



# Annual Business Plan, Budget and Long-Term Financial Plan

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2025-26

DRAFT - May 2025

## 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](http://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	April 2025	Draft version for internal review.
V2	May 2025	Draft for review by Elected Council.
V3	May 2025	Draft for community consultation.
V4	Date	Final document adopted by the Elected Council.





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# Welcome

## Mayor and CEO's message

Welcome to the 2025-26 Annual Business Plan, Budget and Long-term Financial Plan for the City of West Torrens.

This year, we focus on building upon our city's many strengths and opportunities, to shape a future West Torrens that is the best place to live, work, and enjoy life.

Following unprecedented levels of community involvement, our updated Community Plan was endorsed by council in November 2024. This important strategic document draws on the insights shared by our community, along with the latest demographic and economic data. Its objectives set a clear framework for planning and investment in infrastructure and services to meet the needs of our residents now and into the future, and this is reflected in turn in this 2025-26 budget.

As a growing city, West Torrens can expect to experience greater demands on council services and amenities, from roads and footpaths, to library, sports and recreation and arts programs. Our business plan and budget prepares us for this reality by continuing to invest in the maintenance and improvement of our infrastructure and facilities, and deliver local services that support our communities and neighbourhoods.

Delivering on these core functions of council to the best extent and quality possible is what will continue to make West Torrens an extraordinary place to live.

The City of West Torrens has been in an enviable position for many years as being the second lowest rated council in metropolitan Adelaide. With this draft budget, we are confident that we will continue to be among some of the lowest rated councils in metropolitan area, while managing and providing more than \$1 billion in community assets that benefit our 65,700 residents, as well as the visitors who travel to and through West Torrens for work, study, and leisure.

Council is mindful that the increase of the cost of living is affecting many in our community, not just residents but our local businesses as well. We are not immune to price increases for goods and services and, as such, we will continue to investigate ways to help relieve financial pressure on our ratepayers while still delivering much-needed services.

Detailed plans for investment in our community for the 25-26 year are set out in the following pages, but here we are pleased to share an overview and some of the highlights.

Council's total revenue in 2025-26 is budgeted to increase by \$14.9 million compared with the previous year. This increase in revenue is predominately due to federal and state government grant funding for several capital projects. This means the cost of delivering these projects is lessened for our ratepayers.

Total expenditure of \$178.43 million is planned, including \$92.4 million capital expenditure. An operating surplus of \$6.32 million will be achieved, with a rate revenue increase of 6.84%.

Our major project investments this year seek to enhance the community life of West Torrens by fostering inclusion, wellbeing, and connection.

Completion of the first stage of upgrade works to Thebarton Theatre will give new life to an icon of arts and culture.

In partnership with the Federal Government, 2 important projects will occur. A new Centre of



*We are confident that we will continue to be among some of the lowest rated councils in metropolitan Adelaide, while managing and providing more than \$1 billion in community assets.*

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Remembrance at Karkungka (formerly Kesmond Reserve) will provide a new home for the National Serviceman's Association and Hilton RSL Sub-branch, integrated with a new community building and the recently upgraded reserve and playspace. Additionally, the ageing Western Youth Centre will be replaced with a new recreation and community facility that will boast modern amenities and a range of versatile spaces for community use.

Kings Reserve will be upgraded to create an accessible, green, multi-use recreation space that contributes to the rejuvenation of the Thebarton Oval Precinct and surrounds.

Routine capital works under our Transport and Stormwater Asset Management Plans to the value of more than \$33 million will include road and footpath renewal, open space, bicycle management schemes, traffic management, better public lighting, and stormwater infrastructure upgrades. Maintaining the quality and functionality of this infrastructure is essential to achieving our objectives for sustainability and environmental protection, accessible, attractive and safe neighbourhoods, and local economic growth and prosperity.

Our budget includes ongoing initiatives to foster innovation and continuous improvement within the council's administration. These investments in the quality and efficiency of service we provide are focused on delivering exceptional customer experiences and value-for-money services to our community.

We will continue to work with our partners in state and federal governments to maximise opportunities for collaboration and support. We will pursue the relevant strategic targets of the 30-Year Plan for Greater Adelaide, and advocate for the needs of our residents as we do so. Likewise, we will continue our partnership with the Cities of Adelaide, Burnside, Mitcham and Unley as part of the Brown Hill and Keswick Creek Stormwater Project. The project will protect our residents against the adverse effects of flooding during times of severe rainfall events.

As well as maintaining and improving our open and green spaces, we will continue to invest in environmental initiatives that support the sustainability and climate resilience of West Torrens, including sustainable management of resources and waste, and increased participation in the circular economy.

We are proud to now have our Youth Advisory Committee and Disability, Inclusion and Access Group in place. Both these groups provide valuable insights to our council to ensure that everyone is catered for as we plan for the future. Our Reconciliation Action Plan is underway, and there is more to come in this space in the coming year as we seek to strengthen connections with our First Nations communities.

We are excited to continue our support of local arts and culture through the West Torrens Art Prize, Westside Stories mini galleries and Stobie Pole Art initiative that bring creativity and life to our streets.

A growing roster of programs will support connection and participation in our community this year. To name just a few, these include school holiday programs, community bus outings for older people, educational talks and programs for all, and support services for new arrivals.

Lockleys Community Room will gain further momentum as a hub for activities to support healthy and active lifestyles, while families and people of all ages will be able to continue to enjoy our ever-successful Summer Festival program of free community events across West Torrens.

As we approach 2025-26 with a clear vision and a sound path forward, we hope you share in our enthusiasm for the bright future ahead for West Torrens.



**Michael S. Coxon**  
Mayor

A handwritten signature in black ink that reads "Michael S. Coxon".



**Angelo Catinari**  
Chief Executive Officer

A handwritten signature in black ink that reads "A. Catinari".

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

West Torrens provides retail, industrial and service opportunities that contribute to a vibrant employment sector. It is also the international gateway into South Australia, being home to the Adelaide Airport, and our national rail terminal is located in the suburb of Keswick.

West Torrens 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 almost 10% higher than the national 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.

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. Adelaide Airport is a major employment hub for West Torrens, with the Airport Business District employing around 8,000 people, who are further supported by an additional workforce of 22,000 off-site. 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.

The Adelaide Football Club (AFC), one of 2 Australian Football League clubs in South Australia, has chosen Torrensville as its new home, and early in 2025 it began construction works on a \$100 million facility. The AFC chose Thebarton Oval and neighbouring Kings Reserve as the location for its new home ground, and with both facilities owned by us, we will work with the club to ensure that the venue provides greater opportunities for our growing community. While on the subject of sport, a new multi-million-dollar sporting institute (South Australian Sports Institute) has been built at Mile End. 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

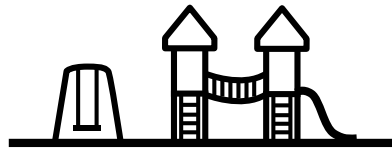
*West Torrens is a very multicultural city, with 32% of our residents being born overseas. We are experiencing a time of change, with several large-scale developments underway.*



# Our West Torrens

Council manages and provides

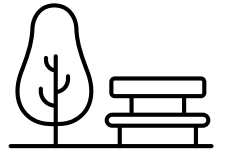
  
**>\$1 billion**  
in community assets



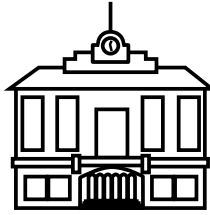
**84** playgrounds and outdoor fitness sites



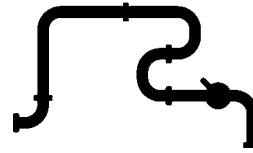
**296** km roads



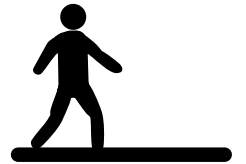
**176** ha open space



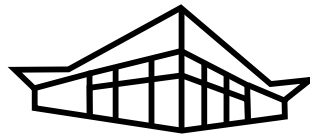
**108** public buildings



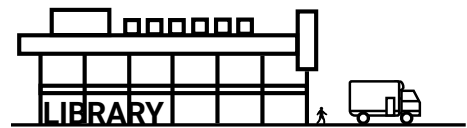
**168** km stormwater infrastructure



**581** km footpaths

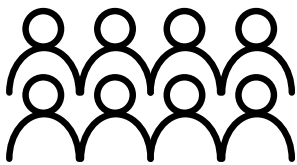


**7** community facilities



**2** library facilities (building and mobile)

## Our community



**65,700** residents



**32%** born overseas



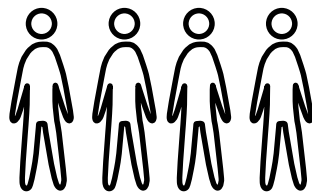
**26%** couples with children



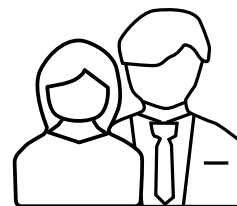
**30%** live on their own



**15%** volunteer



**32%** aged 20 - 39



**60%** employed



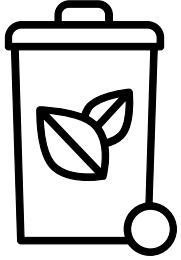
**23%** live and work here

Data: Council's Asset Management Plans and Australian Bureau Statistics; May 2025.

# 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.

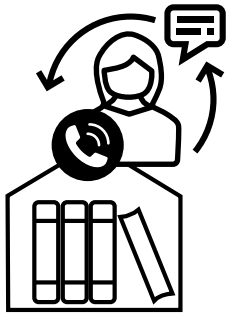
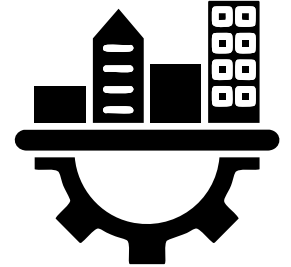


Waste & recycling services

**\$8.16**

Infrastructure management

**\$20.14**

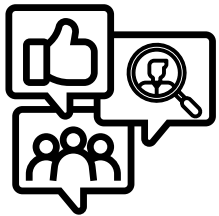
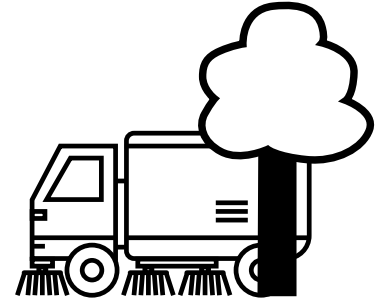


Libraries & customer service

**\$5.89**

City operations & tree management

**\$20.11**

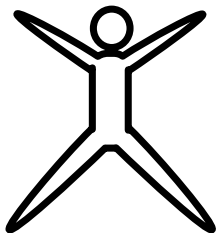


Governance, communication & administration

**\$15.50**

Regulatory services, environment & planning

**\$8.40**

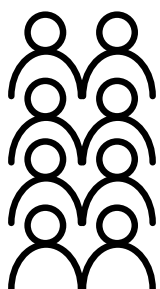


Community, health, aged & youth services

**\$3.49**

Recreation, sports & community facilities

**\$11.67**



Elected members

**\$0.93**

State Government levies & charges

**\$5.71**



# Our council

## Elected Members 2025-26



Mayor Michael Coxon



Cr Kym McKay



Cr Daniel Huggett



Cr Graham Nitschke



Cr Zoi Papafilopoulos



Lockleys Ward

Thebarton Ward

Henley Beach Road

Sir Donald Bradman Drive

Hilton Ward



Cr Cindy O'Rielley



Cr George Vlahos



Cr Sara Comrie



Cr Jassmine Wood

Airport Ward

Marion Road

Keswick Ward



Cr John Woodward



Cr Elisabeth Papanikolaou



Plympton Ward

Morphett Road

Morphett Ward



Cr George Demetriou



Cr Anne McKay



Cr Surender Pal



Cr Lana Gelonese

# The budget in brief

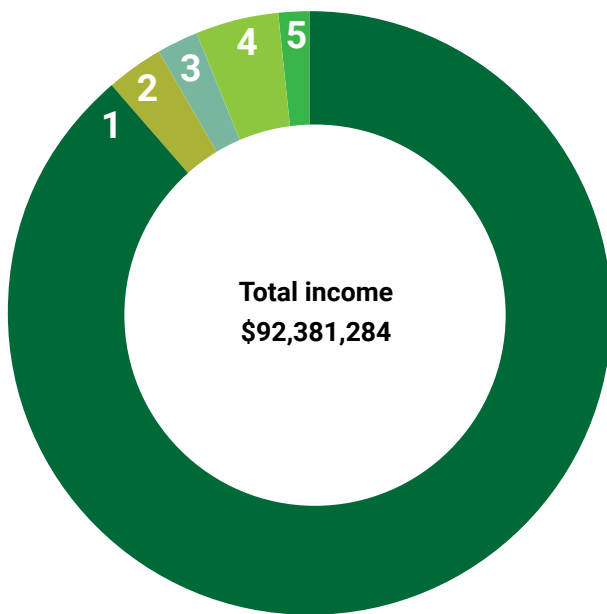
## Key highlights

The 2025-26 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.

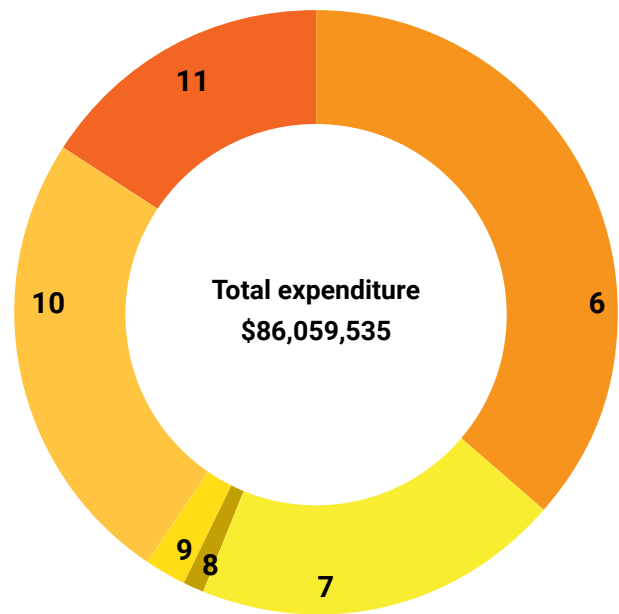
The key financial highlights of the 2025-26 Annual Business Plan are:

- a rate revenue increase of 6.84% plus 0.7% growth.
- an operating surplus of \$6.32 million
- capital expenditure of \$92.37 million
- loan funding of \$4.2 million.

### Operational profit and loss for 2025-26



Income	\$
1 - Rates and rate equivalents	81,913,199
2 - Statutory charges	2,828,900
3 - User charges	2,066,909
4 - Grants and subsidies	4,235,726
5 - Sundry income	1,336,550
<b>Total income</b>	<b>92,381,284</b>



Expenditure	\$
6 - Employee and related	32,008,813
7 - Material and contract	16,475,615
8 - Finance costs	922,441
9 - Regional Landscape Levy	1,873,199
10 - Depreciation	21,300,844
11 - Other	13,478,623
<b>Total expenditure</b>	<b>86,059,535</b>
<b>Operating surplus</b>	<b>6,321,749</b>

# Strategic context

## Strategic planning framework

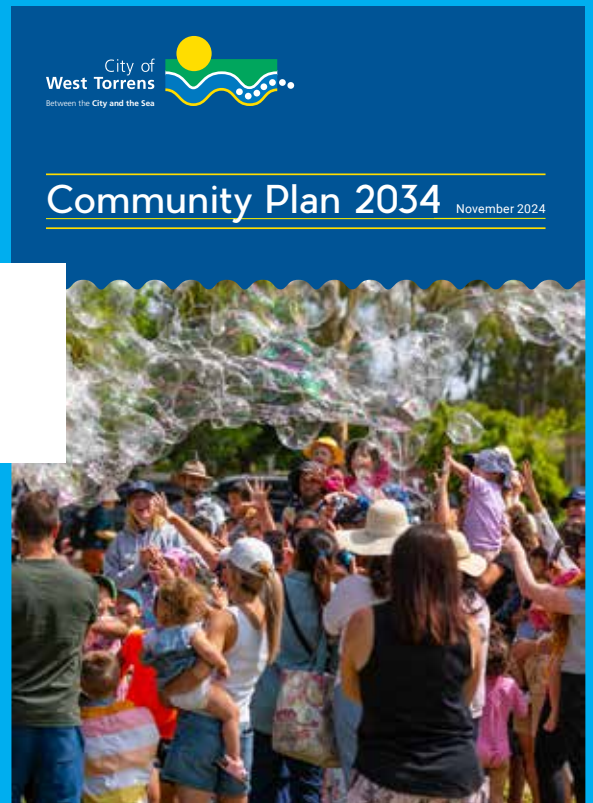
Council's Community Plan is the lead document in our suite of strategic plans and is an aspirational document that guides our actions over the coming years. Developed in consultation with the community, it reflects the priorities of all who live, work, study, visit and play in West Torrens.

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 1100 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'.

*Our Annual Business Plan, Budget and Long-Term Financial Plan are driven by our operational plans and, ultimately, our Community Plan.*



# 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.

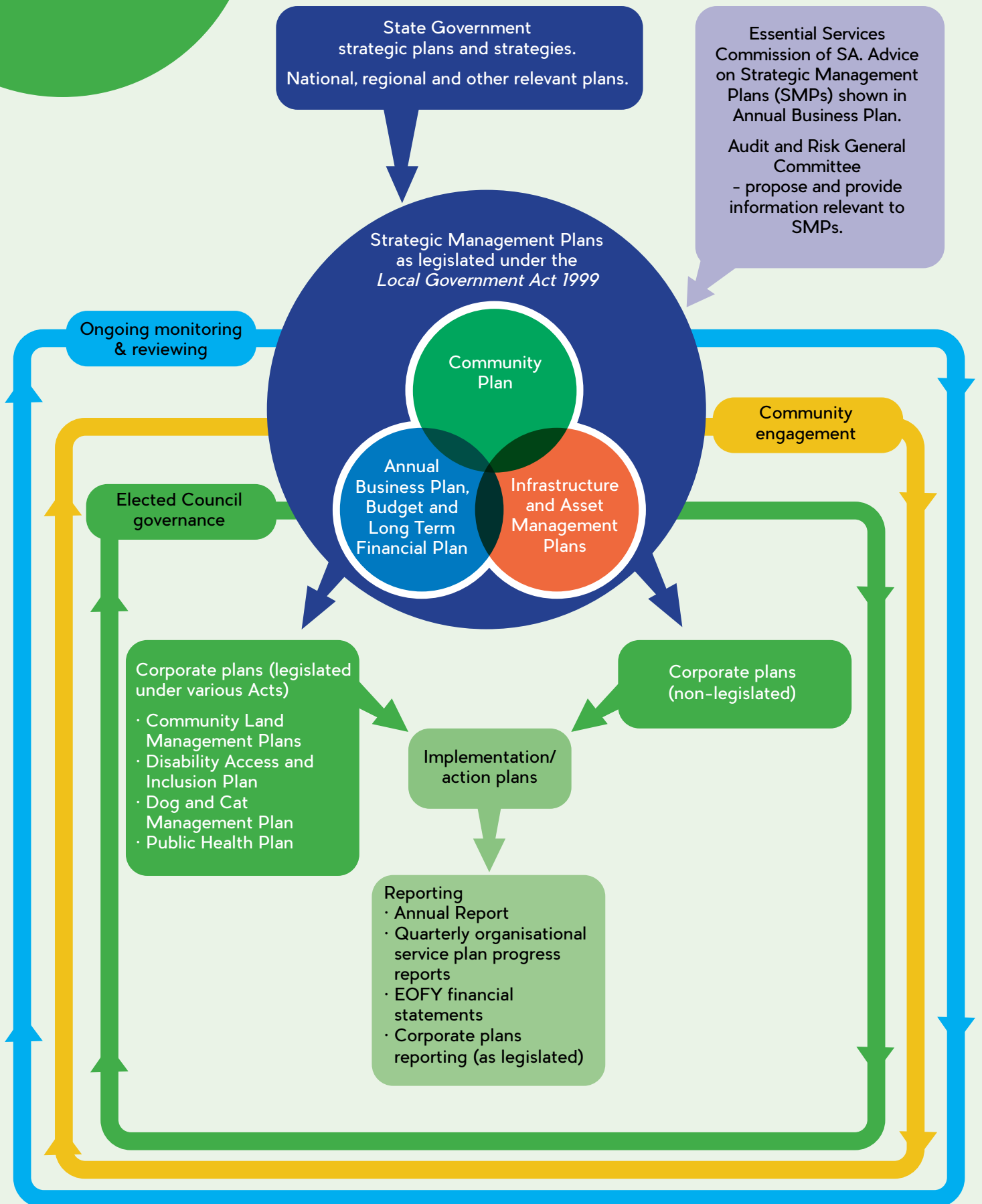
Tree planting and greening programs to increase shading and cooling across West Torrens.

Encouraging active transport and healthy lifestyles.

Enhancing access to quality green open spaces.

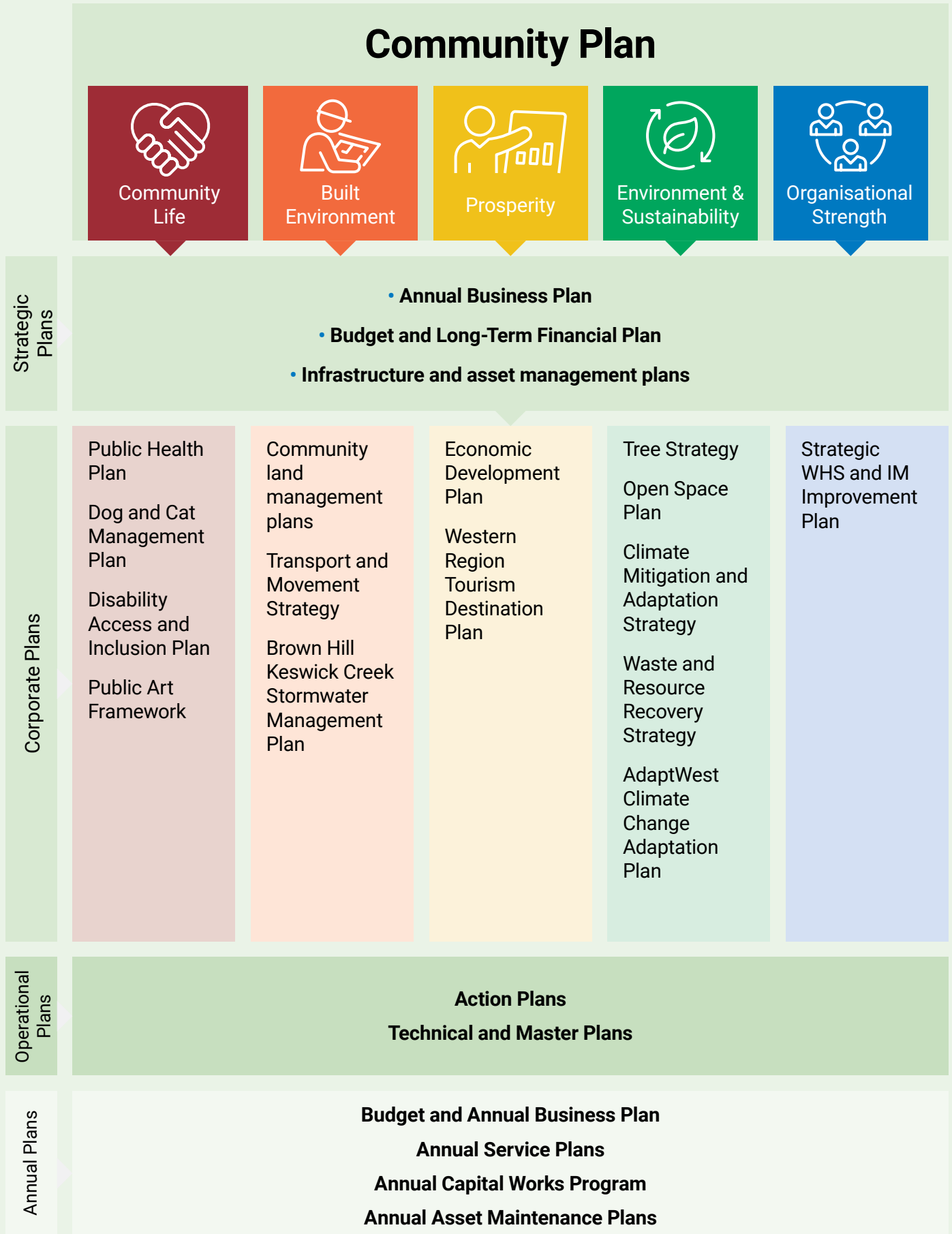
Keeping our community informed through education and awareness campaigns.

# The City of West Torrens corporate planning framework



# Strategic and corporate suite

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



# Our vision, mission and Community Plan themes

2034

## 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 area

## #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 that 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.

In late 2023, we committed to developing a Reconciliation Action Plan to better recognise the needs of our First Nations' community and our staff have subsequently participated in Aboriginal cultural

sensitivity awareness training. More work will be done in this space in the coming year as we look to foster stronger relationships with our indigenous community.

Our annual Summer Festival attracts around 16,000 people each year, 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 8 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 the neighbourhood and in the coming year, we are the only council in metropolitan Adelaide partnering with the Helpmann Academy and SA Power Networks for this program. Likewise, our newly introduced Westside Fringe program encourages activation of our many community facilities, and provides cost-effective spaces for exhibitions, seminars and performances.

*Our annual Summer Festival series attracts around 16,000 people each year.*





# Community Plan focus area

## #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 national average at 37% (compared to 28% in Australia). 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 296 kilometres of roads, 581 kilometres of footpaths, plus 168 kilometres of stormwater and drainage 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 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.



*Maintaining and developing our built environment is where most of our money is allocated in any given year.*



# Community Plan focus area

## #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.

Through community funding, we provide small business grants to help local businesses stay local, and in conjunction with Grant Guru, we encourage businesses and community groups to find funding from external bodies which may be able to offer financial assistance.

Thinking about our future, we provide academic scholarships to university students living in West Torrens to help them meet the cost of their studies. Worth \$4,000 each to university students, these scholarships are awarded under the Mendelson Scholarship Program.

In 2024-25, we undertook a visioning project for Henley Beach Road, to help inject new life into this unique retail area in West Torrens. Having now established the vision which will celebrate its culture, history and identity, we now have a long-term progressive implementation plan for this space in development.

*In 2024-25 we undertook a visioning project for Henley Beach Road, to inject new life into this unique retail area.*





# Community Plan focus area

## #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.

As an example, we have been upgrading our public lighting system to LED, saving more than 630 tonnes of greenhouse gasses in any given year. We also ensure that any new public amenities we build incorporate climate mitigation features such as solar, rainwater harvesting systems and efficient lighting.

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.

Trees and increased canopy cover are very important in West

Torrens and while we strive to plant more street trees each year, we also provide rebates for residents to encourage them to be part of our greening West Torrens program. We are always researching and adding new initiatives to our environment and sustainability practices and welcome input from our community.



*We undertake initiatives which help reduce climate strain and actively provide incentives for our residents.*



# Community Plan focus area

## #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 magazine is distributed seasonally and provides updates on projects, services, spending 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) poses issues and possibilities for both us and our community, and, as such, we are mindful that we need to stay abreast of the latest trends and opportunities. We continue to explore this 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. In order 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.

*Listening to our community and helping deliver on their needs helps us build robust relationships.*



# Significant influences

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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 superannuation guarantee.
- Changes to the cost of utilities - i.e. fuel, water, electricity and gas.
- 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.
- Legislative changes - i.e. as a result of the Local Government Reform.
- Transfer of assets 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 staff to support our increasing population.
- 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 8 strategic risk areas which are reviewed by the organisation a minimum of every 6 months; more frequently if required. Each risk has a number of controls to ensure it is managed effectively and these controls are also reviewed annually.

Our identified strategic risks include:

- 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 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 appendix.

*Cyber and IT Management are just one of council's identified strategic risks.*



# 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.

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.

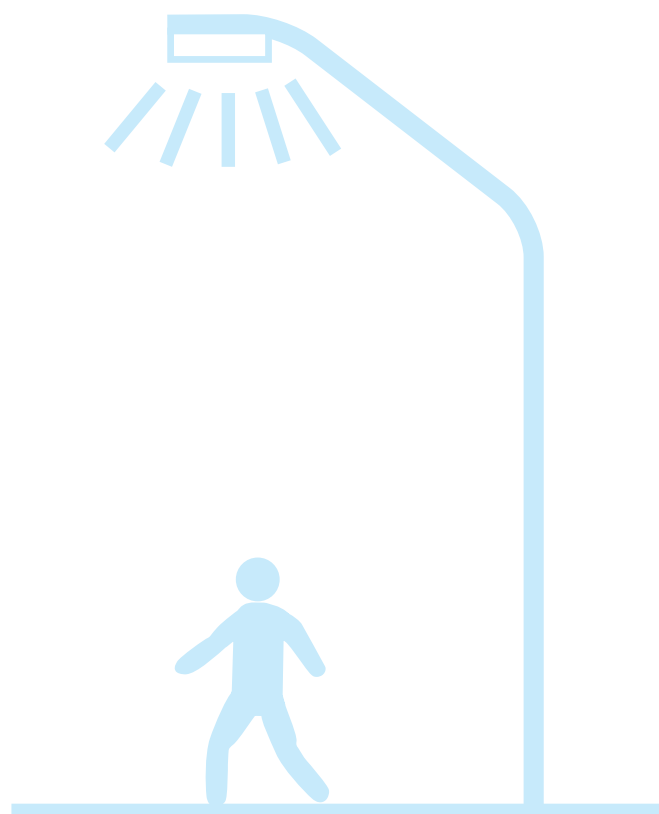
Continuous improvement and innovation.

Communications and media.

People management and safety.

Strategic procurement.

Customer experience and community engagement.



# Continuous Improvement

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.

All of these reports are publicly available in our council and committee agendas. In addition to this, we collect customer feedback daily via our surveying platform which is used to gauge what is important to our customers and to gain an insight into how we can improve and deliver better value.

Below is a snapshot of some of our improvement highlights that we have achieved so far; more detailed deliverables are highlighted in our annual reports.

## Communities

- Revamped and upgraded library foyer provides an improved customer experience with space created for meetings, information and refreshments.
- 66% improvement in processing time for council environmental rebates.
- 87% improvement of data collection for Community Services feedback.



## Natural and Built Environment

- 25% improvement in our street sweeping service level.
- Introduction of new asset protection program has resulted in an increase of 287 proactive inspections.
- 40% improvement in processing time and data accuracy for property lease arrangements.



## Corporate and Compliance

- Artificial Intelligence (AI) automation of internal information sharing resulting in 160 enquiries per week being successfully resolved by AI.
- 11.25% of ratepayers use our individually tailored direct debit system, 'Payble' to pay their rates.
- 56 hours saved on compliance administration processes.



## City Management

- 65 process reviews undertaken across the organisation.
- Review of council activity reports results in 70% saving in processing time.
- Automation of performance reporting data.





**Priority #1**

**Priority #2**

**Priority #3**

## 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 selection of activities represent just a few highlights of what our local community can expect to see and be part of in the 2025-26 financial year.

# Major projects

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The following major projects are earmarked for the 2025-26 financial year.

## Thebarton Theatre upgrade - total project cost \$8 million



Completing the first stage of upgrade works to Thebarton Theatre, including creating better pedestrian and vehicle access, a new lobby, bar and lounge areas.

## New recreation centre, Cowandilla - total project cost \$15.1 million



Creating a new recreation and community facility at Cowandilla to replace the ageing Western Youth Centre. The new facility will accommodate for current and future community needs as West Torrens' population continues to grow. It will include modern amenities and a central hub which will offer versatile meeting spaces. Total project cost \$15.1 million, includes \$7.53 million through the Federal Government Thriving Suburb Program. Concept image: JPE designs.

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



Creating a new Centre of Remembrance at Karkungka, which will provide a new home for the National Serviceman's Association and Hilton RSL Sub-branch. 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 Suburb Program. Concept image: JPE designs.

## Upgrade to Kings Reserve - total project cost \$6.5 million



Implementation of the Kings Reserve Masterplan to create a more accessible, user-friendly space for the local community. This will include more active recreation facilities such as basketball and netball, playground equipment for all ages and abilities, skate park and BMX pump track, shelters, barbecues and public toilets. Concept image: Aspect Studios.

# Ongoing initiatives

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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



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 will be winding down use of the Thebarton Community Centre as this has been acquired by the Department for Infrastructure and Transport (DIT) for the Torrens to Darlington project, however with the development of new community spaces on the cards, we have plans for relocation of those groups and hirers already underway.

## Wellbeing programs



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.

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## Arts and programs



Our West Torrens Art Prize will be offered for the ninth consecutive year, and we have plans to develop 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 second 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



Summer Festival, our flagship event series in January and February of any given year, will still be offered to residents and visitors and with an estimated drawcard of around 16,000 people over the summer series, we will be looking at 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.

We will continue to work with local businesses around how we can help ensure West Torrens stays economically viable and, likewise, we'll provide services and advice to help them meet their health and safety requirements.

## Ongoing initiatives (cont)

### Animal management



Providing animal management services is an area that continues to grow each year, with officers assisting 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 and we will be providing a new microchipping service to encourage people to chip their pets.

### 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.

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

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

# Financial indicators

	2023-24 result	2024-25 result	Target	2025-26 budget
<b>Operating performance</b>				
Operating surplus ratio	(17.5%)	5%	0 - 10%	7%
Equity adjusted operating surplus ratio	(14.9%)	5%	0 - 10%	7%
<b>Financial flexibility</b>				
Net financial liabilities ratio	40%	36%	Less than 100%	59%
Adjusted net financial liabilities ratio	40%	36%	Less than 100%	46%
<b>Asset sustainability</b>				
Asset renewal funding ratio	114%	104%	Between 80% - 120%	100%

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 target between zero % and 10%.

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  $(\text{operating surplus}/(\text{deficit}) - \text{equity accounted council business}) / \text{Total Operating Revenue}$ .

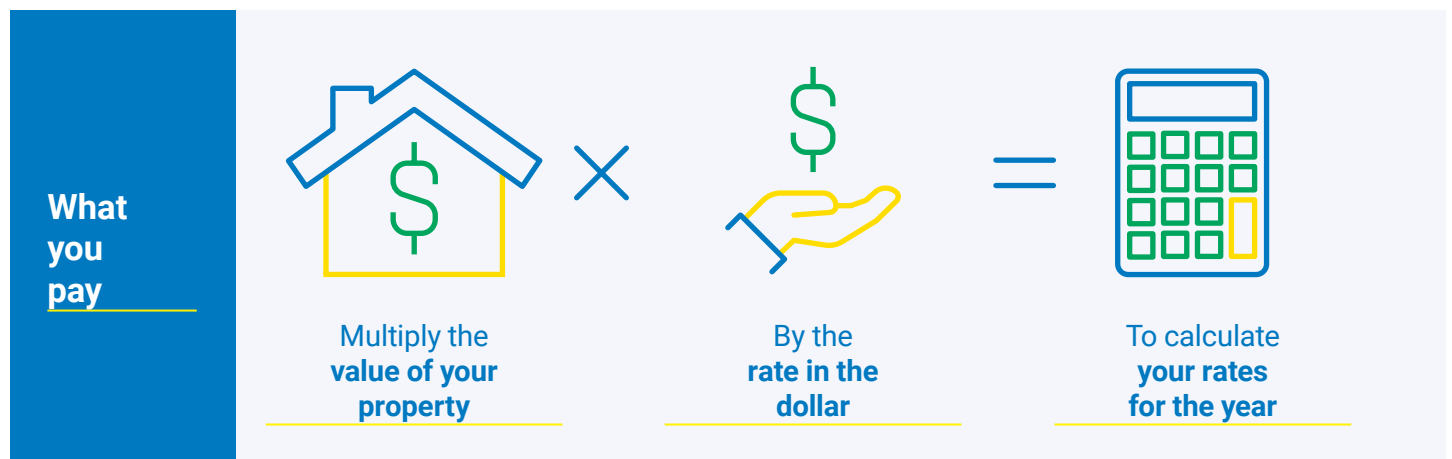
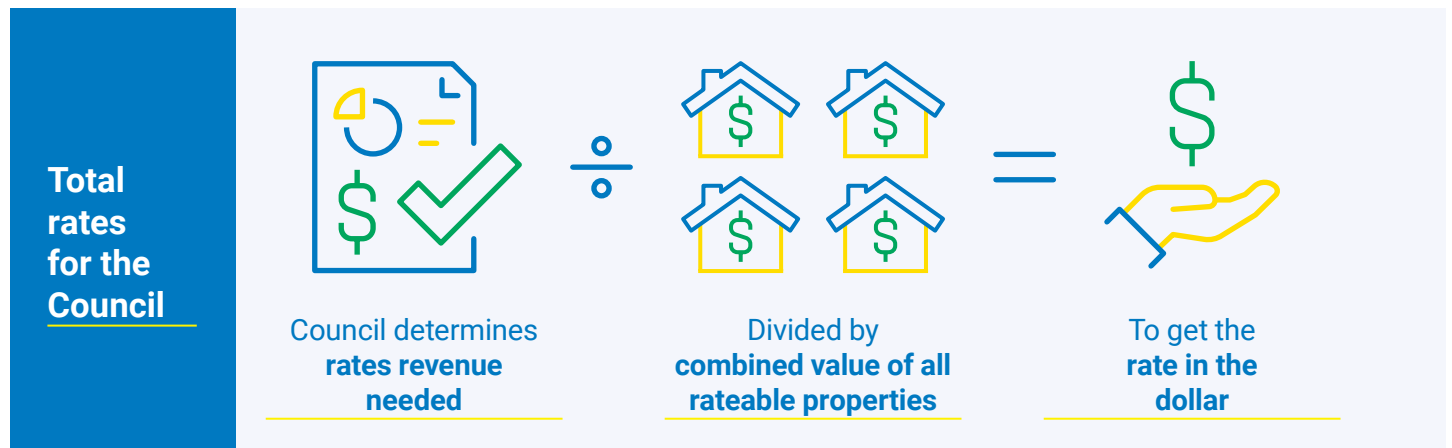
The Net Financial Liabilities Ratio measures the extent to which the net financial liabilities of council can be repaid from operating revenues. An increase in this ratio indicates that more operating income is required to fund the financial obligations. Net Financial Liabilities Ratio is calculated as a percentage of operating revenue  $(\text{Total Liabilities} - \text{Current Assets}) / \text{Total Operating Revenue}$ , with the target less than 100%.

The Adjusted Net Financial Liabilities Ratio excludes the long-term lease arrangements held by council, the most significant of which is a long-term lease 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 target is in the 80% and 120% range, as recommended by the LGA SA.

# Annual budget

## Rates overview



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](http://valuergeneral.sa.gov.au)

Rates income is an investment in your 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 the future. While you may not use all the services that we provide all the time, the chances are that during your lifecycle of paying rates, you will help support programs, services, facilities and infrastructure that will be there for you when you need them.

This year we have set our rate revenue increase to 6.84%. Capital value fluctuations by the Valuer General, however, may result in individual properties receiving a different percentage increase or decrease in rates for the 2025-26 financial year.

Historically, council has maintained the second-lowest average residential rate in metropolitan Adelaide. Even with the proposed 6.84% 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 \$2.82 per week to the average rateable property.

An estimated 0.7% growth factor has been applied to rates revenue for the 2025-26 financial year. This is additional to a rate increase of 6.84% 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.*

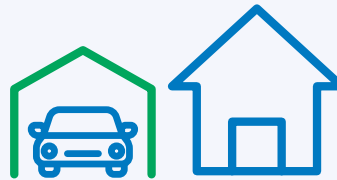
Early indications are that properties will see an increase in the capital value. Changes to the capital value of your property from one year to the next may be influenced by the following.



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 \$1,206 which shall be applied to all rateable properties. This will affect less than 35% of 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](http://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.
- Superannuation Guarantee increase from 11.5% to 12% for 2025-26.
- 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 takes into account property market movements.
- Any known asset surplus disposals, but noting that these type of transactions are generally not planned ahead enough to be included and require a council resolution.
- Maintaining service delivery levels where appropriate.
- Brown Hill Keswick Creek Stormwater Board (subsidiary), operating and capital project plans.

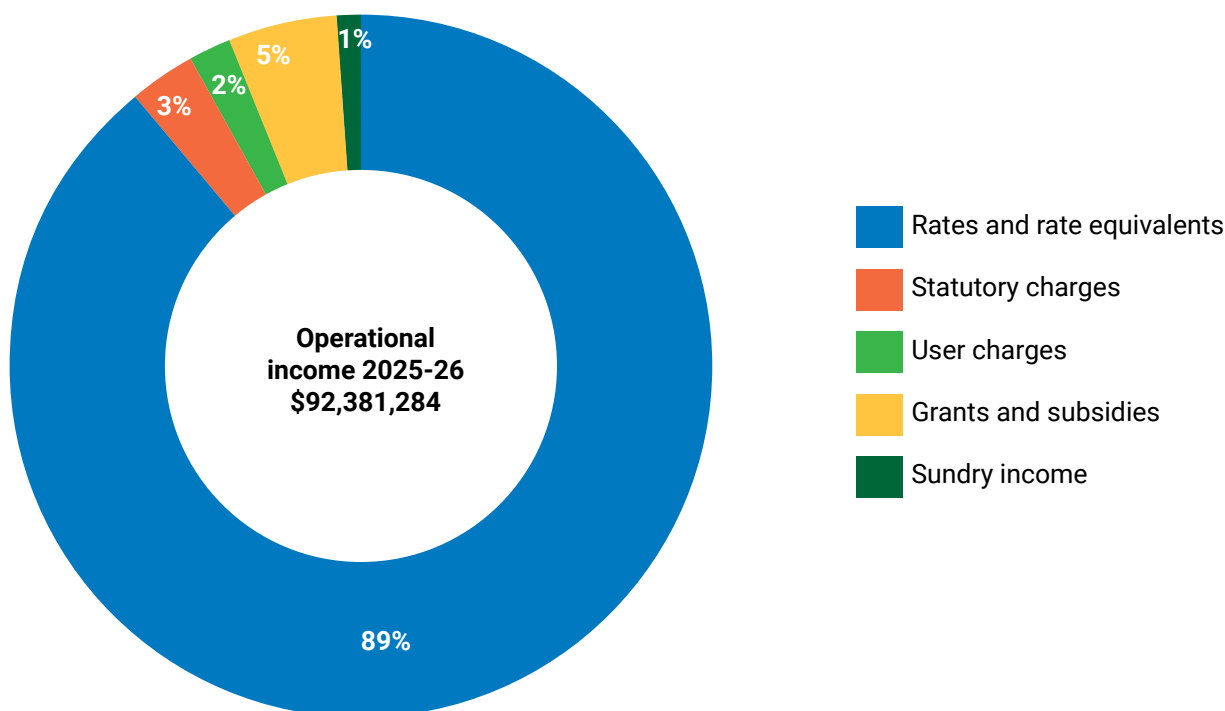
In conjunction with these considerations, it has been determined that the Long-Term Financial Plan will incorporate differing percentage increases in regard to income and expenditure classifications. These are summarised below.

Area	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31 to 2034-35*
General rates	6.84%	6.50%	6.50%	5.50%	3.50%	2.50%
Growth	0.70%	0.70%	0.70%	0.80%	0.80%	0.90%
Employee costs (average)	9.60%	5.80%	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	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Borrowings (interest)	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Interest income (investments)	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%

\* average over 4 years

# Operational income

Council's total operational revenue is budgeted to increase by 7.11%, or \$6,132,982, compared with the 2024-25 budget.



## Rates and rate equivalent income

A total of 88.7% of the income budgeted by council is derived from rates and rate equivalent payments. This amounts to \$81.91 million for 2025-26.

Council's dependency on rate revenue continues to be significant. We have endeavoured to limit increases in rates and since 2003 have, excluding natural growth, achieved an average increase of 4.3%.

## 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 2025-26 budget, statutory charges total \$2,828,900, or 3.1%, 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 2025-26 financial year total \$2,066,909, or 2.2% of all council's operating income.

## Grants and subsidies

Grant income budgeted in 2025-26 totals \$4,235,726, reflecting an increase of 10.26% from the \$3,841,610 in 2024-25. 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.

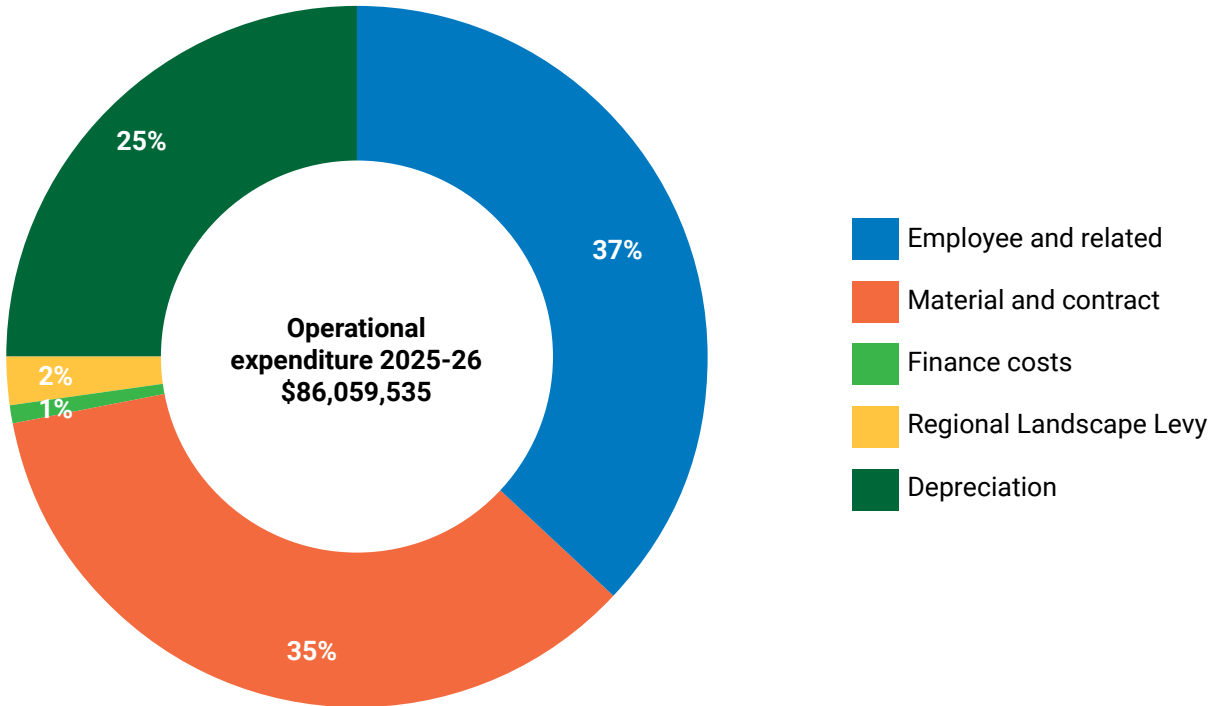
## Other income

Other council income includes investment income, insurance returns and reimbursements and comprises 1.4% of all income budgeted in 2025-26, excluding capital revenues, totalling \$1,336,550.

# 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 2025-26, operational expenditure has increased by \$5,832,863, or 7.27%, relative to the original 2024-25 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 \$2,707,616, or 9.2% from 2024-25 to a total of \$32,008,813, impacted by the following:

- enterprise bargaining increase.
- a superannuation guarantee increases to 12%.

Employment costs are comprised of many elements including, but not limited to, salaries, superannuation, personal protective equipment, fringe benefit tax, workers compensation and training. The original budget was prepared prior to the current Enterprise Agreement being finalised, and did not reflect the full cost impact, hence the significant variance between this and next financial year.

## Materials, contracts and other

Materials, contracts and other expenditure covers 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 2025-26 budget shows this area increasing by \$1,533,026, or 5.06%, to a total of \$31,827,437 over the 2024- 25 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 library 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 \$498,940.
- a \$96,175 decrease in electricity and gas costs, driven by contracted rate changes and improved energy use estimations.
- a \$74,283 increase in general insurance premiums.
- a \$437,953 increase in computer software and hardware costs as we continue to switch from analogue to digital platforms. This includes a staged replacement of our finance and procurement system, as well as a new asset management system.
- a \$287,040 increase in other occupancy and property costs which includes water rates, cleaning and security costs.

## 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 2025-26 has been budgeted to increase by 8.2%, totalling \$21,300,844. 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 the costs of financing council activities through borrowings and any other bank related charges. In 2025-26, finance costs are budgeted to be \$922,441, or 1.1% 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 \$1,873,199 is budgeted for 2025-26. This is an increase of 1.3% over 2024/25.

## State Government levies and charges

Council is required to pay the following State Government levies and charges in 2025-26.

State Government levies and charges include:	2024-25 budget	2025-26 budget	% change
Dog and Cat Management Levy	80,000	85,000	6.3%
Emergency Services Levy	85,000	85,000	0.0%
EPA Licence (Depot)	68,000	75,000	10.3%
e-Planning service	65,100	82,100	26.1%
Land Services Group search fees	3,500	2,000	(42.9%)
Motor vehicle registration	200,000	208,000	4.0%
Regional Landscape Levy	1,849,662	1,873,199	1.3%
Street lighting	194,478	196,592	1.1%
Valuer General	282,000	295,000	4.6%
Waste Levy	1,976,811	2,015,074	1.9%
<b>Total</b>	<b>4,804,551</b>	<b>4,916,965</b>	<b>2.3%</b>

# Operational income and expenditure

2024-25 budget		Description	2025-26 budget
Original	Revised		
Income			\$
76,540,662	76,128,662	Rates	81,913,199
2,484,400	2,544,400	Statutory charges	2,828,900
2,113,280	2,069,240	User charges	2,066,909
3,841,610	5,973,387	Grants and subsidies	4,235,726
347,000	512,788	Reimbursements	381,200
921,350	1,179,473	Other income	955,350
86,248,302	88,407,950	Total income	92,381,284
Operational expenditure			\$
28,599,288	28,444,115	Staff costs	31,183,959
701,910	756,210	Staff related costs	824,855
3,669,982	4,033,042	Buildings furniture and fittings	3,966,090
2,303,070	2,301,286	Plant and equipment	2,317,705
2,347,426	2,252,210	Computer expenditure	2,683,149
14,355,133	16,724,843	Community assets	15,772,034
5,168,163	5,763,144	General (including professional fees)	5,260,763
944,809	936,966	Bank and finance	922,441
4,306,837	4,442,245	Council expenditure	4,198,906
13,509,360	13,525,836	Contract expenditure	14,477,300
1,264,100	1,272,696	Materials	1,108,700
3,056,594	3,209,371	Occupancy and property	3,343,634
80,226,672	83,661,964	Total operational costs	86,059,536
<b>6,021,630</b>	<b>4,745,986</b>	<b>Operational surplus/(deficit)</b>	<b>6,321,749</b>

# Capital expenditure

	Capital expenditure 2025-26 \$('000)		
	New / upgraded assets	Asset renewal / replacement	Total
Land and buildings	51,752	5,407	57,159
Plant and equipment	356	1,473	1,829
Stormwater and drainage	5,650	544	6,194
Brown Hill Keswick Creeks	2,533	-	2,533
Open space and recreation	825	7,190	8,015
Traffic and transport	1,192	15,215	16,407
Non-Asset Management Plan capital	137	95	232
<b>Total</b>	<b>62,445</b>	<b>29,924</b>	<b>92,369</b>

Funding includes expenditure on new or upgraded assets includes funds to enhance or expand council's infrastructure to meet increasing demand and capacity requirements, as well as allocations for major projects, while 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 2025-26 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 2025-26

### Land and buildings

\$57.2 million will be allocated to the upgrade and renewal of land and buildings assets.

Major projects include:

- Thebarton Theatre Redevelopment (staged).
- Karkungka Community Centre for Remembrance.
- Cowandilla Reserve and Western Youth Centre.
- City of West Torrens Library/Community Centre extension.

### Road sealing and other transport

\$16.4 million will be allocated to the road infrastructure, including \$7.2 million on sealed road, kerb and gutter renewals, \$2.2m on footpath renewals, while a further \$5.6 million will be funded for the road construction program. Other transport road works include:

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

### Stormwater and drainage

\$8.7 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:

- Kurralta Park stormwater upgrade.
- Hoylake Street / Albert Avenue drainage upgrade.
- North Plympton/Plympton Investigations Stage 4 stormwater upgrade.

### Open space

\$8.0 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) and where any opportunities arise during the financial year, budget consideration will be included as part of the three budget reviews that will be undertaken during the 2025-26 year. Due to the uncertainty of receiving grant funding, we have taken the conservative approach to only include grant 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 has involved an advance payment of the following year's funds in the current year, 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. All remain within the targets set, with the exception of the Net Financial Liabilities Ratio. While this ratio does exceed the upper limit of 100% during the life of the plan, it is a result of the calculation used, which includes the liability for the right of use leases. With the modification to the calculation, removing the right of use leases, the Net Financial Liabilities Ratio now falls within the range above.

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 as an Appendix to this document.

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



# CEO statement on financial sustainability

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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.

Councils are answerable to their local communities when it comes to budgeting and spending and, as such, it's imperative that they have a sustainable financial position to ensure that communities can be provided for in the future. Our organisational continuous improvement program enables us to identify savings opportunities and achieve ongoing efficiency in our service delivery.

As is the way with any household budget, a council budget must forecast what is needed for the future and prioritise how those needs will be funded long-term. We are mindful of the current cost of living challenges for our community and these too affect our own operations as the cost of doing business has also increased.

In our pursuit to enhance the quality of life for our residents, there is a planned increase in major capital investments, and we are fortunate to have received both federal and state government funding to help deliver some of these projects, meaning the cost is lessened for our ratepayers.

The City of West Torrens adopts a holistic and proactive approach to financial management. The management of operating results, debt and asset growth is integrated into strategic planning, asset management planning and long-term financial plans, as well as the day-to-day activities of council. This ensures measured decision making, performance management and regulatory reporting for the benefit of the organisation and our community.

As an important mechanism of oversight for how we manage our finances in a responsible and appropriate way, we include the use of independent and experienced professionals. They participate as members of our Audit and Risk General Committee, and we engage the services of an external auditor to provide scrutiny to our processes and service models, while ensuring legislative compliance for the regulated parts of our service delivery.

## Finance strategy

Council's finance strategy is based on achieving a long-term financial position that can deliver planned services and projects, manage debt and support and promote the growth of West Torrens. By prioritising ongoing operating surpluses in budgeting, we ensure financial sustainability, while minimising the accumulation of 'bad' debt resulting from deficit budgets.

Our Long-Term Financial Plan (LTFP) modelling provides a high-level framework to guide us when preparing our annual budgets and helps us understand the future impact of decisions that we make today.

The modelling assumes that we will continue to use debt in the short and longer terms as a mechanism for funding new or enhanced assets as a way of achieving inter-generational equity. This means that each generation pays its way for what it consumes, ensuring fairness across all generations.

The finance strategy is based on generating a responsible operating surplus ratio, as defined by the Local Government Association (LGA). The LGA uses a benchmark of a council having an average operating ratio surplus over time between zero percent and 10%.

If a council consistently achieves a modest positive operating surplus ratio and has soundly based projections showing that it can continue to do so in future while having regard to asset management and community service needs, then it is financially sustainable.

## Debt management strategy

Effective debt management provides security for councils' financial sustainability. The LGA prescribes debt as a suitable way to provide intergenerational equity to ensure that all generations share the responsibility for the assets and services they consume. Debt management requires an understanding of debt purpose, profile (e.g. fixed or variable) and a clear repayment strategy. Management of these key areas ensures that debt is sustainable regardless of the level.

The LGA recommends that the net financial liabilities ratio is between zero and 100% of total operating income, however this could be higher in some circumstances. It should be noted that our council also provides an adjusted net liabilities ratio in addition to the standard ratio to recognise the high level of lease liability, which in our view should not be included in the standard ratio.

While borrowing money to fund projects is carefully managed in terms of how interest will negatively impact on our operating result, we sometimes find that borrowing today will save us tomorrow. In some situations, we have found that by borrowing funds to upgrade existing infrastructure in the present, this has saved us from having to borrow more funds in the future for full replacement costs.

Our Asset Management Plans (AMPs) are also reviewed regularly to ensure they remain accurate and up to date. These help us predict our ongoing expenditure needs and provide us with important data to forecast financial commitments. Our council is the caretaker for more than \$1 billion in community assets and it is our responsibility to ensure that they are adequately maintained.

In addition to our AMPs, we have a range of non-legislated plans which help guide us regarding expenditure. These plans provide us with a blueprint for project and service provision for our community and are factored into our annual budgets and long-term financial plans as necessary. All plans, both legislated and non-legislated, are provided to our community for feedback when being developed.

Our net financial liabilities ratio is a calculation that compares our liabilities to our assets or income. As such, there is no right or wrong target range for our net financial liabilities' ratio. We set our range while having regard to the needs that are identified in our long-term financial plan and our infrastructure and asset management plans. The target ratio should normally be greater than zero but less than 100% of operating income, however significant projects may increase this in the short term.

### Asset growth management

Council accepts responsibility for providing a high standard of assets and services to the community, which is what they expect. In doing so, it is essential that we have strong financial management surrounding asset growth and renewal. To provide these assets, we must ensure that they can be funded.

The asset renewal ratio shows whether assets are being renewed and replaced in an optimal way, compared with the asset renewal and replacement expenditure identified as warranted in our AMPs.

In terms of funding asset growth, our options include:

1. increasing rates
2. additional loan funding
3. asset sales

Obtaining the right mix of these options is important for maintaining intergenerational equity. We accomplish this by adhering to prudent financial practices, including responsible borrowing, and by implementing best-practice internal controls aligned with the LGA's Better Practice Model - Financial Controls. This approach ensures we meet targeted and appropriate financial indicators, supporting sustainable financial management.

Overall the finance strategy underpins the council's ability to deliver on financial sustainability. This LTFP indicates that our council is well equipped to manage the demands of our asset management growth for years to come.

### Long-Term Financial Plan (LTFP) results

The LTFP forecasts on the preceding pages indicate that council's financial position and performance during the course of the next 10 years is responsible and sustainable.

We are forecasting budgeted financial ratios within the ranges recommended by the LGA over the 10-year life of the plan.

### ESCOSA advice

My view is that the City of West Torrens is financially sustainable, which has been independently verified by ESCOSA in its advice, included in this plan.

**Angelo Catinari**  
Chief Executive Officer



# 10-year key financial indicators

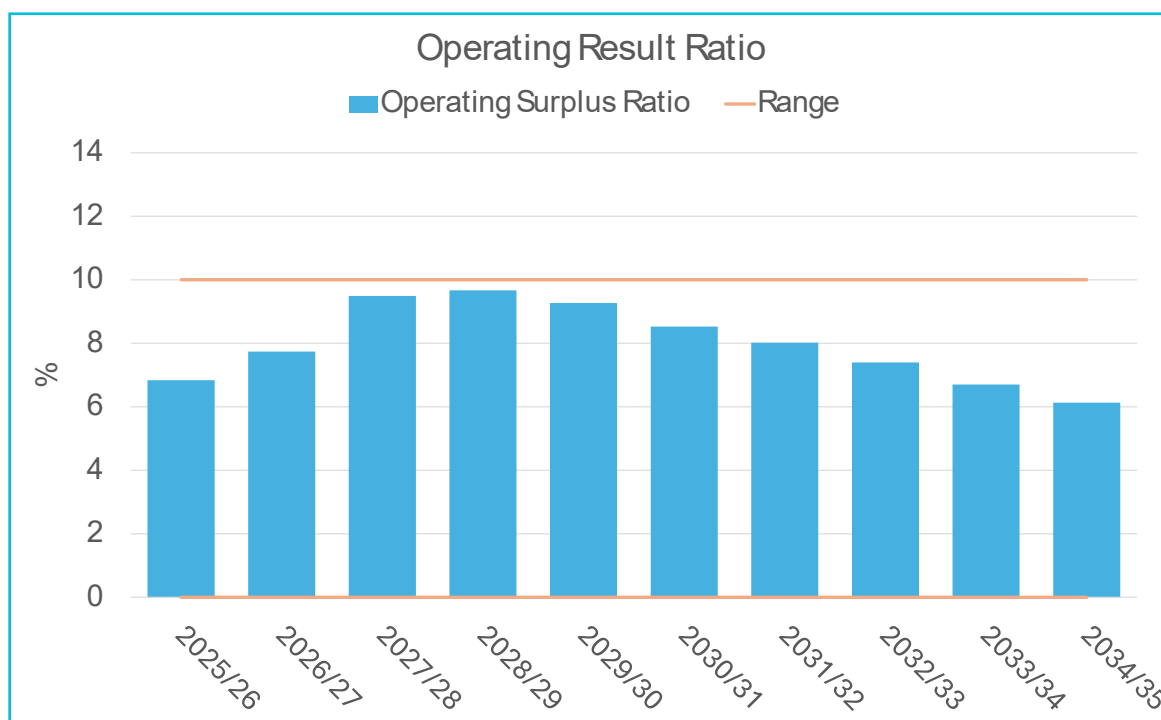
The financial indicators are used to measure how council is performing in terms of financial sustainability.

The measures are used to ensure that we are staying within the targets over the life of the LTFP. It also provides 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 operating income exceeds operating 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 we at the City of West Torrens project to operate within this range, as it demonstrates a strength in our capital expenditure programs.

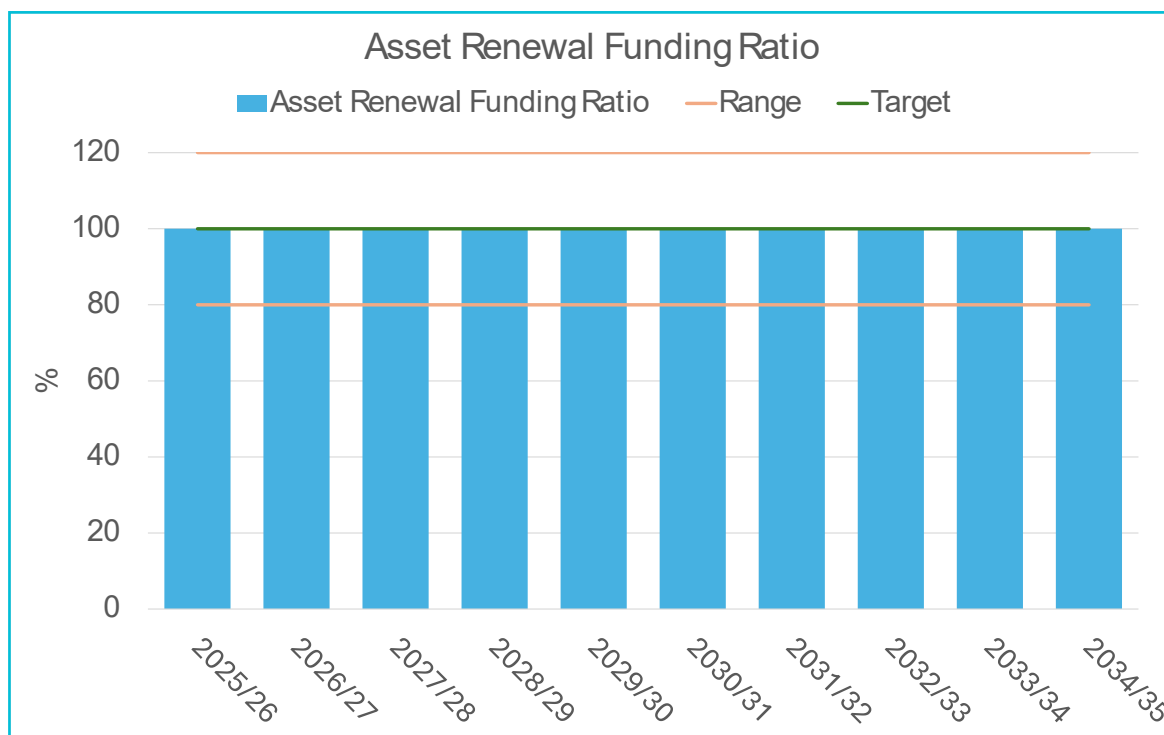


## Asset renewal funding ratio

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, and we are forecasting a ratio of 100% in 2025-26.

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).



# 10-year key financial indicators (cont)

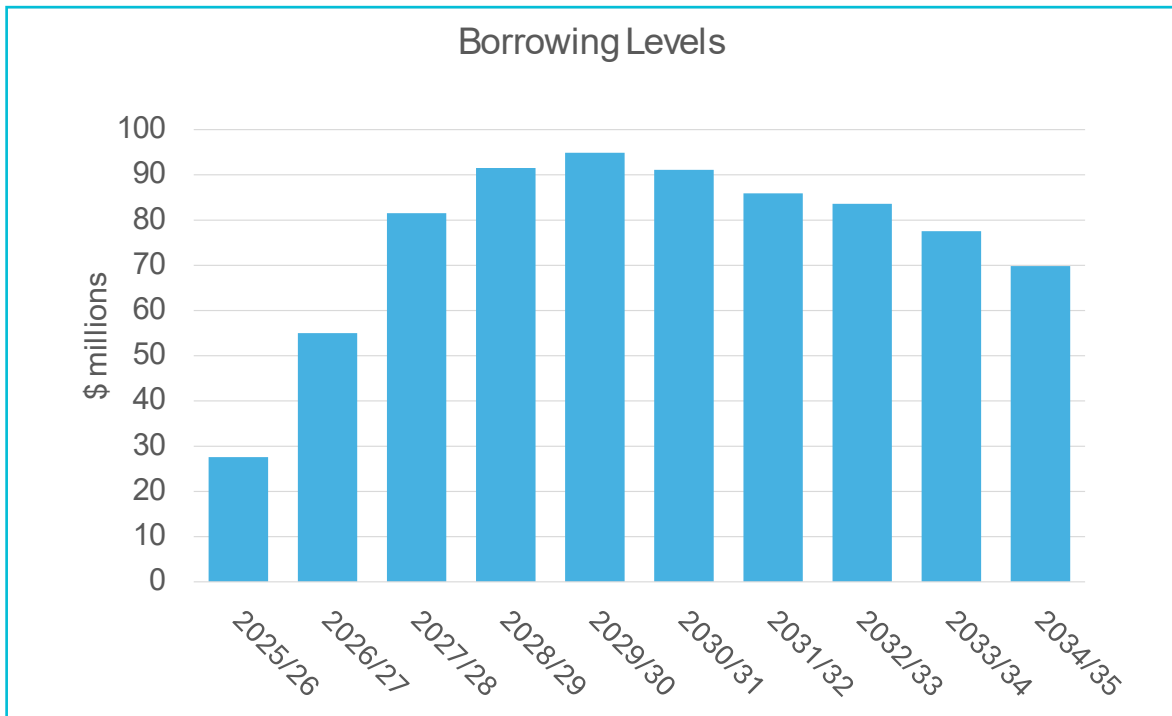
## Loan servicing capacity

To meet a structured long-term asset renewal and replacement program, we will need to commit to a loan program that will result in loan liabilities increasing to \$94.9 million in 2029-30. Borrowing interest rates of 5.5% have been estimated, along with future 15-year fixed borrowing terms.

Loan repayments as a percentage of rates is the industry-accepted benchmark to assess a council's relative indebtedness. The percentage for the City of West Torrens, based on the actual and projected loan program, is 3.4% for 2025-26.

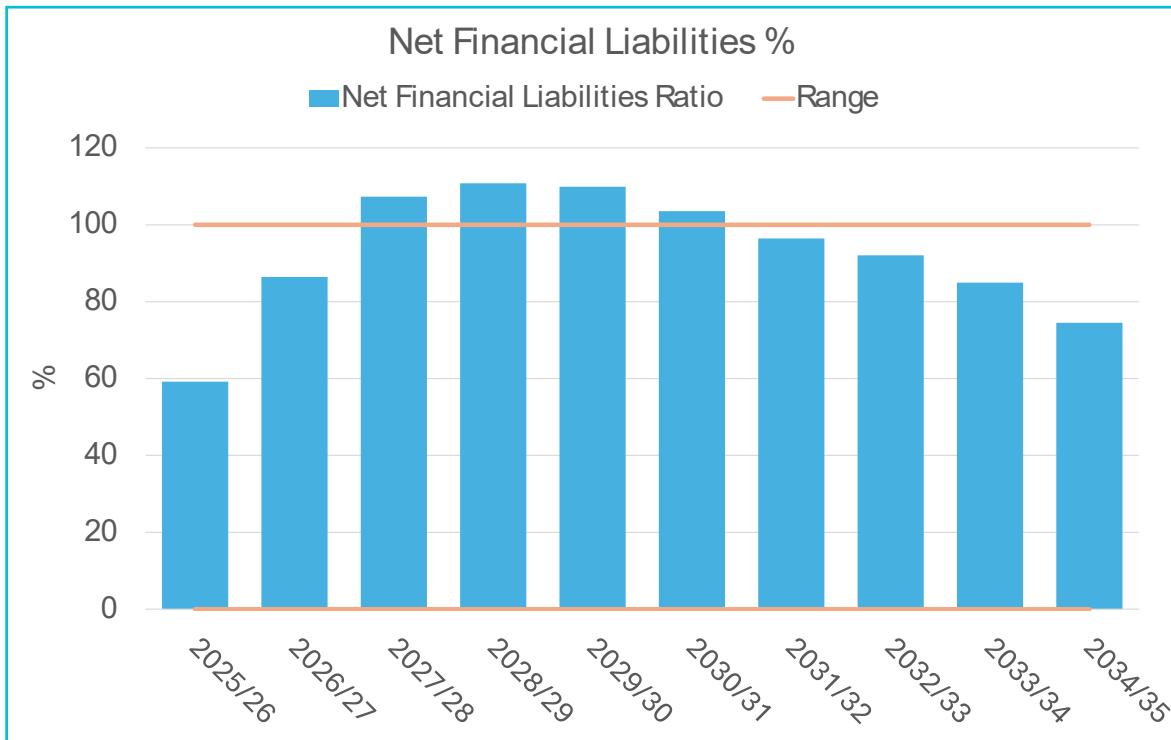
Council manages its debt in accordance with its 'Treasury Debt Management Policy'. The proposed level of debt sits within the parameters of that policy.

A percentage between zero % and 25% would normally be considered reasonable as per the Local Government Association information paper.



## Net financial liabilities

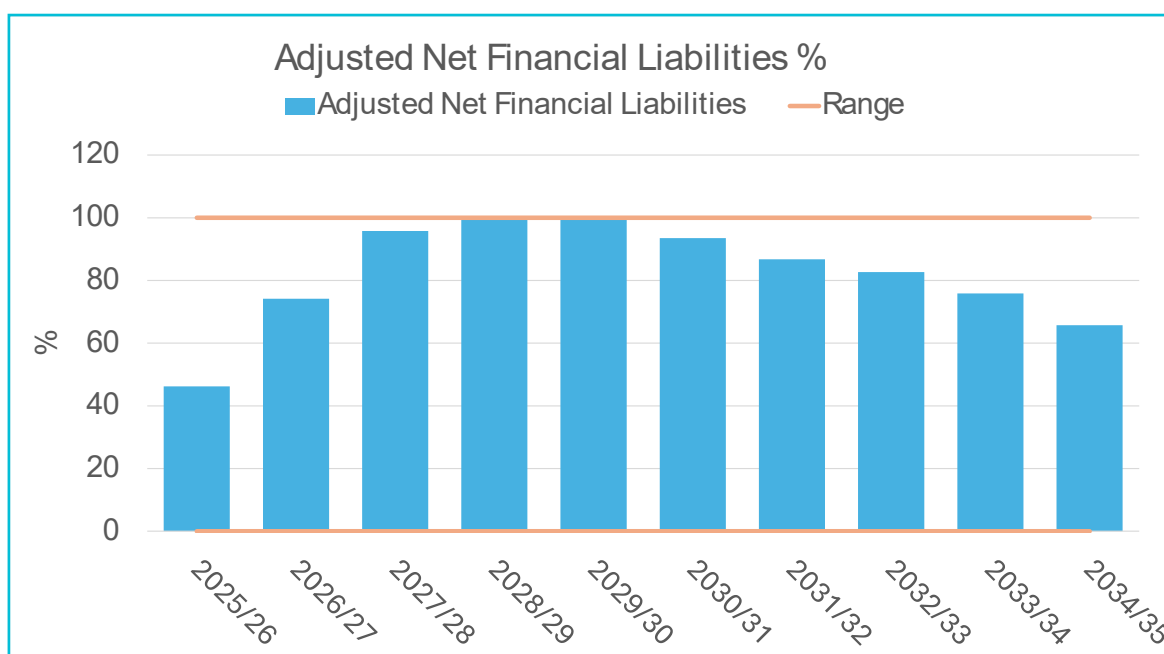
The net financial liabilities ratio indicates the extent to which the net financial liabilities of a council can be met by a single year's operating revenue. A ratio increasing over time indicates that a council's ability to meet its financial obligations from operating revenues is weakening. The desirable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



## 10-year key financial indicators (cont)

### 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 \$12 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:





# Rating structure and policy

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## (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](http://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.

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#### (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](http://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](http://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%.

## Rating structure and policy (cont)

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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](http://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 2025-26 financial year will be by 4 quarterly instalments falling due on 1 September 2025, 1 December 2025, 1 March 2026 and 3 June 2026. 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

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# Proposed capital program 2025-26

Land and buildings	Total \$	New / Upgrade \$	Renewal / Replacement \$
West Torrens Library / Community Centre extension	31,900,000	31,900,000	
Cowandilla Reserve and Western Youth Centre	15,078,000	12,796,582	2,281,418
Karkungka Community Centre	7,406,472	5,975,555	1,430,917
Open Space Fund (land purchase)	250,000	250,000	-
Plympton Community Centre upgrade	700,000	700,000	-
Community building renewal works (includes structural and compliance works, air-conditioning and general building renewals)	1,695,000	-	1,695,000
Community building upgrade works (include depot solar system upgrade and storage for Glenlea tennis club)	130,000	130,000	-
<b>Total land and buildings</b>	<b>57,159,472</b>	<b>51,752,137</b>	<b>5,407,335</b>

Plant and equipment (includes fleet, major and minor plant and equipment)			
<b>Total plant and equipment</b>	<b>1,829,150</b>	<b>356,000</b>	<b>1,473,150</b>

Stormwater and drainage			
Stormwater and drainage renewal works (includes Desmond Avenue (Marion to Sutton), Alexander Avenue/ Marlestone Avenue, drainage renewal design and other minor drainage renewal works)	544,000	-	544,000
Stormwater and drainage upgrade works (includes North Plympton/Plympton stage 4, Chambers Avenue, Hoylake Street/Albert Avenue, Kurralta Park stage 2, Edward Davies Street, Lower Sturt River Tram Crossing)	5,650,000	5,650,000	-
<b>Total stormwater and drainage</b>	<b>6,194,000</b>	<b>5,650,000</b>	<b>544,000</b>

Brown Hill Keswick Creek			
Brown Hill and Keswick Creeks contributions	2,133,000	2,133,000	-
Brown Hill and Keswick Creeks - culvert stiffening	400,000	400,000	-
<b>Total Brown Hill Keswick Creeks</b>	<b>2,533,000</b>	<b>2,533,000</b>	<b>-</b>

Open space and recreation facilities			
Kings Reserve Masterplan implementation	5,600,000	-	5,600,000
Open space and recreation renewal works (includes playground equipment replacements at Golflands Reserve, Falcon Avenue Reserve and Poplar Street Reserve, reserve irrigation, River Torrens path renewals, sports ovals and associated car parking renewals)	1,590,000	-	1,590,000
Open space and recreation upgrade works (includes reserve upgrades and River Torrens path upgrades)	825,000	825,000	-
<b>Total open space and recreational facilities</b>	<b>8,015,000</b>	<b>825,000</b>	<b>7,190,000</b>

Traffic and transport			
Kerb and gutter program	3,084,881	-	3,084,881
Road maintenance / resealing program	4,076,190	-	4,076,190
Road reconstruction program	5,628,929	-	5,628,929
Traffic management	695,000	695,000	-
Bicycle management	290,000	290,000	-
Public lighting	275,000	-	275,000
Footpath reconstruction and remediation	2,150,000	-	2,150,000
Footpath construction	207,359	207,359	-
<b>Total traffic and transport</b>	<b>16,407,359</b>	<b>1,192,359</b>	<b>15,215,000</b>

Non-asset management plan capital			
IT infrastructure	160,000	80,000	80,000
Furniture and fittings	72,000	57,000	15,000
<b>Total non-asset management plan capital</b>	<b>232,000</b>	<b>137,000</b>	<b>95,000</b>

<b>Total capital expenditure 2025-26</b>	<b>92,369,981</b>	<b>62,445,496</b>	<b>29,924,485</b>
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*Note: certain projects have been scheduled over multiple years, with the cash flow for associated payments incorporated into our Long-Term Financial Plan.*

# Statement on expected rates revenue

## Statement on Expected Rate 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

	2024/25 (as adopted)	2025/26 (estimated)	Change	Comments
<b>General Rates Revenue</b>				
General Rates (existing properties)		\$73,578,113 (a)		A 6.84% rate increase has been applied based on last years actuals at budget preparation time.
General Rates (new properties)		\$481,887 (b)		
<b>General Rates (GROSS)</b>	<b>\$68,850,000</b>	<b>\$74,060,000 (c)</b>		
Less: Mandatory Rebates	(\$1,126,000)	(\$1,500,000) (d)		
<b>General Rates (NET)</b>	<b>\$67,724,000</b>	<b>\$72,560,000 (e)</b>	<b>7.14%</b>	
<i>(e)=(c)+(d)</i>				
<b>Other Rates (inc. service charges)</b>				
Regional Landscape Levy	\$1,849,662	\$1,794,519 (f)		The Regional Landscape Levy is a State tax, it is <b>not retained</b> by council.
	\$69,573,662	\$74,354,519		
Less: Discretionary Rebates	(\$70,000)	(\$165,000) (i)		
<b>Expected Total Rates Revenue</b>	<b>\$67,654,000</b>	<b>\$72,395,000 (m)</b>	<b>7.0%</b>	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
<i>(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)</i>				

### Estimated growth in number of rateable properties

<b>Number of rateable properties</b>	<b>31,764</b>	<b>31,986</b>	<b>(n)</b>	<b>0.7%</b>	These are subject to change once Council receives information from the State's independent authority the Valuer General. The numbers may significantly change due to the mandatory acquisitions associated with the Torrens to Darlington project.
	<i>Actual</i>	<i>Estimate</i>			
<p>'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 residents.</p>					

### Estimated average General Rates per rateable property

<b>Average per rateable property</b>	<b>\$2,168</b>	<b>\$2,315</b>	<b>(o)</b>	<b>6.8%</b>	These are subject to change once Council receives information from the State's independent authority the Valuer General.
	<i>(o)=(c)/(n)</i>				
<p>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).</p> <p>The total General Rates paid by all rateable properties will equal the amount adopted in the budget.</p>					

### Notes

(d) Councils are <b>required</b> 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 <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea)					
<b>Please Note:</b> The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from <u>individual</u> rateable properties (ie. individual rates will not necessarily change by this figure).					
(f) Councils are required under the <i>Landscape South Australia Act 2019</i> 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 natural resources.					
(i) Community Wastewater Management Systems					
(j) A council <b>may</b> 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 receive the rebate).					
(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 <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2)					

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Page left intentionally blank pending community feedback and council's formal adoption of rates for the 2025-26 financial year.

# Statement of comprehensive income

For the year ended 30 June 2026

\$'000	Original budget 2024-25	Original budget 2025-26
<b>Income</b>		
Rates revenues	76,541	81,913
Statutory charges	2,484	2,829
User charges	2,113	2,067
Grants, subsidies and contributions	3,842	4,236
Investment income	921	955
Reimbursements	340	375
Other income	7	6
Net gain - equity accounted council businesses	-	-
<b>Total Income</b>	<b>86,248</b>	<b>92,381</b>
<b>Expenses</b>		
Employee costs	29,301	32,009
Materials, contracts and other expenses	30,294	31,827
Depreciation, amortisation and impairment	19,686	21,301
Finance costs	945	922
Net loss - equity accounted council businesses	-	-
<b>Total expenses</b>	<b>80,227</b>	<b>86,060</b>
<b>Operating surplus / (deficit)</b>	<b>6,022</b>	<b>6,322</b>
Asset disposal and fair value adjustments	-	-
Amounts received specifically for new or upgraded assets	2,400	11,214
Physical resources received free of charge	-	-
<b>Net surplus / (deficit)</b>	<b>8,422</b>	<b>17,536</b>
<b>Other comprehensive income</b>		
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	-	-
<b>Total comprehensive income</b>	<b>8,422</b>	<b>17,536</b>

# Statement of financial position

as at 30 June 2025

\$'000	Original budget 2024-25	Original budget 2025-26
<b>Current assets</b>		
Cash and cash equivalents	3,000	3,000
Trade and other receivables	3,243	4,477
Other financial assets	1,679	1,763
Inventories	21	18
<b>Subtotal</b>	<b>7,943</b>	<b>9,258</b>
Non-current assets held for sale	-	-
<b>Total current assets</b>	<b>7,943</b>	<b>9,258</b>
<b>Non-current assets</b>		
Financial assets	263	250
Equity accounted investments in council businesses	18,166	24,902
Investment property	-	-
Infrastructure, property, plant and equipment	882,373	1,201,243
Other non-current assets	12,544	6,231
<b>Total non-current assets</b>	<b>913,346</b>	<b>1,232,626</b>
<b>Total assets</b>	<b>921,289</b>	<b>1,241,885</b>
<b>Current liabilities</b>		
Cash advance debenture	-	-
Trade and other payables	15,235	18,147
Borrowings	2,880	2,253
Provisions	5,301	6,147
Other current liabilities	-	-
<b>Subtotal</b>	<b>23,416</b>	<b>26,547</b>
Liabilities relating to non-current assets held for sale	-	-
<b>Total current liabilities</b>	<b>23,416</b>	<b>26,508</b>
<b>Non-current liabilities</b>		
Borrowings	51,085	37,331
Provisions	257	307
Total non-current liabilities	51,342	37,638
<b>Total liabilities</b>	<b>74,758</b>	<b>64,185</b>
<b>Net assets</b>	<b>846,531</b>	<b>1,177,699</b>
<b>Equity</b>		
Accumulated surplus	103,596	98,426
Asset revaluation reserves	692,340	1,000,181
Other reserves	50,595	79,092
<b>Total council equity</b>	<b>846,531</b>	<b>1,177,700</b>

# Statement of cash flows

For the year ended 30 June 2026

\$'000	Original budget 2024-25	Original budget 2025-26
<b>Cash Flows from Operating Activities</b>		
<b>Receipts</b>		
Rates receipts	76,997	82,619
Statutory charges	2,467	2,792
User charges	1,996	2,049
Grants, subsidies and contributions (operating purpose)	3,825	4,437
Investment receipts	826	965
Reimbursements	344	379
Other receipts	202	34
<b>Payments</b>		
Payments to employees	(29,229)	(31,908)
Payments for materials, contracts and other expenses	(44,062)	(31,728)
Finance payments	(945)	(914)
<b>Net cash provided by (or used in) operating activities</b>	<b>12,421</b>	<b>28,726</b>
<b>Cash flows from investing activities</b>		
<b>Receipts</b>		
Amounts received specifically for new/upgraded assets	2,709	10,446
Sale of replaced assets	1,538	
Sale of surplus assets	-	3,070
<b>Payments</b>		
Expenditure on renewal/replacement of assets	(16,284)	(22,895)
Expenditure on new/upgraded assets	(24,007)	(21,258)
<b>Net cash provided by (or used in) investing activities</b>	<b>(36,044)</b>	<b>(30,638)</b>
<b>Cash flows from financing activities</b>		
<b>Receipts</b>		
Proceeds from borrowings	23,951	3,918
<b>Payments</b>		
Repayments of borrowings	(1,633)	(2,006)
<b>Net cash provided by (or used in) financing activities</b>	<b>22,318</b>	<b>1,912</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,305)</b>	<b>-</b>
plus: cash and cash equivalents at beginning of period	4,305	3,000
Cash and cash equivalents at end of period	3,000	3,000
plus: investments on hand - end of year	1,679	1,763
<b>Total cash, cash equivalents and investments</b>	<b>4,679</b>	<b>4,763</b>

# Statement of changes in equity

For the year ended 30 June 2026

\$ '000	Asset			
	Accumulated surplus	Revaluation reserve	Other reserves	Total equity
<b>Original budget 2024-25</b>				
Balance at the end of previous reporting period	95,174	692,340	50,595	838,109
Restated opening balance	95,174	692,340	50,595	838,109
a. Net surplus / (deficit) for year	8,422	-	-	8,422
b. Other comprehensive income				
- Gain (loss) on revaluation of I,PP&E	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>8,422</b>	<b>-</b>	<b>-</b>	<b>8,422</b>
c. Transfers between reserves	-	-	-	-
Balance at the end of period	103,596	692,340	50,595	846,531
<b>Original budget 2025-26</b>				
Balance at the end of previous reporting period	118,654	1,000,181	50,595	1,169,430
Restated opening balance	80,891	1,000,181	79,092	1,160,164
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	-	-	-	-
<b>Total comprehensive income</b>	<b>17,536</b>	<b>-</b>	<b>-</b>	<b>17,536</b>
c. Transfers between reserves	-	-	-	-
Balance at the end of period	98,427	1,000,181	79,092	1,177,700

# ESCOSA Local Government 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.

The City of West Torrens was included in the first tranche of the councils to be reviewed in 2022-23. The ESCOSA advice to councils and each council's response must be published in both the draft and adopted Annual Business Plan.

The scheme's scope, as established in section 122 of the *Local Government Act*, focussed ESCOSA on the Long Term Financial Plan (LTFP) and Infrastructure and Asset Management Plan (IAMP), in particular changes to these documents and sources of revenue.

The initial information requests from ESCOSA extended well beyond the minimum requirements as per the *Local Government (Financial Management) Regulations 2011* to the full suite of information available in the Model Financial Statements and sought historical data dating back to 2007/08.

ESCOSA provided City of West Torrens with draft embargoed advice and allowed council one week to review to "check for any errors of fact".

In response, Council staff provided a number of examples of errors of fact and made some suggested edits to the advice to in order for fair representation. Some minor changes were accommodated however not all were despite contrary evidence being provided to the scheme.

As such the Introduction stated 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".



*In accordance with legislation as outlined above, the following pages contain the publication of the ESCOSA advice and our council's response.*

OFFICIAL



Advice

# Local Government Advice

City of West Torrens

February 2023

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**Enquiries concerning this advice should be addressed to:**

Essential Services Commission  
GPO Box 2605  
Adelaide SA 5001

Telephone: (08) 8463 4444  
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E-mail: [advice@escosa.sa.gov.au](mailto:advice@escosa.sa.gov.au)  
Web: [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)

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](http://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 <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	City of West Torrens
CWMS	Community Wastewater Management System
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	<a href="#">Local Government Advice: Framework and Approach – Final Report</a>
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
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.<sup>1</sup>

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**)<sup>2</sup> – both required as part of a council's SMP.<sup>3</sup> Financial sustainability is considered to encompass intergenerational equity,<sup>4</sup> as well as program (service level) and rates stability in this context.<sup>5</sup> The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, outlined in the LTFP.<sup>6</sup> 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.<sup>7</sup>

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.<sup>8</sup> It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website<sup>9</sup>), 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

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<sup>1</sup> 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).

<sup>2</sup> Commonly referred to as asset management plans.

<sup>3</sup> 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.

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

<sup>5</sup> Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at [www.escosa.sa.gov.au/advice/advice-to-local-government](http://www.escosa.sa.gov.au/advice/advice-to-local-government).

<sup>6</sup> LG Act s122(1f)(a) and (1g)(a)(ii).

<sup>7</sup> LG Act s122(1f)(b) and (1g)(b).

<sup>8</sup> LG Act s122(1h).

<sup>9</sup> The Commission must publish its advice under LG Act s122(1i)(a).

accounting for a large share of the revenue growth (representing 35 percent of projected rates revenue in 2022-23).<sup>10</sup>

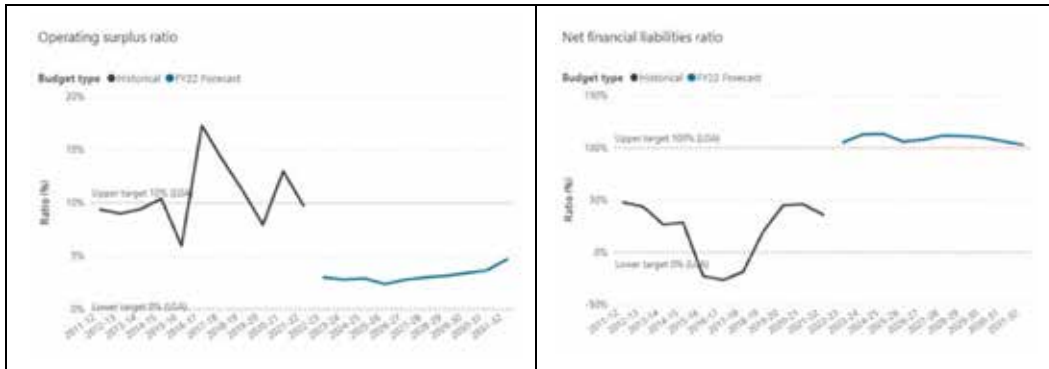
Looking ahead, the Council is projecting much higher borrowings and more conservative operating surplus levels. This reduces the pressure on its rates base to fund the annual capital spending as it occurs and better supports intergenerational equity. However, the extent of its borrowing needs to be managed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

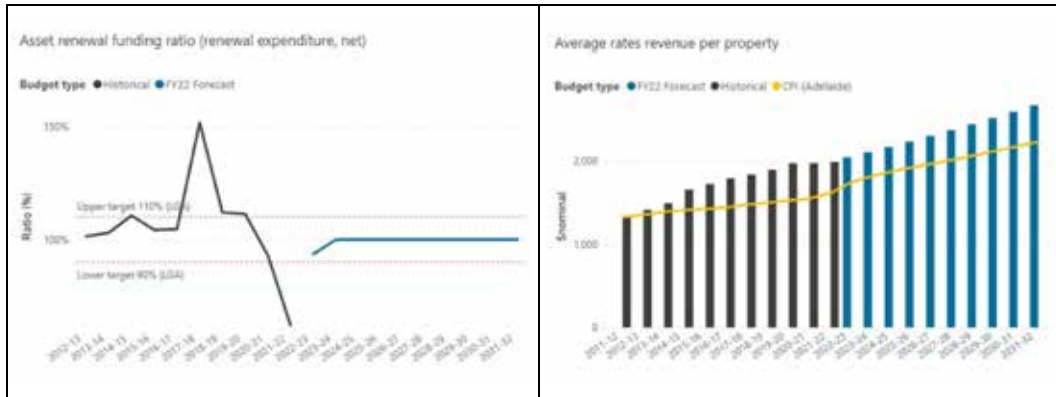
The Commission considers that there may be opportunities to continue to achieve savings and efficiencies in its recurrent budget and encourages the Council to review and report on this. This includes a review of the asset-related assumptions feeding into its estimated depreciation expenses. There are 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<sup>11</sup> and the level of cost control and affordability risk identified for the Council over time.



<sup>10</sup> 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.

<sup>11</sup> The suggested LGA target range for the ratios are discussed in more detail in the attachment.



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
Asset renewal funding ratio (target 90-110%)	Spending on renewal works just above target range, on average	Low ratio reduces 10-year average	Ratio forecast to exceed 100% for forecast period (inc. lease liabilities) →
Identified Risks:			
Cost control risk	Operating expenses per property average growth 2.5% p.a. to 2021-22 (CPI 2.0% p.a.)		Projected asset renewal in LTFP to perfectly align with AMP-required spending (ratio 100%) →
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 →		Operating expense per property forecast average growth 2.6% p.a., lower than projected CPI
			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.<sup>12</sup>

### 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.<sup>13</sup>

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.

<sup>12</sup> The attachment will be available on the Commission's website with the advice.

<sup>13</sup> 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<sup>14</sup> 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,<sup>15</sup> 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<sup>16</sup>), 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).<sup>17</sup> 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<sup>18</sup>), 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<sup>19</sup> and its Customer Improvement team has now developed a three-year plan to support it to deliver efficiencies to the community.<sup>20</sup> The Commission supports the City of West Torrens in its

<sup>14</sup> 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).

<sup>15</sup> 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).

<sup>16</sup> 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>.

<sup>17</sup> The Commission notes the impact of the increase in the solid waste levy on councils' waste management costs over this period.

<sup>18</sup> 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.

<sup>19</sup> City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 26. The Commission notes that this result would likely exclude the impact of recent bulk purchasing arrangements for local councils in South Australia for electricity.

<sup>20</sup> 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<sup>21</sup> has averaged a relatively low level of 19 percent.<sup>22</sup> This is within the suggested sector benchmark (between zero and 100 percent).<sup>23</sup>

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.<sup>24</sup> 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*.'<sup>25</sup> 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.<sup>26</sup> The Council calculated an adjusted ratio, without the lease liabilities, and this is forecast to be generally between 90 and 100 percent.<sup>27</sup>

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.<sup>28</sup> 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.

<sup>21</sup> 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.

<sup>22</sup> 2011-12 to 2020-21.

<sup>23</sup> 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).

<sup>24</sup> 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](http://www.westtorrens.sa.gov.au/files/sharedassets/public/objective-digitalpublications/external-website/publications/annual-report-2015-16.pdf).

<sup>25</sup> City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 64.

<sup>26</sup> Based on a 2019 update to Australian Accounting Standards Board (AASB) standard for leases (AASB 16).

<sup>27</sup> City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 66.

<sup>28</sup> City of West Torrens, *Budget and Annual Business Plan 2022-23*, July 2022, p. 66.

## 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<sup>29</sup> 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.<sup>30</sup>

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.<sup>31</sup> 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.<sup>32</sup>

When the asset renewal funding ratio is instead calculated by the depreciation-based method,<sup>33</sup> 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 life 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:

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<sup>29</sup> 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).

<sup>30</sup> 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).

<sup>31</sup> 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.

<sup>32</sup> 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>.

<sup>33</sup> 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,<sup>34</sup> 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<sup>35</sup> and coincided with relatively static property growth (with 0.1 percent average annual growth in property numbers).<sup>36</sup>

The Council budgeted for an average rate increase of 3.1 percent or \$57 for its existing ratepayers in 2022-23.<sup>37</sup> 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.<sup>38</sup>

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.<sup>39</sup> 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.<sup>40</sup>

The Commission notes the relatively low economic resources ranking for the area<sup>41</sup> 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).<sup>42</sup> The Council does levy relatively low residential rates,<sup>43</sup> and there was only a minimal response to the

<sup>34</sup> From 2011-12 to 2020-21.

<sup>35</sup> See footnote 16.

<sup>36</sup> 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>.

<sup>37</sup> Individual rate level changes may be higher or lower depending on the rates category and property value.

<sup>38</sup> City of West Torrens, *Budget and Annual Business Plan 2022-23*, p. 74 and the Commission's calculations.

<sup>39</sup> See footnote 13.

<sup>40</sup> 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).

<sup>41</sup> 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-%20Iga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&2.7.03.2018&Latest>.

<sup>42</sup> 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>.

<sup>43</sup> 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](https://councilsinfocus.sa.gov.au/councils/city_of_west_torrens). The Commission is not relying on these rate comparisons for its advice.

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

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.

<sup>44</sup> 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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# Response to Local Government advice



## 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.*

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

ADVICE	CWT COMMENTS
1. <b>Provide</b> 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.	<b>Assumptions are already clearly articulated as was evidenced to ESCOSA. No advice given by ESCOSA as to how to achieve this.</b>
2. <b>Continue to Review</b> its inflation assumptions in its forward projections from 2023-24 (but more transparently as per <b>Finding 1</b> , given the potential for higher short-term inflation outcomes followed by a return to long-term averages.	<b>Noted</b>
3. <b>Continue</b> 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.	<b>Noted</b>
4. <b>Continue</b> 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.	<b>Noted</b>
5. <b>Review</b> 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.	<b>Estimates of asset lives and valuations are reviewed regularly as was evidenced to ESCOSA.</b>
6. <b>Continue</b> 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	<b>Noted</b>

## 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.

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- **A Waste of Ratepayers Money**

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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.

# 10 year financial plan

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## Statement of comprehensive income

	2025/26	2026/27	2027/28	2028/29	Projected years					2034/35
					2029/30	2030/31	2031/32	2032/33	2033/34	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>										
Rates	81,913	87,845	94,173	100,115	104,441	108,020	111,738	115,544	119,479	123,548
Statutory charges	2,829	2,914	3,001	3,091	3,184	3,279	3,378	3,479	3,584	3,691
User charges	2,067	2,139	2,203	2,269	2,337	2,407	2,507	2,582	2,660	2,739
Grants, subsidies and contributions - operating	4,236	4,339	4,436	4,536	4,638	4,744	4,853	4,965	5,080	5,199
Grants, subsidies and contributions - capital	-	-	-	-	-	-	-	-	-	-
Investment income	955	212	229	561	631	780	819	774	858	1,009
Reimbursements	375	386	398	410	422	435	448	461	475	489
Other income	6	6	6	7	7	7	7	7	8	8
Net gain - equity accounted council businesses	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>92,381</b>	<b>97,841</b>	<b>104,446</b>	<b>110,989</b>	<b>115,660</b>	<b>119,673</b>	<b>123,750</b>	<b>127,813</b>	<b>132,144</b>	<b>136,684</b>
<b>Expenses</b>										
Employee costs	32,009	33,859	34,875	35,921	36,999	38,109	39,252	40,429	41,642	42,892
Materials, contracts and other expenses	31,827	33,199	33,925	35,027	36,166	37,343	38,561	39,819	41,120	42,466
Depreciation, amortisation and impairment	21,301	21,892	22,882	24,973	26,846	28,859	31,024	33,351	35,852	38,541
Finance costs	922	1,315	2,852	4,338	4,924	5,153	4,991	4,755	4,675	4,404
Net loss - equity accounted council businesses	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>86,060</b>	<b>90,265</b>	<b>94,533</b>	<b>100,259</b>	<b>104,935</b>	<b>109,465</b>	<b>113,828</b>	<b>118,354</b>	<b>123,289</b>	<b>128,302</b>
<b>Operating Surplus / (Deficit)</b>	<b>6,322</b>	<b>7,576</b>	<b>9,913</b>	<b>10,730</b>	<b>10,725</b>	<b>10,208</b>	<b>9,922</b>	<b>9,458</b>	<b>8,854</b>	<b>8,382</b>
Amounts received specifically for new or upgraded assets	11,214	-	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit)</b>	<b>17,536</b>	<b>7,576</b>	<b>9,913</b>	<b>10,730</b>	<b>10,725</b>	<b>10,208</b>	<b>9,922</b>	<b>9,458</b>	<b>8,854</b>	<b>8,382</b>
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>17,536</b>	<b>7,576</b>	<b>9,913</b>	<b>10,730</b>	<b>10,725</b>	<b>10,208</b>	<b>9,922</b>	<b>9,458</b>	<b>8,854</b>	<b>8,382</b>

# Statement of financial position

	Projected years									
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>										
Current assets										
Cash and cash equivalents	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	6,359
Trade and other receivables	4,477	3,323	3,508	3,698	3,839	3,967	4,098	4,225	4,362	4,506
Other financial assets	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763
Inventories	18	18	18	18	18	18	18	18	18	18
<b>Total current assets</b>	<b>9,258</b>	<b>8,104</b>	<b>8,289</b>	<b>8,479</b>	<b>8,620</b>	<b>8,748</b>	<b>8,879</b>	<b>9,006</b>	<b>9,143</b>	<b>12,646</b>
Non-current assets										
Financial assets	250	250	250	250	250	250	250	250	250	250
Equity accounted investments in council businesses	24,902	24,902	24,902	24,902	24,902	24,902	24,902	24,902	24,902	24,902
Infrastructure, property, plant and equipment	1,201,243	1,238,680	1,276,118	1,297,755	1,312,600	1,319,608	1,324,963	1,332,733	1,336,187	1,334,159
Other non-current assets	6,231	6,231	6,231	6,231	6,231	6,231	6,231	6,231	6,231	6,231
<b>Total non-current assets</b>	<b>1,232,626</b>	<b>1,270,063</b>	<b>1,307,501</b>	<b>1,329,138</b>	<b>1,343,983</b>	<b>1,350,991</b>	<b>1,356,346</b>	<b>1,364,116</b>	<b>1,367,570</b>	<b>1,365,542</b>
<b>Total assets</b>	<b>1,241,885</b>	<b>1,278,167</b>	<b>1,315,790</b>	<b>1,337,617</b>	<b>1,352,603</b>	<b>1,359,739</b>	<b>1,365,225</b>	<b>1,373,121</b>	<b>1,376,713</b>	<b>1,378,188</b>
<b>Liabilities</b>										
Current liabilities										
Trade and other payables	18,147	19,417	20,612	21,732	22,592	23,318	24,064	24,844	25,634	26,443
Borrowings	2,253	3,656	5,158	6,075	6,790	7,256	7,707	8,326	7,716	6,949
Provisions	6,147	6,147	6,147	6,147	6,147	6,147	6,147	6,147	6,147	6,147
<b>Total current liabilities</b>	<b>26,547</b>	<b>29,220</b>	<b>31,916</b>	<b>33,953</b>	<b>35,529</b>	<b>36,721</b>	<b>37,917</b>	<b>39,317</b>	<b>39,496</b>	<b>39,539</b>
Non-current liabilities										
Borrowings	37,331	63,363	88,378	97,438	100,123	95,859	90,226	87,264	81,822	74,873
Provisions	307	307	307	307	307	307	307	307	307	307
<b>Total non-current liabilities</b>	<b>37,638</b>	<b>63,671</b>	<b>88,685</b>	<b>97,745</b>	<b>100,430</b>	<b>96,166</b>	<b>90,533</b>	<b>87,572</b>	<b>82,130</b>	<b>75,181</b>
<b>Total liabilities</b>	<b>64,185</b>	<b>92,891</b>	<b>120,601</b>	<b>131,698</b>	<b>135,959</b>	<b>132,887</b>	<b>128,451</b>	<b>126,889</b>	<b>121,626</b>	<b>114,720</b>
<b>Net assets</b>	<b>1,177,700</b>	<b>1,185,276</b>	<b>1,195,189</b>	<b>1,205,919</b>	<b>1,216,644</b>	<b>1,226,852</b>	<b>1,236,774</b>	<b>1,246,232</b>	<b>1,255,087</b>	<b>1,263,468</b>
<b>Equity</b>										
Accumulated Surplus	98,427	106,003	115,916	126,646	137,371	147,579	157,501	166,959	175,814	184,195
Asset Revaluation Reserves	1,000,181	1,000,181	1,000,181	1,000,181	1,000,181	1,000,181	1,000,181	1,000,181	1,000,181	1,000,181
Other Reserves	79,092	79,092	79,092	79,092	79,092	79,092	79,092	79,092	79,092	79,092
<b>Total Equity</b>	<b>1,177,700</b>	<b>1,185,276</b>	<b>1,195,189</b>	<b>1,205,919</b>	<b>1,216,644</b>	<b>1,226,852</b>	<b>1,236,774</b>	<b>1,246,232</b>	<b>1,255,087</b>	<b>1,263,468</b>

# Statement of cash flows

## 10 year financial plan for years ending 30 June 2035 (cont)

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>										
<b>Receipts</b>										
Rates receipts	82,619	88,569	94,945	100,840	104,968	108,457	112,192	116,008	119,959	124,045
Statutory charges	2,792	2,903	2,990	3,080	3,172	3,267	3,365	3,466	3,570	3,677
User charges	2,049	2,129	2,195	2,260	2,328	2,398	2,494	2,572	2,650	2,729
Grants, subsidies and contributions (operating purpose)	4,437	4,327	4,425	4,524	4,626	4,732	4,840	4,952	5,067	5,186
Investment receipts	965	244	228	547	628	773	817	776	855	1,003
Reimbursements	379	385	397	409	421	434	447	460	474	488
Other	34	6	6	7	7	7	7	7	8	8
<b>Payments</b>										
Payments to employees	(31,908)	(33,792)	(34,839)	(35,884)	(36,960)	(38,069)	(39,211)	(40,388)	(41,599)	(42,847)
Payments for materials, contracts and other expenses	(31,728)	(32,989)	(33,814)	(34,858)	(35,992)	(37,163)	(38,375)	(39,627)	(40,921)	(42,260)
Finance payments	(914)	(1,188)	(2,729)	(4,292)	(4,909)	(5,171)	(5,015)	(4,766)	(4,703)	(4,440)
<b>Net cash provided (or used in) operating activities</b>	<b>28,726</b>	<b>30,595</b>	<b>33,804</b>	<b>36,633</b>	<b>38,290</b>	<b>39,665</b>	<b>41,562</b>	<b>43,462</b>	<b>45,359</b>	<b>47,588</b>
<b>Cash flows from investing activities</b>										
<b>Receipts</b>										
Amounts received specifically for new/upgraded assets	10,446	1,298	-	-	-	-	-	-	-	-
Sale of surplus assets	3,070	4,670	2,180	-	-	-	-	-	-	-
<b>Payments</b>										
Expenditure on renewal/replacement of assets	(22,895)	(28,938)	(29,991)	(27,517)	(30,724)	(24,438)	(25,041)	(29,771)	(30,410)	(26,966)
Expenditure on new/upgraded assets	(21,258)	(35,061)	(32,509)	(19,093)	(10,968)	(11,429)	(11,338)	(11,349)	(8,896)	(9,547)
<b>Net cash provided (or used in) investing activities</b>	<b>(30,638)</b>	<b>(58,031)</b>	<b>(60,320)</b>	<b>(46,609)</b>	<b>(41,692)</b>	<b>(35,867)</b>	<b>(36,379)</b>	<b>(41,121)</b>	<b>(39,306)</b>	<b>(36,513)</b>
<b>Cash flows from financing activities</b>										
<b>Receipts</b>										
Proceeds from borrowings	3,918	29,689	30,172	15,135	9,476	2,992	2,074	5,365	2,274	-
<b>Payments</b>										
Repayments of borrowings	(2,006)	(2,253)	(3,656)	(5,158)	(6,075)	(6,790)	(7,256)	(7,707)	(8,326)	(7,716)
<b>Net cash flow provided (used in) financing activities</b>	<b>1,912</b>	<b>27,436</b>	<b>26,516</b>	<b>9,977</b>	<b>3,401</b>	<b>(3,798)</b>	<b>(5,183)</b>	<b>(2,342)</b>	<b>(6,053)</b>	<b>(7,716)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,359</b>
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	6,359
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	6,359
Investments - end of the year	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763
<b>Cash, cash equivalents and investments - end of the year</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>8,122</b>

# Statement of changes in equity

	Projected years									
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	1,160,164	1,177,700	1,185,276	1,195,189	1,205,919	1,216,644	1,226,852	1,236,774	1,246,232	1,255,087
Net surplus / (deficit) for year	17,536	7,576	9,913	10,730	10,725	10,208	9,922	9,458	8,854	8,382
Total comprehensive income	17,536	7,576	9,913	10,730	10,725	10,208	9,922	9,458	8,854	8,382
<b>Equity - balance at end of the reporting period</b>	<b>1,177,700</b>	<b>1,185,276</b>	<b>1,195,189</b>	<b>1,205,919</b>	<b>1,216,644</b>	<b>1,226,852</b>	<b>1,236,774</b>	<b>1,246,232</b>	<b>1,255,087</b>	<b>1,263,468</b>

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>										
Rates	81,913	87,845	94,173	100,115	104,441	108,020	111,738	115,544	119,479	123,548
Statutory charges	2,829	2,914	3,001	3,091	3,184	3,279	3,378	3,479	3,584	3,691
User charges	2,067	2,139	2,203	2,269	2,337	2,407	2,507	2,582	2,660	2,739
Grants, subsidies and contributions - operating	4,236	4,339	4,436	4,536	4,638	4,744	4,853	4,965	5,080	5,199
Grants, subsidies and contributions - capital	-	-	-	-	-	-	-	-	-	-
Investment income	955	212	229	561	631	780	819	774	858	1,009
Reimbursements	375	386	398	410	422	435	448	461	475	489
Other income	6	6	6	7	7	7	7	7	8	8
Net gain - equity accounted council businesses	-	-	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>92,381</b>	<b>97,841</b>	<b>104,446</b>	<b>110,989</b>	<b>115,660</b>	<b>119,673</b>	<b>123,750</b>	<b>127,813</b>	<b>132,144</b>	<b>136,684</b>
<b>Expenses</b>										
Employee costs	32,009	33,859	34,875	35,921	36,999	38,109	39,252	40,429	41,642	42,892
Materials, contracts and other expenses	31,827	33,199	33,925	35,027	36,166	37,343	38,561	39,819	41,120	42,466
Depreciation, amortisation and impairment	21,301	21,892	22,882	24,973	26,846	28,859	31,024	33,351	35,852	38,541
Finance costs	922	1,315	2,852	4,338	4,924	5,153	4,991	4,755	4,675	4,404
Net loss - equity accounted council businesses	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>86,060</b>	<b>90,265</b>	<b>94,533</b>	<b>100,259</b>	<b>104,935</b>	<b>109,465</b>	<b>113,828</b>	<b>118,354</b>	<b>123,289</b>	<b>128,302</b>
<b>Operating surplus / (deficit)</b>	<b>6,322</b>	<b>7,576</b>	<b>9,913</b>	<b>10,730</b>	<b>10,725</b>	<b>10,208</b>	<b>9,922</b>	<b>9,458</b>	<b>8,854</b>	<b>8,382</b>
<b>Net outlays on existing assets</b>										
Capital expenditure on renewal/replacement of existing assets	(22,895)	(28,938)	(29,991)	(27,517)	(30,724)	(24,438)	(25,041)	(29,771)	(30,410)	(26,966)
Finance lease payments for Right of Use assets	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)
add back depreciation, amortisation and impairment	21,301	21,892	22,882	24,973	26,846	28,859	31,024	33,351	35,852	38,541
<b>Total net outlays on existing assets</b>	<b>(1,606)</b>	<b>(7,057)</b>	<b>(7,120)</b>	<b>(2,555)</b>	<b>(3,889)</b>	<b>4,410</b>	<b>5,972</b>	<b>3,568</b>	<b>5,430</b>	<b>11,563</b>
<b>Net outlays on new and upgraded assets</b>										
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(21,258)	(35,061)	(32,509)	(19,093)	(10,968)	(11,429)	(11,338)	(11,349)	(8,896)	(9,547)
add back amounts received specifically for new and upgraded assets	10,446	1,298	-	-	-	-	-	-	-	-
add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for sale)	3,070	4,670	2,180	-	-	-	-	-	-	-
<b>Total net outlays on new and upgraded assets</b>	<b>(7,743)</b>	<b>(29,093)</b>	<b>(30,329)</b>	<b>(19,093)</b>	<b>(10,968)</b>	<b>(11,429)</b>	<b>(11,338)</b>	<b>(11,349)</b>	<b>(8,896)</b>	<b>(9,547)</b>
<b>Annual net impact to financing activities (surplus/(deficit))</b>	<b>(3,027)</b>	<b>(28,574)</b>	<b>(27,537)</b>	<b>(10,918)</b>	<b>(4,132)</b>	<b>3,189</b>	<b>4,556</b>	<b>1,677</b>	<b>5,389</b>	<b>10,398</b>

# Key performance indicators

	Current year 2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
<b>Council's target benchmarks</b>											
<b>Note 15 ratios</b>											
Operating surplus ratio	Snapshot ● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
Actual Ratio	5.36%	6.84%	7.74%	9.49%	9.67%	9.27%	8.53%	8.02%	7.40%	6.70%	6.13%
Adjusted Operating Surplus Ratio	Snapshot ● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
Actual Ratio	5.36%	6.84%	7.74%	9.49%	9.67%	9.27%	8.53%	8.02%	7.40%	6.70%	6.13%
Net Financial Liabilities Ratio	Snapshot ● —	● —	● —	● ↗	● ↗	● ↗	● ↗	● ↗	● ↗	● ↗	● ↗
Actual Ratio	59.33%	59.20%	86.42%	107.31%	110.81%	109.90%	103.54%	96.44%	92.05%	84.95%	74.51%
Asset Renewal Funding Ratio	Snapshot ● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
Actual Ratio	101.92%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Other Ratios</b>											
Net Financial Liabilities - Adjusted for Leases	Snapshot ● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
Actual Ratio	47.74%	46.21%	74.15%	95.81%	99.99%	99.52%	93.51%	86.73%	82.66%	75.86%	65.72%

- 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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