate park, pump track and active recreation facilities including basketball and netball areas. There will also be shaded picnic and barbecue spaces, new public amenities and public art. $2.5 million has been provided by the State Government including via its Open Space Fund.

State Treasurer and Member for West Torrens Hon. Tom Koutsantonis MP, Mayor Michael Coxon and CEO Angelo Catinari turn sod at Kings Reserve in March 2026 to mark the start of the upgrade project.

Upgraded bowling club, Lockleys - total project cost $7 million

Council has earmarked $7 million over the next 2 financial years for a much-needed upgrade to Lockleys Bowling Club.

Lockleys Bowling Club boasts several international standard greens which can cater for up to 220 players at any one time. As such, the club has previously hosted many high-profile bowling tournaments, including world bowls, Asia-Pacific and national championships.

Built in the 1970s, the clubrooms are now at an age where replacement or refurbishment is needed. Council will work closely with Club representatives to finalise plans to refurbish the current building, as well as providing a new, all-weather indoor bowling green. These works will provide a more user-friendly and compliant facility that can be used year-round, supporting current and future generations of bowling enthusiasts.

Council will consult with the community before any works begin to ensure that plans consider not just the needs of users, but also the broader neighbourhood.

Lockleys Bowling Club has hosted many high-profile bowling tournaments, including the World Bowls. The upgrade of this facility will help ensure the Club can continue to host tournaments and bring valuable tourism dollars to our city

Ongoing initiatives

Providing our community with access to services which enhance wellbeing and safety is an essential part of what we do. While some of these are operational in nature, others, such as programs and events, will continue.

Library and community services

Children's library in the West Torrens Library.

Our West Torrens Library, which includes our Mobile Library service, will be provided to residents and visitors and our community facilities, which are used by more than 500 groups in any given year, will still be available. We have opened the new Mellor Park Community Cottage and created a guide of venues for hire in West Torrens, both council and non-council owned.

Wellbeing programs

Wellbeing Wednesdays' chair yoga program.

We will continue to ensure that our seniors, vulnerable residents and community are given opportunities for social connections with the ongoing development of wellbeing hubs and programs, and work in the disability, access and inclusion space will continue as we look at ways to make our buildings easier to navigate for users with the further development of online information.

Arts and programs

2025 SALA's Love of Place art launch.

Our West Torrens Art Prize will celebrate its 10th anniversary this year, and we will continue to grow our popular Westside Fringe program and support local artists in the South Australian Living Artists (SALA) festival.

Our Youth Advisory Committee, which includes representatives from high schools in West Torrens, will be in its third year of operation and will continue to provide advice to council on how to improve interaction with youth. Our ever-popular and always 'sold out' School Holiday Program will grow and evolve and provide school-aged students with opportunities to learn new skills and build social connections.

Festivals and events

2026 Music and Markets event at Summer Festival.

Our council-run festivals and events are very popular and will still be offered to residents and visitors across the coming year. The Summer Festival events program last year attracted an estimated 16,000 people and we will continue to investigate ways we can add value for the many families and people who attend. Likewise, our very popular Fire & Spice event in April will continue to flourish as word gets out about this annual event to chilli lovers.

Ongoing initiatives (cont)

Local business support

We will continue to work with local businesses around how we can help ensure West Torrens stays economically viable, including providing services and advice to support them.

Business breakfast at Kooyonga .

Animal management

As the need for animal management services grows each year, our officers will assist with reuniting lost pets with their owners more than ever. We will continue to operate our dog holding facility in a bid to reunite owners with their missing dogs sooner. We will also look at ways we can improve the management of stray and feral cats in our city and provide education to cat owners about responsible ownership.

Pet microchipping.

Environmental initiatives

In terms of environment and circular economy, a key initiative is the offer of free native plants and trees to residents for their own use, which will help move towards increasing green canopy cover in our city. We also offer rebates to residents to care for significant and regular trees, and we have a range of rainwater rebates to encourage the harvest and reuse rainfall.

Native Plant Giveaway.

Measuring our success

The measure of our success is driven by the achievement of the strategic objectives, outlined in the Community Plan 2034, and, more specifically, our Organisational Service Plan, which identifies the desired outcomes expected from our strategic objectives.

We also measure our achievements through the following non-financial and financial indicators.

Non financial indicators

Community Plan focus area		Non financial indicators
	Community Life	
Community Life	To support diversity, health and wellbeing, community cohesion and connections, and create opportunities to learn and enjoy the local area.	Wellbeing score*. Attendance at council events and programs. Immunisation rates.
	Built Environment	
Built Environment	To support housing, urban development and infrastructure that contributes to attractive and safe neighbourhoods, and how we travel in and beyond our area.	Use of council community spaces (ovals and community facilities). Development approvals. Delivery of community infrastructure and open space projects.
	Prosperity	
Prosperity	To support jobs, businesses and industries to generate local economic growth and activity.	Participation in council held business events.
	Environment and Sustainability	
Environment & Sustainability	To protect and conserve the natural environment, reuse and recycle resources, support biodiversity and respond to climate change	Diversion of waste from landfill. Number of trees planted.
	Organisational Strength	
Organisational Strength	Council ensures its services lead to quality outcomes and exceptional experiences for our community.	Customer satisfaction score. Community engagement activity.

** Relates to the wellbeing score for our wellbeing activities.*

Financial indicators

	2024-25 result	2025-26 revised budget	Target	2026-27 budget
Operating performance				
Operating surplus ratio	3%	6%	5%	5%
Equity adjusted operating surplus ratio	-0.3%	6%	5%	5%
Financial flexibility				
Net financial liabilities ratio	47%	90%	<=95%	66%
Adjusted net financial liabilities ratio	50%	90%	<=95%	65%
Asset sustainability				
Asset renewal funding ratio	102%	140%	>=100%	136%

In the above table, the operating surplus ratio measures the extent to which operating revenues raised cover operational expenses or are available for capital funding, debt repayment or the provision of new services. Operating surplus, excluding capital revenue, is calculated as a percentage of operating revenue, with the City of West Torrens target being 5%.

The equity adjusted operating surplus ratio is largely the same as the operating surplus ratio, however we have removed the equity accounted council business being the Brown Hill Keswick Creek joint venture operational gain/loss. This ratio is calculated as (operating surplus/(deficit) - equity accounted council business) / total operating revenue.

The net financial liabilities ratio measures the extent to which the net financial liabilities of council can be repaid from operating revenues. An increase in this ratio indicates that more operating income is required to fund the financial obligations. Net financial liabilities ratio is calculated as a percentage of operating revenue (total liabilities – current assets)/total operating revenue, with the City of West Torrens target less than or equal to 95%.

While council has a target net financial liabilities ratio of no more than 95%, excluding lease liabilities, it aims to keep this ratio to a maximum of 75%.

The adjusted net financial liabilities ratio excludes the long-term lease arrangements held by council, the most significant of which is over the land leased from Adelaide Airport Limited for the depot facility.

Lastly, the asset renewal funding ratio reflects the extent to which the infrastructure assets managed by council are being replaced as they reach the end of their useful lives. The ratio is calculated on capital expenditure on renewal or replacement assets as a percentage of capital expenditure in our asset management plan and the City of West Torrens target is greater than or equal to 100%.

Annual budget

Rates overview

Total rates for the council

Council determines **rates revenue needed**

Divided by **combined value of all rateable properties**

To get the **rate in the dollar**

What you pay

Multiply the **value of your property**

By the **rate in the dollar**

To calculate **your rates for the year**

The Valuer General is the State's independent authority on property valuations. Council is not involved in the setting of property values. You can find more information on valuations by visiting **valuergeneral.sa.gov.au**

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More information on valuations can be found online at valuergeneral.sa.gov.au

Rates' income is an investment in our community and suburbs; it is used to provide a range of infrastructure, facilities and services. As rates form council's primary source of income, paying rates today is an investment in our future.

This year we have set our rate revenue increase to 4.35%. Capital value fluctuations by the Valuer General, however, may result in individual properties receiving a different percentage increase or decrease in rates for the 2026-27 financial year.

Historically, council has maintained the second-lowest average residential rate in metropolitan Adelaide. With the proposed 4.35% increase, council is expected to retain one of the lowest-rated positions in metropolitan Adelaide. Due to the relatively low starting point of the average rate, this increase is anticipated to add approximately $1.94 per week to the average rateable property. Council does not automatically receive more money because property values increase, the rate in the dollar is adjusted to ensure that only the rate revenue increase approved by council is achieved.

An estimated 0.7% growth factor has been applied to rates revenue for the 2026-27 financial year. This is additional to a rate increase of 4.35% and represents income from new developments.

Method used to value land

We have the option of adopting one of 2 valuation methodologies to assess the properties for rating purposes.

Capital value

The value of the land and all improvements on the land.

Annual value

A valuation of the rental potential of the property.

Council continues to use Capital value as the basis for valuing land within West Torrens as we believe this is the fairest method of distributing the rate burden across all ratepayers on the following basis:

> *The equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth. Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.*

Early indications are that properties will see an increase in the capital value. Changes to the capital value of your property from one year to the next may be influenced by the following.

Recent sales in the area.

Property location.

The building itself - renovations, additions or alterations.

External factors - such as trends or nearby area rezonings.

Differential rating system

Councils use a differential rating system, using land use codes as the factor to apply such differential rates. In applying differential general rates, council has considered, and is satisfied, that the rating system addresses the issue of consistency and comparability across all areas, particularly as it relates to the various sectors of business and wider community.

Minimum rates

The minimum rate provides a mechanism where lower valued properties do not pay less than a minimum amount as determined by the council. Typically, only a small number of all properties (with no more than 35%) pay a minimum amount. Council proposes to set a minimum of $1,258 which shall be applied to all rateable properties.

Separate rate – Regional Landscape Levy

The Regional Landscape Levy is not retained by council. Under the *Landscape South Australia Act 2019*, councils are required to collect the levy on all rateable properties on behalf of the State Government.

More information regarding the programs and activities funded by Green Adelaide from the Regional Landscape Levy can be found at landscape.sa.gov.au

Funding the Annual Business Plan

To support our objectives in the Community Plan 2034, our Long-Term Financial Plan (LTFP) needs to be financially sustainable over the 10 years of the plan.

The purpose of the LTFP is to ensure that financial decisions which are made now consider impacts on what the future finances of the council may look like. At the same time, we must ensure that long-term service and infrastructure levels and standards continue to be met.

As the LTFP is updated annually, key considerations that have been included are:

- Ensuring financial targets are met.
- Council's Treasury (Debt Management) Policy.
- Alignment to the Infrastructure and Asset Management Plans and continued maintenance of assets.
- Review of current and future possible economic conditions, Consumer Price Index (CPI) movement, Local Government Price Index (LGPI) and interest rates.
- Climate change impacts.
- Loan repayments.
- The amount of cash in the bank is sufficient to ensure that council continues to meet all payment obligations, including but not limited to supplier payments, payroll obligations, repayment of loans and payment of interest expenses.
- Borrowings levels throughout the long-term financial plan, to ensure that council continues to meet the financial sustainability ratio targets.
- Possible use of a cash advance debenture facility.
- Depreciation movements, particularly increases due to costs of completing replacement and new asset work.
- Waste costs, including collecting and disposing of waste. This continues to be a large part of council's budget and is continually being monitored to ease cost pressures.
- State Government dictated charges.
- Fuel, water, electricity and gas, which continue to be a cost pressure.
- Grant funding possibilities.
- Possible legislative changes.
- Minimum rate amount is reviewed for affordability risk but also taking into consideration the legislative requirement that the minimum rate cannot apply to more than 35% of properties (S158(2)(da) of the Local Government Act, 1999).
- Projected amount of growth for the council.
- State Government policies and changes.
- Capital valuations provided by the Valuer General which considers property market movements.
- Any known asset disposals but noting that these types of transactions are generally not planned ahead enough be included and require a council resolution.
- Maintaining service delivery levels.
- Brown Hill Keswick Creek Stormwater Board (subsidiary), operating and capital project plans.

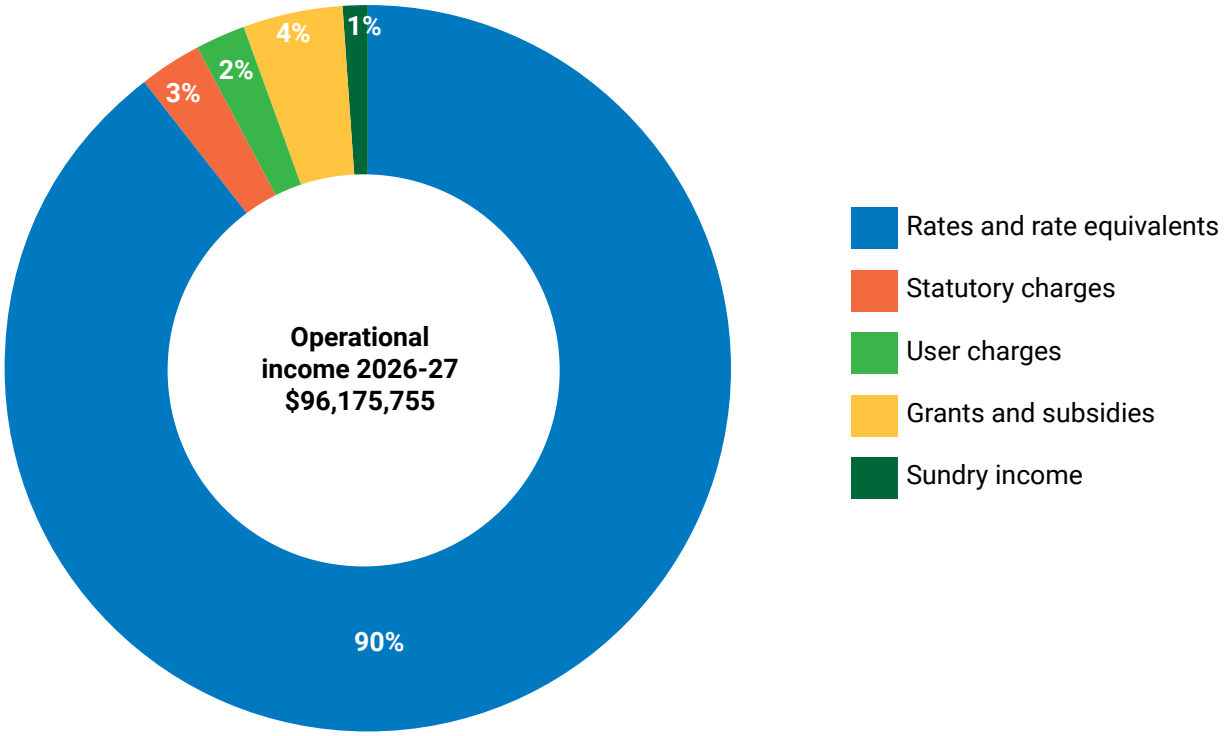
Taking into account these considerations, it has been determined that the Long-Term Financial Plan will incorporate differing percentage increases regarding income and expenditure classifications. These are summarised below.

Area	2026-27	2027-28	2028-29	2029-30	2031-31	2031-32 to 2035-36*
General rates	4.35%	5.37%	4.95%	4.23%	4.03%	4.02%
Growth	0.70%	0.70%	0.80%	0.80%	0.90%	0.90%
Employee costs (average)	4.83%	3.00%	3.00%	3.00%	3.00%	3.00%
Grants	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other income	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contracts, materials and other (average)	4.33%	3.48%	4.00%	3.74%	4.04%	4.16%
Fixed term borrowings (interest)	6.31%	6.31%	6.31%	6.31%	6.31%	6.31%
Variable rate borrowings - CAD (interest)	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
Interest income	4.15%	4.15%	4.15%	4.15%	4.15%	4.15%

** average over 4 years*

Operational income

Council's total operational revenue is budgeted to increase by 4.11%, or $3,794,471, compared with the 2025-26 budget.



Rates and rate equivalent income

A total of 89.5% of the income budgeted by council is derived from rates and rate equivalent payments. This amounts to $86.1 million for 2026-27.

Council's dependency on rate revenue continues to be significant. We have endeavoured to limit increases in rates and since 2006 have, excluding natural growth, achieved an average increase of 4.2%.

Statutory charges

Statutory charges are substantially set by the State Government on regulatory services provided by Local Government, such as dog registration fees, building and planning fees and parking fines.

Statutory charges play an important role in enabling council to provide a range of specific services and community facilities. However, these fees and charges make a relatively modest contribution to the overall budget. In the 2026-27 budget, statutory charges total $2,848,800, or 3.0%, of all council income, excluding capital revenues.

User charges

User charges are different to taxes as these are a fee for service. General rates pay for goods and services that a council provides to its community, whereas user charges are for certain goods and services where a specific charge is considered appropriate. Examples include library charges, facility hire, tennis court hire, and impounded dog holding charges.

User charges budgeted in the 2026-27 financial year total $2,026,313, or 2.1% of all council's operating income. User charges are 2% lower than the $2,066,909 that was budgeted in the 2025-26 financial year, primarily due to lower hall hire fees.

Grants and subsidies

Grant income budgeted in 2026-27 totals $4,281,471, reflecting an increase of 1.1% from the $4,235,726 in 2025-26. Major operating grants included in the budget comprise the General Purpose Grant, Local Road Grants, Roads to Recovery Grant and Library Operating Grant.

Council acknowledges the state and federal governments for the grants and contributions they provide which helps us fund essential services and infrastructure.

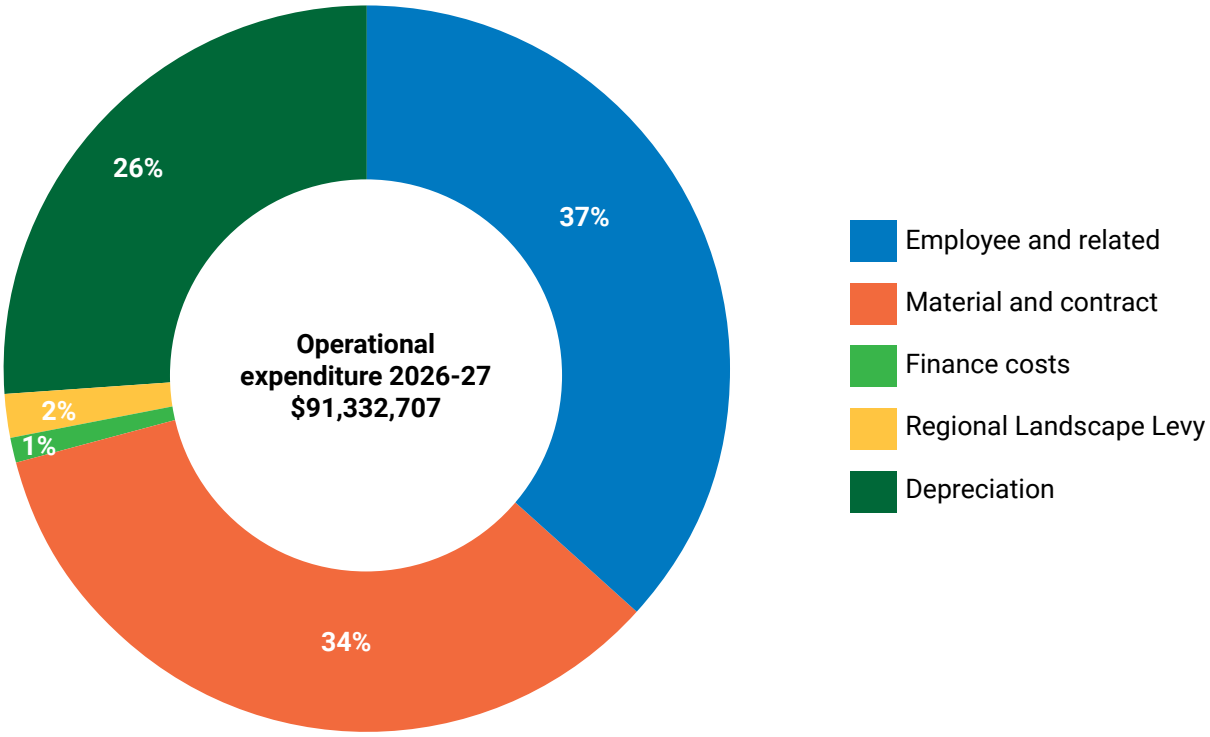
Other income

Other council income includes investment income, insurance returns and reimbursements and comprises 1.0% of all income budgeted in 2026-27, excluding capital revenues, totalling $923,610. Other Income is 30.9% lower than the $1,336,550 that was budgeted in the 2025-26 financial year due to lower cash balances.

Operational expenditure

Operational expenditure is the day-to-day expenses council requires to provide existing services and maintain assets. It differs from capital expenditure, which is spending funds on new assets, upgrading or renewing existing assets.

For 2026-27, operational expenditure has increased by $5,273,171, or 6.13%, relative to the original 2025-26 budget. The increase in expenditure has resulted from an increase in depreciation associated with recent capital development and unit rate changes, asset revaluations, and inflationary pressure on employee costs, materials and contracts.



Employee and related costs

Employment costs have increased by $1,545,986, or 4.8% from 2025-26 to a total of $33,554,800, impacted by the following:

- enterprise bargaining increase
- level classification increases
- full-time equivalent staff number increasing by 0.8 over current staffing levels.

Employment costs are comprised of many elements including, but not limited to, salaries, superannuation, personal protective equipment, fringe benefit tax, workers compensation and training.

Materials, contracts and other

Materials, contracts and other expenditure cover payments for physical goods and includes the purchase of consumables, utility payments, building costs and repairs and maintenance. Additionally, contract services, covering payments for externally provided services, fall under this category. Importantly, it includes allocations for partnership and community grants aimed at benefiting our local community.

The 2026-27 budget shows this area increasing by $1,379,053, or 4.33%, to a total of $33,206,490 over the 2025- 26 budget.

Contract costs include items such as:

- waste collection contracts
- depot work, including arboriculture and tree maintenance, road and kerb maintenance and repairs, and street sweeping
- depot materials
- library books and other materials
- street lighting
- insurance
- information technology hardware and software costs.

Operational expenditure (cont)

Key movements include:

- an increase in waste disposal and collection costs by $117,000
- an $86,500 increase in consultant costs
- a $55,000 increase in general materials
- a $92,582 increase in utility charges including electricity, gas and water charges
- $60,000 decrease in street lighting costs
- $400,000 for election expenses
- an increase in general insurance costs of $95,684.

Depreciation

Depreciation is an accounting method used to allocate the costs of an asset over its useful life. It represents how much of an asset's value has been used. Depreciation for 2026-27 has been budgeted to increase by 11.12%, totalling $23,669,175. The increase is largely attributable to an increase in asset valuations, as replacement costs have significantly increased in line with Local Government Price Index.

Finance costs

Finance costs include financing council activities through borrowings and any other bank-related charges. In 2026-27, finance costs are budgeted to be $902,242, or 1.0% of total operating expenditure.

Regional Landscape Levy

The Regional Landscape Levy, previous known as the NRM Levy, is a State Government imposed tax which councils are required to collect on behalf of the State Government. An amount of $1,860,188 is budgeted for 2026-27. This is a decrease of 0.7% over 2025-26.

State Government levies and charges

Council is required to pay the following State Government levies and charges in 2026-27.

State Government levies and charges include:	2025-26 budget	2026-27 budget	% change
Dog and Cat Management Board	85,000	90,000	5.9%
Electoral Commission	-	400,000	NA
Emergency Services Levy	85,000	85,000	0.0%
EPA licence (depot)	75,000	78,000	4.0%
e-Planning service	82,100	99,100	20.7%
Land Services Group search fees	2,000	2,000	0.0%
Motor vehicle registration	208,000	208,000	0.0%
Regional Landscape Levy	1,873,199	1,860,188	(0.7%)
Street lighting	196,592	196,592	0.0%
Valuer General	295,000	291,762	(1.1%)
Waste levy	2,015,074	2,091,647	3.8%
Total	**4,916,965**	**5,402,289**	**9.9%**

Operational income and expenditure

2025 - 26 budget		Description	2026-27 budget
Original	Revised		
		Income	**$**
81,913,199	81,667,699	Rates	86,095,561
2,828,900	2,833,400	Statutory charges	2,848,800
2,066,909	2,268,745	User charges	2,026,313
4,235,726	4,218,076	Grants and subsidies	4,281,471
381,200	479,417	Reimbursements	363,750
955,350	815,350	Other income	559,860
92,381,284	92,282,687	Total income	96,175,755
		Operational expenditure	**$**
31,183,959	31,259,190	Staff costs	32,683,923
824,855	831,927	Staff related costs	870,877
3,966,090	3,966,090	Buildings furniture and fittings	4,569,713
2,317,705	2,399,705	Plant and equipment	2,416,266
2,683,149	2,735,649	Computer expenditure	2,763,553
15,772,034	16,576,034	Community assets	17,404,183
5,260,763	5,840,386	General (including professional fees)	5,320,282
922,441	1,193,501	Bank and finance	902,242
4,198,906	4,224,040	Council expenditure	4,777,949
14,477,300	14,490,300	Contract expenditure	14,863,302
1,108,700	1,137,115	Materials	1,164,200
3,343,634	2,668,634	Occupancy and property	3,596,217
86,059,535	87,322,572	Total operational costs	91,332,707
6,321,749	**4,960,116**	**Operational surplus/(deficit)**	**4,843,049**

Capital expenditure

	Capital Expenditure 2026-27 ('000)		
	New / upgraded	Renewal / replacement	Total
Plant and equipment (includes fleet, major and minor plant and equipment)	0	1,957	1,957
Land and buildings	14,312	6,522	20,834
Brown Hill Keswick Creek	1,960		1,960
Stormwater and drainage	1,840	1,490	3,330
Open space and recreation facilities	155	4,770	4,925
Traffic and transport	1,975	16,240	18,215
Non-asset management plan capital	137	95	232
Total	**20,379**	**31,074**	**51,453**

Funding includes expenditure on new or upgraded assets to enhance or expand council's infrastructure to meet increasing demand and capacity requirements, as well as allocations for major projects. Asset renewal or replacement funding is required to maintain our infrastructure networks to their current standard and service levels.

Our asset renewal funding ratio is 100% for the 2026-27 financial year, and the average 5-year ratio is 100%, a percentage within the target range as reflected in the Long-Term Financial Plan.

Based on council's Asset Management Plans, this ratio indicates the predicted expenditure on the renewal of assets against what we propose to spend on these assets – in other words, our budgeted expenditure.

Capital budget allocation 2026-27

A summary of the key elements of the capital budget allocation is provided below. More information on the proposed capital program for 2026-27 is provided in the appendices.

Land and buildings

$20.8 million will be allocated to the upgrade and renewal of land and buildings assets.

Major projects include:

- Karkungka Community Centre for Remembrance
- Cowandilla Reserve and Western Youth Centre
- Lockleys Bowling Club Redevelopment.

Road sealing and other transport

$18.2 million will be allocated to the road infrastructure, including $9.6 million on sealed road, $3.3 million on kerb and gutter renewals, $2.2m on footpath renewals. Other transport road works include:

- bicycle management schemes
- upgrade of public lighting
- traffic management.

Stormwater and drainage

$5.3 million will be allocated to the upgrade and renewal of stormwater infrastructure, including Brown Hill Keswick Creeks, in line with our Stormwater Management Plan.

Major projects include:

- Alexander Ave/ Marleston Ave - stormwater renewal
- Desmond Ave - stormwater renewal.

Open space

$4.925 million will be allocated to upgrade and renew open space infrastructure, which includes funding for reserve and irrigation upgrades, playgrounds and sports equipment and facilities.

Major projects include:

- Kings Reserve Masterplan implementation.

Grant funding opportunities

Grant funding opportunities are not always known at the time of updating the Long-Term Financial Plan (LTFP). Where any opportunities arise during the financial year, budget consideration will be included as part of the 3 budget reviews that will be undertaken during the 2026-27 year. Due to the uncertainty of receiving grant funding, we have taken the conservative approach to only include funding that has been confirmed through the receipt of a grant agreement.

A portion of grant funding received is a yearly allocation from the Grants Commission. This allocation involves an advance payment of the following year's funds in the current year and had been occurring since 2017-18. There is currently no indication as to when this timing adjustment may cease. The LTFP includes the grant figure due to be received for that particular year. These grants are deemed to be 'untied' so the Australian Accounting Standards require that the payments be recognised upon receipt which could result in a timing difference to when the grants are received compared to when council has included them in the LTFP should the payment in advance arrangement be varied.

Long-Term Financial Plan

Financial Sustainability Statement

The Long-Term Financial Plan (LTFP) is a modelling tool that is used to ensure that assumptions and key considerations are included to help protect the financial sustainability of council. The LTFP helps us make decisions about future spending as well as future possible rate increases, while ensuring that we are projecting a strong financial position into the future, meeting our set financial targets.

The amount of borrowings continues to be closely monitored as we move towards increasing the requirement to access borrowings. Consideration is given to the amount of borrowings required and the level of expenditure possible without putting council in an unsustainable financial position.

We closely monitor the key financial indicator ratios that are being used.

While council has a target net financial liabilities ratio of no more than 95%, excluding lease liabilities, we aim to keep this ratio to a maximum of 75%.

We expect to be financially sustainable for the life of this current plan and to continue to ensure that financial decision-making takes into consideration the possible long-term effect on the council.

The LTFP has been included in the Appendix of this document.

We expect to be financially sustainable for the life of this current plan.

CEO statement on financial sustainability

As the grassroots level of government, councils are integral to the growth and prosperity of local communities; they provide a range of necessary services, infrastructure and assets.

The City of West Torrens is a vibrant multicultural community with a growing population. As such the provision of services and amenities is a constant focus for our community.

Financial sustainability is fundamental to council's ability to serve its community not just today, but long term. At the City of West Torrens, it means maintaining the services our community values, renewing and replacing essential infrastructure at the right time, and investing in future priorities without sudden rate shocks, disruptive cuts to services, or shifting unreasonable costs to future generations. This is the principle of intergenerational equity: each generation should contribute fairly to the services and assets it consumes.

To strengthen this approach, council has reviewed and reinforced the financial sustainability settings that underpin the 2026-27 Long-Term Financial Plan. These strengthened benchmarks provide a clearer and more transparent framework for financial decision-making, long-term planning and ongoing monitoring.

Council has adopted the following target benchmarks to guide its long-term financial planning:

- Operating surplus ratio target of 5%.
- Net financial liabilities ratio ceiling of 95%, excluding lease liabilities.
- Asset renewal funding ratio of at least 100%.

Together, these benchmarks help ensure that operating income is sufficient to support operational costs, debt remains manageable and strategic, and asset renewal keeps pace with long-term infrastructure needs.

A modest operating surplus is an important part of a financially sustainable council. It provides resilience against unexpected cost pressures, supports asset renewal over time and reduces the risk of structural deficits that would otherwise require corrective rate increases in future years. At the same time, council remains mindful of cost-of-living pressures and is committed to balancing affordability for ratepayers with the need to maintain services, infrastructure and community outcomes. The City of West Torrens has consistently been a low rating council and will continue to be one of the lowest rating councils with the adoption of the Annual Budget, Business Plan and Long-Term Financial Plan.

Council also recognises that debt, when used prudently, is an appropriate funding tool for significant long-life infrastructure. Borrowing allows the cost of major assets to be shared more fairly across the generations who benefit from them. To strengthen governance in this area, we have adopted an updated Treasury (Debt Management) Policy, which confirms that debt should be used in a disciplined and transparent way, primarily for major capital purposes and within clearly defined limits.

Under this framework, council's preferred position is to maintain its net financial liabilities ratio at or below 75%, reflecting a conservative debt profile. The adopted ceiling of 95% provides flexibility during defined periods of strategic capital growth, but any temporary movement above the preferred range must be supported by a structured debt reduction pathway within the Long-Term Financial Plan horizon. This ensures that debt remains serviceable and that interest costs do not place undue pressure on future ratepayers.

Council is also the custodian of community assets with a replacement value exceeding $1.5 billion, and it is our responsibility to ensure those assets are maintained and renewed in a sustainable way. By targeting an asset renewal funding ratio of at least 100%, council seeks to align renewal investment with the needs identified in its Asset Management Plans and avoid the accumulation of infrastructure backlogs over time.

These financial settings are not static. They are reviewed annually through the Long-Term Financial Plan and Annual Business Plan and Budget process, informed by updated economic assumptions, asset management priorities and council decisions. They are also supported by governance oversight through the Audit and Risk General Committee, external audit and council's broader financial control framework. This reflects the principle that financial sustainability is not achieved by a single year's result, but through ongoing discipline, sound assumptions and measured long-term decision-making.

In my view, the City of West Torrens is strengthening its financial sustainability position by combining prudent operating performance, disciplined debt management, clearer benchmark settings and a firm commitment to asset renewal. This Long-Term Financial Plan provides a responsible framework for delivering today's services while protecting the interests of future ratepayers and ensuring council remains well placed to support a growing and changing community.

Angelo Catinari
Chief Executive Officer

10-year key financial indicators

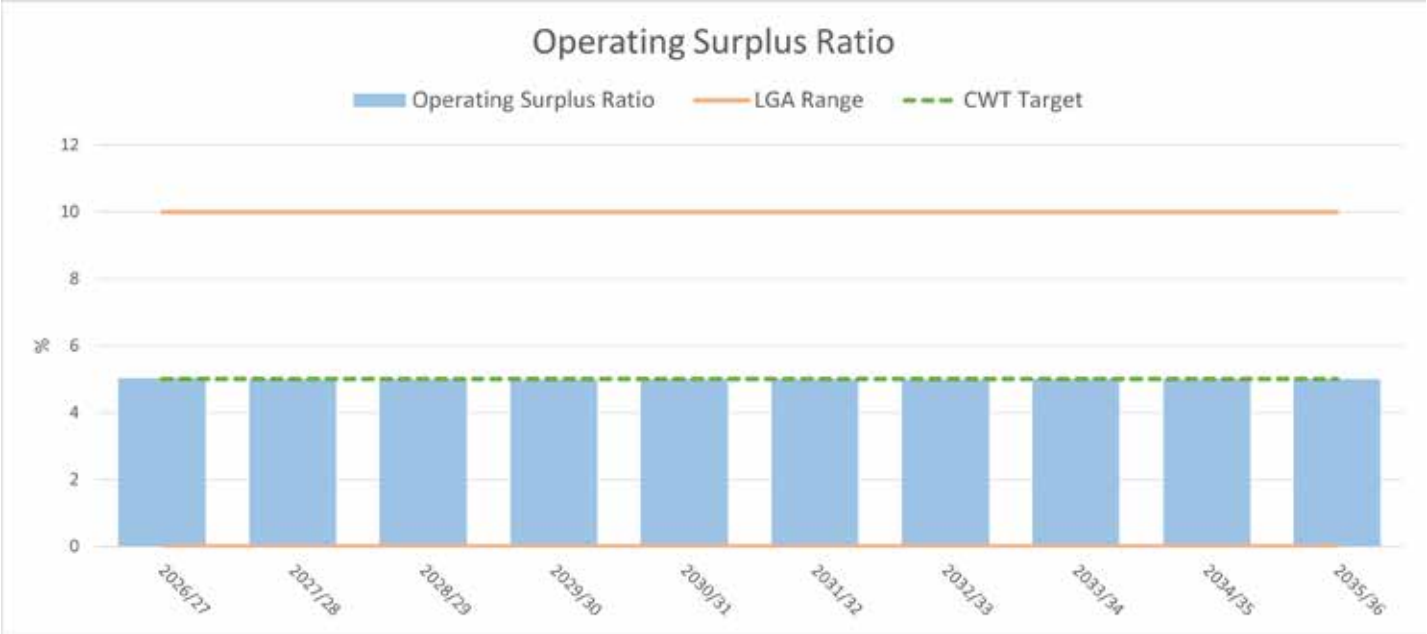
Financial indicators are used to measure how council is performing in terms of financial sustainability.

These measures ensure we are staying within the targets over the life of the Long-Term Financial Plan (LTFP). They also provide a guide that council is able meet its strategic goals as referenced in the Community Plan in a financial sustainable way.

Operating surplus ratio

An operating surplus is the extent to which operational income exceeds operational expenditure, including depreciation, and is projected each year. A strong ongoing operating result is a positive indicator of our financial viability.

The LGA's Information Paper 9, Financial Indicators (November 2024) suggests an operating break-even position, or better, over time and an operating surplus ratio of between zero % and 10% on average. It is positive that the City of West Torrens's projects to operate within this range, as it demonstrates a strength in our capital expenditure programs.



10-year key financial indicators (cont)

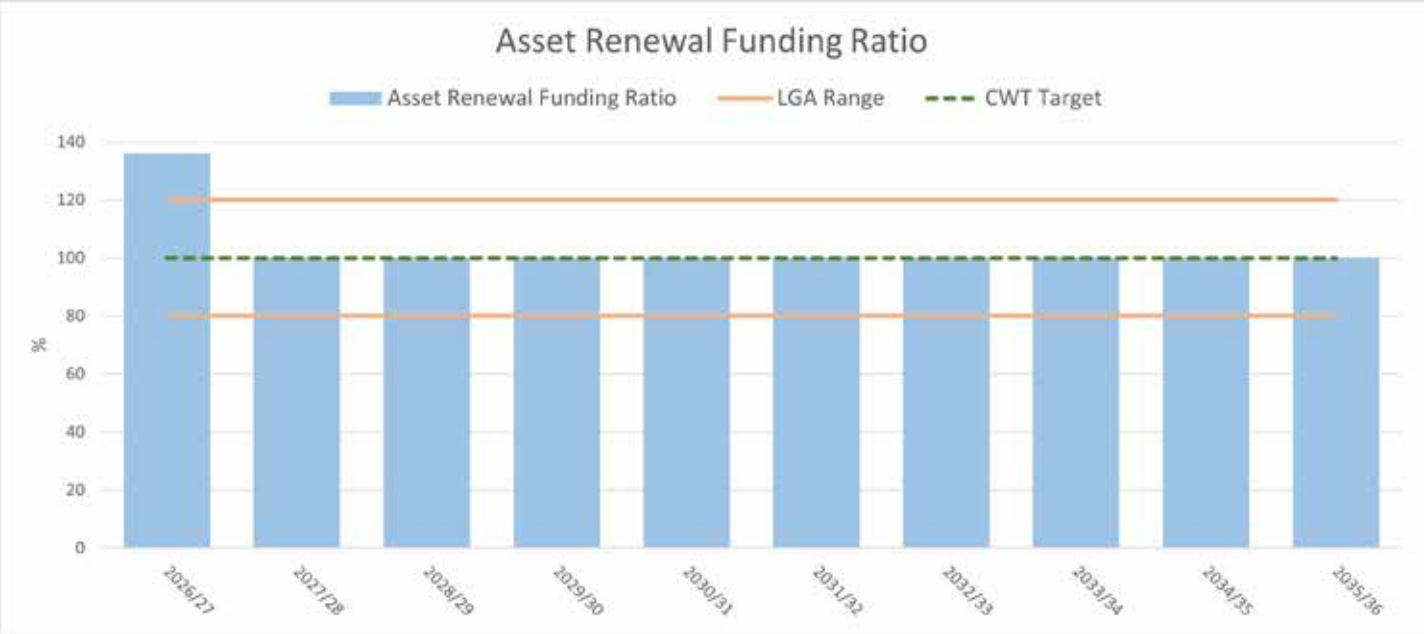
Asset renewal funding ratio

The asset renewal funding ratio, also known as the sustainability ratio, measures the alignment between capital expenditure on renewing and replacing assets and the rate at which these assets are consumed. This ratio is calculated by dividing the actual capital expenditure by the required expenditure outlined in the infrastructure and asset management plan. A ratio of 100% or above indicates that the cost of asset consumption for a given year is being adequately funded by current ratepayers. The purpose of this ratio is to ensure that the council can efficiently maintain service levels in line with the asset renewal and replacement projections detailed in its infrastructure and asset management plan.

A renewal ratio greater than 80%, but less than 120%, is the benchmark we use in local government.

in 2026-27 the asset renewal ratio is estimated to be 136.1% which is outside of the benchmark due to estimated carryovers in the capital program. From 2027-28 onwards the ratio is forecast to be 100% which represents optimal expenditure on asset renewal.

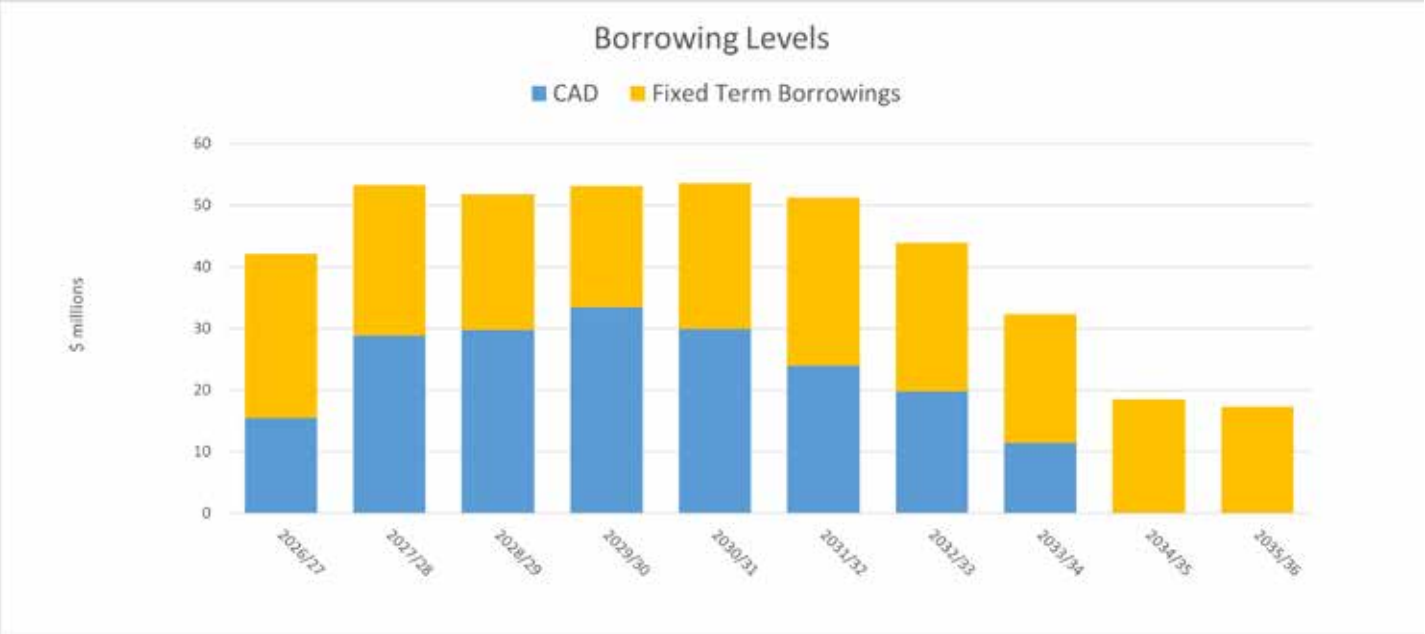
LGA Information Paper 9 Financial Indicators (November 2024) suggests the same ratio range when benchmarking capital expenditure incurred against capital expenditure outlays in Infrastructure and Asset Management (IAMPs).



Loan servicing capacity

To meet a structured long-term asset renewal and replacement program, we will need to commit to a loan schedule that will result in loan liabilities increasing to $53.5 million in 2030-31. Borrowing interest rates of 6.31% have been estimated, along with future 15-year fixed borrowing terms to fund major projects. Our funding assumptions also include the use of variable rate Cash Advance Debenture facilities to fund the capital program and meet short term operating cash requirements, the CAD interest rate has been estimated at 5.35%

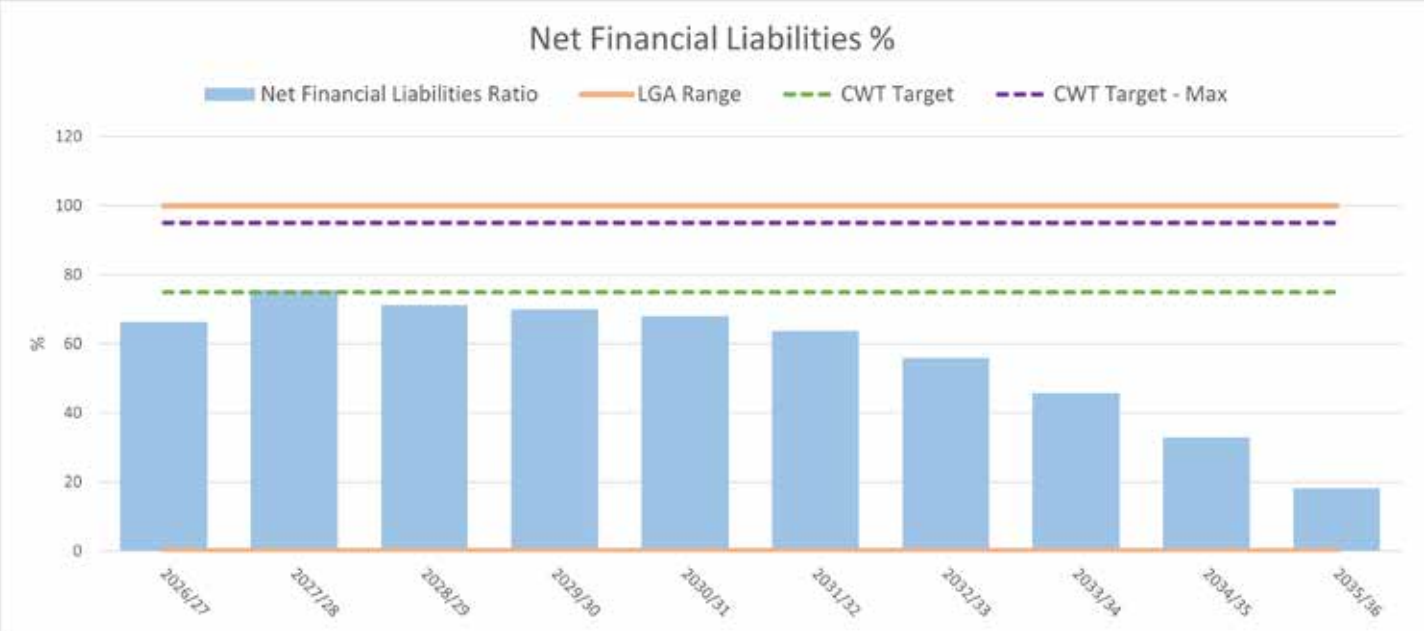
Council manages its debt in accordance with its 'Treasury Debt Management Policy'. The proposed level of debt sits within the parameters of that policy.



10-year key financial indicators (cont)

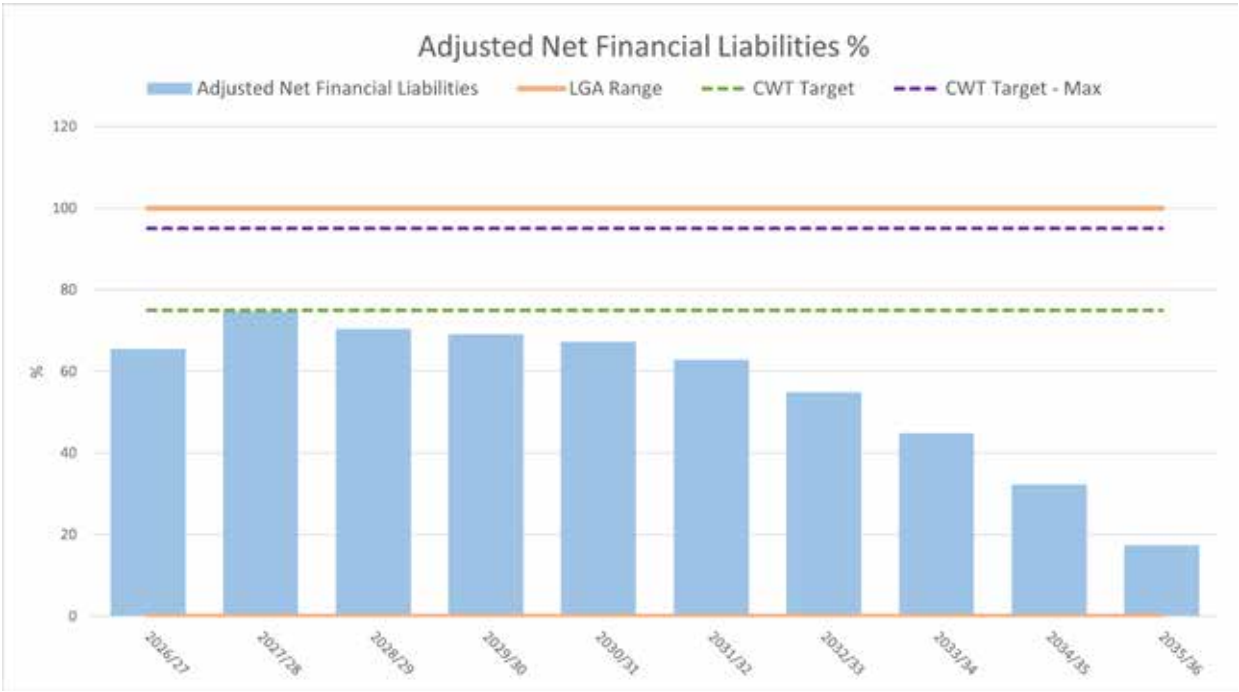
Net financial liabilities

The net financial liabilities ratio indicates the extent to which the net financial liabilities of a council can be met by a single year's operating revenue. A ratio increasing over time indicates that a council's ability to meet its financial obligations from operating revenues is weakening. The desirable range for this ratio is between zero % and 100%.



Adjusted net financial liabilities

In 2019, there was an update to AASB (Australian Accounting Standards Board) 16 Leases which has meant a change in the way that council treats leases and, in particular, for leases that contain right of use assets. The updated account treatment now indicates that for leases that meet the definition, they must be treated as an asset and a liability on the statement of financial position. As a consequence, the amount of liabilities that are included on the statement of financial position has increased significantly by approximately $11 million (with an offset of an additional asset of the same amount). As the net financial liabilities ratio includes liabilities as part of the calculation, this has now had a substantial effect on the amount of the ratio. We have decided to also include the ratio that excludes the lease liability. The result is:



Appendices

Breakout Creek boardwalk over the River Torrens/Karrawirra Pari.

Rating structure and policy

(1) Rating

Council's position is that, as all rating options available are defined under Chapter 10 of the

Local Government Act 1999 (the Act), a Rating Policy is not required.

There are 5 principles that apply to the imposition of taxes on communities:

- Equity – taxpayers with the same income should pay the same tax – known as horizontal equity – while wealthier taxpayers pay more – that is, vertical equity.
- Benefit – taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid.
- Ability-to-pay – in levying taxes, the ability of the taxpayer to pay the tax must be considered.
- Efficiency – if a tax is designed to change consumers' behaviour and it achieves its goal, the tax is deemed efficient, for example, tobacco taxes. If the tax is designed to be neutral in its effect on taxpayers, but changes that behaviour, the tax is inefficient.
- Simplicity – the tax must be understandable, hard to avoid and easy to collect.

The principle of 'benefit' supports the notion that rates are a tax and not a user pays system. Therefore, the benefits provided by the rate revenue raised will be consumed differently over the lifecycle of the ratepayer.

To some extent, these principles conflict each other, and governments must therefore strike a balance between the:

- Application of the principles.
- Policy objectives of taxation.
- Need to raise revenue.
- Effects of the tax on the community.

Council considers each principle when reviewing the various rating options available.

(2) Valuation

Council continues to adopt the capital value, as defined in the *Valuation of Land Act 1971*, as the basis for calculating rates. To provide fair and equitable valuations, we use the valuations provided by the state's independent authority on property valuations, the Valuer General. The use of capital value means property values are based on the land itself, being size and location of the property, but also takes into consideration all improvements to the land, such as buildings and structures. Factors which may influence the capital value assigned by the Valuer General from one year to the next may include recent sales in the area, location of the property, improvements such as additions, renovations or alterations and external factors such as trends or nearby area rezonings. More information on property valuations can be found at www.valuergeneral.sa.gov.au

If a ratepayer believes the capital value applied to their assessment is incorrect, an objection can be lodged with the Valuer General. The objection must set out the grounds for objection and is to be lodged within the objection period of sixty (60) days after the service of the first rates notice. Rates are still due and payable by the due date even if an objection has been lodged.

(3) Differential rates

All land within a council area, except land with a specific exemption under the provisions of Section 147 (2) of the *Local Government Act 1999* (the Act), is rateable. Council can declare a general rate for the purpose of rating, which applies to all rateable land, or through differential rates based on the use of the land subject to the rate. Permissible differentiating factors for differential rates are defined under 14 (1) of the Local Government (General) Regulations 2013 and are as follows:

(a) Residential.

(b) Commercial – shop.

(c) Commercial – office.

(d) Commercial – other.

(e) Industry – light.

(f) Industry – other.

(g) Primary Production.

(h) Vacant Land.

(i) Other.

Council continues to apply differential general rates for all rateable properties within West Torrens. These differentiating factors will decide the rate in the dollar applied to assessment for the purpose of levying rates. We continue to apply 2 rates in the dollar – the first for residential properties and the second for all non-residential properties.

Differential general rates imposed by council are based on various land use categories, with the Valuer General providing their predominant use of the land. While this land use is generally applied by council in the valuation process, we remain the relevant authority that determines land use for rating purposes. Where a ratepayer believes the land use category applied to their assessment is incorrect, a written objection can be lodged with council. It must outline the grounds upon which the objection is based and be submitted within sixty (60) days of receiving the first instalment rate notice. Rates are still due and payable by the due date even if an objection has been lodged.

(4) Rating options and minimum rates

Rating options available under the Act include Separate Rates, Service Rates, Service Charges, Fixed Charges and Minimum Rates. Council continues to apply minimum rates and a separate rate for the Regional Landscape Levy.

Section 158 of the Act permits council to apply a minimum amount payable for rates and is based on the principle that all property owners contribute to the cost of services and the maintenance of infrastructure that supports each property. Minimum rates apply when the capital value calculates a rate below the minimum amount set. Where the amount is less than the minimum, the minimum amount will apply. Minimum rates cannot apply to more than 35 percent of properties.

Where 2 or more adjoining properties are owned and occupied by the same occupier, only one minimum rate is payable. The number of properties and the minimum rate will be provided in the annual rates declaration.

(5) Separate rates - Regional Landscape Levy

Each year, and under the *Landscape South Australia Act 2019*, council is required to collect the Regional Landscape Levy (RL) on behalf of the State Government. The funds go to the State Government and do not form part of the City of West Torrens' revenue. Furthermore, as we and other councils fall under the Green Adelaide Board, it determines the individual amount payable by specific councils. A separate rate is set for all rateable properties to calculate the individual assessments liability.

The calculation method divides the total capital value by the total amount required, as set by Green Adelaide, to establish the rate in the dollar. This is then multiplied by the individual properties' capital value to establish their liability.

For more information regarding the programs and activities funded by Green Adelaide from the Regional Landscape Levy, please visit landscape.sa.gov.au

(6) Rate rebates - mandatory and discretionary

Chapter 10 of the *Local Government Act 1999* provides councils with authority to grant:

- Mandatory and discretionary rebates of rates under Sections 159 to 166 of the Act; and
- Rate postponement and remissions under Sections 182 and 182A of the Act.

In considering application for rate rebates, remissions and postponement, council has adopted a 'Rate Rebate, Remission and Postponement Policy', with the purpose of:

- Providing guidance to the community regarding the matters council will take into account in deciding an application for a rebate or remission of rates.
- Assisting staff with delegated authority to determine rebates, remissions and postponement pursuant to both the Act and the requirements of the policy.
- Providing a consistent framework under which applications will be considered.

A rebate, remissions or postponement of rates in respect of any rateable land in the council area will be available only when the applicant satisfies the requirements under the Act, and, where appropriate, the policy.

The full 'Rate Rebate, Remissions and Postponement Policy' and application form can be found at: westtorrens.sa.gov.au/rates

Moreover, and under the *Local Government Act*, we are required to provide a mandatory rebate to qualifying properties under the following categories:

Section 160 – Health Services – 100%.

Section 161 – Community Services – 75%.

Section 162 – Religious Purposes – 100%.

Section 163 – Public Cemeteries – 100%.

Section 164 – Royal Zoological Society of SA – 100%.

Section 165 – Educational Purposes – 75%.

Council also has the power to grant a discretionary rebate of rates in certain circumstances, as per Section 166 of the Act, which is granted at its absolute discretion. Discretionary rebates may be approved for one year or may be ongoing. Council provides ongoing discretionary rebates, approved annually, spanning more than one year:

(a) Where the rebate is desirable for the purpose of securing the proper development of the area or part of the area.

(b) Where the rebate will contribute to the preservation of buildings or places of historic significance.

(c) Where the land is being used for educational purposes.

(d) Where the land is being used to provide facilities or services for children or young persons.

(e) Where the land is being used by an organisation which, in the opinion of Council, provides a benefit or service to the local community.

Properties receiving the ongoing discretionary rebates provide services to our community not provided by other businesses in the area or by council. Relief by way of a discretionary rebate allows these groups to continue to operate and to provide valuable benefit to our wider community. To be considered for a discretionary rebate, you must apply, with supporting information or supporting documentation as requested, to council.

Discretionary rebates lodged under section 166 of the Act will be considered in conjunction with the 'Rate Rebates, Remissions and Postponement Policy'.

Vacant Land Rebates under Section 166 (1)(a) of the Act are desirable for the purpose of securing the proper development of the area and are considered where:

- The land is in a residential zone, a dwelling has substantially been commenced by 30 June of the current financial year and the ratepayer intends to live at the property once completed.
- The amount of the rebate will be the difference between the rates as vacant land and what it would have been if the property was considered residential.

(7) Hardship - remission and postponement

Council has absolute discretion to grant or decline postponement or a remission of rates and determine the amount of any such postponement or remission. The ratepayer has the discretion to decide between rate postponement and rate remission whenever it is established on the application of a ratepayer that the payment of rates would cause hardship.

Hardship refers to a situation where a ratepayer is unable, because of illness, unemployment or any other reasonable cause, to pay their rates when due. It can be of limited or long-term duration and essentially involves an inability of the ratepayer to pay bills, rather than an unwillingness to do so.

Council assesses hardship against the expected income and expenditure of the ratepayer, with supporting documentation required to substantiate the hardship. For more details, download the 'Rates Rebates, Remission and Postponement Policy' at westtorrens.sa.gov.au/rates

(8) Postponement for seniors

Postponement of rates for seniors was implemented to assist ratepayers with properties where there has been significant movement in property value, leaving them 'asset rich' but with a low income, 'cash poor'.

State Seniors cardholders can apply to postpone part of their rates on a long-term basis. However, the deferred amount is subject to a monthly interest charge, with the accrued debt payable on the disposal or sale of the property.

At least $500 of the total yearly council rates must be paid, which may be by quarterly payments of $125, with the remaining annual rates postponed.

(9) Payment of rates

The payment of rates for the 2026-27 financial year will be by 4 quarterly instalments falling due on 1 September 2026, 1 December 2026, 2 March 2027 and 1 June 2027. The amount, however, can be paid in full at any time.

(10) Late payment of rates

Where a payment of rates is not received on or before the due date, an instalment fine of 2% applies under the requirements of the *Local Government Act*. Further interest will be applied monthly on outstanding amounts, and fines and interest still apply where a payment arrangement is in place. Ratepayers having trouble paying their rates are encouraged to contact council to discuss flexible payment options available.

Payment received for overdue rates will be applied in accordance with Section 183 of the Act, as set out below:

- Firstly – in payment of any costs awarded to, or recoverable by, the council in any court proceedings for the recovery of the rates.
- Secondly – in satisfaction of any liability for interest.
- Thirdly – in payment of any fine.
- Fourthly – in satisfaction of liabilities for rates in the order in which those liabilities arose.

Proposed capital program 2026-27

	New / Upgraded	Renewal / Replacement	Total $
Plant and equipment (includes fleet, major and minor plant and equipment)	0	1,956,852	1,956,852
Plant and equipment	0	1,956,852	1,956,852
Land and buildings	14,312,531	6,521,942	20,834,473
Community building renewal works (includes compliance and safety upgrades, Civic Centre air-conditioning, depot workshop upgrades, disability access improvements).		750,000	750,000
Lockleys Bowling Club		3,500,000	3,500,000
Novar Gardens Bowling Green		1,250,000	1,250,000
Community building upgrade works (includes Kandahar House refurbishment, Thebarton Theatre structural works, and Apex Park toilet replacement).	600,000		600,000
Cowandilla Reserve and Western Youth Centre	11,078,001		11,078,001
Karkungka Community Centre	2,384,530	1,021,942	3,406,472
Open Space Fund (land purchase)	250,000		250,000
Brown Hill Keswick Creek	1,960,000		1,960,000
Brown Hill and Keswick Creek contributions	1,960,000		1,960,000
Stormwater and drainage	1,840,000	1,490,000	3,330,000
Stormwater and drainage renewal works (includes pump station and generator renewals, Alexander/Marleston and Desmond Avenue reconstructions, and minor drainage renewals/design).		1,490,000	1,490,000
Stormwater and drainage upgrade works (includes North Plympton, Chambers Avenue, Arthur Street, Edward Davies Street and Claremont Street works, Kurralta Park water quality, and misc drainage design).	1,840,000		1,840,000
Open space and recreation facilities	155,000	4,770,000	4,925,000
Kings Reserve masterplan implementation		2,500,000	2,500,000
Open space and recreation renewal works (includes path and bikeway renewals, car parking area reseal, irrigation, sports oval turf and playground equipment renewals, tennis or sports court refurbishment and fencing renewals)		2,270,000	2,270,000
Open space and recreation upgrade works (includes new community garden plot, path upgrades and signage improvements).	155,000		155,000
Traffic and transport	1,975,000	16,239,555	18,214,555
Bicycle management	250,000		250,000
Bridges		54,555	54,555
Footpath construction	455,000		455,000
Footpath reconstruction and remediation		2,200,000	2,200,000
Kerb and gutter program		3,280,000	3,280,000
Public lighting		750,000	750,000
Road maintenance/resealing program		2,485,000	2,485,000
Road reconstruction program		7,200,000	7,200,000
Traffic management	1,270,000	270,000	1,540,000
Non-asset management plan capital	137,000	95,000	232,000
Furniture and fittings	57,000	15,000	72,000
IT infrastructure	80,000	80,000	160,000
Total	20,499,531	31,073,349	51,452,880

Note: certain projects are scheduled over multiple years, with the cash flow for associated payments incorporated into our Long-Term Financial Plan.

Statement on expected rates revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	2025/26 (as adopted)	2026/27 (estimated)		Change	Comments
General Rates Revenue					
General Rates (existing properties)	$73,578,113	$77,281,610	*(a)*	4.35%	
General Rates (new properties)	$481,887	$540,971	*(b)*		
General Rates (GROSS)	**$74,060,000**	**$77,822,581**	*(c)*	5.08%	
Less: Mandatory Rebates	($1,500,000)	($1,200,000)	*(d)*		
General Rates (NET)	**$72,560,000**	**$76,622,581**	*(e)*	**5.60%**	
	(e)=(c)+(d)				
Other Rates (inc. service charges)					
Regional Landscape Levy	$1,873,199	$1,929,400	*(f)*	The Regional Landscape Levy is a State tax, it is **not retained** by council.	
	$74,433,199	$78,551,981			
Less: Discretionary Rebates	($165,000)	($180,000)	*(l)*		
Expected Total Rates Revenue	**$72,395,000**	**$76,442,581**	*(m)*	**5.59%**	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
	(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)				

Estimated growth in number of rateable properties

Number of rateable propertie	**31,828**	**32,051**	*(n)*	**0.70%**	
	Actual	*Estimate*			

'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and

Estimated average General Rates per rateable property

Average per rateable propert	**$2,327**	**$2,428**	*(o)*	**4.35%**	
		(o)=(c)/(n)			

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).
The total General Rates paid by all rateable properties will equal the amount adopted in the

Notes

(d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(e) Presented as required by the *Local Government (Financial Management) Regulations 2011* reg 6(1)(ea)

Please Note: The percentage figure in *(e)* relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

(f) Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's

(i) Community Wastewater Management Systems

(l) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who

(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

(n) 'Growth' as defined in the *Local Government (Financial Management) Regulations 2011* reg 6(2)

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Statement of comprehensive income

For the year ended 30 June 2027

$'000	Original budget 2025-26	Original budget 2026-27
Income		
Rates Revenues	81,913	86,096
Statutory Charges	2,829	2,849
User Charges	2,067	2,026
Grants, Subsidies and Contributions	4,236	4,281
Investment Income	955	560
Reimbursements	375	358
Other Income	6	6
Net Gain - Equity Accounted Council Businesses	-	-
Total income	92,381	96,176
Expenses		
Employee Costs	32,009	33,555
Materials, Contracts & Other Expenses	31,827	33,206
Depreciation, Amortisation & Impairment	21,301	23,669
Finance Costs	922	902
Net loss - Equity Accounted Council Businesses	-	-
Total expenses	86,060	91,332
Operating surplus / (deficit)	6,322	4,844
Asset Disposal & Fair Value Adjustments	-	-
Amounts Received Specifically for New or Upgraded Assets	11,214	11,211
Physical Resources Received Free of Charge	-	-
Net surplus / (deficit) [1]	17,536	16,055
Other comprehensive income		
Amounts which will not be reclassified subsequently to operating result		
Changes in revaluation surplus - I,PP&E	-	-
Amounts which will be reclassified subsequently to operating result		
Total other comprehensive income	-	-
Total comprehensive income	**17,536**	**16,055**

[1] Transferred to equity statement

Statement of financial position

as at 30 June 2027

$ '000	Original budget 2025-26	Original budget 2026-27
Assets		
Current assets		
Cash and cash equivalents	3,000	3,000
Trade and other receivables	4,477	4,337
Other financial assets	1,763	-
Inventories	18	18
Subtotal	9,258	7,355
Non-Current Assets Held for Sale	-	-
Total current assets	9,258	7,355
Non-current assets		
Financial assets	250	274
Equity accounted investments in council businesses	24,902	31,167
Investment property	-	-
Infrastructure, property, plant and equipment	1,200,443	1,232,889
Other non-current assets	6,231	17,248
Total non-current assets	1,231,826	1,281,578
Total assets	1,241,084	1,288,933
Liabilities		
Current liabilities		
Cash advance debenture	-	15,491
Trade and other payables	18,143	21,808
Borrowings	2,218	2,291
Provisions	6,147	6,490
Other current liabilities	-	-
Subtotal	26,508	46,080
Liabilities relating to Non-Current Assets Held for Sale	-	-
Total current liabilities	26,508	46,080
Non-current liabilities		
Trade and other payables	-	701
Borrowings	36,570	24,340
Provisions	307	325
Total non-current liabilities	36,877	25,366
Total liabilities	63,385	71,446
Net assets	**1,177,700**	**1,217,487**
Equity		
Accumulated surplus	98,426	142,083
Asset revaluation reserves	1,000,181	1,028,674
Other reserves	79,092	46,730
Total council equity	**1,177,700**	**1,217,487**

Statement of cash flows

For the year ended 30 June 2027

$'000	Original budget 2025-26	Original budget 2026-27
Cash flows from operating activities		
Receipts		
Rates receipts	82,619	86,629
Statutory charges	2,792	2,847
User charges	2,049	2,017
Grants, subsidies and contributions (operating purpose)	4,437	4,275
Investment receipts	965	569
Reimbursements	379	364
Other receipts	34	44
Payments		
Payments to employees	(31,908)	(33,603)
Payments for materials, contracts and other expenses	(31,728)	(32,909)
Finance payments	(914)	(909)
Net cash provided by (or used in) operating activities	28,726	29,324
Cash flows from investing activities		
Receipts		
Amounts received specifically for new/upgraded assets	10,446	11,227
Sale of replaced assets		16,545
Sale of surplus assets	3,070	3,070
Payments		
Expenditure on renewal/replacement of assets	(22,895)	(42,296)
Expenditure on new/upgraded assets	(21,258)	(31,954)
Net purchase of investment securities	-	(7)
Net cash provided by (or used in) investing activities	(30,638)	(43,415)
Cash flows from financing activities		
Receipts		
Proceeds from borrowings	3,918	16,264
Payments		
Repayments of borrowings	(2,006)	(2,173)
Net cash provided by (or used in) financing activities	1,912	14,091
Net increase (decrease) in cash held	-	(0)
plus: cash and cash equivalents at beginning of period	3,000	3,000
Cash and cash equivalents at end of period	3,000	3,000
plus: investments on hand - end of year	1,763	-
Total cash, cash equivalents and investments	**4,763**	**3,000**

Statement of changes in equity

For the year ended 30 June 2027

$'000	Asset			
	Accumulated surplus	Revaluation reserve	Other reserves	Total equity
Original budget 2025-26				
Balance at the end of previous reporting period	108,065	1,028,674	48,480	1,185,219
Restated opening balance	108,492	1,028,674	46,730	1,183,896
a. Net surplus / (deficit) for year	17,536	-	-	17,536
b. Other comprehensive income				
- Gain (loss) on revaluation of I,PP&E	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	17,536	-	-	17,536
c. Transfers between reserves	-	-	-	-
Balance at the end of period	126,028	1,028,674	46,730	1,201,432
Original budget 2026-27				
Balance at the end of previous reporting period	126,028	1,028,674	46,730	1,201,432
Restated Opening Balance	126,028	1,028,674	46,730	1,201,432
a. Net surplus / (deficit) for Year	16,055	-	-	16,055
b. Other comprehensive income				
- Gain (loss) on revaluation f I,PP&E	-	-	-	-
Other comprehensive income	-		-	-
Total comprehensive income	16,055	-	-	16,055
c. Transfers between reserves	-	-	-	-
Balance at the end of period	**142,083**	**1,028,674**	**46,730**	**1,217,487**

Footpath remediation works.

ESCOSA Local Government advice

OFFICIAL

ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA

Advice

Local Government Advice

City of West Torrens

February 2023

OFFICIAL

ESCOSA Local Government advice (cont)

Enquiries concerning this advice should be addressed to:

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The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

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Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	City of West Torrens
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
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	*Local Government Act 1999*
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
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

1 The Commission's key advice findings for the City of West Torrens

The Essential Services Commission (Commission) considers the City of West Torrens (Council) to be in a sustainable financial position with projected operating surpluses and the forecast renewal of its infrastructure assets to continue to underpin its strong financial performance, without the need for further significant rate increases.

However, the Commission suggests the following steps for the City of West Torrens to ensure that it budgets transparently, reports its cost savings and efficiencies, manages its borrowing risk prudently, plans its asset needs appropriately and continues to limit the extent of further rate increases.

Budgeting considerations

1. Provide greater transparency in its long-term financial plan (and as necessary, its annual business plan and budget) by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and spending.
2. Continue to review its inflation assumptions in its forward projections from 2023-24 (but more transparently, as per Finding 1), given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.

Providing evidence of ongoing cost efficiencies

3. Continue to report its cost savings and efficiencies in its future budgets, to demonstrate its commitment to achieving cost control and efficiency across its operations and service delivery.

Continuing to manage borrowing risk

4. Continue to monitor its borrowing liabilities, including the impact of any interest rate increases, to ensure that levels are sustainable with reference to the operating income (including rates income) and any grants for capital projects that it receives.

Refinements to asset management planning

5. Review the estimates of asset lives and valuations informing its forecast rate of asset consumption (and depreciation expenses) in its long-term financial plan and asset management plans, with a particular focus on the appropriateness of the estimated value of the depreciation expenses in the context of asset renewal expenditure requirements.

Containing rate levels

6. Continue to limit future increases on its average and minimum rates to help reduce any potential emerging affordability risk, in consultation with the community with reference to service levels and differential rate levels, as appropriate.

2 About the advice

The Essential Services Commission (Commission), South Australia's independent economic regulator and advisory body, has been given a role by the State Government 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.[1]

One of the main purposes of the Local Government Advice Scheme (advice or the scheme) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (LTFPs) and infrastructure and asset management plans (IAMPs)[2] – both required as part of a council's SMP.[3] Financial sustainability is considered to encompass intergenerational equity,[4] as well as program (service level) and rates stability in this context.[5] The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, outlined in the LTFP.[6] 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.[7]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 15 councils for advice in the first scheme year (2022-23), including the City of West Torrens (Council).

This report provides the Local Government Advice for the City of West Torrens in 2022-23.

The Council is obliged under the *Local Government Act 1999* (LG Act) to publish this advice and its response, if applicable, in its 2023-24 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.[8] It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website[9]), nor is it compelled under the LG Act to follow the advice. The Commission thanks the City of West Torrens for providing relevant information to assist the Commission in preparing this advice.

2.1 Summary of advice

The City of West Torrens has been in a strong and sustainable financial position with consistent operating surpluses funding a large share of its capital enhancement programs over the past 10 years.

The growth in its rates revenue, more than double the pace of inflation, has contributed to the surpluses but residential rate levels have remained comparatively low, with non-residential contributions

1 Amendments to the *Local Government Act 1999* (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).

2 Commonly referred to as asset management plans.

3 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.

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

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

6 LG Act s122(1f)(a) and (1g)(a)(ii).

7 LG Act s122(1f)(b) and (1g)(b).

8 LG Act s122(1h).

9 The Commission must publish its advice under LG Act s122(1l)(a).

accounting for a large share of the revenue growth (representing 35 percent of projected rates revenue in 2022-23).[10]

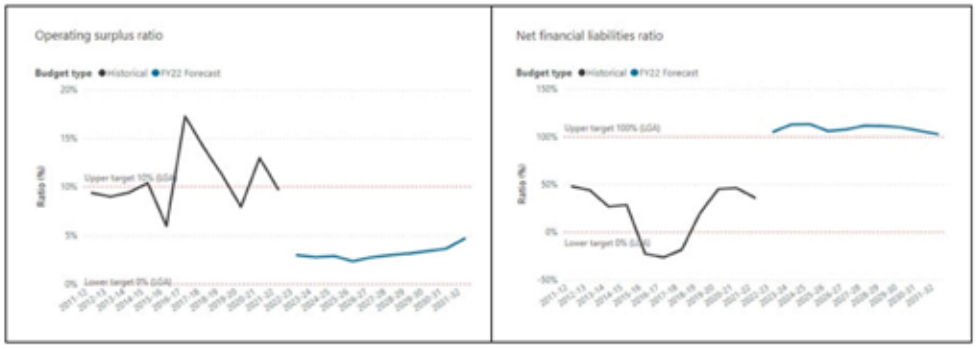
Looking ahead, the Council is projecting much higher borrowings and more conservative operating surplus levels. This reduces the pressure on its rates base to fund the annual capital spending as it occurs and better supports intergenerational equity. However, the extent of its borrowing needs to be managed prudently.

The Council's LTFP projections from 2022-23 forecast:

- lower average cost increases than it has experienced over the past 10 years (but still higher than it had forecast in 2021-22, primarily due to the impact of higher inflation)
- the continued prioritisation of its asset expenditure on renewal and rehabilitation works, and
- continued rate increases on the community, similar to the rate of inflation.

The Commission considers that there may be opportunities to continue to achieve savings and efficiencies in its recurrent budget and encourages the Council to review and report on this. This includes a review of the asset-related assumptions feeding into its estimated depreciation expenses. There are also opportunities for the Council to be more transparent about its price, service level and efficiency-related assumptions in its forward cost projections. In general, a transparent focus on cost constraint should help the Council to identify opportunities to reduce any affordability risk emerging for its ratepayers.

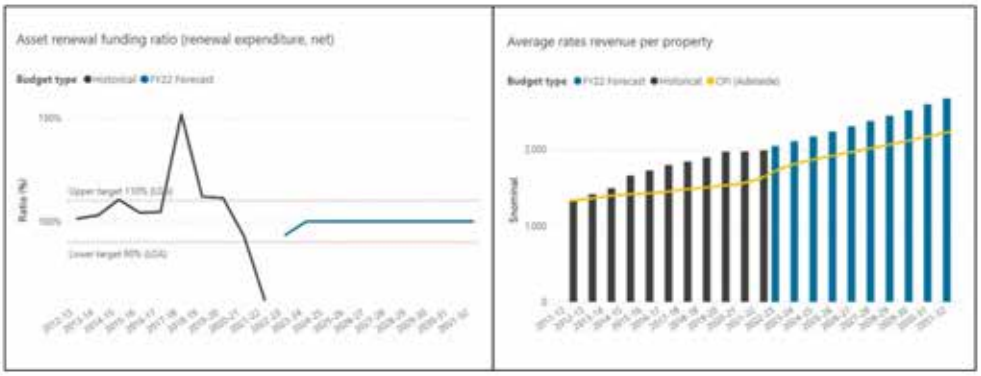
The charts below of the City of West Torrens' past and projected operating surplus ratio, net financial liabilities ratio, asset renewal funding ratio and rate revenue per property, together support these findings. The 'heat map' diagram over the page summarises the Commission's findings with reference to whether the Council has met the suggested Local Government Association (**LGA**) target ranges for the three main financial sustainability indicators[11] and the level of cost control and affordability risk identified for the Council over time.



[10] City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 74, available at https://indd.adobe.com/view/170eba19-6f8d-4794-8a04-31e11d443557 and the Commission's calculations.

[11] The suggested LGA target range for the ratios are discussed in more detail in the attachment.

ESCOSA Local Government advice (cont)



Summary of the City of West Torrens' financial sustainability performance and the Commission's risk assessment

Financial sustainability indicators:	Last 10 years from 2011-12 (Actual performance)		2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)
Operating surplus ratio (target 0-10%)	Operating surpluses within ratio target range -->	Excessive surpluses from 2016-17	Conservative surpluses forecast within ratio target range from 2021-22 ——>	
Net financial liabilities ratio (target 0-100%)	Ratio met to 2014-15 ——>	Negative ratio following asset sale	Ratio met next 4 years	Ratio forecast to exceed 100% for forecast period (inc. lease liabilities) ——>
Asset renewal funding ratio (target 90-110%)	Spending on renewal works just above target range, on average		Low ratio reduces 10-year average	Projected asset renewal in LTFP to perfectly align with AMP-required spending (ratio 100%) ——>
Identified Risks:				
Cost control risk	Operating expenses per property average growth 2.5% p.a. to 2021-22 (CPI 2.0% p.a.)			Operating expense per property forecast average growth 2.6% p.a., lower than projected CPI
Affordability risk	Rates revenue growth average 4.4% p.a. to 2021-22 but with relatively low residential rates & higher contributions from 'other' commercial ratepayers ——>			Projected rate revenue increases to average 3.7% p.a. but 3.0% per property, marginally above forecast average CPI (2.8%) ——>

- Ratio outside suggested LGA target range or higher risk
- Ratio close to suggested LGA target range or medium risk
- Ratio within suggested LGA target range or lower risk

2.2 Detailed advice findings

The next sections summarise the Commission's more detailed observations and advice findings regarding the City of West Torrens' material changes to its 2022-23 plans (compared with the previous year's plans), its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure) and its current and projected rate levels.

In providing this advice, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (F&A). The attachment explores these matters further.[12]

2.2.1 Advice on material plan amendments in 2022-23

The Commission has compared the City of West Torrens' projections in its 2022-23 LTFP with those from its 2021-22 LTFP and focused on the aggregate of the nine overlapping years' statistics: 2022-23 to 2030-31 to ensure a comparable analysis of material amendments.

The City of West Torrens has forecast small increases to its operating income projections in its 2022-23 LTFP, which have increased by 2 percent in aggregate compared with the 2021-22 LTFP estimates. Rates revenue projections have increased similarly by 2 percent in aggregate, which is partially offset by a forecast decline in revenue from grants. In 2022-23, the Council discontinued its participation in the Commonwealth Home Support Programme, which resulted in a reduction of around $500,000 of grant funding and otherwise has only included grant funding in its projections that has been confirmed through the receipt of a grant agreement.

The Council's projections for its operating expenses from 2022-23 to 2030-31 have increased by more than its income forecasts – by a total of $39.8 million or 6 percent, compared with its 2021-22 LTFP estimates. This includes a 6 percent increase in both its employee expenses and 'materials, contracts and other' expenses for various offsetting cost impacts, and a 9 percent increase in 'depreciation, amortisation and impairment' expenses, largely due to new sporting facilities and community hubs coming online throughout 2021-22.

The Council stated that its budget for 2022-23 and forward projections incorporate a review of current economic conditions, including movements to the Consumer Price Index (CPI), Local Government Price Index (LGPI) and interest rates. Its revisions to its expense forecasts do appear to incorporate additional inflation impacts. However, the Council does not identify the specific assumptions for inflation (as annual percentages) in its forward projections, which means that the inflationary impacts, distinct from any real impacts for efficiency or service-level related changes, are not shown.[13]

For these reasons, the Commission has found that it would be appropriate for the City of West Torrens to:

1. Provide greater transparency in its long-term financial plan (and as necessary, its annual business plan and budget) by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and spending.

[12] The attachment will be available on the Commission's website with the advice.

[13] The Commission cannot estimate the components of the amendments for additional inflation only, without the Council's annual inflation assumptions stated in either LTFP update. As referenced in section C.1, the Commission's assumed average annual growth in the CPI from 2022-23 to 2031-32 is estimated to be 2.8 percent based on Reserve Bank of Australia (RBA) forecasts for the CPI (Australia-wide) to June 2025 and the midpoint of the RBA's target range (2.5 percent) from 2025-26 (RBA, Forecast Table – February 2023, available at https://www.rba.gov.au/publications/smp/2023/feb/forecasts.html)

2. Continue to review its inflation assumptions in its forward projections from 2023-24 (but more transparently, as per Finding 1), given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.

2.2.2 Advice on financial sustainability

Operating performance

The City of West Torrens has run consistent operating surpluses since 2011-12. The operating surplus ratio[14] averaged 10.8 percent in the 10 years to 2020-21, which exceeds the upper limit of the suggested LGA target range (of between zero and 10 percent). The community, through its rate contributions, has effectively been funding a combination of cash surpluses and capital enhancement programs over this period (as well as regular service delivery).

From 2011-12 to 2020-21, operating income growth averaged 3.1 percent per annum,[15] exceeding average annual operating expense growth of 2.6 percent. These trends compare with a period of low inflation (annual growth in the CPI averaged 1.7 percent over this period[16]), and against a backdrop of relatively static property numbers (annual growth in property assessments averaged 0.1 percent). Rates and statutory charges revenue led the income growth and increased by an average of 4.6 percent per annum. This growth was partially offset by a decline in user charges income and grants.

Operating expense growth included growth in 'depreciation, amortisation and impairment' expenses (which averaged 5.2 percent per annum, reflecting the growth in the value of the asset stock) and in 'materials, contracts and other' expenses (which averaged 4.1 percent per annum).[17] In contrast, employee expenses growth was relatively flat (with employee expenses in fact declining by an average of 0.2 percent per annum in nominal terms).

The Council has projected smaller operating surpluses to 2031-32, averaging 3.2 percent. Growth in operating expenses per property is forecast to be relatively flat in real terms over the forecast period (an average of 2.6 percent between 2022-23 and 2031-32, compared with 2.8 percent RBA-based forecast inflation[18]), while operating income per property is forecast to increase by an average of 2.8 percent per annum.

The Council noted that it had achieved more than $100,000 in energy-related savings in its 2022-23 budget[19] and its Customer Improvement team has now developed a three-year plan to support it to deliver efficiencies to the community.[20] The Commission supports the City of West Torrens in its

[14] The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target for councils 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).

[15] 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).

[16] CPI Adelaide (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was 1.9 percent over this period. Available at https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index.

[17] The Commission notes the impact of the increase in the solid waste levy on councils' waste management costs over this period.

[18] The forecast average annual growth in the CPI from 2022-23 to 2031-32 is estimated to be 2.8 percent based on RBA forecasts for the CPI (Australia-wide) to June 2025 and the midpoint of the RBA's target range (2.5 percent) from 2025-26. See footnote 13.

[19] City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 25. The Commission notes that this result would likely exclude the impact of recent bulk purchasing arrangements for local councils in South Australia for electricity.

[20] City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 43.

efforts to continually find savings and restrain cost growth, consistent with its forecasts, and encourages it to:

> 3. Continue to report its cost savings and efficiencies in its future budgets, to demonstrate its commitment to achieving cost control and efficiency across its operations and service delivery.

Net financial liabilities

With such a strong operating position over the past 10 years, the Council has not needed to rely on external financing and its net financial liabilities ratio[21] has averaged a relatively low level of 19 percent.[22] This is within the suggested sector benchmark (between zero and 100 percent).[23]

In the three years to 2017-18, the net financial liabilities ratio was negative (averaging negative 23 percent) owing to the strong cash position of the Council with zero borrowings. The Council sold St Martins aged care facility in late 2014-15, which provided a significant injection of funds.[24] However, the extent of rate increases during this period (averaging 5.6 percent or $85 per property per annum from 2011-12 to 2017-18) contributed to the build-up of cash holdings and did not appear to be essential for financial sustainability for the Council at this time.

The Council has since taken on substantially higher borrowing levels to meet a '*structured long-term asset renewal and replacement program.*'[25] As a result, its net financial liabilities ratio is forecast to average 109 percent from 2022-23 to 2031-32, marginally above the suggested LGA target range.

The Council noted that one of the reasons that its ratio will exceed the target range is because it must now include certain leases with 'right of use' assets in the liabilities aggregate.[26] The Council calculated an adjusted ratio, without the lease liabilities, and this is forecast to be generally between 90 and 100 percent.[27]

The Commission notes that the suggested target range for the net financial liabilities ratio is a guide only and that there can be reasonable circumstances where the upper limit is exceeded and borrowing levels are still managed prudently, particularly if the ratio is only exceeded by a relatively small margin.

The Council stated in its Annual Business Plan that its loan program will be closely monitored so as not to put the Council in an unsustainable financial position.[28] The Commission acknowledges the importance of managing the borrowing risk prudently to prevent any need for additional rate contributions for higher loan repayments, and supports the City of West Torrens efforts to:

> 4. Continue to monitor its borrowing liabilities, including the impact of any interest rate increases, to ensure that levels are sustainable with reference to the operating income (including rates income) and any grants for capital projects that it receives.

---

[21] 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.

[22] 2011-12 to 2020-21.

[23] 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).

[24] City of West Torrens, *Annual Report 2015-16*, available at www.westtorrens.sa.gov.au/files/sharedassets/public/objective-digitalpublications/external-website/publications/annual-report-2015-16.pdf.

[25] City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 54.

[26] Based on a 2019 update to Australian Accounting Standards Board (AASB) standard for leases (AASB 16).

[27] City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 55.

[28] City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 55.

Asset renewals expenditure

The City of West Torrens has been meeting its asset renewal needs in line with its AMPs over the past 10 years with its asset renewal funding ratio[29] averaging 111 percent (to 2021-22). It was otherwise 117 percent until 2020-21 but declined to 62 percent in 2021-22. The Council is forecast to consistently meet the suggested target for the ratio in the 10 years to 2031-32 (averaging 100 percent).

Its spending on the renewal of assets averaged $13.5 million per annum between 2012-13 and 2021-22. Average annual spending is projected to increase to $14.9 million (in nominal terms) to 2031-32 with a peak in spending of $16.8 million in 2023-24. This compares with projected capital spending on new and upgraded assets averaging $13.0 million annually to 2031-32, and a projected decline in the value of assets per property over this period.[30]

The Council has a comprehensive suite of AMPs covering most of its assets, dated 2020 and adopted in March 2021. The recommended asset priorities in the plans are informed by the Council's *2019 Community Needs Analysis Community Survey* which asked respondents (numbering 410) about the importance of services in addressing its future needs.[31] Its AMPs also identify areas for continuous improvement, including the need for the Council to undertake a review of the current method for determining useful lives of assets, and to undertake further investigations to allow asset renewal forecasting over a longer period. The Council further proposes a review of plans at least every four years.[32]

When the asset renewal funding ratio is instead calculated by the depreciation-based method,[33] it is forecast to average 75 percent over the forecast period (2022-23 to 2031-32). This projected performance would suggest that the Council's forecast renewal expenditure, while consistent with the level of spending recommended by the AMPs, would not meet the average rate of asset consumption (incorporating asset valuations and useful live assumptions) based on its projected depreciation expenses.

One area that might be leading to higher depreciation expense forecasts, relative to annual asset renewal expenditure needs, is the Council's growth in the value of its asset stock following its capital expenditure projects. Another risk that arises when depreciation expenses exceed spending on asset renewals is that the asset lives are assumed to be shorter (in the depreciation calculation) than occurs in practice. The implication of projecting higher than necessary depreciation expenses is that higher operating income (and potentially higher rates revenue) is required to generate an operating surplus for the Council. Therefore, in accordance with the Council's planned reviews, it would be appropriate for it to:

[29] The IAMP-based method is the current industry standard whereby net asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). The suggested LGA target range for local councils is between 90 and 110 percent (LGA SA Financial Indicators Paper, p. 9).

[30] This assumes that the Council's projected value of 'infrastructure, property, plant and equipment' does not require further revision by the Council (see section C.3 of the attachment for more information).

[31] City of West Torrens, *Roads Asset Management Plan 2020*, March 2021, p. 12, available at https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective-digitalpublications/external-website/management-plans/cwt-roads-asset-management-plan-2021.pdf. The survey is also mentioned in the Council's other AMPs.

[32] City of West Torrens, *Asset Management Plans 2020-2030 Overview*, December 2020, pp. 3-8, available at https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective-digitalpublications/external-website/management-plans/asset-management-plans-2021-overview.pdf.

[33] Where asset renewal/replacement expenditure is divided by depreciation expenses.

5. Review the estimates of asset lives and valuations informing its forecast rate of asset consumption (and depreciation expenses) in its long-term financial plan and asset management plans, with a particular focus on the appropriateness of the estimated value of the depreciation expenses in the context of asset renewal expenditure requirements.

2.2.3 Advice on current and projected rate levels

The City of West Torrens' rate revenue growth averaged 4.5 percent or $72 per annum per property over the past 10 years,[34] to reach an estimated $1,975 in 2020-21. This was more than double average CPI growth of 1.7 percent per annum over this period[35] and coincided with relatively static property growth (with 0.1 percent average annual growth in property numbers).[36]

The Council budgeted for an average rate increase of 3.1 percent or $57 for its existing ratepayers in 2022-23.[37] Ratepayers, other than residential, are being charged an average range of varied percentage increases from 0.6 to 6.0 percent, depending on the sub-category. In total, the Council projected total 'general rates' revenue growth of 4.1 percent in 2022-23, including growth of 0.9 percent in property numbers, as well as mandatory rebate adjustments.[38]

Over the forward years of its LTFP, the Council is projecting average rates increases for its existing ratepayers of 3.0 percent per annum from 2023-24 to 2031-32, compared with RBA-based forecast CPI inflation averaging 2.8 percent annually over this period.[39] In total, the LTFP effectively projects a cumulative increase of $625 per ratepayer (to $2,671) by 2031-32, an increase of $48 above assumed inflation growth over this period.[40]

The Commission notes the relatively low economic resources ranking for the area[41] and that in the current economic environment, there can be potentially less capacity to pay for higher rates for many communities, including the City of West Torrens. The City of West Torrens levies higher differential rates on non-residential ratepayers (compared with the rate in the dollar for residential ratepayers).[42] The Council does levy relatively low residential rates,[43] and there was only a minimal response to the

[34] From 2011-12 to 2020-21.

[35] See footnote 16.

[36] CPI (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 1.9 percent) as the Commission's estimated average annual CPI growth over this period. Available at https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index.

[37] Individual rate level changes may be higher or lower depending on the rates category and property value.

[38] City of West Torrens, *Budget and Annual Business Plan 2022-23*, p. 74 and the Commission's calculations.

[39] See footnote 13.

[40] The CPI forecasts in the chart are based on RBA forecasts and then a return to long term averages (2.5 percent per annum), which are different to the Council's inflation forecasts (as was discussed in section B1).

[41] The City of West Torrens area is ranked 18 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 Socio-Economic Indexes for Areas) Index of Economic Resources (2016), where a lower score (eg. 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20lga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&27.03.2018&Latest.

[42] City of West Torrens, *Budget and Annual Business Plan 2022-23*, p. 69 and the Council's rate calculation information available at https://www.westtorrens.sa.gov.au/Council/Rates-and-charges/Rate-calculations.

[43] As indicated by the low differential rates. Refer also to Councils in Focus rates data by rate category and property numbers for 2019-20 available at: https://councilsinfocus.sa.gov.au/councils/city_of_west_torrens. The Commission is not relying on these rate comparisons for its advice.

ESCOSA Local Government advice (cont)

Council's draft budget (for 2022-23), incorporating rate contributions. The Council received only one submission on the budget, 'somewhat supporting' it.[44]

Nonetheless, to ensure that the Council minimises the potential for any emerging affordability risk for its ratepayers, it would be appropriate for it to:

6. Continue to limit future increases on its average and minimum rates to help reduce any potential emerging affordability risk, in consultation with the community with reference to service levels and differential rate levels, as appropriate.

2.3 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the City of West Torrens':

- ongoing performance against its LTFP estimates, and transparency of its inflation assumptions in its LTFP and Annual Business Plan
- achievement of cost savings and efficiencies (including operational savings and any asset disposal or rationalisation savings), and its reporting of these achievements
- continued management of borrowing risk
- actions to address any misalignment between the capital expenditure, asset live assumptions and depreciation estimates in its LTFP and various AMPs, and
- how it has sought to limit any affordability risks emerging among its rates base.

[44] City of West Torrens, *Council and City Services and Climate Adaptation Standing Committee Meeting Agenda – 5 July 2022, Item 17.5 Adoption of the Budget and Annual Business Plan and Declaration of the Rates for 2022/23*, available at https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective-digitalmeetings/2022/agendas-2022/agenda-council-and-standing-committee-5-july-2022.pdf.

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CITY OF WEST TORRENS

RESPONSE TO LOCAL GOVERNMENT ADVICE

The advice received from the Essential Services Commission of South Australia (ESCOSA) came at a cost to the City of West Torrens ratepayers of $40,000.

The City of West Torrens believes the above cost is unjustified and adds to the financial burden imposed by other levels of Government on its ratepayers.

The irony is not lost on us that a scheme with the aim of limiting rate increases has actually added to the rates burden on Councils.

Prepared by General Manager Corporate and Compliance

Specific Advice Received from ESCOSA and Council's Comments on that advice:

ADVICE	CWT COMMENTS
1. **Provide** greater transparency in its long-term financial plan (and as necessary its annual business plan and budget) by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and spending.	**Assumptions are already clearly articulated as was evidenced to ESCOSA. No advice given by ESCOSA as to how to achieve this.**
2. **Continue to Review** its inflation assumptions in its forward projections from 2023-24 (but more transparently as per **Finding 1**, given the potential for higher short-term inflation outcomes followed by a return to long-term averages.	**Noted**
3. **Continue** to report its cost savings and efficiencies in its future budget, to demonstrate its commitment to achieving cost control and efficiency across its operations and service delivery.	**Noted**
4. **Continue** to monitor its borrowing liabilities, including the impact of any interest rate increases, to ensure that levels are sustainable with reference to the operating income (including rates income) and any grants for capital projects it receives.	**Noted**
5. **Review** the estimates of asset lives and valuations informing its forecast rate of asset consumption (and depreciation expenses) in its long-term financial plan and asset management plans, with a particular focus on the appropriateness of the estimated value of the depreciation expense in the context of asset renewal expenditure requirements.	**Estimates of asset lives and valuations are reviewed regularly as was evidenced to ESOCSA.**
6. **Continue** to limit future increases on its average and minimum rates to help reduce any potential emerging affordability risk, in consultation with the community with reference to service levels and differential rate levels, as appropriate	**Noted**

GENERAL COMMENTS

In ESCOSA"s Local Government Advice to the City of West Torrens, the comment is made that:

> *"The Essential Services Commission (**Commission**) considers the City of West Torrens (**Council)** to be in a sustainable financial position with projected operating surpluses and the forecast renewal of its infrastructure assets to continue to underpin its strong financial performance, without the need for further significant rate increases."*
>
> A look at Council's audited financial statements and the financial performance ratios shows that the City of West Torrens is in a sustainable financial position. Further, other external bodies such as the Local Government Finance Authority have also told us we are financially sustainable. So a review by another independent body was not required to tell us what we already knew.
>
> The key words in the above sentence however are "….without the need for further significant rate increases."

In other words, you are doing well, so no need to increase rates too much - but adjust your assumptions around inflation and interest rate rises and don't plan for any new works or services.

Not that the City of West Torrens wants to increase rates unnecessarily, but a third party with a limited understanding of how Councils operate offering such contradictory advice is beyond the pale.

Further, CPI is being used as the measuring stick by which historical rate increases have been compared. CPI is currently 8.6% but certainly CWT does not intend to have a rate increase of this magnitude for 2023-24 but the ESCOSA advice seems to be implying we should.

In our letter to Minister Brock, the Minister for Local Government, we commented that we believed the Scheme to be:

- Ill conceived
- A waste of ratepayers money; and
- A waste of our council staff time and resources.

If anything our views in relation to the above are only strengthened as a result of receiving the ESCOSA Advice and reasons for this are outlined below:-

- **Ill Conceived**

We consider the Scheme has been ill conceived, because information in Council's Long Term Financial Plan and Infrastructure Asset Management Plans are already publicly available and councils can already be compared with each other across a range of indicators using the 'Councils in Focus' website. It is our view that another costly, bureaucratic process that ratepayers are required to fund is completely unnecessary.

Further, the notion of looking back through the last ten years of a council's plans and documents looking for trends is incredibly futile without knowing the full context of decisions of council and changes that may have happened in a council during that time period. Understanding such nuances are vital to interpreting financial information correctly.

Examples of such nuances are that a few years ago the City of West Torrens had an aged care facility which we no longer operate and we used to run HACC funded programs which have now ceased.

Costs and revenues will fluctuate due to these service level shifts and also because of economic conditions relevant at any point in time and the prevailing priorities of a council during any particular term of office as outlined in the council's Community Strategic Plan.

Comparing average rates across different councils is already something the media reports on each year, but once again this doesn't tell the full story as each council has different community needs and expectations.

One way council rates can be kept down is for other tiers of Government to look at the cost imposts they impose on councils.

In the development of the City of West Torrens budget for 2022-23, it was noted that a total of $2.919M was expected to be paid by the City of West Torrens to various State Government Agencies during the financial year.

This represents approximately 5% of Council's rate income being spent on State Government related expenditure.

If ESCOSA were to examine what State Government agencies are charging councils and provided advice to the State Government on that, there could potentially be some benefit for the council (and the ratepayer) but this is unlikely to occur.

As it stands, the ratepayers determine if rates are too high via the democratic process of council elections, whereby councillors are held to account for rate increases and the level of service provided by their council during their term of office. Ratepayers also have an opportunity to have their say each year on the proposed rate increase when the Annual Budget and Business Plan is put out for community consultation.

These seem to us to be the best mechanisms for ensuring rates are maintained at a relatively low level, noting that the City of West Torrens has consistently had one of the lowest, if not the lowest average residential rates of all councils in South Australia.

- **A Waste of Ratepayers Money**

It was noted that ESCOSA engaged two local government finance experts to assist them in providing advice back to councils on the Infrastructure Asset Management Plans and their Long Term Financial Plans. A large proportion of the cost of the scheme will no doubt be going to these consultants.

It is entirely unacceptable that it was only after receiving the Local Government Advice, Councils were told what the cost would be. Once again the irony of being told how to budget when not even knowing the cost of this scheme beggar's belief.

The final figure of $40K was less than some of the estimates being bandied around of $100K or more for some councils, but once again, the irony is not lost on us that this 'Advice Scheme' which ostensibly is about curbing council expenditure to keep costs in check and limit rate rises, will have the opposite effect. The $40K cost achieves nothing but takes funds from Council's bottom line that should be directed to our programs and services for ratepayers. The cost is 25% higher than our annual audit costs where we have two onsite visits a year by a team of auditing professionals compared with this being a desktop review with no onsite visits from ESCOSA staff.

Of the 6 points of advice, four of them are telling us to keep doing what we are already doing and we maintain that we are doing the other two anyway. We don't believe this is value adding to our ratepayers or ourselves.

A Waste of Staff Time and Resources

Council staff had had to troll through the advice provided only to find a number of errors of fact, some of which were not corrected for the final advice. There was only a week between us receiving the draft embargoed advice and the Final advice to make comment and this took a considerable amount of staff time and resources. It is difficult to comprehend that at a cost of $40K ESCOSA would really provide such basic advice to Council. Council's external auditors already comment on the state of a council's Infrastructure and Asset Management plans and it is blatantly obvious in the current economic climate that assumptions around CPI need to be updated in the Long Term Financial Plans.

Given the City of West Torrens already knew we were in a sustainable financial position and already endeavour to keep our rate increases as low as possible, the question must again be asked **"Why do we need to be spending ratepayers funds on such basic advice?"**

Errors of Fact

A number of errors of fact were identified by Council staff between the time of receiving the draft embargoed copy of ESCOSA's advice and the final published version of the advice. Some of the errors of fact were corrected, however others weren't, as identified above.

CONCLUSION

While it is great to be told by another organisation that the City of West Torrens is financially sustainable, clearly the agenda here is for all Councils to be told, as we were told, "to limit the extent of further rate increases" with scant regard to the services and infrastructure our ratepayers expect and in spite of the increased cost burdens from such things as inflation, interest rate increases and cost shifting from the State and Federal Governments.

The City of West Torrens will comply with the legislative requirement to include the Local Government Advice and our response to it in our Annual Budget and Business Plan but we do not believe it adds any value to either us or our residents and ratepayers.

The CWT view is that the Government should reconsider the requirement for councils to be provided with "advice" from ESCOSA before more ratepayers funds are wasted on something that by ESCOSA's own admission, it can't compel councils to follow.

Long-term financial plan

Playspace at Richmond Oval.

Statement of comprehensive income

	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	2035/36 $'000
Income										
Rates	86,096	91,337	96,576	101,425	106,419	112,003	117,693	123,289	129,052	135,277
Statutory charges	2,849	2,934	3,022	3,113	3,206	3,303	3,402	3,504	3,609	3,717
User charges	2,026	2,089	2,152	2,216	2,283	2,379	2,450	2,524	2,600	2,678
Grants, subsidies and contributions - operating	4,281	4,368	4,456	4,547	4,641	4,738	4,838	4,941	5,047	5,156
Grants, subsidies and contributions - capital	-	-	-	-	-	-	-	-	-	-
Investment income	560	849	865	880	1,039	1,230	1,400	1,695	2,112	2,642
Reimbursements	358	368	380	391	403	415	427	440	453	467
Other income	6	6	6	7	7	7	7	7	8	8
Net gain - equity accounted council businesses	-	-	-	-	-	-	-	-	-	-
Total income	**96,176**	**101,951**	**107,457**	**112,579**	**117,998**	**124,075**	**130,217**	**136,400**	**142,881**	**149,945**
Expenses										
Employee costs	33,555	34,561	35,598	36,666	37,766	38,899	40,066	41,268	42,506	43,781
Materials, contracts and other expenses	33,206	34,361	35,734	37,069	38,568	40,135	41,773	43,615	45,410	47,287
Depreciation, amortisation and impairment	23,669	26,305	28,918	31,352	33,855	36,865	39,950	43,133	46,549	50,234
Finance costs	902	1,624	1,833	1,866	1,913	1,971	1,919	1,567	1,273	1,143
Net loss - equity accounted council businesses	-	-	-	-	-	-	-	-	-	-
Total expenses	**91,332**	**96,851**	**102,083**	**106,953**	**112,102**	**117,870**	**123,708**	**129,583**	**135,738**	**142,445**
Operating surplus / (deficit)	4,844	5,100	5,374	5,626	5,896	6,205	6,509	6,817	7,143	7,500
Amounts received specifically for new or upgraded assets	11,211	447	-	-	-	-	-	-	-	-
Net surplus / (deficit)	16,055	5,547	5,374	5,626	5,896	6,205	6,509	6,817	7,143	7,500
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	**16,055**	**5,547**	**5,374**	**5,626**	**5,896**	**6,205**	**6,509**	**6,817**	**7,143**	**7,500**

Statement of financial position

	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	2035/36 $'000
Assets										
Current assets										
Cash and cash equivalents	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Trade and other receivables	4,337	3,402	3,515	3,664	3,822	4,001	4,179	4,361	4,552	4,759
Other financial assets	-	-	-	-	-	-	-	-	2,566	22,650
Inventories	18	18	18	18	18	18	18	18	18	18
Total current assets	7,355	6,420	6,533	6,682	6,840	7,019	7,197	7,379	10,136	30,427
Non-current assets										
Financial assets	274	276	278	280	283	285	288	290	293	295
Equity accounted investments in council businesses	31,167	31,167	31,167	31,167	31,167	31,167	31,167	31,167	31,167	31,167
Infrastructure, property, plant and equipment	1,232,889	1,251,587	1,256,542	1,264,421	1,271,813	1,276,783	1,277,058	1,273,390	1,265,351	1,252,779
Other non-current assets	17,248	17,248	17,248	17,248	17,248	17,248	17,248	17,248	17,248	17,248
Total non-current assets	1,281,578	1,300,278	1,305,235	1,313,116	1,320,511	1,325,483	1,325,761	1,322,095	1,314,059	1,301,489
Total assets	**1,288,933**	**1,306,698**	**1,311,768**	**1,319,798**	**1,327,351**	**1,332,502**	**1,332,958**	**1,329,474**	**1,324,195**	**1,331,916**
Liabilities										
Current liabilities										
Cash advance debenture	15,491	28,878	29,746	33,453	29,945	23,970	19,805	11,474	-	-
Trade and other payables	21,808	22,873	23,991	25,048	26,192	27,438	28,690	29,974	31,279	32,670
Borrowings	2,291	2,354	2,424	2,502	3,119	3,774	3,931	2,970	1,933	2,037
Provisions	6,490	6,490	6,490	6,490	6,490	6,490	6,490	6,490	6,490	6,490
Total current liabilities	46,080	60,595	62,651	67,493	65,746	61,672	58,916	50,908	39,702	41,197
Non-current liabilities										
Trade and other payables	701	725	754	782	814	847	881	920	958	998
Borrowings	24,340	22,019	19,630	17,164	20,536	23,523	20,192	17,860	16,606	15,292
Provisions	325	325	325	325	325	325	325	325	325	325
Total non-current liabilities	25,366	23,069	20,709	18,271	21,675	24,695	21,398	19,105	17,889	16,615
Total liabilities	**71,446**	**83,664**	**83,360**	**85,764**	**87,421**	**86,367**	**80,314**	**70,013**	**57,591**	**57,812**
Net assets	**1,217,487**	**1,223,034**	**1,228,408**	**1,234,034**	**1,239,930**	**1,246,135**	**1,252,644**	**1,259,461**	**1,266,604**	**1,274,104**
Equity										
Accumulated surplus	142,083	147,280	152,304	157,580	163,526	169,381	175,540	182,007	189,200	196,350
Asset revaluation reserves	1,028,674	1,028,674	1,028,674	1,028,674	1,028,674	1,028,674	1,028,674	1,028,674	1,028,674	1,028,674
Other reserves	46,730	47,080	47,430	47,780	47,730	48,080	48,430	48,780	48,730	49,080
Total equity	**1,217,487**	**1,223,034**	**1,228,408**	**1,234,034**	**1,239,930**	**1,246,135**	**1,252,644**	**1,259,461**	**1,266,604**	**1,274,104**

Statement of cash flows

	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	2035/36 $'000
Cash flows from operating activities										
Receipts										
Rates receipts	86,629	91,962	97,201	102,004	107,016	112,670	118,373	123,957	129,740	136,020
Statutory charges	2,847	2,924	3,012	3,103	3,196	3,292	3,390	3,492	3,597	3,705
User charges	2,017	2,082	2,145	2,209	2,275	2,368	2,442	2,516	2,591	2,669
Grants, subsidies and contributions (operating purpose)	4,275	4,359	4,447	4,538	4,632	4,728	4,828	4,930	5,036	5,145
Investment receipts	569	838	864	880	1,033	1,223	1,394	1,685	2,097	2,623
Reimbursements	364	368	379	390	402	414	426	439	452	466
Other	44	6	6	7	7	7	7	7	8	8
Payments	-	-	-	-	-	-	-	-	-	-
Payments to employees	(33,603)	(34,524)	(35,560)	(36,626)	(37,725)	(38,857)	(40,023)	(41,223)	(42,460)	(43,734)
Payments for materials, contracts and other expenses	(32,909)	(34,057)	(35,374)	(36,720)	(38,175)	(39,724)	(41,342)	(43,133)	(44,939)	(46,797)
Finance payments	(909)	(1,632)	(1,842)	(1,875)	(1,893)	(1,952)	(1,932)	(1,580)	(1,282)	(1,147)
Net cash provided (or used in) operating activities	**29,324**	**32,326**	**35,278**	**37,910**	**40,768**	**44,169**	**47,563**	**51,090**	**54,840**	**58,958**
Cash flows from investing activities										
Receipts										
Amounts received specifically for new/upgraded assets	11,227	1,548	46	-	-	-	-	-	-	-
Sale of surplus assets	3,070	2,180	4,670	-	-	-	-	-	-	-
Net disposal of investment securities	16,545	-	-	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-	-
Expenditure on renewal/replacement of assets	(42,296)	(32,888)	(25,250)	(28,366)	(25,441)	(26,317)	(31,663)	(32,272)	(32,500)	(31,769)
Expenditure on new/upgraded assets	(31,954)	(14,295)	(13,293)	(10,865)	(15,806)	(15,518)	(8,562)	(7,193)	(6,009)	(5,894)
Net purchase of investment securities	(7)	-	-	-	-	-	-	-	(2,566)	(20,084)
Net cash provided (or used in) investing activities	**(43,415)**	**(43,455)**	**(33,827)**	**(39,231)**	**(41,247)**	**(41,835)**	**(40,225)**	**(39,465)**	**(41,075)**	**(57,747)**
Cash flows from financing activities										
Receipts										
Proceeds from CAD	15,491	13,387	868	3,707	-	-	-	-	-	-
Proceeds from borrowings	773	-	-	-	6,450	6,450	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-	-
Repayments of CAD	-	-	-	-	(3,509)	(5,975)	(4,164)	(8,332)	(11,474)	-
Repayments of borrowings	(1,758)	(1,833)	(1,895)	(1,958)	(2,024)	(2,361)	(2,717)	(2,826)	(1,813)	(723)
Repayment of principal portion of lease liabilities	(415)	(425)	(424)	(428)	(438)	(448)	(457)	(467)	(478)	(488)
Net cash flow provided (used in) financing activities	**14,091**	**11,129**	**(1,451)**	**1,321**	**479**	**(2,334)**	**(7,338)**	**(11,625)**	**(13,765)**	**(1,211)**
Net increase/(decrease) in cash and cash equivalents	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
plus: cash and cash equivalents - beginning of year	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Cash and cash equivalents - end of the year	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
Cash and cash equivalents - end of the year	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Investments - end of the year	-	-	-	-	-	-	-	-	2,566	22,650
Cash, cash equivalents and investments - end of the year	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**5,566**	**25,650**

Statement of financial position

	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	2035/36 $'000
Opening balance	1,201,432	1,217,487	1,223,034	1,228,408	1,234,034	1,239,930	1,246,135	1,252,644	1,259,461	1,266,604
Net surplus / (deficit) for year	16,055	5,547	5,374	5,626	5,896	6,205	6,509	6,817	7,143	7,500
Total comprehensive income	16,055	5,547	5,374	5,626	5,896	6,205	6,509	6,817	7,143	7,500
Equity - balance at end of the reporting period	**1,217,487**	**1,223,034**	**1,228,408**	**1,234,034**	**1,239,930**	**1,246,135**	**1,252,644**	**1,259,461**	**1,266,604**	**1,274,104**

Uniform presentation of finances

	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	2035/36 $'000
Income										
Rates	86,096	91,337	96,576	101,425	106,419	112,003	117,693	123,289	129,052	135,277
Statutory charges	2,849	2,934	3,022	3,113	3,206	3,303	3,402	3,504	3,609	3,717
User charges	2,026	2,089	2,152	2,216	2,283	2,379	2,450	2,524	2,600	2,678
Grants, subsidies and contributions - operating	4,281	4,368	4,456	4,547	4,641	4,738	4,838	4,941	5,047	5,156
Grants, subsidies and contributions - capital	-	-	-	-	-	-	-	-	-	-
Investment income	560	849	865	880	1,039	1,230	1,400	1,695	2,112	2,642
Reimbursements	358	368	380	391	403	415	427	440	453	467
Other income	6	6	6	7	7	7	7	7	8	8
Net gain - equity accounted council businesses	-	-	-	-	-	-	-	-	-	-
Total income	**96,176**	**101,951**	**107,457**	**112,579**	**117,998**	**124,075**	**130,217**	**136,400**	**142,881**	**149,945**
Expenses										
Employee costs	33,555	34,561	35,598	36,666	37,766	38,899	40,066	41,268	42,506	43,781
Materials, contracts and other expenses	33,206	34,361	35,734	37,069	38,568	40,135	41,773	43,615	45,410	47,287
Depreciation, amortisation and impairment	23,669	26,305	28,918	31,352	33,855	36,865	39,950	43,133	46,549	50,234
Finance costs	902	1,624	1,833	1,866	1,913	1,971	1,919	1,567	1,273	1,143
Net loss - equity accounted council businesses	-	-	-	-	-	-	-	-	-	-
Total expenses	**91,332**	**96,851**	**102,083**	**106,953**	**112,102**	**117,870**	**123,708**	**129,583**	**135,738**	**142,445**
Net outlays on existing assets										
Capital expenditure on renewal and replacement of existing assets	(42,296)	(32,888)	(25,250)	(28,366)	(25,441)	(26,317)	(31,663)	(32,272)	(32,500)	(31,769)
Finance lease payments for right of use assets	(440)	(649)	(639)	(634)	(634)	(634)	(634)	(634)	(634)	(634)
add back depreciation, amortisation and impairment	23,669	26,305	28,918	31,352	33,855	36,865	39,950	43,133	46,549	50,234
Total net outlays on existing assets	**(19,067)**	**(7,232)**	**3,029**	**2,352**	**7,780**	**9,914**	**7,653**	**10,227**	**13,415**	**17,831**
Net outlays on new and upgraded assets										
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(31,954)	(14,295)	(13,293)	(10,865)	(15,806)	(15,518)	(8,562)	(7,193)	(6,009)	(5,894)
add back amounts received specifically for new and upgraded assets	11,227	1,548	46	-	-	-	-	-	-	-
add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for sale)	3,070	2,180	4,670	-	-	-	-	-	-	-
Total net outlays on new and upgraded assets	**(17,657)**	**(10,567)**	**(8,577)**	**(10,865)**	**(15,806)**	**(15,518)**	**(8,562)**	**(7,193)**	**(6,009)**	**(5,894)**
Annual net impact to financing activities (surplus / (deficit))	**(31,880)**	**(12,699)**	**(174)**	**(2,887)**	**(2,130)**	**601**	**5,600**	**9,851**	**14,549**	**19,437**

Key performance indicators

		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	LGA target range	CWT target
Note 15 ratios													
Operating surplus ratio	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —		
	Actual ratio	5.04%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	0% - 10%	5%
Adjusted operating surplus ratio	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —		
	Actual ratio	5.04%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	0% - 10%	5%
Net financial liabilities ratio	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —		
	Actual ratio	66.37%	75.51%	71.26%	70.01%	68.07%	63.74%	55.94%	45.72%	33.02%	18.08%	0% - 100%	
Asset renewal funding ratio	Snapshot	● ↗	● —	● —	● —	● —	● —	● —	● —	● —	● —		
	Actual ratio	136.12%	100%	100%	100%	100%	100%	100%	100%	100%	100%	90% - 100%	Greater than 100%
Other ratios													
Net financial liabilities adjusted for leases	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —		
	Actual ratio	65.52%	74.66%	70.40%	69.15%	67.21%	62.90%	54.90%	44.94%	32.28%	17.38%	0% - 100%	Less than 100%

- ● Within green benchmark (green min and/or green max)
- ● Within amber benchmark (amber min and/or amber max)
- ● Not within benchmark (amber min and/or amber max)
- — Within green benchmark
- ↘ above green maximum and below amber maximum
- ↙ below green minimum and above amber minimum
- → above amber maximum
- ← below amber minimum

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